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## **SCHEDULE/ADDENDUM "..."**

### **OBLIGATIONS RELATED TO THE CANADA DEPOSIT INSURANCE CORPORATION ACT (R.S.C., 1985, C. C-3)**

This schedule (the “**Schedule**”) forms part of the [portfolio management services agreement] (the “**Agreement**”) between [name of nominee broker] (the “**NB**”) and [name of portfolio manager] (the “**PM**”) dated [] and is subject to all the provisions thereof. In the event of a conflict between the terms and conditions of this Schedule and the terms and conditions of the Agreement and of any other schedules, this Schedule shall prevail.

**WHEREAS** the PM wishes the NB to purchase Investment Products on behalf of its Clients;

**WHEREAS** the NB has signed a distribution arrangement in its capacity as a nominee broker with the Issuers, at the request of the PM;

**WHEREAS**, under the CDIC Act, the NB and the PM form an “association of persons” placing Clients’ deposits with an Issuer, allowing deposit insurance protection of Nominee Broker Deposits that comply with the conditions of the CDIC Act and COTDB;

**WHEREAS** PM and NB wish to set out the terms under which they are willing to provide Investment Products to Clients;

**NOW THEREFORE**, in consideration of the premises, covenants and agreements herein and other good and valuable consideration (the receipt and sufficiency of which is irrevocably acknowledged by the parties), the parties agree as follows:

#### **1. Definitions**

“**Applicable Laws**” means, at any particular time, all then applicable laws, statutes, by-laws, regulations, rules, rulings, orders, decisions, instructions, directions, notices, policies, codes, treaties, conventions, awards and decrees of any governmental, regulatory, self-regulatory, fiscal or monetary organization, body or court of competent jurisdiction;

“**CDIC**” means the Canada Deposit Insurance Corporation;

“**Business Day**” means a day on which the NB is generally open for business, but does not include Saturdays, Sundays, or statutory holidays;

“**CDIC Act**” means the *Canada Deposit Insurance Corporation Act*, as amended from time to time;

“**Client**” means a Client of the PM who is the beneficial owner or prospective beneficial owner of an Investment Product, or for whose benefit the deposit is made, for the purpose of a Special Income Arrangement;

“**COTDB**” means the Canada Deposit Insurance Corporation Co-owned and Trust Deposit Disclosure By-law established pursuant to the CDIC Act, as amended from time to time;

“**Investment Products**” means guaranteed investment certificates, high-interest saving accounts and any other investment products offered by an Issuer that are eligible for insurance under the CDIC Act;

“**Issuer**” means the issuer of Investment Products that is a Member Institution of the CDIC or any other equivalent deposit insurance corporation of a province or territory in Canada;

“**LEI**” means “legal entity identifier”, the 20-character alpha-numeric code based on the ISO 17442 standard and issued by organizations duly accredited by the Global Legal Entity Identifier Foundation;

“**Member Institution**” means a corporation that has deposit insurance under the CDIC Act;

“**Nominee Broker Deposit**” means a deposit made at an Issuer by a nominee broker acting as a nominee on behalf of another person, and more specifically means, in the context of this Schedule, a deposit made to an Issuer for an Investment Product that is purchased by the PM through the NB for the benefit of a Client;

“**Special Income Arrangement**” means a registered savings plan, a registered retirement income fund, a tax-free savings account, a registered education savings plan or a registered disability savings plan within the meaning of the COTDB;

“**UCI**” means the unique alphanumeric code for each Client who has a Nominee Broker Deposit, in accordance with the CDIC Act.

## **2. Obligations of the PM**

### **2.1. Transmission of LEI**

(a) The PM shall transmit to the NB its LEI, *i.e.* [...], as of the execution of the Agreement. If the LEI is not transmitted, no transactions shall be executed by the NB on behalf of the PM, at the sole responsibility of the PM.

(b) The PM shall maintain its LEI registration during the term of this Schedule. The costs for obtaining an LEI and its renewal shall be borne by the PM. If the LEI of the PM is



amended or changed during the term of this Schedule, the PM shall inform the NB without delay by written notice.

## **2.2. Investment Products' transactions**

(a) The PM shall:

- i. act honestly and in good faith, including taking reasonable care of “know your client” and “know your product” obligations and be guided accordingly in the solicitation of Clients for Investment Products;
- ii. know the terms and conditions of each Investment Product sold;
- iii. advise its Clients of the rate applicable to the Investment Products;
- iv. disclose to the Client all information required by Applicable Laws within the prescribed times in connection with the Investment Products;
- v. provide the Clients with terms and conditions, as applicable, pertaining to the Investment Products;
- vi. inform the Clients that their personal information will be provided by the NB to the Issuer in order to comply with Applicable Laws.

(b) The PM shall not:

- i. amend or alter any marketing materials of the Issuer;
- ii. display any marketing materials or rates of the Issuer;
- iii. use the Issuer's name, logo or trademarks in any materials.

## **3. Representations of the PM**

The PM represents and warrants to the NB that, as of the date of this Schedule:

- i. it has full power to execute, deliver and perform its obligations under the Schedule;
- ii. it is in compliance with all Applicable Laws with respect to Investment Products;
- iii. it will comply with all Applicable Laws governing its performance under this Schedule, including applicable privacy laws, consumer protection legislation and operation of trust accounts legislation, Part XVIII (Enhanced International Information Reporting) and Part XIX (Common Reporting Standard) of *Income Tax Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and any other substantially similar legislation applicable to Canadian entities dealing with anti-corruption, anti-money laundering and fraud;
- iv. it has a valid and active LEI and it undertakes to maintain it as such during the term of this Schedule;
- v. it is and shall remain, during the term of the Schedule registered with its appropriate Canadian securities regulator.

## **4. Considerations Regarding Insurance Coverage**

The PM acknowledges that due to operational constraints, the trust disclosures to the Issuer



are subject to the following limitations:

- i. For Special Income Arrangements, a UCI will be assigned to each client who places the deposit (registered plan owner) and to each individual who benefits from the registered plan, allowing the deposit of each individual benefiting from the registered plan to be eligible to be insured up to \$100,000, depending on the total value of their deposit; and
- ii. For co-owned accounts where each client's interest is not specified, a unique UCI will be issued for every unique cohort of joint owners. In this case, the monetary limit of the eligible insurance coverage of \$100,000 will apply to the unique cohort of joint owners and not to each one of the joint owners. However, if the account is held as a multi-beneficiary account with a specific amount or share in the deposit, each beneficiary shall be issued a separate UCI for their portion of the deposit. In this case, the eligible coverage of \$100,000 will apply to each beneficiary's deposit.

The PM undertakes to inform Clients of those limitations.

## **5. Obligations of the NB**

(a) With respect to Nominee Broker Deposits, if the NB has received the LEI of the PM in accordance with section 2.1. of this Schedule, the NB shall, as agent for the PM:

- i. act honestly and in good faith;
- ii. comply with all instructions received from the PM; and
- iii. provide all necessary Investment Product purchase instructions received from the PM to the Issuer, as well as all necessary information (including the PM's LEI, its amendment or modification) required in order for the Issuer to record and identify the association of persons formed by the NB and the PM. For greater clarity, it is acknowledged that the PM is responsible for the ongoing validity of its LEI.

(b) The NB shall meet all the trust disclosure rules imposed by applicable sections of the CDIC Act and COTDB, including:

- i. assigning a UCI for each Client who is a beneficiary of a Nominee Broker Deposit or an individual for whose benefit a Special Income Arrangement is established, in accordance with the CDIC Act;
- ii. make an initial attestation to the CDIC and updated attestations in the manner and within the time prescribed by the CDIC Act;
- iii. ensure that its records of information required under this Schedule are kept in accordance with the CDIC Act and COTDB;
- iv. if a winding-up order is made in respect of the Issuer or if any of the circumstances described in applicable sections of the CDIC Act happens, whichever first occurs in respect of the Issuer, coordinate with the CDIC to facilitate the reimbursement of insured deposits to the Clients;
- v. provide to the CDIC, within three (3) Business Days or any other time required under the CDIC Act after the day a request is made by CDIC, in an electronic format



that permits data extraction and manipulation:

- each UCI and LEI provided in respect of a Nominee Broker Deposit;
- the current name and address of the Client associated with each such UCI;
- the type of Special Income Arrangement, if any, associated with each UCI;
- each UCI assigned in respect of a Special Income Arrangement, as well as the name of the Client and the type of Special Income Arrangement associated with it.

## **6. Representations of the NB**

The NB represents and warrants to the PM that as of the date of this Schedule:

- i. it has full power to execute, deliver and perform its obligations under the Schedule;
- ii. it complies with all Applicable Laws;
- iii. it is and shall remain, during the term of this Schedule, a member in good standing of the Investment Industry Regulatory Organization of Canada.

## **7. Indemnification**

(a) The NB will indemnify, defend and hold the PM and its officers, directors, employees, agents and contractors harmless for any type of loss, damage, liability, costs, and expenses, including reasonable legal fees for each of the following:

- i. Any breach of the terms of this Schedule, or any Applicable Laws by the NB in relation to this Schedule;
- ii. Any fraudulent or criminal conduct, errors or omissions, or misrepresentations by the NB.

(b) The PM will indemnify, defend and hold the NB and its officers, directors, employees, agents and contractors harmless for any type of loss, damage, liability, costs, and expenses, including reasonable legal fees for each of the following:

- i. Any breach of the terms of this Schedule, or any Applicable Laws by the PM in relation to this Schedule;
- ii. Any fraudulent or criminal conduct, errors or omissions, or misrepresentations by the PM.

## **8. Termination**

In the event of the termination of the Agreement or of the Schedule, the parties shall cooperate to provide for an orderly transfer of all Nominee Broker Deposits to the PM's new selected nominee broker and Issuers.