

## REGULATION TO AMEND REGULATION 41-101 RESPECTING GENERAL PROSPECTUS REQUIREMENTS

### Securities Act

(R.S.Q. c. V-1-1. s. 331.1, par. (1), (3.1), (6), (8), (16), (19), (20) and (34))

1. Section 1.1 of Regulation 41-101 respecting General Prospectus Requirements is amended:

(1) by replacing the definition of “long form prospectus” with the following:

““long form prospectus” means a prospectus filed in the form of Form 41-101F1, Form 41-101F2 or Form 41-101F3;”;

(2) by adding the following definition immediately after the definition of “over-allotment option”:

““plan summary document” means a document completed according to the requirements of Part A of Form 41-101F3;”.

2. Section 1.2 of the Regulation is amended by replacing paragraph (6) with the following:

“(6) Despite subsections (1), (2), and (3), in Form 41-101F1, Form 41-101F2 and Form 41-101F3,

(a) a reference to a “prospectus” only includes a preliminary long form prospectus and a final long form prospectus,

(b) a reference to a “preliminary prospectus” only includes a preliminary long form prospectus, and

(c) a reference to a “final prospectus” only includes a final long form prospectus.”.

3. Part 3 of the Regulation is amended by replacing Section 3.1 with the following:

### “3.1 Form of prospectus

(1) Subject to subsections (2), (3) and (4), an issuer filing a prospectus must file the prospectus in the form of Form 41-101F1.

(2) An issuer that is an investment fund (other than a scholarship plan) filing a prospectus must file the prospectus in the form of Form 41-101F2.

(3) An issuer than that is a scholarship plan filing a prospectus must file the prospectus in the form of Form 41-101F3.

(4) An issuer that is qualified to file a short form prospectus may file a short form prospectus.”.

4. The Regulation is amended by adding the following after Part 3:

### “PART 3A – SCHOLARSHIP PLAN PROSPECTUS REQUIREMENTS

#### 3A.1. Plain Language and Presentation

(1) A scholarship plan prospectus must be prepared using plain language and in a format that assists in readability and comprehension.

(2) A scholarship plan prospectus must

- (a) present all information briefly and concisely,
  - (b) present the items listed in the Part B of Form 41-101F3, the items in the Part C of Form 41-101F3 and the items in the Part D of Form 41-101F3 in the order stipulated in those parts,
  - (c) use the headings and sub-headings stipulated in Form 41-101F3 unless stated otherwise,
  - (d) contain only material or information that is specifically mandated or permitted by Form 41-101F3, and
  - (e) not incorporate by reference into the scholarship plan prospectus, from any other document, information that is required to be included in a scholarship plan prospectus.
- (3) A plan summary document must
- (a) be prepared for each scholarship plan offered under a scholarship plan prospectus, multiple or multi-class scholarship plan prospectus,
  - (b) present the items listed in the Part A of Form 41-101F3 in the order stipulated in that part,
  - (c) use the headings and subheadings stipulated in Part A of Form 41-101F3,
  - (d) contain only the information that is specifically required or permitted to be in Part A of Form 41-101F3,
  - (e) not incorporate by reference information that is required to be included in a plan summary document,
  - (f) present the information required by Part A of Form 41-101F3 at a grade level of 6.0 or less on the Flesch-Kincaid grade level scale, and
  - (g) not exceed three pages in length.

### **3A.2. Packaging of Scholarship Plan Prospectus**

- (1) A scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple or multi-class scholarship plan prospectus unless the Parts B and D of each scholarship plan prospectus are substantially similar.
- (2) A multiple or multi-class scholarship plan prospectus must be prepared in accordance with the applicable requirements of Form 41-101F3.
- (3) If materials or documents are attached to, or bound with, a scholarship plan prospectus, multiple or multi-class scholarship plan prospectus
  - (a) the scholarship plan prospectus, multiple or multi-class scholarship plan prospectus must be the first document contained in the package, and
  - (b) no pages must come before the scholarship plan prospectus or multiple or multi-class scholarship plan prospectus other than, at the option of the scholarship plan, a general front cover and table of contents pertaining to the entire package.

### **3A.3. Packaging of Plan Summary Document**

- (1) For the purposes of delivering a plan summary document as part of a scholarship plan prospectus under securities legislation, a plan summary document of a scholarship plan may only be attached to or bound with one or more plan summary documents of other scholarship plans if the binding is not so extensive as to cause a

reasonable person to question whether the binding prevents the information from being presented in a simple, accessible and comparable format.

(2) A plan summary document must not be attached to, or bound with, any other part of a scholarship plan prospectus, or to any other document or material.”.

**5.** Section 4.2 of the Regulation is amended by replacing paragraph (2) with the following:

“(2) Any financial statements, other than interim financial statements, included in or incorporated by reference into a long form prospectus of an investment fund filed in the form of Form 41-101F2 or Form 41-101F3 must meet the audit requirements of Part 2 of Regulation 81-106 respecting Investment Fund Continuous Disclosure.”.

**6.** Section 5.1 of the Regulation is amended by:

(a) adding the following after subparagraph (ii) of paragraph (a):

“(ii.1) section • of Form 41-101F3,”

(b) adding the following after subparagraph (ii) of paragraph (b):

“(ii.1) section • of Form 41-101F3,”.

**7.** Section 9.1 of the Regulation is amended by adding the following after subparagraph (iv) of paragraph (a):

“(iv.1) in addition to subparagraph (iv) if an investment fund is a scholarship plan the documents filed under subparagraphs (ii) and (iii) must also include a copy of

(A) the scholarship plan contract for plan under the prospectus, and

(B) marketing materials and sales communications requested by the securities regulatory authority.”.

**8.** Section 15.1 of the Regulation is amended by deleting the words “, other than scholarship plans”.

**9.** Section 15.2 of the Regulation is amended:

(1) by replacing paragraph (1) with the following:

“(1) An investment fund must incorporate by reference into its long form prospectus, by means of a statement to that effect, the filed documents listed in

(a) section 37.1 of Form 41-101F2 for all investment funds other than scholarship plans, and

(b) Part B subsection 4.1(1) of Form 41-101F3 for scholarship plans.”;

(2) by replacing paragraph (3) with the following:

“(3) An investment fund must incorporate by reference in its long form prospectus, by means of a statement to that effect, the subsequently filed documents referred to in

(a) section 37.2 of Form 41-101F2 for all investment funds other than scholarship plans, and

(b) Part B subsection 4.1(2) of Form 41-101F3 for scholarship plans.”.

**10.** Section 17.1 of the Regulation is amended by replacing paragraph (2) with the following:

“(2) A pro forma prospectus must be prepared in the form of a long form prospectus in accordance with Form 41-101F1, Form 41-101F2 and Form 41-101F3, as applicable, and other securities legislation, except that a pro forma prospectus is not required to contain certificates or to comply with sections 4.2, 4.3 and 4.4 of this Regulation.”.

**11.** Schedule 1 of Appendix A of the Regulation is amended, in the French text, by replacing the word “municipalité” with the word “ville”.

**12.** Form 41-101F1 of the Regulation is amended:

(1) in Item 22.1, by replacing, in the French text, paragraph (4) with the following:

« 4) Indiquer si le promoteur visé au paragraphe 1 se trouve dans l'un ou l'autre des cas suivants :

a) il est, à la date du prospectus provisoire, ou a été, au cours des dix années précédentes, administrateur, chef de la direction ou chef des finances d'une personne qui, pendant que le promoteur exerçait ces fonctions ou au cours de l'année suivant la cessation de ces fonctions, a fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l'insolvabilité, été poursuivie par ses créanciers, conclu un concordat ou un compromis avec eux, intenté des poursuites contre eux, pris des dispositions ou fait des démarches en vue de conclure un concordat ou un compromis avec eux, ou pour laquelle un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir les biens;

b) il a, au cours des dix années précédant la date du prospectus provisoire, selon le cas, fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l'insolvabilité, été poursuivi par ses créanciers, conclu un concordat ou un compromis avec eux, intenté des poursuites contre eux, pris des dispositions ou fait des démarches en vue de conclure un concordat ou un compromis avec eux, ou un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir ses biens. »;

(2) in paragraph (5) of Item 30.1, by replacing, in the French text, the words “des délais déterminés” with the words “les délais prévus”.

**13.** Form 41-101F2 of the Regulation is amended:

(1) by deleting, in Instruction (7), the following sentence:

“However, scholarship plans may make modifications to the disclosure items in order to reflect the special nature of their investment structure and distribution mechanism.”;

(2) in Item 1.3(1), by deleting the words “scholarship plan” from the description of the required disclosure under that Item;

(3) in Item 1.11(3), by replacing the words “, commodity pool or scholarship plan” with the words “or a commodity pool”;

(4) in Item 1.15, by deleting the words “other than a scholarship plan” in the first sentence of that Item;

(5) in Item 3.6:

(a) by deleting, in paragraph (2), the words “[for scholarship plans, Fees and Expenses payable by Subscribers’ Deposits]” from the subheading titled **“Fees and Expenses Payable by the Fund;**

(b) by deleting, in paragraph (3), the words “or by Subscribers’ Deposits (for scholarship plans)”;

(6) in Item 19.1:

(a) in subparagraph (a) of paragraph (1), by replacing, in the French text, the word “municipalité” with the word “ville”;

(b) by replacing, in the French text, paragraph (4) with the following:

« 4) Indiquer si un administrateur ou un membre de la haute direction visé au paragraphe 1 :

*a)* est, à la date du prospectus ou du projet de prospectus, selon le cas, ou a été, au cours des dix années précédentes, administrateur ou membre de la haute direction d’un fonds d’investissement qui, pendant que cette personne exerçait ces fonctions ou au cours de l’année suivant la cessation de ces fonctions, a fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l’insolvabilité, été poursuivi par ses créanciers, conclu un concordat ou un compromis avec eux, intenté des poursuites contre eux, pris des dispositions ou fait des démarches en vue de conclure un concordat ou un compromis avec eux, ou pour lequel un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir les biens;

*b)* a, au cours des dix exercices précédant la date du prospectus ou du projet de prospectus, selon le cas, fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l’insolvabilité, été poursuivi par ses créanciers, conclu un concordat ou un compromis avec eux, intenté des poursuites contre eux, pris des dispositions ou fait des démarches en vue de conclure un concordat ou un compromis avec eux, ou un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir ses biens. »;

*c)* in subparagraph (a) of paragraph (8), by replacing, in the French text, the word “municipalité” with the word “ville”;

(7) in paragraph (c) of Item 19.4, by replacing, in the French text, the word “attention” with the word “intention” and wherever it appears, the word “Internet” with the word “Web”;

(8) in Item 19.9:

(a) in subparagraph (c) of paragraph (1), by replacing, in the French text, the word “numéraire” with the word “espèces”;

(b) by replacing, in the French text, paragraph (4) with the following:

« 4) Indiquer si le promoteur visé au paragraphe 1 se trouve dans l’un ou l’autre des cas suivants :

*a)* il est, à la date du prospectus ou du projet de prospectus, selon le cas, ou a été, au cours des dix années précédentes, administrateur ou membre de la haute direction d’une personne qui, pendant que le promoteur exerçait ces fonctions ou au cours de l’année suivant la cessation de ces fonctions, fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l’insolvabilité, été poursuivi par ses créanciers, conclu un concordat ou un compromis avec eux, intenté des poursuites contre eux, pris des dispositions ou fait des démarches en vue de conclure un concordat ou un compromis avec eux, ou pour laquelle un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir les biens;

b) il a, au cours des dix années précédant la date du prospectus ou du projet de prospectus, selon le cas, fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l'insolvabilité, été poursuivi par ses créanciers, conclu un concordat ou un compromis avec eux, intenté des poursuites contre eux, pris des dispositions ou fait des démarches en vue de conclure un concordat ou un compromis avec eux, ou un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir ses biens. »;

(9) in paragraph (3) of Item 33.2, by replacing, in the French text, the word “entité” with the word “personne”;

(10) in paragraph 5 in Item 36.1, by replacing, in the French text, the words “des délais déterminés” with the words “les délais prévus”;

(11) in paragraph 5 in Item 36.2, by replacing, in the French text, the words “des délais déterminés” with the words “les délais prévus”;

(12) in Item 37.1, by deleting the words “other than a scholarship plan” from the first sentence;

(13) in Item 37.2, by deleting the words “other than a scholarship plan” from the first sentence.

**14.** The Regulation is amended by adding, after Form 41-101F2, the following:

**“FORM 41-101F3**

**INFORMATION REQUIRED IN A SCHOLARSHIP PLAN PROSPECTUS**

*GENERAL INSTRUCTIONS*

*(1) This Form describes the disclosure required in a scholarship plan prospectus. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are printed in italic type.*

*(2) The objective of the prospectus is to provide information about the scholarship plan that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. This Form does not prohibit including information where certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*

*(3) Terms defined in Regulation 14-101 respecting Definitions, Regulation 41-101 respecting General Prospectus Requirements, Regulation 81-105 respecting Mutual Fund Sales Practices, Regulation 81-106 respecting Investment Fund Continuous Disclosure or Regulation 81-107 respecting Independent Review Committee for Investment Funds and used in this Form have the meanings that they have in those regulations except that references in those definitions to “mutual fund” must be read as references to “investment fund”.*

*(4) The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Policy Statement to Regulation 41-101 respecting General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included. Some terms common to the scholarship plan industry are provided in this Form and should be used.*

(5) *Respond as simply and directly as is reasonably possible. Include only the information necessary for a reasonable investor to understand the fundamental and particular characteristics of the scholarship plan.*

(6) *A prospectus must:*

(a) *present all information briefly and concisely in the order specified by the Form,*

(b) *use the headings and sub-headings stipulated in this Form and may use sub-headings for Items provided under the headings "Other important information" and "Other material facts" as no sub-headings have been stipulated, and*

(c) *not incorporate by reference into the prospectus, from any other document, information that is required to be included in this Form.*

(7) *Unless otherwise stated, this Form does not mandate the use of a specific font size or style but the font must be legible. Where the prospectus is made available online, information must be presented in a way that can be printed in a readable format.*

(8) *A prospectus may contain photographs and artwork only if they are relevant to the business of the scholarship plan or members of the organization of the scholarship plan and are not misleading.*

(9) *A prospectus must not contain design elements (e.g., graphics, photos, artwork) that detract from the information disclosed in the document.*

(10) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*

(11) *If the term "class" is used in any Item to describe securities, the term also includes a series.*

(12) *Where performance data is presented in the prospectus, annual compound returns must be presented for standard applicable performance periods of 1, 3, 5 and 10 years and the period since inception unless otherwise specified by the requirements of this Form. Performance data for periods of less than one year must not be presented. Hypothetical or back-tested performance data must not be presented.*

#### **Contents of a Scholarship Plan Prospectus**

(13) *This Form permits three formats: a prospectus for a single scholarship plan, a multiple prospectus for multiple scholarship plans, and a prospectus for a multiple class scholarship plan.*

(14) *A prospectus must pertain to one scholarship plan and consist of four parts, a Part A, a Part B, a Part C and a Part D.*

(15) *The Part A of the prospectus contains the responses to the Items in Part A of this Form and highlights in a summary format some key information about investing in a scholarship plan.*

(16) *The Part B of the prospectus contains the responses to the Items in Part B of this Form, introductory information about the scholarship plan and general information about the investment fund family.*

(17) *The Part C of the prospectus contains the responses to the Items in Part C of this Form and specific information about the scholarship plan offered under the prospectus.*

(18) *The Part D of the prospectus contains the response to the Items in Part D of this Form, information applicable to the members of the organization, the entities involved in running the scholarship plan, mandatory appendices and certificates.*

(19) *A prospectus must present each Item in the Part A, B, C and D of this Form in the respective order provided for in this Form.*

(20) *Section 3A.2 of Regulation 41-101 respecting General Prospectus Requirements permits certain documents to be attached to, or bound with, a prospectus. Those documents consist of the documents incorporated by reference into the prospectus, account application documents and registered tax plan applications, and documents required by securities legislation. No other documents may be attached to, or bound with, a scholarship plan prospectus.*

**Consolidation of Scholarship Plan Prospectuses into a Multiple Prospectus**

(21) *If more than one scholarship plan is combined in one prospectus to form a multiple prospectus, separate disclosure in response to each Item in the Part A, B, C and D of this Form must be provided for each scholarship plan unless otherwise indicated in the Form.*

(22) *Section 3A.2 of Regulation 41-101 respecting General Prospectus Requirements states that a scholarship plan must not be consolidated with one or more scholarship plans to form a multiple prospectus unless the Items in the Part B and Part D of this Form for each scholarship plan are substantially similar. The Part B and Part D in a multiple prospectus document need not be repeated. These provisions permit a scholarship plan issuer to create a document that contains the disclosure for a number of scholarship plans in the same family.*

(23) *As with a single prospectus, a multiple prospectus will consist of four parts:*

(a) *a number of Part A sections, each of which will provide the specific disclosure about each scholarship plan as required by the Part A of this Form. The information required by the Part A must not be consolidated. Each Part A for a separate scholarship plan must start on a new page,*

(b) *a Part B that contains general information about the scholarship plans, or the investment fund family, described in the document,*

(c) *a number of Part C sections, each of which will provide the specific disclosure about each scholarship plan as required by the Part C of this Form. The information required by the Part C must not be consolidated. Each Part C for a separate scholarship plan must start on a new page, and*

(d) *a Part D that contains information about the members of the organization, the entities involved in running the scholarship plan, mandatory appendices and certificates.*

(24) *The Part A of the prospectus must not be attached to, or bound with, any other parts of the prospectus or any other documents. The Part A of a multiple prospectus may only be consolidated as permitted by section 3A.3 of Regulation 41-101 respecting General Prospectus Requirements.*

(25) *The Part B, C and D must be bound together.*



(26) *The prospectus must present the information in each of the Part A, B, C and D in the order provided for by this Form.*

(27) *Since a prospectus consists of a Part A, Part B, Part C and Part D, delivery of all four parts is necessary in order to satisfy the prospectus delivery obligations in connection with the sale of securities of a particular scholarship plan.*

(28) *In Part B and Part D of this Form, specific instructions are sometimes provided for a single prospectus and a multiple prospectus. The remainder of Part B and Part D of this Form generally refers to disclosure required for “a scholarship plan” in a “prospectus”. This disclosure should be modified as appropriate to reflect multiple scholarship plans covered by a multiple prospectus.*

### **Multi-Class Scholarship Plans**

(29) *A scholarship plan that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate scholarship plan for purposes of this Form, or may combine disclosure of one or more of the classes or series in one prospectus. If disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each Part in this Form must be provided for each class or series unless the responses would be identical for each class or series or as otherwise provided in the Form.*

### **General Application**

#### **Item 1 Plain Language and Presentation**

##### **1.1 Preparation in the Required Form**

Relating to the presentation of the content of a prospectus, the scholarship plan prospectus must be prepared in accordance with this Regulation.

#### **Part A Plan Summary**

#### **Item 1 Plan Summary for a [name and type of scholarship plan] Scholarship Plan**

##### **1.1 Reading level**

The prospectus must present the information contained in the plan summary at a grade level of 6.0 or less on the Flesch-Kincaid grade level scale for a plan summary in English or the equivalent for a plan summary in French.

##### **1.2 Plan Summary**

Include at the top of a new page a heading consisting of:

- (a) the title “Plan Summary”,
  - (b) the name of the scholarship plan to which the plan summary pertains and, if the scholarship plan has more than one class or series of securities, the name of the class or series covered in the plan summary,
  - (c) the type of scholarship plan, whether it is a group plan, an individual plan or a family plan,
  - (d) the name of the investment fund manager of the scholarship plan,
- and

- (e) the date of the plan summary.

#### INSTRUCTIONS

(1) *The definition of investment fund manager refers to a person that directs the business, operations or affairs of the investment fund and is the entity required to be registered under securities legislation. The term should be interpreted broadly and can include a group of members on the board of a scholarship plan sponsor that performs one or more of the functions of an investment fund manager.*

(2) *The date for a plan summary that is filed as part of a preliminary scholarship plan prospectus or scholarship plan prospectus must be the date of the certificate. The date for a plan summary that is filed as part of a pro forma scholarship plan prospectus must be the date of the scholarship plan prospectus.*

(3) *A plan summary can be produced in colour or in black and white, and in portrait or landscape orientation.*

(4) *A plan summary must contain only the information that is specifically mandated or permitted by this Form. In addition, each Item must be presented in the order and under the heading or sub-heading stipulated in this Form.*

(5) *A plan summary must disclose information about only one class or series of securities of a scholarship plan. Scholarship plans that have more than one class or series of securities that are referable to the same portfolio of assets must treat each class or series as a separate scholarship plan for purposes of this Form.*

#### Contents of a Plan Summary

##### 1.3 Plan Summary for a [insert type of scholarship plan or name] Scholarship Plan

(1) Under the heading “Plan Summary”, include the information listed in Items 1.3(2) to 1.3(13).

(2) Under the sub-heading “[insert scholarship plan name]”, and using a larger font size relative to the rest of the text of the plan summary and prospectus, state using substantially the following wording:

“This summary tells you some key things about investing in the plan. It may not contain all the information you want. You should read the entire prospectus carefully before you decide to invest.

#### **If you change your mind**

You have up to 60 days after signing your contract to cancel your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you’ll get back your contributions, less sales charges and fees. You will lose your earnings. Your grants will be returned to the government. **Since you pay sales charges up front, you could end up with much less than what you put in.**”

(3) Under the sub-heading “What is a [insert type of scholarship plan] scholarship plan?”, state using substantially the following wording:

“A scholarship plan is one of many ways to save for a child’s education. Like most scholarship plans, the [insert name of the plan] is set up as a Registered Education Savings Plan (RESP). That means your money can grow without being taxed

until it is withdrawn from the plan. The federal government and some provincial governments offer grants to help you save even more.

With a *[insert type of scholarship plan]* scholarship plan, you are part of a group of investors. Everyone's money is invested together. *[Modify the remaining paragraph as required for an individual or family plan]* When the plan matures, each child in the group shares in the earnings. Your share of the earnings plus your grants is paid to your child as education assistance payments (EAPs).

There are two main exceptions. Your child will not receive EAPs, and you will lose your earnings and grants if:

- your child does not enrol in a school or program that qualifies under the plan, or
- you drop out of the plan before the plan matures

*[Modify the following paragraph as required for an individual or family plan]* **If you drop out of the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you may benefit from the earnings of those who left the group early."**

(4) Under the sub-heading "Who is this plan for?", state the following, as applicable, using substantially the following wording:

*[Modify as required for an individual or family plan]*

"This is a long-term investment plan. It is for investors:

- who can make all the scheduled contributions on time
- who can stay in the plan until it matures
- whose child will attend a qualifying school and program

If this doesn't describe you, you should consider another type of plan. For example, an individual or family plan has fewer restrictions. *[provide a reference as to where this information is available]."*

(5) Under the sub-heading "What does the plan invest in?", state using substantially the following wording:

*[Modify as required]*

"The plan invests mainly in fixed income securities, such as government treasury bills, guaranteed investment certificates, mortgages and bonds. Like other investments, the plan's investments have some risk. Returns will vary from year to year. This will affect how much your plan earns and the size of any EAPs your child receives."

(6) Under the sub-heading "How do I make contributions?", state using substantially the following wording:

*[Modify as required for an individual or family plan]*

"You sign up for one or more "units" of the plan. These units are your share of the plan. You can pay for them all at once, or you can make annual or monthly contributions.

You can change the amount of your contribution as long as you make the minimum contribution. You can also change your contribution schedule. A fee applies."

(7) Under the sub-heading “How do the payments work?”, state using substantially the following wording:

*[Modify as required for an individual or family plan]*

“In your child’s first year of college or university, you’ll get back your contributions, less fees. You can have them paid to you or your child. This money is not taxed.

*[Modify as required for the terms of the group plan contract, or an individual or family plan]*

Your child will be eligible for EAPs in their first, second, third and fourth years. Your child must show proof they are enrolled in a qualifying school and program to get an EAP.

EAPs are taxable income to your child. Since most students have little or no other income, they will likely pay little or no tax on this money.”

(8) Under the sub-heading “What are the risks?”, state using substantially the following wording:

“If you do not meet the terms of the plan, you could lose some or all of your investment. Your child may not receive all of their EAPs. Your child’s education could be affected.

You should be aware of five things that could result in a loss:

**1. You drop out of the plan before the maturity date.** People drop out of the plan for many reasons. Most often, it’s because their financial situation changes due to job loss, divorce or other life events. If you drop out after 60 days from signing your contract, you’ll lose all or part of your contributions to sales charges and fees. You’ll also lose the income earned on your investment and your government grant contribution room.

**2. You miss a contribution.** If you want to stay in the plan, *[modify the remaining paragraph as required for an individual or family plan]* you’ll have to make up the contribution. You’ll also have to make up what your contribution would have earned if you had made it on time. This can be costly.

If you have difficulty making contributions, you can reduce or suspend your contributions, transfer to another RESP or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and grants. If you miss a contribution and don’t take any action within • months, we may cancel your plan.

**3. You or your child misses a deadline.** This can limit your options later on. You could also lose the earnings on your investment. The two key deadlines for this plan are:

- **Maturity date for making changes**

You have until the maturity date to make changes to your plan. This includes switching a child, changing the maturity date if your child wants to start their program sooner or later than expected, and changing the type of plan you have. Restrictions and fees apply.

- ***[Insert date]* for EAPs**

If your child qualifies for an EAP, they must apply by [insert date] before their first [if applicable], second, third and fourth years of eligible studies if they want to receive a payment for that year. Otherwise, your child may lose this money.

**4. Your child doesn't go to a qualifying school or program.** For example, [insert types of programs] are not allowed under this plan. You can name another child under the plan, transfer your plan to another RESP or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and grants.

**5. Your child doesn't complete their program.** Your child may lose some or all of their EAPs if they take time off from their studies, do not complete all required courses in a year or change programs. Your child may be able to defer an EAP for a year if they go back to a qualifying program. Deferrals are at our discretion."

(9) Using the margin of the page, add a sidebar under the sub-heading "What are the risks?", and state using substantially the following wording:

**"Drop-out rate**

Over the past 10 years, an average of ●% of subscribers have left this plan each year. At this rate, ●% of subscribers will have left the plan within [insert the average length of plans held to maturity] years, the typical length of an investment in this plan."

(10) Using the margin of the page, add a sidebar under the sub-heading "What are the risks?", and state using substantially the following wording:

**"Lost EAPs**

To date, in ●% of plans matured and closed, beneficiaries did not collect all of their EAPs."

(11) Under the sub-heading "How much does it cost?", provide information, substantially in the form of the following tables, concerning the fees and expenses of the [type of scholarship plan or name] scholarship plan and introduce the tables using substantially the following wording:

"There are costs for joining and participating in the plan. The following tables show the fees of this plan.

**Fees deducted from your contributions**

Fee	What you pay	What the fee is for
Sales charge	\$ ●	<ul style="list-style-type: none"> <li>• This is a commission for selling you the plan. It is paid to your sales representative and the company they work for.</li> <li>• It's applied against your contributions until it's paid off. That means less of your money is invested during the early years of your plan.</li> </ul>

Processing fee	\$ • each year for a one-time contribution \$• each year for annual contributions \$ • each year for monthly contributions	• This is for processing a contribution.
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**Ongoing plan fees**

You don't pay these fees directly. They're paid from the plan's earnings. These fees affect you because they reduce the plan's returns.

Fee	Amount deducted from the plan's value
Administrative fee	\$• per year
Investment counsel fee	\$• per year
Independent review committee fee	\$• for [last financial year]
Custodian fee	\$• per year for the first \$• million in assets, • % on assets over \$• million [ as applicable]
[any other fee(s), each listed separately, that are deducted from the plan]	\$•per year

If you invested \$ [insert an annual investment amount that would maximize the grant monies received] last year, your share of these ongoing fees would have been \$•.”

(12) Under the sub-heading “Are there any guarantees?”, state using substantially the following wording:

“We cannot tell you in advance if your child will qualify to receive any payments from the plan or how much your child will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your child's post-secondary education. “

(13) Provide, under the sub-heading “For more information”, the following information in the form of a table, using substantially the following wording:

“Contact your sales representative or [insert name of dealer here] for more information:

[insert plan investment fund manager name]	Phone: [insert plan telephone number]
[insert plan address]	Toll-free: [insert plan toll free number]
	Email: [insert plan email address]
[insert plan web site]	

**INSTRUCTIONS**

(1) *Modify the disclosure as required and applicable to each type of plan that is not a group scholarship plan.*

(2) *The plan summary for scholarship plans other than group scholarship plans must contain only the relevant information that is specifically mandated by the Items in this Part.*

**Part B General Disclosure****Item 1 Cover Page Disclosure****1.1 Preliminary Prospectus Disclosure**

Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required in section 1.2 the following, with the bracketed information completed:

*“A copy of this preliminary prospectus has been filed with the securities regulatory authority (ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority (ies).”*

**INSTRUCTION**

*Scholarship plans issuers must complete the bracketed information by:*

(a) *inserting the names of each jurisdiction in which the scholarship plan issuer intends to offer securities under the prospectus,*

(b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada, or*

(c) *identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdictions].*

**1.2 Required Statement**

State in italics at the top of the cover page the following with bracketed information completed:

*“Although this prospectus must be filed with the securities regulatory authority in [each of/certain of the provinces/provinces and territories of Canada], the securities regulatory authority does not assess the merit of the scholarship plan[s] or the accuracy of the information, or endorse any products or services. If anyone tells you otherwise, it is an offence under securities legislation.”*

**1.3 Basic disclosure about the Distribution**

(1) State the following immediately below the disclosure required under sections 1.1 and 1.2 with the bracketed information completed:

“[PRELIMINARY OR PRO FORMA] PROSPECTUS  
[CONTINUOUS OFFERING]  
[Date]  
[Name of Scholarship Plan(s)]

[type of securities qualified for distribution under the prospectus, including any options or warrants, and the price per security or minimum subscription amount]

[type of fund— state the following: “This is a scholarship plan. It is a type of investment fund.”].”

(2) State the name of the investment fund manager and portfolio adviser(s) of the scholarship plan and provide a cross reference to the sections in the prospectus where information about the manager and portfolio adviser(s) can be found.

#### **INSTRUCTION**

(1) *The definition of investment fund manager refers to a person that directs the business, operations or affairs of the investment fund and is the entity required to be registered under securities legislation. The term should be interpreted broadly and is intended to include a group of members on the board of a scholarship plan issuer or scholarship plan foundation that acts in the capacity of decision-maker.*

(2) *The date of the document must be the date of the certificates contained in the prospectus. The date must be within three business days of the date the document is filed with the securities regulatory authorities. Write the date in full with the name of the month in words. A pro forma scholarship plan prospectus does not have to be dated, but may reflect the anticipated date of the scholarship plan prospectus.*

### **Item 2 Inside Cover Page**

#### **2.1 Warning Language**

Starting on a new page on the inside cover page under the heading “Important information to know before you invest”, include an introduction to the information provided in response to Items 2.2 , 2.3, and 2.4 of this Part using substantially the following wording:

“The following is important information you should know if you are considering an investment in a scholarship plan.”

#### **2.2 No Social Insurance Number warning**

Under the sub-heading “No social insurance number = No grants, no tax benefits”, state using substantially the following wording:

“We need social insurance numbers for you and each child named as a beneficiary under the plan before we can register your plan. The *Income Tax Act* (Canada) won’t allow us to register a scholarship savings plan without these social insurance numbers. Your plan must be registered before it can:

- qualify for the tax benefits of a Registered Education Savings Plan (RESP), and
- receive any government grants.

If you don’t provide the social insurance numbers when you enrol, we’ll put your contributions into an unregistered education savings account. During the time your contributions are held in this account, we will deduct sales charges and fees from your contributions as outlined on page •. You will be taxed on any income earned in this account.

If we receive the social insurance numbers within • months of the day you enrolled, we’ll transfer your contributions and the income they earned to a registered plan.



If we do not receive the social insurance numbers within • months of the day you enrolled, we'll cancel your plan. You'll get back your contributions and the income earned, less sales charges and fees. Since you pay sales charges up front, you could end up with much less than you put in.

**If you don't expect to get the social insurance numbers within • months of enrolling in the plan, you should not enrol or make contributions to the plan."**

### 2.3 Speculative investment

(1) Following the disclosure required under Item 2.2, state on the inside cover page under the sub-heading "Payments not guaranteed", using substantially the following wording:

"We cannot tell you in advance if your child will qualify to receive any payments from the plan or how much your child will receive. We do not guarantee the amount of any payments or that they will cover the full cost of your child's post-secondary education."

(2) For a group scholarship plan, under the sub-heading "Payments from group plans depend on several factors" state using substantially the following wording:

"The amount of the payments will depend on how much the plan earns, the number of beneficiaries in the group who qualify for payments, the number of beneficiaries who do not qualify for payments, and [as applicable – any amount paid at the discretion of [name of entity funding the discretionary payment]."

(3) If the scholarship plan provides for any discretionary payments, immediately following the disclosure required under subsection 2.3(1) or 2.3(2), as applicable, list the discretionary payments that may be provided and state in substantially the following wording:

**"Discretionary payments are not guaranteed.** You must not count on receiving a discretionary payment. The [name of entity funding the discretionary payment] decides if it will make a payment in any year and how much the payment will be. If the [name of entity funding the discretionary payment] makes a payment, you may get less than what has been paid in the past. You may also get less than what is paid to beneficiaries in other beneficiary groups."

(4) Under the sub-heading "Understand the risks", state using substantially the following wording:

**"If you withdraw your contributions early or do not meet the terms of the plan, you will likely lose some or all of your money. Make sure you understand the risks before you invest. Carefully read the Plan summary and the "Risk factors" on page •."**

### 2.4 Sixty day withdrawal right

Following the disclosure required under Item 2.3, and under the sub-heading "If you change your mind" state using substantially the following wording:

"You have up to 60 days after signing your contract to cancel your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you'll get back your contributions, less sales charges and fees. You will lose your earnings. We will return your grants to the government. **Since you pay sales charges up front, you could end up with much less than what you put in."**

### **Item 3 Table of Contents**

#### **3.1 Table of Contents**

- (1) Include a table of contents.
- (2) Begin the table of contents on a new page.
- (3) Include in the table of contents, under the heading “Specific information about our plans,” a list of all of the scholarship plans covered by the prospectus, with a reference to the page numbers where information about each plan can be found.

### **Item 4 Introduction**

#### **4.1 Documents Incorporated by Reference**

- (1) If the scholarship plan is in continuous distribution, incorporate by reference the following documents in the prospectus, by providing on a new page or immediately after the table of contents, and under the heading “Introduction”, the following statements using substantially the following wording:

“This prospectus contains information to help you make an informed decision about investing in our scholarship plan(s) and to understand your rights as an investor. It describes the plan(s) and how [it/they] work, including the fees you pay, the risks of investing in a plan and how to make changes to your plan. It also contains information about our organization.

You can find additional information about the plan(s) in the following documents:

- [its/their] most recently filed annual financial statements
- any interim financial statements filed after those annual financial statements, and
- the most recently filed annual management report of fund performance

These documents are incorporated by reference into this prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us at [insert the toll-free telephone number or telephone number where collect calls are accepted] or by contacting us at [insert scholarship plan’s e-mail address].

[If applicable] You’ll also find these documents on our website at [insert scholarship plan’s website address].

These documents and other information about the plan are also available at [www.sedar.com](http://www.sedar.com).”

- (2) If the scholarship plan is in continuous distribution, state that any documents, of the type described in subsection 4.1(1), if filed by the scholarship plan after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

## 4.2 Terms used in the Prospectus

Under the heading “Terms used in this prospectus” provide the following list of defined terms using substantially the following wording:

“In this document, “we”, “us” and “our” refer to [name of entities involved in the administration and distribution of scholarship plan securities]. “You” refers to potential investors, subscribers and beneficiaries.

The following are definitions of some key terms you will find in this prospectus.

**Accumulated income payment (AIP):** the portion of the income earned on your contributions and grants that you may get back if your beneficiary does not pursue post-secondary education and you meet certain conditions set by the federal government.

For a group plan, only income earned on the grants is eligible for an AIP.

**Application date:** the date you sign your savings plan contract. We consider this to be the date you opened your plan with us.

**Attrition:** under a group plan, the number of beneficiaries who have left their beneficiary group because their plan was cancelled. See also pre-maturity attrition and post-maturity attrition.

**Beneficiary:** the person you name to receive income and payments under the plan.

**Beneficiary group:** beneficiaries in a group plan who have the same year of eligibility. They are typically born in the same year.

**Contract:** an agreement you enter into with us when you open your savings plan.

**Contribution:** the amount you pay into a plan. Contributions are used to calculate the Canada Education Savings Grants (CESGs). Sales charges and other fees are deducted from your contributions and the remaining amount is invested in your plan.

**Discretionary payment:** a payment that beneficiaries in a group plan may receive in addition to their EAPs. Discretionary payments are usually made by the plan’s investment fund manager. These payments are not guaranteed. The investment fund manager decides whether a payment will be made in any year and how much will be paid. It is possible that this money may not be available when your plan matures.

**Discretionary payment account:** any account that holds money used to fund any discretionary payments under a group plan. It typically consists of interest on income earned after the maturity date, interest earned on contributions from subscribers who have cancelled their plan from the date of the cancellation to maturity, unclaimed contributions (less fees), unclaimed educational assistance payments (EAPs), EAPs of beneficiaries who did not qualify for all of their EAPs and interest earned on CESGs for beneficiaries who cancelled their plan before *[insert date]*.

**EAP account:** for group plans, an account that holds the income earned on contributions from all subscribers in a beneficiary group. This includes the income earned on contributions of subscribers who have cancelled their plan. The money in this account is distributed to the remaining beneficiaries as part of their educational assistance payments (EAPs).

**Educational assistance payment (EAP):** an educational assistance payment, as defined in the *Income Tax Act* (Canada). In general, an EAP is a payment made

to your beneficiary after the maturity date. It consists of your grants, the income earned on the grants and your beneficiary's share of the EAP account. EAPs do not include a return of contributions or any discretionary payments. These are paid separately.

**Eligible studies/qualifying school or program:** a post-secondary educational institution or program that meets the plan's requirements for a beneficiary to receive EAPs.

**Grant:** any financial grant, bond or incentive offered by the federal government or a provincial government to assist with saving in an RESP.

**Grant contribution room:** the amount of grant money you are eligible for under a federal or provincial government grant. Unused contribution room can be carried forward and used in future years.

**Income/earnings/returns:** any money earned on your contributions and grants, such as interest and capital gains. For group plans, it does not include any income earned in the discretionary payment account, such as interest earned on income after the maturity date.

**Individual beneficiary account:** an account established for a specific beneficiary that is not pooled with other investors. For group plans, it includes [ *list the sources of money it holds .. typically grants and the income earned on the grants, contributions (less fees) not withdrawn after maturity of the plan*].

For other types of plans, it includes [ *list the sources of money it holds*].

**Maturity date:** the date on which the plan matures. On that date, your contributions, less fees, can be returned to you. For plans other than group plans, it is also the date after which your beneficiary can start receiving EAPs.

The maturity date is typically within six months of the beneficiary's 18th birthday. In general, it is the year your beneficiary is expected to enrol in their first year of post-secondary education.

**Plan:** means [ *list the name of each of the scholarship plan sold under this prospectus*], each a scholarship plan offered by [Name of Scholarship plan group] to provide funding for the beneficiary's post-secondary education. When you invest in one of our plans, you and your beneficiaries must meet the terms of the savings plan contract to receive payments from the plan.

**Post-maturity attrition:** under a group plan, the number of beneficiaries who left their beneficiary group after the maturity date. See also attrition.

**Pre-maturity attrition:** under a group plan, the number of beneficiaries who left their beneficiary group before the maturity date. See also attrition.

**Subscriber:** the person who enters into a savings plan contract with [ *insert name of parties to the contract – must include the scholarship plan being designated under its exact legal name ie. the name of the issuer*] to make contributions to a plan.

**Unit:** under a group plan, you are assigned units when you purchase a plan. A unit represents your beneficiary's proportionate share of any pooled income, EAPs and other payments from a pooled source provided for under the terms of your plan. The amount your beneficiary receives relative to other beneficiaries is in proportion to the number of units you purchase. The terms of the contract determine the value of the unit.

**Unregistered education savings plan:** a plan that has not been registered as a Registered Education Savings Plan (RESP) under the *Income Tax Act* (Canada). We cannot register a plan until we have the social insurance number of the subscriber and

beneficiary. An unregistered education savings plan cannot receive grants for RESPs and does not qualify for the tax benefits of an RESP.

**Year of eligibility:** the year in which a beneficiary is first eligible to receive EAPs under a plan. For a group plan, it is typically the year your beneficiary will enter their [*as applicable, first or second*] academic year of eligible studies. In general, the year of eligibility is [*as applicable, one year after or the same year as*] the maturity date.

For other types of plans, the year of eligibility can be any time after the maturity date.”

#### **INSTRUCTIONS**

(1) *The glossary of key terms should not contain material information not found elsewhere in the prospectus. This glossary should generally be limited to the terms provided.*

(2) *It is expected that where possible, the commonly used terms as set out in section 4.2 will be the terms used in the prospectus to promote comparability between issuers.*

(3) *Use defined terms sparingly and only to avoid confusion. Where a technical term is used, explain what it means when it is first used in the prospectus.*

### **Item 5 Description of Scholarship Plans**

#### **5.1 Overview of RESPs**

(1) Under the heading “What is a scholarship plan?”, provide the following statement, using substantially the following wording:

“A scholarship plan is a type of investment fund that is designed to help you save for a child’s education. It is set up as a [*describe legal structure*]. While your contributions belong to you, you do not own the investments that the plan invests in. The [*describe legal structure*] invests your contributions for you, after deducting applicable fees, in [*list all of the types of investments held by the plan*].

Your child will be a beneficiary of the [*describe legal structure*]. That means that your child will have the rights set out in the terms of your savings plan contract about how and when they will receive payments from the plan’s investment and other income if the terms of the contract are met.”

(2) Describe the scholarship plan securities offered under the prospectus. Describe the legal nature of the security, the basic features of the security, the rights of the subscriber and/or their beneficiary as a result of purchasing the security, any rights of the subscriber and/or their beneficiary to the underlying portfolio held by the scholarship plan not discussed in subsection 5.1(1).

(3) Provide the name of the issuer of the securities.

(4) Under the heading “Types of plans we offer” provide a brief description of the types of scholarship plans that are sold under the prospectus.

### **Item 6 Plan details and comparisons**

#### **6.1 Common features of the plans**

(1) For a multiple prospectus or multi-class prospectus, under the heading “Our plans at a glance” state briefly the key features common to all the scholarship plans offered in the prospectus.

(2) For a multiple prospectus or multi-class prospectus, provide an introduction to the table required under subsection (5) using substantially the following wording:

“The table below compares some key features of the scholarship plans offered under this prospectus. Restrictions and fees may apply. For full details, you should read the entire prospectus.”

(3) For a single prospectus, under the heading “The plan at a glance” state briefly the key features of the scholarship plan that are common to all of the scholarship plans offered by the scholarship plan issuer, an associate, an affiliated entity or an affiliate to the scholarship plan issuer.

(4) For a single prospectus, provide an introduction to the table required under subsection (5) using substantially the following wording:

“The table below shows some key features of the scholarship plan offered under this prospectus. We offer other scholarship plans under other prospectuses that may be better suited to your needs. Restrictions and fees may apply. For full details, you should read the entire prospectus of this plan and the other plans.”

(5) Following the disclosure in subsection (2) or (4), as applicable, create a table in the following format:

[insert name of investment fund family]		
	[insert name of plan sold under this prospectus]	[insert name of plan sold under this prospectus]
Type of plan		
Who this plan is for		
Educational programs that qualify for payment under the plan		
Fees		
Making contributions		
Changing your beneficiary		
Transferring to another [name of Plan Group] plan		
Payments to subscribers		
Payments to beneficiaries		
If your beneficiary does not pursue eligible studies		
If you change your mind (during your first 60 days in the plan)		
If you change your mind (after being in the plan for 60 days or more)		

#### INSTRUCTIONS

(1) Include in the response to subsection (1) and (3), as applicable, a discussion of whether all plans in the investment fund family are eligible for government grants and incentive programs, and which plan(s) in the investment fund family provide for a return of contributions, less sales charges and fees at any time.

(2) For a single prospectus, set out the common features described in subsection (5) in a manner that allows for comparison between the single prospectuses of plans from the same investment fund family.

(3) *In responding to the requirements of the table in subsection (5), include the following.*

(a) *In the “Type of plan” section, indicate the type of scholarship plan. For instance, individual, family or group plan.*

(b) *In the “Who this plan is for” section, disclose eligibility criteria for the beneficiary, such as age restrictions. Describe who the type of plan is best suited for.*

(c) *In the “Educational programs that qualify for payment under the plan” section, disclose the eligibility criteria for the types of schools or programs that qualify a beneficiary for payment under the plan.*

(d) *In the “Fees” section, list the fees charged by the plan.*

(e) *In the “Making contributions” section, briefly describe any contribution limits, including length of time contributions can be made to the plan, and how the subscriber pays into the plan, for example, if there is a contribution schedule, if there is a minimum contribution amount.*

(f) *In the “Changing your beneficiary” section, indicate if a beneficiary can be changed.*

(g) *In the “Transferring to another [name of Plan Group] plan” section, indicate the transfer options available.*

(h) *In the “Payments to subscribers” section, list the types of payments that will be made to subscribers.*

(i) *In the “Payments to beneficiaries” section, list the types of payments that will be made to a beneficiary under the plan. Describe the number of EAPs that must be paid and the timing of those payments. State the number of years of post-secondary education required to receive the full benefit of the maximum number and amount of EAPs.*

(j) *In the “If your beneficiary does not pursue eligible studies” section, list the options available and whether restrictions or fees apply.*

(k) *In the “If you change your mind (during your first 60 days in the plan)” section describe the costs and implications to a subscriber if they cancel their plan within 60 days of signing the contract.*

(l) *In the “If you change your mind (after being in the plan for 60 days or more)” section describe the costs and implications to a subscriber if they cancel their plan after 60 days of signing the contract.*

(4) *In responding to the requirements of the table in subsection (5), disclosure should be brief and direct.*

## **Item 7 General Plan risks**

### **7.1 General plan risks**

(1) Under the heading “What are the risks of investing in a scholarship plan?”, include an introduction using substantially the following wording:

“You sign a savings plan contract when you open a scholarship plan with us. Please read the terms of the contract carefully and make sure you understand them before

you sign. If you do not meet the terms of your contract, you could lose some or all of your investment.

Other risks of investing in a scholarship plan are:

•”.

(2) List and describe the risk factors or other investment considerations that a subscriber should take into account that are associated with investing in scholarship plans generally.

(3) For a multiple prospectus or multi-class prospectus, at the option of the scholarship plan issuer, disclose the risk factors and investment considerations that are applicable to more than one of those scholarship plans.

(4) Each risk disclosure listed must be described under a separate sub-heading.

(5) Include a discussion of the following subscriber-specific risks relating to:

(a) failure to provide a social insurance number for the beneficiary within the allowable time period,

(b) contributions over the CESG contribution room,

(c) failure to apply for an EAP,

(d) loss of unclaimed contribution,

(e) withdrawal from or cancellation of a plan after 60 days from signing a contract,

(f) failure of beneficiary to enrol in eligible studies within the allowable time period,

(g) withdrawal of contributions before your beneficiary begins eligible post secondary education,

(h) failure to meet deadlines,

(i) risk of not receiving all EAPS

(j) the inability to determine the scholarship amounts in advance

(k) whether the plan will meet the education costs of the beneficiary, and

(l) all other applicable risks.

(6) Include in the discussion of plan risks:

(a) the effect of a possible change in attrition rates on payments,

(b) the risk that the types of investments the scholarship plans invest in may not provide a sufficient return for future education costs,

(c) the risk of a decision not to provide a discretionary payment in a given year and the effect on the payment available,

(d) the loss of government grants, if the beneficiary is ineligible for an EAP under the terms of the plan,



(e) the risk that the current sources of funding for the discretionary payment may not be available at the maturity of your plan,

(f) the risk of changes in government policy, and

(g) all other applicable risks.

(7) State whether scholarship plan securities purchased by the subscriber are protected from bankruptcy proceedings against the subscriber or beneficiary.

(8) Conclude the disclosure on risks required by this Item using substantially the following wording:

**“No government guarantees**

Unlike bank accounts or guaranteed investment certificates, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.”

*INSTRUCTIONS*

(1) *In discussing the risk disclosure and investment considerations, indicate the significance and likelihood of each risk.*

(2) *Describe the risks in the order of seriousness from the most serious to the least serious.*

(3) *Do not de-emphasize a risk factor by including excessive caveats or conditions.*

(4) *If the risk disclosure is provided under this subsection, the scholarship plan-specific disclosure about each scholarship plan described in the document should contain a reference to the appropriate parts of this risk disclosure.*

(5) *In providing disclosure under subsection (2) follow the instructions under Item 16 of Part C of this Form, as appropriate.*

**Item 8 Investment risk**

**8.1 Investment Risk**

(1) Under the sub-heading “Investment risk” include an introduction using substantially the following wording:

“Your scholarship plan is invested in a portfolio of [*list all of the types of investments the plan invests in*]. This exposes you to the following risks:”

(2) List and briefly describe the investment risks common to all the scholarship plans offered under this prospectus.

(3) Discuss the following risks as applicable:

(a) general market,

(b) political,

(c) market sector,

(d) liquidity,

- (e) interest rate,
- (f) diversification,
- (g) credit,
- (h) leverage,
- (i) inflation or purchasing power risk,
- (j) legal and operational risks,
- (k) and all other applicable risks.

(4) If the plan holds principal protected notes, also include a discussion of counterparty risk, opportunity risk (the risk that no income may be earned/paid) and the distinction between principal protected notes and the fixed rate income securities held by the plan with respect to level of risk and return and all other applicable risks.

#### *INSTRUCTIONS*

(1) *In discussing the risk disclosure and investment considerations, indicate the significance and likelihood of each risk.*

(2) *Describe the risks in the order of the most serious to the least serious*

(3) *Do not de-emphasize a risk factor by including excessive caveats or conditions.*

(4) *If the risk disclosure is provided under this subsection, the scholarship plan-specific disclosure about each scholarship plan described in the document should contain a reference to the appropriate parts of this risk disclosure.*

(5) *In providing disclosure under subsection (2), follow the instructions under Item 12 of Part C of this Form, as appropriate.*

#### **Item 9 Enrolment**

##### **9.1 Overview of how a plan or plans work(s)**

(1) Starting on a new page of the prospectus, under the heading “How our plan(s) work(s)” provide a brief description of how the plan(s) work(s) from enrolment to payments being made to the beneficiary and the tax treatment. Include a diagram that illustrates the explanation.

(2) Highlight the key terms and conditions of a subscriber’s participation in a scholarship plan that are set out in the contract but are not otherwise described in the prospectus.

(3) State, using substantially the following wording:

“It is important that you keep your address and contact information up to date. We will need to communicate important information to you throughout the life of your plan. We will also need to find you and the beneficiary when the plan matures so we can return your contributions and make payments to the beneficiary.”

## 9.2 Subscriber

(1) Under the heading “Enrolling in a plan”, describe the eligibility requirements for subscribers, including the requirement that the subscriber provide a social insurance number at the time of enrolment.

(2) Describe the requirements for designation as a beneficiary, including Canadian residency and whether a social insurance number is required.

(3) Provide in a table in substantially the following format a list of decisions subscribers are required to make about the plan at the time of enrolment and the significance of each decision.

Decisions you have to make when you enrol	Why it's important

### INSTRUCTION

*Under subsection (3), examples of the types of decisions that a subscriber has to make at enrolment may include deciding on a maturity date, naming a beneficiary, determining which plan best meets their beneficiary's education needs.*

## Item 10 Unregistered education savings account

### 10.1 Unregistered accounts

(1) Under the sub-heading “If your beneficiary does not have a social insurance number”, list the options available to a subscriber whose beneficiary does not yet have a social insurance number, including the option to wait until the beneficiary has a social insurance number to purchase a scholarship plan that is eligible to be held in a registered education savings plan.

(2) Describe the advantages and disadvantages of each option listed in response to subsection (1).

(3) Any plan, or account sold by a scholarship plan dealer that is not eligible for registration by the federal government or is not held in a registered education savings account must be referred to and described as an “unregistered education savings account.”

(4) If the scholarship plan issuer offers an unregistered education savings account, describe the features of the unregistered education savings account and discuss its eligibility for government grant and incentive programs.

(5) If the scholarship plan issuer offers an unregistered education savings account, describe what happens to contributions made to the account.

(6) If the scholarship plan issuer offers an unregistered education savings account, briefly describe the tax consequences of the account.

## Item 11 Optional services

### 11.1 Optional services

If applicable, under the sub-heading “Optional services”, describe the optional services that are available to subscribers from the investment fund manager and provide fee disclosure similar to that required under Item 6.1.

**INSTRUCTION**

*The Canadian Securities Administrators do not consider insurance for a subscriber or beneficiary to be a material fact relating to scholarship plan securities and do not expect disclosure on insurance products to form part of the prospectus disclosure.*

**Item 12 Statement of Rights****12.1 Rescission Rights**

Under the heading “Your rights as an investor”, provide a brief explanation of a subscriber’s statutory rights of rescission and damages, including the right of action for misrepresentations contained in the scholarship plan prospectus and in any documents incorporated by reference into the scholarship plan prospectus. Commence by stating in substantially the following words, with bracketed information completed:

“Securities legislation in [several provinces [and territories]/[insert name of local jurisdiction, if applicable]] gives you the right to withdraw from an agreement to buy scholarship plan securities within 60 days after you sign the contract.

[In several provinces and territories], securities legislation also gives you the right to cancel a purchase, or in some jurisdictions, claim damages if the prospectus and any amendment contain a misrepresentation or are not delivered to you. You must act within the time limit set by the securities legislation in your province [or territory].

You can find out more about these rights by referring to the securities legislation of your province [or territory] or by consulting a lawyer.”

**Item 13 Contributions****13.1 Making Contributions**

(1) Under the heading “Making contributions” describe all available purchase options and state, if applicable, that the purchase options require the subscriber to pay different fees and expenses and, if applicable, that the choice of purchase options affects the amount of compensation paid by a member of the organization of the scholarship plan to their sales representative and/or dealer. Include cross-references to the disclosure provided under Item 15 of Part C of this Form.

(2) Discuss the positive and negative consequences of the various purchase options.

(3) In a table under the sub-heading “Government programs” list the government grant and incentive programs that the investment fund manager can apply for on a subscriber’s behalf. In the table provide the following information:

(a) a brief description of how each government program works in relation to the subscriber enrolled in these scholarship plans and their beneficiary,

(b) the maximum dollar value that the government could provide under each program, and,

(c) a list of the information or documents the investment fund manager will need from the subscriber to apply on their behalf.

(4) Describe what happens to money received from the government grants and incentives received by the investment fund manager on behalf of a subscriber. Discuss:

- investment,
- (a) the legal ownership of this money throughout the life span of the investment,
  - (b) whether this money is pooled with the grant and incentive money of other beneficiaries,
  - (c) how this money is invested, and
  - (d) how this money is allocated on distribution to a qualified beneficiary.
- (5) Refer subscribers to where they can obtain more information about RESPs, government grant and incentive programs, how to apply for a social insurance number and other educational information.

#### *INSTRUCTIONS*

(1) *The discussion should include the option of paying in full for the units a subscriber can afford as an initial purchase and purchasing additional units or portions of a unit with subsequent contributions.*

(2) *The table in Item 13.1(3) should not exceed one page, unless disclosing the required information causes the table to exceed this limit.*

(3) *Additional information on government programs must be provided in documents separate from the prospectus. These documents must be government produced documents.*

#### **13.2 Over contribution**

(1) Under the sub-heading “If you over-contribute”, disclose any cumulative limit for contributions to a scholarship plan and indicate whether this is exclusive of any grant or incentive money.

(2) Disclose whether a subscriber can make contributions above the limits set for receiving government grants and incentives.

(3) If a subscriber is permitted to make such additional contributions, indicate if the contributions will attract income.

(4) Indicate any negative consequences to a subscriber and to a beneficiary of such additional contributions.

#### **Item 14 Payments under a Plan**

##### **14.1 Payments to beneficiaries**

Under the heading “Receiving payments” and subheading “Payments to beneficiaries” state using substantially the following wording:

“We will make [name of payments] to your beneficiary if you meet the terms of your plan, and your beneficiary qualifies for the payments under the plan. The payments consist of income earned on your contributions, any grants and any income earned on the grants. The amount of each payment depends on the plan you have, how much you contributed to it, the grants in your plan and the performance of the plan’s investments.”

##### **14.2 Payments to subscribers**

(1) Under the subheading “Payments to subscribers” state using substantially the following wording:

“We always return your contributions less fees to you or to your beneficiary. Earnings will generally go to your beneficiary. If your beneficiary does not qualify to receive the earnings from your plan, you may be able to get back some of those earnings as an “accumulated income payment (AIP)”.”

(2) Under the sub-subheading “Accumulated income payments” describe what an AIP is.

(3) Describe the requirements for receiving an AIP.

(4) Describe the sources of income that make up the AIP and whether it includes income earned on the government grants and incentives.

(5) Identify any differences between the plans offered under the prospectus for AIPs.

(6) State whether there may be tax consequences with receiving an AIP and provide a cross-reference to the disclosure presented under Item 19.3 of this Part.

## **Item 15 Changes**

### **15.1 Degree of flexibility**

Under the heading “Making changes to your plan”, list all of the types of changes that a subscriber can make under the savings plan contract. Indicate with each type of change if it is a change applicable to all the plans, or a particular plan [by name], a group plan [by name] or some other type of plan offered [by name]. Provide a cross reference to where information specific to each plan can be found in the prospectus.

#### *INSTRUCTION*

*Some examples of changes include changing the beneficiary, subscriber, or contribution schedule, adding or cancelling units, reactivating a plan that has become inactive, changing the maturity date and the year of eligibility.*

## **Item 16 Withdrawals**

### **16.1 Withdrawals**

(1) Under the heading “Withdrawing contributions” describe the subscriber’s entitlement to a return of their contributions, less fees, at any time. Discuss the different consequences of a withdrawal of contributions at various times in the life of a plan.

(2) Describe how a subscriber can withdraw some or all of their contributions.

## **Item 17 Transfers**

### **17.1 Transfers**

(1) Briefly describe, under the heading “Transferring to another [Name of the issuer] plan”, how a subscriber can transfer to other scholarship plans within the same family of scholarship plans. State if there are any restrictions on these types of transfers.

(2) Discuss any risks and costs that a subscriber may incur on a transfer. Disclose whether there is any loss of income on the contributions to date and the loss of fees paid to date.

(3) Briefly describe, under the sub-heading “Transferring to another RESP provider” how a subscriber can transfer to another RESP provider. Discuss the risks and

costs that a subscriber may incur on a transfer. Disclose whether there is any loss of income on the contributions to date and the loss of fees paid to date.

## **Item 18 Cancellations**

### **18.1 Cancellations**

(1) Under the heading “Cancelling your plan”, describe under the sub-heading “If you cancel your plan” what funds a subscriber is entitled to receive if they cancel their plan within 60 days of signing a contract to purchase a plan. Discuss what happens to any government grants or incentives received on their behalf by the plan or its agents. Discuss any effect this may have on a subscriber’s RESP contribution room.

(2) Describe how a subscriber can cancel their participation in a scholarship plan within 60 days of signing a savings plan contract to purchase a plan.

(3) Describe what money a subscriber is entitled to if they cancel their plan more than 60 days after signing a contract to purchase a plan. Discuss what happens to any government grants or incentives received on their behalf by the plan or its agents. Discuss any effect this may have on a subscriber’s RESP contribution room.

(4) State the process for cancelling a savings plan contract after 60 days of signing a contract to purchase a plan.

(5) Under the sub-heading “If we cancel your plan”, describe the different circumstances in which the investment fund manager of the plan may cancel a subscriber’s plan.

(6) State the consequences of cancelling a plan, including loss of income, loss of grant contribution room, amounts payable for sales charges and fees, additional charges and other costs to be paid by the subscriber.

(7) Under the sub-heading, “If your plan expires”, discuss the maximum duration of a savings plan before it must be collapsed and what happens to the money from a collapsed plan.

### **INSTRUCTION**

*If the process for cancelling a scholarship plan before and after the 60 days is the same, modify the disclosure to reflect this.*

### **18.2 Unclaimed Accounts**

(1) Under the sub-heading “Unclaimed accounts” briefly describe what is considered to be an unclaimed account. State the importance of subscribers and beneficiaries maintaining current contact information with the investment fund manager and their scholarship plan dealer.

(2) Describe what efforts will be made by the investment fund manager to contact either the subscriber or the beneficiary with respect to an unclaimed account.

(3) Describe what will happen to any unclaimed contributions, unclaimed income, and government grants if the investment fund manager is unable to locate the subscriber or the beneficiary.

(4) Describe how a subscriber or beneficiary can obtain payments of any unclaimed money.

**INSTRUCTION**

*Under subsection (4), describe each reasonably possible outcome.*

**Item 19 Income tax considerations****19.1 Status of the Scholarship Plan**

Under the heading “How taxes affect your plan”, briefly describe the status of the scholarship plan for income tax purposes.

**19.2 Taxation of the Scholarship Plan**

Under the sub-heading “How the plan is taxed”, state in general terms the basis upon which the income and capital received by the scholarship plan are not taxed.

**19.3 Taxation of the Subscriber**

(1) Under the sub-heading “How you are taxed”, state in general terms how the subscriber will be taxed. State in general terms the income tax consequences of:

- (a) any distributions to the subscriber in the form of income, capital or otherwise,
- (b) the redemption or cancellation of units prior to maturity,
- (c) the purchase of additional units,
- (d) any transfers between plans, and
- (e) any additional contributions to address backdating or payments made to cure defaults.

(2) List the tax consequences of an AIP.

(3) Describe how a transfer of accumulated income can be made from an RESP to a registered retirement savings plan (RRSP).

(4) Describe the tax consequences of a transfer to a RRSP.

**19.4 Taxation of the Beneficiary**

Under the sub-heading “How your beneficiary is taxed”, state in general terms how a beneficiary will be taxed. State in general terms the income tax consequences of any distributions to the beneficiary in the form of income, capital or otherwise.

**Item 20 Other material information****20.1 Other important information**

(1) Under the heading “Other important information”, state any other material facts relating to the scholarship plan securities being offered that are not disclosed under any other item in the Form and are necessary for the prospectus to contain full, true and plain disclosure of all material facts about the securities to be distributed.

(2) Provide any specific disclosure required to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.

(3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.



**INSTRUCTIONS**

*Item.* (1) *Sub-headings that are not mandated by this Form may be used in this*

(2) *The Canadian Securities Administrators would not consider insurance for a subscriber or beneficiary to be a material fact relating to scholarship plan securities and would not expect disclosure on insurance products to form part of the prospectus disclosure.*

**Item 21 Back Cover****21.1 Back Cover Page disclosure**

(1) State on the back cover the name of the scholarship plan or scholarship plans included in the document, and the name, address and telephone number of the investment fund manager of the scholarship plan or scholarship plans.

(2) State using substantially the following wording:

“ou can find additional information about the plan[s] in the following documents:

- [its/their] most recently filed annual financial statements
- any interim financial statements filed after those annual financial statements, and
- the most recently filed annual management report of fund performance

These documents are incorporated by reference into this prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us at [insert the toll-free telephone number or telephone number where collect calls are accepted as required by section 15.2 of the Regulation] or by contacting us at [insert scholarship plan’s e-mail address].

[If applicable] You’ll also find these documents on our website at [insert scholarship plan’s website address].

These documents and other information about the plan are also available at [www.sedar.com](http://www.sedar.com).”

**Part C Plan-Specific Information****Item 1 General**

**The following Part applies to each type of scholarship plan unless otherwise stated. Modify the disclosure for an individual scholarship plan, as applicable.**

**Item 2 Introductory Disclosure****2.1 For a Single Prospectus**

Include at the top of the first page of the Part C section of the prospectus, the heading “Specific information about the [name of scholarship plan]”.

**2.2 For a Multiple Prospectus or a Multiple-class Prospectus**

Include

(a) at the top of the first page of the first Part C section in the document, the heading “Specific information about our plans”, and

(b) at the top of each page of a Part C section of the document, a heading consisting of the name of the scholarship plan described on that page.

**Item 3 General Information****3.1 General Information**

(1) For a multiple or a multiple class prospectus, at the option of the scholarship plan issuer, include in an introductory section any explanatory information that would otherwise be repeated identically in each Part C section of the document.

(2) Any information included in an introductory section under subsection (1) may be omitted elsewhere in the Part C section of the document.

**INSTRUCTIONS**

(1) *This Item may be used to avoid repeating standard information in each Part C section of a multiple prospectus.*

(2) *Examples of the type of information that may be moved to an introductory section from other parts of the Part C section are:*

(a) *definitions or explanations of terms used in each Part C section,*

(b) *a discussion or explanation of the tables or charts that is required in each Part C section of the document.*

(3) *If the disclosure contemplated by this Item is included in Part B of a multiple or a multiple class prospectus under Item 4 of Part B of this Form, include in the introduction section of each Part C section of the prospectus a cross-reference to where this disclosure can be found in the Part B section of the multiple or a multiple class prospectus.*

**Item 4 Plan Description****4.1 Plan Description**

(1) Under the heading “Type of plan” disclose in the form of a table

(a) the type of scholarship plan,

(b) the date on which the scholarship plan was started,

(c) the legal nature of the securities offered by the prospectus, and

- (d) whether the scholarship plan is eligible as an investment for RESPs
- (2) Briefly describe this scholarship plan.

**INSTRUCTIONS**

(1) *In disclosing the date on which the scholarship plan started, use the date on which the securities of the scholarship plan first became available for offer to the public, which will be on, or about, the date of the issuance of the first receipt for a prospectus of the scholarship plan.*

(2) *The description of this scholarship plan should highlight the key features of the scholarship plan including the name of scholarship plan.*

**Item 5 Cohort description (for group scholarship plans)**

**5.1 Beneficiary Group**

- (1) Describe under the sub-heading “Your beneficiary group”:
- (a) the various beneficiary groups within the group scholarship plan that are available under the prospectus,
- (b) the connection between the group scholarship plan and each beneficiary group, and
- (c) how year of eligibility and maturity date are determined and the significance of the dates.
- (2) Include an introduction to the information provided in response to subsection (3) below using substantially the following wording:
- “The table below can help you determine your beneficiary group. In general, the beneficiary group corresponds to the age of the beneficiary when the scholarship plan is purchased.”
- (3) Briefly describe how a beneficiary group can be determined based on the table set out below. Include in the table:
- (a) a list of each beneficiary group offered under the prospectus, and
- (b) the typical age of the beneficiary when the registered group scholarship plan is purchased.

<b>Typical age of beneficiary when the plan is purchased</b>	<b>Beneficiary group</b>
<i>[Age of oldest beneficiary eligible for group scholarship plan under this prospectus] • years</i>	<i>[year of eligibility for corresponding age of oldest beneficiary]</i>
<i>[ age corresponding to next year of eligibility in descending order] • years</i>	
•	
•	
0 years	

## **Item 6 Eligibility and Suitability**

### **6.1 Eligibility and Suitability**

(1) Under the heading “Who this plan is for” list the eligibility criteria for enrolment in the scholarship plan.

(2) Provide a brief statement of the suitability of the scholarship plan for particular investors, describing both the characteristics of the subscriber and beneficiary for whom the scholarship plan may be an appropriate investment and for whom it may not be an appropriate investment.

#### *INSTRUCTIONS*

(1) *In responding to the disclosure required by this Item, indicate the level of investor risk tolerance that would be appropriate for investment in the scholarship plan, bearing in mind both plan risks and investment risks.*

(2) *If the scholarship plan is particularly unsuitable for certain types of investors, emphasize this aspect of the plan and disclose the types of investors who should not invest in the scholarship plan, on both a short- and long-term basis. Conversely, it might be appropriate to discuss whether the scholarship plan is particularly suitable for particular investment objectives.*

## **Item 7 Summary of Eligible Studies**

### **7.1 Summary of Eligible Studies**

(1) Under the sub-heading “Summary of eligible studies”, provide an introduction to the table required by subsection (2) of this Item, using substantially the following wording:

“In general, post-secondary studies require a high school diploma as a prerequisite.

The table below is a summary of the post-secondary institutions and programs that qualify for education assistance payments (EAPs) under the [name of the plan].

Contact your sales representative or the investment fund manager to find out if the educational institution and program you are interested in are eligible. [If applicable] We can provide you with a current list of qualifying institutions and programs.

For more information about receiving EAPs, see [provide a reference to where additional information on EAPs can be found.]”

(2) Provide a table substantially in the following format that discloses:

(a) the types of institutions and programs,

(b) which programs are eligible for EAPs under this type of scholarship plan and which are not, and

(c) any further limitations or conditions on the eligibility of these programs for EAPs under this plan.

Institution or program	Eligibility for EAPs	Type of study	What else to consider
University	<i>[Indicate Yes or No]</i>	Full-time	
		Part-time	
		Co-operative program with an employment component	
		Distance studies	
		Studies outside Canada	
College		Full-time	
		Part-time	
		Co-operative program with an employment component	
		Distance studies	
		Studies outside Canada	
CEGEP		Full-time	
		Part-time	
		Co-operative program with an employment component	
		Distance studies	
		Studies outside Canada	
Occupational Training		Full-time	
		Part-time	
		Co-operative program with an employment component	
		Distance studies	
		Studies outside Canada	
Apprenticeship		Full-time	
		Part-time	
		Co-operative program with an employment component	
		Distance studies	
		Studies outside Canada	

## Item 8 Deadlines

### 8.1 Missing Deadlines

(1) Under the heading “Key deadlines” provide the following disclosure using substantially the following wording:

“There are some important deadlines for every scholarship plan. If you or your beneficiary misses a deadline, you could lose the earnings on your investment. Fees

may also apply. The following table lists important deadlines for this plan and what happens if you miss the deadline.”

(2) Provide a table substantially in the following form that discloses the important dates and deadlines for subscribers and beneficiaries of the scholarship plan.

Key Date	Why it's important	What happens if you miss the deadline

(3) For each date or deadline, under the column, “Why it’s important”:

(a) state why the date or deadline is important,

(b) describe the actions or decisions that must be made by the subscriber before or by the date or deadline, and

(4) For each date or deadline, under the column, “What happens if you miss the deadline”, state the effect(s), including costs, if no action or decision occurs before or by the date or deadline.

#### **INSTRUCTION**

*Among the types of dates or deadlines we expect to be included are:*

- *the date to return the application to the investment fund manager for an EAP,*
- *the maturity deadline for making changes to the savings plan contract for the scholarship plan, and*
- *the date for electing reduced EAPs for programs less than four years.*

### **Item 9 Investment Objectives**

#### **9.1 Investment Objectives**

(1) Set out under the heading “How we invest your money” and under the sub-heading “Investment objectives” the fundamental investment objectives of the scholarship plan, including any information that describes the fundamental nature of the scholarship plan or the fundamental features of the scholarship plan that distinguishes it from other types of scholarship plans.

(2) Describe the nature of any security-holder or other approval that may be required to change the investment objectives of the scholarship plan and any of the material investment strategies to be used to achieve those investment objectives.

(3) If the scholarship plan or the scholarship plan issuer intends to guarantee or ensure protection of all or some of the principal amount of an investment in the scholarship plan, include this fact as a fundamental investment objective of the scholarship plan and:

(a) Identify the person providing the guarantee or insurance.

(b) Provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance, and in particular if discretionary payments are included or not.

(c) Provide the major reasons for which the guarantor or insurer, as the case may be, could limit or avoid execution of the guarantee or insurance policy.

(4) If the scholarship plan or the scholarship plan issuer does not intend to guarantee or ensure protection of all or some of the principal amount of an investment in the scholarship plan, it must state so clearly.

#### *INSTRUCTIONS*

(1) *State the type or types of securities, such as money market instruments, first mortgages and bonds, which the scholarship plan will be primarily invested in under normal market conditions.*

(2) *If a particular investment strategy is an essential aspect of the scholarship plan, as evidenced by the manner in which the scholarship plan is marketed, disclose this strategy as an investment objective.*

### **Item 10 Investment Strategies**

#### **10.1 Investment Strategies**

(1) Describe under the heading “How we invest your money” under the sub-heading “Investment strategies” after the disclosure in Item 9.1 above, the following:

(a) the principal investment strategies that the scholarship plan intends to use in achieving its investment objectives, and

(b) the process by which the scholarship plan’s portfolio adviser selects investments for the scholarship plan’s portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.

(2) Indicate the types of investments that may form part of the scholarship plan’s portfolio assets under normal market conditions.

(3) If the scholarship plan may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the scholarship plan’s portfolio adviser may use or intends to use in response to such conditions.

#### *INSTRUCTION*

*A scholarship plan may, in responding to this Item, provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.*

### **Item 11 Overview of the sector(s) that the scholarship plan invests in**

#### **11.1 Specific Investments**

(1) Describe under the heading “How we invest your money” under the sub-heading “Specific investments”, if the scholarship plan invests or intends to invest in a specific sector(s), briefly state the sector(s) that the scholarship plan has been or will be invested in.

(2) Indicate known material trends, events or uncertainties in the sector(s) that the scholarship plan invests or intends to invest in that might reasonably be expected to affect the scholarship plan.

## 11.2 Investment restrictions

(1) Under the sub-heading “Restrictions on investments”, describe any restrictions on investments adopted by the scholarship plan, beyond what is required under securities legislation.

(2) If the scholarship plan issuer has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.

## Item 12 Risks

### 12.1 Investment Risk

(1) Set out specific information concerning any material risks associated with an investment in the scholarship plan, other than those risks previously discussed in response to Items 7 and 8 of Part B of this Form, under the heading “What are the risks of investing in this plan?”

(2) Under the sub-heading “Investment risk” include an introduction using substantially the following wording:

“Your scholarship plan invests in a portfolio of *[list all of the types of investments the plan invests in]*. This exposes you to the following risks:”.

(3) List and briefly describe the investment risks common to all the scholarship plans offered under this prospectus.

(4) If not previously disclosed in Part B, discuss the following risks as applicable:

- (a) general market,
- (b) political,
- (c) market sector,
- (d) liquidity,
- (e) interest rate,
- (f) diversification,
- (g) credit,
- (h) leverage,
- (i) inflation or purchasing power risk,
- (j) legal and operational risks, and
- (k) all other applicable risks.

(5) If not previously disclosed in Part B and if the plan holds principal protected notes, also include a discussion of counterparty risk, opportunity risk or the risk that no income may be earned/paid, and the distinction between principal protected notes and the fixed rate income securities held by the plan with respect to level of risk and return, and all other applicable risks.



(6) If the scholarship plan has more than one class or series of securities, disclose the risks that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series, if applicable.

(7) If, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10 percent of the net assets of the scholarship plan were invested in the securities of an issuer other than a government, or in any other investment disclose:

- (a) the name of the issuer and the investment,
- (b) the maximum percentage of the net assets of the scholarship plan that investments of that issuer represented during the 12-month period, and
- (c) the risks associated with the investments, including the possible or actual effect on the liquidity and diversification of the scholarship plan.

#### *INSTRUCTIONS*

(1) *In discussing the risk disclosure and investment considerations, indicate the significance and likelihood of each risk.*

(2) *Describe the risks in the order of the most serious to the least serious.*

(3) *Do not de-emphasize a risk factor by including excessive caveats or conditions.*

#### **12.2 Plan Risks**

(1) Under the sub-heading “Plan risks”, include an introduction using substantially the following wording:

“You sign a contract when you open a saving plan with us. Please read the terms of the contract carefully and make sure you understand them before you sign. If you do not meet the terms of your contract, you could lose some or all of your investment.

Other risks of investing in a scholarship plan are:

•.”

(2) List and describe the risk factors or other investment considerations that a subscriber should take into account that are associated with investing in this scholarship plan generally.

(3) Each risk disclosure listed must be described under a separate sub-heading.

(4) If not previously disclosed in Part B, include a discussion of the following subscriber specific risks, involved with:

- (a) failure to provide a social insurance number for the beneficiary within the allowable time period,
- (b) contributions over the CESG contribution room,
- (c) failure to apply for an EAP,
- (d) loss of unclaimed contribution,
- (e) withdrawal from a plan after 60 days from signing a contract,

(f) failure of the beneficiary to enrol in eligible studies within the allowable time period

(g) withdrawal of contributions before the beneficiary begins eligible post-secondary education,

(h) the inability to determine the scholarship amounts in advance

(i) money generated from one beneficiary group's contributions may be paid to another beneficiary group.

(j) whether the plan will meet the education costs of the beneficiary, and

(k) all other applicable risks.

(5) If not previously disclosed in Part B, include a discussion of the following plan risks:

(a) the effect of a possible change in attrition rates on payments,

(b) the risk that the type of investments the scholarship plans invest in may not provide a sufficient return for future education costs,

(c) the risk of a decision not to provide a discretionary payment in a given year and the effect on the payment available,

(d) the risk that the current sources of funding for the discretionary payment may not be available at the maturity of your plan, and

(e) the risk of changes in government policy.

(6) If not previously disclosed in Part B, state whether scholarship plan securities purchased by the subscriber are protected from bankruptcy proceedings against the subscriber or beneficiary.

(7) Conclude the disclosure on risks required by this Item using substantially the following wording:

**“No government guarantees**

Unlike bank accounts or guaranteed investment certificates, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.”

(8) Include specific cross-references to the risks described in response to Item 7 of Part B of this Form that are applicable to this scholarship plan.

**INSTRUCTIONS**

(1) *In discussing the risk disclosure and investment considerations, indicate the significance and likelihood of each risk.*

(2) *Describe the risks in the order of the most serious to the least serious.*

(3) *Do not de-emphasize a risk factor by including excessive caveats or conditions.*

## Item 13 Making Contributions

### 13.1 Making Contributions

(1) Under the heading “Making contributions”, state the minimum investment in the plan permitted under the prospectus and the maximum length of time a subscriber can make contributions under the plan.

(2) Under the sub-heading “Your purchase options” describe all available purchase options and state, if applicable, that the purchase options have different fees and expenses and, if applicable, that the choice of purchase options affects the amount of compensation paid by a member of the organization of the scholarship plan to their sales representative and/or scholarship plan dealer. Include cross-references to the disclosure provided under Item 1.3(11) of Part A of this Form and to the contribution schedule in Part D of this Form for details of the prices under the different contribution schedules and other payment details.

(3) If the plan uses units, under the sub-heading “What is a unit?” describe the unit purchased by the subscriber. State whether the value of the unit is tied to the portfolio assets invested in by the scholarship plan and whether the value of a unit is comparable to the units of other scholarship plans offered under the prospectus, by the scholarship plan issuer or other scholarship plan issuers.

(4) If applicable, under the sub-heading “Contribution schedule” describe the contribution schedule of the scholarship plan.

(5) If applicable, include under the sub-heading “Purchase price” a table in the form of the following table and introduced using substantially the following wording:

“The table below shows you how much it costs to buy a unit. The price you pay depends on your beneficiary group and whether you pay for your units all at once or make monthly contributions. The prices are calculated so that the contributions of each subscriber in a beneficiary group will generate the same income per unit.

This table [has/ has not *as applicable*] been certified by an actuary – [*name of the actuary as applicable*]. The information in the table has been taken from the contribution schedule on page •.

Beneficiary group	Price per unit	
	If you make a lump-sum payment	If you make monthly payments
	\$ •	\$ • ( \$• per month x • [ <i>number of months to pay for unit</i> ] months)
[ <i>year of eligibility for corresponding age</i> ] ([ <i>age corresponding to next year of eligibility in descending order</i> ] • years)	\$ •	\$ • ( \$• per month x • [ <i>number of months to pay for unit</i> ] months)
[ <i>year of eligibility for corresponding age</i> ] (0 years)	\$ •	\$ • ( \$• per month x • [ <i>number of months to pay for unit</i> ] months)

”.

(6) In the table above disclose:

(a) the price per unit (less sales charges, fees and any insurance) by beneficiary group based on the typical age of a beneficiary at time of purchase, and

(b) the total unit price for purchase by a lump-sum payment and a purchase made on a monthly payment schedule.

(7) If the unit prices disclosed in response to subsection (6) differ depending on the payment schedule, explain why there is a difference and the advantages and disadvantages of the different payment options.

### 13.2 Missing contributions

(1) Under the sub-heading “If you have difficulty making contributions” and sub-sub-heading “Missing a contribution”, provide the following disclosure using substantially the following wording:

“Missing a contribution can be costly. If you want to stay in the plan, you’ll have to make up the contribution. You’ll also have to make up what your contribution would have earned if you had made it on time [if applicable]. If you miss contributions, we may cancel your plan.”

(2) Disclose what happens if a subscriber misses a contribution. Indicate whether a subscriber will have to pay an amount in addition to the amount of the missed contribution in order to continue to stay in the scholarship plan in good standing.

(3) Describe how any additional amount payable by a subscriber for a missed contribution is calculated and the basis of the calculation. If the amount is a fixed rate, disclose it as an annualized rate.

(4) State what actions a subscriber must perform for their plan to be put back in good standing following a missed contribution and if these actions will qualify the beneficiary for the same benefits as before the missed contribution.

(5) Under the sub-sub-heading, “Your options” describe the options available to subscribers having difficulty making contributions in substantially the following words:

If you have difficulty making contributions, you can:

- reduce the amount of your contributions,
- suspend your contributions,
- transfer to another RESP with us or another provider, or
- cancel your plan.

(6) Describe any restrictions on the availability of the options provided under subsection (5).

(7) Describe what will happen if a subscriber has difficulty making contributions and does not take any action.

(8) Disclose any fees that may apply to the options set out under subsections (5) and (6) and any other effects that may result from each option.

**Item 14 Fees****14.1 Costs of investing in this Scholarship Plan**

(1) Under the heading “Costs of investing in this plan”, set out information about the fees and expenses payable by the scholarship plan and by investors in the scholarship plan.

(2) The information required by this Item must be a summary of the fees, charges and expenses incurred by the scholarship plan and its investors presented in the form of the following tables, and introduced using substantially the following wording:

“There are costs to joining and participating in the [type of scholarship plan or name] scholarship plan. The following tables list the fees and expenses that you may have to pay if you contribute to this plan. You pay some of these fees and expenses directly. The investment fund manager pays some of the fees and expenses, which are deducted from the plan’s earnings. This reduces the return you get on your investment.

**Fees deducted from your contributions**

<b>Fee</b>	<b>What you pay</b>	<b>What the fee is for</b>
Sales charge	\$● per unit	<ul style="list-style-type: none"> <li>• This is a commission for selling you the plan. It is paid to your sales representative and the company they work for.</li> <li>• It’s applied against your contributions until it’s paid off. That means less of your money is invested during the early years of your plan.</li> </ul>
Processing fee	<ul style="list-style-type: none"> <li>• \$● each year for a one-time contribution</li> <li>• \$● each year for annual contributions</li> <li>• \$● each year for monthly contributions</li> </ul>	<ul style="list-style-type: none"> <li>• This is for processing a contribution.</li> </ul>
Other fees and expenses [specify type]	• \$	•

(3) As a footnote to the table in subsection (2) state how the sales charge is allocated between the sales representative, the principal distributor (dealer) and any other party. The total should be 100%.

(4) Describe how the sales charge, the processing fee and any other fees deducted from contributions are calculated and how they are deducted from for each type of periodic payment schedule.

**INSTRUCTION**

*In preparing this table, list all fees that are deducted from contributions and not set out in the table provided under Item 14.1(2) of this Part of this Form. List only the fees and expenses that apply to the specific scholarship plan(s) described in the prospectus.*

## 14.2 How fees affect your contributions

(1) Under the sub-heading “How fees affect your contributions”, provide a table illustrating how fees are deducted from contributions using the following scenarios as more fully described in (3) below:

- (a) a subscriber making monthly contributions, and
- (b) *[if applicable]* a subscriber purchasing the securities of scholarship plan for a newborn, where the subscriber:
  - (i) purchases one unit,
  - (ii) purchases 10 units, and
  - (iii) maximizes the CESG grant money received from the federal government by contributing \$ • [ the amount to be contributed annually to receive the maximum amount of CESG grant money] a year or approximately \$ • [the amount to be contributed annually to receive the maximum amount of CESG grant money divided by 12] a month.

(2) Introduce the table prepared in response to subsection (1) using substantially the following wording:

### “Higher fees in the early years

The table below shows how much you would pay in the early years of your plan in sales charges, processing fees [and other fees deducted from your contributions. *Include this only if there are other fees deducted from contributions disclosed in the fee table in 14.1(2)*] for different purchase amounts and how fees are applied against your contributions. You pay the sales charges in the early years of your plan. It takes approximately • years to pay off the sales charge. Processing fees and [other fees] [remain constant over the life of your plan].”

(3) Provide the information in the table in substantially the following format:

	If you buy one unit	If you buy 10 units	If you buy • [ number of units that would cost annually on a monthly payment schedule the equivalent of the annual amount to maximize CESGs ] units to maximize Canada Education Savings Grants (CESGs)
Amount invested after fees have been deducted	Year 1 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 1 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 1 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •

	Year 2 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 2 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 2 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •
	Year 3 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 3 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 3 Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •
	Year 4 and every year following:  Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 4 and every year following:  Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •	Year 4 and every year following:  Contribution: \$ Sales charge: \$ • Processing fee: \$ • Other fees: \$ Amount invested: \$ •
Total amount invested and total deductions for the first four years of the plan	Total contribution: \$•  Total sales charges paid: \$•  Total processing fees paid: \$•  Total Other fees: \$  Total amount invested: \$•	Total contribution: \$•  Total sales charges paid: \$•  Total processing fees paid: \$•  Total Other fees: \$  Total amount invested: \$•	Total contribution: \$•  Total sales charges paid: \$•  Total processing fees paid: \$•  Total Other fees: \$  Total amount invested: \$•

### 14.3 Transaction fees deducted from your contributions

(1) Under the sub-heading “Transaction fees” provide the following disclosure introduced using substantially the following wording:

“The following fees will be deducted from your contributions for the following transactions.

Fee	What you pay
NSF payment	\$• per item
Replace a cheque	\$• per cheque
Change contribution method or schedule	\$• per change
Suspend contributions	\$•
Change a beneficiary	\$• per change
Mature your plan early	\$•

Transfer to another RESP provider	\$● per transfer
Late application for EAPs	\$●
Missed contributions	\$● per item

”.

#### 14.4 Ongoing plan expenses

Under the sub-heading “Ongoing plan expenses” provide the following disclosure introduced using substantially the following wording:

“There are ongoing costs for participating in [insert plan name]. You don’t pay these expenses directly and you do not get a bill for them. They’re paid from the plan’s earnings. These expenses affect you because they reduce your returns.

If you invested \$2,500 last year, your share of these fees would have been \$●.

Fee	What the fee is for	Amount deducted from plan’s value
Administrative fee		●% per year
Investment counsel fee		% per year
Independent review committee fee		\$● for 2008
Custodian fee		●% for the first \$● million in assets, ●% on assets over \$● million

”.

#### INSTRUCTIONS

(1) Show all fees or expenses payable by the scholarship plan, even if it is expected that the investment fund manager or other member of the organization will waive or absorb some or all of those fees and expenses.

(2) Include the fees for any optional services provided by the scholarship plan in the table. Insurance is not an optional service of the scholarship plan and should not be included under this heading.

(3) Under “What the fee is for” provide a concise explanation of what the fee is used for.

#### Item 15 Refund of Sales Charge and other fees

##### 15.1 Refund of Sales Charges and other fees

Under the sub-heading “Refund of sales charges and other fees” disclose the details of all arrangements that may result directly or indirectly in one subscriber of a scholarship plan paying a fee that differs from a fee payable by another subscriber for the same service or benefit.

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**INSTRUCTIONS**

(1) *A return of an enrolment fee is considered to be a refund of sales charges for the purposes of disclosure under this Item.*

(2) *The disclosure under subsection (1) should include a discussion of any offers to refund sales charges and other fees, and include the following information:*

(a) *who pays the refund of sales charge (i.e. the plan, the organization, etc.),*

(b) *who is eligible for a refund of an amount equivalent to the sales charge,*

(c) *when the refund will be paid,*

(d) *how many years of study will the beneficiary be required to complete to get the full refund,*

(e) *what percentage of subscribers have received the full refund historically,*

(f) *how the scholarship plan organization intends to fund the refund,*

(g) *how other subscribers are affected by this refund,*

(h) *whether the refund is guaranteed or not and what that means, and*

(i) *if eligibility for payment of a sales charge refund is tied to eligibility for an EAP and what those requirements are.*

**Item 16 Changes****16.1 Changing purchase options**

(1) Under the heading “Making changes” and the sub-heading “Changing your purchase option” disclose whether or not the subscriber can change their purchase option prior to their savings plan’s maturity date.

(2) If a subscriber can change the purchase option, disclose:

(a) the circumstances that may prompt a subscriber to change the purchase option,

(b) how a subscriber initiates a change to the purchase option and any conditions or requirements, and

(c) any costs, fees or other losses to the subscriber and/or beneficiary in changing the purchase option.

**16.2 Changing the Year of Eligibility**

(1) Under the sub-heading “Changing your beneficiary’s year of eligibility”, disclose whether or not the subscriber can change the year of eligibility for a beneficiary.

(2) If a subscriber can change the year of eligibility, disclose:

- (a) the circumstances that may prompt a subscriber to change the year of eligibility,
- (b) what steps a subscriber must take to change the year of eligibility and any conditions or requirements that the subscriber must meet to make the change, and
- (c) any costs, fees or other losses that the subscriber and/or beneficiary could incur in changing the year of eligibility, including any effect on income accrued in their savings plan.

### **16.3 Changing the Maturity Date**

- (1) Under the sub-heading “Changing the maturity date”, disclose whether or not the subscriber can change the maturity date of their savings plan.
- (2) If a subscriber can change the maturity date, disclose
  - (a) the circumstances that may prompt a subscriber to change the maturity date,
  - (b) what steps a subscriber must take to change the maturity date and any conditions or requirements that the subscriber must meet to change the maturity date, and
  - (c) any costs, fees or other losses that the subscriber and/or beneficiary could incur in changing the maturity date, including any effect on income accrued in their plan.

### **16.4 Change of Subscriber**

- (1) Under the sub-heading “Changing the subscriber”, disclose whether the contract permits a change to the subscriber at any time during the life of their savings plan.
- (2) The disclosure under this Item should include
  - (a) the circumstances that may prompt a change in subscriber,
  - (b) how a change in subscriber may be initiated and any conditions or requirements that must be met by the existing or new subscriber, and
  - (c) any costs or other losses that the existing subscriber and/or beneficiary could incur in changing the subscriber.

### **16.5 Change of Beneficiary**

- (1) Under the sub-heading “Changing your beneficiary” disclose whether or not the subscriber can change the beneficiary at any time during the life of their savings plan.
- (2) The disclosure under this Item should include
  - (a) the circumstances that may prompt a change in beneficiary,
  - (b) how a change in beneficiary may be initiated and any conditions or requirements that must be met by the existing or new beneficiary, and
  - (c) any costs or other losses that the existing subscriber and/or beneficiary could incur in changing the beneficiary.

### **16.6 Death or Disability of the Beneficiary**

(1) Under the sub-heading “Death or disability of the beneficiary” disclose the options available to the subscriber in the event of the death or disability of their beneficiary.

(2) The disclosure under this item should include:

- (a) how a disability is defined,
- (b) how the options may be initiated and any conditions or requirements that must be met by the subscriber, and
- (c) a description of any costs or losses to the subscriber if they pursue any of the options.

### **16.7 Transferring to another plan offered by the investment fund manager**

(1) Under the heading “Transferring your plan” and under the sub-heading “Transferring to [*name the other plans from same investment fund manager*]”, state whether or not the plan allows a subscriber to transfer from this plan to each of the other plans in the scholarship plan family.

(2) The disclosure under this Item should include

- (a) the circumstances that may prompt a transfer from this plan to another plan,
- (b) the procedure for obtaining a transfer to another plan and any conditions or requirements that must be met by the subscriber,
- (c) for each transfer possible, any costs or other losses to the subscriber and/or the beneficiary in transferring to other plans managed by the same investment fund manager, and
- (d) for a group plan, whether and in what circumstances a transfer back to a group plan would be permitted. Include details about how this affects their plan in terms of beneficiary group, eligibility date, maturity date, fees, etc.

### **16.8 Transferring to another RESP provider**

(1) Under the sub-heading “Transferring to another RESP provider”, state whether or not a subscriber may transfer to an RESP provider unrelated to the investment fund manager.

(2) The disclosure under this Item should include:

- (a) the circumstances that may prompt a transfer to another RESP provider,
- (b) how a transfer to another RESP provider may be initiated and any conditions or requirements that must be met by the subscriber, and
- (c) any costs or other losses that the subscriber and/or the beneficiary could incur in transferring to another RESP provider.

### **16.9 Transferring from another RESP provider to this plan**

(1) Under the sub-heading “Transferring to this plan from another RESP provider” state whether or not the plan allows a subscriber to transfer from another RESP provider unrelated to the investment fund manager to this plan.

- (2) The disclosure under this Item should include
- (a) the circumstances that may prompt a transfer from another RESP provider,
  - (b) how a transfer from another RESP provider may be initiated and any conditions or requirements that must be met by the subscriber, and
  - (c) any costs or other losses that the subscriber and/or the beneficiary could incur in transferring from another RESP provider.

## **Item 17 Payments to Subscribers / Beneficiaries**

### **17.1 Return of Contribution**

(1) Under the heading “Receiving payments from the plan” and under the sub-heading “Return of contributions”, describe when and how contributions are returned to the subscriber.

(2) If all or a part of a subscriber’s contributions are returned, explain what happens to the grants, for example, whether it is possible for the government grants to remain in the name of the beneficiary and what conditions or requirements must be met to do so.

### **17.2 Payments to Beneficiaries**

(1) Under the sub-heading “Education assistance payments” disclose the conditions and any requirements necessary for a beneficiary to receive EAPs under the scholarship plan.

(2) If there are any restrictions on a beneficiary receiving EAPs, provide a discussion of the restrictions. Include a discussion of any restrictions based on the nature or type of educational institution, the duration of the study program and location of the educational institution.

(3) Provide disclosure of any differences between the eligibility criteria for receiving EAPs under the scholarship plan and the eligibility criteria to receive payments under the government grants.

(4) Under the sub-sub-heading “If your beneficiary does not enrol in eligible studies” provide the following disclosure in a table with an introduction in substantially the following words:

“This plan may be more restrictive than the current provisions of the *Income Tax Act* (Canada). [As applicable Apprenticeships, part-time study, and [list any other types of study ] are not allowed under this plan.] Also, you will not receive the full benefit of the maximum number and amounts of EAPs if the program your beneficiary enrolls in is less than • years in duration.

You have four options if your beneficiary doesn’t go to a qualifying school or program.

	<b>Option</b>	<b>How your plan is affected</b>
1.	Name another child before the maturity date	
2.	Transfer to another RESP with us	
3.	Transfer to an RESP with another provider	

## 4. Cancel your plan

(5) Under the sub-sub-heading “If your beneficiary does not complete or advance in eligible studies” provide the following disclosure in substantially the following words:

“If your beneficiary does not complete or advance in their program, they may lose a year’s EAP or all remaining EAPs. This can happen if your beneficiary does not complete all the courses required to advance to next year of the program, decides to enrol in another program that is not considered an advancement from prior study, or drops out of school before they complete their program.

Your beneficiary may be able to defer a payment for a year if they go back to a qualifying program. Deferrals are at our discretion.

Beneficiaries failed to collect some or all of their EAPs in •% of the plans that have matured and closed since the [*name of scholarship plan*] was started in [*year*].”

(6) Outline the requirements for a beneficiary to remain eligible under the scholarship plan for each successive year of study.

(7) For group scholarship plans that offer the option of payments tailored to post-secondary education programs of less than four years, disclose if the payments made will be less than what would have otherwise been received if the beneficiary attended a four-year program, and how much would be received under the shorter program as a percentage of what would have been received under a four-year program.

(8) Under the sub-sub-heading “If your beneficiary does not complete their studies”, describe the financial result(s) to a beneficiary of failing to advance from year to year in the educational institution. Provide a reference to the table below.

(9) For group scholarship plans, under the sub-sub-heading “When payments are made” provide information, substantially in the form of the following table about the payment schedule for the scholarship plan and introduced using substantially the following wording:

**“Payment schedule**

The table below shows how much of their total EAPs your beneficiary will receive for each year of study if they meet the terms of the plan. Your beneficiary will only be entitled to 100% of their EAPs if they attend a qualifying •-year program. [*if applicable* -The plan also offers an EAP schedule tailored to programs less than • years. See [above] for details.]

	One-year program	Two-year program		Three-year program			Four-year program			
EAP entitlement	•%	•%		•%			100%			
Percentage of the EAPS received	•%	Year 1 •%	Year 2 •%	Year 1 •%	Year 2 •%	Year 3 •%	Year 1 •%	Year 2 •%	Year 3 •%	Year 4 •%
Percentage of EAPS forfeited	•%	•%		•%			0%			

**INSTRUCTION**

*EAP entitlement is the cumulative percentage of the maximum EAP entitlement available when applied to programs of varying duration, no formal election having been made to pursue studies of less than four years.*

**17.3 Calculation of payments**

(1) Under sub-sub-heading, “How EAPs are calculated”, describe how the value of the EAPs and other payments are determined for each year of eligible study.

(2) State how often the EAP is valued and what, if any, oversight of the calculation methodology is provided by an independent entity.

(3) State how unrealized capital gains or losses on investments in the scholarship plan are accounted for in the EAPs.

(4) State how attrition in the beneficiary group after maturity of their plans is accounted for, for each year’s EAP for the beneficiary group.

(5) Include a description of the sources that fund the EAP and any factors that may affect the funding from each source.

(6) Disclose how the EAP of a beneficiary group is affected when a beneficiary within the beneficiary group fails to collect the full value of their units and how the value of the forfeited units are allocated.

(7) Disclose how the government grant money accrued in the scholarship plan and the income they generate are accounted for and allocated to beneficiaries.

(8) Provide a cross reference to the disclosure of Part B, Item 9.

**17.4 Historical Payment of EAPs**

(1) For group scholarship plans, under the sub-sub-heading “Sources of EAP money”, provide information substantially in the form of the following table concerning the funding of EAPs and introduced using substantially the following wording:

“At •[provide a date], we calculate the amount of EAP money that will be available to a beneficiary group starting in their year of eligibility. The table below tells you how much of the EAP money over the past five years came from income earned on contributions and how much came from income forfeited by subscribers who cancelled their plan.

The composition of the EAP money will be different for each beneficiary group. The amount of income earned on contributions will depend on the performance of the plan’s investments. The amount of income earned from cancelled plans will depend on how many subscribers cancel their plan, as well as investment performance.

	Year of eligibility for the beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
Income earned on contributions	•%	•%	•%	•%	•%
Income from cancelled plans	•%	•%	•%	•%	•%

Total EAPs	100%	100%	100%	100%	100%
------------	------	------	------	------	------

(2) For group scholarship plans, under the sub-heading “Past payments of EAP money”, provide information substantially in the form of the following table concerning the historical payment of EAPs and introduced using substantially the following wording :

“The table below shows the EAPs made to beneficiaries in the past five years. Scholarship plans are long-term investments. The payments shown largely reflect investments made years ago. It’s important to note that this doesn’t tell you how much the scholarship plan will pay in EAPs in the future.

	Year of eligibility for the beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
1 <sup>st</sup> EAP	\$• per unit	\$• per unit	\$• per unit	\$• per unit	\$• per unit
2 <sup>nd</sup> EAP	\$• per unit	\$• per unit	\$• per unit	\$• per unit	\$• per unit
3 <sup>rd</sup> EAP	\$• per unit	\$• per unit	\$• per unit	\$• per unit	\$• per unit
4 <sup>th</sup> EAP [ <i>if applicable</i> ]	\$• per unit	\$• per unit	\$• per unit	\$• per unit	\$• per unit
Total EAPs paid to a beneficiary in this beneficiary group	\$• per unit	\$• per unit	\$• per unit	\$• per unit	\$• per unit

#### INSTRUCTIONS

(1) Do not show or include in calculating this data any amount attributable to a refund of a sales charge or any discretionary payments.

(2) Data in these charts assumes that income earned after the maturity of a scholarship plan on the income generated from a subscriber’s contributions has been allocated on a non-discretionary basis and distributed to the beneficiary group of the subscriber’s beneficiary.

(3) Data in these charts assumes that all income earned on cancelled savings plans before or after the year of eligibility has been allocated on a non-discretionary basis and distributed to the beneficiary group to which the subscriber’s beneficiary belonged.

(4) Data in these charts assumes that all income earned on the savings plans of beneficiaries who fail to collect the full value of their units after their year of eligibility has been allocated on a non-discretionary basis and distributed to the beneficiary group to which the beneficiary belonged.

#### Item 18 Discretionary payments to subscribers and beneficiaries

##### 18.1 Discretionary payments to subscribers and beneficiaries

(1) Under the sub-heading “Discretionary payments”, if discretionary payments may be made, state that beneficiaries may receive a discretionary payment in addition to their EAPs.

(2) Disclose how the discretionary amount is determined and the sources of funding for the discretionary payments.

(3) State who decides whether a discretionary payment will be made and provide a full description of how the discretionary payments are made, for example, whether they are made on a non-discretionary pro-rata basis per beneficiary group or some other basis.

(4) Describe the circumstances that may affect the ability of the current sources of funding for the discretionary payments to continue to fund the discretionary payments.

(5) State whether the investment fund manager or other member of the organization has put any mechanism in place to continue to make discretionary payments if any of the circumstances referred to in subsection (4) occur.

(6) State whether the investment fund manager has set up a funding and investment policy that will provide sufficient money to continue to fund discretionary payments at the current levels reported. Provide details of any funding policy and the current value of any fund. If no funding policy exists, make a statement to this effect and state the consequence of not having a policy.

(7) Provide disclosure as to whether the current level of discretionary payments are sustainable until the maturity date for all new beneficiaries for whom a plan could be purchased under this prospectus.

## 18.2 Historical Payment of Discretionary Payments

(1) Under the sub-sub-heading “Amount of discretionary payments”, provide information substantially in the form of the following table about the amount paid in discretionary payments and introduced using substantially the following words:

“The table below tells you how much has been paid to beneficiaries in discretionary payments over the last five years. It’s important to note that this doesn’t tell you if you will receive a payment or how much you will receive. We may decide not to make these payments in future years. If we do make payments, they could be less than what we’ve paid in the past.”

(2) The table should be organized in reverse chronological order.

	<b>Year of eligibility for the beneficiary group</b>				
	<b>[Most recent year]</b>	<b>[Most recent year minus 2]</b>	<b>[Most recent year minus 3]</b>	<b>[Most recent year minus 4]</b>	<b>[Most recent year minus 5]</b>
Amount of discretionary payment	\$	\$	\$	\$	\$

## Item 19 Payment of Accumulated Income

### 19.1 Accumulated Income Payments

(1) Under the sub-heading “Accumulated income payments” explain what accumulated income is.

(2) The disclosure under this Item should include



- payments,
- (a) the circumstances that may prompt receipt of an accumulated income
  - (b) any conditions or requirement necessary to receive these payments,
  - (c) options available for a subscriber that has received an accumulated income payment, including transferring to an RRSP, and
  - (d) any costs or other losses that the existing subscriber and/or beneficiary could incur in receiving an accumulated income payment.

**Item 20 Cancellation and Re-registration of a plan**

**20.1 Cancellations and Re-registration of a plan**

- (1) Under the heading, “Cancelling your plan” describe how a subscriber can cancel their plan.
- (2) Describe the circumstances under which the investment fund manager or other member of the organization may cancel a plan unilaterally.
- (3) If applicable, under the sub-heading “Re-registering your plan”, describe the circumstances under which a subscriber may re-register in a scholarship plan after their savings plan has been cancelled and specify the costs associated with re-registering and who bears those costs.

**Item 21 Specific Plan Risks attributable to/resulting from Subscriber and Beneficiary actions in failing to meet the terms of the plan.**

**21.1 Suspension of your Plan**

- (1) Under the sub-heading “Suspending your plan” and the sub-sub-heading “If your plan goes into default” describe the circumstances under which a subscriber may be noted in default under the scholarship plan.
- (2) Explain in what circumstances a subscriber can remedy a default and any costs associated with reinstating their savings plan.
- (3) Describe the consequences to a subscriber and beneficiary of not remedying a default under their contract, including what happens to contributions made prior to the default.
- (4) If the subscriber can voluntarily suspend their savings plan, following the disclosure in (1), (2) and (3) above, under the sub-sub-heading “If you voluntarily suspend your plan” describe the circumstances under which the investment fund manager or other member of the organization will suspend the savings plan at the subscriber’s request.
- (5) Describe any consequences and costs of a voluntary suspension. Describe the options available to the subscriber who has voluntarily suspended their plan. Describe any restrictions on when these options are available, any fees that may apply to these options, and any other negative consequences that may result from pursuing each option.
- (6) If the cost of reinstating the plan following a default or a voluntary suspension of the plan is an amount equal to the interest that would have been earned on the missing contributions, state the rate as an annualized rate of interest and disclose how it is calculated.

**21.2 Other potential risks of forfeiting income**

- (1) Under the sub-heading “Loss of income earned in your plan” disclose:

(a) any circumstances resulting from actions or inactions of the subscriber and/or the beneficiary not already disclosed that may result in a forfeit or loss of accumulated income in a plan, such as ceasing to be a resident of Canada,

(b) what happens to the accumulated income on contributions that has been forfeited or lost,

(c) the cross-references to the risks described in response to Item 1.3(8) of Part A of this Form that are applicable to the scholarship plan, and

(d) what happens to the accumulated income on the government grant money that is returned to the government.

**Item 22 Attrition disclosure for a [type of scholarship plan or name] scholarship plan [if applicable]**

**22.1 Attrition**

(1) Under the heading “Attrition” and the sub-heading “Failure to qualify for EAPs”, state using substantially the following wording:

“You and your beneficiary must meet the terms of the plan in order for your beneficiary to qualify for all of the EAPs under the plan. Failing to qualify for EAPs is known as “attrition”. Your beneficiary may not qualify for some or all of their EAPs if:

- before the maturity date of the plan, you cancel your plan or transfer your plan to another RESP, or we cancel your plan because you failed to make contributions on schedule and did not take action to keep your plan in force. This is known as “pre-maturity attrition”.

- after the maturity date of the plan, your beneficiary decides not to pursue a post-secondary education, does not attend a qualifying education program, or does not attend a qualifying education institution for the full period provided for in the plan. . This is known as “post-maturity attrition”.

(2) Under the sub-heading “How attrition affects contributions” state using substantially the following wording:

**“Pre-maturity attrition**

You will get back your contributions, less fees. You will not get back any earnings. The income earned on your contributions up to the time your plan is cancelled will go to the remaining beneficiaries in your beneficiary group as part of their EAPs.

**Post-maturity attrition**

You will get back your contributions, less fees. You will not get back any earnings. The income earned on your contributions and any EAPs that would otherwise have been paid to your beneficiary will go to the remaining beneficiaries in your beneficiary group as part of their EAPs.”

**22.2 Pre- Maturity Attrition and payments to Beneficiaries**

(1) Under the sub-heading “How attrition affects EAPs” and the sub-sub-heading “Pre-maturity attrition”, state using substantially the following wording:

**“Income from cancelled units**

When a subscriber cancels their plan before maturity, the income earned on their contributions goes to the remaining beneficiaries in the beneficiary group. This money continues to earn income [*state what happens to this income on income.*]

The following table shows you the current value of the income from cancelled units by beneficiary group. The amount of income from cancelled plans available to beneficiaries after the year of eligibility will depend on how many subscribers cancel their plan, how many beneficiaries qualify to receive this money and investment performance.

Keep in mind that if you cancel your plan before maturity, you forfeit the income earned on your contributions. Your beneficiary will not be eligible to receive this income or any EAPs.”

(2) From the scholarship plan’s financial statements, provide in the form of a table, the financial position of each beneficiary group as at the scholarship plan's financial year end in substantially the same format as set out below:

Beneficiary group	Units at [date of financial year end ]				Income from cancelled units	
	Active units	Cancelled units	Total units	Percentage of units that have been cancelled	Total income	Income per unit
<i>[year of eligibility for corresponding age of oldest beneficiary] ([age of oldest beneficiary eligible for group scholarship plan under this prospectus] • years)</i>						
<i>[year of eligibility for corresponding age of oldest beneficiary] ([age of oldest beneficiary eligible for group scholarship plan under this prospectus minus one year] • years)</i>						
<i>[year of eligibility for corresponding age of youngest beneficiary for whom a plan may be purchased under this prospectus] ([age of youngest beneficiary eligible for this scholarship plan under this prospectus] • years)</i>						

(3) State the risk of fees in the event of a cancellation or withdrawal if the subscriber participates in a periodic contribution schedule using substantially the following wording:

“You will be eligible for a full refund if you cancel your plan up to 60 days after signing your contract. If you make a withdrawal or cancel your plan any time after

that, you will likely lose money, especially during the first few years of your plan. This is because 50% to 100% of your contributions are used to pay the sales charge over the first • years of your plan. The plan would need extraordinary investment returns to make up for the fees and begin to realize a profit.”

(4) Under the sub-sub-sub-heading “If you drop out of the plan” describe the effects of cancelling or withdrawing from a plan prior to maturity of the savings plan, including what happens to a subscriber’s contributions, income, grants, eligible contribution room, and eligibility for refunds of sales charges.

(5) Provide information about drop-out rates in the scholarship plan using substantially the following wording:

**“Drop-out rate**

Since the plan was established in [year], an average of •% of subscribers a year have dropped out of the plan before it matured. The table below lists the reasons why subscribers left the plan, in order of most common reason.

Reason for leaving the plan	Average annual rate since [year plan established]
Subscriber cancelled plan	•%
Subscriber defaulted and investment fund manager cancelled their plan	•%
Subscriber transferred to another RESP provider	•%
Subscriber reduced units	•%

”.

**INSTRUCTION**

*For the table provided under the subsection (5) list the reasons why subscribers left the plan, in order of most common reason.*

**22.3 Post-Maturity Attrition and payments to Beneficiaries**

(1) Under the sub-sub-heading “Post-maturity attrition” and the sub-sub-sub-heading “EAPs paid to beneficiaries” provide information, substantially in the form of the following table, about the drop-out rates in scholarship plans after maturity and introduced using substantially the following words:

“The table below tells you the number of beneficiaries who received all of their EAPs and the number who received some or none of their EAPs because they dropped out of the plan after it matured.”

(2) Disclosure under this Item should indicate whether and how the pay out structure to the beneficiaries changed.

											Beneficiary group	
	Life to date for the Scholarship Plan		[Most recent year]		[Most recent year minus 2]		[Most recent year minus 3]		[Most recent year minus 4]		[Most recent year minus 5]	
	#	%	#	%	#	%	#	%	#	%	#	%
Beneficiaries whose plan reached maturity												
Beneficiaries who received all [ 3 or 4] EAPs [as applicable]												
Beneficiaries who received only 3 out of ** EAPs [as applicable]												
Beneficiaries who received only 2 out of **EAPs												
Beneficiaries who received only 1 out of **EAPs												
Beneficiaries who received no EAPs												
Deferred and unclaimed plans												

(3) Where a scholarship plan allows subscribers to elect a modified payment schedule based on less than a four year program of study, provide information, substantially in the form of the following table, about the drop-out rates in scholarship plans after maturity and introduced using substantially the following words:

“The table below tells you for a reduced program, the number of beneficiaries who received all of their EAPs and the number who received some or none of their EAPs because they dropped out of the plan after it matured.

											Beneficiary group	
	Life to Date for the Scholarship Plan		[Most recent year]		[Most recent year minus 2]		[Most recent year minus 3]		[Most recent year minus 4]		[Most recent year minus 5]	
	#	%	#	%	#	%	#	%	#	%	#	%
Beneficiaries whose plan reached maturity												
Beneficiaries who received all [ 1,2, or 3] EAPs [as applicable]												
Beneficiaries who received only 2 out of ** EAPs [as applicable]												
Beneficiaries who received only 1 out of **EAPs												
Beneficiaries who received no EAPs												
Deferred and unclaimed plans												

”.

### INSTRUCTIONS

(1) For group scholarship plans that have the option to elect payments for a shorter duration program at a reduced amount per payment than would otherwise be provided, provide this information.

(2) Disclosure under this Item should indicate whether and how the pay out structure to the beneficiaries changed.

### Item 23 Annual returns

#### 23.1 Performance Data

(1) Under the heading “How the plan has performed” and the sub-heading “Year-by-year returns”, state using substantially the following wording:

“The table below tells you how the investments in [name of plan] performed in each of the past [insert number of years] financial years ending on [insert date of end of financial year]. Returns are after expenses have been deducted. These expenses reduce the returns you get on your investment.

It’s important to note that this doesn’t tell you how the plan’s investments will perform in the future.”

(2) Provide information about the performance returns for the scholarship plan for the past five years (or for plans that have existed for more than one and less than five years, for each year the plan has been in existence) in the form of the following table:

	[Year]	[Year]	[Year]	[Year]	[Year]
Gross annual return	.....%	.....%	.....%	.....%	.....%
[Minus] Management expense ratio	.....%	.....%	.....%	.....%	.....%
[Minus] Trading expense ratio	.....%	.....%	.....%	.....%	.....%
[Equals] <b>Annual return</b>	.....%	.....%	.....%	.....%	.....%

#### **Management expense ratio**

The management expense ratio is the total of the management fee and operating expenses. It is expressed as an annual percentage of the scholarship plan's value.

#### **Trading expense ratio**

The trading expense ratio is the total of the commissions and other portfolio transaction costs. It is expressed as an annual percentage of the scholarship plan's value.

Together, the management expense ratio and trading expense ratio represent the total expenses relating to the plan's investments.

(3) Provide the selected financial information required by this Item in chronological order for each of the five most recently completed financial years of the scholarship plan for which audited financial statements have been filed, with the information for the most recent financial year in the first column on the left of the table.

(4) Calculate the management expense ratio of the scholarship plan as required by Part 15 of Regulation 81-106 respecting Investment Fund Continuous Disclosure. Include a brief description of the method of calculating the management expense ratio in a note to the table.

(5) Disclose the effect of the change on the management expense ratio in a note to this table if the scholarship plan issuer,

(a) has changed, or proposes to change, the basis of the calculation of the management fees or other fees, charges or expenses that are charged to the scholarship plan, or

(b) has introduced or proposes to introduce a new fee, and if the change would have had an effect on the management expense ratio for the last completed financial year of the scholarship plan if the change had been in effect throughout that financial year.

(6) Calculate the trading expense ratio by dividing (i) the total commissions and other portfolio transaction costs disclosed in the statement of operations, by (ii) the same denominator used to calculate the management expense ratio.

#### **INSTRUCTION**

*Calculate performance data under this Item in accordance with Regulation • respecting Scholarship Plans.*



## **Item 24 Management Discussion of Fund Performance**

### **24.1 Management Discussion of Fund Performance**

Provide, under the sub-heading “Management discussion of fund performance”, the information required by sections 2.3, 2.4, 2.5, 5 and 6 of Part B of Form 81-106F1 *Investment Fund Continuous Disclosure* for the period covered by the financial statements required under Item 9 of Form 41-101F2 *Information required of an Investment Fund*.

## **Part D Information about the Organization**

### **Item 1 Legal Structure of the Plan**

#### **1.1 Legal Structure**

(1) Under the heading “About [name of the issuer]” and the sub-heading “An overview of the structure of our plans”, state:

(a) the full corporate name of the scholarship plan issuer or, if the scholarship plan issuer is an unincorporated entity, the full name under which it carries on business, and

(b) the address of the scholarship plan issuer’s head or registered office.

(2) State the names of the scholarship plan issuer’s directors, officers, trustees, partners and shareholders, as applicable.

(3) State the laws under which the scholarship plan issuer was formed or, if the scholarship plan issuer is an unincorporated entity, the laws under which it carries on business, and the date and manner of its formation.

(4) Identify the constating documents of the scholarship plan issuer and, if material, state whether the constating documents have been amended in the last 10 years and describe the amendments.

(5) If the scholarship plan issuer’s name has changed in the last 10 years, state the scholarship plan issuer’s former name and the date on which it was changed.

(6) In the form of a diagram or chart indicate the relationship between the scholarship plan issuer, the investment fund manager, the trustees, the scholarship plan promoter, the scholarship plan dealer and any other person that provides services to the scholarship plan or the investment fund manager in relation to the scholarship plan and is an associate, an affiliated entity or an affiliate to the scholarship plan. For each entity in the diagram or chart state its legal nature and provide the full corporate name or, if the entity is an unincorporated entity, the full name under which it carries on business.

#### **INSTRUCTION**

*A person is an “affiliated entity” of another person if one is a subsidiary entity of the other or if both are subsidiary entities of the same person or if each of them is a controlled entity of the same person.*

### **Item 2 Organization and management details**

#### **2.1 Organization and management details**

(1) Provide in a diagram or table, under the sub-heading “Who is involved in running the plan[s]”, information about the investment fund manager, trustee, portfolio adviser, principal distributor, custodian, registrar and auditor of the scholarship plans to which the prospectus applies.

(2) For each entity listed in the diagram or table, briefly describe the services provided by that entity, and the relationship of that entity to the investment fund manager.

(3) In discussing who is involved in running the plan include a description of how each of the following aspects of the operations of the scholarship plan are administered and who administers those functions:

(a) the management and administration of the scholarship plan, including valuation services, fund accounting and security-holder records, other than the management of the portfolio assets,

(b) the management of the portfolio assets, including the provision of investment analysis or investment recommendations and the making of investment decisions,

(c) the purchase and sale of portfolio assets by the scholarship plan and the making of brokerage arrangements relating to the portfolio assets,

(d) the distribution of the securities of the scholarship plan,

(e) if the scholarship plan is a trust, the trusteeship of the scholarship plan,

(f) if the scholarship plan is a corporation, the oversight of the affairs of the scholarship plan by the directors or members of the corporation,

(g) the custodianship of the assets of the scholarship plan, and

(h) the oversight of the manager of the scholarship plan by the independent review committee.

(4) For each entity listed in the diagram or table, other than the investment fund manager, provide the municipality and the province or country where it principally provides its services to the scholarship plans. Provide the complete municipal address for the investment fund manager of the scholarship plan.

#### **INSTRUCTION**

*The disclosure required under Item 2.1(3) may be provided separately from, or combined with, the detailed disclosure concerning the persons that provide services to the scholarship plan required by Items 3 through 13.*

### **Item 3 Investment Fund Manager**

#### **3.1 Investment Fund Manager**

(1) Under the sub-sub-heading “Manager of the scholarship plan”, state the name of the investment fund manager and provide the complete municipal address, the telephone number, e-mail address and, if applicable, website address of the investment fund manager.

(2) Provide particulars of the investment fund manager, including the legal structure of the investment fund manager, the history and background of the investment fund manager and any unique overall investment strategy or approach used by the investment fund manager in connection with the scholarship plans.

(3) If any of the duties and functions of the investment fund manager are delegated to another entity, provide the particulars of the entity, including the history and background of that entity.

(4) Under the sub-sub-sub-heading “Duties and services to be provided by the manager”, describe the duties and services provided by the investment fund manager to the scholarship plan.

(5) If any of the duties and functions of the investment fund manager are delegated to another entity, describe the duties and services provided by that entity to the scholarship plan.

(6) Under the sub-sub-sub-heading “Details of the management agreement”, provide a brief description of the essential terms of any agreement with the investment fund manager entered into or to be entered into with the scholarship plan, including any termination rights.

(7) If any of the duties and functions of the investment fund manager are delegated to another entity, provide a brief description of the essential terms of any agreement with the entity to perform these duties and functions entered into or to be entered into with the scholarship plan issuer or the investment fund manager, including any termination rights.

(8) Under the sub-sub-sub-heading “Officers and directors of the manager” state

(a) the name and municipality of residence of each partner, director and executive officer of the investment fund manager and indicate the respective positions held with the investment fund manager and their respective principal occupations within the five preceding years,

(b) if a partner, director or executive officer of the investment fund manager has held more than one office with the investment fund manager within the past five years, state only the current office held, and

(c) if the principal occupation of a partner, director or executive officer of the investment fund manager is with an organization other than the investment fund manager, state the principal business in which the organization is engaged.

(9) If any of the duties and functions of the investment fund manager are delegated to another entity, state

(a) the name and municipality of residence of each partner, director and executive officer of the entity and indicate the respective positions held with the entity and their respective principal occupations or business within the five preceding years,

(b) if a partner, director or executive officer of the entity has held more than one office with the entity within the past five years, state only the current office held, and

(c) if the principal occupation of a partner, director or executive officer of the investment fund manager is with an organization other than the investment fund manager, state the principal business in which the organization is engaged.

(10) Under the sub-sub-sub-heading “Cease trade orders and bankruptcies” indicate if a partner, director or executive officer of the investment fund manager, the scholarship plan issuer, or any entity responsible for the day-to-day administration of the scholarship plan is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other investment fund, that was subject to an order that was issued while the partner, director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, describing the basis on which the order was made and whether the order is still in effect.

(11) Under the same sub-sub-sub-heading indicate if a partner, director or executive officer of the investment fund manager, the scholarship plan issuer, or any entity responsible for the day-to-day administration of the scholarship plan is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other investment fund, that was subject to an order that was issued after the partner, director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, describing the basis on which the order was made and whether the order is still in effect.

(12) For the purposes of subsection (10), “order” means

- (a) a cease trade order,
- (b) an order similar to a cease trade order, or
- (c) an order that denied the relevant investment fund access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

(13) State if a partner, director or executive officer of the investment fund manager, the scholarship plan issuer, or an entity responsible for the day-to-day administration of the scholarship plan

(a) is, as at the date of the prospectus, or has been within the 10 years before the date of the prospectus, as applicable, a partner, director or executive officer of any investment fund that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

(b) has, within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the partner, director or executive officer.

#### *INSTRUCTIONS*

(1) *The disclosure required by subsections (10) and (12) also applies to any personal holding companies of any of the persons referred to in subsections (10) and (12).*

(2) *A management cease trade order that applies to directors and executive officers of the scholarship plan, is an “order” for the purposes of paragraph (10)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was specifically named in the order.*

#### **Item 4 The Trustee**

##### **4.1 The Trustee**

(1) Under the sub-sub-heading “Directors, officers and trustees”, list the names, the municipality of residence or postal address, and the principal occupations at, or within the last five years preceding, the date of the prospectus of all directors or officers of an

incorporated scholarship plan issuer or of the individual trustee or trustees, if any, of a scholarship plan issuer that is a trust.

(2) State, for a scholarship plan issuer that is a trust, the names and municipality of residence for each person that is responsible for performing the trusteeship function of the scholarship plan issuer.

(3) Indicate, for an incorporated scholarship plan issuer, all positions and offices with the scholarship plan issuer then held by each person named in response to subsection (1).

(4) If the principal occupation of a director, officer or trustee is that of a partner, director or officer of a company other than the scholarship plan issuer, state the business in which the company is engaged.

(5) If a director or officer of an incorporated scholarship plan issuer has held more than one position in the scholarship plan issuer, state only the first and last positions held.

## **Item 5 The Independent Review Committee**

### **5.1 The Independent Review Committee**

(1) Under the sub-sub-heading “Independent review committee”, briefly describe the independent review committee of the scholarship plan, including:

(a) the mandate and responsibilities of the independent review committee,

(b) the composition of the independent review committee (including the names of its members), and the reasons for any change in its composition since the date of the most recently filed annual information form or prospectus of the scholarship plan, as applicable, and

(c) that the independent review committee prepares a subscriber report at least annually of its activities that is available on the [scholarship plan’s/ investment fund family’s] Internet site at [insert scholarship plan’s Internet site address], or at the subscriber’s request at no cost, by contacting the [scholarship plan/ investment fund family] at [scholarship plan’s/investment fund family’s email address].

(2) Provide detailed information concerning any other body or group other than the independent review committee that has responsibility for fund governance and the extent to which its members are independent of the investment fund manager of the scholarship plan.

## **Item 6 Remuneration of Directors, Officers and Trustees**

### **6.1 Remuneration of Directors, Officers and Trustees**

(1) Under the sub-sub-heading “Compensation of directors, officers, trustees, and independent Review Committee (IRC) members”, if the management functions of the scholarship plan are carried out by employees of the investment fund manager or employees of an affiliated entity, for each employee provide the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.

(2) Describe any arrangements under which compensation was paid or payable directly or indirectly by the scholarship plan issuer during the most recently completed financial year of the scholarship plan issuer, for the services of directors of the scholarship plan issuer, members of an independent board of governors or advisory board of the

scholarship plan issuer including the amounts paid, the name of the individual and any expenses reimbursed by the scholarship plan issuer to the individual

(a) in that capacity, including any additional amounts payable for committee participation or special assignments, and

(b) as consultant or expert.

(3) For a scholarship plan that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the scholarship plan during the most recently completed financial year of the scholarship plan for the services of the trustee or trustees of the scholarship plan.

(4) For the independent review committee disclose the amount of fees and expenses payable in connection with the independent review committee by the scholarship plan, including any amounts payable for committee participation or special assignments, and state whether the scholarship plan pays all of the fees payable to the independent review committee.

#### *INSTRUCTION*

*The disclosure required under Item 6.1(1) regarding executive compensation for management functions carried out by employees of a scholarship plan must be made in accordance with the disclosure requirements of Form 51-102F6 Statement of Executive Compensation.*

### **Item 7 The Portfolio Adviser**

#### **7.1 The Portfolio Adviser**

(1) Under the sub-sub-heading “Portfolio adviser”, state if the investment fund manager provides the portfolio management services in connection with the scholarship plan.

(2) If the investment fund manager does not provide portfolio management services, state the names and municipality and the province or country of the principal or head office for each portfolio adviser of the scholarship plan.

(3) State

(a) the extent to which investment decisions are made by certain individuals employed by the investment fund manager or a portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee, and

(b) the name, title, and length of time of service of the person or persons employed by or associated with either the investment fund manager or a portfolio adviser of the scholarship plan who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the scholarship plan, implementing a particular material strategy or managing a particular segment of the portfolio of the scholarship plan, and each person’s business experience in the last five years.

(4) Describe the circumstances under which any agreement with a portfolio adviser of the scholarship plan may be terminated, and include a brief description of the essential terms of this agreement.

(5) Under the sub-sub-sub-heading “Details of the portfolio advisory agreement”, provide a brief description of the essential details of any portfolio advisory agreement that the portfolio adviser has entered into or will be entering into with the scholarship plan issuer or the investment fund manager of the scholarship plan, including any termination rights.

## **Item 8 The Scholarship Plan Dealer**

### **8.1 The Scholarship Plan Dealer**

(1) Under the sub-sub-heading “Scholarship plan dealer”, state the name and address of the principal distributor of the scholarship plan.

(2) Describe the circumstances under which any agreement with the principal distributor of the scholarship plan may be terminated, and include a brief description of the essential terms of this agreement.

### **8.2 Dealer Compensation**

(1) Under the sub-sub-sub- heading “Dealer compensation” provide a complete description of:

(a) all compensation payable by members of the organization of the scholarship plan to all principal distributors and any participating dealers of the scholarship plan, and

(b) the sales practices followed by the members of the organization of the scholarship plan for distribution of securities of the scholarship plan.

(2) Disclose, under the sub-sub-sub-heading “Compensation from management fees”, the approximate percentage obtained from a fraction:

(a) the numerator of which is the aggregate amount of cash paid to registered dealers in the last completed financial year of the investment fund manager of the scholarship plan, for payments made

(i) by

(A) the investment fund manager of the scholarship plan,  
or

(B) an associate, an affiliated entity or an affiliate to the  
investment fund manager,

(ii) in order to

(A) pay compensation to registered dealers in connection with the distribution of securities of the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan, or

(B) pay for any marketing, fund promotion or educational activity in connection with the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan, and

(b) the denominator of which is the aggregate amount of management fees received by the investment fund managers of the scholarship plan and all other scholarship plans in the same investment fund family as the scholarship plan in the last completed financial year of the investment fund manager.

### **INSTRUCTIONS**

(1) *Briefly state the compensation paid and the sales practices followed by the members of the organization of the scholarship plan in a concise and explicit manner.*

(2) *The disclosure presented under this Item should be described as information about the approximate percentage of management fees paid by scholarship plans in the same investment fund family as the scholarship plan that were used to fund commissions or other promotional activities of the investment fund family in the most recently completed financial year of the investment fund manager of the scholarship plan.*

(3) *The calculations made under this Item should take into account the payment of sales commissions, trailing commissions and the costs of participation in co-operative marketing, fund promotion and educational conferences.*

## **Item 9 Custodian**

### **9.1 The Custodian**

(1) Under the sub-sub-heading “Custodian”, state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the scholarship plan.

(2) Describe generally the sub-custodial arrangements of the scholarship plan.

#### **INSTRUCTION**

*A “principal sub-custodian” is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the scholarship plan.*

## **Item 10 Auditor**

### **10.1 The Auditor**

Under the sub-sub-heading “Auditor”, state the name and address of the auditor of the scholarship plan.

## **Item 11 Transfer Agent and Registrar**

### **11.1 Transfer Agent and Registrar**

Under the sub-sub-heading, “Transfer agent and registrar”, for each class of securities offered by the scholarship plan under the prospectus, state the name of the scholarship plan’s transfer agent(s), registrar(s), trustee, or other agent appointed by the scholarship plan issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the scholarship plan issuer or transfer agent, registrar, trustee or other agent where the securities, register and register of transfers are maintained or transfers of securities are recorded.

## **Item 12 Promoters**

### **12.1 Promoters**

(1) Under the sub-sub-heading “Promoter”, for a person that is, or has been within the two years immediately preceding the date of the prospectus or pro forma prospectus, a promoter of the scholarship plan that is not otherwise identified as the investment fund manager, dealer or administrator of the scholarship plan, state

(a) the person’s name and municipality and the province or country of residence,



(b) the number and percentage of each class of voting securities and equity securities of the scholarship plan issuer or any of its subsidiaries owned, or controlled or directed, directly or indirectly, by the person,

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the scholarship plan from an associate, an affiliated entity or an affiliate to the scholarship plan, and the nature and amount of any assets, services or other consideration received or to be received by the scholarship plan issuer, or an associate, an affiliated entity or an affiliate to the scholarship plan issuer in return, and

(d) for an asset acquired within the two years before the date of the preliminary prospectus or pro forma prospectus, or to be acquired, by the scholarship plan issuer or by an associate, an affiliated entity or an affiliate to the scholarship plan issuer from a promoter,

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,

(ii) the person making the determination referred to in subparagraph (i) and the person's relationship with the scholarship plan issuer, the promoter, or an associate, an affiliated entity or an affiliate to the scholarship plan issuer or of the promoter, and

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

(2) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person that was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person that was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.

(4) For the purposes of subsection (2), "order" means:

(a) a cease trade order,

(b) an order similar to a cease trade order, or

(c) an order that denied the relevant person access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

(5) State if a promoter referred to in subsection (1)

(a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a partner, director or executive officer of any person that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to

bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

(b) has, within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

(6) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in subsection (1) has been subject to

(a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

(7) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered to be important to a reasonable investor in making an investment decision.

#### *INSTRUCTIONS*

(1) *The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*

(2) *A management cease trade order that applies to a promoter referred to in subsection (1) is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

(3) *For the purposes of this Item, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction".*

(4) *The disclosure in paragraph (2) (a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person. The scholarship plan issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

### **Item 13 Other service providers**

#### **13.1 Other service providers**

Under the sub-heading "Other service providers", state the name, municipality of the principal or head office, and the nature of business of each other person that provides services relating to portfolio valuation, security-holder records, fund accounting, or other material services, in respect of the scholarship plan, and describe the material features of the contractual arrangements by which the person has been retained.

## **Item 14 Experts**

### **14.1 Names of Experts**

Under the sub-heading “Experts who contributed to this prospectus”, name each person:

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or any amendment to the prospectus, and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person.

### **14.2 Interests of Experts**

(1) Disclose all ownership, directly or indirectly, in any securities, assets or other property of the scholarship plan or of an associate, an affiliated entity or an affiliate to the scholarship plan received or to be received by a person whose profession or business gives authority to a statement made by the person and who is named as having prepared or certified a part of the scholarship plan prospectus or prepared or certified a report, valuation, statement or opinion described or included in the prospectus.

(2) For the purpose of subsection (1), if the ownership is less than one percent, a general statement to that effect is sufficient.

(3) If a person, or a director, officer or employee of a person referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of the scholarship plan issuer or of any associate, affiliated entity or affiliate to the scholarship plan issuer, disclose the fact or expectation.

#### *INSTRUCTION*

*In addition to the scholarship plan's current auditor, the disclosure referred to in 14.2 must be provided for the scholarship plan's predecessor auditor for those periods for which it was the scholarship plan's auditor.*

## **Item 15 Subscriber Matters**

### **15.1 Subscribers Matters**

Under the sub-heading, “Subscriber matters” and the sub-sub-heading “Meetings of subscribers”, describe the circumstances, processes and procedures for holding any subscriber meeting and for any extraordinary resolutions.

### **15.2 Matters Requiring Subscriber Approval**

Under the sub-sub-heading “Matters requiring subscriber approval”, describe the matters that require subscriber approval.

### **15.3 Reporting to Subscribers and Beneficiaries**

Under the sub-sub-heading “Reporting to subscribers and beneficiaries” describe the information or reports that will be delivered or made available to subscribers and beneficiaries and the frequency with which such information or reports will be delivered or made available to subscribers, including any requirements under securities legislation.

## **Item 16 Business Practices and Conflicts of Interest**

### **16.1 Policies**

Provide, under the sub-heading, “Business practices and conflicts of interest” sub-sub-heading, “Our policies” a description of the policies, practices or guidelines of the scholarship plan issuer, investment fund manager, and the administrator of the scholarship plans on business practices, sales practices, risk management controls and internal conflicts of interest, and if the scholarship plan issuer, and the investment fund manager of the scholarship plans have no such policies, practices or guidelines, a statement to that effect.

### **16.2 Valuation of Portfolio Investments**

(1) Under the sub-sub-heading “Valuation of portfolio investments” describe the methods used to value the various types or classes of portfolio assets of the scholarship plan and its liabilities.

(2) If the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences.

(3) If the manager has discretion to deviate from the scholarship plan’s valuation practices described in subsection (1), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, so state.

### **16.3 Proxy Voting Disclosure for Portfolio Securities Held**

(1) Unless the scholarship plan invests exclusively in non-voting securities, under the sub-sub-heading “Proxy voting”, describe the policies and procedures that the scholarship plan issuer follows when voting proxies relating to portfolio securities including:

(a) the procedures followed when a vote presents a conflict between the interests of securityholders and those of the scholarship plan’s manager, portfolio adviser, or any associate, affiliated entity, or affiliate to of the scholarship plan, its manager or its portfolio adviser,

(b) any policies and procedures of the scholarship plan’s portfolio adviser, or any other third party that the scholarship plan issuer follows, or that are followed on the scholarship plan’s behalf, to determine how to vote proxies relating to portfolio securities.

(2) State that the policies and procedures that the scholarship plan issuer follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling [toll-free/collect call telephone number] or by writing to [address].

(3) State that the scholarship plan issuer’s proxy voting record for the most recent period ended June 30 of each year is available free of charge to any securityholder of the scholarship plan upon request at any time after August 31 of that year. Provide the scholarship plan’s website address where the proxy voting record is available for review.

### **16.4 Conflicts of Interest**

Under the sub-sub-heading “Conflicts of interest”, disclose particulars of existing or potential material conflicts of interest between

(a) the scholarship plan issuer and any entity responsible for the day-to-day administration of the scholarship plan or any partner, director or executive officer of any entity responsible for the day-to-day administration of the scholarship plan,

(b) the scholarship plan issuer and the investment fund manager or promoter or any partner, director or executive officer of the investment fund manager or promoter, and

(c) the scholarship plan issuer and the portfolio adviser or any partner, director or executive officer of the portfolio adviser of the scholarship plan.

#### **16.5 Interests of Management and Others in Material Transactions**

(1) Under the sub-sub-sub-heading “Interests of management and others in material transactions”, describe, and state the approximate amount of any material interest, direct or indirect, of any of the following persons in any transaction within the three years before the date of the prospectus or pro forma prospectus that has materially affected or is reasonably expected to materially affect the scholarship plan:

(a) a partner, director or executive officer of the investment fund manager or the administrator,

(b) a person that owns, or controls or directs, directly or indirectly as agent or as principal, more than 10 percent of any class or series of the outstanding voting securities of the scholarship plan, the investment fund manager, the administrator, or

(c) an associate, affiliated entity, or an affiliate to any of the persons referred to in paragraphs (a) or (b).

#### **Item 17 Material contracts**

##### **17.1 Material contracts**

(1) Under the sub-heading “Key business documents”, list and provide particulars of:

(a) the subscribers’ sales agreement or contract,

(b) the articles of incorporation, the declaration of trust or trust agreement of the scholarship plan issuer or any other constating document,

(c) any agreement of the scholarship plan issuer or trustee with the investment fund manager of the scholarship plan,

(d) any agreement of the scholarship plan issuer, the investment fund manager, or trustee with the portfolio adviser of the scholarship plan,

(e) any agreement of the scholarship plan issuer, the investment fund manager, or trustee with the custodian of the scholarship plan,

(f) any agreement of the scholarship plan issuer, the investment fund manager, or trustee with the principal distributor of the scholarship plan,

(g) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the scholarship plan, and

(h) any contract or agreement with governmental bodies to assist beneficiaries in obtaining grants and incentives.

(2) State a reasonable time at which and place where the contracts or agreements listed in response to subsection (1) may be inspected by prospective or existing subscribers.

(3) Include, in describing particulars of contracts, the date of, parties to, consideration paid by the scholarship plan issuer under, termination provisions of, and general nature of, the contracts.

#### **INSTRUCTIONS**

(1) *Set out a complete list of all contracts for which particulars must be given under this Item, indicating those that are disclosed elsewhere in the prospectus. Only provide particulars for those contracts that are not set out elsewhere in the prospectus.*

### **Item 18 Legal Matters**

#### **18.1 Amendments to Declaration of Trust**

Under the sub-heading, “Legal matters” and for a scholarship plan issuer established pursuant to a declaration of trust, under the sub-sub-heading “Amendments to the declaration of trust”, describe the circumstances, processes and procedures required to amend the declaration of trust.

#### **18.2 Exemptions and approvals**

Under the sub-sub-heading “Exemptions and approvals under securities laws”, describe all exemptions from or approvals under securities legislation that are not otherwise disclosed under Part C, Item 11, obtained by the scholarship plan issuer or the investment fund manager that continue to be relied upon by the scholarship plan issuer or the investment fund manager, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of Regulation 41-101 respecting General Prospectus Requirements.

#### **18.3 Legal and administrative proceedings**

(1) Under the sub-sub-heading “Legal and administrative proceedings” describe briefly any ongoing legal and administrative proceedings material to the scholarship plan, to which the scholarship plan, the investment fund manager, the promoter, or the principal dealer is a party.

(2) For all matters disclosed under subsection (1), state

- (a) the name of the court or agency having jurisdiction,
- (b) the date on which the proceeding was instituted,
- (c) the principal parties to the proceeding,
- (d) the nature of the proceeding and, if applicable, the amount claimed,

and

(e) whether the proceedings are being contested and the present status of the proceedings.

(3) Provide similar disclosure about any proceedings known to be contemplated.

(4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if, the investment fund manager, promoter, scholarship plan dealer, or a director or officer of the scholarship plan issuer or the partner, director or

officer of the investment fund manager or promoter of the scholarship plan has in the 10 years before the date of the scholarship plan prospectus

(a) been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of a scholarship plan or investment fund or theft or fraud, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in determining whether to purchase securities of the scholarship plan, or

(b) entered into a settlement agreement with a court, securities regulatory or other regulatory body, in relation to any of the matters referred to in paragraph (a).

(5) If the investment fund manager or promoter of the scholarship plan, or a director or officer of the scholarship plan issuer or the partner, director or officer of the promoter has, within the 10 years before the date of the scholarship plan prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of a scholarship plan or investment fund, or theft or fraud, or has entered into a settlement agreement with a regulatory authority in relation to any of these matters, describe the penalties or sanctions imposed and the ground on which they were imposed or the terms of the settlement agreement.

## **Item 19 Contribution schedule**

### **19.1 Contribution schedule**

(1) Under the heading “Contribution schedule(s)”, provide information, in the form of tables, outlining the contribution schedule for each type of scholarship plan offered under the prospectus.

(2) The contribution schedules must outline all available contribution options, including monthly, annual and single contributions.

(3) The contribution schedules must include the ages of the beneficiaries, ranging from the youngest to oldest, and the contributions required at each age by contribution option. If the scholarship plan is a group scholarship plan there will be one table for each beneficiary group.

(4) State, in relation to the contribution tables, all of the assumptions upon which the contribution schedule(s) were based. Indicate whether those assumptions are still reflective of current conditions and circumstances and if they are not, state the differences and the ramifications to the subscriber/beneficiary.

## **Item 20 Certificates**

### **20.1 Certificate of the Scholarship Plan**

(1) Include a certificate issued by the scholarship plan issuer that states:

(a) for a scholarship plan prospectus,

“This prospectus [, together with the documents incorporated herein by reference,] required to be sent or delivered to a purchaser during the currency of the documents incorporated by reference into the prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of [insert the jurisdictions in which qualified] and does not contain any misrepresentations.”

(b) for an amendment to a prospectus that does not restate the prospectus,

“This amendment no. [specify amendment number and date] and the [amended and restated] prospectus dated [specify] [amending and restating the prospectus dated [specify],] [as amended by (specify prior amendments and dates)] required to be sent or delivered to a purchaser during the currency of the documents incorporated by reference into the [amended and restated] prospectus, [as amended,] constitute full, true and plain disclosure of all material facts relating to the securities offered by the [amended and restated] prospectus, [as amended,] as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations.”,

(c) for an amendment that amends and restates a prospectus

“This amended and restated prospectus dated [specify] [, amending and restating the prospectus dated [specify]] [, as amended by (specify prior amendments and dates)] required to be sent or delivered to a purchaser during the currency of the documents incorporated by reference into the [amended and restated] prospectus, [as amended,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by the [amended and restated] prospectus, [as amended,] as required by the securities legislation of [insert the jurisdictions in which qualified] and does not contain any misrepresentations.”

(2) The certificate required to be signed by the scholarship plan issuer shall, if the scholarship plan is established as a trust, be signed

(a) if any trustee of the scholarship plan issuer is an individual, by each individual who is a trustee or by a duly authorized attorney of the individual, or

(b) if any trustee of the scholarship plan issuer is a body corporate, by the duly authorized signing officer or officers of the body corporate.

(3) Despite subsection (2), if the declaration of trust or trust agreement establishing the scholarship plan issuer delegates the authority to do so, or otherwise authorizes a person to do so, the certificate form required to be signed by the trustee or trustees of the scholarship plan issuer may be signed by the person to whom the authority is delegated or who is authorized to sign for and on behalf of the scholarship plan trustee(s).

(4) Despite subsections (2) and (3), if the trustee of the scholarship plan issuer is also its investment fund manager, the certificate shall indicate that it is being signed by the person both in its capacity of trustee and in its capacity as investment fund manager of the scholarship plan and shall be signed in the manner prescribed by Item 20.2.

## **20.2 Certificate of the Investment Fund Manager**

(1) Include a certificate of the investment fund manager of the scholarship plan in the same form as the certificate signed by the scholarship plan.

(2) If the investment fund manager is a company, the certificate must be signed by the chief executive officer and the chief financial officer of the investment fund manager, and on behalf of the board of directors of the investment fund manager by any two directors of the investment fund manager other than the chief executive officer or chief financial officer, duly authorized to sign.

(3) Despite subsection (2), if the investment fund manager has only three directors, two of whom are the chief executive officer and chief financial officer, the certificate required by subsection (2) to be signed on behalf of the board of directors of the investment fund manager must be signed by the remaining director of the investment fund manager.



### 20.3 Certificate of the Principal Distributor

(1) Include a certificate of the principal distributor of the scholarship plan that states:

“To the best of our knowledge, information and belief, the financial statements of the investment fund [specify] for the financial period ended [specify] and the auditors’ report on those financial statements, together with the prospectus required to be sent or delivered to a purchaser, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and do not contain any misrepresentation.”

(2) The certificate to be signed by the principal distributor must be signed by any officer or director of the principal distributor duly authorized to sign.

#### *INSTRUCTION*

*For a scholarship plan that has a principal distributor, the certificate required by this Item is necessary to satisfy the requirements of securities legislation that an underwriter sign a certificate to a prospectus.*

### 20.4 Certificate of the Promoter

(1) Include a certificate of each promoter of the scholarship plan in the same form as the certificate signed by the scholarship plan.

(2) The certificate to be signed by the promoter must be signed by any officer or director of the promoter duly authorized to sign.

## **Item 21 Amendments**

### **21.1 Amendments**

(1) For an amendment to the prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements under Item 20.

(2) For an amended and restated prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in this Form.

**15.** This Regulation comes into force on *(insert the date of coming into force of this Regulation)*.