

JACK SAMPLE1
123 ANY STREET
ANY CITY AP A1A 1A1

**The Industrial Alliance
pre-approved RRSP loan:
Get ready for retirement!**

Dear Sir,

Last year you took advantage of the Industrial Alliance pre-approved RRSP loan. As a loyal customer, you have been given a pre-approved **RRSP loan**, which optimizes your tax savings while increasing your retirement savings. Refer to the attached application form and RRSP loan agreement for more details.

Contribute with ease and simplicity!

Save time and contribute to your RRSP with our simple application. It's easy as completing the application form and returning it to Industrial Alliance by February 23, 2016* at the latest.

Your new loan amount will automatically be invested in your RRSP* contract so that you can benefit from income tax savings.

Return your application before February 12, 2016* and benefit from an interest rate reduction!

Complete the enclosed application form and return it in the pre-stamped envelope before February 12, 2016* and you will benefit from a 0.50% reduction on the interest rate currently in effect.

Use our 120-day option and wait for your income tax return!**

Take full advantage of your RRSP loan by waiting for your income tax return to begin repaying your loan: grow your retirement savings and pay less taxes.

For more information about this offer, please contact your advisor, JACK SAMPLE, at (999) 999-9999.

Please note that if you don't follow up on this offer, your existing RRSP loan will remain in effect under its current terms.

Thank you for doing business with us, letting us be a partner you can trust.



Carole Roy
Director
Individual Savings and Retirement

*Your duly completed original RRSP loan application form must be received at Industrial Alliance by:
- February 12, 2016 to benefit from a rate reduction;
- February 23, 2016 to take advantage of this offer and the tax credit you are entitled to for the 2015 tax year.

**Certain conditions apply.



PRE-AUTHORIZED CHEQUE PAYMENTS (PAC) AGREEMENT

Each account owner is referred to as "I" in this PAC Agreement section and makes the following statements in respect of himself or herself.

I authorize Industrial Alliance Insurance and Financial Services Inc. (the "Company") and the financial institution designated (or any other financial institution I may authorize at any time) to begin deductions as per my instructions for regular recurring payments and/or one-time payments from time to time, for payment of all premiums, deposits and charges arising from the Contract hereunder mentioned.

Regular payments will be debited based on the frequency I have chosen, whereas one-time payments from time to time can be debited from my account on any other date. Regular and/or one time payments will be debited in accordance with the banking information set out below.

I agree that, for the purpose of this PAC Agreement, all PACs from my account will be treated as Personal.

I waive the right to receive pre-notification of an increase or a decrease in the amount to be debited or a change in the date and/or frequency of these payments.

I agree that the Company is not required to provide me with written notice of a change in a PAC amount that is made as a result of my request.

If a PAC is dishonoured for any reason such as, but not limited to, insufficient funds ("NSF"), stop payment or account closed, the Company is authorized to re-submit the payment. **Any charges incurred by the Company as a result of the dishonoured PAC will be added to the subsequent PAC.**

I may cancel or modify this PAC Agreement at any time, subject to providing the Company thirty (30) days notice in writing. To obtain a sample cancellation form or for more information on my right to cancel the PAC Agreement, I may contact my financial institution or visit www.cdnipay.ca regarding Rule H1-Pre-authorized debits (PADs).

If the Company assigns this PAC Agreement, the Company will provide written notice to me of the assignment, prior to any amount being deducted in the assignee's name.

I have certain recourse rights if any PAC does not comply with this PAC Agreement. For example, I have the right to receive reimbursement for any PAC that is not authorized or is not consistent with this PAC Agreement. To obtain more information on my recourse rights, I should contact my financial institution or visit www.cdnipay.ca regarding Rule H1-Pre-authorized debits (PADs).

Before the Company debits the first PAC payment, it must receive all required documents, duly completed, and be allowed a reasonable period of time to complete its administrative processes.

I confirm that all persons whose signatures are required to authorize transactions on the account have signed below.

GENERAL INFORMATION

1. Banking Information

Is the banking information for your most recent RRSP loan up-to-date?

- Yes. **The banking information already provided to the company will be used for this PAC agreement.** The authorized signatories, who authorized the original transaction, remain the same.
- No. **Staple void cheque specimen.** Mandatory signature below.

2. Withdrawal Arrangement: Variable **PAC category:** Personal

Starting on: Y|Y|Y|Y|M|M|D|D| (For the day, choose between 1 and 28.)

If no date is specified, the PAC will begin thirty (30) days following the Effective Date of this Loan Agreement. If Option 120 is selected in the application form, PAC will begin 120 days following the Effective Date of this Loan Agreement.

- Frequency:**
- Same as existing PAC, **OR**
 - Monthly: date of cheque: _____ (1st to 28th)
 - Weekly: day: _____ (Monday to Friday)
 - Every two weeks: day: _____ (Monday to Friday)
 - Bi-monthly (1st and 15th of each month)

PAC Amount: The PAC amount is equal to the monthly payment amount determined in accordance with the "Tables to calculate the initial monthly payment according to the repayment term selected", adjusted proportionally to the frequency selected above; minimum \$25 per frequency.

If you want to repay your loan by instalments greater than the monthly payment amount as determined above, please indicate this amount here:

\$ (minimum \$25 per frequency)

! SIGNATURE (For a joint account, all required signatories must sign this PAC agreement.)

Date: Y|Y|Y|Y|M|M|D|D| X _____
Account owner's signature (as shown on bank records)

Date: Y|Y|Y|Y|M|M|D|D| X _____
Account owner's signature (if required)

! IMPORTANT: Please include a void cheque.

INFORMATION

Canada-wide toll-free number: 1-844-4IA-INFO (1-844-442-4636) Email: savings@ia.ca

Quebec
1080 Grande Allée West
PO Box 1907, Station Terminus
Quebec City, QC G1K 7M3
Fax: 418-684-5161

Toronto
522 University Avenue, Suite 400
Toronto, ON M5G 1Y7
Fax: 1-800-810-0197

Vancouver
2165 West Broadway
PO Box 5900
Vancouver, BC V6B 5H6
Fax: 604-689-9682

ONLY THE ORIGINAL FORM WILL BE ACCEPTED. PLEASE KEEP A COPY FOR YOUR RECORDS.

**TABLES TO CALCULATE THE INITIAL MONTHLY PAYMENT¹
ACCORDING TO THE REPAYMENT TERM SELECTED**

In order to determine the initial monthly payment, please refer to the column that corresponds to the repayment term selected and the loan Interest Rate (first column) in effect at the time the loan application is signed.

¹ **If a frequency other than a monthly payment applies to this Loan Agreement, the amount of the payment will be adjusted proportionally. Each payment, irrespective of the frequency selected, must never be less than \$25.**

Example of calculation of initial monthly payments:

Assuming that you have a \$500 outstanding balance from an existing RRSP loan and you have selected a \$3,000 RRSP loan following the pre-approved offer that was made to you for the 2015 tax year. **Hence, the total amount of your RRSP loan will be \$3,500 following acceptance of the pre-approved offer.**

Assuming that the Interest Rate at the time of acceptance of your pre-approved RRSP loan offer is 4.5% according to the Interest Rates in effect and you opt for a 24-month repayment term, the repayment factor established according to the following table will be 43.6203. Since this amount corresponds to the initial monthly payment for each \$1,000 of amount borrowed, this factor must be multiplied by 3.5 (3,500/1,000). Approximate initial monthly payments of \$152.67 will be payable for a period of 24 months (3.5 x 43.6203).

Option 120

In the same example, if option 120 had been chosen, the repayment factor would have been 44.1043 according to the applicable table below. The approximate amount of initial monthly payments would be \$154.37 (3.5 x 44.1043) under this option.

Monthly repayment factors (in \$) per \$1,000 of loan

| Annual interest rate | 12 months | 24 months | 36 months | 48 months |
|----------------------|-----------|-----------|-----------|-----------|
| 2.00 % | 84.2264 | 42.5282 | 28.6306 | 21.6832 |
| 2.25 % | 84.3384 | 42.6367 | 28.7384 | 21.7909 |
| 2.50 % | 84.4505 | 42.7453 | 28.8464 | 21.8990 |
| 2.75 % | 84.5627 | 42.8541 | 28.9546 | 22.0074 |
| 3.00 % | 84.6750 | 42.9630 | 29.0631 | 22.1162 |
| 3.25 % | 84.7873 | 43.0722 | 29.1719 | 22.2253 |
| 3.50 % | 84.8998 | 43.1815 | 29.2809 | 22.3347 |
| 3.75 % | 85.0123 | 43.2909 | 29.3901 | 22.4444 |
| 4.00 % | 85.1249 | 43.4005 | 29.4996 | 22.5545 |
| 4.25 % | 85.2376 | 43.5103 | 29.6094 | 22.6650 |
| 4.50 % | 85.3503 | 43.6203 | 29.7194 | 22.7757 |
| 4.75 % | 85.4632 | 43.7304 | 29.8296 | 22.8868 |
| 5.00 % | 85.5761 | 43.8407 | 29.9402 | 22.9983 |
| 5.25 % | 85.6891 | 43.9512 | 30.0509 | 23.1101 |
| 5.50 % | 85.8022 | 44.0618 | 30.1619 | 23.2222 |
| 5.75 % | 85.9154 | 44.1726 | 30.2732 | 23.3346 |
| 6.00 % | 86.0287 | 44.2836 | 30.3847 | 23.4474 |
| 6.25 % | 86.1420 | 44.3947 | 30.4965 | 23.5605 |
| 6.50 % | 86.2554 | 44.5060 | 30.6085 | 23.6739 |
| 6.75 % | 86.3689 | 44.6175 | 30.7208 | 23.7877 |
| 7.00 % | 86.4825 | 44.7291 | 30.8333 | 23.9018 |

OPTION 120 (Use this table if Option 120 is selected in the application form)

Monthly repayment factors (in \$) per \$1,000 of loan

| Annual interest rate | 12 months | 24 months | 36 months | 48 months |
|----------------------|-----------|-----------|-----------|-----------|
| 2.00 % | 84.6418 | 42.7379 | 28.7718 | 21.7901 |
| 2.25 % | 84.8063 | 42.8732 | 28.8978 | 21.9118 |
| 2.50 % | 84.9711 | 43.0088 | 29.0242 | 22.0340 |
| 2.75 % | 85.1361 | 43.1447 | 29.1509 | 22.1566 |
| 3.00 % | 85.3013 | 43.2808 | 29.2781 | 22.2798 |
| 3.25 % | 85.4668 | 43.4173 | 29.4056 | 22.4034 |
| 3.50 % | 85.6325 | 43.5541 | 29.5336 | 22.5274 |
| 3.75 % | 85.7983 | 43.6912 | 29.6619 | 22.6520 |
| 4.00 % | 85.9645 | 43.8286 | 29.7906 | 22.7770 |
| 4.25 % | 86.1308 | 43.9663 | 29.9197 | 22.9025 |
| 4.50 % | 86.2974 | 44.1043 | 30.0491 | 23.0285 |
| 4.75 % | 86.4641 | 44.2426 | 30.1790 | 23.1549 |
| 5.00 % | 86.6311 | 44.3812 | 30.3093 | 23.2818 |
| 5.25 % | 86.7984 | 44.5201 | 30.4399 | 23.4092 |
| 5.50 % | 86.9658 | 44.6594 | 30.5710 | 23.5371 |
| 5.75 % | 87.1335 | 44.7989 | 30.7024 | 23.6654 |
| 6.00 % | 87.3014 | 44.9387 | 30.8342 | 23.7943 |
| 6.25 % | 87.4695 | 45.0789 | 30.9665 | 23.9236 |
| 6.50 % | 87.6379 | 45.2193 | 31.0991 | 24.0533 |
| 6.75 % | 87.8065 | 45.3601 | 31.2321 | 24.1836 |
| 7.00 % | 87.9753 | 45.5012 | 31.3655 | 24.3143 |

A - GENERAL CONDITIONS, AUTHORIZATIONS AND SIGNATURES

The undersigned Borrower and Co-borrower, if any, are referred to as "I" in this Loan Agreement and make the following statements in respect of himself or herself.

- I hereby confirm that I have requested that this Loan Agreement be drafted in the English language only. *Par les présentes, je confirme avoir demandé que le présent contrat de prêt soit rédigé en anglais uniquement.*
- I acknowledge that I have read this "GENERAL CONDITIONS, AUTHORIZATIONS AND SIGNATURES" section and section B" SPECIFIC CONDITIONS" of this Loan Agreement, and I agree to be bound by these conditions.
- I acknowledge that the information disclosed in this Loan Agreement is accurate, complete and true and that the Company will rely upon the accuracy of this information to approve the loan request. I agree to notify the Company in writing of any change in my financial situation that may affect my capacity to repay the loan. I declare that my assets are not currently the subject of seizure, garnishment or of any other similar procedure. I also declare that, to the best of my knowledge, no lawsuits or legal proceedings have been, or are about to be, filed against me.
- I acknowledge that the pre-approved offer that I have accepted by signing the application form and the related conditions are an integral part of this Loan Agreement.

5. I request that all amounts borrowed be invested in full in the Registered Annuity Contract(s) in which the previous RRSP loan indicated in the application form was invested on the date of the advance under this loan.
6. **I understand and agree that if I have an outstanding balance from the previous RRSP loan indicated in the application form, this outstanding balance will now be governed by the terms and conditions of this Loan Agreement.** The terms and conditions provided under the previous Contract are revoked by the acceptance of the pre-approved offer, and any outstanding balance from the previous RRSP loan, if any, shall be repaid in accordance with the terms and conditions of this Loan Agreement.
7. **I understand and agree that the monthly payment amount, the total of all monthly payments, and the total interest charges over the term of the loan may vary due to changes to the Prime Rate subsequent to signing the loan application and the amortization period may differ from the repayment term. I acknowledge that the monthly payment amount, the total of all monthly payments and the total interest charges over the term of the loan set out in this Loan Agreement are based on reasonable assumptions and estimates at the time I signed the loan application.**
8. I agree to repay the Loan Amount in full, which includes accrued interest and all other amounts due, in accordance with the terms and conditions of this Loan Agreement.
9. I acknowledge and agree that the Loan Amount must be repaid in full, which includes accrued interest and all other amounts due, before the Registered Annuity Contract(s) can be surrendered, in whole or in part, transferred, or converted to an annuity or any other retirement product.
10. In the event of any request to surrender the Registered Annuity Contract(s) in whole or in part, or any request to transfer the Registered Annuity Contract(s), I authorize the Company to apply the proceeds to the reimbursement of the Loan Amount.
11. I acknowledge and agree that if I am in default under any of the terms or conditions of this Loan Agreement for more than sixty (60) days, the total Loan Amount, which includes accrued interest and all other amounts due, shall immediately become due and payable in full. Quebec Borrowers should also refer to the "Clause of forfeiture of benefit of the term" in paragraph 10 of section B of this Loan Agreement.
12. I agree to pay all legal costs and expenses incurred by the Company to recover the amounts due if I am in default under any of the terms and conditions of this Loan Agreement for more than sixty (60) days.
13. **I authorize all credit agencies, financial institutions, taxation authorities, public bodies, or any other persons or organizations that hold personal information about me, including financial information or information about my credit history, to supply and to exchange this information with the Company, its affiliates or its representatives and agents, for the purposes of evaluating this loan application, administering and enforcing the Loan Agreement, and for marketing purposes.** I further authorize the Company to supply and exchange my personal information with its affiliates, representatives and agents for the purposes in the preceding sentence. A photocopy of this authorization will be as valid as the original.
14. I authorize the Company to withdraw the agreed payments in accordance with the PAC Agreement of the application form and this Loan Agreement. I confirm that all required signatories to the bank account have signed the PAC Agreement and I agree to provide such authorization agreement(s) as may be required by my bank or by the Company to enable the Company to withdraw the payments as indicated.
15. I request that the Company advise me of any other credit offer that would allow me to deposit the amount borrowed in a Registered Annuity Contract, including any possible increase in credit that may be granted to me under the terms and conditions of this Loan Agreement.

B - SPECIFIC CONDITIONS

1. DEFINITIONS

For the purposes of this Loan Agreement, the following definitions apply:

- i. "Amount in Arrears" means an amount indicated on the loan statement resulting from non-compliance with this Loan Agreement and may include principal, accrued interest and administration fees;
- ii. "Borrower" means the loan applicant whose name appears on the application form and who will receive the income tax receipt(s) and for the purposes of paragraph #10 of section B of this Loan Agreement constitutes the "Consumer";
- iii. "Co-borrower" means the loan co-applicant and for the purposes of paragraph #10 of section B of this Loan Agreement constitutes the "Consumer";
- iv. "Company" means Industrial Alliance Insurance and Financial Services Inc. and for the purposes of paragraph #10 of section B of this Loan Agreement constitutes the "Lender" and "Merchant";
- v. "Effective Date" means the date this Loan Agreement comes into effect, which corresponds to the date the duly completed loan application form is received by the Company, and once the Company has been allowed a reasonable period of time to process the application form and complete its administrative processes;
- vi. "Interest Rate" means the variable annual rate of interest determined from time to time by the Company pursuant to this Loan Agreement and, more specifically, is the rate equal to the Prime Rate plus the increment as stated in paragraph 2 of section B "SPECIFIC CONDITIONS" of this Loan Agreement;
- vii. "Loan Agreement" means the application form, the two parts of this document and any other document used to create this Loan Agreement. This Loan Agreement may be modified at the request of the Borrower and the Co-borrower, if any, subject to approval by the Company and for the purposes of paragraph #10 of section B of this Loan Agreement constitutes the "Contract";
- viii. "Loan Amount" means the total principal paid and advanced by the Company in favour of the Borrower, and the Co-borrower, if any, under this Loan Agreement, and includes any outstanding balance of an existing RRSP loan, if any, and any accrued interest and all other amounts due in accordance with this Loan Agreement;
- ix. "Prime Rate" means the annual rate of interest announced by the Royal Bank of Canada, from time to time, as its prime rate in Canada, being a reference rate then in effect for determining interest rates on loans, made in Canadian currency, in Canada;
- x. "Registered Annuity Contract(s)" means the registered individual variable annuity contract(s) issued by the Company and to which the advance under this loan will be credited.
- xi. "Total Principal Amount" means the amount of the current RRSP loan applied for in the loan application and any outstanding balance(s) on an existing RRSP loan(s), if applicable.

2. INTEREST RATE

The Interest Rate for the purposes of the daily calculation of the monthly interest owed on the Total Principal Amount, the Excess Amount and the Amount in Arrears varies in accordance with the increase or decrease of the Prime Rate. This increase or decrease can affect the loan amortization period.

The Interest Rate per annum applicable to the loan, which includes any outstanding balance of an existing RRSP loan, is determined as follows:

Prime rate (%) + increment (%), where the increment corresponds to the annual interest rate applicable according to the section "Rates -RRSP Loan" in effect and published on www.iarrsp.ca/loanrates.

The Prime Rate and the increment are established according to the rate scale in effect when the loan application is signed. The increment is based on the Total Principal Amount and on the selected repayment term.

The Interest Rate changes whenever the Prime Rate changes.

Interest begins to accrue on the unpaid balance from the day following the date the loan advance is credited to the Registered Annuity contract(s) specified in this Loan Agreement. The interest is calculated according to the following formula:

Outstanding balance of the Loan Amount upon the last capitalization of interest x (number of days elapsed since the last capitalization/365) x Interest Rate then in effect.

The Company reserves the right to change the loan maximum limit and the Interest Rate at any time without notice, subject to applicable laws.

3. REPAYMENTS

Each payment, irrespective of the frequency, must never be less than \$25.

Option 120: Under this option, the repayment term selected must begin 120 days following the Effective Date of this Loan Agreement. Interest accrues during this period.

The monthly payment amount must cover any Excess Amount or Amount in Arrears. The payments will first be credited to the Amount in Arrears, then to the Excess Amount, then to the payment of accrued interest, and then to the principal of the loan.

The Borrower may, at any time, repay all or a portion of the Loan Amount. At any time, the balance due is equal to the total Amount in Arrears, the outstanding balance of the Total Principal Amount, accrued interest and all other amounts due at the time of repayment.

4. USE OF THE LOAN

The loan must only be used to invest in an registered individual variable annuity contract at the Company. Any other use of the loan without written authorization from the Company results in the suspension of the rights to use the loan and requires the Borrower, and the Co-borrower, if any, to immediately repay the Loan Amount in full.

The amount borrowed will be advanced and credited to the Registered Annuity Contract(s) on the Effective Date of this Loan Agreement.

5. SPECIAL FEES

In addition to other recourses available and the Company's service charges, administrative fees will be charged for each pre-authorized cheque payment ("PAC") that is not honoured for any reason such as, but not limited to, NSF, stop payment or account closed.

In accordance with applicable law and its administrative policies in effect, the Company reserves the right to impose transaction fees, among others, for any authorized loan that is cancelled within sixty (60) days following its issue.

6. JOINT AND SEVERAL RESPONSIBILITY

It is agreed that if the loan is granted to a Borrower and a Co-borrower, they are jointly and severally responsible for the total Loan Amount.

7. STATEMENTS

The Company shall provide a disclosure statement once every twelve (12) months.

Where both the Borrower and the Co-borrower agree, the Company shall provide the Borrower with a disclosure statement on behalf of both the Borrower and the Co-borrower.

Any future correspondence, including the annual disclosure statement, is deemed to have been received by the Borrower on the fifth (5th) business day after the postmark date. The Borrower may indicate any errors or omissions to the Company in writing within thirty (30) days following receipt of the statement, so that they can be corrected.

8. FILE AND PERSONAL INFORMATION

In order to ensure the confidentiality of your personal information, the Company will establish a file containing your Loan Agreement. The information in your file will be used for the purposes of evaluating this loan application, administering and enforcing the Loan Agreement and for marketing purposes. Access to your personal information will be limited to the Company's employees, agents or service providers in the performance of their duties, to individuals to whom you have granted access and persons authorized by law. You have the right to request access to your personal information contained in this file and, if necessary, to correct any inaccurate information. In order to do so, send a written request to:

Industrial Alliance Insurance and Financial Services Inc.
Chief Privacy Officer
1080 Grande Allée West
PO Box 1907, Station Terminus
Quebec City, QC G1K 7M3

Industrial Alliance may establish a list of clients for marketing purposes for use by the Company or the companies in its group. To have your name removed from this list, send a written request to the Chief Privacy Officer at the above-mentioned address.

9. CURRENCY

All amounts payable to or by the Company shall be in the legal currency of Canada.

10. CLAUSES REQUIRED UNDER THE CONSUMER PROTECTION ACT OF QUEBEC (FOR QUEBEC BORROWERS ONLY)

"Contract for the loan of money"

(1) The Consumer may cancel this Contract without charge within two days following that on which each party takes possession of a duplicate of this Contract.

To cancel the Contract, the Consumer must:

- (a) return the money to the Merchant or his representative if he/she received the money at the time each party took possession of a duplicate of the Contract;
- (b) send a notice in writing to that effect, or return the money to the Merchant or his representative if the money was not returned to him/her at the time each party took possession of a duplicate of the Contract.

The Contract is cancelled, without further formality, as soon as the Consumer returns the money or forwards the notice.

(2) If the Consumer uses the money to make full or partial payment for the purchase or lease of goods or services, he/she may, if the money Lender and the vending or leasing Merchant regularly work together with a view to the granting of loans of money to consumers, plead against the money Lender any ground of defense that he may urge against the vending or leasing Merchant.

(3) The Consumer may pay, in whole or in part, the amount of his/her obligation before maturity.

The balance due is equal at all times to the sum of the balance of net capital and credit charges computed in accordance with the Act and the General Regulation made under the Act.

(4) The Consumer may, once a month and without charge, request a statement of account from the Merchant; the latter must furnish him/her with the statement of account or forward it to him/her as soon as possible, but at the latest within ten days of the receipt of the request.

In addition to the statement of account prescribed above, the Consumer who wishes to pay the balance of his/her obligation before maturity may, at all times and without charge, request a statement of account from the Company; the latter must furnish him/her with the statement of account or forward it to him/her as soon as possible, but at the latest within ten days of the receipt of the request.

It is in the Consumer's interest to refer to sections 73, 74, 76, 91, 93 and 116 of the Consumer Protection Act (R.S.Q., c. P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.

"Clause of forfeiture of benefit of the term"

Before availing itself of this clause, the Company must send the Consumer a notice in writing and a statement of account.

Within 30 days following receipt by the Borrower of the notice and, where necessary, of the statement of account, the Consumer may:

- a) either remedy the fact that he/she is in default; or
- b) present a motion to the court to have the terms and conditions of payment prescribed in this Contract changed.

It is in the Borrower's interest to refer to sections 104 to 110 of the Consumer Protection Act (R.S.Q., c. P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.

11. DEFAULT

Default occurs under this Loan Agreement when:

- the Borrower has failed to pay an amount owing on a scheduled payment;
- the Borrower becomes or is about to become insolvent or bankrupt, assigns his assets to his creditors, takes advantage or attempts to take advantage of the Bankruptcy and Insolvency Act or any other legislation relating to arrangements with creditors;
- the Borrower ceases to honour his obligations in the normal course of business as they fall due;
- the Borrower or the assigned or hypothecated Non-registered Annuity Contract is the subject of a receiving order, liquidation order, dissolution order or any other such order;
- the Borrower is in arrears or fails to remit taxes or other charges that he is legally required to pay to the appropriate government authorities;
- the Borrower does not fulfil any other obligation arising herefrom and does not remedy the situation within 10 days after notice is given by the Company advising of said default;
- any of the information or documentation provided by the Borrower to the Company herein proves to be false, incomplete or inaccurate;
- the Borrower passes away.

12. LENDER'S REMEDIES

In the event of default, the Company, without giving formal notice, may exercise any of its contractual or statutory rights or remedies, it has under this Loan Agreement or allowed by law included but not limited to a personal action. In all cases, the Company is entitled to payment of incurred expenses.

The Company's failure to exercise a right shall not constitute a waiver of such right for the future. Moreover, the Company's acceptance of the payment of a sum of money by the Borrower following default shall not constitute as a waiver of its other rights and remedies. The Company's decision to exercise one or more of its rights under this Loan Agreement or under the law shall not prevent it from exercising any other rights that it may possess.

13. TERMINATION OF CONTRACT PRIOR TO MATURITY

Should the Borrower die or become disabled, the Company may also terminate the present Loan Agreement and demand immediate payment of the full Loan Amount.

Furthermore, the Borrower acknowledges that if, further to legislative or regulatory changes or an interpretation of the law, regulations or this Loan Agreement by the courts, the Company can no longer legally grant this loan or any additional loans, or can no longer legally fulfil all or part of its obligations under this contract, the latter may terminate this contract and demand immediate payment of the full Loan Amount.

14. DECLARATION OF BORROWER

The Borrower declares the following:

- No claims are pending against the Borrower, and no action, suit or proceeding is threatened or pending against the Borrower or its property which could adversely affect the Borrower's financial situation;
- The Borrower is not in default under the contracts to which he is a party;
- The Borrower is not in arrears to pay the competent government authorities income taxes or other charges which he/she is legally bound to pay;
- The Borrower has the requisite power and capacity to enter into the Loan Agreement and to comply with the obligations stipulated therein.

15. APPROVAL OF THE LOAN

The Borrower acknowledges that the coming into force of this Loan Agreement is subject to approval by the Company, at its sole discretion, and that the Company makes no representation and gives no warranty whatsoever that such approval will be granted. More specifically, but without limiting the generality of the foregoing, the Borrower acknowledges that the Company may withhold or limit its approval of any loan application in order to satisfy the requirements of the regulatory authorities. Prior to any loan disbursement, the Company must receive all required documents, duly signed by the Borrower in favour of the Company. The Borrower understands that no Loan Agreement shall be accepted by the Company without the consent of the irrevocable beneficiary designated in the assigned or hypothecated Non-registered Annuity Contract.

16. NON-LIABILITY OF THE COMPANY

In no case shall the Company be liable for any losses, damages or expenses of any kind whatsoever that are sustained or incurred by the Borrower in relation to this Loan Agreement. More specifically, but without limiting the generality of the foregoing, the Company shall not be liable for any indirect losses or damages, lost profits or any other special damages.

17. MISCELLANEOUS

Applicable laws – The Loan Agreement shall be governed by the laws in force in the Borrower's province of residence.

Severability – Each provision of the Loan Agreement shall apply to the extent permitted by law, and the total or partial invalidity of a provision shall have no impact on the rest of such provision nor on any other provision of this Loan Agreement. Notwithstanding the foregoing, if, further to an amendment of the applicable legislation, a provision of the Loan Agreement should become contrary to law but the legislative provision may be renounced, the Borrower shall be deemed to have renounced it.

Other documents – The Borrower shall, at his own expense and as soon as the Company so requests, prepare and sign all documents and take all measures as may reasonably be required by the Company to give full effect to the Loan Agreement.



Yvon Charest
President and Chief Executive Officer



Douglas A. Carrothers
Corporate Secretary