



Canadian Securities  
Administrators

Autorités canadiennes  
en valeurs mobilières

**CANADIAN SECURITIES ADMINISTRATORS  
IMPLEMENTATION OF A NEW TAILORED PROSPECTUS FORM  
FOR SCHOLARSHIP PLANS**

**NOTICE OF AMENDMENTS TO  
NATIONAL INSTRUMENT 41 - 101 *GENERAL PROSPECTUS REQUIREMENTS*, FORM 41-  
101F2, FORM 41-101F3 AND  
COMPANION POLICY 41-101CP *COMPANION POLICY TO NATIONAL INSTRUMENT 41-  
101 GENERAL PROSPECTUS REQUIREMENTS***

## **Introduction**

We, the Canadian Securities Administrators (the CSA or we) are making amendments to National Instrument 41-101 *General Prospectus Requirements* (the Rule), Form 41-101F2 *Information Required in an Investment Fund Prospectus* (Form 41-101F2) and new Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* (New Form 41-101F3) and Companion Policy 41-101CP *Companion Policy to National Instrument 41-101 General Prospectus Requirements* (collectively, the Final Amendments). Subject to Ministerial approval requirements, the Final Amendments will come into force on May 31, 2013.

The Final Amendments aim to improve the prospectus disclosure provided by scholarship plans by introducing a prospectus form tailored to reflect the unique features of scholarship plans. This is an important investor-focused initiative. We know that many investors have trouble understanding the unique features and complexities of scholarship plans. New Form 41-101F3 will require scholarship plans to provide investors with key information in a simple, accessible and comparable format to assist them in making a more informed investment decision.

Central to the new prospectus form is the Plan Summary document. It is written in plain language, will generally be no more than four pages, and highlights the potential benefits, risks and the costs of investing in a scholarship plan. It will form part of the prospectus, but will be bound separately.

The amendments were first published for comment on March 26, 2010 (the 2010 Proposal) and then again for comment on November 25, 2011 (the 2011 Proposal). After reviewing the comments received and further considering the Final Amendments, we are proposing a number of changes to the 2011 Proposal. Appendix A sets out the key changes we have made to the 2011 Proposal.

The text of the amendments follows this Notice and can be obtained on the websites of members of the CSA. We expect the Final Amendments to be adopted in each jurisdiction of Canada, following the satisfaction of applicable Ministerial approval requirements.

## **Background**

Scholarship plans are eligible for registration with the Canada Revenue Agency (CRA) as a Registered Education Savings Plan (RESP). The number of investors, particularly investors with low to modest incomes, in scholarship plans has grown substantially since 1998 when the Government of Canada

actively began encouraging saving for post-secondary education through the Canada Education Savings Grant (CESG). As of December 2011, the aggregate value of assets held in scholarship plans was \$9.1 billion. This represents approximately 28.9% of all the assets currently held in RESPs.

There are three types of scholarship plans, all of which are offered by prospectus: individual scholarship plans, family scholarship plans and group scholarship plans. Group scholarship plans account for approximately 95% of the total assets under management of scholarship plans.

The disclosure requirements for scholarship plan prospectuses are currently found in the Rule and in Form 41-101F2, the disclosure form for all investment funds other than those that file a simplified prospectus form under National Instrument 81-101 *Mutual Fund Prospectus Disclosure*. While Form 41-101F2 is an improvement over predecessor prospectus forms for scholarship plans, it contains many aspects that are not applicable to scholarship plans. As a result, the prospectus disclosure for scholarship plans does not provide as meaningful or effective disclosure as it could for investors. This was illustrated in the report prepared for the department of Human Resources and Skills Development Canada (HRSDC)<sup>1</sup> on RESP industry practices (the Federal Report), which identified the need for clearer and simpler prospectus disclosure, particularly as it relates to causes of forfeiture, fees and the operation of group scholarship plans.

We expect that adoption of the Final Amendments will lead to more understandable and effective disclosure for investors, enabling them to better understand the possible outcomes and risks associated with investing in scholarship plans, particularly group scholarship plans.

You can find additional background information in the earlier publications of the 2010 Proposal and 2011 Proposal on the websites of members of the CSA.

## **Substance and Purpose of the Final Amendments**

The Final Amendments propose to address the shortcomings of the current disclosure regime for scholarship plans by focusing on providing investors with key information about a scholarship plan and providing the information in a simple, accessible and comparable format.

Scholarship plans disclose a great deal of information to investors through the prospectus, the financial statements and the plan contracts. While these documents are intended to provide critical information to investors who are considering whether to buy a scholarship plan, we know that many investors have trouble finding and understanding key information because these documents tend to be long and complex. Investors also find it difficult to compare information about different scholarship plans.

Further, we know that for some of these investors, a scholarship plan is the only security they will ever purchase. Many of these investors have little to no financial literacy. In some instances, they may not speak or understand English or French as a first language, making the information in the prospectus even more difficult for them to access.

The new disclosure form tailored to scholarship plans will address these issues and codify some of the prospectus disclosure that is currently requested during the prospectus review and renewal process. We have organized the format and content of the prospectus in a meaningful order for investors considering

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<sup>1</sup> *Review of Registered Education Savings Plan Industry Practices – Report* prepared for Human Resources and Social Development Canada prepared by Informetrica Limited, Final Report, released August 2008.

the purchase of a scholarship plan, in order to make the document more understandable, accessible and readable.

Where appropriate, we have considered the content and approach to the mutual fund simplified prospectus and annual information forms, as well as the Fund Facts document now required pursuant to the CSA point of sale initiative for mutual funds.<sup>2</sup>

We expect the Final Amendments to benefit investors by providing them with disclosure that gives them a simpler, clearer understanding of the potential benefits, risks and costs of investing in a scholarship plan, and allows them to meaningfully compare one scholarship plan to another. By making disclosure more effective, we are giving investors the opportunity to make more informed decisions. We are also enhancing transparency in the marketplace.

## **Feedback on the 2011 Proposal**

We received 7 comment letters on the 2011 Proposal. Copies of the comment letters have been posted on the Ontario Securities Commission website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca). Copies are also available from any CSA member. You can find the names of the commenters and a summary of the comments and our responses in Appendix B to this Notice.

## **Summary of Changes to the 2011 Proposal**

We have considered all of the comments received and thank everyone who took the time to comment. In response to the comments, the CSA have proposed a number of changes, particularly to the Plan Summary, in response to investor advocate feedback and to provide greater clarity around prescribed disclosure requirements.

A description of the key changes we made to the 2011 Proposal is set out in Appendix A to this Notice.

## **Summary of the Final Amendments**

### **Application**

The Final Amendments apply only to scholarship plans subject to National Instrument 41-101 *General Prospectus Requirements*.

### **New Prospectus Form**

The Final Amendments require scholarship plans to prepare their prospectuses in accordance with New Form 41-101F3. It consists of four parts:

- Part A is the Plan Summary. It must be bound separately from the rest of the prospectus. It is written in plain language, generally fits on no more than four pages (or two pages double-sided), and highlights key information that is important to investors, including a number of statements to help investors understand the key risks and the costs of investing in a scholarship plan.

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<sup>2</sup> *CSA Implementation of Stage 1 of Point of Sale Disclosure for Mutual Funds - Notice of Amendments to National Instrument 81-101 Mutual Fund Prospectus Disclosure, Form 81-101F1 and 81-101F2 and Companion Policy 81-101CP Mutual Fund Prospectus Disclosure and Related Amendments* published October 8, 2010.

- Part B describes the features common to all the scholarship plans offered under the prospectus.
- Part C provides plan-specific information. A separate Part C will be required for each type of scholarship plan offered under the prospectus.
- Part D provides information about the organization and management of the scholarship plan(s) as well as appropriate certifications from the scholarship plan, its investment fund manager, principal distributor and promoter as applicable.

Parts B, C and D of New Form 41-101F3 are now collectively referred to as the Detailed Plan Disclosure. Accordingly, the scholarship plan prospectus is comprised of the Plan Summary and the Detailed Plan Disclosure.

### **Incorporation by reference**

The Final Amendments permit the incorporation by reference into the prospectus of the most recently filed annual financial statements, any interim financial statements filed after the annual financial statements and the most recently filed annual management reports of fund performance.

### **Delivery**

The Final Amendments contemplate delivery of the prospectus, which consists of the Plan Summary (Part A) and the Detailed Plan Disclosure (Parts B, C and D). Delivery must occur as currently required under applicable securities legislation, which is within two days of the purchase. We understand that the current practice for delivering the scholarship plan prospectus continues to be before or at the point of sale.

### **Transition**

Subject to Ministerial approval requirements, the Final Amendments will come into force on **May 31, 2013**.

Accordingly, an existing scholarship plan will have approximately five months from the date of publication of this Notice to make any changes to compliance and operational systems necessary to produce the new scholarship plan prospectus form. A new scholarship plan that files a preliminary prospectus after the date the Final Amendments come into force must comply with the New Form.

### **Alternatives Considered**

The 2010 Proposal outlined the alternatives we considered in developing the new prospectus disclosure form for scholarship plans. You can find the publication of the 2010 Proposal on the websites of members of the CSA.

### **Anticipated Costs and Benefits**

The 2010 Proposal outlined some of the anticipated costs and benefits of implementation of a new prospectus disclosure form for scholarship plans. We consider these costs and benefits to still be valid. Overall, we continue to believe that the potential benefits of the changes in the disclosure regime for

scholarship plans as contemplated by the Final Amendments are proportionate to the costs of making them.

## **Local Rule Amendments**

Elements of local securities legislation may need to be amended in conjunction with the implementation of the Final Amendments. The provincial and territorial securities regulatory authorities may publish these proposed local changes separately in their jurisdictions. These local changes may be to rules/regulations or to statutes. If statutory amendments are necessary in a jurisdiction, these changes will be initiated and published by the local provincial government.

Proposed consequential amendments to rules or regulations in a particular jurisdiction or publication requirements of a particular jurisdiction are in Annex I to this Notice published in that particular jurisdiction.

Some jurisdictions may need to modify the application of the Final Amendments using a local implementing rule. Jurisdictions that must do so will separately publish the implementing rule.

## **Questions**

Please refer your questions to any of the following CSA staff:

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[NTD: Date to be inserted], 2012

The text of the Final Amendments and related materials is contained in the following appendices to this Notice and is available on the websites of members of the CSA. Certain jurisdictions may include additional local information in Annex I.

- Appendix A Summary of Key Changes
- Appendix B Summary of Comments and Responses on the 2011 Proposal
- Appendix C Sample Plan Summary
- Appendix D Amendments to National Instrument 41-101 *General Prospectus Requirements*

**Schedule 1:** Consequential Amendments to National Instrument 41-101 *General Prospectus Requirements* and Form 41-101F2 *Information Required in an Investment Fund Prospectus*

**Schedule 2:** Form 41-101F3 *Information Required in a Scholarship Plan Prospectus*

- Appendix E Amendments to Companion Policy 41-101CP – *Companion Policy to National Instrument 41-101 General Prospectus Requirements*
- Annex I Local Information

# APPENDIX A

## SUMMARY OF KEY CHANGES

This Appendix describes the key changes we made to the 2011 Proposal. Many of the amendments were made in response to comments about the need for greater clarity on what information can be added or altered depending on the type of scholarship plan, and concerning staff's expectations for the content of disclosure.

### General Instructions

- For ease of reference, we amended the general instructions to refer to Parts B, C and D of the prospectus collectively as, the “Detailed Plan Disclosure”. Accordingly, a scholarship plan prospectus is comprised of two main parts: (1) the Plan Summary and (2) the Detailed Plan Disclosure. References throughout the Form have been updated to reflect this change.
- Specifically, Items 4, 6, 7, and 8 of Part A of the Form now have separate disclosure requirements for group scholarship plans versus individual or family plans in recognition of the differences in the rules, features and structure of each type of plan.

### Part A - Plan Summary for a Scholarship Plan

#### General

- We amended various disclosure requirements in Part A of the Form to require more customized disclosure in the Plan Summary for group scholarship plans versus individual or family plans.

#### Item 3 – Description of the Scholarship Plan

- We added wording to the first paragraph in subsection (1) to clarify that after a plan is opened, there is the additional step of applying to the Canada Revenue Agency to register the plan as an RESP.
- We amended the third paragraph of subsection (1) to add that loss of grant contribution room is also a possible outcome if certain events occur.
- We amended the prescribed wording in the third paragraph of subsection (1) to clarify that a child must enrol in a school or program that qualifies under the scholarship plan's rules to be eligible for an EAP.

#### Item 5 – The Plan's Investments

- We amended Item 5 to remove the prescribed wording about a plan's investments and to instead require the plan to provide a general description of its primary investments. This will give plans more flexibility to accurately describe their investment portfolios.

## Item 6 - Contributions

- We added disclosure in the new subsection (1) to highlight for investors that further information on the different contribution options available under a group scholarship plan is provided in the Detailed Plan Disclosure or available from their sales representative.
- We added the requirement in new subsection (3) to state the minimum total investment and minimum amount per contribution permitted under the scholarship plan's rules.

## Item 7 - Payments

- We changed the title of Item 7 from "How do the payments work" to "What can I expect to receive from the plan?".
- We added language in the new subsection (2) to highlight that in a group scholarship plan, the beneficiary must show proof that he or she is enrolled in a school and program that qualifies for EAPs under the plan's rules, for each year they wish to receive an EAP.
- We also added new Instructions to Item 7 that clarify our expectations around the disclosure in subsections (2) and (3) of Item 7.

## Item 8 - Risks

- We amended Risk 4 of subsection (2) to require a group scholarship plan to state, if applicable, that under its rules fewer programs will qualify for an EAP than under the government's rules for RESPs.
- We added disclosure in the new subsection (4) which directs investors to speak with the plan provider or their sales representative to better understand their risk of loss.

## Item 9 – Cancellation Rate

- The sidebar that was previously subsection (2) of Item 8 is now Item 9 in Part A and has been renamed "Cancellation Rate".
- We also amended the prescribed disclosure in this Item to better clarify the disclosure required about group scholarship plan cancellation rates.



## Item 10 - Costs

- We added prescribed wording under Item 10(1) to highlight where applicable, that the fees and expenses of the relevant scholarship plan are different to those of other plans offered by the same plan provider.
- We added a new subsection (2) to require in a sidebar, disclosure of the number of months it will take an investor in a group scholarship plan to pay off the sales charge based on monthly contributions. This is similar to the sidebar disclosure required by subsection 14.2(2) of Part C of the Form. The sidebar in Item 10(2) also mandates disclosure explaining the percentage of an investor's contributions that will be invested in the plan during the same time.
- We added a column to both tables in this Item titled "Who the fee is paid to" to require disclosure of who each fee described in the table is payable to.
- We removed much of the prescribed wording in both tables and have instead provided more direction in the Instructions on how to provide the required disclosure.
- We added a new Instruction (5) to require a group scholarship plan or other plan that calculates its sales charge as a fixed dollar amount per unit (or other measure of the level of contribution to the plan), to also express the sales charge as a percentage of the cost of a unit. Where the cost of a unit varies (as in most group scholarship plans), this must be expressed as a range of percentages based on the contribution options that resulted in the highest and lowest unit cost.

## **Part B – Detailed Plan Disclosure – General Disclosure**

### Item 2.2 – No Social Insurance Number

- We revised Item 2.2 to allow for disclosure stating that a beneficiary's social insurance number can be provided after the plan is opened. New wording now supplements the previous disclosure in this Item to clarify that if the beneficiary's social insurance number is not provided within a specified period of the application date, the investor should not enrol or make contributions to the plan.
- We added a new Instruction (2) to further clarify staff's expectations concerning the disclosure in Item 2.2.

### Item 2.3 – Payments Not Guaranteed

- We amended the prescribed disclosure in subsection (1) to include a reference to "discretionary payments" from the plan.

#### Item 4.1 – Introduction and Documents Incorporated by Reference

- New Item 4.1(3) has been added to now require a description of each of the documents referred to in subsection 4.1(1) which are incorporated by reference into the prospectus and an explanation of their importance.

#### Item 4.2 – Terms Used in the Prospectus

- We added prescribed wording to the definition of “Educational assistance payments” that is specific to group scholarship plans.
- We amended the definition of “Grant” to now read as “Government Grant” and for greater clarity, provided examples of the type of government grants contemplated by the definition e.g. Canada Learning Bond.
- We added a new Instruction (3) to Item 4.2 to clarify that the prospectus should only include defined terms applicable to a plan included in the prospectus.

#### Item 6.7 – Fees and Expenses

- We added wording to the end of Item. 6.7(1) to require disclosure of the fact that fees and expenses reduce the plan’s returns which ultimately reduces the amount available for EAPs.

#### Item 6.8 – Eligible Studies

- We added new prescribed wording to Item 6.8 to highlight that each plan has its own criteria for what programs qualify as eligible studies for receiving EAPs. The new wording recommends that investors carefully read the applicable section of the Detailed Plan Disclosure to better understand the differences among the plans.

#### Item 6.9 – Payments from the Scholarship Plan

- We added a second paragraph to subsection (2) of Item 6.9 to now require disclosure of any restrictions under the *Income Tax Act* (Canada) on the amount of EAP that can be paid at a time.

### **Part C – Detailed Plan Disclosure – Plan Specific Information**

#### Item 3.1 – Plan Description

- We removed subsection (c) of Item 3.1 which previously required disclosure of the nature of the securities offered by the prospectus.

### Item 5.1 - Beneficiary Group

- We amended the Instructions to Item 5.1 to better clarify how to complete the required table.

### Item 6.1 – Summary of Eligible Studies

- We added new wording to the end of the second paragraph of Item 6.1 to require that a current list of qualifying institutions and programs be made available to an investor on request. This new wording also mandates that the list be made available on the plan’s website.

### Item 6.3 – Description of Ineligible Programs

- We added a new subsection (2) to Item 6.3 that requires disclosure on whether the plan has different rules concerning what are eligible studies for receiving an EAP than the rules under the *Income Tax Act* (Canada). If the plan has different eligibility rules than under the *Income Tax Act* (Canada), it must also describe how its rules are different.

### Item 14.2 – Fees Payable by Subscriber from Contributions

- We added a new column titled “Who the fee is paid to” to the table to mandate disclosure of who the fee is payable to.
- We added a new subsection (3) to require a statement of whether any of the fees listed in the table in subsection (1) may be increased without subscriber approval.
- We added a new Instruction (3) to clarify our expectations around how the Sales Charge must be disclosed e.g. as a fixed amount per unit, as a percentage of the cost of a unit, or as a range where appropriate. This is similar to the changes made to the instructions to Item 10 of Part A of the Form.
- We added a new Instruction (8) to allow the disclosure required by subsection 14.2(2) to be provided in a text box following the table in section 14.2(1) rather than as a sidebar.

### Item 14.3 – Fees Payable by the Scholarship Plan

- We added a new column titled. “Who the fee is paid to” to the table to mandate disclosure of who the fee is payable to.
- We added a new subsection (2) to require disclosure of whether any of the fees in the table can be increased without subscriber approval.

### Item 14.6 – Refund of Sales Charges and Other Fees

- We added new subparagraphs (f) to (i) to Item 14.6(2) to mandate disclosure of additional details concerning fee refunds that may be payable to the subscriber, such as whether the refund paid includes interest, what form it takes (e.g. cash or credit to the plan), and how it is treated for tax purposes.

### Item 19.3 – Amount of EAPs

- We added a new subsection (3) of Item 19.3 to require disclosure of any restrictions under the *Income Tax Act* (Canada) or the plans' rules on the amount of EAP that can be paid for each year of eligible studies.

### Item 22.2 – Pre-Maturity Attrition

- We added a new subsection (2) to Item 22.2 to permit disclosure where applicable, that a group scholarship plan permits a subscriber to receive an AIP on the earnings from their government grants.

## **Part D – Detailed Plan Disclosure – Information About the Organization**

### Item 1.1 – Legal Structure

- We removed the reference to “shareholders” from subsection 1.1(2).
- We added a new Instruction that permits the disclosure required by Item 1.1 to be presented in table format.

### Item 2.1 - Directors, Officers and Trustees of the Plan

- We moved the disclosure requirements regarding directors and officers of the plan to new Item 2.1 – Directors and Officers of the Plan. Disclosure about the trustees of the plan is now required in Item 2.3 – Trustee.

### Item 2.2 – Investment Fund Manager

- We removed the requirement in Item 2.2(2) (previously Item 2.1(2)) to provide particulars of any unique overall investment strategy or approach used by the investment fund manager in connection with the scholarship plans.

## Item 2.6 – Other Groups

- We moved the disclosure regarding “Other Groups” from subsection (3) of Item 4 to a separate subsection in new Item 2.6. This Item permits disclosure of any body or group not already described in the prospectus that has any responsibility for governance or performs any kind of oversight role with respect to the plan.

## APPENDIX B

### SUMMARY OF COMMENTS ON THE INSTRUMENT

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<b>Part I – Background</b>
<b>Summary of Comments</b>
<p>On November 25, 2011, the Canadian Securities Administrators (CSA) published a notice (the Notice) seeking comment on a revised version (the 2011 Proposal) of proposed amendments to National Instrument 41-101 <i>General Prospectus Requirements</i> (NI 41-101) and Form 41-101F2 <i>Information Required in an Investment Fund Prospectus</i> (Form 41-101F2), which included a proposed Form 41-101F3 <i>Information Required in an Investment Fund Prospectus</i> (the Form) and related amendments (the Proposed Amendments). The Notice also included proposed amendments to Companion Policy 41-101CP <i>Companion Policy to National Instrument 41-101 General Prospectus Requirements</i> (the Proposed CP Amendments). We refer below to the Proposed Amendments and Proposed CP Amendments as the Instrument. These amendments were published for first comment on March 26, 2010 (the 2010 Proposal). The second comment period for the Instrument expired January 24, 2012. We received submissions from seven commenters who are listed in Part IV. We have considered all comments received and thank all the commenters. In addition to the comments received in respect of the Instrument, many of the commenters also provided comments regarding the regulation of scholarship plans generally. The</p>

comments we received and the CSA’s responses are summarized below under Parts II, III and IV. The more general comments on scholarship plan regulation are listed under “Other Comments” in Part V below. Changes to the Instrument as a result of comments provided on the 2011 Proposal are reflected in the “Final Amendments” as referred to in the CSA Notice. The Final Amendments will come into force on **May 31, 2013**.

## Part II - General Comments on Proposals

<u>Issue</u>	<u>Sub-Issue</u>	<u>Comments</u>	<u>Responses</u>
<b>Support for the initiative</b>	<i>Improvement over prior version of the Form</i>	Two industry commenters reiterated their support for the CSA initiative to provide investors with access to clear and concise information about their scholarship plan investments. The commenters noted that the revised form was an improvement over the prior draft and recognized the CSA’s efforts in addressing a number of the concerns raised on the prior version.	We appreciate the support for this initiative. We also believe the changes we have made will result in improved disclosure for investors.
	<i>Support for a concise, plain language document</i>	Investor advocate commenters also stated their support for the concept of a concise, meaningful, plain language document that highlights the key information consumers need to make informed decisions, and that they believe the Plan Summary will provide information regarding the benefits, risks and costs of investing in a group scholarship plan.	We appreciate the support for the Plan Summary. We agree with the commenters that the Plan Summary will provide meaningful, concise and key information that will assist investors in determining whether to invest in a scholarship plan.
<b>Delivery of the Plan Summary</b>	<i>Mandate Point of Sale delivery</i>	Two investor advocate commenters recommended that we mandate physical	No change at this time. The Plan Summary is part of the

		<p>delivery of the Plan Summary at or before the point of sale, as it would increase an investor’s understanding about the plan and result in a more informed investment decision for investors.</p>	<p>prospectus to which the delivery requirement attaches. We have been informed by industry participants that they currently deliver the prospectus before or at the point of sale. Mandating delivery of the Plan Summary on its own at the point of sale, is outside the scope of this project. We refer the commenters to our previous response to similar comments published with the 2011 Proposal on the same issue.</p>
<b>Prescribed Terminology</b>	<i>Use of the term “scholarship plan”</i>	<p>Two industry commenters urged the CSA to reconsider the use of the term “scholarship plan” to refer to the securities provided to subscribers.</p> <p>One of these commenters noted that the term was commonly used back in the 1960’s when a number of providers first started business, but that term is no longer in common use by plan providers in their promotional materials. This commenter added that the term is not appropriate since the plans no longer pay “scholarships” which have a different meaning under tax law than educational assistance payments. This commenter would prefer that we adopt the term “group education savings plan” for group plans, or “individual” or “family” education savings plan for other types</p>	<p>We have not made this change. We view the term “scholarship plan” to be plain language and widely understood. Our view is that use of this term clearly distinguishes this product from other types of investments that may be held in an RESP. The Form allows for disclosure in appropriate places concerning family, individual and group scholarship plans.</p> <p>We refer the commenters to our previous response to similar comments published with the 2011 Proposal on the same issue.</p>



		<p>of plans as this would be more understandable for investors, and notes that it is the terminology used by the federal government in describing these products.</p> <p>The second commenter proposed that we use the term “registered education savings plans” as it is most commonly known by investors.</p> <p>The first commenter also disagreed that the term “scholarship plan” was still necessary to distinguish these products from other types of registered education savings plans (RESPs). The commenter noted that the term “scholarship plan” is not defined under securities regulation the way other types of funds are defined and that as a result, regulation would not need to be amended. Instead, the commenter asked that its members be permitted to use terminology that is already in use.</p>	
	<p><b><i>Other mandatory terminology</i></b></p>	<p>Two commenters also expressed concern that certain other mandatory terminology required in the Form may not be accurate as well. The commenters noted the following:</p> <ul style="list-style-type: none"> <li>• The prescribed term “grants” may not be accurate in reference to monies available for RESPs from federal and provincial governments, as only some of these monies are referred to as grants – others are termed incentives or bonds. The commenters suggested using the term “government</li> </ul>	<p>The mandatory terminology prescribed by the Form is intended to promote greater comparability between plans for investors. As such, we have not changed the prescribed references to “sales charge” or “restrictions” as we believe these references convey the true meaning of the required disclosure. We agree with the commenter, however,</p>

		<p>incentive” instead.</p> <ul style="list-style-type: none"> <li>• The prescribed term “sales charge” is not the term used by its members. The commenters noted that the term “enrolment fee” or “membership fee” is the one used by its members and would like the flexibility to continue to do so. The commenters added that there appeared to be no regulatory reason to require this term be used.</li> <li>• The use of the term “restrictions” in reference to the terms and conditions of a plan was unduly negative. The commenters noted that the term “conditions” would be more neutral and accurate.</li> </ul>	<p>that the references to “grants” should be changed to highlight that these monies are sourced by the government. Accordingly, we have changed all references in the Form where applicable, to “government grants”.</p>
<p><b>Overall Length and Complexity</b></p>	<p><i>Prospectus will still be complex and difficult to understand</i></p>	<p>Three industry commenters told us that despite our efforts to simplify the Form from the 2010 Proposal, they believe the prospectus will still be too long, complex and difficult for investors to read and understand and therefore will be of little use to investors.</p>	<p>We refer the commenters to our previous response to similar comments published with the 2011 Proposal. We note that between 2010 Proposal and the Instrument, changes were made to the Form to enable the disclosure to be presented in a more streamlined manner that would reduce the length of the prospectus. We continue to believe that the Form represents the first step in providing full, true and plain disclosure to investors about a complex product.</p>

<p><b>Overall Tone</b></p>	<p><i>Negative tone to the Form</i></p>	<p>Two commenters told us that despite the revisions to the 2010 Proposal, they felt that the overall tone of the Form is unduly negative and that more neutral language should be used. The commenter noted that the Plan Summary seems to emphasize perceived risks of the group plans, without reinforcement of the benefits of the plans and that the document is written more as a consumer education warning piece than a regulatory disclosure document.</p> <p>Some commenters also felt that the overall tone of the prescribed language reflects a negative bias against the product class. This commenter compared the mandated language of the Plan Summary against the Fund Facts for mutual funds document, and noted several places where the language written for scholarship plans is more negative than for mutual funds.</p>	<p>We disagree with the commenters. We consider the disclosure required by the Form to be commensurate with the complexity of the product. This approach is consistent with other investment fund products where staff has required textboxes and other highlighted disclosure to draw investor attention to certain risks associated with the product (e.g. textboxes concerning warrant disclosure, prepaid forward disclosure, etc.).</p>
	<p><i>Lack of disclosure of benefits</i></p>	<p>One industry commenter told us that the prescribed disclosure is one-sided and doesn't include sufficient discussion of plan benefits. This commenter noted, for example that with the disclosure, investors will not understand:</p> <ul style="list-style-type: none"> <li>• The advantages of the plan's investment strategies geared to principal protection and professional money management;</li> <li>• The ability to enter into a plan with low contribution amounts, or the benefits of a disciplined savings regime;</li> <li>• The benefits that can accrue to beneficiaries</li> </ul>	<p>We disagree with the commenter. We believe the Form permits appropriate disclosure of product benefits, in addition to disclosure of risks and other key information about a plan. This approach is consistent with prospectus disclosure provided by other types of investment funds in their prospectus documents.</p>

		<p>in a group plan, such as attrition income, non-discretionary group plan “bonuses”; discretionary donations and refund of sales charge mechanisms, not found in other investment products; or</p> <ul style="list-style-type: none"> <li>• The flexibility to make changes to a plan if a family’s circumstances change.</li> </ul> <p>This commenter told us that while this information is found in the prospectus, it tends to be buried or overshadowed by cautionary language and does not allow this information to be considered in the context of the costs and risks associated with the product.</p>	
<p><b>Excessive Prescription</b></p>		<p>Three commenters told us that the high degree of prescription in the Form, particularly for the Plan Summary was excessive and unwarranted. The commenters asked that we pull back from much of the mandated wording in the Form for various disclosure requirements in order to give the plans greater flexibility to more accurately describe their products and to provide more balanced, nuanced disclosure about their products.</p> <p>Two of these commenters expressed concern that plan providers would have difficulty in using this prescribed wording in describing their operations as it may not always fit, and may lead to difficulties for directors and senior executives who will be required to certify the content of the prospectus.</p>	<p>The prescribed wording and headings in the Form are intended to facilitate greater comparability between plans for investors. In response to comments provided, however, we have provided more clarity in the Form between disclosure requirements applicable to group scholarship plans versus individual or family plans, in recognition of the structural differences between the types of plans.</p> <p>Also, the General Instructions to the Form clarify that modifications can be made</p>

		<p>Another commenter agreed that there is an advantage to investors in having greater comparability across the scholarship plan industry and supports a move to more prescribed language and disclosure, as it provides greater clarity to issuers in terms of what is required in the Form and more comparability. The commenter added, however, that it believes the prescriptive nature of the language can create challenges, particularly where industry participants have product features or structures that do not fit the prescribed language. It noted that features can vary and where this occurs, a high degree of prescription can make it difficult for an issuer to provide full, true and plain disclosure.</p>	<p>where certain disclosure is not applicable or accurate in respect of a particular plan.</p>
<p><b>Lack of Coordination with other regulatory initiatives</b></p>	<p><b><i>Combine Plan Summary with relationship disclosure requirements under National Instrument 31-103</i></b></p>	<p>Industry commenters told us that we should coordinate our efforts to reduce duplication with the relationship disclosure requirements of National Instrument 31-103 <i>Registration Requirements</i> (NI 31-103). The commenters noted that the Plan Summary disclosure will have considerable overlap with the relationship disclosure requirements of NI 31-103. They suggested combining all of these requirements into an expanded plan summary that would also serve as the relationship disclosure document required under NI 31-103, which can better ensure that investors will read this information.</p> <p>One of the commenters added that this makes</p>	<p>We did not seek to harmonize the contents of the Form with the requirements in NI 31-103 given that the purpose of the Form is different to that of the relationship disclosure mandated by NI 31-103.</p> <p>The requirements in NI 31-103 are tied to account opening, whereas the Form is a disclosure document focused on providing investors with information to assist them in their decision to invest or not</p>

		sense particularly since scholarship plan dealers generally only distribute one plan providers' product.	invest in a scholarship plan. Accordingly, each document must stand on its own in a manner consistent with the approach taken to other investment products such as mutual funds.
	<b><i>Lack of coordination with CRA requirements</i></b>	Two commenters told us that there are a number of places in the Form where the mandated disclosure is at odds with what its members have been told by officials at the Canada Revenue Agency (the CRA) regarding disclosure of various terms and features of group plans.	The commenters did not provide examples of the conflict referred to between disclosure required by the Form and CRA requirements. Accordingly, it is not clear how the Form prevents compliance with CRA requirements. We consider that the duty of formal and informal advisers to the plans is to ensure that the prospectus disclosure is factually correct.
<b>Organization of the Prospectus Document</b>	<b><i>Four-part prospectus document</i></b>	Three commenters told us that they are opposed to the four-part prospectus proposed in the Instrument, with the Plan Summary and the three-part prospectus each being required to be delivered to investors. These commenters believe that this format is better suited to mutual funds, and is not warranted for scholarship plans, which do not have multiple distinct products within the same prospectus. They also told us that the plan summary for each plan will be virtually identical, thereby	We do not propose to change the format of the prospectus. We continue to hold the view that all four parts of the prospectus are necessary to give appropriate disclosure to investors about the product.  We remind the commenters that the Form was significantly amended between the 2010

		masking the differences between plans. They suggested we instead allow for disclosure to be provided collectively for the plans of a provider and to only highlight the differences between plans.	Proposal and the 2011 Proposal to reduce duplication and to more clearly delineate the disclosure requirements for the different parts of the prospectus. The changes to the final Form represent a similar focus.
	<i>Order of items</i>	Two commenters proposed that we re-order the items in the Plan Summary and Prospectus Form to better reflect a plan’s life cycle.	We propose no change as we are satisfied that the current order of items in the Plan Summary and the Detailed Plan Disclosure properly reflect a plan’s life cycle and provide full, true and plain disclosure in a standardized format.
<b>Lack of clarity on what is the “Prospectus”</b>		<p>Two commenters asked that we clarify which documents are collectively the “prospectus” for a scholarship plan under applicable securities law. We were told that is not clear from the Instrument that the plan summary and the three-part prospectus document are collectively the “prospectus” and which attracts statutory liability. The commenters were also unclear as to whether these documents are expected to all be delivered within the prescribe prospectus delivery timelines.</p> <p>One of the commenters suggested giving the second, longer document a distinct name to differentiate it from other documents being</p>	Both the Form and NI 41-101 specify that the scholarship plan prospectus is comprised of Parts A, B, C and D of the Form. However, noting the comment and to avoid any confusion, the Form continues to refer to Part A as the Plan Summary and we have amended the Form to refer to Parts B, C and D collectively as the Detailed Plan Disclosure. The scholarship plan prospectus is therefore comprised of both the Plan

		delivered to investors.	Summary and the Detailed Plan Disclosure.
<b>Lack of Flexibility for disclosure standards</b>		Industry commenters also noted that while there is some flexibility to change wording using substantially similar wording, the Form does not allow for the inclusion of additional information that is not specifically referenced, nor is it clear whether inaccurate text can be excluded, and expressed concerns about this given the statutory liability associated with the document. The commenters suggested that plan providers be permitted to both add information in areas of mandated disclosure to more accurately reflect the product offering, and to remove inaccurate disclosure, to address this concern.	We refer the commenters to our response provided above under “Excessive Prescription”.
<b>Transition</b>	<i>Appropriate transition period</i>	<p>Three commenters noted that the proposals do not specify a transition period. We were told that given the extensive revision and system upgrades required to comply with the Form appropriate transition time would be 2014, given CSA rule-making timelines.</p> <p>They added that the CSA should mandate that all scholarship plan providers be required to transition to the new prospectus form in the same calendar year.</p>	In response to the commenters, the Final Amendments mandate full compliance with the Form by May 31, 2013. Accordingly, all plan providers will be required to comply with the new Form requirements as of their first applicable prospectus renewal date in 2013. In view of the 2010 and 2011 Proposals, we consider this transition period to give sufficient time for plan providers to confirm their familiarity with the



			requirements of the Form and to make the appropriate adjustments. All scholarship plans will be required to comply with the new requirements in the same calendar year.
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### Part III - Comments on Consequential Amendments to NI 41-101

<u>Issue</u>	<u>Sub-Issue</u>	<u>Comments</u>	<u>Responses</u>
<b>Part 3A – Scholarship plan prospectus requirements</b>	<i>Section 3A.4 – plan summary</i>	Two commenters told us that we should permit the plan summary to be combined with the relationship disclosure requirements of NI 31-103 into a single document, and if not, a plan provider should have the option to bind the plan summary with the relationship disclosure documents if they choose.	We propose no change and refer the commenters to our response above under <i>Combine Plan Summary with relationship disclosure requirements under National Instrument 31-103</i> .

### Part IV – Comments on Form 41-101F3

<u>Issue</u>	<u>Sub-Issue</u>	<u>Comments</u>	<u>Responses</u>
<b>General instructions to Form 41-101F3</b>	<i>General Instruction (4) – the prospectus can only include permitted or mandated disclosure</i>	One commenter told us that the instruction is too restrictive in that there are a number of instances in which specific attributes of a Plan, which are relevant to investors, are not included in the Plan Summary or the prospectus.	We disagree with the commenter. We consider it appropriate for General Instruction (4) to mandate compliance with the disclosure requirements of the Form. This is intended to assist with

			<p>comparability across plans offered by the same or different issuers. We do not consider it appropriate for information not prescribed by the Form to be added.</p> <p>We note that General Instruction (10) permits modification of prescribed wording to more accurately reflect a plan's features, where appropriate.</p> <p>In view of the comment, however, we have revised the Form to better distinguish disclosure requirements that are applicable only to group plans or to individual or family plans.</p>
	<p><b><i>General Instructions (9) &amp; (10) – flexibility to not reference inapplicable items or to amend prescribed disclosure</i></b></p>	<p>Two commenters told us that the flexibility provided in these instructions to not refer to inapplicable items or amend prescribed disclosure is not sufficient as it believes there is much prescribed disclosure in the form that would need to be modified. These commenters also expressed concern that the flexibility in these instructions does not extend to adding or deleting prescribed disclosure that is not accurate.</p>	<p>We do not propose to change the substantive wording of General Instructions (9) or (10) as we consider them to give sufficient flexibility to modify the prescribed disclosure in the Form as may be necessary for a specific plan. We note that the substance particularly of General Instruction (9) is not unique to the Form given that it also currently applies to Form</p>

			41-101F2 (under General Instruction (6) to Form 41-101F2).
	<b><i>General Instruction (16)(a) use of the phrase “investing in a scholarship plan”</i></b>	One commenter told us that this instruction should more properly refer to investing in <u>the</u> scholarship plan, given that the Plan Summary is about a particular group plan and not group plans generally.	We do not propose to make this change.
	<b><i>General Instruction 18(a) and (c) – multiple prospectus to have one plan summary per plan, and one part C section per plan</i></b>	One commenter told us that it has three plans: a group plan, an individual plan and a family plan and that the latter two are very similar in terms of features and benefits, except for minor differences required under federal statute (i.e. number of beneficiaries permitted). This commenter believes it should not be necessary to produce a separate plan summary or separate Part C sections for its individual and family plan, given the significant similarities between them. This commenter proposed a new section be added to Part A and Part C to describe the differences between a family plan and an individual plan, which in its case, would be the number of beneficiaries named.	We do not propose to make this change. The approach taken in the Plan Summary and Part C of the Form is similar to that taken for mutual funds which, despite any similarities, must prepare separate fund facts for each mutual fund and each series of the mutual fund. It is appropriate that any differences between the plans be highlighted in separate documents.
<b><i>Comments on Part A – Plan Summary</i></b>			
<b>General comments</b>			
	<b><i>Plan Summary should have a cover page and a back page</i></b>	Two commenters told us that they strongly recommend that the Plan Summary for a group of group plans be given a cover page	We have not made this change. Similar to fund facts for mutual funds which also don't have a

		with a simple statement describing the booklet’s content as well as a back page which can include the contact information, as well as including the “cancellation” information in larger font. This commenter told us that this will help investors better understand what to do with the booklet and will give it greater prominence to the investor.	cover page or a back page, we consider it appropriate for the Plan Summary to be presented without a cover page.
	<b><i>Disclosure of alternatives to group scholarship plans</i></b>	An industry advocate commenter noted the change in the current Proposals that removed references to other products in the Plan Summary. This commenter noted that scholarship plans are associated with aggressive marketing and are sold to many individuals with low incomes who may not be aware of other available alternatives. This commenter suggested that we include text that references the fact that there are alternative products to a scholarship plan that also attract grants.	We consider that the inclusion of references to alternative products would be inappropriate because it would likely impose an implicit obligation on scholarship plan dealers to be equipped to provide advice on alternative RESP products which they may not be authorized to provide. As scholarship plan dealers are permitted to sell only plans associated with their plan provider, we do not think it would be appropriate to include the reference suggested by the commenter. Accordingly, we have not made this change.
	<b><i>Disclosure of conflicts of interest</i></b>	One commenter told us that the Plan Summary should disclose any existing conflict of interest that gives the salesperson or distributor a financial incentive to sell group scholarship plans over other	In response to the comment, we have added wording to Item 10 – <i>How Much Does it Cost</i> of the Plan Summary to highlight that fees and costs differ across the

		<p>alternatives. This commenter suggested this disclosure should include a description of any payments made or incentives provided by the group scholarship plan trust and/or distributor to the salesperson for having investors join the plan and should include a statement that these incentives create a conflict of interest in that they influence representatives to recommend one plan over another, or over other investment products. The commenter suggested that the details could be included in the prospectus, with a reference to this disclosure in the Plan Summary.</p>	<p>plans offered by the issuer. We do not agree, however, that conflicts of interest automatically exist solely because certain incentives attach to the sale of group scholarship plans. Accordingly, we have not made the change suggested by the commenter.</p>
	<p><b><i>Highlight certain key cautions</i></b></p>	<p>One commenter felt that certain key cautions regarding the plan should be printed in bold red to draw particular attention to them, such as the impact of failing to qualify for an eligible school or program.</p>	<p>We believe the Form adequately highlights the key risks associated with the product. Accordingly, we have not made the suggested change. Further, we do not propose to require that the Plan Summary be produced in colour.</p>
	<p><b><i>New section about features and benefits</i></b></p>	<p>An industry commenter suggested that plans be permitted to include in the Plan Summary an objective description of the benefits of the plans (such as, reimbursement of the enrolment fees upon maturity; you don't have to make the investment decisions for the plan, a portfolio manager does it for you; regular contributions can help build good savings habits).</p>	<p>We have not made this change. We believe that disclosure of the benefits of the plans would be promotional in nature and have determined not to include it in the Plan Summary. The Plan Summary is intended to describe how the scholarship plan works and to highlight the factors an investor should keep</p>

			in mind when making an investment decision.
<b>Item 2 - Withdrawal and Cancellation Rights</b>	<i>Opening statement</i>	<p>Industry commenters noted that unlike the Fund Facts, the wording in the Plan Summary suggests that reading the Plan Summary alone will not be sufficient without any further explanation, nor does it explain why it may not contain all the information a subscriber will need. We were told that this seems an odd concept given the CSA’s objectives of having a shorter document that subscribers will be encouraged to read and that it should be sufficient for the subscriber to make an informed decision from reading only this document. The commenters added that they are concerned that subscribers will be alarmed by that statement and that it doesn’t indicate that subscribers will also receive the more detailed information along with the Plan Summary. It was suggested that we re-word the statement to clarify this.</p> <p>Investor advocate commenters suggested that we change the wording in the opening paragraph to more clearly encourage investors to read the prospectus. They suggested for example, making the wording more clear that the Plan Summary “does not” contain all the information you “need” instead of saying it “may not contain all the information you want”, and adding that investors should read “and understand” the prospectus before</p>	<p>We agree with the commenters. We have revised Item 2 to highlight that the Plan Summary is only a summary document and that the prospectus investors should read the entire prospectus, including the Detailed Plan Disclosure, carefully before deciding to invest in a scholarship plan.</p>

		deciding to invest, rather than only suggesting they read it.	
	<b><i>Location of statement of withdrawal rights in the Plan summary</i></b>	Industry commenters told us that they still believe that it is inappropriate for the plan summary to tell investors how to get out of the investment before they know what the product is. However, these commenters recognized the importance of the 60 day withdrawal right, and recommended that the Plan Summary have a cover page and back page and that this statement be put on the back page, where they believe it more properly belongs, and in a larger font to give it more prominence. They also suggested providing the language at the end of each Plan Summary under the heading “How can I cancel the plan?”.	<p>We do not propose to move this disclosure. We continue to believe it is important for investors to understand their cancellation rights, particularly since the effect of cancelling within 60 days can be very different than cancelling after 60 days, especially in the early years of an investment in a plan.</p> <p>Accordingly, we continue to believe that this disclosure requires a prominent place in the Plan Summary where it will not be overlooked.</p>
	<b><i>Terminology used</i></b>	<p>Two commenters suggested rephrasing the wording in the second paragraph to make use of terminology that its members use. For example, “grants” would be replaced with “government incentives” and “sales charges” would be replaced with “enrolment fees”.</p> <p>The commenter also suggested removing the word “much” in reference to the last sentence, since it considers that word unnecessarily inflammatory.</p>	<p>We have changed current references to “grants” to “government grants”. We propose no change to the use of the term “sales charge” as we consider this term to be appropriate and widely understood.</p> <p>We do not propose to make this change. We have, however, added the word “could” in the last sentence to highlight the</p>

			possibility, not the absolute certainty, that an investor could end up with much less than they first put in.
<b>Item 3 – Description of the Scholarship Plan</b>	<i>Make the required heading less generic</i>	Three commenters suggested that we change the required heading to “what is <u>the</u> [insert name of the plan]” which is less generic. The commenters believe that it is vital that the reader be given an explanation of the Plan itself rather than a generic “consumer education” type of explanation that the subscriber may gloss over because they consider it irrelevant to their investment decision.	<p>We agree with the commenters and have made the suggested change.</p> <p>We continue to note, however, that the goal of the section is provide a generic description to educate investors about what a group, individual or family plan is. This is similar to the requirements of Item 4 of Part A to Form 81-101F1 which requires a brief explanation of what a mutual fund is in substance, not the particulars of any specific mutual fund referenced in the simplified prospectus.</p>
	<i>Need to better explain how a plan becomes an RESP</i>	We were also told it is necessary to explain that the investor enters into an education savings plan which is later registered and that they do not believe that our wording reflects that. The commenters recommended changes to the wording that they believe better reflects this.	We have revised Item 3 to include wording stating that the plan will or must be registered as an RESP after it is opened. This is intended to clarify that after an investor enrolls or starts to contribute to the plan, there is another positive step that must be taken for the plan to become



			an RESP.
	<b><i>Disclosure of how to avoid negative outcomes</i></b>	One commenter suggested that the discussion in this Item about the exceptions in which a beneficiary will not receive educational assistance payments (EAPs) should include a discussion of how to avoid these outcomes.	We have not made this change. The Plan Summary does provide for some disclosure of how to avoid negative outcomes. The Plan Summary, however, is intended to be a summary document that highlights these issues. Accordingly, the information it contains will not be as detailed as in the rest of the prospectus (i.e. the Detailed Plan Disclosure) where more specific information on how to avoid negative outcomes is further discussed.
	<b><i>Disclosure of eligibility for payments from the plan</i></b>	One investor advocate commenter told us that we should make it clear in this section that a beneficiary will not receive EAPs and will lose the earnings and grants if they do not enrol in a school or program that qualifies under the terms, conditions or criteria of the plan, which may be different or more restrictive than the government eligibility rules for RESPs. This commenter feels the present wording suggests that it is the government rules that are applicable, not the plan's rules.	We agree with the commenter and have added wording to this section to specify that a beneficiary will not receive EAPs if they don't enrol in a school or program that qualifies under the rules of the plan. We have also added wording to Item 8 that will require a plan to clarify if its EAP eligibility requirements are more restrictive than those of the government.

	<b><i>Bold warning language</i></b>	One commenter suggested that we add disclosure to the bold warning language at the end of this Item clarifying that investors who leave the plan early will also lose grants and grant contribution room.	We have added wording to this section to clarify that investors who leave the plan early will also lose grant contribution room along with earnings and government grants.
<b>Item 4 – Suitability</b>			
	<b><i>Opening Sentence</i></b>	<p>Two commenters suggested the first sentence should be made specific to the plan rather than generic.</p> <p>Another commenter suggested that the first sentence acknowledge carrying time horizons on a scholarship plan investment and that the wording should more reflect that investor’s <u>plan</u> to save for future post-secondary education.</p> <p>Two investor advocate commenters suggested that we provide greater clarity in reference to the type of investment by stating that the scholarship “is” a long-term commitment rather than stating it “can” be a long-term</p>	<p>We consider it appropriate to maintain the first sentence as presented. We have, however, amended this section to specifically contemplate group, individual or family plans, and to allow for the insertion of disclosure which speaks to the same three points specified for group scholarship plans (i.e. timing of contributions, maturity, eligibility).</p> <p>We have made this change and added wording to reflect the investor’s ‘plan’ to save for future post-secondary education.</p> <p>We do not propose to make this change given there is no standard definition of what “long-term” means in every circumstance and since not all</p>

		commitment.	scholarship plan investors will necessarily be long-term investors. The participation of the investor is dependent on the age of the beneficiary when the subscriber opens the plan.
	<b><i>Suitability for plans not adequately described</i></b>	One commenter told us that it believes the points in this Item do not fully describe who should be investing in a scholarship plan. This commenter noted, for example, that there is no reference to suitability for investors (a) with low tolerance to investment risk, or (b) who do not wish to actively manage their investment, and suggested adding wording to this effect.	We do not propose to make this change.
	<b><i>Greater clarity on suitability</i></b>	One investor advocate commenter suggested we use more precise language around suitability by stating that investors must be “certain” rather than “fairly sure” they can meet the prescribed criteria.	We have not made the change suggested by the commenter. We do not think it appropriate to expect an investor to have absolute certainty about such matters. We consider the reference to “fairly sure” to be more appropriate.
	<b><i>“Can make all contributions on time”</i></b>	One commenter told us that this is not an accurate reflection of the flexibility that exists in a plan, both in terms of choice of contribution schedules or the ability to change schedules down the line. They proposed that this be replaced with a statement reflecting a commitment to a regular savings program	We disagree with the commenter. The ability of an investor to make contributions “on time” is a fundamental feature of group scholarship plans and it is appropriate to highlight this feature in this

		until their child is ready to attend post-secondary education.	section. Accordingly, no change has been made.
	<b><i>“They will stay in the plan until it matures”</i></b>	One commenter suggested this point effectively restates the prior point, is redundant, and should be eliminated.	We have not made this change. The bullets required by the section speak to different, separate subject matters (i.e. ability to meet a contribution schedule versus commitment to stay in the plan until it matures) and are appropriate to maintain as presented.
	<b><i>“Their child will attend a qualifying school or program”</i></b>	<p>Three commenters told us that the third bullet point suggests that a subscriber can be “fairly sure” that their child (possibly a newborn) will attend a qualifying school or program, which is not possible.</p> <p>Two of the commenters suggested that the wording should reflect the investor’s <u>plan</u> to save for future post-secondary education.</p> <p>One of the commenters also suggested amending the wording to instead refer to the benefits of the plan, namely tax-deferred growth and government incentives.</p>	<p>We disagree with the commenter and have not made this change. We consider this format of warning language to strike the right balance between encouraging appropriate consideration, but not requiring, however, absolute certainty.</p> <p>We acknowledge this comment and have made the appropriate change.</p> <p>We have not made the proposed change given that the primary purpose of the Plan Summary and the Detailed Plan Disclosure is to provide relevant product information to an investor, not for marketing</p>

		<p>An investor advocate commenter suggested that it should be made clear that the beneficiary has to attend a school and program that meets the scholarship plan’s qualification criteria, which may be more restrictive than the government’s rules. The commenter noted for example that under many plans, part-time studies, co-op studies or apprenticeships do not qualify.</p>	<p>purposes. In any event, the benefits referenced by the commenter are applicable to RESPs generally, and accordingly, are not benefits specific to a scholarship plan.</p> <p>We have amended this section to highlight that the beneficiary must attend a school and a program that meets the scholarship plan’s specific qualification criteria.</p>
	<p><b><i>Disclosure about other plans</i></b></p>	<p>One commenter suggested that the disclosure about the ability to transfer to other plans should be factual and make reference to specific plans offered by the plan provider.</p> <p>Another commenter suggested amending the last sentence to account for plan providers that do not have a family and/or individual plan.</p> <p>An investor advocate commenter suggested that this disclosure also include reference to</p>	<p>We have amended the section to include wording that specifically directs investors to read the Detailed Plan Disclosure for details about other types of plans offered by the same plan provider and about suitability.</p> <p>We have made this change.</p> <p>We do not propose to make this change. The Plan Summary is a</p>

		<p>other investment products that also attract RESP government incentives as many prospective investors may not even be aware of this.</p>	<p>disclosure document about the specific plan not RESPs generally. Accordingly, we do not believe it is appropriate to mandate discussion about other investment products in the Plan Summary. Also, we note that sales representatives are currently only permitted and authorized to sell the specific plans of the issuer they are registered to sell.</p>
<p><b>Item 5 – The Plan’s Investment</b></p>	<p><i>Investment restrictions</i></p>	<p>Industry commenters told us that it is important that potential subscribers understand that the investments of a group plan are restricted by securities regulation, and the prescribed disclosure should reflect this.</p>	<p>We do not propose to make this change as we don’t consider this additional disclosure to be necessary or relevant in the Plan Summary.</p>
	<p><i>Disclosure of investment risk</i></p>	<p>One commenter told us that the prescribed wording in this Item requires plans to disclose that there is “investment risk” without defining what this risk is (i.e. low, medium or high). The commenter suggested that we delete that sentence, as the reference that returns will vary from year to year will be accurate and will give a subscriber an accurate picture of what to expect.</p> <p>Another commenter suggested that the Plan Summary adopt the risk rating scale used in the Fund Facts for mutual funds, and that the</p>	<p>The reference to “some risk” is intended only to highlight that an investment in a scholarship plan is not a risk free investment and that the returns on such investment are not guaranteed. Accordingly, we have not made the suggested change.</p> <p>We do not propose to make the suggested change. We do not believe the risk scale used for</p>

		wording about a plan carrying investment risk be amended to more closely resemble the wording in the Fund Facts document.	mutual funds is appropriate for scholarship plans which all have essentially the same risk profile. Accordingly, the risk rating scale would have little comparative value amongst scholarship plans.
<b>Item 6 – Contributions</b>	<i>“You buy one or more units of the plan”</i>	One commenter told us that the first sentence is not accurate and should refer to investors “subscribing” for units – a subscriber does not “buy” units, but instead subscribes for units which are linked to the contribution schedule, as scholarship plans are not unitized like mutual funds.	The reference to “buy units” is plain language and we do not believe its use will cause confusion for investors.
	<i>“You may pay for them....”</i>	<p>One commenter told us that this sentence should be revised to make it clear that deposits or contributions to a plan are not payment for units, but are contributions to a savings plan. This commenter added that the references to “payments” or “amount you pay” in reference to deposits or contributions should be changed to reflect this.</p> <p>The commenter also suggested that it is important that subscribers understand the implications of the different contribution schedules and recommended that we amend the wording to direct subscribers to speak with their representative or to look at the contribution schedules in the prospectus.</p>	<p>Similar to the above, we propose no change. We consider the current wording to reflect the plain language meaning that is intended.</p> <p>We have revised the section to include disclosure that directs the investor to speak with his/her representative or to look at the contribution schedule in the Detailed Plan Disclosure for more information.</p>

<p><b>Item 7 – Payments</b></p>	<p><i>Confusing title</i></p>	<p>One commenter suggested we change the title of this Item since it is not clear what “payments” are being referred to. The commenter also recommended the prescribed heading be changed to “What can I expect to receive?”</p> <p>This commenter told us that the instructions should clarify that plans that pay EAPs at different times than in the prescribed wording be permitted to modify that wording as appropriate.</p>	<p>We have made the change suggested by the commenter.</p> <p>We agree and have amended this and other appropriate sections of the Plan Summary and the Detailed Plan Disclosure to allow for greater flexibility in describing when EAPs are paid. We also note that the General Instructions permit some modification of the prescribed wording where necessary to make the wording accurate.</p>
	<p><i>Cross-reference to prospectus disclosure</i></p>	<p>One commenter suggested we include a cross-reference to the section of the prospectus where it is possible to find out about fees, in respect of the statement regarding investors getting back their contributions “less fees”.</p>	<p>We note that the Plan Summary currently contains a description of the key fees and expenses applicable to the plan and to investors. We also note that there is a cross reference to the Detailed Plan Disclosure for any other fees not referenced in the Plan Summary.</p>
	<p><i>Disclosure of how to collect maximum EAPs</i></p>	<p>One commenter suggested that we include disclosure clearly stating that beneficiaries will not collect maximum EAPs if they do not</p>	<p>We have amended the prescribed wording to make it clear that the beneficiary of a</p>



		enrol in a program of sufficient length, and that this disclosure should also indicate what the necessary program duration for collecting maximum EAPs is.	group plan must qualify each year for each EAP received under the plan.
	<i>Taxation of EAPs</i>	Two commenters suggested that we delete the last sentence in this Item, so that the statement only refers to EAPs being taxable in the hands of the child.	We agree with the commenter and have made the suggested change.
<b>Item 8 – Risks</b>			
<b>8(1) – What are the risks?</b>	<i>Disclosure of risk of insolvency and Lack of Contingency Fund</i>	One commenter told us that the risk disclosure in the plan summary should make clear that there is a risk of insolvency of the dealer or the group scholarship plan trust, and that there is no industry-sponsored contingency fund in the event of insolvency.	We note that the risk of insolvency is not a risk that is referenced in prospectus disclosure for other investment products and accordingly, we do not plan to require this for scholarship plans. However, we note that Item 11 <i>Are there any guarantees?</i> does require disclosure stating that investments in a plan are not protected by government or industry insurance such as the CDIC for bank accounts. Accordingly, we have not made the suggested change.
	<i>Include disclosure of risk of unusual events</i>	One commenter suggested that the risk disclosure in this Item also refer to risk of loss from unusual events, such as a child falling ill and missing a significant portion of the school year, or the risk that the plan may not generate	The Plan Summary is intended to be a summary document and accordingly cannot discuss all risks associated with a scholarship plan investment.

		sufficient returns after fees are deducted, especially for fixed income securities in a low interest rate environment.	The focus of the risk disclosure is on those risks that we believe are most important for helping an investor make a decision to invest or not invest in a scholarship plan. Accordingly, no change made.
	<b><i>Disclosure of risk of fee increase</i></b>	One commenter suggested there should be disclosure of the risk of certain fees increasing over the life of the investment since there is no guarantee that a plan will not increase fees over time, thereby reducing the investor's investment return.	We do not consider this to be a material risk of investing in a plan for the purposes of the Plan Summary disclosure. We note, however, that we have amended Item 14.3 <i>Fees Payable by the Scholarship Plan</i> in Part C to require disclosure of whether any of the fees listed in the table may be increased without approval by investors. We consider disclosure of this type to be more appropriate since scholarship plans are not subject to the mandatory voting requirements set out in Part 5 of NI 81-102 which attach to fee changes.
	<b><i>Cross reference to prospectus disclosure</i></b>	One commenter suggested adding cross references to the specific disclosure about fees and restrictions in connection with the different risks described in this Item.	We do not propose to make this change given that the Plan Summary is a summary document and is part of the full prospectus along with the Detailed Plan Disclosure

			enclosing more specific disclosure about fees and restrictions. General Instruction (16) specifies the nature of information that may be found in each part of the Form and Item 2 of the Plan Summary specifically encourages investors to read the Plan Summary and the Detailed Plan Prospectus for further information on the plan.
	<i>Disclosure of risk of forfeiting your investment</i>	One commenter told us that it was inaccurate to state that you could lose some or all of your investment, since that would only occur if a plan is cancelled within the first months of opening the plan. This commenter suggested modifying the prescribed wording to reflect this.	We believe the current wording is plain language and requires no further clarification.
	<i>1. You leave the plan before the maturity date</i>	<p>One commenter felt the use of the word “leave” was too benign and that the wording should instead refer to “cancelling the plan”.</p> <p>Two commenters also felt that the first two sentences under this part are not appropriate for a disclosure document, as its members are not comfortable asserting these statements as fact in a prospectus document.</p>	<p>We have not made this change as we consider the current reference to reflect the plain language meaning of what was intended.</p> <p>The statements presented are factual and the example is sufficiently generic. We are comfortable that the statements are not inaccurate and have not made this change.</p>

		<p>One of the commenters also expressed concern with the reference to the plan being “cancelled” by the plan provider, as it makes it appear as though plan providers have the right to simply cancel a plan at any time. This commenter noted that providers can only terminate a plan for non-compliance under specific conditions. The commenter asked that these words be deleted.</p>	<p>The reference was intended to simply reflect that plans can be terminated by the investor or by the plan provider and that the same outcome arises in either case. That said, we have amended the wording to be more neutral and to simply refer to the plan being “cancelled” instead of stating by whom it may be cancelled.</p>
	<p><b>2. <i>You miss contributions</i></b></p>	<p>Three commenters told us that the statement “this could be costly” should be deleted as there is no empirical evidence to support it and it is inflammatory.</p> <p>Two of the commenters suggested that the wording in this part simply reflect that its members offer different options for making up missed contributions.</p> <p>The other commenter told us that the Plan Summary should not be promoting other products, so the reference to transferring to other RESPs should be removed and replaced by a reference to the option of transferring to other plans offered by the provider, where applicable.</p>	<p>We do not agree that this statement is inflammatory and do not propose to make this change.</p> <p>The wording presented is intended to highlight that there are consequences for missing payments. We consider the current wording to appropriately highlight this fact and do not propose to make this change.</p> <p>We have modified the wording to clarify that “transferring” to another RESP means that one can transfer to another RESP offered by the <i>same</i> plan provider or to an RESP offered by a different plan provider.</p>

	<b><i>4. Your child doesn't go to a qualifying school or program</i></b>	Two commenters were not clear about the reference in this part to transferring to another RESP. These commenters noted that its members are not in the business of promoting competing products and suggested the wording be changed to refer only to options available through that plan provider.	We refer the commenter to the changes made as discussed above.
	<b><i>5. Your child doesn't complete their program.</i></b>	<p>Two commenters asked us to remove the reference to losing some or all of an EAP if a beneficiary takes time off from studies, since its members all offer options to accommodate time off from studies. These commenters felt the prescribed statement is inaccurate.</p> <p>These same commenters added that the statement that “deferrals at our discretion” may not be accurate for all plans and wanted to ensure the plans have the flexibility to correctly describe their programs.</p>	<p>We are satisfied that the wording is accurate and that the concerns raised by the commenters are mitigated by the reference to the possibility, not certainty, of deferral. Accordingly, we have not made this change.</p> <p>We do not propose to make this change but we have amended the section to require this disclosure only if applicable.</p> <p>We have also added wording to encourage an investor to speak with his/her representative to better understand their options to reduce their risk of loss.</p>
	<b><i>Encourage subscribers to speak with their representative</i></b>	One commenter also asked that we allow the plans to add a statement at the end of this Item encouraging subscribers to speak with their representative about the options available if	We have made this change and refer the commenter to our response above.

		they have trouble keeping up with their contributions.	
<b>8(2) – Plans that did not reach maturity</b>	<i>Calculation methodology</i>	<p>Industry commenters appreciated that we sought input from the industry on how best to describe cancellation experiences for plans, and noted that the proposed disclosure is a considerable improvement. However, they suggested that the use of the term “maturity date” is not accurate here as it implies that the plans all mature on the same date – they suggested “maturity year” is a more accurate term in this instance.</p> <p>The commenters also recommended that plans transferred to another plan by the same sponsor be excluded from the calculations, since in that case the investor still has a plan in good standing with the provider and could still transfer back to the group plan before maturity.</p>	<p>We note the comment but maintain that the reference to “maturity date” is appropriate as it is the point at which an investor’s plan matures.</p> <p>We do not propose to make this change. The purpose of this subsection is to reflect the experience of investors in the group plan, specifically the proportion of investors who enrol in the group plan and stay until their plan matures. If the investor transfers to an individual or family plan with the same provider, they are still no longer part of the group plan and the calculation methodology reflects this.</p>
	<i>Retain drop-out rate disclosure</i>	Two commenters recommended that we reinstate the drop-out rate disclosure from the 2010 Proposal, as the proposed “plans that did not reach maturity” disclosure is more	We have renamed the sidebar to “Cancellation Rate” to better reflect the substance of the required disclosure. We are

		<p>difficult for investors to comprehend.</p> <p>One of the commenters also suggested that the disclosure should be expressed as a ratio as well as a percentage.</p>	<p>confident that investors will understand percentages and the addition of ratios is not necessary.</p>
	<b><i>Retain “Lost EAP” disclosure</i></b>	<p>A commenter also suggested retaining the sidebar from the 2010 Proposal that indicated the percentage of beneficiaries who did not collect all of their EAPs, for plans that matured or closed. Although there is similar disclosure in the prospectus under Item 22 of Part C, the commenter believes that for it to be meaningful, it must be in the Plan Summary.</p>	<p>We have not added this disclosure to the Plan Summary as it is intended to be a summary document. The detailed information on this point in Part C would be too lengthy and complex for the Plan Summary.</p>
<b>Item 9 – Costs</b>			
<b>General</b>	<b><i>Location of Item</i></b>	<p>One commenter told us that disclosure of costs is vitally important to investors given the impact of costs on the ability to accumulate savings. This commenter recommended that this disclosure be moved directly after the section titled “Who is this plan for” at Item 4, in order for it to be more prominently displayed in the Plan Summary.</p>	<p>We consider the location of this section (now Item 10) to be appropriate and have not made the suggested change.</p>
<b>9(1) – How much does it cost?</b>	<b><i>Opening statement</i></b>	<p>One commenter suggested we rephrase the first sentence to read more plainly and simply.</p>	<p>We view the current wording to be plain language and do not propose to revise the wording.</p>
	<b><i>Disclosure of who fees are payable to</i></b>	<p>One commenter told us the tables should specify who the fees are payable to as it would give a more accurate picture of why</p>	<p>We agree with the commenter and have amended the table to include a column requiring</p>

		they are paying fees and to whom.	disclosure on who the fees are payable to.
	<i>Disclosure of impact of fees on contributions</i>	One commenter recommended that the disclosure in the fees tables be presented in a way that is more meaningful to investors. This commenter suggested adding a sentence to state, in plain wording, an example of the dollar amount of fees that would be paid on contributions made in the first year, as this would better reflect the manner in which certain fees are collected, like the sales charge, which is primarily collected from early contributions.	In response to the comment, we have added new wording to this Item (now Item 10) to require disclosure of the number of months it will take an investor to pay off any applicable sales charge based on monthly contributions. This additional disclosure requirement also mandates disclosure of the percentage of contributions that will be invested in the plan during the same time. We expect this additional disclosure to give investors a clear picture of the impact of sales charges on contributions.
	<i>Disclosure of GST/HST</i>	One commenter recommended that the Plan Summary make it clear that GST/HST is an integral part of the cost of investing in a plan.	No change. The reference to GST/HST is currently referenced in Instruction 4 of Item 10 of the Plan Summary which concerns fees and expenses associated with the plan. We consider it unnecessary to require its repetition elsewhere in the Plan Summary.
	<i>“Fees the plan pays” table</i>	One commenter suggested the title of the	The title used is consistent with



		table be renamed “Ongoing plan fees you pay” for this table as it better reflects the nature in which the fees listed are paid by the plan. The commenter added that the current title does not necessarily reflect that investors indirectly pay these fees through reduced earnings or returns on their investment.	the title used in the simplified prospectus for mutual funds. We view the use of a consistent title to be appropriate and plain language. Accordingly, we have not made this change.
	<i>Display fees as a percentage</i>	This commenter also suggested that all fees be displayed as a percentage, as well as in dollar amounts, so as to be comparable to the disclosure of management expense ratios (MERs) for mutual funds or other investment funds.	The Form requires fees to be disclosed in the manner in which they are assessed. However, we have added a requirement that group plans or other plans that calculate sales charges as a fixed dollar amount of the cost of a unit also express this charge as a percentage of the cost of a unit. This will allow for greater comparability between plans.
	<i>Disclosure of impact of plan cancellation</i>	One commenter told us it believes that a clear description of what investors will pay if they have to withdraw from the plan is required. This commenter recommended providing a table that shows the result of withdrawing at different stages, based on a \$1000 investment. For example, the table would show the impact of withdrawing: <ul style="list-style-type: none"> <li>• Before 60 days</li> <li>• After 60 days, but at a still early stage</li> <li>• A later stage</li> <li>• Maturity</li> </ul>	We do not propose to add the proposed disclosure. The numerous variables that would factor into providing this disclosure in a meaningful way would cause such disclosure to be too lengthy and complex for a summary document such as the Plan Summary.

		The table could show fees charges (including fees charges for transfers to another institution), loss of grants, investment income and any other changes that will affect the amount of contributions returned to the investor.	
	<i>Use of the term “sales charge”</i>	Industry commenters told us they prefer the term “enrolment fee” or “membership fee” over sales charge as this is the terminology they presently use, and they believe these terms are more accurate and understandable. They noted that the table will already make it clear that some of these fees are used to pay for sales commissions for the dealer representatives.	We have not made this change. We consider the current reference to “sales charge” to be clear, plain language and reflective of the nature of the fee.
	<i>Explanation of sales charge</i>	Industry commenters also told us that they believe the prescribed explanation of “sales charge” under “what the fee is for” is misleading because it fails to acknowledge the enrolment fee refund mechanism that its members have. The commenters recommend amending this part to state the fee is used to cover the costs of marketing and distributing the plan and pay a sales commission to the representatives, with the rest going to the dealer. The commenters also wanted this part to include a reference to the ability to have at least some of this amount refunded after maturity.	The purpose of the disclosure is to simply state the purpose of the fee. Whether the fee is eligible to be refunded is not consistent with the purpose of the table. We note that fee refunds can be discussed in the Detailed Plan Disclosure under Item 14.6 of Part C of the Form.  In response to the comments, however, we have amended the Form requirements to provide greater flexibility in explaining the purpose of each fee.

	<i>Use of the term “processing fee”</i>	<p>Some industry commenters suggested the reference to “processing fee” was not accurate as it implies a charge for processing a single transaction. These commenters felt that the term “account maintenance fee” more accurately describes that fee. We were also told that the description of this fee should explain that it is used to cover administrative expenses incurred with the ongoing administration of a subscriber’s plan.</p> <p>Another commenter asked us to specify what we mean by “processing fee”.</p>	<p>We agree with the comments provided and have made the suggested change to “Account Maintenance Fee”.</p> <p>We refer the commenter to our response above.</p>
	<i>Disclosure of optional insurance</i>	<p>Industry commenters also told us that fees for optional insurance should be permitted to be included in this table. They believe that this is necessary for full, true and plain disclosure.</p>	<p>The disclosure in this Item is intended to reflect mandatory fees. Accordingly, insurance fee disclosure is only permitted where the insurance is mandatory. Accordingly, we have not made the suggested change.</p>
<b>Item 10 – Guarantees</b>	<i>Reference to bank accounts and GICs</i>	<p>One commenter questioned why group plans should have to include references to “unlike bank accounts and GICs” in this part. The commenter believes this is extraneous and not relevant to the product and does not belong in a prospectus document.</p> <p>Two other commenters suggested this Item inappropriately compares a security to a deposit by a deposit-taking institution, and</p>	<p>We have not made the suggested change. We consider inclusion of the reference to be appropriate as it highlights that investments in scholarship plans are not guaranteed. We note that mutual funds are similarly required to provide this disclosure in their simplified prospectus under Item 4(3) of</p>

		does not believe that the Plan Summary should reference other products when it is specific to a particular plan. This commenter suggested we amend the wording to no longer refer to bank accounts or GICs.	Part A to Form 81-101F1. As such, we consider this disclosure to be appropriate for the Form.
	<i>Disclosure of risk of insolvency and lack of Contingency Fund</i>	One commenter told us that the disclosure in this part should also make reference to the lack of an industry contingency fund for scholarship plan dealers, unlike those for RESPs offered by banks or investment dealers.	As noted above, the disclosure is consistent with that required by mutual funds and we consider it appropriate for the Plan Summary. Considerations related to the absence of a contingency fund for scholarship plan dealers is beyond the scope of this project.
	<i>“We cannot tell you in advance if your child will qualify for payments”</i>	<p>Two commenters suggested that this statement implies that there is an onus on the plan provider to ensure a child qualifies for EAPs.</p> <p>Another commenter asked that we modify this wording to reflect that EAPs will be made if a beneficiary meets the conditions of the plan, rather than a more general statement about “payments”.</p> <p>An investor advocate commenter suggested that we should be more clear in stating that it cannot be guaranteed that an investor will receive any payment from the plan, including</p>	<p>We disagree with the commenters and have not made the suggested change. We consider the wording presented to be appropriate and plain language.</p> <p>We believe the wording is clear and do not proposed to make this change.</p> <p>We believe the wording is clear and do not proposed to make this change.</p>

		the amount of EAP or contributions that will be returned.	
	<i>Refund of net contributions</i>	One commenter told us the disclosure in this Item must include a reference to a subscriber getting their contributions back or it will be misleading. This commenter added that the amount of government incentives are known and will be paid, and the disclosure should account for this.	We disagree with the commenter. The disclosure refers to payments from plan contributions as simply a return of a subscriber's own money. As well, government grants are only paid if a beneficiary qualifies for an EAP, so we are confident that this wording is accurate and do not propose to make this change.
	<i>Purpose of the disclosure</i>	One commenter suggested that the purpose of the disclosure in this Item is to point out that the payments are not legally guaranteed and suggested alternate wording that they believe better conveys this point.	We agree with the commenter's view of the purpose of the disclosure but as noted above, we do not propose to amend this section.
<b>Item 11 – For more information</b>	<i>Specific reference to the prospectus</i>	<p>One commenter suggested this Item include a specific reference to the more detailed prospectus in order to better link the two documents.</p> <p>One commenter suggested that this section be presented on the back cover of the plan summary.</p>	<p>In response to the comment, wording has been added to encourage an investor to speak to his/her sales representative and to look further to the Detailed Plan Disclosure for more information about a plan.</p> <p>We do not propose to make this change. The Plan Summary will not have a cover page or a back page.</p>

<b>Comments on Part B - General Disclosure</b>			
<b>General comments</b>	<b><i>Flow and organization of Part B</i></b>	Two commenters urged that we consider the flow of this part to ensure logical disclosure. They also suggested we re-examine the instructions for headings and sub-headings to determine if they are all necessary.	We have reviewed the Form and made changes to the headings, sub-headings and instructions where appropriate in response to this and other comments received.
	<b><i>Additional disclosure for Part B</i></b>	<p>Industry commenters suggested we include the following disclosure items in Part B (or in Part C if the disclosure would be plan-specific):</p> <ul style="list-style-type: none"> <li>• Insurance coverage</li> <li>• How a subscriber can make additional contributions</li> <li>• <i>Income Tax Act</i> (Canada) (Tax Act) restrictions on the EAP amounts that can be paid</li> <li>• Enrolment fee refund mechanism</li> <li>• Ability to transfer between plans</li> </ul>	<p>We note that most of these items mentioned are currently referenced elsewhere in the Form.</p> <p>We have amended Item 6.9(2) of Part B of the Form, however, to require disclosure of information on the Tax Act restrictions on EAPs as applicable. A new Instruction guides this disclosure. Similar disclosure must now also be provided under s. 19.3 <i>Amount of EAPs</i> of Part C.</p>
<b>Item 1 – Cover page disclosure</b>	<b><i>Reference to the Plan Summary</i></b>	Two commenters believe it is necessary to include a statement on the cover page linking the plan summary to the rest of the prospectus and clarifying that a subscriber will receive both documents as required by law.	We agree and have amended General Instruction (16) of the Form and Item 4.1 of Part B of the Form to clarify that the Plan Summary is part of the prospectus which is ultimately composed of two parts i.e. the

			Plan Summary, which is Part A of the Form, and the Detailed Plan Disclosure which is comprised of Parts B, C and D.
<b>Item 2 – Inside cover page</b>			
<b>2.2 – No Social Insurance Number</b>	<i>Description of social insurance number (SIN) requirement</i>	<p>Two commenters suggested we amend the title of the heading in this part to be less colloquial.</p> <p>We were also told that the prescribed disclosure should be amended to make it clear that the <u>subscriber</u> must have a SIN before entering into a scholarship plan agreement, since that is a requirement of the plans.</p> <p>Another commenter recommended that the subheading “No social insurance number = No grants, no tax benefits” be replaced by “Why is the social insurance number necessary?” as it takes a more positive tone.</p>	<p>We propose no change in response to this comment.</p> <p>We agree and have revised this section to specify that the subscriber’s social insurance number must be provided in order for the plan to be entered into. We’ve also added a new Instruction (2) to this Item to clarify our expectations around this disclosure.</p> <p>Other than changing the reference in the title to “government” grants, we propose no change to the subheading as we consider the current wording to be plain language and sufficiently clear to highlight the impact of having a scholarship plan without providing required social insurance numbers.</p>
	<i>Treatment of moneys in</i>	Two commenters recommended that the	We consider the required

	<i>unregistered education savings accounts</i>	required disclosure in this Item about unregistered education savings plans, should also acknowledge that some plans treat moneys in these accounts the same as if it were an RESP, in that the contributions are invested and may earn income. These commenters expressed concern that the disclosure suggests that this money is simply placed in an account and fees are deducted. The commenters also want the disclosure in this part to recognize that income earned in these unregistered education savings accounts could have tax implications for the subscriber. They emphasized that the disclosure requirement should be flexible enough to allow the plan providers to accurately describe their plans.	disclosure on the treatment of moneys in unregistered education savings accounts to be accurate and have not made the suggested change.  The purpose of the disclosure is to highlight the importance of having a beneficiary's social insurance number, by stressing that unregistered plans still pay the same fees and expenses as registered plans, but without any of the tax and government grant benefits that come with being an RESP. We consider it appropriate to require disclosure on this point to better inform investors.
	<i>Cancelling the plan</i>	One commenter felt the wording around cancelling the plans, particularly the reference to ending up "with much less than you put in" was unfair and not accurate.	We refer the commenter to our response above under <i>Terminology Used</i> and consider the current wording accurate and consistent with the risk to an investor of keeping monies in an unregistered savings account.
<b>2.3 – Payments not guaranteed</b>	<i>Title of heading</i>	One commenter told us that the title of this Item implies that plan investments are not guaranteed and that the investments are riskier than other products available to	No change. The title accurately highlights the reality that EAP payments are not guaranteed for the variety of reasons specified



		investors. This commenter noted that plan assets are available at maturity, but that EAPs are only available to those who qualify under the plan's terms. The commenter recommended that we amend the title to reflect that an investor must meet the plan's requirements to collect an EAP.	in the prospectus.
	<b><i>Item 2.3(2) – payments from group plans depend on several factors</i></b>	One commenter told us the tone of the wording in this part is negative. This commenter pointed out that its participation rate is in excess of 90% and that over time, attrition is becoming less of an influence on the value of payments from the plan and suggested we amend the wording in this part to be more neutral.	We believe that the prescribed disclosure is accurate and applicable to all group plans despite variations in their attrition rates. We propose no change.
	<b><i>Item 2.3(3) – discretionary payments are not guaranteed.</i></b>	One commenter suggested that further explanation for discretionary payments is necessary since at this point in the prospectus there won't have been a description of discretionary payments.	We agree and have revised section 2.3(1) of Part B to permit references to discretionary payments, along with EAPs.
	<b><i>Item 2.3(4) – Understand the risks</i></b>	One commenter questioned why the wording in this part suggests than an investor refer to the risk disclosure in the Plan Summary, rather than the more detailed risk disclosure in the prospectus. The commenter also expressed concern with the disclosure suggesting an investor could lose some or all of their money.	We agree with the first comment and have removed the reference to the Plan Summary.  However, we consider the latter reference to the possibility of loss of some or all money in the circumstances described to be accurate. For greater clarity, we amended the reference to

		<p>Another commenter was unclear why this Item requires a plan to reiterate the risks, in contrast to the Fund Facts for mutual funds, which prompts investors to read the prospectus. This commenter suggested we amend the wording to be less focused on risks.</p>	<p>highlight that an investor “could” lose some or all of their money in circumstances, instead being “likely” to do so.</p> <p>We do not agree that this section requires a plan to reiterate risk. It is intended to encourage an investor to become aware of the risks of investing in a plan by reading the risk disclosure provided elsewhere in the prospectus. We consider the prescribed disclosure to be appropriate and have made no change.</p>
<p><b>2.4 – Withdrawal and Cancellation Rights</b></p>	<p><i>Terminology and language used</i></p>	<p>Two commenters suggested rephrasing the wording in the second paragraph to make use of terminology that its members use. For example “grants” would be replaced with “government incentives”, “sales charges” would be replaced with “enrolment fees”.</p> <p>One of these commenters also suggested removing the word “much” in reference to the last sentence, since it considers that word</p>	<p>Similar to our comments above under <i>Other mandatory terminology</i> concerning the Plan Summary, for greater clarity, we have changed the references to grants to “government grants” in this section and elsewhere in the prospectus. We have, however, maintained the requirement to use the generic, plain language term “sales charge”.</p> <p>We do not propose to make this change as we consider the current wording to be accurate</p>

		unnecessarily inflammatory.	as presented. We have, however, added the word “could” to denote that the substantial loss of contributions is a possibility, not a certainty.
<b>Item 4 – Introduction and Glossary</b>			
<b>4.1 – Introduction and Documents incorporated by reference</b>	<i>Additional disclosure</i>	One commenter noted that this Item does not include the additional information that the scholarship plans prospectuses are now required to provide in connection with exemptive relief granted to certain plans to incorporate certain documents by reference into the prospectus. This commenter added that we should also add wording to this part that deals more clearly with the status of the Plan Summary.	New subsection 4.1(3) has been added to require a description of each of the documents incorporated by reference into the prospectus and to explain their importance.  We have also added wording to subsection 4.1(1) that clarifies that the prospectus is comprised of the Plan Summary and the Detailed Plan Disclosure.
<b>4.2 – Terms used in the Prospectus</b>	<i>Too prescriptive</i>	Industry commenters told us that the Form is too prescriptive in mandating that all scholarship plan organizations use exactly the same terms and define them the same way. This commenter is concerned that this will impede plans from having the flexibility to change its terminology as circumstances or government regulation changes.	We view the need for consistency in terms of use to be paramount across all plan prospectuses. Should government regulation change applicable terminology, the use of certain terms can be revisited. We have reviewed the Glossary and made changes to definitions where appropriate to make them more accurate.

			<p>We note that new Instruction (3) has been added to clarify that only terms in the Glossary that are applicable to at least one of the plans in the prospectus can be included.</p>
	<p><i>Some terms inaccurate</i></p>	<p>They also told us that they believe some terms may be inaccurate, not permitted by the CRA, or have definitions that include extraneous, unnecessary or inaccurate information. These commenters cited number of examples:</p> <ul style="list-style-type: none"> <li>• The definition of “Contributions” does not accurately reflect the definition of that term in the Tax Act. This commenter also noted that the definition includes the concept that fees are deducted from contributions and felt this would be confusing to investors. This commenter instead suggested introducing the term “principal” to refer to contributions less fees;</li> <li>• The definition of “accumulated income payments” does not accurately reflect the definition in the Tax Act;</li> <li>• The definition of “educational assistance payments” in the Form is not correct in respect of their plan. The only funds in the EAP account for its plan are the income earned on contributions. This</li> </ul>	<p>As noted above, we have reviewed the Glossary and made changes to definitions where appropriate to make them more accurate. Upon further review, we are satisfied with how the terms therein are defined. We note that the terms are to be defined in plain language to facilitate ease of understanding. As such, they may not necessarily use the same wording in the Tax Act even if they have essentially the same meaning.</p>

		<p>plan defines EAP as comprising income earned on principal, income from attrition, and payment of a group plan bonus from its general fund. The commenter asked that the definition of EAP be broadened to include any non-discretionary payments to accommodate its product design;</p> <ul style="list-style-type: none"> <li>• The definition of “eligible studies” should reference both the terms of the plan and the Tax Act requirements;</li> <li>• A commenter noted that the term “Grant contribution room” is not used in the Form;</li> <li>• We were told it was more correct to say “you purchase units when you open a plan” rather than being assigned units;</li> <li>• We were also informed that the reference to the year of eligibility being after the maturity date is not correct in other types of plans – it is simply the year a beneficiary begins post-secondary studies. This commenter noted for example that its individual and family plans do not have maturity dates. The commenter asked that we allow the flexibility to properly describe the term in the context of their product.</li> </ul>	
	<p><b><i>Instructions – glossary limited to the terms provided</i></b></p>	<p>Two commenters expressed concerns with the instructions that prohibit the addition of new terms to the glossary, since the prospectus is a liability document. The</p>	<p>The Glossary is intended to promote consistency and to enable investors to make comparisons across plans</p>

		<p>commenters believe that flexibility is necessary to avoid the prospectus becoming unwieldy with numerous cross-references or lengthy explanations of terminology.</p> <p>Another commenter recommended that we allow for the inclusion of plan-specific definitions in the Glossary to provide investors with a clear understanding of terminology used and to eliminate unnecessary descriptions.</p>	<p>offered by different plan providers. We do not consider it appropriate for terms to be added to the Glossary and we do not believe that limiting the use of defined terms will be problematic for investors.</p>
<b>Item 5 – Overview of scholarship plans</b>			
<b>5.2. – Description of Scholarship Plans</b>	<i>Disclosure of sales charge refunds</i>	<p>Two commenters told us that the prescribed wording should allow for group plans to include disclosure around enrolment fee refunds, as it is material information about the plan.</p>	<p>We have not made this change. The disclosure in this Item is intended to provide general information about the scholarship plan. Plan-specific disclosure on fee refunds is permitted under Item 14.6 of Part C of the Form.</p>
	<i>Disclosure of key product benefits</i>	<p>Another commenter told us the Form does not include disclosure of key product benefits, and therefore does not provide an investor the opportunity to weigh the risks against plan benefits. This commenter suggested a new heading be added where key product benefits can be disclosed, such as:</p> <ul style="list-style-type: none"> <li>• potential for enrolment fee refunds;</li> <li>• ability to change beneficiaries within a</li> </ul>	<p>We have not made the suggested change. We note that all of the referenced disclosure of benefits mentioned is already provided in the Form. We do not see the need for a separate section reiterating this disclosure.</p>

		<p>family;</p> <ul style="list-style-type: none"> <li>• ability to transfer to other plans and back to the group plan;</li> <li>• potential to receive enhanced payments, such as attrition, in addition to investment yield, as well as non-discretionary group plan bonuses and discretionary donations by the Foundation; and</li> <li>• access to government incentives.</li> </ul>	
	<i>Disclosure of ability to transfer plans</i>	This commenter also suggested adding a new heading in this Item in which there will be disclosure about the option to move out of a group plan to its individual or family plan if a subscriber determines it is no longer suitable.	We have not made this change. Disclosure concerning the ability to transfer between plans is currently provided in Item 16.1 of Part C. As noted above under <i>You miss contributions</i> , we have also amended the Plan Summary to clarify that investors have the option to transfer between plans offered by the same issuer where appropriate or to another RESP provider altogether.
<b>Item 6 – General Information about Scholarship Plan Life Cycle</b>			
<b>General</b>	<i>Support for disclosure of scholarship plan investment lifecycle</i>	One commenter supports the introduction of a requirement to provide a description of the key stages in the lifecycle of a scholarship plan investment.	We thank the commenter for their support and believe that this requirement will enhance product disclosure of the plans.

<p><b>6.7 – Fees and Expenses</b></p>	<p><i>Disclosure that fees reduce returns</i></p>	<p>One commenter suggested we require disclosure in this part stating that fees and expenses reduce the plan’s returns, thereby reducing the investor’s returns.</p>	<p>We agree with the commenter and have amended this Item to include wording suggested by the commenter.</p>
<p><b>6.8 – Eligible Studies</b></p>	<p><i>Removal of table listing all eligible studies</i></p>	<p>Two investor advocate commenters disagreed with our decision to remove the requirement to provide a table detailing all of the eligible studies under the plans, which had been part of the 2010 Proposal. They added that this information is important to any investor contemplating a scholarship plan investment and should be included, so that it is known beforehand rather than being discovered at plan maturity.</p>	<p>We propose no change. Item 6 of Part C currently mandates summary disclosure of eligible post-secondary programs that qualify for EAPs under a plan. We expect this disclosure to be fulsome and informative to investors. We do not believe it would be beneficial to investors to require in the prospectus a detailed list of programs and institutions that qualify for EAPs. Such a list could change over time and could be quite lengthy.</p> <p>As noted below, we have amended Item 6.1 of Part C to require plan providers to provide investors, on demand, with a list of eligible programs and to post this list on their websites.</p> <p>Should investors seek additional information on the list of eligible studies under a plan, we</p>



			<p>would expect the dealer or the plan provider to make this information available to investors on demand.</p> <p>To provide greater clarity, however, we have added wording to Item 6.8 of Part B to highlight where applicable, that the programs eligible for an EAP are different for each plan offered under the prospectus.</p>
<b>6.9 – Payments from the Scholarship Plan</b>	<i>Disclosure of benefits</i>	One commenter suggested we allow group plans to disclose the benefits of investing in a group plan - specifically income from attrition as well as discretionary payments, in this part.	The disclosure required by this Item is intended to be general. We refer the commenter to our responses above which speak to disclosure on the benefits of investing in a group plan. We propose no change in response to the comment.
	<i>Item 6.9(2) – Educational Assistance Payments</i>	One commenter told us the prescribed language in this part is inaccurate for its plans, as the amount of EAP is based on the number of units held in the plan. Also, the commenter noted that the prescribed language excludes other components this commenter considers part of its EAPs, and also fails to mention the potential for a discretionary top-up payment offered under its plans and the potential for an enrolment fee refund. The commenter suggested	The required disclosure is intended to be a general statement about how EAPs are calculated and includes all factors that contribute to an EAP (as defined in the Glossary). We are satisfied that the description is accurate. Specifics around discretionary payments and other features of the plan are permitted to be

		amended wording that would include language around these additional amounts.	disclosed in other parts of the prospectus. We propose no change.
<b>Item 8 – Scholarship Plans with Same Investment Strategies</b>			
<b>8.1 – Investment Strategies</b>	<i>Item 8.1(4) – temporary departure from investment objectives in adverse market conditions</i>	One industry commenter asked for clarification on what this means.	This disclosure is currently a requirement in Item 6.1(4) of Form 41-101F2 which is the form scholarship plans currently use. Accordingly, we do not believe that further clarification is necessary.
<b>Item 9 – Scholarship Plans with Same Investment Restrictions</b>			
<b>9.1 – Investment Restrictions</b>	<i>Item 9.1(2) - investment restrictions beyond those required under applicable legislation</i>	One commenter considered the disclosure requirement to be odd in the context of group RESPs, particularly because of the reference in paragraph (2) to disclosure of any restrictions beyond what is required under securities regulation. This commenter also believes a fundamental point is missing, i.e. that investments are greatly restricted by securities regulation, and that this is not well understood by investors.	The requirement in Item 9.1(2) of Part B of the Form currently exists in Item 8.1 of Form 41-101F2 which is the current form used by scholarship plans. Accordingly, we do not believe that there should be any confusion about this requirement. We propose no change.
<b>Item 10 – Risks of Investing in a Scholarship Plan</b>			

<b>10.1 – Risks of Investing in a Scholarship Plan</b>	<i>Item 10.1(2) – investment risks</i>	One commenter asked that we remove the reference to “bank accounts and GICs” from the prescribed wording in this part, as they believe it is not appropriate to require scholarship plans to reference other products in their prospectus.	We have not made this change. We refer the commenter to our response above concerning the Plan Summary under <i>Reference to bank accounts and GICs</i> re: Item 10 – Guarantees.
<b>Item 12 – Organization and Management Details of the Scholarship Plan</b>			
<b>12.1 – Organization and Management Details</b>	<i>Item 12.1(2)(h) – description of the oversight of the fund manager by the independent review committee(IRC)</i>	One commenter suggested this disclosure item is inaccurate as it relates to the role of the IRC under National Instrument 81-107 – <i>Independent Review Committee for Investment Funds</i> (NI 81-107). This commenter suggested that this Item only refer to the oversight of the IRC of conflicts of interest. The commenter added that the IRC does not have a municipal address, so this requirement should be removed.	We propose no change. The role of the Independent Review Committee is governed by NI 81-107 and is to oversee the manager’s handling of conflict of interest matters. This requirement in the Form is simply to mandate disclosure about the IRC’s role. We note, however, that we have amended Item 12.1(3) of Part B of the Form to indicate that a municipal address should only be provided as applicable for the entities listed in Item 12.1(2).
<b>Item 13 – Statement of Rights</b>			
<b>13.1 – Statement of Rights</b>	<i>Prescribed statement</i>	One commenter suggested the first paragraph in the statement reads awkwardly and suggested we amend it. The commenter also	We have amended the wording in this Item to provide greater clarity.

		suggested we add disclosure clarifying that subscribers get all their money back, including any fees paid, and that government incentives will be repaid to the government.	
<b>Comments on Part C – Plan-Specific Information</b>			
<b>General comments</b>	<b>Order of Items</b>	Industry commenters suggested we re-order items in Part C to, in their view, be more consistent with the life cycle of a plan. In particular, under this commenter’s suggestion, the items which discuss making contributions to a plan, making changes, transfers, and receiving payments from a plan would occur sooner in Part C.	We are satisfied with the order of the Items in Part C and do not propose to reorder them.
<b>Item 3 – Plan Description</b>			
<b>3.1 – Plan Description</b>	<b>Item 3.1(c) Nature of the securities offered by the prospectus</b>	Industry commenters were unclear as to what is to be disclosed as the “legal nature of the securities”.	We have removed this requirement.
<b>Item 5 – Beneficiary Group</b>			
<b>5.1 Beneficiary Group</b>	<b>Usefulness of Beneficiary group table</b>	Two commenters told us that there is no need for the “beneficiary group” table being proposed in Item 5.1(3) of Part C as they believe this can be easily determined without reference to a table and will just add unnecessary length to the prospectus.  One of the commenters believes the table will be confusing for subscribers given that a beneficiary is assigned to a particular	We disagree with the commenters. We believe the beneficiary group table will assist investors in determining how the specifics of the group plan apply to their individual beneficiaries. We propose no change.  We believe that the disclosure required by Items 5.1(2) and 5.1(3) provide appropriate

		<p>group based on the subscriber’s selected contribution schedule and other details determined at the time of enrolment. This commenter also believes the table will be confusing because it does not appear to be linked to anything else in the prospectus, so a subscriber will not understand what they are supposed to do with this information. Finally, the commenter noted that beneficiary groups can be changed, so if the table is retained, this should be noted in this Item.</p> <p>Another commenter suggested that most of the disclosure in this Item will be irrelevant to a potential investor as it suggests that investors can choose their beneficiary group, which is not correct – beneficiary groups are assigned based on age, and the table itself will be out of date by the lapse date of the prospectus. This commenter suggested the disclosure in this Item should focus on how maturity dates and year of eligibility is determined.</p>	<p>context on how the table is to be read and presented. No change.</p> <p>For the reasons mentioned above, we disagree with the commenter and do not propose to make the suggested change.</p>
<b>Item 6 – Eligible Studies</b>			
<b>6.3 – Description of Ineligible Studies</b>	<b>6.3(1) – <i>what’s not eligible</i></b>	<p>One commenter told us they supported the requirement to include disclosure concerning plans that have more restrictions on eligible studies than the government rules on RESPs. However, this commenter believes the disclosure should be more specific and should include a detailed list of</p>	<p>We do not consider a detailed list of ineligible schools and programs to be necessary. Item 6.2 of Part C of the Form requires more specific disclosure regarding the types of programs eligible for EAPs.</p>

		<p>school and programs that are ineligible, and this criteria should also be included in the Plan Summary.</p>	<p>We have, however, amended Item 6.3 to require clear and specific disclosure of differences between the types of programs eligible for payment of an EAP under the Tax Act versus those recognized as eligible under the plan.</p> <p>Item 6.1 of Part C also now requires plan providers to post a list of qualifying institutions and programs to their websites. The amended Instructions to Item 6 of Part C specify that the list must be available on a publicly available website and must be in a format that facilitates comprehension by the investor.</p>
	<p><b><i>Item 6.3(3) – prescribed statement</i></b></p>	<p>Industry commenters told us that they think the first sentence in this statement should be deleted since a subscriber will not know the type of programs their beneficiary will be interested in at the time of enrolment.</p> <p>One of the commenters also suggested that</p>	<p>With reference to our response immediately above, we do not propose the change suggested by the commenter. We would expect the information to be provided on eligible programs to assist an investor in determining which program their beneficiary should enrol in at the appropriate time.</p> <p>We have modified the prescribed</p>

		the disclosure in this statement be restricted to discussing whether the plan permits more or fewer eligible programs than the Tax Act or other plans offered by the provider.	disclosure now required by Item 6.3(4) to require specific disclosure on eligible programs when the plan does not recognize the same post-secondary programs that would qualify for an EAP under the Tax Act.
<b>Item 10 Plan-Specific Risks</b>			
<b>10.1 – Plan Risks</b>	<i>Negative Tone</i>	One commenter felt the mandatory disclosure was unduly negative and should be re-worded. The commenter particularly felt that the reference to a subscriber losing “some or all of their EAPs” was not accurate.	We are satisfied that the prescribed wording is accurate and not unduly negative as it highlights only the possibility of the investors loss of some or all of their EAPs. No change.
	<i>Disclosure of the risk of unusual events</i>	One commenter suggested that the risk disclosure in this Item also refer to risk of loss from unusual events, such as a child falling ill and missing a significant portion of the school year, or the risk that the plan may not generate sufficient returns after fees are deducted, especially for fixed income securities in a low interest rate environment.	We refer the commenter to our response under <i>Include disclosure of risk of unusual events</i> in respect of Item 8(1) of the Plan Summary. No change.
	<i>Disclosure of the risk of fee increase</i>	One commenter suggested there should be disclosure of the risk of certain fees increasing over the life of the investment since there is no guarantee that a plan will not increase fees over time, thereby reducing the investor’s investment return.	We have added disclosure to the fees tables in Item 14 <i>Fees and Expenses</i> in Part C to require plans to state whether the fees can be increased without investor approval. We consider

			disclosure of this type to be more appropriate since scholarship plans are not subject to the mandatory voting requirements set out in Part 5 of NI 81-102 which attach to fee changes.
<b>Item 11 – Annual Returns</b>			
<b>11.1 Annual Returns</b>	<i>Disclosure of 1,3,5,10 year returns</i>	Industry commenters told us that they believe that disclosure of returns from the past 1,3,5 and 10 year periods, would be more useful to subscribers, than the period proposed in the Form, given the long term nature of the plans.	The annual return disclosure required by this section is consistent with the current Form requirements in Form 41-101F2. We propose no change.
<b>Item 12 – Contributions</b>			
<b>12.1 – Making Contributions</b>	<i>Reference to “buying units”</i>	One commenter told us that it is not correct to say that subscribers “buy” units. In the commenter’s view, a subscriber does not “buy” units. This commenter said the disclosure should reflect instead that subscribers “subscribe” for units which are linked to the contribution schedule.	We propose no change. We consider that the current wording reflects the intended plain language meaning.
	<i>Contribution tables</i>	One commenter told us they believe it would be more valuable to know whether or not the contribution schedule was certified by an actuary, than to simply disclose who prepared the table. This commenter suggested we also require both.	We do not propose to make this change. Since there are no regulatory standards for actuarial certification of a scholarship plan, we are concerned that adding the suggested disclosure could be misleading to investors. Such an initiative is currently



			beyond the scope of this project but may be considered for future amendments to the Form.
<b>12.2 – Missing Contributions</b>	<b><i>Instructions</i></b>	<p>Industry commenters did not understand Instruction (2) that required disclosure of the interest rate used for calculating make up contributions. We were told that it would be challenging to predetermine an interest rate for this calculation, and that it is not clear why this information is being requested.</p> <p>One of the commenters suggested that we either remove the requirement or allow a statement clarifying that the interest rate charge cannot be predicted in advance and that investors should contact their plan provider to find out the amount owed.</p>	<p>We have amended Instruction (2) to this section to clarify our expectation that the “current rate” of interest be disclosed. We would expect plan providers to have this information as a matter of course.</p> <p>We propose no change.</p>
<b>Item 13 – Withdrawing Contributions</b>			
<b>13.1 – Withdrawing Contributions</b>	<b><i>Item 13.1(3) – disclosure of losses for withdrawal</i></b>	Two commenters asked for clarification that the disclosure of “losses” to a subscriber for withdrawing contributions can be general, since any specific amounts of fees or losses would be particular to each subscriber.	In response to the comment, we have amended this Item to clarify that only a general description of the losses is required.
<b>Item 14 – Fees and Expenses</b>			
<b>14.2 – Fees payable by Subscriber from Contributions</b>	<b><i>Item 14.2(2) – prescribed disclosure</i></b>	One commenter told us that the prescribed wording in paragraph (2) should permit the plans to use their own terminology, such as	We refer the commenter to our responses above on the same point under, for example, <i>Use of</i>

		<p>“enrolment fee” or “membership fee” instead of “sales charge”. This commenter also suggested we allow for a reference to the possibility of a sales charge refund, with a cross-reference to more detailed disclosure at Item 14.6.</p> <p>Another commenter told us that they are unable to provide the exact amount of the commission paid to the representatives as they may vary from one representative to another. However, they could provide an average amount of commission paid.</p>	<p><i>the term “sales charge”, or Other Mandatory Terminology.</i></p> <p>The disclosure requirement here is intended to apply globally, not to individual representatives of the plan provider. No change required.</p>
	<b><i>Item 14.2(2) – use of text box</i></b>	<p>This commenter also expressed concern with whether the required disclosure will fit in a sidebar and asked that we clarify whether its members can instead disclose it in boxed text under the table.</p>	<p>We agree with the commenter and have amended the instructions to this Item to provide the option of using a textbox to meet the disclosure requirement.</p>
<b>14.3 – Fees payable by the scholarship plan</b>	<b><i>Disclosure of impact of ongoing expenses</i></b>	<p>Two commenters suggested we reinstate the summary of the impact of ongoing fees on a \$2500 annual investment in the plan, which was in the 2010 Proposal.</p>	<p>We have not made this change.</p> <p>The purpose of the table is to highlight up front costs of the plan and we consider it to meet this purpose as presented. A number of variables would impact the summary differently than for mutual funds, such that the summary would have less value for a scholarship plan than it would for a mutual fund.</p>

<b>14.4 – Transaction Fees</b>	<i>Disclosure of fees to transfer to another RESP</i>	One commenter told us that disclosure of fees must make it clear that there are fees and penalties for items such as account transfers.	No change. The tables in Item 14 are intended to disclose all fees that are applicable to a particular plan.
<b>14.5 – Fees for Additional Services</b>	<i>Optional insurance</i>	One commenter told us that it considers fees payable in respect of optional insurance to be material and therefore should be disclosed in the table required in this Item.	We note that the Instructions to this Item contemplate disclosure of insurance fees.
<b>14.6 – Refund of Sales Charges</b>	<i>Disclosure of treatment of enrolment fee refunds</i>	Two investor advocate commenters told us that the disclosure around refunding of sales charges by the plan should also state that these amounts do not earn interest, do not count as a contribution and do not form part of the investment, and that these amounts will be return in deflated dollars, due to inflation.	We agree with the commenters and have amended this Item accordingly to include disclosure of the suggested items.
<b>Item 19 – Payments from the Scholarship Plan</b>			
<b>19.2 – Payments to Beneficiaries</b>	<i>Item 19.2(2)(c) – percentage of maximum total amount of educational assistance payments (EAPs) payable at each payment date</i>	Two commenters questioned the plans’ ability to provide the disclosure required under this Item, as they each use different methodologies for calculating EAPs. These commenters are concerned that it may require disclosure of actuarial methodologies, which may be confusing to investors.  Another commenter told us that while they do not offer EAP options tailored to shorter	The requirement is to disclose how and when EAPs are paid. The requirement does not mandate disclosure of methodologies.  We are confident that the statement is accurate and propose

		programs, their plan would permit a beneficiary to enrol in, for example, four short programs that meet minimum Tax Act requirements. The wording in the instructions suggests that it would be required to state that beneficiaries enrolling in ineligible studies of a shorter duration would not qualify for maximum EAPs under the plan, which they consider to be inaccurate.	no change.
<b>19.3 – Amount of EAPs</b>	<i>Description of EAP components</i>	One commenter told us that the requirements of this section to list the components of an EAP and how they are allocated will not be accurate for its plans because the proposed definition of EAP in the Form is not consistent with the definition it uses, and in particular, does not include different components it considers part of its EAP, such as a non-discretionary group bonus amount.	We expect the disclosure provided to be consistent with the definition of EAP provided in the Form, which reflects the amounts a beneficiary is entitled to under a plan. We propose no change.
	<i>Disclosure of EAPs required under Item 19.3(3)</i>	Two commenters told us that some plans do not presently calculate the information required under paragraphs (b), (c) and (d) of this part. They are concerned that the costs of making the necessary systems changes will far outweigh the utility to investors in having this information.	We would expect plan providers to have the information required by new Item 19.3(4). We have amended the section, however, to indicate that a description of the items specified in paragraphs (a) to (e) is required.
<b>19.4 – Payments from the EAP Account.</b>	<i>Terminology</i>	One commenter suggested it would be more plain language to use the term “EAP Payments” rather than to refer to payments	No change. EAP Account is a defined term in the Glossary and its contents are segregated from

		from the EAP Account, as they believe it will not be clear what this term means, since it is not defined in the Glossary.	other funds i.e. principal or discretionary payments.
	<i>Title of rows in the table</i>	One commenter believes the bottom row in the table titled “Past breakdown of income in the EAP account” should be listed as “Total EAP Amount”, not “Total EAP Account”.	We have revised this reference to read “EAP account Total” for greater clarity.
	<i>“Past breakdown of Income in the EAP Account” table</i>	<p>Industry commenters told us that some of them would not be able to provide the information required in the “Past breakdown of Income in the EAP account” table as they do not presently calculate this information, that they would have to incur significant costs to do so (actuary fees), and questioned the value of this information, given the cost.</p> <p>One commenter added that providing the disclosure in this table would also be difficult because the definition of EAP in the Form is different than the one they use and excludes elements such as non-discretionary group plan bonuses. These amounts are not allocated until the time of payments so they would not be able to provide a percentage amount of the total payment for this amount.</p>	<p>We would expect plan providers to have this information. We consider it appropriate for such information to be provided to investors to help them understand their investment.</p> <p>We propose no change. We expect plan providers to have the appropriate information required to complete the disclosure in this table.</p>
	<i>“Past payments from the EAP Account” table</i>	Industry commenters suggested that some of them cannot provide the information	In response to these commenters, we propose no change. Similar

		<p>required in this table because they do not calculate this information presently and do not manage their plans in the way these table suggest.</p> <p>Another commenter added that its systems currently generate only the sum of discretionary and non-discretionary amounts – these payments are not calculated separately at present either on a per unit basis or by beneficiary group. This commenter does note however, that the information is available in aggregate by year of payment, which is what is currently provided.</p>	<p>to the above, it is unclear to us why plan providers would not have this information available to disclose.</p>
<b>Item 21 – Discretionary Payments to Beneficiaries</b>			
<b>21.2 – Historical Amount of Discretionary Payments</b>	<i>Disclosure of payments by beneficiary group</i>	<p>One commenter told us that it will not be able to provide the information in this table because discretionary payments made to the group plan are not tracked by beneficiary group.</p>	<p>We refer the commenter to our responses above.</p>
<b>Item 22 - Attrition</b>			
<b>22.2 – Pre-Maturity Attrition</b>	<i>22.2(1) pre-maturity attrition</i>	<p>One industry commenter told us the prescribed language with respect to the funds received on cancellation is inaccurate and proposed that we amend the wording to state that if a plan is cancelled, investors will get back their contributions, less fees, plus earnings on their government incentives, but not earnings on their</p>	<p>We have amended this Item to allow plan providers to add wording to indicate, if applicable, that an investor in a group plan may also get back his/her government incentives as an accumulated income payment.</p>

		contributions.	
	<i>Ability to provide information in the required tables</i>	<p>Industry commenters told us that some of them would not be able to provide the information required in the “Income from cancelled units” table as they do not presently calculate this information, that they would have to incur significant costs to do so. This commenter requested that they reconsider the utility of these tables.</p> <p>One commenter told us that they would be unable to provide us with attrition calculations based on how their group plans are structured. They would have to incur significant costs to do so.</p> <p>One of the commenters added that it wasn’t clear to them why this information would be relevant to an investor since the percentage amounts will vary each year.</p>	No change. We believe this is useful information for investors to have. We would expect plan providers to have this information in the normal course and to be able to provide it in table format.
<b>22.3 – Post-Maturity Attrition</b>	<i>Disclosure for the tables</i>	One industry commenter told us that for its plans, the information required in the tables would be incomplete because beneficiaries have until the expiry of the currently defined beneficiary period to collect their EAPs. The commenter asked for clarification that the use of the expression “matured and closed” means that there is no further opportunity to collect EAPs, and added that for this information to be a useful indicator of attrition, they believe it	We have amended Instruction (1) of this Item to clarify that the intended meaning refers to no further opportunity to collect EAPs.

		is necessary to wait until the defined benefit period has expired for each beneficiary group and had asked for instructions to clarify this.	
<b>Items 19-22 Collectively</b>	<b><i>Information required for prescribed tables</i></b>	<p>One commenter suggested we re-examine all of the tables required under Items 19-22 of Part C, as much of the information is detailed and complex and for some of its members will be difficult and costly to calculate. This commenter suggested we consider whether some of this information can be provided in a more simplified format to make it easier for investors to understand. This commenter also suggested we consider whether some of these contemplated tables might be better suited for the management report of fund performance (MRFP).</p> <p>Another commenter told us that major amendments would need to be brought to their structure to provide the required data for each table. Further, we were told that the required information is too complex and incomprehensible for subscribers.</p>	<p>We are confident that plan providers can provide the necessary information for the tables required by Items 19 – 22, and believe the tables belong in the prospectus. We recognize that some of the disclosure is detailed but believe that investors will see the value in the disclosure.</p> <p>We recognize that the Form may impose additional requirements on plan providers to provide specific disclosure. We consider such disclosure to be in the interests of investors and compliant with the obligation to provide full, true and plain disclosure of all material facts in the prospectus.</p>
<b><i>Comments on Part D – Information about the Organization</i></b>			
<b>General comments</b>	<b><i>Transition from Part C</i></b>	One commenter asked how the different	We believe that appropriate



		Part C's will be transitioned to Part D, as the form contains no instructions in that regard.	guidance on this point is provided in the General Instructions to the Form and that additional clarification is not necessary.
<b>Item 1 – Legal structure of the Scholarship Plan</b>			
<b>1.1 – Legal structure</b>	<i>1.1(2) – reference to shareholders</i>	An industry commenter didn't understand the reference to "shareholders", as the scholarship plans themselves, do not have directors, officers or shareholders, since they are structured as trusts.	We agree and have removed the reference to shareholders in this Item.
<b>Item 2 – Organization and management details</b>			
<b>2.1 – Investment fund manager</b>	<i>Item 2.1(2) – disclosure of unique overall investment strategy or approach used by the investment fund manager</i>	One commenter questioned the utility of this disclosure requirement and suggested its members would have little to disclose here.  Another commenter would like to have more information as to the meaning of "unique overall investment strategy or approach". The commenter wants to know what information we expect to see there.	We agree with the commenter and have removed this requirement.
<b>2.3 – The Foundation</b>	<i>Disclosure of other committees that play a role in operations</i>	One commenter told us that it believes it is important for investors to understand what recourse and appeals mechanisms may be	We note the comment and have added new Item 2.6 to mandate disclosure of the role other

		available if they have circumstances not contemplated under the agreement. This commenter noted for example that it has an arms length committee chaired by its trustee, which has power arising from the contractual agreement with investors and believes there should be disclosure of this group or others like it that may perform similar roles.	committees play in operations or the governance of the plans.
<b>2.8 - Dealer compensation</b>	<b><i>Item 2.8(1)(b) Disclosure of incentives to sales representatives</i></b>	One commenter asked that we clarify that its members can interpret the disclosure required under Item 2.8(1)(b) in the same manner contemplated for mutual funds under National Instrument 81-105 <i>Mutual Fund Sales Practices</i> (NI 81-105).	We confirm that former Item 2.8(1)(b) (now Item 2.10(1)(b)) can be interpreted in the same manner as that contemplated for mutual funds under NI 81-105.
	<b><i>Item 2.8(2) - Disclosure of compensation from management fees</i></b>	Industry commenters suggested that this disclosure does not fit in the context of group scholarship plans that are distributed through one affiliated dealer, where the sales and distributions costs are paid through the fees paid by subscribers. This commenter suggested there may be some residual amounts paid from management or administration fees but that these would be nominal.  One of the commenters added that the calculations contemplated in this section are	We disagree with the commenters. The disclosure required by this Item (now Item 2.10(2)) is not unique to scholarship plans, but is required for other investment products such as mutual funds, some of which are also distributed through an affiliated dealer. We believe it appropriate for plans to provide this disclosure if applicable. We propose no change.  The disclosure required can be adapted to reflect the operations

		overly complex and that the information is currently provided in its prospectus based upon cash flows received.	of the plan. Plan providers should simply state that which applies.
<b>Item 6 – Conflicts of interest</b>			
<b>Item 6.1 Conflicts of Interest</b>	<i>Disclosure already provided elsewhere</i>	One commenter reminded us that similar disclosure is already disclosed in a plan’s MRFP, which is available both on SEDAR and on the plan’s website. In addition, under NI 31-103, the plans are required to provide a written description of any conflicts of interest. The commenter suggested that adding this information in Part D of the Form would be duplicative.	No change. This is an existing requirement from Form 41-101F2 (the form scholarship plans currently use) and we do not see any basis to remove it from the new Form.
<b>Item 9 - Certificates</b>	<i>Reference to the Plan Summary</i>	One commenter asked whether the certificates should make specific reference to the Plan Summary.	We do not see the need to refer to the Plan Summary separately in the certificates since it is part of the entire prospectus.
<b>Part V - Other Comments</b>			
<b>General Industry Regulation</b>	<i>Disclosure alone is not sufficient</i>	Investor advocates commented that while they welcomed the CSA’s effort to improve disclosure around scholarship plans, they also cautioned that disclosure alone is not sufficient and that other measures must be taken to address concerns about the scholarship plan industry.  One commenter in particular expressed this concern in light of the fact that sales	The comments below are noted and will be considered in the context of future policy developments concerning scholarship plans.

		<p>representatives for these products are not held to a fiduciary standard and are only required to meet the lowest proficiency standard of investment industry licensing in the country.</p> <p>This commenter added that with the introduction of RESPs by the government, education savings is something that can be done easily at a bank, trust company, credit union, Caisse Populaire, Alberta Treasury Branch, mutual fund dealer or investment dealer, so it is not clear to them what the advantage of specific scholarship investment funds sold by commissioned sales representatives is in practice.</p> <p>This commenter added that they question the fairness of an investment product where, if an investor stops paying their subscription, the net asset value of the investment is actually reduced. This commenter questioned whether a product such as scholarship plans, sold in the manner they are currently sold, by representatives with minimal licensing standards would even be permitted by the CSA if it were a new product, and suggested that if this is not the case, then it may be time to phase them out.</p>	
	<i>Corporate Governance</i>	One commenter recommended that we mandate adequate standards of corporate	The comment is noted and will be considered in the context of

		governance of group scholarship plans including requiring that a majority of the directors of the scholarship plan trust or foundation be independent.	future policy developments concerning scholarship plans.
	<b><i>Cap on Fees</i></b>	One commenter recommended that the CSA substantively regulate fees charged for scholarship plans and set a maximum cap of 10% or less of annual contributions can be allocated to pay fees. This commenter noted that the current fee structure can be punitive to investors in the early years.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
	<b><i>Require membership in an SRO with an industry-sponsored contingency fund</i></b>	One commenter recommended that we require scholarship plan dealers to join a self-regulatory organization (SRO) with an industry-sponsored contingency fund. This commenter suggested this would be best accomplished by having scholarship plan dealers join an existing SRO, such as IIROC or the MFDA, rather than creating their own.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
	<b><i>Require membership in OBSI</i></b>	Further to the comment above, this same commenter also believes that scholarship plan dealers should be required to join OBSI, much like mutual fund and investment dealers. The commenter noted that while members of the RESP Dealers association of Canada (RESPDAC) are members of OBSI, if any of them leaves RESPDAC, they are no longer required to maintain their membership in OBSI.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.

	<i>Require plans to have the same eligibility rules as government</i>	One commenter recommended that we require scholarship plans to have the same program eligibility requirements as are permitted under the government’s rules for RESPs as it believes having different rules is contrary to the purpose behind RESPs.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
	<i>Regulation of sales representatives</i>	One commenter suggested that there be the following additional regulation for sales representatives: <ul style="list-style-type: none"> <li>• written conflicts of interest disclosure by the sales representative, including a description of the nature of the conflict;</li> <li>• no misleading job titles;</li> <li>• review of the RESPDAC salesperson licensing program to ensure it is adequate to protect investors; and</li> <li>• a requirement that representatives sign a standardized acknowledgement form confirming that they have explained key information in the prospectus and that the investor understand and is making an informed consent to purchase.</li> </ul>	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
<b>Education on Scholarship Plans</b>	<i>More consumer-focused investor education materials</i>	Two industry commenters recommended the education arms of the different CSA jurisdictions update their consumer	The comment is noted and will be considered in the context of future policy developments

		<p>education materials on scholarship plans and make them more robust. These commenters believe regulators should be doing as much as they can to provide information to investors about scholarship plans from an independent, unbiased perspective.</p>	<p>concerning scholarship plans.</p>
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<p><b>Part VI – List of commenters</b></p>
<p style="text-align: center;"><b><u>Commenters</u></b></p> <ul style="list-style-type: none"> <li>• <b>Borden Ladner Gervais LLP</b></li> <li>• <b>The Canadian Advocacy Council for Canadian CFA Institute Societies</b></li> <li>• <b>Canadian Foundation for Advancement of Investment Rights</b></li> <li>• <b>C.S.T Consultants Inc.</b></li> <li>• <b>Kenmar Associates</b></li> <li>• <b>RESP Dealers Association of Canada</b></li> <li>• <b>Universitas Foundation of Canada</b></li> </ul>

## Appendix C Sample Plan Summary

### Plan summary ABC Scholarship Plan

Type of Plan: Group scholarship plan

Investment Fund Manager: ABC Education Savings Plans Inc.

June 30, 201X

This summary tells you some key things about investing in the plan. You should read this Plan Summary and the Detailed Plan Disclosure carefully before you decide to invest.

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

You have up to 60 days after signing your contract to withdraw from 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 the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

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#### **What is the ABC scholarship plan?**

The ABC scholarship plan is a group scholarship plan designed to help you save for a child's post-secondary education. When you open your ABC plan, we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the child named as the beneficiary of your plan enrolls in their studies. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan.

In a group scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. When the plan matures, each child in the group shares in the earnings on that money. Your share of those earnings, plus your government grant money is paid to your child as educational assistance payments (EAPs).

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

- your child does not enrol in a school or program that qualifies under this plan, or
- you leave the plan before it matures

**If you leave the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early.**

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#### **Who is this plan for?**

A group scholarship plan can be a long-term commitment. It is for investors who are planning to save for a child's post-secondary education and are fairly sure that:

- they can make all of their contributions on time
- they will stay in the plan until it matures
- their child will attend a qualifying school and program under the plan

If this doesn't describe you, you should consider another type of plan. For example, an individual or family plan has fewer restrictions. See the Plan Summaries for our individual and family plans or pages • of the Detailed Plan Disclosure for more information.

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#### **What does the plan**

The plan invests mainly in fixed income securities, such as government treasury bills, guaranteed

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**invest in?** investment certificates (GICs), mortgages and bonds. The plan's investments have some risk. Returns will vary from year to year.

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**How do I make contributions?** With your contributions, you buy one or more "units" of the plan. These units represent your share of the plan. You can pay for them all at once, or you can make annual or monthly contributions.

You may change the amount of your contribution as long as you make the minimum contribution permitted under the plan. You may also change your contribution schedule after you've opened the plan. A fee applies. All of the different contribution options for this plan are described in the Detailed Plan Disclosure, or you can ask your sales representative for more information.

This plan requires a minimum total investment of one unit, and you can contribute as little as \$● at a time.

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**What can I expect to receive from the plan?** In your child's first year of college or university, you'll get back your contributions, less fees. You can have this money paid to you or directly to your child.

Your child will be eligible for EAPs in their second, third and fourth years of post-secondary education. For each year, your child must show proof they are enrolled in a school or program that qualifies under this plan to get an EAP.

EAPs are taxed in the child's hands.

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**What are the risks?** If you do not meet the terms of the plan, you could lose some or all of your investment. Your child may not receive their EAPs.

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

**Cancellation Rate**

Of the last five beneficiary groups of the ABC scholarship plan to reach maturity, an average of ●% of the plans in each group were cancelled before their maturity date.

1. **You leave the plan before the maturity date.** People leave the plan for many reasons. For example, if their financial situation changes and they can't afford the contributions. If your plan is cancelled more than 60 days after signing your contract, you'll lose part of your contributions to sales charges and fees. You'll also lose the earnings on your investment. Your government grants will be returned to the government.

2. **You miss contributions.** If you want to stay in the plan, you'll have to make up the contributions. You'll also have to make up what the contributions would have earned if you had made them on time. This can be costly.

If you have difficulty making contributions, you have options. You can reduce or suspend your contributions, transfer to another of our plans to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and government grants. If you miss a contribution and don't take any action within 24 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. Two of the key deadlines for this plan are:

- **Maturity date - the deadline for making changes to your plan**

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

- **August 1 - the EAP application deadline**

If your child qualifies for an EAP, he or she must apply by August 1 before each year of eligible studies 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, apprenticeships, part-time studies and co-operative studies don't qualify under this plan. Under this plan, fewer programs will qualify for an EAP that would otherwise qualify under the government's rules for RESPs. See the Detailed Plan Disclosure for more information. If your child will not be going to a school or program that qualifies for EAP under this plan's rules, you have the options to name another child as beneficiary, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options can result in a loss of earnings and government grants.

5. **Your child doesn't complete their program.** Your child may lose some or all of their EAPs if he or she takes time off from their studies, doesn't complete all required courses in a year or changes programs. In

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some cases, your child may be able to defer an EAP for a year. Deferrals are at our discretion.

**If any of these situations arise with your plan, contact us or speak with your sales representative to better understand your options to reduce your risk of loss.**

**How much does it cost?**

There are costs for joining and participating in the plan. The following tables show the fees and expenses of the plan. The fees and expenses of this plan are different than the other plans we offer.

**Fees you pay**

These fees are deducted from the money you put in the plan. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

**Paying off the sales charge**

If, for example, you buy one unit of the plan on behalf of your newborn child, and you commit to paying for that unit by making monthly contributions until your plan's maturity date, then, based on how the sales charge is deducted from your contributions, it will take ● months to pay off the sales charge. During this time, ●% of your contributions will be invested in the plan.

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge	<ul style="list-style-type: none"> <li>\$100 per unit</li> <li>This can be between ●% and ●% of the cost of a unit, depending on the contribution option you select for your plan and how old your beneficiary is at the time you open your plan</li> </ul>	<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>All of your contributions go toward this fee until ½ of it has been paid off, and then ½ half of each of your contributions afterwards goes toward this fee until it has been paid in full.</li> </ul>	The investment fund manager
Account maintenance 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>	This is for processing your contributions and for maintaining your plan	The investment fund manager
Insurance premium	<ul style="list-style-type: none"> <li>● cents for every \$● you contribute to the plan until you turn 65 unless you pay for all of your units up front</li> </ul>	<ul style="list-style-type: none"> <li>This is for insurance that makes sure your contributions continue if you die or become totally disabled</li> <li>We require all subscribers to buy this insurance except those in Quebec.</li> </ul>	XYZ Insurance co.

**Fees the plan pays**

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, which reduces the amount available for EAPs.

**Other fees**

Other fees apply if you make changes to your plan. See page ● of the Detailed Plan Disclosure for details.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administrative fee	●% per year	This is for operating your plan	The investment fund manager
Portfolio management fee	●% per year	This is for managing the plan's investments	The plan's portfolio managers
Custodian fee	●% per year	This is for holding the plan's investments in trust	The plan's custodian
Independent review committee	\$●, in 201X	This is for the services of the plan's independent review committee. The committee reviews conflict of interest matters between the investment fund manager and the plan	The independent review committee

**Are there any guarantees?**

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.

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

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**For more information**

The Detailed Plan Disclosure delivered with this Plan Summary contains further information about this plan, and we recommend you read it. You may also contact ABC Education Savings Plans Inc. or your sales representative for more information about this plan.

ABC Education Savings Plans Inc.  
123 Main St.  
Toronto, ON M1A 2B3

Phone: (416) 555-1111  
Toll-free: 1-800-555-2222  
Email: [clientservice@abcplans.ca](mailto:clientservice@abcplans.ca)

[www.abcplans.ca](http://www.abcplans.ca)

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**Appendix D**  
**Schedule 1**

**Amendments to**  
**National Instrument 41-101 - *General Prospectus Requirements***

1. *National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.*
2. *Section 1.1 is amended*
  - (a) *by adding the following definition:*

“Form 41-101F3” means Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* of this Instrument;
  - (b) *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; **and**
  - (c) *by adding the following definition:*

“plan summary” means a document prepared in accordance with the requirements of Part A of Form 41-101F3;.
3. *Subsection 1.2(6) is amended by replacing “in Form 41-101F1 and Form 41-101F2,” with “in Form 41-101F1, Form 41-101F2 and Form 41-101F3,”.*
4. *Section 3.1 is amended*
  - (a) *in subsection (1) by replacing “subsection (2) and (3)” with “subsections (2), (2.1) and (3)”*
  - (b) *in subsection (2) by adding “,other than a scholarship plan,” after “investment fund”, and*
  - (c) *by adding the following subsection:*

(2.1) An issuer that is a scholarship plan filing a prospectus must file the prospectus in the form of Form 41-101F3..
5. *The Instrument is amended by adding the following Part:*

## **PART 3A: Scholarship Plan Prospectus Requirements**

### **Plain language and presentation**

**3A.1(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 Parts A to D of Form 41-101F3 in the order set out in those parts,
- (c) use only the headings and sub-headings prescribed by Form 41-101F3 unless stated otherwise,
- (d) contain only information that is specifically mandated or permitted by Form 41-101F3, and
- (e) not incorporate by reference into the scholarship plan prospectus, information that is required to be included in a scholarship plan prospectus.

(3) A plan summary must

- (a) be prepared for each scholarship plan offered under a scholarship plan prospectus or multiple scholarship plan prospectus, and
- (b) not exceed 4 pages in length.

### **Combinations of documents**

**3A.2(1)** Subject to subsection (2), a scholarship plan prospectus may be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus.

(2) A scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus unless the portions of each scholarship plan prospectus prepared in accordance with the requirements of Parts B and D of Form 41-101F3 are substantially similar.

## **Order of contents of bound documents**

**3A.3** If documents are attached to, or bound with, a scholarship plan prospectus or multiple scholarship plan prospectus

- (a) the scholarship plan prospectus or multiple 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 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.

## **Plan summary**

**3A.4(1)** Despite section 3A.3, a plan summary must not be attached to, or bound with, any other part of a scholarship plan prospectus, or to any other document, except as provided in this section.

(2) A plan summary of a scholarship plan may be attached to or bound with one or more plan summaries of other scholarship plans if the binding, to a reasonable person, would help present the information in a simple, accessible and comparable format.

## **Documents to be delivered or sent upon request**

**3A.5(1)** On request by a person or company, a scholarship plan must deliver or send a copy of one or more the following documents free of charge to the person or company:

- (a) the scholarship plan prospectus or multiple scholarship plan prospectus;
- (b) any document incorporated by reference into the scholarship plan prospectus;
- (c) any portion of a document described in paragraph (a) or (b).

(2) A document requested under subsection (1) must be delivered or sent within 3 business days of receipt of the request..

**6. *Subsection 4.2(2) is amended by replacing “the form of Form of 41-101F2” with “the form of Form 41-101F2 or Form 41-101F3”.***

**7. *Paragraph 5.1(a) is amended by adding the following subparagraph:***

(ii.1) section 9.1 of Part D of Form 41-101F3.

**8. Paragraph 5.1(b) is amended by adding the following subparagraph:**

(ii.1) section 9.3 of Part D of Form 41-101F3.

**9. Section 6.1 is amended by adding the following subsection:**

(3) Despite subsections (1) and (2), an amendment to a plan summary must be prepared in accordance with Part A of Form 41-101F3 without any further identification, and dated as of the date the plan summary is being amended.

**10. Paragraph 9.1(a) is amended by adding the following subparagraph:**

(iv.1) if the issuer is a scholarship plan, in addition to the documents filed under subparagraph (iv), a copy of the scholarship plan contract for the scholarship plan under the prospectus;.

**11. Subparagraph 9.2(a)(iv) is amended by adding “or (iv.1)” after “subparagraph 9.1(a)(iv)”.**

**12. Section 15.1 is amended by deleting “, other than scholarship plans”.**

**13. Subsection 15.2(1) is replaced 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 investment funds other than scholarship plans, and

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

**14. Subsection 15.2(3) is replaced 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 investment funds other than scholarship plans, and

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

15. **Subsection 17.1(2) is amended by replacing** “Form 41-101F1 or Form 41-101F2, as applicable,” **with** “Form 41-101F1, Form 41-101F2 or Form 41-101F3, as applicable.”

16. **The General Instructions of Form 41-101F2 are amended by deleting the following sentence in General Instruction (7):**

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

17. **Subsection 1.3(1) of Item 1 of Form 41-101F2 is amended by deleting** “, scholarship plan”.

18. **Subsection 1.11(3) of Item 1 of Form 41-101F2 is amended by replacing** “venture capital fund, commodity pool or scholarship plan,” **with** “venture capital fund or commodity pool.”

19. **Section 1.15 of Item 1 of Form 41-101F2 is amended by deleting** “other than a scholarship plan.”

20. **Section 3.6 of Item 3 of Form 41-101F2 is amended**

(i) **by deleting** “[for scholarship plans, Fees and Expenses payable by Subscribers’ Deposits]” **in the table to subsection (2), and**

(ii) **by deleting** “or by Subscribers’ Deposits (for scholarship plans)” **in subsection (3).**

21. **Item 37 of Form 41-101F2 is amended by deleting** “other than a scholarship plan,” **in Section 37.1 and Section 37.2.**

22. **The Instrument is amended by adding the following form after Form 41-101F2:**

Form 41-101F3  
*Information Required in a Scholarship Plan Prospectus*

[...]

23. This Instrument comes into force on May 31, 2013.



**Appendix D**  
**Schedule 2**

**National Instrument 41-101**  
*General Prospectus Requirements*

**Form 41-101F3**  
*Information Required in a Scholarship Plan Prospectus*

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## *General Instructions*

- (1) This Form describes the disclosure required in a scholarship plan prospectus. Each Item of this Form outlines disclosure requirements. Instructions as to how to complete this Form are printed in italic type.*
- (2) The objective of the scholarship plan 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.*
- (3) Terms defined in National Instrument 14-101 Definitions, National Instrument 41-101 General Prospectus Requirements, National Instrument 81-105 Mutual Fund Sales Practices, National Instrument 81-106 Investment Fund Continuous Disclosure or National Instrument 81-107 Independent Review Committee for Investment Funds and used in this Form have the same meanings that they have in those national instruments except that references in those instruments to “mutual fund” must be read as references to “investment fund” or “scholarship plan” as the context requires.*
- (4) A scholarship plan prospectus must contain only the information that is mandated or permitted under this Form.*
- (5) A scholarship plan prospectus must present the information in each Part of this Form briefly and concisely, in the order provided for by this Form, and use only the headings and sub-headings stipulated in this Form except that sub-headings not required by this Form may be used where permitted under an Item in this Form.*
- (6) Specific instructions are sometimes provided in this Form for a single prospectus and a multiple prospectus. Portions of Part B and Part D of this Form generally refer to disclosure required for “a scholarship plan” in a “prospectus”. This disclosure must be modified as appropriate to reflect multiple scholarship plans covered by a multiple prospectus.*
- (7) National Instrument 41-101 requires that a prospectus be prepared using plain language and in a format that assists in readability and comprehension. For additional guidance, see the plain language principles listed in section 4.1 of Companion Policy 41-101 CP General Prospectus Requirements. If the use of technical terms is required, clear and concise explanations of those terms must be included.*
- (8) Respond as simply and directly to the requirements of this Form as is reasonably possible.*
- (9) No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

(10) *Certain Items in this Form require that a prospectus include wording that is the same or substantially the same as set out in those Items. A scholarship plan may modify the prescribed wording to more accurately reflect its features if the wording does not apply to the plan.*

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

(12) *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.*

(13) *A prospectus must not contain design elements (e.g., graphics, photos, artwork) that would, to a reasonable person, detract from the information disclosed in the document.*

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

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

(15) *This Form permits two formats: a prospectus for a single scholarship plan and a multiple prospectus for multiple scholarship plans.*

(16) *A scholarship plan prospectus must consist of four parts as set out below. Part A is the Plan Summary. Parts B, C and D are collectively the Detailed Plan Disclosure. The Plan Summary and the Detailed Plan Disclosure together form the scholarship plan prospectus. The four parts may be further described as follows:*

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

*(b) Part B contains the responses to the Items in Part B of this Form and contains introductory information about the scholarship plan and general information about the scholarship plan family.*

*(c) Part C contains the responses to the Items in Part C of the Form and contains plan-specific information about the scholarship plan(s) offered in the prospectus.*

*(d) Part D contains the responses to the Items in Part D of this Form and contains information about the scholarship plan organization, the persons and entities involved in running the scholarship plan, and the prospectus certificates.*

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

*(17) Section 3A.2 of National Instrument 41-101 requires that a scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple prospectus unless the disclosure in each of the Part B and Part D sections of this Form is substantially similar for each scholarship plan. This provision permits a scholarship plan organization to create a document that contains the disclosure for a number of scholarship plans in the same family.*

*(18) Similar to a single prospectus, a multiple prospectus must consist of four segments:*

*(a) The first segment consists of a number of Part A sections of this Form. Each Part A section must contain the information required under Part A of this Form about a single scholarship plan. The information required by the Part A section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part A section in a multiple prospectus must start on a new page.*

*(b) The second segment contains the information required under Part B of this Form for the scholarship plans described in the document. There must not be more than one Part B section for all of the scholarship plans in the prospectus.*

*(c) The third segment consists of a number of Part C sections of this Form. Each Part C section must contain the information required under Part C of this Form about a single scholarship plan. The information required by the Part C section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part C section in a multiple prospectus must start on a new page.*

*(d) The fourth segment contains the information required under Part D of the Form for the scholarship plans described in the document. There must not be more than one Part D section for all of the scholarship plans in the prospectus.*



## **Part A — Plan Summary for a Scholarship Plan**

### **Item 1 — Information about the Plan**

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 of securities covered in the Plan Summary,
- (c) the type of scholarship plan,
- (d) the name of the investment fund manager of the scholarship plan, and
- (e) the date of the Plan Summary.

#### *INSTRUCTIONS*

*(1) The title “Plan Summary” and the name of the scholarship plan must be in bold type using a substantially larger font size than the other headings and text in the Plan Summary.*

*(2) The “type of scholarship plan” refers to whether the scholarship plan is a group scholarship plan, individual or family scholarship plan.*

*(3) 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 of the scholarship plan required under Part D of this Form.*

### **Item 2 – Withdrawal and Cancellation Rights**

Immediately following the disclosure in Item 1, state the following using the same or substantially similar wording, with the last two sentences in bold type:

This summary tells you some key things about investing in the plan. You should read this Plan Summary and the Detailed Plan Disclosure carefully before you decide to invest.

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

You have up to 60 days after signing your contract to withdraw from 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 the earnings on your money. Your

government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

#### *INSTRUCTION*

*The prescribed wording in this Item must be presented using a substantially larger font size relative to the rest of the text of the Plan Summary.*

### **Item 3 – Description of the Scholarship Plan**

(1) Under the heading “What is the [*insert type of scholarship plan*] scholarship plan?”, state the following using the same or substantially similar wording:

The [*insert name of plan*] is a [*insert type of plan*] scholarship plan designed to help you save for a child’s post-secondary education. When you open your [*insert name of plan*], we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the child named as the beneficiary of the plan enrolls in their studies. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan as the beneficiary.

In a [*insert type of plan*] scholarship plan, you are part of a group of investors. Everyone’s contributions are invested together. When the plan matures, each child in the group shares in the earnings on that money. Your share of those earnings plus your government grant money is paid to your child as educational assistance payments (EAPs).

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

- your child does not enrol in a school or program that qualifies under this plan, or
- you leave the plan before it matures.

(2) For a group scholarship plan, state the following using the same or substantially similar wording, in bold type:

**If you leave the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early.**

#### *INSTRUCTION*

*If the scholarship plan allows a subscriber to name more than one beneficiary at a time, amend the wording in section (1) to refer to multiple children or beneficiaries.*

#### **Item 4 – Suitability**

(1) For a group scholarship plan, under the heading “Who is this plan for?”, state the following using the same or substantially similar wording:

A group scholarship plan can be a long-term commitment. It is for investors planning to save for a child’s post-secondary education and who are fairly sure that:

- they can make all their contributions on time
- they will stay in the plan until it matures
- their child will attend a qualifying school and program under the plan

*[Insert, for plan providers that also offer an individual or family scholarship plan - If this doesn’t describe you, you should consider another type of plan. For example, an individual or family plan has fewer restrictions. See the Plan Summar[y/ies] for our [insert as applicable – individual plan/family plan/ individual and family plans] or pages [insert applicable page references] in the Detailed Plan Disclosure for more information.]*

(2) For an individual or family scholarship plan, under the heading “Who is this plan for?”, state the following using the same or substantially similar wording:

*[Insert, as applicable – An individual/ A family] scholarship plan is for investors planning to save for a child’s post-secondary education and who are fairly sure that:*

- *[Insert, for family plans only - they want to save for more than one child at a time]*
- they want more flexibility over when and how much to contribute to their plan
- *[Insert, for individual plans only - their child will attend a qualifying school and program under the plan]*
- *[Insert, for family plans only - one or more of their children will attend a qualifying school or program under the plan]*

*[Insert, for plan providers that also offer a group scholarship plan - The [insert name of plan] generally has fewer restrictions and is more flexible than our group scholarship plan.]*

#### **Item 5 – The Plan’s Investments**

Under the heading “What does the plan invest in?”, state the following using the same or substantially similar wording:

The plan invests mainly in *[specify the plan’s primary investments]*. The plan’s investments have some risk. Returns will vary from year to year.

## *INSTRUCTION*

*The disclosure must state the type or types of securities, such as mortgages, bonds, government treasury bills, or equity securities, as applicable, in which the plan will be primarily invested under normal market conditions.*

### **Item 6 – Contributions**

(1) For a group scholarship plan, under the heading “How do I make contributions?”, state the following using the same or substantially similar wording:

With your contributions, you buy one or more “units” of the plan. These units represent your share of the plan. You may pay for them all at once, or you may make [*state the most common contribution frequency options*] contributions.

You may change the amount of your contribution as long as you make the minimum contribution permitted under the plan. You may also change your contribution schedule after you’ve opened your plan. [*Insert if applicable – A fee applies.*]All of the different contribution options for the plan are described in the Detailed Plan Disclosure, or you can ask your sales representative for more information.

(2) For an individual or family scholarship plan, under the heading “How do I make contributions?”, briefly describe how a subscriber can make contributions to their scholarship plan.

(3) State (i) the minimum total investment and (ii) the minimum amount per contribution, permitted under the scholarship plan’s rules.

## *INSTRUCTIONS*

*(1) The disclosure regarding contribution frequency options in the first paragraph of subsection (1) of Item 6 must make reference only to the most commonly selected contribution options, and not to each contribution option that is available to a subscriber.*

*(2) If the individual or family scholarship plan uses the concept of “units” or has prescribed schedules for making contributions, this fact must be described in the required disclosure for subsection (2) of Item 6, using wording that is similar to the wording in subsection (1) of Item 6.*

*(3) For the purposes of the disclosure required under subsection (3) of Item 6, the “minimum total investment permitted under the scholarship plan’s rules” must be stated as (i) a dollar amount or (ii) a quantity of units or securities of the scholarship plan (if applicable) and the “minimum amount per contribution under the plan’s rules” must be stated as a dollar amount.*

## **Item 7 – Payments**

(1) Under the heading “What can I expect to receive from the plan?”, state the following using the same or substantially similar wording:

In your child’s first year of college or university, you’ll get back your contributions, less fees. You can have this money paid to you or directly to your child.

(2) For a group scholarship plan, state the following using the same or substantially similar wording:

Your child will be eligible to receive EAPs in their [*state, as applicable* - first, second, third and fourth] year[s] of post-secondary education. [*See instruction (1)*] For each year, your child must show proof they are enrolled in a school and program that qualifies under this plan to get an EAP.

(3) For an individual or family scholarship plan, briefly describe when EAPs can be paid to a beneficiary, and whether EAPs can be paid in one year or must be paid in instalments for each year of eligible studies.

(4) State the following, in a separate paragraph:

EAPs are taxed in the child’s hands.

## ***INSTRUCTIONS***

*(1) If the group scholarship plan has multiple options for paying EAPs, disclose the other options in the disclosure in subsection (2) of Item 7, using a similar format.*

*(2) For the disclosure in subsection (3) of Item 7, the format set out for the disclosure in section (2) must be used.*

## **Item 8 – Risks**

(1) Under the heading “What are the risks?”, state the following using the same or substantially similar 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 their EAPs.

(2) For a group scholarship plan, state the following using the same or substantially similar wording:

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

**1. You leave the plan before the maturity date.** People leave the plan for many reasons. For example, if their financial situation changes and they can't afford their contributions. If your plan is cancelled more than 60 days from signing your contract, you'll lose part of your contributions to sales charges and fees. You'll also lose the earnings on your investment and your government grants will be returned to the government.

**2. You miss contributions.** If you want to stay in the plan, you'll have to make up the contributions you missed. You'll also have to make up what the contributions would have earned if you had made them on time. This could be costly.

If you have difficulty making contributions, you have options. You can reduce or suspend your contributions, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and government grants. *[Insert if applicable - If you miss a contribution and don't take any action within [insert the number of months] months, we may cancel your plan].*

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

- **Maturity date – the deadline for making changes to your plan**  
You have until the maturity date to make changes to your plan. This includes switching the plan to a different child, changing the maturity date if your child wants to start their program sooner or later than expected, and transferring to another RESP. Restrictions and fees apply.
- ***[Insert date]* - the EAP application deadline**  
If your child qualifies for an EAP, he or she must apply by *[insert date]* before each year of eligible studies 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, *[State the types of programs or institutions that generally do not qualify for EAPs under the plan]* don't qualify for EAPs under this plan. *[Insert, if applicable – Under this plan, fewer programs will qualify for an EAP than would otherwise qualify under the government's rules for RESPs. See the Detailed Plan Disclosure for more information.]* If your child will not be going to a qualifying school or program under this plan, you have the option to name another child as beneficiary, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options can result in a loss of earnings and government grants.

**5. Your child doesn't complete their program.** Your child may lose some or all of their EAPs if he or she takes time off from their studies, does not complete all required courses in a year or changes programs. [*Insert if applicable* - In some cases, your child may be able to defer an EAP for up to [*insert number of years*] year[s]]. [*Insert, if applicable* - Deferrals are at our discretion.]

(3) For an individual or family scholarship plan, list no more than 5 situations that could result in a loss of earnings in the scholarship plan for subscribers or EAPs for the beneficiary. Briefly describe the losses that could result in these outcomes as well as some options to mitigate this loss.

(4) State the following, in bold type:

**If any of these situations arise with your plan, contact us or speak with your sales representative to better understand your options to reduce your risk of loss.**

#### *INSTRUCTIONS*

*(1) For an individual or family scholarship plan, the disclosure required in subsection (3) of Item 8 must include the following situations: a subscriber leaving a scholarship plan before it matures, a beneficiary failing to enrol in a qualifying school or program, and the subscriber or beneficiary failing to meet the scholarship plan's key deadlines.*

*(2) If the individual or family scholarship plan uses the concept of units paid for under a fixed contribution schedule, or otherwise requires subscribers to follow a prescribed schedule for making contributions to the scholarship plan, the disclosure required in subsection (3) of Item 8 must also include a situation in which a subscriber misses one or more contributions.*

*(3) The disclosure in subsection (3) of Item 8 must use a similar format and structure as the disclosure required for group scholarship plans in section (2).*

#### **Item 9 – Cancellation Rate**

For a group scholarship plan, using the margin of the page, add a sidebar under the heading “What are the risks?”, and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

##### **Cancellation Rate**

Of the last five beneficiary groups of the [*insert name of group scholarship plan*] plan to reach maturity, an average of [*see the Instructions*]% of the plans in each group were cancelled before their maturity date.

#### *INSTRUCTIONS*

*(1) To calculate the average percentage as required under Item 9, do the following:*

*(a) for each of the last five beneficiary groups in the group scholarship plan to reach maturity, calculate the percentage of scholarship plans in the beneficiary group that were cancelled before their maturity date, and*

*(b) calculate the simple average of the five percentages calculated pursuant to Instruction 1(a).*

*(2) For a beneficiary group referred to in Instruction (1)(a), calculate the percentage of the scholarship plans in each beneficiary group that were cancelled before their maturity date by dividing  $x$  by  $y$ , where*

*$x$  = the number of scholarship plans with the same maturity date that were cancelled before maturity, and*

*$y$  = the total number of scholarship plans with the same maturity date, including plans with the same maturity date that were cancelled before maturity.*

*(3) For the purposes of the disclosure required under Item 9, a “plan that was cancelled before maturity” is a scholarship plan that is not eligible to receive a share of the EAP account as at the maturity date because the total contributions required by the subscriber’s contract have not been made by the maturity date. The number of scholarship plans with the same maturity date that did not reach maturity will be the difference between the total number of scholarship plans with the same maturity date and the number of scholarship plans that matured.*

*(4) Subject to Instruction (6), the number of scholarship plans with the same maturity date consists of every scholarship plan sold to subscribers who selected the same maturity date, including scholarship plans that were cancelled or transferred before maturity.*

*(5) For the purposes of calculating the percentage of scholarship plans in a beneficiary group that were cancelled before maturity, a scholarship plan whose subscriber changed the maturity date to an earlier date is considered to have the earlier maturity date and must be included in the calculations for the beneficiary group with the earlier maturity date. Similarly, a scholarship plan whose subscriber changed the maturity date to a later date is considered to have the later maturity date and must be included in the calculations for the beneficiary group with the later maturity date.*

*(6) Do not include a plan in the calculation of  $x$  or  $y$  under Instruction (2) if the subscriber withdrew from their scholarship plan within 60 days of the signing the contract to open the scholarship plan and received back all of their contributions and fees paid.*

## **Item 10 – Costs**



(1) Under the heading “How much does it cost?”, provide information, in the form of the following tables, about the fees and expenses of the scholarship plan. Introduce the tables using the following wording or wording that is the same or substantially similar:

There are costs for joining and participating in the plan. The following tables show the fees and expenses of the plan. *[Insert, if applicable - The fees and expenses of this plan are different than the other plans we offer.]*

**Fees you pay**

These fees are deducted from the money you put in the plan. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

<b>Fee</b>	<b>What you pay</b>	<b>What the fee is for</b>	<b>Who the fee is paid to</b>
Sales charge	<i>[Specify amount]</i>	This is the commission for selling your plan	<i>[Insert name of entity]</i>
Account maintenance fee	<i>[Specify amount]</i>	<i>[Specify the purpose of the fee]</i>	<i>[Insert name of entity]</i>
<i>[Insert if applicable - Insurance Premium]</i>	<i>[Specify amount]</i>	This is for insurance that makes sure your contributions continue if you die or become totally disabled.	<i>[Insert name of entity]</i>

**Fees the plan pays**

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, which reduces the amount available for EAPs.

<b>Fee</b>	<b>What the plan pays</b>	<b>What the fee is for</b>	<b>Who the fee is paid to</b>
Administrative fee	<i>[Specify amount]</i>	This is for operating your plan.	<i>[insert name of entity]</i>
Portfolio management	<i>[Specify amount]</i>	This is for managing the plan’s investments.	<i>[insert name of entity]</i>

fee			
Custodian fee	[Specify amount]	This is for holding the plan's investments in trust.	[Insert name of entity]
Independent review committee	[Specify amount]	This is for the services of the plan's independent review committee. The committee reviews conflict of interest matters between the investment fund manager and the plan.	[Insert name of entity]

(2) If the sales charge listed in the “Fees you pay” table required by subsection (1) is deducted from contributions at a higher rate in the early period of participating in the scholarship plan, add a sidebar under the heading “How much does it cost”, using the margin of the page adjacent to the table titled “Fees you pay” , and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

**Paying off the sales charge**

If, for example, you buy one unit of the plan on behalf of your newborn child, and you commit to paying for that unit by making monthly contributions until your plan's maturity date, then, based on how the sales charge is deducted from your contributions, it will take [insert number of months] months to pay off the sales charge. During this time, [insert percentage]% of your contributions will be invested in the plan.

(3) Using the margin of the page adjacent to the table titled “Fees the plan pays” , add a sidebar under the heading “How much does it cost?”, and state the following using the same or substantially similar wording with the title of the sidebar in bold:

**Other fees**

Other fees apply if you make changes to your plan. See page [specify page number] in the Detailed Plan Disclosure for details.

**INSTRUCTIONS**

(1) The tables must only summarize the most common fees that (i) all subscribers to the scholarship plan are required to pay or (ii) the scholarship plan is required to pay, as applicable. Do not include the entire list of fees required to be disclosed under Items 14.2 and 14.3 of Part C of the Form, or any of the fees required to be disclosed under Item 14.4 and 14.5 of Part C of the Form. Each fee must be listed in a separate row of the applicable table.

(2) *If there are certain types of fees listed in the tables required under Item 10 above that are not payable, either by subscribers or the scholarship plan, in respect of the scholarship plan described in the Plan Summary, amend the tables as is necessary to reflect that fact.*

(3) *If certain fees listed in the tables required under Item 10 above are normally combined into a single fee payable by either the subscriber or the scholarship plan as applicable, the tables may be amended as is necessary to accurately reflect that fact.*

(4) *State the amount of each fee listed in the tables. In the table titled “Fees you pay” state the amount(s) in the column titled “What you pay”. In the table titled “Fees the plan pays” state the amount(s) in the column titled “What the plan pays”. The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of the scholarship plan’s assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*

(5) *For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. x.x x\$ per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (3), the disclosure of the amount of the sales charge in the table titled “Fees you pay” in the column titled “What you pay” must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.*

(6) *For the table titled “Fees you pay”, in the column titled “What you pay” describe how the fee is deducted from contributions if the amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of a subscriber’s investment in the scholarship plan or the duration for which contributions are required to be made if it is*

*less than the scholarship plan's duration, describe the amounts from contributions that are deducted for sales charges.*

*(7) In both tables, in the column titled "What the fee is for" provide a concise explanation of what the fee is used for, using the same or substantially similar wording provided above in the tables.*

*(8) In both tables, in the column titled "Who the fee is paid to", state the name of the entity to which the fee is paid, e.g. the investment fund manager, the portfolio manager, the principal distributor or dealer, the foundation, etc.*

*(9) For the table titled "Fees the plan pays", the independent review committee fee must be disclosed as the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan.*

*(10) Disclosure of insurance premiums in the "Fees you pay" table is permitted only if the scholarship plan requires a subscriber to purchase insurance coverage in a jurisdiction in which the scholarship plan's securities are being distributed. If the scholarship plan's rules only require insurance coverage to be purchased by subscribers in some, but not all jurisdictions in which the scholarship plan's securities are distributed, then include disclosure stating the jurisdictions in which the scholarship plan requires subscribers to purchase insurance, under the heading titled "What the fee is for" in that table.*

*(11) The disclosure required under subsection (2) of Item 10 must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship plan's maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber's contributions are deducted during the relevant period.*

*(12) For the disclosure required in subsection (2) of Item 10, if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection (2) of Item 10, the wording may be amended as is necessary to properly reflect the scholarship plan's features.*

*(13) The "Other fees" sidebar required under subsection (3) of Item 10 refers to fees for specific transactions, such as changing a beneficiary, that are described in the table titled "Transaction Fees" in Item 14.4 of Part C of the Form.*

## **Item 11 – Guarantees**

Under the heading "Are there any guarantees?", state the following using the same or substantially similar 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.

Unlike bank accounts or GICs, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government insurer.

**Item 12 – For More Information**

(1) Under the sub-heading “For more information”, state the following using the same or substantially similar wording:

The Detailed Plan Disclosure delivered with this Plan Summary contains further details about this plan, and we recommend you read it. You may also contact [*insert name of investment fund manager*] or your sales representative for more information about this plan.

(2) State the name, address and toll-free telephone number of the investment fund manager of the plan and, if applicable, state the e-mail address and website of the investment fund manager of the plan.

## **Part B — Detailed Plan Disclosure - General Information**

### **Item 1 — Cover Page Disclosure**

#### **1.1 — Preliminary Prospectus Disclosure**

A preliminary prospectus must have printed in red ink and in italics at the top of the cover page of the Detailed Plan Disclosure immediately above the disclosure required in section 1.2 the following:

*A copy of this preliminary prospectus has been filed with the securities regulatory authorit[y/ies] in [insert, as applicable the names of the 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 authorit[y/ies].*

#### **INSTRUCTION**

*A scholarship plan must complete the bracketed information by:*

- (a) inserting the names of each jurisdiction in which the scholarship plan 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 [insert excluded jurisdictions]).*

#### **1.2 — Required Statement**

State in italics at the top of the cover page the following:

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

#### **1.3 — Basic Disclosure about the Distribution**

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

*[Insert as applicable - PRELIMINARY/ PRO FORMA] PROSPECTUS  
CONTINUOUS OFFERING  
DETAILED PLAN DISCLOSURE*

*[Insert Date]*

[Insert Name of Scholarship Plan(s)]

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

(2) State the following:

[Insert, as applicable - This/These] investment fund[s] [insert, as applicable - is a/are] scholarship plan[s] that [Insert, as applicable - is/are] managed by [state the name of the investment fund manager of the scholarship plan].

#### **INSTRUCTION**

Write the date in full with the name of the month in words. A pro forma prospectus does not have to be dated, but may reflect the anticipated date of the prospectus.

### **Item 2 — Inside Cover Page**

#### **2.1 — Introduction**

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 sections 2.2, 2.3, and 2.4 of this Part using 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**

Under the sub-heading “No social insurance number = No government grants, no tax benefits”, state the following using the same or substantially similar wording with the last paragraph in bold type:

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

- qualify for the tax benefits of an RESP, and
- receive any government grants.

You can provide the beneficiary's social insurance number after the plan is open. If you don't provide the beneficiary's social insurance number when you sign your

contract with us, 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 described under "Costs of investing in this plan" in the prospectus. You will be taxed on any income earned in this account.

If we receive the beneficiary's social insurance number within [*insert the number of months - see Instruction (1)*] months of your application date, we'll transfer your contributions and the income they earned to your registered plan.

If we do not receive the social insurance numbers within [*insert number of months - see Instruction (1)*] months of your application date, 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 number for your beneficiary within [*insert number of months - see Instruction (1)*] months of your application date, you should not enrol or make contributions to the plan.**

## *INSTRUCTIONS*

*(1) State the maximum number of months after the application date of a subscriber's plan the following which the investment fund manager will cancel the scholarship plan for failure to provide the social insurance numbers required for registering the scholarship plan as an RESP.*

*(2) If the scholarship plan's rules do not permit a subscriber to open the plan or accept contributions without the beneficiary's social insurance number, amend the disclosure in this section to reflect that fact.*

### **2.3 — Payments Not Guaranteed**

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

We cannot tell you in advance if your beneficiary will qualify to receive any educational assistance payments (EAPs) [*insert, if applicable – or any discretionary payments*] from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that they will cover the full cost of your beneficiary's post-secondary education.

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



The amount of the EAPs from a group plan will depend on how much the plan earns and the number of beneficiaries in the group who do not qualify for payments.

(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 the following using the same or substantially similar wording with the first sentence in bold type:

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

(4) Under the sub-heading “Understand the risks”, state the following using the same or substantially similar wording in bold type:

**If you withdraw your contributions early or do not meet the terms of the plan, you could lose some or all of your money. Make sure you understand the risks before you invest. Carefully read the information found under “Risks of investing in a scholarship plan” and “Risks of investing in this plan” in this Detailed Plan Disclosure.**

## **2.4 — Withdrawal and Cancellation Rights**

Under the sub-heading “If you change your mind”, state the following using the same or substantially similar wording with the last two sentences in bold type:

You have up to 60 days after signing your contract to withdraw from 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 the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than 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 plan[s]”, a list of all of the scholarship plans offered under the prospectus, with a reference to the page numbers where the plan-specific information about each scholarship plan required to be provided under Part C of this Form can be found.

## **Item 4 — Introduction and Glossary**

### **4.1 — Introduction and Documents Incorporated by Reference**

(1) On a new page or immediately after the table of contents, under the heading “Introduction”, incorporate by reference the following documents in the prospectus by using the following wording or wording that is substantially similar:

This Detailed Plan Disclosure 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[s], 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. The prospectus is comprised of both this Detailed Plan Disclosure and each Plan Summary that was delivered with it.

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

- the plan’s most recently filed annual financial statements,
- any interim financial reports filed after the annual financial statements, and
- the most recently filed annual management report of fund performance.

These documents are incorporated by reference into the 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 the scholarship plan’s e-mail address*].

[*Insert if applicable - You’ll also find these documents on our website at [insert the scholarship plan’s website address]*].

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

(2) State that any documents of the type described in subsection 4.1(1) above, 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.

(3) Include a description of each of the documents referred to in subsection 4.1(1) above and briefly explain the importance each document.

## 4.2 — Terms Used in the Prospectus

Under the heading “Terms used in this prospectus”, provide the following list of defined terms using the same or substantially similar 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 earnings on your contributions and/or government grants that you may get from your plan if your beneficiary does not pursue post-secondary education and you meet certain conditions set by the federal government or by the plan.

**AIP:** see **Accumulated income payment**.

**Application date:** the date you opened your plan with us, which is the date you sign your contract.

**Attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group. See also pre-maturity attrition and post-maturity attrition.

**Beneficiary:** the person you name to receive EAPs 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:** the agreement you enter into with us when you open your education savings plan.

**Contribution:** the amount you pay into a plan. Sales charges and other fees are deducted from your contributions and the remaining amount is invested in your plan.

**Discretionary payment:** a payment, other than a fee refund, that beneficiaries may receive in addition to their EAPs, as determined by [*insert name of entity funding the discretionary payment*] in its discretion.

**Discretionary payment account:** any account that holds money used to fund discretionary payments to beneficiaries.

**EAP:** see **Educational Assistance Payment**.

**EAP account:** for group plans, an account that holds the income earned on contributions made by subscribers. There is a separate EAP account for each beneficiary group. An EAP account includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us. The money in this account is distributed to the remaining beneficiaries in the beneficiary group as part of their EAPs.

**Earnings:** any money earned on your (i) contributions and (ii) government 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.

**Educational assistance payment (EAP):** In general, an EAP is a payment made to your beneficiary after the maturity date for eligible studies. An EAP consists of your earnings and your government grants. *[Insert, if the prospectus includes a group scholarship plan - For a group plan, an EAP consists of your government grants, earnings on your government grants and your beneficiary's share of the EAP account.]* EAPs do not include discretionary payments or fee refunds.

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

**Government Grant:** any financial grant, bond or incentive offered by the federal government, (such as the Canada Education Savings Grant, or the Canada Learning Bond), or by a provincial government, to assist with saving for post-secondary education in an RESP.

**Grant contribution room:** the amount of government grant you are eligible for under a federal or provincial government grant program.

**Income:** has the same meaning as **Earnings**.

**Maturity date:** the date on which the plan matures. In general, it is in the year your beneficiary is expected to enrol in their first year of post-secondary education.

**Plan:** means *[list the name(s) of each of scholarship plan sold under this prospectus]*, *[insert for a multiple prospectus - each]* a scholarship plan that provides funding for a beneficiary's post-secondary education.

**Post-maturity attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group after the maturity date. See also **Attrition**.

**Pre-maturity attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group before the maturity date. See also **Attrition**.

**Subscriber:** the person who enters into a contract with [*insert legal name of entity entering into contract with subscribers*] to make contributions to a plan.

**Unit:** under a group plan, a unit represents your beneficiary's proportionate share of the EAP account. The terms of the contract you sign determine the value of the unit.

**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 the beneficiary will enter his or her [*insert as applicable - first or second*] academic year of eligible studies. In general, the year of eligibility is [*insert as applicable - one year after/ 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 list of defined terms must not contain material information not found elsewhere in the prospectus. The glossary must be limited to the terms provided.*

*(2) Use the terms set out in section 4.2 in the prospectus to facilitate comparability between scholarship plans.*

*(3) Include only the terms that are applicable to a scholarship plan included in the prospectus. For example, a prospectus that does not include a group scholarship plan must not include those terms that would be applicable only to a group scholarship plan.*

## **Item 5 — Overview of Scholarship Plans**

### **5.1 — Introductory Heading**

Provide, at the top of a new page, the heading “Overview of our scholarship plan[s]”.

### **5.2 — Description of Scholarship Plans**

Under the heading “What is a scholarship plan?”, state the following using the same or substantially similar wording:

A scholarship plan is a type of investment fund that is designed to help you save for a beneficiary's post-secondary education. Your plan must be registered as a Registered Education Savings Plan (RESP) in order to qualify for government grants and tax benefits. To do this, we need social insurance numbers for you and the person you name in the plan as your beneficiary.

You sign a contract when you open a plan with us. You make contributions under the plan. We invest your contributions for you, after deducting applicable fees. You will get back your contributions, less fees, whether or not your beneficiary goes on to post-secondary education. Your beneficiary will receive educational assistance payments (EAPs) from us if they enrol in eligible studies and all the terms of the contract are met.

Please read your contract carefully and make sure you understand it before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of their EAPs.

### **5.3 — List of Scholarship Plans Offered**

(1) If the investment fund manager offers more than one type of scholarship plan, under the heading “Types of plans we offer”, list the scholarship plans offered.

(2) State, as applicable, that there are differences in the enrolment criteria, contribution requirements, fees, eligible studies, payments to beneficiaries, options for receiving EAPs and options if the beneficiary does not pursue eligible studies among the scholarship plans offered. For a multiple prospectus, include a cross-reference to the plan-specific disclosure for each scholarship plan provided under Part C of this Form.

#### *INSTRUCTION*

*For each scholarship plan listed under subsection 5.3(1), state the name of the issuer of the securities.*

### **Item 6 — General Information about Scholarship Plan Life Cycle**

#### **6.1 — Overview of Scholarship Plan Life Cycle**

(1) Using the heading “How our plan[s] work[s]”, provide a brief description of the life cycle of the plan(s) offered under the prospectus, from enrolment in the plan(s) to EAPs being paid to the beneficiary.

(2) Using the margin of the page, add a sidebar under the heading “How our plan[s] work[s]”, and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

#### **Make sure your contact information is up to date**

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.

## *INSTRUCTIONS*

*(1) The disclosure provided under section 6.1 must not exceed one page in length, and may be provided by means of a table or diagram.*

*(2) In providing the disclosure required under section 6.1, briefly describe the life cycle of the scholarship plan(s) offered under the prospectus, including significant stages such as enrolling and registering the scholarship plan as an RESP under the Income Tax Act (Canada), making contributions and paying fees from contributions, investing contributions and government grants, ceasing investments in accordance with the scholarship plan's investment objectives and strategies upon plan maturity, returning contributions to subscribers at maturity and paying EAPs to beneficiaries for eligible studies.*

*(3) Do not provide a separate life cycle description for each scholarship plan offered under a multiple prospectus. Provide one life cycle description containing the elements that are common to the life cycle of each of the scholarship plans offered under the prospectus.*

### **6.2 — Enrolling in a Scholarship Plan**

(1) Under the sub-heading “Enrolling in a plan”, describe the enrolment process for the scholarship plan(s) offered under the prospectus, including the requirement that the subscriber provide a social insurance number at the time of enrolment to register the plan as an RESP under the *Income Tax Act* (Canada).

(2) Describe the requirements for designation of a beneficiary of the scholarship plan, including Canadian residency and social insurance number requirements.

### **6.3 — Unregistered Accounts**

(1) Under the sub-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 an RESP.

(2) If the scholarship plan provider offers an unregistered education savings account, describe

(a) the features of the unregistered education savings account, including what happens to contributions made to the account,

(b) whether the account is eligible to receive government grants, and

(c) the tax treatment of the account.

(3) State the deadline for providing the beneficiary’s social insurance number after which the investment fund manager will close the account.

*INSTRUCTION*

*Any plan or account offered by the scholarship plan provider that is not eligible for registration by the federal government as an RESP or is not held in a registered education savings account must be referred to and described as an “unregistered education savings account”.*

**6.4 — Government Grants**

(1) Under the sub-heading “Government grants”, list the government grants that the investment fund manager will apply for on a beneficiary’s behalf. For each government grant program, provide

- (a) a brief description of the program,
- (b) the maximum amount that may be granted under the program annually and over the duration of an RESP,
- (c) if applicable, the annual contribution amount that would attract the maximum annual government grant, and
- (d) any requirement to repay government grants.

(2) Describe what happens to the government grants received by the investment fund manager on behalf of a beneficiary, including

- (a) the legal ownership of the money throughout the life span of an investment in the scholarship plan,
- (b) whether the money is pooled with the government grants of other beneficiaries,
- (c) whether the money is invested together with subscriber contributions or separately from contributions, and
- (d) how the money is allocated on distribution to a qualified beneficiary.

(3) State that a subscriber may contact their sales representative or the investment fund manager about the applications that the investment fund manager will make on behalf of the subscriber and disclose where a subscriber can obtain more information about available government grants.

*INSTRUCTION*



*The disclosure provided under section 6.4 must not exceed two pages. The disclosure may be provided in the form of a table.*

## **6.5 — Contribution Limits**

(1) Under the sub-heading “Contribution limits”, disclose whether the scholarship plan imposes a cumulative limit for contributions and indicate whether this is exclusive of any government grants.

(2) Disclose whether a subscriber can make contributions annually beyond the amount(s) that would result in the receipt of the maximum annual amount in government grants.

(3) If a subscriber is permitted to make additional contributions as described in subsection (2), disclose that the additional contributions are not eligible to attract further government grants and disclose how the additional contributions are invested.

(4) Disclose the maximum amount that may be contributed to an RESP under the *Income Tax Act* (Canada), and provide a cross-reference to the tax consequences of contributions beyond the limit set by the *Income Tax Act* (Canada) as disclosed under section 11.3 of this Part of this Form.

## **6.6 — Additional Services**

If applicable, under the sub-heading “Additional services”, describe additional services relating to an investment in the scholarship plan that are available to subscribers from the investment fund manager or the principal distributor.

### ***INSTRUCTION***

*If insurance for contributions is offered for purchase by the principal distributor, provide a brief description of the insurance coverage, including the name of the insurer and whether the insurance is mandatory or optional for the subscriber. Include a cross-reference to the disclosure provided under section 14.5 of Part C of this Form.*

## **6.7 — Fees and Expenses**

(1) Under the sub-heading “Fees and expenses”, state the following using the same or substantially similar wording:

There are costs for joining and participating in our plan[s]. You pay some of these fees and expenses directly from your contributions. The plan[s] pay[s] some of the fees and expenses, which are deducted from the [plan’s/plans’] earnings. See “Costs of investing in this plan” in this Detailed Plan Disclosure for a description of the fees and expenses of [each of] our plan[s]. Fees and expenses reduce the plan’s returns which reduces the amount available for EAPs.

(2) If the investment fund manager offers more than one type of scholarship plan, state, if applicable, that each scholarship plan offered requires the subscriber to pay different fees and expenses and, if applicable, that the choice of scholarship plan affects the amount of compensation paid to the dealer by a member of the organization of the scholarship plan or a subscriber.

## **6.8 — Eligible Studies**

Under the sub-heading “Eligible studies”, state the following using the same or substantially similar wording:

EAPs will be paid to your beneficiary only if he or she enrolls in eligible studies. For a summary of the educational programs that qualify for EAPs under our plan[s], see “Summary of eligible studies” in this Detailed Plan Disclosure. *[Insert if applicable –The plans offered under the prospectus each have their own criteria for what post-secondary programs qualify as eligible studies for receiving EAPs. We recommend that you carefully read the “Specific information about the plan” sections for each plan in this Detailed Plan Disclosure to better understand the differences among the plans.]*

## **6.9 — Payments from the Scholarship Plan**

(1) Under the sub-heading “Payments from the plan” with the sub-sub-heading “Return of contributions”, state the following using the same or substantially similar wording:

We always return your contributions less fees to you or to your beneficiary. Earnings from the plan will generally go to your beneficiary. If your beneficiary does not qualify to receive the earnings from your plan, you may be eligible to get back some of those earnings as an “accumulated income payment (AIP)”. See the “Accumulated income payments” section(s) in this Detailed Plan Disclosure for more information about AIPs.

(2) Under the sub-sub-heading “Educational assistance payments”, state the following using the same or substantially similar wording:

We will pay EAPs to your beneficiary if you meet the terms of your plan, and your beneficiary qualifies for the payments under the plan. The amount of each EAP depends on the type of plan you have, how much you contributed to it, the government grants in your plan and the performance of the plan’s investments.

You should be aware that the *Income Tax Act* (Canada) has restrictions on the amount of EAP that can be paid out of an RESP at a time. *[See Instruction]*.

### ***INSTRUCTION***

*For the disclosure under subsection (2), briefly describe the restrictions under the Income Tax Act (Canada) on the amount of EAPs that can be paid at a time.*

## **6.10 — Unclaimed Accounts**

(1) Under the sub-heading “Unclaimed accounts”, briefly describe what an unclaimed account is.

(2) Describe the steps that the investment fund manager will take to contact the subscriber and the beneficiary with respect to an unclaimed account.

(3) Describe what will happen to any unclaimed contributions, unclaimed earnings on contributions, government grants and earnings on 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.

## **Item 7 — Scholarship Plans with Same Investment Objectives (Multiple Prospectus)**

### **7.1 — Investment Objectives**

(1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.

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

(3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plans.

(4) Describe any of the material investment strategies to be used to achieve those investment objectives.

(5) If each scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plans and

(a) identify the person or company 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

- (c) provide the reasons for which the guarantor or insurer, as applicable, could limit or avoid execution of the guarantee or insurance policy.

### *INSTRUCTIONS*

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

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

## **Item 8 — Scholarship Plans with Same Investment Strategies (Multiple Prospectus)**

### **8.1 — Investment Strategies**

(1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.

(2) Describe under the sub-heading “Investment strategies” the following:

(a) the principal investment strategies that the scholarship plans intend to use in achieving the investment objectives, and

(b) the process by which the scholarship plans’ portfolio adviser selects investments for the portfolios of the scholarship plans, 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.

(3) Indicate the types of investments, other than those held by the scholarship plans in accordance with their fundamental investment objectives, which may form part of the portfolio assets of the scholarship plans under normal market conditions.

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

### *INSTRUCTION*

*Scholarship plans may, in responding to subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.*

## **Item 9 — Scholarship Plans with Same Investment Restrictions (Multiple Prospectus)**

### **9.1 — Investment Restrictions**

(1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.

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

(3) If the scholarship plans have 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.

(4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plans.

## **Item 10 — Risks of Investing in a Scholarship Plan**

### **10.1 — Risks of Investing in a Scholarship Plan**

(1) Under the heading “Risks of investing in a scholarship plan”, include an introduction using the following wording or wording that is substantially similar:

If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of their EAPs. Please read the description of the plan-specific risks under “Risks of investing in this plan” in this Detailed Plan Disclosure.

(2) Under the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan[s] can go up or down. [*State, as applicable* – [Refer to “Risks of investing in this plan” in this Detailed Plan Disclosure for a description of/Below are [some of]] the risks that can cause the value of the scholarship plan [’s/s’] investments to change, which will affect the amount of EAPs available to beneficiaries.] Unlike bank accounts or guaranteed investment certificates, your investment in a scholarship plan is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

(3) For a multiple prospectus, list and describe the investment risks applicable to each of the scholarship plans offered under the prospectus.

(4) For a multiple prospectus that contains the disclosure required by section 7.1 of this Part of the Form, if, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10% of the net assets of a scholarship plan were invested in the securities of an issuer other than a government security, disclose

(a) the name of the issuer and the securities,

(b) the highest percentage of the net assets of the scholarship plan that securities 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) Each risk factor listed must be described under a separate sub-sub-heading.*

*(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) Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification and credit risks that apply to the portfolio of the scholarship plan, as appropriate.*

*(5) The term “government security” has the same meaning as in National Instrument 81-102 Mutual Funds.*

### **Item 11 — Income Tax Considerations**

#### **11.1 — 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.

#### **11.2 — 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 taxed.

#### **11.3 — 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, as applicable to the scholarship plan(s) offered under the prospectus, using sub-sub-headings, the income tax consequences of

- (a) a return of contributions at the maturity date,
  - (b) a withdrawal of contributions before the maturity date,
  - (c) a refund of sales charges or other fees,
  - (d) any other distributions to the subscriber in the form of income, capital or otherwise,
  - (e) a cancellation of units prior to the maturity date,
  - (f) a purchase of additional units,
  - (g) a transfer between scholarship plans,
  - (h) an additional contribution made to address backdating of a plan,
  - (i) an additional contribution made to cure defaults under the scholarship plan, and
  - (j) a contribution beyond the limit set by the *Income Tax Act* (Canada).
- (2) Under the sub-sub-heading “If you receive an Accumulated income payment (AIP)”,
- (a) state the tax consequences of receiving an AIP,
  - (b) describe how an AIP may be transferred to a registered retirement savings plan, and
  - (c) describe the tax consequences of a transfer of an AIP to a registered retirement savings plan.

#### **11.4 — Taxation of the Beneficiary**

Under the sub-heading “How your beneficiary is taxed”, state in general terms the income tax consequences to a beneficiary of a payment made to the beneficiary under the scholarship plan, including, as applicable, an EAP, a discretionary payment and a fee refund.

### **Item 12 — Organization and Management Details of the Scholarship Plan**

#### **12.1 — Organization and Management Details**

(1) Provide in a diagram or table, under the heading “Who is involved in running the plan[s]”, information about the entities involved in operating the scholarship plan, including the investment fund manager, foundation, trustee, portfolio adviser, principal

distributor, independent review committee, custodian, registrar and auditor of the scholarship plan.

(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. Include a description of how each of the following aspects of the operations of the scholarship plan is administered and who administers those functions:

- (a) the management and administration of the scholarship plan, including valuation services, fund accounting and securityholder 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 of the corporation;
- (g) the custodianship of the assets of the scholarship plan;
- (h) the oversight of the investment fund manager of the scholarship plan by the independent review committee;
- (i) the oversight of the scholarship plan by any other body.

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

#### *INSTRUCTION*

*The “foundation” refers to the not-for-profit entity that is the sponsor of the scholarship plan.*

### **Item 13 — Statement of Rights**

#### **13.1 — Statement of Rights**



Under the heading “Your rights as an investor”, state the following using the same or substantially similar wording:

You have the right to withdraw from an agreement to buy scholarship plan securities and get back all of your money (including any fees or expenses paid), within 60 days of signing the agreement. If the plan is cancelled after 60 days, you will only get back your contributions, less fees and expenses.

Any government grants you’ve received will be returned to the government.

In several provinces and territories, securities legislation also gives you the right to withdraw from a purchase and get back all of your money, or to 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 [*insert if the scholarship plan(s) is/are distributed in one or more territories of Canada - or territory*].

You can find out more about these rights by referring to the securities legislation of your province [*insert if the scholarship plan(s) is/are distributed in one or more territories of Canada - or territory*] or by consulting a lawyer.

## **Item 14 — Other Material Information**

### **14.1 — Other Material Information**

(1) Under the heading “Other important information”, state any other material facts relating to the securities being offered that are not disclosed under any other item in this 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***

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

*(2) For a single prospectus, provide this disclosure either under this Item or under Item 23 of Part C of this Form, whichever is more appropriate.*

*(3) For a multiple prospectus, provide this disclosure under this Item if the disclosure pertains to all of the scholarship plans described in the document. If the disclosure does*

*not pertain to all of the scholarship plans, provide the disclosure under Item 23 of Part C of this Form.*

## **Item 15 — Back Cover**

### **15.1 — Back Cover**

(1) State on the back cover of the Detailed Plan Disclosure the name of the scholarship plan(s) offered under the prospectus, and the name, address and telephone number of the investment fund manager of the scholarship plan(s).

(2) State the following using the same or substantially similar wording:

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

- the plan's most recently filed annual financial statements,
- any interim financial reports filed after the 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 the scholarship plan's e-mail address*].

[*Insert if applicable - You'll also find these documents on our website at [insert the scholarship plan's website address]*].

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

## **Part C — Detailed Plan Disclosure - Plan-Specific Information**

### **Item 1— General**

The Items in this Part apply to each type of scholarship plan unless otherwise stated.

### **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 [*insert the name of the scholarship plan*]”.

#### **2.2 — For a Multiple Prospectus**

Include,

- (a) at the top of the first page of the first Part C section of the prospectus, the heading “Specific information about our plans”, and
- (b) at the top of each page of a Part C section of the prospectus, a heading consisting of the name of the scholarship plan described on that page.

### **Item 3 — Plan Description**

#### **3.1 — Plan Description**

Under the heading “Type of plan”, disclose in the form of a table

- (a) the type of scholarship plan, and
- (b) the date on which the scholarship plan was started.

#### ***INSTRUCTION***

*In disclosing the date on which the scholarship plan was 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.*

### **Item 4 — Eligibility and Suitability**

#### **4.1 — Eligibility and Suitability**

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

(2) Provide a brief statement of the suitability of the scholarship plan for particular investors, describing 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.

**INSTRUCTION**

*The disclosure provided under subsection 4.1(2) must be consistent with the disclosure provided under Item 4 of Part A of this Form. Discuss whether the scholarship plan is particularly suitable for certain types of investors. Conversely, 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.*

**Item 5 — Beneficiary Group**

**5.1 — Beneficiary Group**

(1) This Item applies to a group scholarship plan.

(2) Under the sub-heading “Your beneficiary group”, describe

- (a) what a beneficiary group is and the significance of belonging to a beneficiary group, and
- (b) how the maturity date and year of eligibility are determined and the significance of the dates.

(3) Include the table below, introduced using the following wording or wording that is substantially similar:

The table below can help you determine your beneficiary group. In general, the beneficiary group is determined by the age of the beneficiary when you sign your contract.

<b>Age of beneficiary when the plan is purchased</b>	<b>Beneficiary group</b>
<i>[Insert age of oldest beneficiary eligible to join the group scholarship plan] years old</i>	<i>[Insert year of eligibility for oldest beneficiary]</i>
<i>[Insert age corresponding to next year of eligibility in descending order] years old</i>	<i>[Insert year of eligibility for next oldest beneficiary]</i>
⋮	
0 years old	<i>[Insert year of eligibility for youngest beneficiary]</i>

## INSTRUCTIONS

(1) In responding to subsection 5.1(2), provide disclosure regarding the sharing of earnings on contributions based on the number of beneficiaries in a beneficiary group, including the sharing of earnings on contributions where there is pre-maturity and post-maturity attrition.

(2) The table required under subsection 5.1(3) is used to demonstrate how the year of eligibility relates to the age of the beneficiary on the application date. The disclosure in the column of this table titled “Age of beneficiary when the scholarship plan is purchased” must present the ages of the beneficiaries for whom subscribers may purchase a group scholarship plan, starting from the oldest to the youngest. For example, if a beneficiary cannot join the group scholarship plan after age 12, then that must be the age disclosed in the top row of that column. The ages disclosed in the subsequent row must follow in descending order.

(3) For the column titled “Beneficiary Group” in the table required under subsection 5.1(3), the “year of eligibility” disclosed in each row must be based on the year of eligibility that would typically correspond to a beneficiary of the age described in adjacent column of that table titled “Typical age of beneficiary when the scholarship plan is purchased” as of the date of the prospectus. For example, if the age of the beneficiary listed in the table is 12, the disclosure under “Beneficiary Group” must show the typical year of eligibility for a 12 year old beneficiary joining the scholarship plan as of the date of the prospectus.

### **Item 6 — Eligible Studies**

#### **6.1 — Summary of Eligible Studies**

Under the heading “Summary of eligible studies”, state the following using the same or substantially similar wording:

The following is a description of the post-secondary programs that are eligible studies and qualify for EAPs under the [*insert name of the scholarship plan*].

Contact us or your sales representative to find out if the educational programs your beneficiary is interested in are eligible studies. We can provide you with a current list of qualifying institutions and programs on request. This list is also available on the plan’s website.

For more information about receiving EAPs, see “Educational assistance payments” on page [*insert page reference to the disclosure provided under section 19.2 of Part C of this Form*] of this Detailed Plan Disclosure.

#### **6.2 — Description of Eligible Programs**

Under the sub-heading “What’s eligible”, briefly describe the types of programs that qualify for EAPs under the scholarship plan.

### **6.3 — Description of Ineligible Programs**

(1) Under the sub-heading “What’s not eligible”, briefly describe the types of programs that do not qualify for EAPs under the scholarship plan.

(2) If any post-secondary program that would qualify for an EAP under the *Income Tax Act* (Canada) would be considered eligible studies under the scholarship plan, state this fact. If there are differences between the types of programs eligible for payment of an EAP under the *Income Tax Act* (Canada) and programs recognized as eligible studies under the scholarship plan, state this fact and describe how the scholarship plan’s requirements are different than the *Income Tax Act* (Canada) requirements.

(3) State, if applicable, that beneficiaries who do not enrol in eligible studies under the requirements of the scholarship plan will also not receive payments of government grants.

(4) If the scholarship plan does not recognize all of the same post-secondary programs that would qualify for an EAP under the *Income Tax Act* (Canada), then state the following using the same or substantially similar wording:

If you are interested in a post-secondary program that doesn’t qualify for EAPs under the [*insert the name of the scholarship plan*] but would qualify for an EAP under the *Income Tax Act* (Canada), you should consider another type of plan. [*Insert if applicable – For example, in our [insert, as applicable the name of the scholarship plan(s)], any post-secondary program that would qualify for an EAP under the Income Tax Act (Canada) is considered eligible studies for receiving an EAP under the plan.*]

### **INSTRUCTIONS**

(1) *The list of institutions and programs that are “eligible studies” under the scholarship plan and are referred to in section 6.1 must be provided in a format that facilitates comprehension by the investor. The list must also be available on the plan’s website in a location that does not have restricted access, i.e., it does not require a password or login account.*

(2) *The disclosure required by sections 6.2 and 6.3 may be provided in the form of a table to assist readability.*

(3) *Describe the programs required to be disclosed under sections 6.2 and 6.3 based on characteristics such as the type of educational institutions offering the programs, the duration of the programs and the location of the educational institutions.*

## **Item 7 — Investment Objectives**

### **7.1 — Investment Objectives**

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.
- (2) Under the heading “How we invest your money” with the sub-heading “Investment objectives”, state 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 distinguish it from other types of scholarship plans.
- (3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plan.
- (4) Describe any of the material investment strategies to be used to achieve the scholarship plan’s investment objectives.
- (5) If the scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plan and
  - (a) identify the person or company 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
  - (c) provide the reasons for which the guarantor or insurer could limit or avoid execution of the guarantee or insurance policy.

#### *INSTRUCTION*

*In providing the disclosure required by this Item, follow the Instructions that apply to section 7.1 of Part B of this Form.*

## **Item 8 — Investment Strategies**

### **8.1 — Investment Strategies**

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 8.1 of Part B of this Form.
- (2) Describe under the sub-heading “Investment strategies” 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.

(3) Indicate the types of investments, other than those held by the scholarship plan in accordance with its fundamental investment objectives, which may form part of the scholarship plan's portfolio assets under normal market conditions.

(4) 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 subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.*

### **Item 9 — Investment Restrictions**

#### **9.1 — Investment Restrictions**

(1) This section does not apply to a scholarship plan that is required to provide the disclosure specified under section 9.1 of Part B of this Form.

(2) Under the sub-heading "Investment restrictions", describe any restrictions on investments adopted by the scholarship plan, beyond what is required under securities legislation.

(3) If the scholarship plan 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.

(4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plan.

### **Item 10 — Plan-Specific Risks**

#### **10.1 — Plan Risks**



(1) Under the heading “Risks of investing in this plan” with the sub-heading “Plan risks”, include an introduction using the following wording or wording that is substantially similar:

You sign a contract when you open a plan with us. Read the terms of the contract carefully and make sure you understand the contract before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of his or her EAPs.

Keep in mind that payments from the plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive any EAPs from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your beneficiary’s post-secondary education.

In addition to the investment risks described under “Investment risks” on page(s) [*insert a page reference to the investment risks disclosed under section 10.1(3) of Part B of this Form or section 10.2 of this Part of the Form, as applicable*] of the prospectus, the following is a description of the risks of participating in this plan:

(2) List and describe any material risks associated with an investment in the scholarship plan, other than the investment risks associated with the portfolio held by the scholarship plan that are disclosed under section 10.1 of Part B of this Form or section 10.2 of this Part, including, as applicable to the scholarship plan,

(a) the risk of a change in attrition rates affecting the amount of EAPs available to beneficiaries,

(b) the risk of a decision not to provide a discretionary payment affecting the amount of money available to beneficiaries who enrol in eligible studies,

(c) the risk that the current sources of funding for discretionary payments may not be available at plan maturity,

(d) if there is no guarantee for any refunds of sales charges or other fees, the risk that the current sources of funding for the refunds may not be available at or after the maturity date of the subscriber’s scholarship plan, and

(e) if the scholarship plan has more than one class or series of securities, the risk that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series.

#### *INSTRUCTION*

*In responding to section 10.2, follow Instructions (1) – (3) to section 10.1 of Part B of this Form.*

## 10.2 — Investment Risks

(1) Subsections (2) to (5) do not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.

(2) Under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan can go up or down. Below are the risks that can cause the value of the plan’s investments to change, which will affect the amount of EAPs available to beneficiaries.

(3) List and describe the investment risks applicable to the scholarship plan, other than those risks previously discussed under subsection 10.1(3) of Part B of this Form.

(4) Include specific cross-references to the risks described in response to subsection 10.1(3) of Part B of this Form that are applicable to the scholarship plan.

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

(a) the name of the issuer and the securities,

(b) the maximum percentage of the net assets of the scholarship plan that securities of that issuer represented during the 12-month period, and

(c) the risks associated with the investment in the securities, including the possible or actual effect on the liquidity and diversification of the scholarship plan.

(6) If the scholarship plan is required to provide the disclosure under section 7.1 of Part B of this Form, under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, state the following using the same or substantially similar wording:

The prices of the investments held by the scholarship plan can go up or down. You can find a list of risks that can cause the value of the plan’s investments to change under “Investment risks” on page [insert page reference to the risks disclosed under section 10.1(3) of Part B of this Form].

### *INSTRUCTION*

*In providing disclosure under this section, follow the Instructions to section 10.1 of Part B of this Form.*

## Item 11 — Annual Returns

### 11.1 — Annual Returns

Under the heading “How the plan has performed”, provide, in the form of the following table, the annual return of the scholarship plan for each of the past five years (or for a scholarship plan that has existed for less than five years, for each year the scholarship plan has been in existence) as disclosed in the most recently filed annual management report of fund performance of the scholarship plan, introduced using the following wording or wording that is substantially similar:

The table below shows how the investments in *[insert name of the scholarship plan]* performed in each of the past five financial years ending on *[insert date of end of financial year for the scholarship plan]*. 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.

	<i>[Insert most recently completed Financial Year]</i>	<i>[Insert most recently completed Financial Year minus 1]</i>	<i>[Insert most recently completed Financial Year minus 2]</i>	<i>[Insert most recently completed Financial Year minus 3]</i>	<i>[Insert most recently completed Financial Year minus 4]</i>
<b>Annual Return</b>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>

## Item 12 — Contributions

### 12.1 — Making Contributions

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

(2) If the scholarship plan uses units, under the sub-heading “What is a unit?”, describe the unit and state why the scholarship plan uses units. State if the value of a unit is based only on the value of the portfolio assets held by the scholarship plan and, if not, state what other factors the value of a unit is based on.

(3) Under the sub-heading “Your contribution options”, describe all available contribution options.

(4) If the scholarship plan requires subscribers to make contributions to the plan in accordance with a contribution schedule, under the sub-heading “Contribution schedule”, include an introduction to the contribution schedule using the following wording or wording that is substantially similar:

The contribution schedule below shows how much you have to contribute 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 periodic contributions to pay for your units. *[For a group scholarship plan, state – The prices are calculated so that the contributions of each subscriber for a beneficiary group will generate the same earnings per unit.]*

Certain fees and expenses are deducted from your contributions. For more information, please see “Fees you pay” on page *[insert page reference to the disclosure provided under section 14.2 of Part C of this Form]*.

The contribution schedule was prepared by *[indicate name of entity/entities that prepared the contribution schedule]* in *[specify year the contribution schedule was prepared]*.

(5) Include the contribution schedule of the scholarship plan in the form of the following table, together with the following examples to explain how to use the contribution schedule to determine the contributions required to pay for each unit. Introduce the table using the following wording or wording that is substantially similar with the title “How to use this table” in bold type:

**How to use this table:**

For example, let’s assume your beneficiary is a newborn. If you want to make monthly contributions until maturity, it will cost \$*[insert amount payable monthly for this option]* each month for each unit you buy. You would have to make *[insert total number of payments for this option]* contributions over the life of your plan, for a total investment of \$*[insert total amount payable for this option]*.

If your child is five years old and you want to make annual contributions until maturity, it will cost \$*[insert amount payable annually for this option]* each year for each unit you buy. You would have to make *[insert total number of payments for this option]* contributions over the life of your plan, for a total investment of \$*[insert total amount payable for this option]*.

Contribution schedule				
Contribution options <i>[See Instruction (2)]</i>	<i>[Insert youngest beneficiary by age] [See Instruction (3)]</i>	<i>[Insert next youngest beneficiary by age]</i>	...	<i>[Insert oldest beneficiary by age]</i>

<b>Monthly contribution</b> Contribution amount Total number of contributions Total amount of contributions	<i>[See Instruction (4)]</i>			
<b>Annual contribution</b> Contribution amount Total number of contributions Total amount of contributions				
⋮				
<b>Lump sum contribution</b> Contribution amount				

(6) State the assumptions on which the contribution schedule is based and confirm that the assumptions are still reflective of current conditions and circumstances.

#### *INSTRUCTIONS*

*(1) The contribution schedule must outline all available contribution options, including the lump sum contribution option.*

*(2) List the contribution options in the order based on the total number of contributions, from the largest number of contributions to the smallest number of contributions. For example, if the scholarship plan permits monthly, annual and lump sum contributions, list the contribution options in that order.*

*(3) The contribution schedule must be presented in the order based on the age of the beneficiaries, from the youngest to oldest.*

*(4) For each contribution option, set out the amount of each contribution, the total number of contributions, and the total amount payable for one unit.*

*(5) If the scholarship plan permits a subscriber to date their plan as at a date that is earlier than the application date, disclose the conditions or requirements that must be met to backdate a plan, including the maximum number of months that a plan may be backdated and the basis of calculation of any amount(s) payable by the subscriber in addition to the contributions required under the contribution schedule. Include a cross-reference to the disclosure provided under paragraph 11.3(1)(h) of Part B of this Form.*

*(6) The contribution amounts in the contribution schedule must not include fees for insurance.*

## **12.2 — Missing Contributions**

(1) Under the sub-heading “If you have difficulty making contributions”, state the following using the same or substantially similar wording:

If you miss one or more contributions, you may be in default of your plan. To stay in the plan, you’ll have to make up the contributions you missed. [*State if applicable* — You’ll also have to make up what the contributions would have earned if you had made them on time]. This can be costly.

For information about the steps you have to take to stay in the plan after missing contributions, see “Default, withdrawal or cancellation” on page [*insert page reference to the disclosure provided under Item 17 of Part C of this Form*].

(2) Under the sub-sub-heading “Your options”, describe the options available to subscribers having difficulty making contributions, including reducing the amount of contributions, suspending contributions, transferring to another RESP and cancelling their scholarship plan.

(3) Describe any restrictions on the availability of the options referred to in subsection (2).

(4) For each option set out under subsection (2), disclose the fee payable for the option and the losses that may be incurred by the subscriber as a result of the option.

(5) Describe what will happen if a subscriber has difficulty making contributions and does not select any of the options set out under subsection (2).

### **INSTRUCTIONS**

*(1) A scholarship plan that does not require subscribers to make regular contributions to keep their plan in good standing must modify the disclosure under subsection 12.2(1) accordingly.*

*(2) If the cost of putting a plan in good standing after a voluntary suspension of the plan includes the payment of an amount equal to the interest that would have been earned on the missing contributions, disclose the current interest rate used as an annualized rate of interest and disclose how the interest is calculated.*

*(3) In disclosing any losses that may be incurred by a subscriber under subsection (4), state whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

*(4) If the disclosure for an option required by subsections (3) and (4) is provided elsewhere in Part C of the prospectus, a cross-reference to the disclosure for the option may be provided in response to subsections (3) and (4). For example, if transferring to another scholarship plan managed by the investment fund manager is an option available to the subscriber, a scholarship plan may refer investors to details of this type of transfer by providing a cross-reference to the disclosure provided under section 16.1 of Part C of this Form.*

## **Item 13 — Withdrawing Contributions**

### **13.1 — Withdrawing Contributions**

(1) Under the heading “Withdrawing your contributions”, describe a subscriber’s entitlement to a return of contributions made, less fees, at any time before the maturity date of their scholarship plan.

(2) Describe the steps a subscriber must take to withdraw some or all of their contributions before the maturity date of their scholarship plan.

(3) Disclose the fee for a withdrawal from their scholarship plan and describe the losses that may be incurred by a subscriber upon a withdrawal.

(4) Disclose whether a subscriber’s plan will be cancelled if the subscriber withdraws all the contributions made to their plan. If so, provide a cross-reference to the disclosure provided under section 17.3 of Part C of this Form.

#### **INSTRUCTION**

*In describing any losses that may be incurred by a subscriber under subsection (3), disclose whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

## **Item 14 — Fees and Expenses**

### **14.1 — Costs of Investing in the Scholarship Plan**

Under the heading “Costs of investing in this plan”, state the following using the same or substantially similar wording:

There are costs for joining and participating in the [*insert name of scholarship plan*]. The following tables list the fees and expenses of this plan. You pay some of these fees and expenses directly from your contributions. The plan pays some of the fees and expenses, which are deducted from the plan’s earnings.

## 14.2 — Fees Payable by Subscriber from Contributions

(1) Under the sub-heading “Fees you pay”, provide a list of the fees and expenses that are deducted from contributions and that are not required to be provided in the table under section 14.4 of Part C of this Form in the form of the following table. Introduce the table using the following wording:

These fees are deducted from your contributions. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

<b>Fee</b>	<b>What you pay</b>	<b>What the fee is for</b>	<b>Who the fee is paid to</b>
Sales charge	<i>[Specify amount]</i>	<i>[Specify the purpose]</i>	<i>[Insert name of entity]</i>
Account Maintenance Fee	<i>[Specify amount]</i>	<i>[Specify the purpose]</i>	<i>[Insert name of entity]</i>
<i>[Specify other fees and expenses]</i>	<i>[Specify amount]</i>	<i>[Specify the purpose]</i>	<i>[Insert name of entity]</i>

(2) If the sales charge listed in the table required by subsection (1) is deducted from contributions at a higher rate in the early period of participating in the scholarship plan, add a sidebar under the sub-heading “Fees you pay”, using the margin of the page and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

### **Paying off the sales charges**

For example, assume that you buy one unit of the *[Insert name of scholarship plan]* on behalf of newborn child, and you commit to making monthly contributions until the maturity date to pay for that unit. *[All/[specify lower percentage, if applicable]]* of your first *[insert number of contributions]* contributions go toward the sales charge until *[half/[specify other percentage if applicable]]* of the sales charge is paid off. *[State, as applicable – [Half/[specify other percentage if applicable]]* of your next *[insert number of contributions]* contributions go toward the sales charge until it’s fully paid off.] Altogether, it will take you *[insert number of months]* months to pay off the sales charge. During this time, *[insert percentage]* of your contributions will be used to pay the sales charge and *[insert percentage]* of your contributions will be invested in your plan.



(3) State whether any of the fees listed in the table in subsection (1) may be increased without subscriber approval.

## INSTRUCTIONS

*(1) In the table required under subsection 14.2(1), list the fees payable by subscribers' contributions. Each fee must be listed on a separate row in the table.*

*(2) In the table required under subsection 14.2(1) in the column titled "What you pay" state the amount of each fee. The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of plan assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*

*(3) For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. \$x.xx per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (2), the disclosure of the amount of sales charge in the table required under subsection 14.2(1) in the column titled "What you pay" must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.*

*(4) In the table required under subsection 14.2(1) in the column titled "What you pay" describe how the fee is deducted from contributions if the fee amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of the plan or for the period for which contributions are required to be made under the scholarship plan if it is less than the scholarship plan's duration, describe the amounts from contributions that are deducted to pay sales charges.*

(5) *In the table required under subsection 14.2(1) in the column titled “What the fee is for” provide a concise explanation of what the fee is used for.*

(6) *In the table required under subsection 14.2(1) in the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.*

(7) *The disclosure required under subsection 14.2(2) must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship plan’s maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber’s contributions are deducted during the relevant period. The disclosure provided under subsection 14.2(2) must be consistent with the disclosure provided under subsection (2) of Item 10 of Part A of the form.*

(8) *The disclosure required in subsection 14.2(2) may alternatively be provided in a text box below the table required under subsection 14.2(1).*

(9) *For the disclosure required in subsection 14.2(2), if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection 14.2(2), the wording may be amended as is necessary to properly reflect the scholarship plan’s features.*

### **14.3 — Fees Payable by the Scholarship Plan**

(1) Under the sub-heading “Fees the plan pays”, provide a list of the fees and expenses that are payable by the scholarship plan in the form of the following table and introduced using the following wording:

The following fees are payable from the plan’s earnings. You don’t pay these fees directly. These fees affect you because they reduce the plan’s returns which reduces the amount available for EAPs.

<b>Fee</b>	<b>What the plan pays</b>	<b>What the fee is for</b>	<b>Who the fee is paid to</b>
Administrative fee	<i>[Specify amount]</i>	<i>[Specify purpose]</i>	<i>[Insert name of entity]</i>
Portfolio management fee	<i>[Specify amount]</i>	<i>[Specify purpose]</i>	<i>[Insert name of entity]</i>
Custodian fee	<i>[Specify amount]</i>	<i>[Specify purpose]</i>	<i>[Insert name of entity]</i>
Independent review committee fee	<i>[Specify amount]</i>	<i>[Specify purpose]</i>	<i>[Insert name of entity]</i>
<i>[Specify other fees and expenses]</i>	<i>[Specify amount]</i>	<i>[Specify purpose]</i>	<i>[Insert name of entity]</i>

(2) State whether any of the fees or expenses listed in the table in subsection (1) may be increased without subscriber approval.

**INSTRUCTIONS**

*(1) In the table, show all fees and expenses payable by the scholarship plan, even if it is expected that the investment fund manager or other member of the organization of the scholarship plan will waive or absorb some or all of those fees and expenses. Each fee must be listed in a separate row in the table.*

*(2) If one or more fees listed or required to be listed in the table are normally combined into an “all-inclusive fee” payable by the scholarship plan, the table may be amended as is necessary to reflect this fact.*

*(3) In the column titled “What the plan pays” state the amount of each fee listed in the table. The amount of fee stated must be disclosed based on how the fee is calculated. For example, if a fee is calculated based on a percentage of the scholarship plan’s assets, it must be stated as such. For the “independent review committee fee”, state the amount of any retainer payable to each member of the committee and any additional fees payable for meeting attendance and indicate if committee members expenses are reimbursed, and disclose the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*

*(4) In the column titled “What the fee is for” provide a concise explanation of what the fee is used for. If a fee is charged to the scholarship plan for on-going fund expenses, list the main components of those expenses covered by the fee.*

*(5) In the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.*

**14.4 — Transaction Fees**

Under the sub-heading “Transaction fees”, provide a list of the transaction fees in the form of the following table introduced using the following wording:

We will charge the following fees for the transactions listed below.

<b>Fee</b>	<b>Amount</b>	<b>How the fee is paid</b>	<b>Who the fee is paid to</b>
<i>[Insert type of fee]</i>	<i>[\$Specify amount]</i>	<i>[Insert how the fee is charged]</i>	<i>[Insert name of entity]</i>

**INSTRUCTIONS**

(1) In the column titled “fee” describe the type of transaction for which the fee is charged; for example, replacing a cheque, changing the contribution schedule, changing the beneficiary, changing the maturity date, transferring a plan and a late application for EAPs. Each fee must be listed on a separate row in the table.

(2) In the column titled “Amount” specify the amount of each fee. The amount must be disclosed based on how the fee is calculated. For example if the fee is calculated as a fixed dollar amount or a percentage it must be disclosed as such.

(3) In the column titled “How the fee is paid” state how the fee for each transaction is charged, for example, if the fee is payable directly by the subscriber or beneficiary, or if it is deducted from the earnings of the scholarship plan.

(4) In the column titled “Who the fee is paid to” specify the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc.

**14.5 — Fees for Additional Services**

If applicable, under the sub-heading “Fees for additional services”, provide a list of the fees payable for the additional services disclosed under section 6.6 of Part B of this Form in the form of the following table and introduced using the following wording:

The following fees are payable for the additional services listed below:

<b>Fee</b>	<b>What you pay</b>	<b>How the fee is paid</b>	<b>Who the fee is paid to</b>
<i>[Specify type of fee]</i>	<i>[\$[Specify amount]]</i>	<i>[Specify how the fee is charged]</i>	<i>[Insert name of entity]</i>

**INSTRUCTIONS**

(1) In the column titled “Fee”, describe the type of service for which the fee is charged (for example, insurance services). Each fee must be listed in a separate row in the table.

(2) Under the column titled “What you pay” specify the amount of each fee. The fee must be disclosed based on how it is calculated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.

(3) If insurance services are provided, under the column “What you pay”, disclose the fee for insurance and disclose the portion of the fee that is paid by the insurer to the principal distributor, the investment fund manager, or an affiliate.

*(4) If the fee payable for an additional service varies so that specific disclosure of the amount of the fee cannot be provided in the prospectus, provide the range of fees payable under the column titled “What you pay”.*

*(5) In the column titled “How the fee is paid” state how the fee for each service is charged, for example, if the fee is an amount payable by the subscriber on a monthly basis in addition to contributions made under the contribution schedule.*

*(6) In the column titled “Who the fee is paid to” state the name of the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc. If insurance services are provided, the name of the insurer must be disclosed.*

#### **14.6 — Refund of Sales Charges and Other Fees**

(1) Under the sub-heading “Refund of sales charges [and other fees]”, disclose the details of all arrangements for the refunding of sales charges and any other fee paid by subscribers.

(2) In the disclosure required by subsection (1), for each fee that may be refunded, describe

- (a) who pays the fee refund,
- (b) who funds the fee refund and the sources of funding for the fee refund,
- (c) whether the refund is guaranteed or not and what that means,
- (d) the conditions or requirements that must be met to receive the fee refund,
- (e) when the refund will be paid,
- (f) whether the amount refunded will include interest,
- (g) whether the refund is paid in cash to the subscriber or is credited to their plan,
- (h) if applicable, whether the amount refunded will be considered a contribution to the scholarship plan for tax purposes, and
- (i) whether the amount refunded is taxable to the subscriber or beneficiary.

(3) Describe the circumstances that may affect the ability of the current sources of funding for the fee refunds to continue to fund such payments.

(4) State whether the investment fund manager or any other entity has put any mechanism in place to continue to make fee refunds if any of the circumstances referred to in subsection (3) occurs.

(5) If a fee refund is payable on a discretionary basis, state the following wording with the first sentence in bold type:

**Discretionary refunds are not guaranteed.** You should not count on receiving a discretionary refund. [*Specify entity*] decides if it will provide a fee refund in any year.

### *INSTRUCTIONS*

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

*(2) If a fee refund is paid in instalments, disclose each payment date and the amount or proportion of the refund payable at each date.*

## **Item 15 — Making Changes to a Subscriber’s Plan**

### **15.1 — Changing Contributions**

(1) Under the heading “Making changes to your plan” and the sub-heading “Changing your contributions”, disclose whether or not a subscriber can change the contributions under a scholarship plan.

(2) If a subscriber can change the contributions under a scholarship plan, disclose

- (a) the steps the subscriber must take to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

### **15.2 — Changing Maturity Date**

(1) Under the sub-heading “Changing the maturity date”, disclose whether or not a subscriber can change the maturity date of their plan.

(2) If a subscriber can change the maturity date, disclose

- (a) the steps the subscriber must take to make the change,

- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

### **15.3 — Changing Year of Eligibility**

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

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

- (a) the steps the subscriber must take to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

### **15.4 — Changing Subscriber**

(1) Under the sub-heading “Changing the subscriber”, disclose whether the contract permits the subscriber to be changed at any time during the life of a scholarship plan.

(2) If the subscriber may be changed, disclose

- (a) the steps that are required to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

### **15.5 — Changing Beneficiary**

(1) Under the sub-heading “Changing your beneficiary”, disclose whether or not a subscriber can change the beneficiary of a scholarship plan.

(2) If the beneficiary may be changed, disclose

- (a) the steps the subscriber must take to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

## **15.6 — Death or Disability of Beneficiary**

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

(2) The disclosure under this item must include

- (a) how a disability is defined,
- (b) how each option may be initiated and the conditions or requirements that must be met for each option,
- (c) the fee for each option, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the option is selected.

### *INSTRUCTIONS*

*(1) In discussing a change in contributions under a scholarship plan in response to section 15.1, state if the change in contributions may be made as a result of changing the contribution frequency or the number of units for which contributions are made.*

*(2) The disclosure of the conditions or requirements for making a change to the subscriber’s plan required under this Item must include a description of any amounts required to be paid to make the change and the deadline for making the change.*

*(3) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

## **Item 16 — Transfer of Scholarship Plan**

### **16.1 — Transferring to another plan managed by the investment fund manager**



(1) Under the heading “Transferring your plan” with the sub-heading “Transferring to [*name the other scholarship plans managed by the investment fund manager of the scholarship plan*]”, state whether or not the scholarship plan allows a subscriber to transfer from the current plan to any of the other plans offered by the investment fund manager.

(2) Disclose

- (a) the steps a subscriber must take to effect the transfer,
- (b) the conditions or requirements that must be met to effect the transfer,
- (c) the fee for the transfer,
- (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made, and
- (e) for a group scholarship plan, whether or not a subscriber who has transferred out of a group plan may transfer back to the group plan.

### **16.2 — Transferring to another RESP Provider**

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

(2) Disclose

- (a) the steps a subscriber must take to effect the transfer,
- (b) the conditions or requirements that must be met to effect the transfer,
- (c) the fee for the transfer, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made.

### **16.3 — Transferring from another RESP Provider to the Scholarship Plan**

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

(2) Disclose

- (a) the steps a subscriber must take to effect the transfer,
- (b) the conditions or requirements that must be met to effect the transfer, and
- (c) the fee for the transfer.

## **INSTRUCTIONS**

*(1) The disclosure of the conditions or requirements that must be met to effect a transfer of a plan described under this Item must include a description of any amounts required to be paid to effect the transfer and the deadline for effecting the transfer.*

*(2) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

### **Item 17 — Default, Withdrawal or Cancellation**

#### **17.1 — Withdrawal or Cancellation by Subscriber**

(1) Under the heading “Default, withdrawal or cancellation” with the sub-heading “If you withdraw from or cancel your plan”, describe how a subscriber can withdraw from or cancel a scholarship plan.

(2) Describe the amounts a subscriber is entitled to receive if the subscriber withdraws from a scholarship plan up to 60 days after signing a contract.

(3) Describe the amounts a subscriber is entitled to receive if the subscriber cancels a scholarship plan more than 60 days after signing a contract.

(4) Disclose the charges payable by a subscriber for a cancellation or withdrawal.

(5) Disclose the losses that may be incurred by the subscriber or the beneficiary if the subscriber cancels or withdraws from their scholarship plan.

#### **17.2 — Subscriber Default**

(1) Under the sub-heading “If your plan goes into default”, describe the circumstances in which a subscriber may be noted in default under the scholarship plan.

(2) Disclose the steps the investment fund manager will take to notify the subscriber when a default described in subsection (1) occurs.

(3) Disclose the steps a subscriber can take to remedy a default and disclose the costs associated with remedying the default, including any amounts payable by the subscriber.

For a default due to missed contributions, describe how any amount payable by a subscriber as a result of missed contributions is calculated.

(4) For each default, disclose whether remedying the default will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the default had not occurred.

(5) Disclose whether a default results in the cancellation of a subscriber's plan by the investment fund manager if the default is not remedied. If an unremedied default does not result in the cancellation of the subscriber's plan, disclose the losses that may be incurred by the subscriber or the beneficiary due to the default.

### **17.3 — Cancellation by Investment Fund Manager**

(1) Under the sub-heading "If we cancel your plan", describe any circumstances other than a subscriber's default in which the investment fund manager of the scholarship plan may cancel a subscriber's plan.

(2) Describe the amounts a subscriber is entitled to receive if the subscriber's scholarship plan is cancelled by the investment fund manager.

(3) Disclose the costs payable by a subscriber in connection with a cancellation by the investment fund manager.

(4) Disclose the losses that may be incurred by the subscriber or the beneficiary if the investment fund manager cancels the subscriber's scholarship plan.

### **17.4 — Re-activation of Subscriber's Plan**

(1) If applicable, under the sub-heading "Re-activating your plan", describe the circumstances in which a subscriber may re-activate a plan after cancellation of the scholarship plan, and specify the costs associated with re-activation and who bears the costs.

(2) Disclose whether re-activating a plan will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the cancellation had not occurred.

### **17.5 — Plan Expiration**

Under the sub-heading, "If your plan expires", discuss the maximum duration of a subscriber's scholarship plan before it must be collapsed and what happens to the money from a collapsed scholarship plan.

## ***INSTRUCTIONS***

*(1) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to Item 17, state whether the subscriber or the beneficiary may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

*(2) If the costs of putting a scholarship plan in good standing after missing contributions or re-activating a scholarship plan after cancellation include the payment of an amount equal to the interest that would have been earned on contributions required by the scholarship plan, disclose the rate as an annualized rate of interest and disclose how the rate is calculated.*

*(3) If an AIP may be received upon cancellation of a scholarship plan, include a cross-reference to the disclosure provided under Item 20 of Part C of this Form.*

## **Item 18 — Plan Maturity**

### **18.1 — Description of Plan Maturity**

(1) Under the heading “What happens when your plan matures”, briefly explain what happens to a subscriber’s scholarship plan at the maturity date.

(2) State whether the investment fund manager will notify the subscriber about the maturity date of their scholarship plan and how the notice is provided.

#### ***INSTRUCTION***

*In responding to section 18.1, briefly explain what happens to the contributions, government grants and earnings at the maturity date, such as the earnings for a beneficiary group being transferred into an EAP account for distribution to qualified beneficiaries.*

### **18.2 — If the Beneficiary Does Not Enrol in Eligible Studies**

(1) Under the sub-heading “If your beneficiary does not enrol in eligible studies”, state that a beneficiary who does not enrol in eligible studies will not receive EAPs from the scholarship plan.

(2) Describe the options for a subscriber whose beneficiary does not enrol in eligible studies and disclose the losses that may be incurred by the subscriber under each option.

(3) State whether a subscriber may be eligible to receive an AIP. If an AIP may be payable, provide a cross-reference to the disclosure provided under Item 20 of Part C of this Form.

#### ***INSTRUCTIONS***

*(1) In responding to section 18.2, describe options including naming another beneficiary before the maturity date, transferring to another RESP or cancelling the scholarship plan.*

*(2) In describing the losses that may be incurred by the subscriber in response to subsection 18.2(2), cross-references to the disclosure provided under Items 15 to 17 of Part C of this Form may be provided, as applicable.*

## **Item 19 — Payments from the Scholarship Plan**

### **19.1 — Return of Contributions**

(1) Under the heading “Receiving payments from the plan” with the sub-heading “Return of contributions”, describe when and how contributions are returned to the subscriber. State whether the amount returned is net of sales charges and fees deducted from contributions.

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

### **19.2 — Payments to Beneficiaries**

(1) Under the sub-heading “Educational assistance payments”, disclose the conditions and requirements necessary for a beneficiary to receive EAPs under the scholarship plan, including the deadline for applying for EAPs, and state what happens if the beneficiary misses the deadline.

(2) Describe each option for paying EAPs to beneficiaries. For each option, disclose

(a) the number of payments,

(b) when each payment is made, and

(c) for a group scholarship plan, the percentage of the maximum total amount of EAPs payable at each payment date.

(3) For a group scholarship plan, if the total amount of EAPs payable to beneficiaries differs based on the number of years of eligible studies, disclose the number of years of eligible studies that qualifies for the payment of the maximum total amount of EAPs and briefly describe the eligible studies with that duration.

(4) For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, state, if applicable, that beneficiaries who enrol in eligible studies of a shorter duration than the full period will not qualify for the maximum number of EAPs

and will receive a lower total amount of EAPs over the duration of their eligible studies than beneficiaries who enrol in eligible studies for the full period.

(5) For a group scholarship plan that offers EAP payment options tailored to reduced programs, if the total amount of EAPs payable under an EAP payment option tailored to reduced programs is less than the maximum total amount of EAPs, state the total amount of EAPs payable under the EAP payment option as a percentage of the maximum total amount of EAPs.

### *INSTRUCTIONS*

*(1) In providing the disclosure under subsection 19.2(1), do not repeat the type of studies that qualify for EAPs. Instead, include a cross-reference to the disclosure provided under section 6.2 of Part C of this Form.*

*(2) The disclosure under subsection 19.2(1) must include a discussion of any requirements for a beneficiary to remain eligible for EAPs under the scholarship plan for each successive year of study.*

*(3) The “maximum total amount of EAPs” is the total amount of EAPs that can be received by a beneficiary who meets the requirements of the scholarship plan for receiving the maximum number and amount of EAPs.*

*(4) In providing the disclosure under subsection 19.2(3), describe generally the types of programs for which a beneficiary will receive the maximum total amount of EAPs (for example, four years of eligible studies that may consist of a 4-year program or two 2-year programs).*

*(5) The “full period” is the number of years of eligible studies that qualifies for the payment of the maximum total number and amount of EAPs.*

*(6) An “EAP payment option tailored to reduced programs” is an EAP payment option that pays approximately same total amount of EAPs for eligible studies with a shorter duration as the EAPs payable under the scholarship plan for eligible studies of longer duration. For example, an EAP payment option that makes two payments for a 2-year post-secondary program, where each payment is twice the amount of each of the four payments that would be made for a 4-year post-secondary program, is an EAP payment option tailored to reduced programs.*

*(7) A scholarship plan may use a table to illustrate the schedule of payments and the amount paid in each year of eligible studies for each EAP payment option offered.*

### **19.3 — Amount of EAPs**

(1) Under sub-sub-heading, “How we determine EAP amounts”, state the components of EAPs paid under the scholarship plan.

(2) Describe how the value of EAPs is determined for each year of eligible study. State whether or not any oversight of the calculation of EAPs is provided by an entity other than the investment fund manager.

(3) Describe any restrictions, under the *Income Tax Act* (Canada) or the scholarship plan's rules, on the amount of EAP that can be paid for each year of eligible studies.

(4) Describe, as applicable to the type of scholarship plan,

(a) how unrealized capital gains or losses on investments in the scholarship plan are allocated;

(b) how earnings attributable to units or plans cancelled before the maturity date are allocated;

(c) how earnings attributable to units or plans cancelled after the maturity date are allocated;

(d) how the difference between the maximum total amount of EAPs and the lower amount collected by beneficiaries who enrol in eligible studies that do not qualify for the maximum total amount of EAPs is allocated;

(e) how the government grants accrued in the scholarship plan and the earnings from government grants are allocated.

#### *INSTRUCTION*

*The amount for which disclosure is required under paragraph 19.3(4)(d) is the amount that is not collected by beneficiaries in a beneficiary group because they do not enrol in eligible studies of sufficient duration to qualify for the maximum total amount of EAPs.*

#### **19.4 — Payments from the EAP Account**

(1) This section applies to a group scholarship plan.

(2) Under the sub-sub-heading "Payments from the EAP account", provide information in the form of the following table about the funding of the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table "Past breakdown of income in the EAP account" in bold type:

A portion of each EAP consists of a beneficiary's share of the EAP account. The rest of an EAP is made up of the beneficiary's government grants and the earnings on those government grants.

The EAP account holds the income earned on contributions made by subscribers. This includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us. There is a separate EAP account for each beneficiary group.

**Past breakdown of income in the EAP account**

The table below shows the breakdown of income in the EAP account at the maturity date for the five beneficiary groups that most recently reached their year of eligibility.

The breakdown of income can vary by beneficiary group. The amount of income earned on contributions depends on the performance of the plan’s investments. The amount of income from cancelled plans depends on how many plans were cancelled, as well as the investment performance of that money.

	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	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>
Income from cancelled plans	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>	<i>[Specify as percentage of total EAP account]</i>
<b>EAP account Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(3) Provide information in the form of the following table about the historical payment of amounts from the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments from the EAP account” in bold type:

**Past payments from the EAP account**

The table below shows how much was paid from the EAP account per unit for the five beneficiary groups that most recently reached their year of eligibility. *[For a scholarship plan that offers EAP payment options tailored to reduced programs, state – This table shows only the amount paid per unit for beneficiaries who selected the [specify EAP payment option for the full period]. We also offer [a] payment option[s] that pay[s] EAPs tailored to shorter programs].*



Keep in mind that scholarship plans are generally 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 a beneficiary will receive in the future.

Year of studies	Payments from EAP account by 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]
First year [if applicable] [See Instruction (2)]	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Second year	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Third year	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Fourth year	See note 1	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

**INSTRUCTION**

The tables required in section 19.4 must list the five beneficiary groups that most recently reached their year of eligibility as at the date of the prospectus.

**19.5 — If Beneficiary Does Not Complete or Advance in Eligible Studies**

(1) For a group scholarship plan, immediately under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, state the following using the same or substantially similar wording:

If your beneficiary does not complete or advance in their program, they may lose one or more EAPs. This can happen if your beneficiary does not complete all the courses required to advance to the 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 completing their program.

[State, if applicable — Your beneficiary may be able to defer a payment if they go back to a qualifying program. Deferrals are at our discretion.]

(2) Under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, disclose available options if the beneficiary does not complete or advance in their program.

(3) Disclose what happens to the earnings of the subscriber’s scholarship plan if the beneficiary does not complete or advance in their program. For a group scholarship plan, also provide a cross-reference to the disclosure provided under section 22.3 of Part C of this Form.

## *INSTRUCTIONS*

*(1) If the scholarship plan provides the option for a beneficiary to defer the payment of an EAP, state the period of time that an EAP may be deferred and the conditions and requirements that must be met to receive a deferred payment after the disclosure in the second paragraph of subsection 19.5(1).*

*(2) If the details of an option provided under subsection 19.5(2) have been disclosed elsewhere in the prospectus, provide a cross-reference to the disclosure contained in the prospectus. For example, if a subscriber may cancel their scholarship plan and receive an AIP, provide a cross-reference to the disclosure provided under Item 17 and Item 20 of Part C of this Form.*

## **Item 20 — Accumulated Income Payments**

### **20.1 — Accumulated Income Payments**

(1) Under the sub-heading “Accumulated income payments”, disclose

- (a) the conditions or requirements necessary to receive an AIP,
- (b) the components of an AIP,
- (c) the option for a subscriber who has received an AIP to transfer the payment to a registered retirement savings plan, and
- (d) any costs or other losses that the subscriber or the beneficiary could incur in receiving an AIP.

(2) State whether there may be tax consequences as a result of receiving an AIP and provide a cross- reference to the disclosure provided under subsection 11.3(2) of Part B of this Form.

## **Item 21 — Discretionary Payments to Beneficiaries**

### **21.1 — Discretionary Payments to Beneficiaries**

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

(2) Disclose when discretionary payments are made.

(3) State who decides whether a discretionary payment will be made and state the requirements or conditions that must be met in order to be eligible to receive a discretionary payment.

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

(5) 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.

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

(7) State whether the investment fund manager has established a funding and investment policy intended to ensure sufficient money is available to continue to fund discretionary payments at the historical levels reported in section 21.2 of Part C of this Form. Provide details of any funding policy and the current value of any fund. If no funding policy exists, state that fact and state the consequences of not having a policy.

(8) State the following using the same or substantially similar wording with the first sentence in bold type:

**Discretionary payments are not guaranteed.** You must not count on receiving a discretionary payment. The [*insert name of the entity funding the discretionary payment*] decides if it will make a payment in any year and how much the payment will be. If the [*insert name of the 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.

## **21.2 — Historical Amount of Discretionary Payments**

Provide information in the form of the following table about the historical discretionary payments made. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past discretionary payments” in bold:

**Past discretionary payments**

The table below shows the amount of discretionary payments paid per unit for the five beneficiary groups that most recently reached their year of eligibility.

It's important to note that this doesn't tell you if a beneficiary will receive a payment or how much they 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.

Year of studies	Discretionary payments by beneficiary group				
	[Most recent year]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]	[Most recent year minus 5]
First year <i>[if applicable]</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>
Second year	See note 1	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>
Third year	See note 1	See note 1	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>
Fourth year	See note 1	See note 1	See note 1	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

### INSTRUCTIONS

*(1) If the scholarship plan offers an EAP payment option tailored to reduced programs and the amount of discretionary payment per unit is the same for each EAP payment option, state, if applicable, that beneficiaries who select the EAP payment option tailored to reduced programs may receive a lesser total amount of discretionary payments than beneficiaries who receive the largest number of EAPs.*

*(2) If the amount of discretionary payment per unit is not the same for each EAP payment option, provide information, substantially in the form of the table required in section 21.2, for the historical discretionary payments per unit for each EAP payment option tailored to reduced programs.*

### Item 22 — Attrition

This Item applies to a group scholarship plan.

## **22.1 — Attrition**

(1) Under the heading “Attrition”, state the following using the same or substantially similar 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. If beneficiaries fail to qualify for some or all of their EAPs, there will be fewer beneficiaries remaining in the beneficiary group to share the amount of money available for paying EAPs. This 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 good standing. This is known as “pre-maturity attrition”; or
- 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 maximum period provided for in the plan. This is known as “post-maturity attrition”.

## **22.2 — Pre-Maturity Attrition**

(1) Under the sub-heading “Pre-maturity attrition”, state the following using the same or substantially similar wording:

If you leave the plan before it matures, you will get back your contributions less fees. You will not get back any earnings. The earnings on your contributions up to the time your plan is cancelled will go to the EAP account and be paid to the remaining beneficiaries in your beneficiary group as part of their EAPs.

(2) If the group scholarship plan permits a subscriber to receive an AIP on the earnings from government grants, state the following using the same or substantially similar wording:

You may, however, be eligible to receive an AIP on the earnings from the government grants in your plan. See “Accumulated income payments” for information on how to determine if you are eligible for an AIP from the plan.

(3) Provide information in the form of the following table about the income from cancelled units for each beneficiary group as at the scholarship plan’s most recent

financial year end. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Income from cancelled units” in bold type:

**Income from cancelled units**

The table below shows the current value of the income from cancelled units by beneficiary group. The amount of income from cancelled plans available to beneficiaries after the maturity date will depend on how many subscribers cancel their plan, how many beneficiaries qualify for EAPs and the investment performance of the scholarship plan.

<b>Beneficiary group</b>	<b>Percentage of units that have been cancelled</b>	<b>Total income from cancelled units available to remaining units</b>	<b>Income from cancelled units available to each remaining unit</b>
<i>[Specify year of eligibility of oldest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$Specify amount]</i>	<i>[\$Specify amount] per unit</i>
<i>[Specify year of eligibility of next oldest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$Specify amount]</i>	<i>[\$Specify amount] per unit</i>
⋮			
<i>[Specify year of eligibility of youngest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$Specify amount]</i>	<i>[\$Specify amount] per unit</i>

(4) Provide information in the form of the following table about the pre-maturity attrition rate for the scholarship plan. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Plans that did not reach maturity” in bold type:

**Plans that did not reach maturity:**

The table below shows the percentage of plans that did not reach maturity for each of the five beneficiary groups shown below. The most common reasons why plans did not reach maturity were because the subscriber cancelled their plan, we cancelled their plan due to a default, the subscriber transferred to another type of plan we offer, or the subscriber transferred to another RESP provider.

Of the last five beneficiary groups of the *[insert name of group scholarship plan]*, an average of *[see Instruction (1)]*% of the plans in each group were cancelled before their maturity dates.

<b>Maturity date of beneficiary group</b>	<b>Percentage of plans that did not reach maturity</b>
[Most recent maturity date by year]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 1]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 2]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 3]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 4]	<i>[See Instruction (2)]</i> %
<b>Average</b>	<i>[See Instruction (1)]</i> %

## INSTRUCTIONS

(1) Disclose the average rate required under subsection 22.2(3) using the same calculation set out in the Instructions that apply to Item 9 of Part A of this Form.

(2) For each beneficiary group that had a maturity date in the five most recent years, calculate the percentage of plans that did not reach maturity by following Instructions (2) to (5) that apply to Item 9 of Part A of this Form.

### 22.3 — Post-Maturity Attrition

(1) Under the sub-heading “Post-maturity attrition”, state the following using the same or substantially similar wording:

If your beneficiary does not pursue or complete eligible studies, you will get back your contributions, less fees. You will not get back any earnings. *[Insert if applicable – A beneficiary may lose one or more EAPs if they do not enrol in four years of eligible studies.]*

(2) Provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments of EAPs” in bold:

**Past payments of EAPs** [*state if the scholarship plan offers an EAP payment option tailored to reduced programs — four years of eligible studies*]

The table below shows the percentage of beneficiaries who received the maximum of [*insert maximum number of EAPs payable under the scholarship plan*] EAPs under the plan and those who received some or no EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

	<b>Beneficiary group</b> [ <i>See Instruction (1)</i> ]				
	<b>[Most recent year]</b>	<b>[Most recent year minus 1]</b>	<b>[Most recent year minus 2]</b>	<b>[Most recent year minus 3]</b>	<b>[Most recent year minus 4]</b>
Beneficiaries who received all [3 or 4] EAPs	[Specify percentage]%  [See Instructions (2) and (3)]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 3 out of 4 EAPs [as applicable]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 2 out of [3 or 4] EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 1 out of [3 or 4] EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received no EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(3) If the scholarship plan offers an EAP payment option tailored to reduced programs, provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments of EAPs [*— [specify reduced number of years]-year program*]” in bold:

**Past payments of EAPs** [*— [specify reduced number of years]-year program*]

For EAP payment options tailored to eligible studies of [*specify reduced number of years*] years, the table[s] below show[s] the number of beneficiaries who received all of their EAPs and the number who received some or none of their



EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

	<b>Beneficiary group [See Instruction (1)]</b>				
	<b>[Most recent year]</b>	<b>[Most recent year minus 1]</b>	<b>[Most recent year minus 2]</b>	<b>[Most recent year minus 3]</b>	<b>[Most recent year minus 4]</b>
Beneficiaries who received [all] [1, 2, or 3] EAP[s]	[Specify percentage]%  [See Instructions (2) – (4)]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 2 out of 3 EAPs [as applicable]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 1 out of [2 or 3] EAPs [as applicable]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received no EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(4) Disclose in a footnote to the tables required under subsections (2) and (3) any change to the EAP payout option available to beneficiaries, if a change occurred in the past five years.

**INSTRUCTIONS**

(1) In the tables required under subsections 22.3(2) and (3), present the five most recent beneficiary groups by year of eligibility for which the maximum number of EAPs under the EAP payment option has been paid as at the most recent financial year end of the scholarship plan and beneficiaries in the beneficiary group have no further opportunity to collect EAPs. For example, do not include a beneficiary group that has been eligible to be paid only one EAP if the maximum number of EAPs payable is four.

(2) For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date.

*For a group scholarship plan that offers EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date who selected the relevant payment option.*

*(3) Present the percentages as at the financial year end referred to in Instruction (1).*

*(4) For a group scholarship plan that offers EAP payment options tailored to reduced programs, in response to subsection 22.3(3), prepare a table for each payout option, modifying the number of rows in the table as applicable. For example, for a scholarship plan that provides the option to elect payment of two EAPs for a 3- year program, present a table containing rows to show the number of beneficiaries who received two out of two EAPs, the number of beneficiaries who received only one out of two EAPs and the number of beneficiaries who received no EAPs.*

## **Item 23 — Other Material Information**

### **23.1 — Other Material Information**

(1) Under the heading “Other important information”, state any other material facts relating to the securities being offered that are not disclosed under any other item in this 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**

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

*(2) For a single prospectus, provide this disclosure either under this Item or under Item 14 of Part B of this Form, whichever is more appropriate.*

*(3) For a multiple prospectus, provide this disclosure under this Item if the disclosure does not pertain to all of the scholarship plans described in the document. If the disclosure pertains to all of the scholarship plans described in the Detailed Plan Disclosure, provide the disclosure under Item 14 of Part B of this Form.*

## **Part D — Detailed Plan Disclosure - Information about the Organization**

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

#### **1.1 — Legal Structure**

(1) At the top of the first page of the Part D section of the prospectus, under the heading “About [*insert name of the scholarship plan provider*]” with the sub-heading “An overview of the structure of our plan[s]”, state the full corporate name of the scholarship plan or, if the scholarship plan is an unincorporated entity, the full name under which it carries on business, and the address of its head or registered office.

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

(3) State the laws under which the scholarship plan was formed or, if the scholarship plan 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 and, if any material amendments have occurred in the last 10 years, state that the constating documents have been amended in the last 10 years and describe the amendments.

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

#### *INSTRUCTION*

*The information required for this Item may be presented in the form of a table.*

### **Item 2 — Organization and Management Details**

#### **2.1 — Directors and Officers of the Plan**

(1) Under the sub-heading “Directors and officers of the Plan”, list the names, the municipality of residence or postal address, and the principal occupations at, or within the five years preceding the date of the prospectus, of all directors or executive officers of the scholarship plan.

(2) If the principal occupation of a director or executive officer of the scholarship plan is that of a partner, director or officer of a company other than the scholarship plan, state the business in which the company is engaged.

(3) If a director or executive officer of a scholarship plan has held more than one position in the scholarship plan, state only the first and last positions held.

## 2.2 — Investment Fund Manager

- (1) Under the sub-heading “Manager of the scholarship plan”, state the name, address, telephone number, e-mail address and, if applicable, website address of the investment fund manager of the scholarship plan.
- (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.
- (3) Under the sub-sub-heading “Duties and services to be provided by the manager”, describe the duties and services provided by the investment fund manager of the scholarship plan.
- (4) Under the 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.
- (5) Under the 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.
- (6) Under the sub-sub-heading “Cease trade orders and bankruptcies”,
  - (a) if applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other 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 issuer, that was

(i) subject to an order that was issued while the partner, director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, or

(ii) 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 of director, chief executive officer or chief financial officer, and

(b) if a statement is required by paragraph (a), describe the basis on which the order was made and whether the order is still in effect.

(7) For the purposes of subsection (6), “order” means any of the following, if in effect for a period of more than 30 consecutive days:

(a) a cease trade order;

(b) an order similar to a cease trade order;

(c) an order that denied the relevant issuer access to any exemption under securities legislation.

(8) If applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other entity responsible for the day-to-day administration of the scholarship plan

(a) is, as at the date of the prospectus or pro forma prospectus, 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 issuer that, while that person was acting in that capacity, or within one 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) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became 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) If any of the duties or functions of the investment fund manager are performed by another entity, the disclosure required under subsections (2), (3), (4) and (5) must also be provided for that entity.*

*(2) The disclosure required by subsections (6) and (8) also applies to any personal holding companies of any of the persons referred to in subsections (6) and (8).*

*(3) 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.*

### **2.3 - Trustee**

Under the sub-heading “Trustee”, provide details of the trustee of the scholarship plan, including the municipality and the province or country where the trustee principally provides its services to the scholarship plan.

### **2.4 – The Foundation**

(1) Under the sub-heading “The Foundation”, state the name and municipal address of the Foundation.

(2) Describe the role of the Foundation, including its mandate and responsibilities.

(3) List the names and municipality of residence of the directors and executive officers of the Foundation, the respective positions and offices held with the Foundation, and their respective principal occupations at, or within the five years preceding, the date of the prospectus.

(4) If a director or executive officer of the Foundation has held more than one office with the Foundation within the last five years, state only the current office held.

(5) If the Foundation provides reports of its activities to subscribers, provide information about how frequently reports are prepared, how a subscriber may obtain a copy of the report, and whether there is any cost to obtaining a report.

### **2.5 — Independent Review Committee**

(1) Under the 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, and

(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 prospectus of the scholarship plan, as applicable.

(2) State the following using the same or substantially similar wording:

At least annually, the independent review committee prepares a report of its activities for subscribers 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].

## **2.6 – Other Groups**

Under separate sub-headings with the name of each applicable body or group, provide detailed information describing any other body or group that has responsibility for plan governance or performs any kind of oversight function over the scholarship plan and its activities, and the extent to which its members are independent of the investment fund manager of the scholarship plan.

### *INSTRUCTION*

*For greater certainty, an applicable body or group includes any committees or sub-committees of the investment fund manager or the Foundation that are established for a specific purpose in respect of the scholarship plan, as well as any third-party dispute resolution service to which the scholarship plans belong or subscribe to.*

## **2.7 — Remuneration of Directors, Officers, Trustees and Independent Review Committee Members**

(1) Under the sub-heading “Compensation of directors, officers, trustees, and independent review committee members”, if the management functions of the scholarship plan are carried out by employees of the scholarship plan, provide for each employee 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 during the most recently completed financial year of the scholarship plan, for the services of the directors of the scholarship plan, the directors of the Foundation or other independent board of governors or advisory board that may perform a similar function, and the members of the independent review committee of the scholarship plan and include the amounts paid, the name of the individual and any expenses reimbursed by the scholarship plan to the individual:

(a) in any of those capacities, including any additional amounts payable for committee participation or special assignments;

(b) in the capacity as a 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.

#### *INSTRUCTION*

*The disclosure required under subsection 2.5 (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.*

### **2.8 — Portfolio Adviser**

(1) Under the sub-heading “Portfolio adviser” if the investment fund manager provides portfolio management services in connection with the scholarship plan, state that fact.

(2) If the investment fund manager does not provide portfolio management services to the scholarship plan, state the name(s) 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 persons employed by or associated with the investment fund manager or a portfolio adviser of the scholarship plan who 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) Under the sub-sub-heading “Details of the portfolio advisory agreement”, provide a brief description of the essential details of any portfolio advisory agreement that a portfolio adviser has entered into or will be entering into with the scholarship plan or the investment fund manager of the scholarship plan, including any termination rights.

### **2.9 — Principal Distributor**



(1) Under the sub-heading “Principal distributor”, 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.

## **2.10 — Dealer Compensation**

(1) Under the sub-heading “Dealer compensation”, describe

(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-heading “Dealer 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 or an affiliate of 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 or administrative fees received by the investment fund manager 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. The term “member of the organization” has the same meaning as in NI 81-105, except that “scholarship plan” is substituted for “mutual fund” in this Form.*

*(2) The disclosure presented under this Item must 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 must take into account the payment of sales commissions, other commissions and the costs of participation in co-operative marketing, fund promotion and educational conferences.*

*(4) If the investment fund manager of the scholarship plan charges an “all-inclusive fee”, which includes the management or administrative fee, and other types of fees normally paid by the scholarship plan, such as custodian, trustee or portfolio management fees, only the portion of that all-inclusive fee that is attributable to the management or administrative fees payable to the investment fund manager must be used in calculating the denominator referred to in paragraph 2.10(2)(b).*

#### **2.11 — Custodian**

(1) Under the 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.*

#### **2.12 — Auditor**

Under the sub-heading “Auditor”, state the name and address of the auditor of the scholarship plan.

## **2.13 — Transfer Agent and Registrar**

Under the sub-heading “Transfer agent and registrar”, for each class or series 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 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 or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

## **2.14 — Promoter**

(1) Under the sub-heading “Promoter”, for a person or company 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, and if that person or company is not otherwise identified as the investment fund manager or dealer of the scholarship plan, state

(a) the person or company’s name and municipality and the province or country of residence,

(b) the number and percentage of each class or series of voting securities and equity securities of the scholarship plan or any of its subsidiaries owned, or controlled or directed, directly or indirectly, by the person or company,

(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 or from an associate or an affiliate of the scholarship plan, and the nature and amount of any assets, services or other consideration received or to be received by the scholarship plan, or an associate or an affiliate of the scholarship plan, 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 or by an associate or an affiliate of the scholarship plan 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 or company making the determination referred to in subparagraph (i) and the person’s or company’s relationship with the scholarship plan, the promoter or an associate or an affiliate of the scholarship plan 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 or company that was subject to an order that was issued while the promoter was acting in the capacity of 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 or company 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 that fact and describe the basis on which the order was made and whether the order is still in effect.

(4) For the purposes of subsections (2) and (3), “order” means any of the following, if in effect for a period of more than 30 consecutive days:

(a) a cease trade order;

(b) an order similar to a cease trade order;

(c) an order that denied the relevant person or company access to any exemption under securities legislation.

(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 or company 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;

(b) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

## *INSTRUCTIONS*

*(1) The disclosure required by subsections (2), (3) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (3), 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 subsections (2) and (3) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

*(3) The disclosure requirement in subsection (2) applies only if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The scholarship plan does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

## **2.15 — 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 or company that provides services relating to portfolio valuation, securityholder 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 or company has been retained.

## **2.16 — Ownership of the Investment Fund Manager and Other Service Providers**

(1) The information required in response to this Item must be given as of a specified date within 30 days before the date of the prospectus.

(2) Under the sub-heading “Ownership of the manager and other service providers”, disclose the percentage of securities of each class or series of voting securities of the investment fund manager of the scholarship plan owned of record or beneficially by each person or company that owns of record, or is known by the investment fund manager to beneficially own more than 10% of any class or series of voting securities of the investment fund manager, and disclose whether the securities are owned both of record and beneficially, of record only, or beneficially only.

(3) For any person or company that is named in response to subsection (2), disclose the name of any person or company of which the first-mentioned person or company is a “controlled entity”.

(4) If any person or company named in subsection (2) owns of record or beneficially, more than 10% of any class or series of voting securities of the principal distributor of the scholarship plan, disclose the number and percentage of securities of the class or series so owned.

(5) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned in aggregate,

(a) by all the directors and executive officers of the scholarship plan in each of

- (i) the investment fund manager, and
- (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and

(b) by all the directors and executive officers of the investment fund manager of the scholarship plan in each of

- (i) the investment fund manager, and
- (ii) any person or company that provides services to the scholarship plan or the investment fund manager;

(c) by all the members of the independent review committee of the scholarship plan in each of

- (i) the investment fund manager, and
- (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and

(d) by all the directors and executive officers of the foundation in each of

- (i) the investment fund manager, and
- (ii) any person or company that provides services to the scholarship plan or the investment fund manager.

#### *INSTRUCTION*

*A person or company is a “controlled entity” of another person or company if any of the following apply:*

*(a) in the case of the person or company*

- (i) voting securities of the first-mentioned person or company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the second-mentioned person or company, and*

*(ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;*

*(b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50% of the interests in the partnership;*

*(c) in the case of a limited partnership, the general partner is the second-mentioned entity or company.*

## **2.17 — Affiliates of the Investment Fund Manager**

(1) If any person or company that provides services to the scholarship plan or the investment fund manager in relation to the scholarship plan is an affiliate of the investment fund manager, illustrate the relationships of those affiliates in the form of an appropriately labelled diagram, under the sub-heading “Affiliates of the manager”.

(2) Identify any individual who is a director or executive officer of the scholarship plan or the investment fund manager and also of any affiliate of the investment fund manager described in response to subsection (1), and give particulars of the relationship.

## **Item 3 — Experts**

### **3.1 — Names of Experts**

Under the heading “Experts who contributed to this prospectus”, name each person or company

(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 or company.

### **3.2 — Interests of Experts**

(1) Disclose all registered or beneficial ownership in any securities, assets or other property of the scholarship plan or of an associate or an affiliate of the scholarship plan received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company 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 1%, a general statement to that effect is sufficient.

(3) If an individual, or a director, officer or employee of a person or company, 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 or of any associate or affiliate of the scholarship plan, disclose that fact.

(4) Despite subsection (1), an auditor who is independent in accordance with the auditor's rules of professional conduct in a jurisdiction of Canada or has performed an audit in accordance with the U.S. GAAS is not required to provide the disclosure required by subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor's rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC's rules on auditor independence.

#### *INSTRUCTION*

*In addition to the scholarship plan's current auditor, the disclosure referred to in section 3.2 must be provided for the scholarship plan's predecessor auditor for those periods for which it was the scholarship plan's auditor.*

### **Item 4 — Subscriber Matters**

#### **4.1 — Subscriber Matters**

Under the heading, "Subscriber matters" and the sub-heading "Meetings of subscribers", describe the circumstances, processes and procedures for holding a subscriber meeting and for any extraordinary resolutions.

#### **4.2 — Matters Requiring Subscriber Approval**

Under the sub-heading "Matters requiring subscriber approval", describe the matters that require subscriber approval.

#### **4.3 — Amendments to Declaration of Trust**

For a scholarship plan established pursuant to a declaration of trust, under the sub-heading "Amendments to the declaration of trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

#### **4.4 — Reporting to Subscribers and Beneficiaries**

Under the 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 5 — Business Practices**



## **5.1 — Policies**

Describe, under the heading “Business Practices” with the sub-heading “Our policies”, the policies, practices and guidelines of the scholarship plan or the investment fund manager relating to business practices, sales practices, risk management controls and internal conflicts of interest and, if the scholarship plan or the investment fund manager of the scholarship plan has no such policies, practices or guidelines, state that fact.

## **5.2 – Brokerage Arrangements**

(1) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state, under the sub-heading “Brokerage arrangements”

(a) the process for, and factors considered in, selecting a dealer to effect securities transactions for the scholarship plan, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity,

(b) the nature of the arrangements under which order execution goods and services or research goods and services might be provided,

(c) each type of good or service, other than order execution, that might be provided, and

(d) the method by which the portfolio adviser makes a good faith determination that the scholarship plan, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.

(2) Since the date of the last prospectus, if any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service by the dealer or a third party, other than order execution, state

(a) each type of good or service, other than order execution, that has been provided to the manager or portfolio adviser of the scholarship plan, and

(b) the name of any affiliated entity that provided any good or service referred to in paragraph (a), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity.

(3) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (2)(a), that was not disclosed under paragraph (2)(b), will be provided upon request by contacting the scholarship plan, and provide a telephone number and email address for the scholarship plan.

#### *INSTRUCTION*

*Terms defined in National Instrument 23-102 Use of Client Brokerage Commissions have the same meaning where used in this Item.*

### **5.3 — Valuation of Portfolio Investments**

(1) Under the 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 investment fund manager differ from Canadian GAAP, describe the differences.

(3) If the investment fund 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, state that fact.

### **5.4 — Proxy Voting Disclosure for Portfolio Securities Held**

(1) Unless the scholarship plan invests exclusively in non-voting securities, under the sub-heading “Proxy voting”, describe the policies and procedures that the scholarship plan 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 investment fund manager, portfolio adviser, or any associate or affiliate of the scholarship plan, its investment fund manager or its portfolio adviser, and

(b) any policies and procedures of the scholarship plan’s portfolio adviser, or any other third party that the scholarship plan follows, or that are followed on the scholarship plan’s behalf, to determine how to vote proxies relating to portfolio securities.

(2) State the following:

The policies and procedures that the scholarship plan follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling [*insert toll-free/collect call telephone number*] or by writing to [*insert mailing address*].

(3) State that the scholarship plan'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.

## **Item 6 – Conflicts of Interest**

### **6.1 — Conflicts of Interest**

Under the heading “Conflicts of interest”, disclose particulars of existing or potential material conflicts of interest between

- (a) the scholarship plan and the foundation or any partner, director or executive officer of the foundation,
- (b) the scholarship plan 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 and the portfolio adviser or any partner, director or executive officer of the portfolio adviser of the scholarship plan.

### **6.2 — Interests of Management and Others in Material Transactions**

(1) Under the 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 or companies 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;
- (b) a person or company that owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the scholarship plan or the investment fund manager;
- (c) an associate or an affiliate of any of the persons or companies referred to in paragraph (a) or (b).

## **Item 7 — Material Contracts**

### **7.1 — Material Contracts**

- (1) Under the 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 or any other constating document,
  - (c) any agreement of the scholarship plan or trustee with the investment fund manager of the scholarship plan,
  - (d) any agreement of the scholarship plan, the investment fund manager or trustee with the portfolio adviser of the scholarship plan,
  - (e) any agreement of the scholarship plan, the investment fund manager or trustee with the custodian of the scholarship plan,
  - (f) any agreement of the scholarship plan, 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 government grants and incentives.
- (2) State a reasonable time 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 the particulars of a contract, the date of, parties to, consideration paid by the scholarship plan under, key terms including termination provisions of, and the general nature of the contract.

*INSTRUCTION*

*Provide a list of all the contracts for which particulars must be given under this Item and indicating which of those contracts are described elsewhere in the prospectus, if applicable. Provide particulars only for those contracts that are not described elsewhere in the prospectus.*

**Item 8 — Legal Matters**

**8.1 — Exemptions and Approvals**

Under the heading “Legal matters” with the sub-heading “Exemptions and approvals under securities laws”, describe all exemptions from or approvals under securities

legislation that are not otherwise disclosed under Item 9 of Part B or Item 9 of Part C of this Form, as applicable, obtained by the scholarship plan or the investment fund manager that continue to be relied upon by the scholarship plan 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 the Instrument.

## **8.2 — Legal and Administrative Proceedings**

(1) Under the 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, the foundation, 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 commenced,
- (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) If the investment fund manager, the foundation, or promoter of the scholarship plan, or a director or officer of the scholarship plan or the partner, director or officer of the investment fund manager or the foundation has, within the 10 years before the date of the prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of an 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 9 — Certificates**

### **9.1 — Certificate of the Scholarship Plan**

Include a certificate of the scholarship plan in the following form:

This prospectus, together with the documents incorporated herein by reference, 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*].

## **9.2 — Certificate of the Investment Fund Manager**

Include a certificate of the investment fund manager of the scholarship plan in the same form as the certificate of the scholarship plan.

## **9.3 — Certificate of the Principal Distributor**

If there is a principal distributor of the scholarship plan, include a certificate of the principal distributor of the scholarship plan in the same form as the certificate of the scholarship plan.

## **9.4 — Certificate of the Promoter**

If there is a promoter of the scholarship plan, include a certificate of each promoter of the scholarship plan in the same form as the certificate of the scholarship plan.

## **9.5 — Amendments**

(1) For an amendment to a scholarship plan 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 in sections 9.1 to 9.4.

(2) For an amended and restated scholarship plan prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 9.1 to 9.4.

## Appendix E

### Change to Companion Policy 41-101CP - *Companion Policy to National Instrument 41-101 General Prospectus Requirements*

1. A proposed change to Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements* is set out below.

2. *The following section is added after section 4.1:*

#### **Plan summary for a scholarship plan**

- 4.1.1** To help write the plan summary for a scholarship plan in plain language, scholarship plan providers may use the Flesch-Kincaid methodology to assess the readability of a plan summary. The Flesch-Kincaid grade level scale is a methodology that rates the readability of a text to a corresponding grade level and can be determined by the use of Flesch-Kincaid tests built into commonly used word processing programs. For French-language documents, scholarship plan providers may wish to consider using other appropriate readability tools.

3. This change becomes effective on May 31, 2013