

Declaration of Trust Tax-free Savings Account

1. Terms we use in this Declaration of Trust

You and your mean the holder (as defined under the Act) of an AGF Tax-free Savings Account.

We, us, our and the trustee mean B2B Trustco, a trust company incorporated under the laws of Canada and having an office in the City of Toronto, in the Province of Ontario.

AGF means AGF Investments Inc.

TFSA means tax-free savings account.

Plan means your AGF TFSA.

Act means the *Income Tax Act* (Canada).

Tax Laws mean the Act and applicable income tax legislation of the province in which you live.

Spouse, in this Declaration of Trust and in the application and any additional terms and conditions, means only a person recognized as a spouse or common-law partner for purposes of the provisions of the tax laws relating to TFSAs.

2. Declaration of trust

We agree to be the trustee for you under the Plan according to the conditions set out here. For greater certainty, this arrangement is a trust for purposes of the Tax Laws. Under Tax Laws, we are the issuer of the Plan and you are the person for whose exclusive benefit we have agreed to maintain the Plan.

Such exclusive benefit shall be determined without regard to any right of a person to receive a payment out of or under this Plan on or after your death. While you remain the holder of the Plan, only you or the trustee shall have rights under the Plan relating to the amount and timing of withdrawals and the investing of funds.

3. Our Agent is AGF

AGF is our agent and will administer (or will arrange for the administration of) the Plan for us. However, we're ultimately responsible for administering the Plan.

4. Governing law

The Plan will be governed by, interpreted and administered according to the laws of Ontario and Canada.

5. Registration

When we receive your completed application, we'll file an election to register the qualifying arrangement under the relevant provisions of the Tax Laws. Should such request to register the Plan under the Tax Laws be declined due to missing, invalid, or inconsistent mandatory information you provided, we will work with your investment advisor(s) and/or dealer(s) to obtain the information required to register the Plan. If the Plan cannot be registered within a reasonable time, the Plan will be deemed to be a non-registered account of AGF (the "Taxable Account") from the date of your application as it has never been a TFSA under the applicable Tax Laws. The Taxable Account status means to you that annually, income and gains earned or allocated in the account and any dispositions occurring therein as reflected on either your statements or the required income tax slips to be issued under the applicable Tax Laws is reportable on your income tax returns.

6. Proof of Age

The statement of your date of birth on the application constitutes a certification by you and an undertaking to provide such other evidence of proof of age as is required.

7. Your contributions to the Plan

Only you may make contributions to the Plan.

We'll hold in trust for you:

- all contributions you make to the Plan
- if you participate in a group Plan, all contributions made on your behalf to the Plan by your employer as your agent
- all transfers from other TFSAs of which you are the holder
- all income and capital gains generated by the investment of these contributions.

Contributions made to a TFSA while the holder is a non-resident are subject to a special tax as prescribed by the Tax Laws.

You are solely responsible for determining the maximum amount that may be contributed to the Plan each year under the Tax Laws. If you contribute more than the maximum amount, we'll return the overcontribution to you when you send us a written request to reduce the amount of the overcontribution. We can liquidate assets for this purpose.

If the Plan is part of a group TFSA, you are solely responsible for complying with any additional terms and conditions imposed by your employer in connection with the Plan, provided those terms comply with the Tax Laws.

8. Transfers from other plans/accounts

You may transfer assets to the Plan from other TFSAs of which you are the holder.

In addition to the terms and conditions of this Declaration of Trust, you agree to be bound by, and the Plan will be subject to, any additional terms and conditions required to complete the transfer of assets to the Plan in accordance with applicable law. The additional terms and conditions will be part of the terms and conditions of the Plan when the applicable amounts are transferred. Where there are inconsistencies, these additional terms and conditions will take precedence over the terms and conditions of this Declaration of Trust, unless the Tax Laws provide otherwise.

9. Transfers to other plans/accounts

You may transfer assets from the Plan to other TFSAs of which you are the holder.

In addition to the terms and conditions of this Declaration of Trust, you agree to be bound by, and the Plan will be subject to, any additional terms and conditions required to complete the transfer of assets from the Plan in accordance with applicable law. The additional terms and conditions will be part of the terms and conditions of the Plan when the applicable amounts are transferred. Where there are inconsistencies, these additional terms and conditions will take precedence over the terms and conditions of this Declaration of Trust, unless the Tax Laws provide otherwise.

10. How we invest your contributions

We'll invest the assets in the Plan in the investment products we make available for investment by the Plan, according to your instructions. If you don't tell us how to invest the assets, we'll invest in units of AGF Canadian Money Market Fund until you tell us otherwise.

In making investments under the Plan, we're not restricted to investments specifically authorized by law for trustees to make. We may authorize investments in any mutual funds or other forms of pooled investment products, even though these kinds of investments may not be authorized by law for other trustees. We won't be liable for any related loss in the value of the Plan in connection with any such investments we have authorized in good faith. You confirm that the trustee is not responsible for any related taxes, interest or penalties imposed on you or your Plan, except for those taxes, interest and penalties, if any, imposed on the trustee by the Act that are not reimbursable to the trustee from the Plan under the Act.

You can change the investments in the Plan at any time by telling us. Notwithstanding anything herein to the contrary, you are responsible for ensuring that the investments in the Plan are qualified investments for TFSAs under the Act. It is your responsibility to provide any required information to the trustee concerning whether an investment held is a non-qualified investment under the Act. You will take all necessary measures to immediately liquidate any non-qualified investment under the Act, and in the alternative, you hereby authorize us to liquidate, or to give instructions to any other party to liquidate, any non-qualified investments under the Act, but in no event shall we be obligated to liquidate or to give instructions to liquidate except as specifically authorized by you in writing.

11. Earnings

While contributions to the Plan are not tax-deductible, all interest, dividends, capital gains and other income earned in the Plan are non-taxable. As well, the original capital and all income earned can be withdrawn tax-free at any time, in any amount.

12. Withdrawals

You may request a tax-free withdrawal from the Plan at any time and in any amount. When we receive your written request, we'll liquidate assets in the Plan according to your instructions and pay the proceeds to you. If you don't tell us which assets to liquidate, we'll use our own discretion.

13. Should you die while holding a Plan

Generally, if you die while holding a Plan, earnings that accrue after your death are taxable, while those accrued before your death may be exempt from tax.

If you name your Spouse as the successor holder your Spouse will become the holder of your Plan on your death and the earnings in your Plan maintain their tax-free status and any investments in your Plan do not affect the accumulated maximum contribution limit of your Spouse.

If you die having named a successor holder, we'll put the Plan in your successor holder's name. We'll need satisfactory proof of your death, and may require other documents from your legal representatives, before we can do so. Where allowed by law, you can designate a successor holder on the application or by written notice. The successor holder has the unconditional right to revoke any prior beneficiary designation made, or similar direction imposed, by you under the Plan or relating to property held in connection with the Plan. You're solely responsible for making sure your successor holder designation is legally valid under the laws of Canada and its provinces and territories, as may be applicable.

If you get married or separated, or your designated successor holder dies, your successor holder designation may not automatically change. You may need to complete a new designation for this purpose. It is your sole responsibility to ensure that your designation of successor holder is legally valid, up to date and changed when appropriate.

You can change the successor holder by completing a form we provide or by giving us written notice. The form or notice must be delivered to us before we make any payments from the Plan. If you've given us more than one form or notice, we'll act on the one with the most recent date.

If you die without a successor holder, we'll settle your Plan and tax will be owing for any growth in the Plan from your date of death to the date of settlement. We'll liquidate the assets in the Plan and, subject to any additional legal requirements, pay the proceeds to your personal representatives in a lump sum, less any fees.

If you have a Spouse but have not designated your Spouse as the successor holder, your Spouse is entitled to transfer the fair market value of your assets on the date of your death to his or her TFSA as an exempt contribution which will not attract tax and which will not affect his or her accumulated maximum contribution limit, provided your Spouse declares the amount from your TFSA as an exempt contribution using the form provided by the Canada Revenue Agency within 30 days of your death and transfers the amount by the end of the year after the year of your death. If you designated one or more beneficiaries for the Plan who are alive at the time of your death, we'll pay the lump sum proceeds to your beneficiaries, less any fees. We'll need satisfactory proof of your death, and may require other documents from your legal representatives, before we can make the payment. Where allowed by law, you can designate a beneficiary on the application or by written

notice. You're solely responsible for making sure your beneficiary designation is legally valid. If you get married or separated, or your designated beneficiary dies, your beneficiary designation may not automatically change. You may need to complete a new designation for this purpose. It is your sole responsibility to ensure that your designation of beneficiary is legally valid, up to date and changed when appropriate.

You can change the beneficiary or beneficiaries by completing a form we provide or by giving us written notice. The form or notice must be delivered to us before we make any payments from the Plan. If you've given us more than one form or notice, we'll act on the one with the most recent date.

14. Account statements

We'll keep the account records of the Plan. Every year we'll send you a statement showing:

- contributions, transfers and earnings
- payments from the Plan
- fees or expenses
- the total value of the Plan.

15. Advantages, special services and prohibition

We cannot provide any advantages or special services that are conditional in any way on the existence of the Plan, other than those permitted under the Tax Laws, to:

- you
- members of your immediate family
- anyone else with whom you are not dealing at arm's length.

You can use your interest, or for civil law, right in the Plan as security for a loan or other indebtedness if paragraphs 146.2(4)(a) and 146.2(4)(b) of the Act are met. The trust cannot borrow money or other property for the purposes of the Plan in accordance with paragraph 146.2(2)(f) of the Act.

16. Fees

We're entitled to receive a fee for our services as trustee. We're also entitled to reimbursement for any expenses or taxes we or AGF (as our agent) incur performing our duties as trustee except for those taxes, interest and penalties imposed on the trustee by the Act that are not reimbursable to the trustee from your Plan under the Act. These fees are determined from time to time and are outlined on your account statement.

We're also entitled to receive a reasonable fee, which we establish, for any exceptional services we perform as trustee, including having to exercise our discretion.

Except as may be prohibited by the Act, we'll deduct these fees and reimbursements from the assets of the Plan and may sell assets as we consider necessary for this purpose. You authorize us to pay AGF all or a portion of these fees. Except where prohibited by the Act and notwithstanding any other provision of this declaration, the trustee is entitled to deduct from any other account held by you with us or any of our affiliates, those taxes, interest and penalties imposed on us by the Act that are not reimbursable to the trustee from your Plan under the Act. In some cases, we may allow you to pay us directly instead of from the assets of the Plan. We'll give you 30 days written notice before changing these fees.

17. Our voting rights

As trustee, we'll vote on your behalf at all shareholders' meetings in favour of management's proposals. However, you may request in writing the right to vote at a shareholders' meeting in respect of any units or shares of mutual funds or any other securities held in the Plan. We'll comply with your request as long as we receive it at least 48 hours before the meeting.

18. Notices

You can write to us about the Plan by sending a postage-paid letter to:

B2B Trustco
Trustee of AGF Tax-free Savings Accounts
c/o AGF Investments Inc.
P.O. Box 50
Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E9

We'll consider that you've given us the letter when we receive it. We'll give you any notice, statement or receipt by mailing it to the last address you have given to us or to AGF in writing or by making it available to you electronically. We'll consider that we've given you the letter on the date we mail it or make it available to you electronically.

19. Changes to this Declaration of Trust

We may at our own discretion and will at the written direction of AGF, change this Declaration of Trust provided that:

- the relevant taxation authorities approve
- any changes do not disqualify the Plan as a TFSA under the Tax Laws.

The Plan is required to comply with the applicable laws at all times. If AGF needs to make changes in order to comply with the applicable laws or otherwise, the changes will be effective once they have been approved by Canada Revenue Agency. We will send you notice of any changes to the Plan by the later of: (a) 30 days following approval of the changes and (b) the date we mail or make available electronically our annual account statements to you.

20. Limitation on the liability of the trustee and agent

Neither we nor AGF are responsible in our personal capacity for taxes imposed on us for buying, selling or keeping any investment, including non-qualified investments except for those taxes, interest and penalties imposed on the trustee by the Act that are not reimbursable to the trustee from your Plan under the Act. We and AGF may reimburse ourselves for, or pay any such taxes out

of, the assets of the Plan in any manner we choose, except where prohibited by the Act. Neither we nor AGF are responsible in our personal capacity if the Plan, you, any successor holder or any beneficiary incurs losses caused by our buying, selling or keeping any investment, unless the losses are caused by or result from our or AGF's dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard.

You, your legal personal representatives, any success holder and any beneficiary under the Plan, agree to indemnify us and AGF for any taxes we must pay in respect of the Plan (other than the taxes, interest and penalties for which we are liable in accordance with the Act), or any losses incurred by the Plan, caused by us or AGF:

- buying, selling or keeping any investment
- making payments from the Plan in accordance with this Declaration of Trust, or
- acting or refusing to act on any instructions given to us by you or for you, unless the losses are caused by or result from our or AGF's dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard.

21. Successor trustee

We may resign as trustee of the Plan by giving 90 days notice in writing to AGF. AGF may remove us as trustee by giving us 30 days written notice (or no notice if we can no longer act as trustee), provided a successor trustee has been appointed in writing. If we stop being trustee for any reason, we'll appoint a successor trustee designated by AGF. However, if AGF doesn't recommend a successor within 60 days after it receives written notice of our resignation, we may do so.

Within 90 days of its appointment, the successor trustee will give you written notice of the change. We'll transfer all books, records and assets of the Plan to the successor trustee.

22. Quebec Residents/Residents du Quebec

You confirm that you have expressly requested all communications relating to the Plan to be in English, including:

- the application
- this Declaration of Trust (and any additional terms and conditions)
- all notices
- all statements

Vous confirmez avoir expressement demande que toute communication se rapportant a ce regime soit redigee en anglais, y compris:

- *la demande*
- *cette declaration de fiducie (et toute autre modalite)*
- *tous les avis*
- *tous les etats de compte*



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