



## B2B Trust Investment Loan Information Sheet

- 100% Investment Loan: B2B Trust will finance 100% of the investment.
- 3 For 1 Investment Loan: B2B Trust will lend up to three times the amount pledged, hypothecated and/or assigned.
- 2 For 1 Investment Loan: B2B Trust will lend up to two times the amount pledged, hypothecated and/or assigned.
- 1 For 1 Investment Loan: B2B Trust will match the dollar amount pledged, hypothecated and/or assigned.

### Application Requirements\*

B2B Trust Documentation	100%	3 For 1	2 For 1	1 For 1
Original Investment Loan Application	Completed, signed and witnessed			
Pledge Letter and/or cheque payable to B2B Trust	If paying out another financial institution	✓	✓	✓
Letter of Direction	If paying out another financial institution			
Movable Hypothec	Quebec only			
Letter of Privilege	Required for the B2B Trust Select Loan Program			
Client Documentation	100%	3 For 1	2 For 1	1 For 1
Void cheque from a personal account	✓	✓	✓	✓
Proof of Assets: ▪ Statements/Assessments	Required for all loans ≥ \$100,000. Documentation for loans < \$100,000 is required upon request	Required upon request		
Salaried employees: ▪ Notice of Assessment and pay stub				
Self-employed individuals: ▪ Last two years Notice of Assessment and Financial Statements				
Commissioned sales persons: ▪ Last two years Notice of Assessment				

If submitting documentation by fax or any other electronic means, originals must follow within 10 days.

Mail: B2B Trust, Investment Lending  
130 Adelaide Street West, Suite 200  
Toronto, Ontario M5H 3P5

B2B Trust Client Services Tel: 1.800.263.8349, Fax: 1.866.941.7711



# B2B Trust Investment Loan Application

Language Preference  English  French

## 1. Designated Advisor Information

Dealer Number	Dealer Name	E-mail	
Advisor Number	Advisor Name	Phone (     )	Fax (     )

## 2. Loan Type and Details

New Loan OR  Increase existing Loan amount      Account number: \_\_\_\_\_ **Loan Amount: \$** \_\_\_\_\_  
 Change existing Loan options

**Product Type**  
 Mutual Fund  
 Segregated Fund - Non-Guaranteed Minimum Withdrawal Benefit (GMWB)  
 Segregated Fund - GMWB

**Margin Call Options**  
 No Margin Call       Margin Call

**Repayment Options**  
 Interest Only  
 Principal and Interest (amortization: \_\_\_\_\_ months)

**Loan Type**  
 100%       3 For 1       2 For 1       1 For 1

## 3. Primary Borrower Information Mr. Mrs. Ms. Miss

Last Name	First Name	Initial		
Date of Birth (mm/dd/yyyy)	Social Insurance Number (optional)	Marital Status		
Home Address (Street No. & Name, Apt. No.)		Since		
City	Province	Postal Code	Home Phone (     )	Business Phone (     )
Previous Address (if at current address for less than two years)				

Please provide details for two of the following original valid pieces of identification (including one with photo): Driver's Licence, Passport, Birth Certificate or similar Canadian Government Record or Identification Document.

1. ID Type: \_\_\_\_\_ Number: \_\_\_\_\_ Issued By: \_\_\_\_\_ Exp. Date: mm/dd/yyyy  
2. ID Type: \_\_\_\_\_ Number: \_\_\_\_\_ Issued By: \_\_\_\_\_ Exp. Date: mm/dd/yyyy

Have you previously declared bankruptcy?  No  Yes If yes, date of discharge: \_\_\_\_\_

## 4. Co-Borrower Information Mr. Mrs. Ms. Miss **Co-Borrower requests separate disclosures**

Last Name	First Name	Initial		
Date of Birth (mm/dd/yyyy)	Social Insurance Number (optional)	Marital Status		
Home Address (Street No. & Name, Apt. No.) <input type="checkbox"/> Same as Primary Borrower		Since		
City	Province	Postal Code	Home Phone (     )	Business Phone (     )
Previous Address (if at current address for less than two years)				

Please provide details for two of the following original valid pieces of identification (including one with photo): Driver's Licence, Passport, Birth Certificate or similar Canadian Government Record or Identification Document.

1. ID Type: \_\_\_\_\_ Number: \_\_\_\_\_ Issued By: \_\_\_\_\_ Exp. Date: mm/dd/yyyy  
2. ID Type: \_\_\_\_\_ Number: \_\_\_\_\_ Issued By: \_\_\_\_\_ Exp. Date: mm/dd/yyyy

Have you previously declared bankruptcy?  No  Yes If yes, date of discharge: \_\_\_\_\_

## 5. Information Related to Employment (Answer with "No" or "None" where applicable)

### Primary Borrower Employment Status:

Employed  Unemployed  Self-Employed  Commissioned Sales  Retired  Student  Other: \_\_\_\_\_

Employer/Business Name and Address (if less than three years, provide previous employment details on separate sheet)				Number of Years
Position	Occupation	Annual Taxable Income \$	Other Income \$	Source

### Co-Borrower Employment Status:

Employed  Unemployed  Self-Employed  Commissioned Sales  Retired  Student  Other: \_\_\_\_\_

Employer/Business Name and Address (if less than three years, provide previous employment details on separate sheet)				Number of Years
Position	Occupation	Annual Taxable Income \$	Other Income \$	Source

SEE OVERLEAF

**6. Financial Details**

Principal Residence:  Own  Rent (Monthly Amount \$ \_\_\_\_\_)  Room and Board  With Parents

Assets		Amount	Liabilities		Creditor(s)	Total Amount	Monthly Payments
Residence (Est. market value)	\$		Mortgage		\$	\$	
Other Real Estate	\$		Other Mortgages		\$	\$	
Registered Savings	\$		Condo Fees (if applicable)			\$	
Cash/Liquid Assets	\$		Line(s) of Credit		\$	\$	
Other Investments	\$		Personal Loan(s)		\$	\$	
Other	\$		Credit Card(s)		\$	\$	
Other	\$		Other Debts		\$	\$	
<b>Total Assets</b>		<b>\$</b>	<b>Total Liabilities</b>		<b>\$</b>	<b>\$</b>	
			<b>Net Worth</b>		<b>\$</b>		
			<b>(Assets minus Liabilities)</b>				

**7. Securities to be Purchased with Loan Proceeds**

The sales charge(s), if any, are not payable to B2B Trust, but are payments due to the Designated Advisor from the Borrower(s).

Securities purchased and/or pledged, hypothecated and/or assigned must be on B2B Trust's Investment Loan eligible list otherwise, a Delay in Processing will be sent in writing to the Designated Advisor and the application will not be processed until alternative instructions are received by the Trust.

*Dividend/Distribution will be used to pay down Loan if no selection is made.*

Fund Code	Fund Name	Dollar Amount	Sales Charge % (if applicable)	Dividend/Distribution (if applicable)		
				Reinvest	Pay down Loan	Deposit to Bank*
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* Option only available when permitted by the Trust and is subject to change without prior notice. Dividend/Distribution in cash will be deposited to my bank account specified on the attached void cheque. Refer to section Terms and Conditions paragraph 12 of this Agreement and check the Trust's web site to see availability of this option.

**Other Instructions** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**8. Application for and Disbursement of Loan**

I (and in the case of a Co-Borrower, We) hereby apply for a loan (the "Loan") in the amount and upon the terms and conditions mentioned in the present application form and sections 1 to 29 of the Terms and Conditions of this agreement (collectively the "Agreement"). I/We hereby irrevocably direct B2B Trust (the "Trust"), upon approval of this application, to advance and disburse the Loan proceeds to me/us, or at the Trust's discretion, directly to the fund manager or insurance company on my/our behalf in order to purchase the Securities described in this Agreement and to pay on my account any ancillary fees or commissions.

In the event that the Trust does not receive the original of the Agreement with all required supporting Loan documentation properly completed within ten (10) days of the date that the Loan Documents are faxed or otherwise electronically submitted to the Trust by my/our Designated Advisor, the Loan will, at the Trust's discretion, be deemed null and void, any Securities purchased with the Loan proceeds will be sold and I/we will be required to pay any deficiency resulting from the Loan exceeding the Net Proceeds of the Securities. In the event that the Net Proceeds of the Securities exceed the Loan, any excess will be returned to me/us.

## 9. Demand Note

Pursuant to this Agreement, and upon advancement of the Loan proceeds, for value received, I/we hereby promise to pay on demand to the order of the Trust at 130 Adelaide Street West, Suite 200, Toronto, Ontario, M5H 3P5 the amount of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), (the "Principal"), with interest thereon at a rate equal to \_\_\_\_\_ % per annum above the Prime Rate in effect from time to time (the "Variable Interest Rate") such interest to be calculated daily and payable monthly from the date that the Loan proceeds are advanced, both before and after demand, default or judgement, until payment in full, with interest at the same rate on all overdue interest. On the date hereof, the Prime Rate is \_\_\_\_\_ % per annum. Prime Rate means the annual interest rate announced by the Trust from time to time as being its reference rate then in effect (the "Prime Rate"). The current Prime Rate is available on the Trust's web site, [www.b2btrust.com](http://www.b2btrust.com) or by calling B2B Trust at 1.800.263.8349. I/We agree that the applicable Variable Interest Rate may, for interest computation purposes, change without notice upon each change in the Prime Rate and I/we acknowledge that the cost of borrowing for the Loan may vary based on changes to that Prime Rate. I/We acknowledge that a written statement by the Trust setting forth the Prime Rate at any specified time shall be conclusive proof of the Prime Rate absent manifest error. I/We hereby waive all delays, days of grace, presentment, notice of non-payment, notice of dishonour, protest, notice of protest and all other formalities with respect hereto. I/We hereby acknowledge that the Trust, in its sole discretion, may at any time demand the full payment of the Loan. Furthermore, and without limiting the generality of the foregoing, the Loan will become immediately repayable on the occurrence of any event outlined in paragraph 10 of the Terms and Conditions herein.

## 10. Repayment Options

Upon advancement of the Loan proceeds, although the Loan is repayable on demand, I/we shall, in the manner set out herein, subject to any revised payment schedule and until such time as the Loan is repaid or a demand for repayment is made by the Trust, make monthly payments (the "Instalments") of the lesser of (i) the monthly payment due, and (ii) any and all amounts outstanding pursuant to this Agreement (the "Indebtedness").

The monthly payment due is:

- Interest Only Payments \$ \_\_\_\_\_ Note: The interest will accrue monthly on the Indebtedness. This interest payment is the amount as of the date of the Loan.  
**OR**  
 Principal and Interest Payments \$ \_\_\_\_\_

Each Instalment shall be due on the \_\_\_\_\_ day of each calendar month starting on \_\_\_\_\_, 20\_\_\_\_ (the monthly "Payment Date"). Each Instalment shall be applied first against the monthly payment of interest due on the Loan as of that Payment Date (the "Interest Payment") and the balance, if any, shall be applied against the Principal (the "Principal Payment").

If the Prime Rate increases after the date hereof and the amount of each Instalment to be paid hereunder is insufficient to satisfy the Interest Payment due as of such Payment Date, the amount of the shortfall shall be added to the outstanding Principal and such additional amounts shall bear interest at the Variable Interest Rate and shall form part of the Indebtedness.

**In the case of Principal and Interest Payment Loans:** At this rate of payment, it is expected that the Indebtedness will be repaid in approximately \_\_\_\_\_ years in approximately equal monthly payments.

### In the case of Interest Only Payment Loans:

If the Indebtedness is equal to or exceeds:

- in the case of 100% No Margin Call, Interest-Only Loans, 125% of the Net Asset Value of the Securities, or,
- in the case of 1 For 1, 2 For 1, or 3 For 1 No Margin Call, Interest-Only Loans, 100% of the Net Asset Value of the Securities, then this Loan will, at the discretion of the Trust, be converted to a **principal and interest loan** with the monthly payments based on interest at the Variable Interest Rate and on an amortization period of twenty (20) years and a term of twenty (20) years, with all other terms and conditions herein to apply. At this rate of repayment, it is expected that the Indebtedness will be repaid in approximately twenty (20) years from the conversion date, in approximately equal monthly payments. However, once the Loan has been converted to a principal and interest payment loan, and after I/we have made three (3) consecutive monthly Principal and Interest Payments and if the Indebtedness does not exceed (i) 125% of the Net Asset Value of the Securities in the case of 100% No Margin Call, Interest-Only Loans, or (ii) 100% of the Net Asset Value of the Securities in the case of 1 For 1, 2 For 1, or 3 For 1 No Margin Call, Interest-Only Loans, I/we may request *in writing* that the Trust revert the Loan to the original repayment modalities as described herein.

In the event of a material adverse change, reasonably anticipated or actual, the Trust may, on written notice to me/us, require me/us to convert the loan from interest-only to a principal and interest loan.

## 11. Personal Pre-Authorized Debit Authorization

I/We agree that whether the Instalments are to be drawn against my/our account at the Trust or at a financial institution other than the Trust, the calculations by the Trust of the Interest Payments will be conclusive for such purpose, absent of error. I/We authorize the Trust to debit on each Payment Date all amounts that may be owing to the Trust pursuant to this Agreement, which may vary from month to month, including, without limitation, the Instalments and fees payable pursuant to this Agreement, and to apply these amounts to my/our Indebtedness. I/We agree that payment shall be made by pre-authorized debits (the "PAD") or electronic withdrawals or in such manner as the Trust may determine. When a PAD initiated on a Payment Date is returned for any reason, I/we authorize the Trust to debit such returned amount prior to the next Payment Date. The PAD shall be drawn against the account held at the financial institution indicated on the attached void personal cheque and I/we authorize the financial institution to deal with this PAD as if it were signed by me/us. **I/We agree to waive the requirement under the Canadian Payments Association Rules to receive a written pre-notification prior to each PAD as set out in the Rules.** I/We represent and warrant that all persons whose signatures are required to sign on this account have signed this agreement. I/We agree to attach to this Agreement a void sample cheque for the Trust's records. I/We acknowledge that providing and delivering this authorization to the Trust constitutes delivery by me/us to the financial institution indicated on my/our cheque. I/We undertake to inform the Trust in writing of any change in the account information provided herein 10 days prior to the next Payment date.

I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. I/We may revoke my/our authorization at any time, subject to providing written notice of 30 days. To obtain more information on my/our recourse rights, or to obtain a sample cancellation form or information on my/our right to cancel a PAD Agreement, I/We may contact my/our financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca). Revocation of this authorization does not terminate any contract that exists between me/us and the Trust.

**Please attach a void cheque from a personal account.**

## 12. Disclosures

### A) Borrowing Money to Buy Mutual Funds or Segregated Funds (Leveraging)

Regulatory authorities require notice to investors who consider borrowing money to buy mutual funds or segregated funds, to make investors aware of the risks involved in borrowing to invest.

Mutual funds or segregated funds may be purchased using available cash, or a combination of cash and borrowed money. When you purchase segregated funds, the value of the policy is determined with reference to units of segregated investment funds. If you use cash to pay for your purchase in full, your percentage gain or loss will equal the percentage increase or decrease in the value of your mutual funds or segregated funds. The purchase of mutual funds or segregated funds using borrowed money magnifies the gain or loss on your cash invested. This effect is called leveraging. For example: If \$100,000 of mutual funds or segregated funds are purchased and paid for with \$25,000 from available cash (your money) and \$75,000 from borrowings, and the value of your mutual funds or segregated funds declines by 10% to \$90,000, your equity interest (the difference between the value of your mutual funds or segregated funds and the amount borrowed) has declined by 40%, i.e. from \$25,000 to \$15,000.

## 12. Disclosures (continued)

As it is apparent that leveraging magnifies gains or losses, it is important that you know that a leveraged purchase of mutual funds or segregated funds involves greater risk than a purchase using your own cash resources only. To what extent a leveraged purchase involves undue risk is a determination to be made on an individual basis by each purchaser, and will vary depending on the circumstances of the purchaser and the mutual funds or segregated funds purchased.

It is also important that you be aware of the terms and arrangements made where a Loan is secured by mutual funds or segregated funds. If you borrow money to purchase mutual fund or segregated fund securities, your responsibility to repay the Loan and pay interest as required by its terms remains the same even if the value of the purchased mutual fund or segregated fund securities declines. The lender may require that the amount outstanding on the Loan, relative to the value of the securities, does not rise above an agreed percentage of the market value of the securities. Should this occur, the borrower must either (1) pay down the Loan, (2) sell the funds, or (3) post additional cash or collateral, so as to return the Loan to the agreed percentage relationship. In the example above, the lender may require that the Loan not exceed 75% of the market value of the funds. If the market value of the funds was to fall to \$90,000, the Loan/value ratio would go up to 83.3% ( $\$75,000/\$90,000 \times 100\%$ ). The borrower must reduce the Loan to \$67,500 (75% of the \$90,000) - or provide an additional \$10,000 of acceptable collateral to give to the lender. If the borrower does not have additional cash available (or collateral), he must sell funds at a loss to provide money to reduce the Loan.

Money is, of course, also required to pay interest on the Loan. Under these circumstances, investors who leverage their investment are advised to have adequate financial resources available both to pay interest and also to reduce the Loan if the borrowing arrangements require such a payment. No matter what the value of your mutual funds or segregated funds is, you will, in all circumstances, remain liable to reimburse all amounts due on your Loan.

It is important that you understand the risks and rewards of borrowing (leverage) as outlined above, and that you undertake this investment program with that full understanding.

### B) Account Opening Responsibilities, Dealer / B2B Trust

The Dealer identified in section 1 of this application form, and the Designated Advisor will be responsible for determining the suitability of investments and borrowing to invest, and for ensuring appropriate supervision is performed for all trading activity in your account.

#### (i) Mutual Fund Dealers

If the Dealer is a member of the Mutual Fund Dealers Association of Canada, the Dealer is an Introducing Dealer, B2B Carrying Services ("BCS") - a division of LBC Financial Services Inc. - is a Carrying Dealer, and B2B Trust is a Trust Company providing certain services to BCS under a service agreement. With respect to any transaction you may enter into, BCS and B2B Trust will be responsible for trade execution initiated by BCS, and trade settlement by BCS. BCS may pay a portion of fees collected on your account to the Introducing Dealer, and the Introducing Dealer may pay BCS for trade execution services on your behalf.

#### (ii) Investment Dealers

If the Dealer is a member of the Investment Dealers Association of Canada, neither B2B Carrying Services (a division of LBC Financial Services Inc.) nor B2B Trust act as a Carrying Dealer for the Dealer.

## Terms and Conditions

The following terms and conditions will apply to the Loan and form an integral part of this Agreement.

### DEFINITIONS

#### 1. Where used herein,

- 1.1 "Designated Advisor" is the dealer or representative whose name appears on the first page hereof or as I may direct from time to time to the Trust in writing. I acknowledge that the Designated Advisor is my agent and not the Trust's.
- 1.2 "Excess Collateral Amount" means from time to time and only for those loans the proceeds of which have, in whole or in part, been used to purchase GMWB Securities:
  - 1.2.1 For a 100% Investment Loan, an amount which could be withdrawn from the then existing Securities such that the ratio of the Loan amount then existing to the Net Proceeds of the Securities after the withdrawal, (the "Post Withdrawal Loan to Value ratio"), is less than or equal to 80%;
  - 1.2.2 For a 3 for 1 Loan, an amount which may be withdrawn from the then existing Securities such that the Post Withdrawal Loan to Value ratio is less than or equal to 67.5%;
  - 1.2.3 For a 2 for 1 Loan, an amount which may be withdrawn from the then existing Securities such that the Post Withdrawal Loan to Value ratio is less than or equal to 66.6%;
  - 1.2.4 For a 1 for 1 Loan, an amount which may be withdrawn from the then existing Securities such that the the Post Withdrawal Loan to Value ratio is less than or equal to 50%;
- 1.3 "Indebtedness" is defined as any and all amounts outstanding pursuant to this Agreement.
- 1.4 "Interest-Only Payment Option Loan" is a Loan where the only current obligation is interest payments and where repayment of principal is deferred.
- 1.5 "GMWB" means Guaranteed Minimum Withdrawal Benefit.
- 1.6 "GMWB Securities" means those securities purchased hereunder for which the Borrower receives a guaranteed minimum withdrawal benefit.
- 1.7 "Leveraging" is when an investor borrows money to purchase Securities. When Leveraging, the purchased Securities are pledged, hypothecated and/or assigned to the lender as collateral. Please refer to the Disclosures in section 12 of the Agreement.
- 1.8 "Loan Documents" are any pre-printed documents which include this Agreement, the Movable Hypothec (Quebec only), the Pledge Letter or Notice of Investments (if applicable), the Assignment, Hypothecation, Acknowledgement and Direction (for Segregated Funds), the Letter of Direction (if paying out another financial institution) and the Letter of Privilege (if applicable).
- 1.9 "Margin" is the level of Security that must be maintained by the Borrower relative to the outstanding Loan acquired to purchase the Security.
- 1.10 "Margin Call" is the demand by the lender that a Borrower deposit additional money or securities sufficient to bring the Loan Margin to the minimum level as prescribed by the Agreement.
- 1.11 "Net Asset Value (NAV)" means the total value of the assets of a fund, minus any liabilities of the fund. "Net Asset Value per Share (NAVPS)" is a valuation of a mutual fund unit and/or segregated fund unit. The NAVPS is a measure of the total value of the assets of a fund, minus any liabilities of the fund, divided by the number of units outstanding.
- 1.12 "Net Proceeds of the Securities" is, at any time, the amount that the Securities would realize if redeemed, surrendered for cancellation or sold, less any commission and all other related costs that would otherwise be payable.
- 1.13 "Securities" are those shares, stocks, bonds, funds, Segregated Funds or other investments, including GMWB Securities, which are to be purchased with the Loan proceeds and any other property in or over which the Borrower now, or in the future, grants, mortgages, hypothecates, charges, pledges or otherwise gives a security interest in favour of the Trust as collateral for this Loan.
- 1.14 "Segregated Funds" are segregated funds offered under an individual variable insurance contract or an individual annuity contract, in each case, issued by a life insurance company.

### LOAN TERMS

2. The Loan terms are as set out in sections 8, 9, 10, and 11 of the application form which is an integral part of this Agreement. Pursuant to this Agreement, the Loan proceeds will be fully advanced on the date the purchase orders for Securities are executed, or on the date on which the purchases have settled. Following this advance, the interest as provided herein will accrue.

### REVIEW

3. I acknowledge that the Trust will review the Loan as frequently as it shall deem necessary and I agree to provide any additional information that it may require.

### JOINT AND SEVERAL LIABILITY

## Terms and Conditions (continued)

4. If more than one person is bound by the Agreement, we shall be jointly and severally liable (in Quebec: solidarily liable) for the total Indebtedness and for the fulfilment of each of the obligations contained herein and in the other Loan Documents.

### FEES

5. I agree to pay the cost of registering a security interest or hypothec where applicable under applicable personal (movable) property security legislation on the first Payment Date. I also agree to pay, under applicable personal (movable) property security legislation: a) the cost of renewing the security interest or hypothec where applicable, and b) the cost of discharging the security interest or hypothec where applicable following repayment of the Loan. I further agree to pay all other costs, fees and expenses including, without limitation, legal fees and disbursements, which the Trust may incur in protecting its position and/or any policy or in collecting the Indebtedness. I acknowledge and agree that if any cheques or pre-authorized debits issued by me are returned to the Trust unpaid, the Trust will charge a fee for each cheque or pre-authorized debit so returned (currently \$50.00 or any amount published from time to time). All such costs and fees will be paid by me forthwith upon notification. Until paid, they shall be added to and form part of the Indebtedness and shall bear interest at the rates applicable from time to time pursuant to the Demand Note therein.

### PERSONAL INFORMATION

6. I understand that in the process of providing services to me under this Agreement, the Trust and its affiliates shall need to collect, use and disclose my personal information including certain credit, employment, and other financially-related information ("Personal Information") about me. I therefore authorize the Trust and its affiliates in connection with the provision of the services under this Agreement, to do the following: (a) collect Personal Information about me from credit agencies, personal information agents, financial institutions, and references I have provided and, in connection therewith I hereby authorize such persons to provide my Personal Information as requested by the Trust and its affiliates; (b) disclose my Personal Information to credit agencies, personal information agents and other financial institutions; (c) for as long as my account remains open, collect from or disclose to my Designated Advisor any Personal Information about me; (d) use my social insurance number for income tax reporting, identification purposes and for data consolidation; (e) use my Personal Information to inform me of the services offered by the Trust and its affiliates. However, at any time I may ask the Trust and its affiliates, in writing, to stop using my Personal Information for the purposes described in (e). The Trust and its affiliates shall not refuse to render the services provided for under this Agreement for the sole reason that I have withdrawn my authorization for the Trust and its affiliates to use my Personal Information for the purposes described in (e). I understand that the employees and authorized representatives of the Trust and its affiliates will use my Personal Information only to the extent that such Personal Information is necessary or useful for the performance of their duties. I acknowledge and agree that the Trust may at all times, without notifying me, assign my account to any person. The assignee will be required by applicable laws to retain my personal information for a certain period of time. Any file concerning me will be kept at the Trust's head office. At my written request, the Trust will allow me to review the Personal Information that may be accessed by law, and I may obtain a copy of such by paying the costs charged by the Trust.

### NO LIFE INSURANCE

7. I acknowledge that the Trust has not offered life insurance coverage in respect of the Loan, and waive the right to be offered any such insurance, or to purchase such insurance, if offered.

### SECURITY INTEREST

8. As collateral security for repayment of the Indebtedness, I hereby mortgage, pledge, hypothecate and grant a security interest standing in first priority in favour of the Trust in all of the Securities, together with any additional securities the Trust may subsequently require, and all dividends, interest and other distributions or allocations by the issuer of those Securities. Where appropriate, I give consent and authorize the Trust to register the Securities in the Trust's name until the Loan is fully repaid and consent to the Trust placing the Securities in the custody of a third party designated by the Trust. In the case of Segregated Funds, I have provided or shall provide to the Trust at its request, an irrevocable assignment and direction in favour of the Trust of every such segregated fund (hereinafter an "Assignment, Hypothecation, Acknowledgement and Direction") and in Quebec only a Movable Hypothec.

### EARLY REPAYMENT

9. I may repay all or part of the Indebtedness at any time before demand, without incurring any penalty.

### EVENTS OF DEFAULT

10. In the absence of an earlier demand by the Trust, I agree that the Indebtedness will be repaid in full upon my death or on the occurrence of any of the following events ("Events of Default"):

- 10.1 I fail to fulfill my obligations under this Agreement, or under any of the other Loan Documents, including but not limited to, the Assignment, Hypothecation, Acknowledgement and Direction; or
- 10.2 in the case of a 2 For 1 Loan, or 1 For 1 Loan for which "Margin Call" has been selected, the outstanding Loan is greater than 85% of the Net Asset Value of the Securities and, following written notification of that fact by the Trust (the "Margin Call"), I fail to immediately provide the Trust with sufficient repayment of the Indebtedness, and/or otherwise provide security acceptable to the Trust so as to reduce the Loan proportion (calculated with reference to the Securities and to such additional security) to no more than 85% as of the date when such payment or additional security is received by the Trust; or
- 10.3 in the case of a 3 For 1 Loan for which "Margin Call" has been selected, the outstanding Loan is greater than 95% of the Net Asset Value of the Securities and, following written notification of that fact by the Trust (the "Margin Call"), I fail to immediately provide the Trust with sufficient repayment of the Indebtedness, and/or otherwise provide security acceptable to the Trust so as to reduce the Loan proportion (calculated with reference to the Securities and to such additional security) to no more than 95% as of the date when such payment or additional security is received by the Trust; or
- 10.4 in the case of a 100% Investment Loan for which "Margin Call" has been selected, the outstanding Loan is greater than 120% of the Net Asset Value of the Securities and, following written notification of that fact by the Trust (the "Margin Call"), I fail to immediately provide the Trust with sufficient repayment of the Indebtedness, and/or otherwise provide security acceptable to the Trust so as to reduce the Loan proportion (calculated with reference to the Securities and to such additional security) to no more than 120% as of the date when such payment or additional security is received by the Trust; or
- 10.5 upon the occurrence of any change in my financial situation which, in the Trust's sole discretion, might affect my ability to repay the Indebtedness; or
- 10.6 I am insolvent or have become bankrupt or made a proposal under the Bankruptcy and Insolvency Act or under any similar legislation; or
- 10.7 any of the Securities are terminated, cancelled, surrendered or rendered void for any reason whatsoever; or
- 10.8 the Trust believes on reasonable grounds that the Securities will decline speedily in value; or
- 10.9 any representation or warranty that I make herein, or in the other Loan Documents, or in any document or certificate provided at any time to the Trust in connection therewith, is incorrect or misleading in any material respect; or
- 10.10 in the case of Segregated Funds, any Assignment, Hypothecation, Acknowledgement and Direction and any movable Hypothec in Quebec is invalid or does not rank in first priority against third parties.

### REDEMPTION

- 11.1 On the occurrence of an Event of Default or demand for payment of the Indebtedness by the Trust, the Trust may redeem, surrender for cancellation, sell or otherwise dispose of the Securities in whole or in part in any manner at the Trust's discretion, without advance notice or any other formality and without exhausting its other remedies and apply the Net Proceeds of the Securities thereof toward the repayment of the Indebtedness, (including any reasonable ancillary costs of collection and enforcement by the Trust or on its behalf to protect or realize on the Securities) without prejudice to any other claims it may have for the repayment of the Indebtedness, interest thereon and ancillary costs if the Net Proceeds of the Securities prove to be insufficient.
- 11.2 In the event the Net Asset Value of the Securities exceeds the outstanding Indebtedness, I will only be entitled to redeem the Securities in accordance with the Trust's usual practice in effect at such time, which may be modified from time to time.
- 11.3 In the case of Loans the proceeds of which have, in whole or in part, been used to purchase GMWB Securities, the Borrower shall be entitled, and subject to the terms of such Securities and this Agreement, to redeem from the Securities any amount up to the Excess Collateral Amount.
- 11.4 Segregated fund policies or principal protected notes or any other investment product with a principal guarantee feature or other guaranteed benefits could be surrendered by the Trust to repay the Loan. I cannot depend on any principal repayment guarantees or other guaranteed benefits until such time as all conditions for the payment of such guarantees or benefits are satisfied. Any early surrenders made by the Trust to repay the Loan may affect guarantees, which may result in a loss of original invested capital and/or other guaranteed benefits, including but not limited to guaranteed minimum

## Terms and Conditions (continued)

withdrawal benefits, and may have tax consequences.

### DIVIDENDS/DISTRIBUTIONS

12. If applicable, the Trust may, in its sole discretion, prevent, suspend, discontinue or otherwise disallow any cash payment of dividends or distributions to the Borrower (and Co-Borrower, if applicable) and apply such payments to pay down my Loan. If the Trust chooses to permit such payments to the Borrower (and Co-Borrower, if applicable) following a period during which they are disallowed, such payments to me may be initiated or resumed only following approval of a written request to the Trust made through my Designated Advisor.

### REPRESENTATIONS, WARRANTIES, AND COVENANTS

13. In order to induce the Trust to make the Loan, I represent and warrant to the Trust that:

- 13.1 the Loan Documents, and any other related documents are enforceable against me in accordance with their respective terms;
- 13.2 I will be the owner of each of the Securities and will have a good right and title in each of the Securities with full power to assign or hypothecate the same to the Trust free and clear of any claims or interests whatsoever;
- 13.3 I will not pledge, make an assignment or hypothecation of any of the Securities, will not enter into an agreement to pledge, assign or hypothecate any of the Securities to a third party, will not appoint or designate an irrevocable beneficiary of any of the Securities, and if any beneficiary of the Securities is named or designated it shall in all cases be named or designated expressly as a revocable beneficiary (except that it may not designate as a revocable beneficiary it's married or civil union spouse, it's descendants, it's ascendants or beneficiaries of the family class);
- 13.4 all Personal Information set out herein or provided to the Trust is true and complete;
- 13.5 the Securities are not being purchased for a Registered Retirement Savings Plan or any other Tax Deferral Plan under the Income Tax Act (Canada) or the Income Tax legislation of any province.

### POWER OF ATTORNEY

14. Each of the Trust, its managers, its nominees or any authorized representative of any of them is hereby irrevocably appointed my attorney and may transfer all or any part of the Securities and may fill in all blanks in transfer forms or any power of attorney or other documents delivered to it, and the Trust may delegate its powers. At the request of the Trust, I shall execute all such transfer forms, power of attorney or other documents as may be reasonably required to give effect to the provisions of the present section and to vest all such Securities in the Trust, or such person or nominee as it may appoint. The Trust is authorized and empowered before and after default and without notice or demand of any kind to cause any or all of the Securities to be registered or transferred on the books of the issuer thereof to the Trust or any one or more of its nominees. Furthermore, the Trust shall be entitled to vote upon the Securities, if eligible, at any meeting whether special or general at which the holder(s) of such Securities are entitled to vote and is hereby authorized to give to any person it may choose a proxy to vote on its behalf.

### WAIVER

15. The Trust's failure or delay in exercising any of its rights under the Loan Documents shall not be deemed to constitute a waiver thereof nor shall it render the Trust liable to me in any way. No waiver of any breach of any provision of the Loan Documents will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

### LIABILITY

16. The Trust shall not be responsible for any loss incurred by me in exercising or not exercising any of the rights conferred upon the Trust by the Loan Documents nor shall it be bound to collect or see to the payment of any interest or dividend thereon. The Trust is not responsible for the investments purchased with the proceeds of the Loan and the Trust does not in any way guarantee the performance of those investments.

### AGREEMENT

17. The rights and obligations under the Loan Documents, as applicable, will enure to the benefit of the Trust and its successors and assigns and be binding upon me and my heirs, executors, administrators, representatives, successors and assigns. The rights of the Trust under the Loan Documents may be assigned by the Trust without my prior written consent. However, I shall not be entitled to assign my obligations thereunder without the Trust's prior written consent, which consent may be arbitrarily withheld.

### INVALIDITY

18. Each provision of the Loan Documents shall apply to the full extent permitted by law, and the invalidity, in whole or in part, of any provision shall not affect the remainder of any such provision or any other provision herein, which will continue in full force and effect.

### GOVERNING LAW

19. The Loan Documents shall, for all purposes, be governed by and construed in accordance with the laws of the province where I reside and the laws of Canada applicable therein. I hereby attorn to the jurisdiction of the courts of the province where I reside (and as for the Province of Quebec, the judicial district of Montreal) with respect to any dispute arising out of the Loan Documents or any documents related to the transaction contemplated therein.

### ENTIRE AGREEMENT

20. The Loan Documents constitute the entire agreement between the parties hereto with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between the parties with respect to the said subject matter. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed or implied, between the parties except as expressly set forth in the Loan Documents or in the documents referred to therein.

### AMENDMENTS

21. The Trust may, in its sole discretion, amend or supplement any of the terms and conditions contained in this agreement following at least 30 days written notice to me/us at my/our last known address and setting out the changes to be implemented. If, after 30 days following the mailing of the notice, I/we have not repaid the loan, I/we will be deemed to have accepted the changes described in the written notice.

### EXTENDED MEANING

22. In the Loan Documents, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

### NOTICES

23. All notices, requests, consents, acceptances, elections, waivers and other communications contemplated by the Loan Documents shall be in writing, and shall be effective immediately on transmittal if by facsimile, or at the time of sending if sent by the Trust by electronic means of delivery, or, if mailed by registered or ordinary mail, postage prepaid, five days after the postmark date, or otherwise on personal receipt thereof. Any notices to be sent to me shall be sent to any of the respective addresses and numbers set out above. Any notices to be sent to the Trust shall be sent to the Trust's address as set out elsewhere in this Agreement.

### LANGUAGE

24. I have requested that the Loan Documents be drawn up in the English language only. Les parties ont expressément exigé que ce contrat ainsi que tous les documents et avis émis en vertu des présentes ou s'y rattachant soient rédigés en anglais seulement.

### CLIENT AUTHORIZATION

25. I hereby authorize the Trust to provide copies of statements and other information regarding my account to my Designated Advisor. I acknowledge and agree that any notice to my Designated Advisor will be deemed to be notice to me. I hereby recognize that I am solely and entirely responsible for (a) the choice of investments held in my account, (b) the choice and qualification for tax purposes of any investment held in my account, and, (c) the choice of my Designated Advisor. I confirm that the Trust has not made any representation to me in connection with any such choices and I undertake to indemnify and save the Trust harmless from any actions, suits, costs and/or damages that may be made against it arising out of its actions in connection with any instructions given by me or my Designated Advisor.

26. I acknowledge having read, understood and received a copy of this Agreement. I have been given the opportunity to obtain legal advice with respect to all of the Loan Documents before executing them and I agree to be bound by the terms thereof. I further understand and agree that this Agreement will not constitute a binding obligation on the part of the Trust unless and until Loan proceeds are advanced by the Trust. I also understand and agree that the Trust shall not be responsible for any loss incurred by me as a result of the Trust's delay or refusal to accept my application for the Loan or to make the Loan available.

### IMPORTANT NOTICE

27. While the Trust does not involve itself in the choice of investments, the investment strategy, or in the decision to borrow, borrowers are strongly advised to insist on getting the information they need to make informed decisions. In particular, borrowers should, prior to investing:

**Terms and Conditions (continued)**

- 27.1 obtain information on the investment itself, the eligibility of the investment for tax purposes, the risk associated with the investment and the ability to recover their capital;
- 27.2 review the investment objectives of any investment they have chosen to ensure that they meet their financial needs. If borrowers have any questions or doubts about a particular investment they should seek further advice from their Designated Advisor or other qualified and independent professional. The Trust does not authorize its employees to provide advice to borrowers in connection with their investments, and does not authorize any other person to do so on its behalf. The Trust will execute any order it receives from a borrower or his Designated Advisor without making any further inquiries in connection with the appropriateness of the investment;
- 27.3 if they invest in mutual funds, stocks or bonds, obtain a prospectus, offering memorandum or other prescribed documentation describing the chosen investment prior to or at the time they make their investment; and
- 27.4 if they invest in segregated funds, obtain an information folder or other prescribed documentation describing the chosen investment prior to the time they make their investment.

**STATEMENTS OF DISCLOSURE REGARDING COST OF BORROWING AND LEVERAGING**

28. It is agreed that separate Statements of Disclosure regarding Cost of Borrowing and Leveraging in connection with this Loan will be sent by mail or by fax or electronic means, after the disbursement of the Loan, and I hereby consent to any of such forms of communication.

**29. For Quebec only:**

Clauses required under the Consumer Protection Act:

(Contract for the Loan of money)

- (1) You may cancel this Agreement without charge within 2 days following that on which each party takes possession of a duplicate of this Agreement.  
To cancel this Agreement, you must:
  - (a) return the money to the Trust if you received the money at the time each party took possession of a duplicate of the Agreement;
  - (b) send a notice in writing to that effect, or return the money to the Trust if the money was not returned to you at the time each party took possession of a duplicate of this Agreement. This Agreement is cancelled, without further formality, as soon as you return the money or forward the notice.
- (2) If you use the money to make full or partial payment for the purchase of goods, you may, if the Trust and the vending merchant regularly work together with a view to the granting of Loans of money to consumers, plead against the Trust any ground of defense that you may urge against the vending merchant.
- (3) You may pay, in whole or in part, the amount of your obligation before maturity.  
The balance due is equal at all times to the sum of the balance of net capital and credit charges computed in accordance with the Act and the General Regulation made under the Act.
- (4) You may, once a month and without charge, request a statement of account from the Trust; the latter must furnish you with the statement of account or forward it to you as soon as possible but at the latest within 10 days of the receipt of the request.  
In addition to the statement of account prescribed above, if you wish to pay the balance of your obligation before maturity, you may, at all times and without charge, request a statement of account from the Trust; the latter must furnish you with the statement of account or forward it to you as soon as possible but at the latest within 10 days of the receipt of the request.

(Clause of forfeiture of benefit of the term)

Before availing itself of any clause of forfeiture of benefit of the term, the Trust must send you a notice in writing and a statement of account.

Within 30 days following receipt of the notice and the statement of account, you may:

- (a) either remedy the fact that you are in default; or
- (b) present a motion to the court to have the terms and conditions of payment prescribed in this Agreement changed.

It is in your interest to refer to sections 73, 74, 76, 91, 93, 104 to 110 and 116 of the Consumer Protection Act (R.S.Q., c. P-40.1) and, where necessary, to communicate with the « Office de la protection du consommateur ».

**Borrower(s) Authorization**

I/We acknowledge that, prior to signing below:

- a) All Personal Information set out herein or provided to the Trust is true and complete;
- b) I/We have read, understood, and agree to be bound by all the terms and conditions contained in this Agreement;
- c) I/We have not received any advice from the Trust with regards to my/our investments or my/our investment strategy, and I/we acknowledge that the Trust acts solely in the capacity of lender and Loan administrator;
- d) I/We have been made aware of the risks involved in borrowing to invest (leveraging) by my/our Designated Advisor;
- e) My/Our Designated Advisor has signed below, given me/us a duly completed copy of this Agreement and has allowed me/us sufficient time to become aware of its terms and scope;
- f) I/We understand that the Securities purchased with the Loan proceeds are not guaranteed by the Trust nor are they insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer;
- g) I am/We are aware that the value of the Securities is subject to market fluctuation, and that borrowed monies must be repaid regardless of the performance of the Securities purchased;
- h) I/We acknowledge that I am/we are aware that there is no agency relationship or mandate between my/our advisor and the Trust;
- i) I/We confirm that the Loan is intended for my/our own use and is not to be used by a third party or for the benefit of a third party;
- j) (applicable to Co-Borrowers only) if the Co-Borrower has not requested separate mailings of cost of borrowing disclosures by checking the appropriate box in section 4, we consent to a single copy of cost of borrowing disclosures pertaining to the Loan, and any renewal or amendment thereof, being forwarded to us by the Trust at the address indicated in section 3. Any notice or statement thus forwarded will be considered sent to all borrowers. Co-borrowers may at any time request separate disclosure documents by writing to B2B Trust at 130 Adelaide Street West, Suite 200, Toronto, Ontario, M5H 3P5, or fax to 1.866.941.7711.

\_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
Signature of Co-Borrower

\_\_\_\_\_  
Date (mm/dd/yyyy)



B2B Trust Authorized Representative

**Advisors to Complete this Section**

I, as the authorized Designated Advisor, hereby certify that:

- a) I know the Borrower(s);
- b) I have personally met with the Borrower(s) indicated in section 3 and, if applicable, section 4;
- c) I have seen the original identification records indicated in section 3 and, if applicable, section 4;
- d) I have witnessed the Borrower(s) sign above;
- e) I have taken all reasonable measures to ascertain the validity of the information provided;
- f) To the best of my knowledge the information provided on this application form and supporting Loan documentation is accurate;
- g) There is no agency relationship or mandate between myself and the Trust.

\_\_\_\_\_  
Signature of Designated Advisor

\_\_\_\_\_  
Date (mm/dd/yyyy)