

APPLICATION FORM

# TAX-FREE SAVINGS ACCOUNT (TFSA)



FRANKLIN TEMPLETON  
INVESTMENTS



## FRANKLIN TEMPLETON'S PRIVACY POLICY

### YOUR PRIVACY IS OUR PRIORITY

Franklin Templeton Investments is committed to safeguarding the personal information you or your advisor provide to us when you invest in our mutual funds.

This policy describes how we collect, hold, use and disclose your personal information.

### WHO WE ARE AND HOW OUR PRIVACY POLICY SERVES TO PROTECT YOU

Franklin Templeton Investments is a global investment organization, comprised of the various subsidiaries of Franklin Resources, Inc. The organization provides global and domestic investment management to retail, high-net worth and institutional investors.

Franklin Templeton Investments does not sell any of our investors' personal information.

We do not share personal information outside of Franklin Templeton Investments, except as may be required by law or where your consent has been obtained to do so. Our privacy policy describes the steps we take to protect each individual's information and explains when personal information about current or former customers may be shared with other parties.

### WHAT TYPE OF INFORMATION DO WE COLLECT?

When you invest with Franklin Templeton Investments, you and your advisor trust us with your personal information. We use this information to service your accounts, respond to your requests and provide you with your desired products and services.

The personal information we collect falls into three categories:

1. Information we receive on application forms and Know Your Client statements. This information may include your name, address, social insurance number, occupation, financial situation, investment selection, account holdings, beneficiary designation, and your personal bank account number and registration.
2. Information about your Franklin Templeton portfolio—including your account history, transactions and any communication you have with us about your investments.
3. Other general information about you such as your preferred language.

### IN WHICH CIRCUMSTANCES MIGHT WE SHARE YOUR INFORMATION?

In order to service your accounts and provide you with a broad range of investment choices, we may share your personal information under the following circumstances:

#### Within Franklin Templeton Investments

Franklin Templeton Investments is a multi-site global investment organization that works together to provide products and services that benefit our customer base. We may share all three categories of personal information among ourselves—including any of the subsidiaries that comprise Franklin Resources, Inc. At times, we may provide your personal information to Franklin Templeton affiliates outside of Canada who perform administrative services for us. In such cases, the information shared is subject to both the laws of Canada and the laws of the non-Canadian jurisdiction, including laws with respect to disclosure of such information. Franklin Templeton policies require these offices to protect the confidentiality of your information and to use it only to provide the services we've asked them to perform.

### Outside of Franklin Templeton Investments

Below are examples of third parties to whom we may disclose all three types of personal information. While these examples don't cover every situation permitted by law, we hope they help you understand how your information may be shared. We may share personal information:

- With your advisor, dealer or with other third parties at your direction.
- When permitted or required by law. For example, we share your social insurance number with the Canada Revenue Agency in order to file your tax reports. We may also share your personal information in response to a subpoena or other legal process.
- With companies that work for us to manage your accounts, process transactions, or provide services you've requested. For example, we may use companies to help us mail statements, process cheques, maintain your online account or store your account agreements. Our service providers may at times be located outside of Canada and in those situations the laws of the non-Canadian jurisdiction and the laws of Canada would apply with respect to disclosure of such information.

Additionally, we may disclose all three types of personal information to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. If this occurs, we will ensure that the outside companies with whom we do business are under contractual obligations to protect the confidentiality of your information and use it only to provide the services we've asked them to perform.

Please call us at 1 (800) 387-0830 if you wish to withdraw consent to your personal information being collected, used and disclosed for any of the purposes listed above. However, in some circumstances, legal requirements may prevent you from withholding or withdrawing consent. Withdrawing consent may also result in us limiting the products and services we can provide to you.

### CONFIDENTIALITY AND SECURITY

Our employees are required to follow procedures to maintain the confidentiality of your personal information. We also maintain physical, electronic and procedural safeguards to protect your information. This includes performing ongoing evaluations of our data systems and making changes when appropriate.

### HOW CAN YOU MANAGE YOUR INFORMATION?

We provide you with access to your account information through our secure website, our PIN-protected telephone service and your periodic statements. If you wish to update or change your account information, please call us at 1 (800) 387-0830.

### WE'LL REVIEW OUR PRIVACY POLICY

We review our privacy policy annually. When these reviews result in material revisions, we will provide you with a revised policy. At no time will we revise our policy to permit the sharing of personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent such sharing. At any time, you may view our current privacy policy at [franklintempleton.ca/privacy](http://franklintempleton.ca/privacy) or by calling us at 1 (800) 387-0830 to request a copy. We've appointed a privacy officer to address any concerns, queries or complaints you may have. Our privacy officer can be reached at the toll-free number listed above, by emailing [privacy@franklintempleton.ca](mailto:privacy@franklintempleton.ca), or by sending a letter to the following address:

Privacy Officer  
5000 Yonge Street, Suite 900  
Toronto, Ontario  
M2N 0A7



TFSA APPLICATION FORM—Visit [franklintempleton.ca/applications](http://franklintempleton.ca/applications) for an editable version of this form.

5000 Yonge Street, Suite 900  
Toronto, ON M2N 0A7

Phone: (800) 387-0830  
Fax: (866) 850-8241

## 1 HOLDER INFORMATION (Mandatory)

Is this a change to an existing Franklin Templeton TFSA?  No  Yes Account Number \_\_\_\_\_

Mr.  Mrs.  Miss  Ms.  Dr.

Language Preference  English  Français

\_\_\_\_\_  
Last Name First Name Initials

\_\_\_\_\_  
Street Address Apt.

\_\_\_\_\_  
City Province Postal Code Country

\_\_\_\_\_  
Primary Phone Number

\_\_\_\_\_  
Social Insurance Number (Mandatory)

\_\_\_\_\_  
Date of Birth (YYYYMMDD)

Your name, Social Insurance Number and Date of Birth must match the information Canada Revenue Agency (CRA) has on file. You must be the age of majority to open a TFSA. The age of majority is 18 in the following provinces: Alberta, Saskatchewan, Manitoba, Ontario, Québec and Prince Edward Island. In all other provinces and territories, the age of majority is 19.

\_\_\_\_\_  
Occupation

We're required to ask the source of your income. If you're retired, unemployed or enrolled in post-secondary education, please tell us that in the space provided.

\_\_\_\_\_  
Email Address (Optional)

By providing us with your email address, you are agreeing to receive your documents by email when available, as permitted by law. You can switch to paper documents for free at any time by calling our Client Services team.

## 2 DEALER/ADVISOR INFORMATION (Mandatory)

\_\_\_\_\_  
Dealer Name

\_\_\_\_\_  
Advisor Name

\_\_\_\_\_  
Dealer Account Number

\_\_\_\_\_  
Dealer Code Representative Code

## 3 INVESTMENT INSTRUCTIONS (Mandatory)

Visit [franklintempleton.ca/fundcodes](http://franklintempleton.ca/fundcodes) for a complete list of our fund names and codes.

How would you like to make your initial investment?

- With a cheque** made payable to Franklin Templeton Investments
- Electronically** from the bank account provided in Section 4
- Incoming Transfer** (Include a completed Transfer Form)

**3 INVESTMENT INSTRUCTIONS** (Mandatory) (cont'd.)

FUND CODE	FUND NAME	AMOUNT \$ or %	FRONT END SALES CHARGE %	PRE-AUTHORIZED CHEQUING PLAN (PAC) \$ or %	SYSTEMATIC WITHDRAWAL PLAN (SWP) \$ or %	DISTRIBUTIONS		CUSTOMIZED RATES FOR SERIES FT, PFT & T**
						Reinvest*	Cash	
								%
								%
								%
<b>TOTALS</b>								%

Complete Sections 4 & 5A
 Complete Sections 4 & 5A

\*Distributions will be reinvested into the same fund unless otherwise specified in Section 7.

\*\*Series FT, PFT & T are all flexible return of capital products. If you wish to customize your annual distribution rate, please choose a rate between 0.01% and the fund's target distribution rate (as specified on the fund code list).

Consider starting an **Automatic Rebalancing Service** if you wish to maintain your asset allocation regardless of changes in the market.

Visit [franklintempleton.ca/applications](http://franklintempleton.ca/applications) to download an Automatic Rebalancing Service form.

**4 BANKING INFORMATION** (Optional)

We need banking information to set up certain automatic investing services, but we recommend you provide us with banking information even if you decide not to use those services. Providing this information today will help you get your money faster when you withdraw.

Name of Financial Institution \_\_\_\_\_

Bank Code      Transit Number      Bank Account Number

Address of Financial Institution \_\_\_\_\_

Name of Bank Account Owner \_\_\_\_\_

Signature of Bank Account Owner \_\_\_\_\_

Name of Joint Bank Account Owner (if applicable) \_\_\_\_\_

Signature of Joint Bank Account Owner (if applicable) \_\_\_\_\_

**5 AUTOMATIC INVESTMENTS** (Optional)

**5A. USE THIS SECTION TO START REGULARLY SCHEDULED PURCHASES, WITHDRAWALS OR SWITCHES.**

**Transaction Type** (Select One):

<input type="checkbox"/> <b>PURCHASE</b>	Pre-Authorized Chequing Plan (PAC)	Provide banking information in Section 4 and we'll start regularly scheduled purchases from your bank account.*		
<input type="checkbox"/> <b>WITHDRAWAL</b>	Systematic Withdrawal Plan (SWP)	If you provide banking information in Section 4, proceeds of your SWP will be sent to your bank account.		
<input type="checkbox"/> <b>SWITCH</b>	Systematic Switch Plan	Switch \$	From Fund	To Fund
		Switch \$	From Fund	To Fund
		Switch \$	From Fund	To Fund

\*By instructing us to debit your bank account, you have certain recourse rights under the Canadian Payment Association (CPA) regulations for Pre-Authorized Chequing if any debit does not comply with this agreement. See details in Section 8.

\*\*Switching between loads may result in fees if the originating Deferred Sales Charge (DSC) or Low Load (LL) fund hasn't matured. Switching from Front End funds to DSC or LL funds will result in proceeds being placed on a new schedule.

**Frequency** (Select One):

- Weekly     
  Bi-Weekly (1) (1) Once every 14 days     
  Twice monthly (2) (2) 15th and end of month  
 Monthly     
  Quarterly     
  Semi-Annually     
  Annually

**2 | 0 | | | | | | | |**

Start Date (YYYYMMDD)

The start date should be at least one week from today. **If you don't choose a start date, we'll run your first transaction on the 15th of next month.** If the 15th falls on a weekend or holiday, we'll run your transaction on the first business day back.

**5** **AUTOMATIC INVESTMENTS** (Optional) (cont'd.)

**5B. ANNUAL 10% FREE SWITCH** (Optional)

Switch my first 10% free entitlement amount on the next available trade date and switch my subsequent 10% free annual redemption amounts on the first business day of January every year.\*

If you choose this option, our default will be to switch to the Front End version of the fund(s) you already hold. If you'd like to choose a different target fund, please specify your instructions in Section 7. Please include the fund code for the originating fund(s) and the target fund(s).

**\*I understand that my dealer may be paid a higher trail commission after the switch as specified in the simplified prospectus.**

**6** **SUCCESSOR HOLDER AND BENEFICIARY DESIGNATION** (Optional)

This section does not apply to investors who live in Québec.

**A.** In the event of my death, I hereby designate my spouse or common-law partner ("Spouse"), if living at my death, to become the holder of this TFSA and acquire all the rights outlined in the Trust Agreement. I reserve the right to change or revoke this designation.

Spouse's Last Name \_\_\_\_\_ Spouse's First Name \_\_\_\_\_ Spouse's Date of Birth (YYYYMMDD) \_\_\_\_\_

**B.** In the event that my Spouse predeceases me—or where I have not named a Successor Holder—I hereby designate the following beneficiary (or beneficiaries), who will be entitled to receive the proceeds of this TFSA in the event of my death. I reserve the right to change or revoke this designation.

Beneficiary's Last Name \_\_\_\_\_ Beneficiary's First Name \_\_\_\_\_  
Relationship to Account Holder \_\_\_\_\_ Date of Birth (YYYYMMDD) \_\_\_\_\_ Allocation % \_\_\_\_\_

**I acknowledge that:**

1. This successor holder and beneficiary designation forms part of the Application and Trust Agreement for the Account and will apply to all property held under the Account on my death.
2. This successor holder or beneficiary designation will not automatically change as a result of a future relationship or relationship breakdown and it may be necessary to complete a new designation for this purpose.
3. In certain provinces and territories, a disposition of the account in the event of my death can only be made by Will, and I am solely responsible for ensuring that this successor holder and beneficiary designation is valid under the laws of Canada, its provinces or territories and that it is changed when appropriate.
4. If I am a Canadian resident at the time of my death, this successor holder and beneficiary designation will be governed by the laws of the province or territory I resided in at the time of my death.
5. If I am not a Canadian resident at the time of my death, the laws of the Canadian province or territory I reside in at the time of this application will apply.

**7** **SPECIAL INSTRUCTIONS** (Optional)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**8** **AUTHORIZATION** (Mandatory)

**TO FRANKLIN TEMPLETON INVESTMENTS CORP. ("FRANKLIN TEMPLETON")**

I have requested that this document be drawn in English. *Exigé que ce document soit rédigé en anglais.*

I have engaged the dealer named in Section 2 (above) as my agent and I acknowledge that they have provided me with the current Fund Facts document for each of the Funds I'm purchasing. I understand that if I choose to invest in a Front-End Fund, I agree to pay a commission to my dealer which will be deducted from my original purchase amount. If I choose to invest in a Low Load (LL) or Deferred Sales Charge (DSC) Fund, I request that the sales commission described in the Fund Facts document be paid to my dealer and I agree that I will be required to pay a redemption fee if I withdraw or switch out before my Fund matures. I agree that trail fees described in the Fund Facts document will be paid to my dealer on my behalf. I understand that Franklin Templeton may accept or reject any purchase order within one day of receiving it.

**TO THE ROYAL TRUST COMPANY ("ROYAL TRUST")**

Please file an election with the Minister of National Revenue to register this qualifying arrangement as a Tax-Free Savings Account (TFSA) under the Income Tax Act (Canada).

I will notify Franklin Templeton if I move outside of Canada and I understand that I may be liable for certain tax consequences if I maintain this TFSA while living in another country. I acknowledge that I must notify Franklin Templeton if I wish to use this TFSA as security for a loan. I agree to be bound by the terms and conditions of this account as set out in the Application form and the Trust Agreement.

**PRIVACY PROTECTION**

I have read Franklin Templeton's Privacy Policy and I consent to my personal information being collected, held, used and disclosed by Franklin Templeton and Royal Trust for the purposes listed in the policy. If I have provided information about my Spouse or the beneficiary of my plan, I confirm that I am authorized to do so.

**CANADIAN PAYMENT ASSOCIATION (CPA) TERMS & CONDITIONS** (Found at [cdnpay.ca](http://cdnpay.ca))

I authorize Franklin Templeton to debit the bank account indicated in my Pre-Authorized Chequing (PAC) instructions for the amount(s) and in the frequencies instructed. I understand that I have certain recourse rights if a debit does not comply with my PAC instructions. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with my PAC instructions. I confirm that all persons whose signatures are required to authorize transactions in the bank account provided have signed my Banking Information instructions in section 4 above. Franklin Templeton is authorized to accept changes to my PAC instructions from my advisor or my registered dealer in accordance with the policies of that company. I understand I may change or cancel my PAC at any time by providing Franklin Templeton at least three business days' notice by phone, fax or mail. I agree to release the financial institution of all liability if the revocation is not respected, except in the case of gross negligence by the financial institution. I agree that the information in my PAC instructions will be shared with my financial institution in order to process my purchases. I acknowledge and agree that I am fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which I may be held accountable. I agree that I will not receive any advance written confirmation from Franklin Templeton with regard to my initial PAC or any changes I request to my PAC amounts or draft dates as specified by CPA rule H1 sections 15(a) and (b).

Account Holder Signature

Advisor Signature

Accepted by Franklin Templeton Investments Corp. as agent for the Funds and as agent for the Trustee, The Royal Trust Company

Date (YYYYMMDD)

**PLEASE KEEP A COPY FOR YOUR RECORDS**

FAX TO: 1 (866) 850-8241

**TAX FREE SAVINGS ACCOUNT TRUST AGREEMENT**

**1. Definitions.** Whenever used in this Trust Agreement or the Application, any capitalized terms shall have the meanings given to them below:

"Account" means the tax free savings account established for the Holder.

"Agent" means Franklin Templeton Investments Corp. and its successors and assigns.

"Applicable Laws" means the Tax Act and such other laws of Canada and of the provinces and territories applicable hereto.

"Application" means the Holder's application to the Agent to establish the Account.

"Contribution" means a contribution of cash or any Qualified Investment.

"Distribution" means a payment out of or under the Account in satisfaction of all or part of the Holder's interest therein.

"Estate Documents" means proof of the Holder's death and such other documents including Letters Probate of the Holder's will as may be required by the Trustee in its sole discretion in connection with the transmission of the Property on the Holder's death.

"Estate Representative" means an executor, an administrator, an administrator with the will annexed, a liquidator, or an estate trustee with a will or without a will, whether one or more than one is so appointed.

"Expenses" means all (i) costs, (ii) charges, (iii) commissions, (iv) investment management fees, brokerage fees and other fees, (v) legal expenses and (vi) out-of-pocket expenses incurred from time to time in relation to the Account.

"Former Spouse" means the individual who is considered by the Applicable Laws to be the Holder's former Spouse.

"Holder" means the individual of a "qualifying arrangement" to be in accordance with subsection 146.2(1) of the Tax Act.

"Proceeds" means the Property, less any applicable Expenses and Taxes.

"Prohibited Investment" means Property (other than prescribed excluded Property as that term is defined in the Tax Act) that is:

- a) a debt of the Holder
- b) a share of the capital stock of, an interest in or a debt of:
  - i) a corporation, partnership or trust in which the Holder has a significant interest
  - ii) a person or partnership that does not deal at arm's length with the Holder or with a person or partnership described in subparagraph (i)
- c) an interest in, or right to acquire, a share, interest or debt described in paragraph (a) or (b);
- d) prescribed property (as that term is defined in the Tax Act).

"Property" means any property, including the income on it, the proceeds from it and any cash, held in the Account from time to time.

"Qualified Investment" means any investment which is a qualified investment for a TFSA according to the Tax Act.

"Spouse" means an individual who is considered by the Tax Act to be the Holder's spouse or common-law partner.

"Survivor" of the Holder means an individual who is, immediately before the Holder's death, a Spouse of the Holder.

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

"Taxes" means any and all applicable taxes and assessments, including any penalties and interest, as may be required under Applicable Laws.

"TFSA" means a tax free savings account, which is a "qualifying arrangement" (as that term is defined in the Tax Act) the issuer of which has elected, in the form and manner prescribed by the Tax Act, to register as a TFSA.

"Trustee" means The Royal Trust Company in its capacity as trustee and issuer of the arrangement governed by this Trust Agreement, and its successors and assigns.

**2. Acceptance of Trust.** The Trustee agrees to act as trustee of the Account, which is to be maintained for the exclusive benefit of the Holder, and to administer the Property in accordance with the terms of this Trust Agreement.

**3. Appointment of Agent.** The Trustee has appointed Franklin Templeton Investments Corp. (the "Agent") as its agent to perform certain duties relating to the operation of the Account. The Trustee acknowledges and confirms that ultimate responsibility for the administration of the Account remains with the Trustee.

**4. Registration.** Subject to the Holder having attained at least 18 years of age, the Trustee agrees to elect, in the manner and form prescribed by the Tax Act, to register the arrangement governed by this Trust Agreement as a TFSA under the social insurance number of the Holder. For greater certainty, unless the Holder has attained at least 18 years of age at the time that this arrangement is entered into, it shall not constitute a qualifying arrangement, as that term is defined in subsection 146.2(1) of the Tax Act, susceptible of being registered as a tax-free savings account.

**5. Account.** The Agent shall maintain an account for the Holder which will record particulars of all Contributions, investments, Distributions and transactions under the Account, and shall provide to the Holder, at least annually, a statement of account.

**6. Contributions.** Only the Holder may make Contributions to the Account, in such amounts as are permitted under the Tax Act, in cash or such other property as may be permitted in the sole discretion of the Trustee. It shall be the sole responsibility of the Holder to ensure that the amount of Contributions are within the limits permitted under Tax Act.

**7. Distributions to Reduce Tax.** Notwithstanding any limit on the frequency of Distributions or any minimum Distribution requirement identified in the Application or other notice given under the terms of this Trust Agreement, any Distributions may be made at any time to reduce the amount of Taxes otherwise payable by the Holder as a result of excess Contributions made contrary to the Tax Act.

**8. Tax Information.** The Trustee shall provide the Holder with appropriate information slips for income tax purposes and such other information as may be required under the Applicable Laws.

**9. Delegation by Trustee.** The Holder expressly authorizes the Trustee to delegate to the Agent the performance of the following duties of the Trustee:

- a) receiving Contributions
- b) receiving transfers of Property
- c) investing and reinvesting the Property as directed by the Holder
- d) registering and holding the Property in the Trustee's name, the Agent's name, in the name of their respective nominees or in bearer form as determined by the Agent from time to time
- e) maintaining records, including information concerning the Survivor and the designation of beneficiaries, where applicable
- f) providing to the Holder statements of account at least annually
- g) preparing all government filings and forms
- h) making Distributions pursuant to the provisions hereof
- i) such other duties and obligations of the Trustee as the Trustee in its sole discretion may from time to time determine.

The Holder acknowledges that, to the extent the Trustee delegates any such duties, the Trustee shall thereby be discharged from performing such duties, subject to paragraph 3.

**10. Investment of the Property.** The Property shall be invested and reinvested on the directions of the Holder (or the Holder's agent) without being limited to investments authorized by law for trustees. The Trustee, in its sole discretion, may require the Holder to provide such documentation in respect of any investment or proposed investment as the Trustee deems necessary in the circumstances. The Trustee reserves the right to decline to make any particular investment if the proposed investment and related documentation do not comply with the Trustee's requirements at that time. Subject to the appointment of an agent as contemplated in paragraph 12, no one other than the Holder and the Trustee shall have rights under the Account relating to the investment and reinvestment of the Property.

**11. Segregated Funds.** Segregated funds forming part of the Property will be held in nominee name. The Holder agrees to designate the Trustee as the beneficiary under any segregated fund held in the Account. Upon the death of the Holder, the proceeds of the segregated funds paid shall form part of the Property to be dealt with according to the terms of this Trust Agreement.

**12. Choice of Investments.** The Holder shall be responsible for selecting the investments of the Account, ensuring that an investment is and continues to be a Qualified Investment, and determining whether any such investment is not and continues not to be a Prohibited Investment. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Account holds a non-Qualified Investment. The Holder shall have the right to appoint the Agent as his or her agent for the purpose of giving investment directions as provided in this paragraph and paragraph 10.

**13. Uninvested Cash.** Uninvested cash will be placed on deposit with the Trustee or an affiliate of the Trustee. The interest on such cash balances payable to the Account will be determined by the Agent from time to time in its sole discretion with no obligation to pay a minimum amount or rate. The Trustee will pay interest to the Agent for distribution to the Account and the Agent shall credit the Account with appropriate interest. The Trustee shall have no liability for such payment of interest once it is paid to the Agent for distribution.

**14. Right of Offset.** The Trustee and the Agent shall have no right of offset with respect to the Property in connection with any obligation or debt owed by the Holder to the Trustee or the Agent, other than the Expenses payable by the terms of this Trust Agreement.

**15. Pledging.** Where the Holder wishes to use his or her interest or right in the Account as security for a loan or other indebtedness, he or she must first advise the Trustee. Where the Holder uses his or her interest or right in the Account as security for a loan or indebtedness, it shall be the sole responsibility of the Holder to ensure:

- a) that the terms and conditions of the loan or other indebtedness are terms and conditions that persons dealing at arm's length with each other would have entered into; and
- b) that it can be reasonably concluded that none of the main purposes for that use is to enable a person (other than the Holder) or a partnership to benefit from the exemption from Taxes of any amount of the Account.

The Trustee shall be entitled to rely on the information provided by the Holder, liquidate Property as it deems appropriate with respect to the pledge, and fully recover any legal costs it incurs in this regard as Expenses, and shall be fully discharged with respect to any such liquidation and payment to the creditor of the loan or other indebtedness.

**16. Debit Balances.** If the Account has a cash deficit, the Holder authorizes the Trustee or the Agent to determine which Property to select and to sell such Property to cover such cash deficit. The Trustee is prohibited from borrowing money or other property for the purposes of the Account.

**17. Distributions.** Subject to any limit on the frequency of Distributions or to any minimum Distribution requirement identified in the Application or other notice given under the terms of this Trust Agreement, and to the deduction of all Expenses and Taxes, the Holder may, at any time and upon 60 days' notice or such shorter period as the Agent in its sole discretion permits, request that the Agent liquidate part or all of the Property and pay to the Holder an amount from the Property not exceeding the value held under the Account immediately before the time of payment. No one other than the Holder and the Trustee shall have rights under the Account relating to the amount and timing of Distributions.

**18. Designation of Beneficiary.** Subject to Applicable Laws and where the Holder has not designated the Survivor or there is no Survivor, the Holder may designate a beneficiary to receive the Proceeds on the Holder's death. A beneficiary designation may only be made, changed or revoked for the purposes of the Account by the Holder in a format required by the Agent for this purpose. Such designation must adequately identify the Account and be delivered to the Agent prior to any payment by the Agent. The Holder acknowledges that it is his or her sole responsibility to ensure the designation or revocation is valid under the Applicable Laws.

**19. Death of Holder (Where There Is a Survivor).** Subject to Applicable Laws, upon the death of the Holder where there is a Survivor and where the Survivor has been designated as successor holder for purposes of the Account, and upon the receipt of Estate Documents by the Agent which are satisfactory to the Trustee, the Survivor shall become the Holder, subject to any pledging under paragraph 15.

**20. Death of Holder (All Other Cases).** Upon the death of the Holder, where there is no Survivor or the Survivor has not been designated as successor holder for purposes of the Account, and upon the receipt of Estate Documents by the Agent which are satisfactory to the Trustee, and subject to paragraph 15:

a) if the Holder has designated a beneficiary in accordance with paragraph 18, the Proceeds will be paid to the designated beneficiary, subject to the Applicable Laws. The Trustee and the Agent will be fully discharged by such payment, even though any beneficiary designation made by the Holder may be invalid as a testamentary instrument; and

b) if the Holder's designated beneficiary had died before the Holder or if the Holder has not designated a beneficiary, the Trustee will pay the Proceeds to the Holder's estate. Where multiple beneficiaries have been designated and the Holder has not indicated how the Proceeds are to be shared among them, or if there is such an indication but the shares do not add up to 100%, then the Proceeds shall be divided equally among the beneficiaries designated. If any designated beneficiary predeceases the Holder or dies at the same time as the Holder or in circumstances rendering it impossible to determine which of the Holder or beneficiary died first, then the remaining beneficiary(ies) is(are) entitled to receive the Proceeds in accordance with the Holder's wishes. If the Holder has not indicated how the Proceeds are to be shared among the designated beneficiaries, or if there is such an indication but the shares do not add up to 100% of the Proceeds, then the Proceeds allocated to the deceased person(s) will be divided equally among the surviving designated beneficiary(ies). For greater certainty, the share of a deceased person will go in equal portions to the surviving designated beneficiary(ies).

**21. Release of Information.** The Trustee and the Agent each are authorized to release any information about the Account and the Proceeds, after the Holder's death, if the Holder has pledged his or her interest or right in the Account as security for a loan or other indebtedness or where there is to be a transfer to the Spouse's TFSA pursuant to paragraph 29, to either the Holder's Estate Representative, the creditor or the Spouse, as the Trustee deems advisable.

**22. Payment into Court.** If there is a dispute about:

- a) a payout from the Account or equalization of Property or other dispute arising from a breakdown of the Holder's marriage or common-law partnership;
- b) the validity or enforceability of any legal demand or claim against the Property; or
- c) the authority of a person or personal representative to apply for and accept receipt of the Proceeds on death of the Holder;

the Trustee and the Agent are entitled to either apply to the court for directions or pay the Proceeds into court and, in either case, fully recover any legal costs it incurs in this regard as Expenses from the Account.

**23. Limitation of Liability.** The Trustee shall not be liable for any loss suffered by the Account, by the Holder or by any Survivor or beneficiary designated for purposes of the Account as a result of the purchase, sale or retention of any investment including any loss resulting from the Trustee acting on the direction of the agent appointed by the Holder to provide investment direction.

**24. Indemnity.** The Holder agrees to indemnify the Trustee for all compensation, Expenses and Taxes, other than those Taxes for which the Trustee is liable in accordance with the Tax Act and that cannot be charged against or deducted from the Property in accordance with the Tax Act, incurred or owing in connection with the Account to the extent that such compensation, Expenses and Taxes cannot be paid out of the Property.

**25. Self-Dealing.** The Trustee's services are not exclusive and, subject to the limitations otherwise provided in this Trust Agreement on the powers of the Trustee, the Trustee may, for any purpose, and is hereby expressly authorized from time to time in its sole discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate, with which it may be directly or indirectly interested or affiliated with, whether on its own account or on the account of another (in a fiduciary capacity or otherwise), and to profit therefrom, without being liable to account therefore and without being in breach of this Trust Agreement.

**26. Compensation, Expenses and Taxes.** The Trustee and Agent will be entitled to such reasonable fees as each may establish from time to time for services rendered in connection with the Account. All such fees will, unless first paid directly to the Agent, be charged against and deducted from the Property in such manner as the Agent or Trustee determines.

All Expenses incurred shall be paid from the Account, including Expenses with respect to the execution of third party demands or claims against the Account. All Taxes, other than those Taxes for which the Trustee is liable and that cannot be charged against or deducted from the Property in accordance with the Tax Act, will be charged against and deducted from the Property in such manner as the Agent determines.

**27. Sale of Property.** The Trustee and Agent may sell Property in their respective sole discretion for the purposes of paying compensation, Expenses and Taxes, other than those Taxes for which the Trustee is liable in accordance with the Tax Act and that cannot be charged against or deducted from the Property in accordance with the Tax Act.

**28. Transfers to the Account.** Amounts may be transferred to the Account from another TFSA of the Holder, or of the Spouse or Former Spouse where:

- a) the Holder and the Spouse or Former Spouse are living separate and apart and the transfer is made under a decree, order or judgment of a competent tribunal or under a written separation agreement, relating to the division of property between the Holder and the Spouse or Former Spouse in settlement of rights, arising out of, or on the breakdown of, their marriage or common-law partnership; or
- b) the Holder is the Spouse's survivor and the transfer occurs as a result of an exempt contribution (as that term is defined in the Tax Act).

**29. Transfers out of the Account.** Upon delivery to the Agent of a direction from the Holder in a form satisfactory to the Trustee, the Trustee shall transfer all or a portion of the Property as is specified in the direction:

- a) to another TFSA of the Holder; or
- b) to a TFSA of the Spouse or Former Spouse where the Holder and the Spouse or Former Spouse are living separate and apart and the transfer is made under a decree, order or judgment

of a competent tribunal or under a written separation agreement, relating to the division of property between the Holder and the Spouse or Former Spouse in settlement of rights, arising out of, or on the breakdown of, their marriage or common-law partnership.

**30. Changes to Trust Agreement.** The Trustee may change this Trust Agreement periodically. The Holder will be notified on how to obtain an amended copy of the Trust Agreement reflecting any such change and will be deemed to have accepted such changes. No change to this Trust Agreement (including a change calling for the Trustee's resignation as trustee or the termination of the trust created by this Trust Agreement) will be retroactive or result in the Account not being acceptable as a TFSA under the Applicable Laws.

**31. Replacement of Trustee.**

a) The Trustee may resign by giving such written notice to the Agent as may be required from time to time under the terms of an agreement entered into between the Agent and the Trustee. The Holder will be given at least 30 days prior notice of such resignation. On the effective date of such resignation, the Trustee will be discharged from all further duties, responsibilities, and liabilities under this Trust Agreement, except those incurred before the effective date. The Trustee will transfer all Property, together with all information required to continue the administration of the Property as a tax free savings account under the Applicable Laws, to a successor trustee.

b) The Trustee has agreed to resign upon it being provided with notice in writing by the Agent if the Trustee is satisfied that the successor trustee nominated by the Agent will properly assume and fulfill the Trustee's duties and liabilities hereunder in respect of the administration of the Account.

c) In either event, the Agent shall forthwith nominate a person to replace the Trustee and the resignation of the Trustee shall not take effect until its replacement has been so nominated by the Agent and appointed as successor by the Trustee and approved by Canada Revenue Agency or its successor. Failing the nomination of a replacement by the Agent within 30 days after receipt by it of a notice of resignation, the Trustee shall be entitled to appoint a person as its own replacement.

d) Upon any such appointment and resignation of the Trustee, the person so appointed as replacement trustee shall, without further act or formality, be and become the Trustee hereunder. Such replacement trustee shall, without any conveyance or transfer, be vested with the same power, rights, duties and responsibilities as the Trustee and with the assets of the Account as if the replacement trustee had been the original Trustee. The Trustee shall execute and deliver to the replacement trustee all such conveyances, transfers and further assurances as may be necessary or advisable to give effect to the appointment of the replacement trustee.

e) Any person appointed as a replacement trustee shall be a corporation resident in Canada that is licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as trustee.

Any trust company resulting from the merger or amalgamation of the Trustee with one or more trust companies and any trust company that succeeds substantially all of the trust business of the Trustee shall thereupon become the successor to the Trustee without further act or formality. In all such cases, Canada Revenue Agency or its successor shall be notified.

**32. Assignment by Agent.** The Agent may assign its rights and obligations hereunder to any other corporation resident in Canada authorized to assume and discharge the obligations of the Agent hereunder and under the Applicable Laws.

**33. Notice.** Any notice given by the Holder to the Agent shall be sufficiently given if delivered electronically to the Agent upon the Holder's receipt of an acknowledgement and response to same or personally to the office of the Agent where the Account is administered, or if mailed, postage prepaid and addressed to the Agent at such office, and shall be considered to have been given on the day that the notice is actually delivered or received by the Agent. Any notice, statement, receipt or other communication given by the Trustee or the Agent to the Holder shall be sufficiently given if delivered electronically or personally to the Holder, or if mailed, postage prepaid and addressed to the Holder at the address shown on the Application or at the Holder's last address given to the Trustee or the Agent, and any such notice, statement, receipt or other communication shall be considered to have been given at the time of delivery to the Holder electronically or personally or, if mailed, on the fifth day after mailing to the Holder.

**34. Date of Birth.** The Holder's statement of his or her date of birth in the Application shall be deemed to be a certification as to the Holder's age, on which the Trustee and the Agent may rely, and an undertaking to provide any further evidence of proof of age as may be required by the Agent.

**35. Contribution While Holder Is a Minor.** Where the Holder makes a Contribution to the Account prior to the Holder having attained the age of majority in accordance with the Applicable Laws, the Holder will execute a ratification of the Application and all transactions made by the Holder in respect of the Account prior to reaching the age of majority.

**36. SIN and Address of Holder.** The Trustee shall be entitled to rely upon the Agent's records as to the social insurance number, and to the current address of the Holder as establishing his or her residency and domicile for the operation of the Account and its devolution on the death of the Holder subject to any notice to the contrary respecting the Holder's domicile on death.

**37. Heirs, Representatives and Assigns.** The terms of this Trust Agreement shall be binding upon the heirs, Estate Representatives, attorneys, committees, guardians of property, other legal and personal representatives, and assigns of the Holder and upon the respective successors and assigns of the Trustee and the Agent and their directors, officers, employees, and agents, as well as their respective estates, Estate Representatives, heirs, attorneys, committees, guardians of property, other legal and personal representatives, and assigns.

**38. Language.** The Holder has expressly requested that this Trust Agreement and all related documents, including notices, be in the English language. Le titulaire a expressément demandé que cette Convention de fiducie et tous documents y afférents, y compris tout avis, soient rédigés en langue anglaise. (Quebec only/Québec seulement)

**39. Interpretation.** Unless the context requires otherwise, any terms or provisions importing the plural shall include the singular and vice versa.

**40. Governing Law.** This Trust Agreement and the Account shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Holder expressly agrees that any action arising out of or relating to this Trust Agreement or the Account shall be filed only in a court located in Canada and the Holder irrevocably consents and submits to the personal jurisdiction of such court for the purposes of litigating of any such action.

**TFSA Trust Agreement – September 2012**

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Franklin Templeton Investments Corp.  
5000 Yonge Street, Suite 900  
Toronto, ON M2N 0A7  
fax (866) 850-8241

(800) 387-0830  
[www.franklintempleton.ca](http://www.franklintempleton.ca)

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