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## SCHEDULE/ADDENDUM "..."

### **OBLIGATIONS RELATED TO THE CANADA DEPOSIT INSURANCE CORPORATION ACT (R.S.C., 1985, C. C-3)**

This schedule (the “**Schedule**”) forms part of the [Distribution] Agreement (the “**Agreement**”) between [name of the issuer] (the “**Issuer**”) and [name of the Nominee Broker] (the “**Nominee Broker**”) dated [...] and is subject to all the provisions thereof. In the event of a conflict between the terms and conditions of this Schedule and the terms and conditions of the Agreement and of any other schedules, this Schedule shall prevail.

**WHEREAS** the Nominee Broker wishes to purchase Investment Products on behalf of the Clients of End-Client Brokers (defined below) from the Issuer;

**WHEREAS** the Nominee Broker has signed the Agreement as a nominee on behalf of the End-Client Broker with the Issuer;

**WHEREAS**, under the CDIC Act, the Nominee Broker and the End-Client Broker form an “association of persons” placing Clients’ deposits with an Issuer, allowing deposit insurance protection of Nominee Broker Deposits under the terms the CDIC Act and COTDB;

**WHEREAS** the Nominee Broker and the Issuer wish to set out the terms under which they are willing to sell and distribute Investment Products;

**NOW THEREFORE**, in consideration of the premises, covenants and agreements herein and other good and valuable consideration (the receipt and sufficiency of which is irrevocably acknowledged by the parties), the parties agree as follows:

#### **1. Definitions**

“**Applicable Laws**” means, at any particular time, all then applicable laws, statutes, by-laws, regulations, rules, rulings, orders, decisions, instructions, directions, notices, policies, codes, treaties, conventions, awards and decrees of any governmental, regulatory, self-regulatory, fiscal or monetary organization, body or court of competent jurisdiction;

“**CDIC**” means the Canada Deposit Insurance Corporation;

“**Business Day**” means a day on which the Issuer is generally open for business, but does not include Saturdays, Sundays, or statutory holidays;

“**CDIC Act**” means the *Canada Deposit Insurance Corporation Act*, as amended from time to time;

“**Client**” means a Client of the End-Client Broker who is the beneficial owner or prospective beneficial owner of an Investment Product, or for whose benefit the deposit is made, for the purpose of a Special Income Arrangement;

“**COTDB**” means the Canada Deposit Insurance Corporation Co-owned and Trust Deposit Disclosure By-law established pursuant to the CDIC Act, as amended from time to time;

“**End-Client Broker**” means (i) an introducing broker which entered into an introducing broker/carrying broker agreement with the Nominee Broker or (ii) a portfolio manager which entered into a portfolio manager services agreement with the Nominee Broker, in order for the Nominee Broker to provide back-office services;

“**Investment Products**” means guaranteed investment certificates, high-interest saving accounts and any other investment products offered by an Issuer that are eligible for insurance under the CDIC Act ;

“**Issuer**” means the issuer of Investment Products that is a Member Institution of the CDIC or any other equivalent deposit insurance corporation of a province or territory in Canada;

“**LEI**” means “legal entity identifier”, the 20-character alpha-numeric code based on the ISO 17442 standard and issued by organizations duly accredited by the Global Legal Entity Identifier Foundation;

“**Member Institution**” means a corporation that has deposit insurance under the CDIC Act;

“**Nominee Broker Deposit**” means a deposit made at an Issuer by a Nominee Broker acting as a nominee on behalf of another person, and more specifically means, in the context of this Schedule, a deposit made to an Issuer for an Investment Product that is purchased by the End-Client Broker through the Nominee Broker for the benefit of a Client;

“**Special Income Arrangement**” means a registered savings plan, a registered retirement income fund, a tax-free savings account, a registered education savings plan or a registered disability savings plan within the meaning of the COTDB;

“**Trade Platform**” means a trading platform, such as FundSERV or CANNEX or any platform that would come to replace them, where both Issuer and Nominee Broker are participants;

“**UCI**” means the unique alphanumeric code for each Client who has a Nominee Broker Deposit, in accordance with the CDIC Act.

## **2. Obligations of the Nominee Broker**

(a) With regards to Nominee Broker Deposits, the Nominee Broker shall:

- i. assign a UCI for each Client who is a beneficiary of a Nominee Broker Deposit and/or an individual for whose benefit a Special Income Arrangement is established, in accordance with the CDIC Act and COTDB;
- ii. provide to the Issuer all necessary Investment Product transaction instructions received from the End-Client Broker to the Issuer;
- iii. provide to the Issuer all necessary information required in order for the Issuer to record and identify the association of persons formed by the Nominee Broker and the End-Client Brokers, *i.e.* the LEI of the End-Client Brokers. For greater clarity, it is acknowledged that the Nominee Broker shall confirm the validity of the End-Client Brokers' LEI at the time they execute the Agreement and shall inform the Issuer in case the End-Client Brokers' LEI is amended or changed;
- iv. provide to the Issuer all necessary information required in order for the Issuer to record and identify the Client, and specifically provide the UCI of each Client who is a beneficiary of a Nominee Broker Deposit or an individual for whose benefit a Special Income Arrangement is established, in accordance with the CDIC Act and COTDB and the amount or percentage of the interest or right of the Client associated with each UCI; and
- v. provide to the Issuer all other information requested by the Issuer to administer the Investment Products and comply with Applicable Laws.

(b) With regard to trust disclosures applicable to the Nominee Broker under the CDIC Act and COTDB, the Nominee Broker shall:

- i. ensure that its records of information required under this Schedule are kept in accordance with the CDIC Act;
- ii. provide and update any and all contact information required by the Issuer in accordance with the COTDB;
- iii. make an initial attestation to the CDIC and updated attestations in the manner and within the time prescribed by the CDIC Act and COTDB that states whether the Nominee Broker is, or not, capable of fulfilling its obligations under the CDIC Act and COTDB;
- iv. if a winding-up order is made in respect of the Issuer or if any of the circumstances described in the applicable sections of the CDIC Act happens, whichever first occurs to the Issuer, coordinate with the CDIC to facilitate the reimbursement of insured Nominee Broker Deposits to the Clients;
- v. provide to the CDIC, within three (3) Business Days, or any other time required under the CDIC Act, after the day a request is made by CDIC, in an electronic format that permits data extraction and manipulation:
  - each UCI and LEI provided in respect of a Nominee Broker Deposit;
  - the current name and address of the Client associated with each such UCI;
  - the type of Special Income Arrangement, if any, associated with each UCI or an indication that the Nominee Broker Deposit is not held under any Special

Income Arrangement;

- each UCI assigned in respect of a Special Income Arrangement, as well as the name of the Client, and an indication that the UCI is assigned for the purpose of identifying the Client for whose benefit the Special Income Arrangement is established.

### **3. Representations of the Nominee Broker**

The Nominee Broker represents and warrants to the Issuer that as of the date of this Schedule:

- i. it has full power to execute, deliver and perform its obligations under the Schedule;
- ii. it complies with all Applicable Laws;
- iii. it is a participant and complies with the rules of the Trade Platforms;
- iv. it is and shall remain, during the term of this Schedule, a member in good standing of the Investment Industry Regulatory Organization of Canada (“IIROC”).

### **4. Obligations of the Issuer**

With respect to Nominee Broker Deposits, the Issuer shall:

- i. keep records with respect to all transactions with the Nominee Broker in accordance with the CDIC Act and COTDB;
- ii. provide the Nominee Broker with a written report of all Investment Products purchases or transfers on a monthly basis, within five (5) Business Days following the end of each month;
- iii. provide the Nominee Broker with the principal balance of all outstanding Investment Products as at the last day of each month held by the Nominee Broker, including the relevant UCI, LEI, the issue date, the maturity date, the rate of interest, the frequency of interest payment, the security code, if any;
- iv. Notify the CDIC electronically, no later than the 15<sup>th</sup> day after the day of the signature of this Schedule, of the conclusion of this Schedule with the Nominee Broker, as well as its termination.

### **5. Representations of the Issuer**

The Issuer represents and warrants to the Nominee Broker that, as of the date of this Schedule:

- i. it has full power to execute, deliver and perform its obligations under the Schedule;
- ii. it is in compliance with all Applicable Laws, including CDIC Act and COTDB, with respect to Investment Products;
- iii. it is a participant and complies with the rules of the Trade Platforms;
- iv. it is and shall remain, during the term of this Schedule, a Member Institution of the CDIC.

## **6. Re-registration** *[NTD: as of the implementation of the CANNEX solution]*

In case a Nominee Broker Deposit needs to be re-registered, for whatever reason, the parties agree that:

- (a) The Nominee Broker shall:
- i. make sure that the request transmitted by the End-Client Broker on behalf of the Client to the Nominee Broker is complete, accurate and in good order. The request shall be transmitted by acceptable means as agreed upon by and between the Nominee Broker and the End-Client Broker;
  - ii. transmit the request to the Issuer within forty-eight (48) hours, using the appropriate Trade Platform file, or whatever future solution that would come to replace it, as agreed upon by the parties.
- (b) The Issuer shall:
- i. update ownership information regarding the Nominee Broker Deposit as per the instructions contained in the request transmitted using the appropriate Trade Platform file, in a timely manner and at the latest the day after the request was sent;
  - ii. provide a confirmation to the Nominee Broker that the re-registration has been effected in its file using appropriate Trade Platform or whatever future solution that would come to replace it, as agreed upon by the parties, in a timely manner and at the latest the Business Day after the request was sent.

## **7. Confidential Information**

(a) The Nominee Broker acknowledges that the personal information of Clients exchanged under the terms of this Schedule are confidential, will not be disclosed and will be distributed only to its employees and agents with a “need-to-know” the information.

(b) The Issuer acknowledges that the terms of this Schedule and any financial and other non-public information that the Nominee Broker provides to the Issuer, including personal information of Clients, are confidential. The Issuer will use prudent measures to maintain that information securely, will only distribute the information to its employees and agents on a “need-to-know” basis for the performance of their duties, and will use it only in connection with the services and regulatory requirements contemplated in this Schedule.

## **8. Indemnification**

(a) The Nominee Broker will indemnify, defend and hold the Issuer and its officers, directors, employees, agents and contractors harmless for any type of loss, damage, liability, costs, and expenses, including reasonable legal fees for each of the following:

- i. Any breach of the terms of this Schedule, or any laws applicable to Investment Products by the Nominee Broker;
- ii. Any fraudulent or criminal conduct, errors or omissions, or misrepresentations

under this Schedule by the Nominee Broker.

(b) The Issuer will indemnify, defend and hold the Nominee Broker and its officers, directors, employees, agents and contractors harmless for any type of loss, damage, liability, costs, and expenses, including reasonable legal fees for each of the following:

- i. Any breach of the terms of this Schedule, or any Applicable Laws by the Issuer;
- ii. Any fraudulent or criminal conduct, errors or omissions, or misrepresentations under this Schedule by the Issuer.

## **9. Termination**

(a) The Issuer may immediately terminate this Schedule without advance written notice if the Nominee Broker ceases to be a member of IIROC.

(b) The Nominee Broker may immediately terminate this Schedule without advance written notice if the Issuer ceases to be a Member Institution of the CDIC.

(c) Any party may terminate this Schedule:

- i. Without cause, by giving a thirty (30) days prior written notice to the other party;
- ii. Immediately and without prior written notice in the event of a material adverse change, bankruptcy or insolvency of a party;
- iii. Immediately and without further notice if a party is in default in the performance of any of its obligations and such default continues for thirty (30) days following receipt of a written notice regarding such default for the other party.

(d) Upon termination of this Schedule,

- i. The Nominee Broker will cease to have the right to sell Investment Products, but will comply with all the terms and conditions applicable to them under this Schedule until all Clients cease to hold any previously acquired Investment Products;
- ii. The Issuer will comply with all trust disclosures required under the CDIC Act and COTDB with regard to the Investment Products acquired during the term of this Schedule and shall notify the CDIC of the termination of this Schedule in accordance with section 4(iv).