

JUNE 1, 2016

TERMS AND CONDITIONS

SENDING SYSTEMATIC INSTRUCTIONS THROUGH THE NETWORK

For the purposes of these terms and conditions, the following terms have the following meanings:

Applicable Laws as used in these terms and conditions, for greater clarity, includes anti-money laundering and anti-terrorist financing laws and regulations as well as the requirements of the Canadian Payments Association Rule H1 and other applicable rules of the Canadian Payments Association. The applicable rules of the Canadian Payments Association are referred to in these terms and conditions as the CPA Rules.

Distributor includes an **Intermediary**.

Systematic Instructions means the client instructions in respect of a Systematic Plan transmitted by a Distributor through the Network.

Systematic Plan means a service that a Distributor directs a Manufacturer to set up on an investor's account for the purpose of initiating transactions on a set frequency which may involve the drawing or depositing of monies. This includes, but is not limited to, automatic payment plans, automatic withdrawal plans, dollar cost averaging, systematic switches of investments between funds, and systematic switches of distributions from one fund to another.

All terms not otherwise defined in these terms and conditions shall have the meaning provided to that term in the Definitions Schedule available on the Fundserv website.

Distributors may use the Network to transmit client instructions regarding the set-up and operations of a Systematic Plan with respect to a specified fund or funds and, when transmitted, Manufacturers will act in accordance with the instructions received through the Network. Securities of the specified fund or funds subject to the Systematic Plan may be registered in the name of the beneficial owner of that security on the records of the fund or funds maintained by the Manufacturer (that is, registered in client name) or in the name of the Distributor (that is, registered in nominee name).

Each Distributor and Manufacturer who uses the Network in respect of Systematic Plans agrees to the following terms and conditions in their use of the Network for these purposes with:

- (a) Fundserv and
- (b) the other customer (either the Manufacturer or the Distributor, as the case may be).

These terms and conditions constitute a separate agreement between a Distributor who uses the Network to transmit Systematic Instructions in respect of a Systematic Plan and the Manufacturer who receives the Systematic Instructions and acts upon them, and each such separate agreement between a Distributor and a Manufacturer shall be created with effect as of and from the date of the transmission of the Systematic Instructions by the Distributor.

1. These terms and conditions applicable to Systematic Instructions are in addition to the terms and conditions in the Customer Contract and the terms and conditions set out in the Customer Contract also apply to the Distributor and the Manufacturer when they each use the Network to send and act upon Systematic Instructions.
2. The Distributor will restrict the ability to send Systematic Instructions to authorized persons and agrees that the Manufacturer may rely on any such person who sends a Systematic Instruction as being an authorized person of the Distributor without further investigation or inquiry.
3. A Systematic Instruction will be sent by the Distributor only in full compliance with Applicable Laws and the Distributor will have full authority and instructions, including from clients, as applicable, to send the Systematic Instruction. By sending a Systematic Instruction, the Distributor certifies to the Manufacturer that it has complied with these terms and conditions with respect to that Systematic Instruction and represents and warrants to the Manufacturer that:
 - (a) it has obtained the appropriate instructions to send the Systematic Instruction, including from its client
 - (b) it has used the most recent application forms associated with the Systematic Plans that are supplied to the Distributor by the Manufacturer
 - (c) it has obtained and will retain all applicable documentation with respect to the Systematic Plan and the Systematic Instruction in accordance with Applicable Laws
 - (d) the Systematic Instruction complies with all Applicable Laws
 - (e) it complies with the CPA Rules and before it sends Systematic Instructions it has
 - (i) Provided its clients with the disclosures required by the CPA Rules, including, but not limited to the waiver of pre-notification requirements set out in section 15(a) and (b), pursuant to section 15(3) of CPA Rule H1, and sections 16(b) and (c), pursuant to sections 16(f) and (g) of CPA Rule H1
 - (ii) Obtained the signature or other authorization of its client as confirmation that the client has received all necessary disclosures and has waived all applicable requirements required under CPA Rule H1, including, but not limited to the waiver of pre-notification and
 - (iii) Complied with all of the Manufacturer's obligations as "payee" pursuant to CPA Rule H1.
4. A Systematic Instruction sent by the Distributor that requests the Manufacturer to electronically transfer funds to or from a specified bank account will be made in accordance with the instructions received from the Distributor's client and the Distributor's responsibilities to that client, as well as Applicable Laws, and will instruct the Manufacturer to transfer money only to or draw money from the bank account of the client or the beneficial owner of the client's account and not to or from a bank account held by a third party.

5. If the Manufacturer receives a Systematic Instruction from the Distributor, it will act in accordance with the instructions, directions and information provided in the Systematic Instruction by the Distributor and also with Applicable Laws.
6. The Distributor and the Manufacturer, as the case may be, will send or act upon Systematic Instructions according to the Network standards for Systematic Instructions and Systematic Plans that may from time to time be set by Fundserv.
7. Unless specifically requested to do so by the Manufacturer, the Distributor shall not send the original documentation related to the Systematic Plan and the Systematic Instruction to the Manufacturer in respect of any Systematic Instruction. If this term and condition is not complied with for any reason, and the Manufacturer duplicates an order as a result of receiving the original documentation concerning Systematic Instructions, in addition to the electronic transmission of Systematic Instructions, the Distributor shall accept responsibility for any losses incurred by its client, the applicable funds and/or the Manufacturer.
8. In the event the Manufacturer receives a Systematic Instruction and acts in accordance with the instructions, directions or information provided in a Systematic Instruction and undergoes regulatory inspection, review, litigation, investigation, supervision or audit or other authorized requests to produce authority to so act, the Manufacturer may request from the Distributor, whatever documentation or evidence of instructions, directions, information or explanation is necessary to demonstrate compliance with these terms and conditions and to allow the Manufacturer to meet the demands of such regulatory inspection, review, litigation, investigation, supervision or audit.
9. The Distributor will, upon reasonable request from the Manufacturer, where the Manufacturer undergoes regulatory inspection, review, litigation, investigation, supervision or audit or other authorized requests to produce authority to act in accordance with a Systematic Instruction received from the Distributor, send the Manufacturer whatever documentation or evidence of instructions, directions, information or explanation is necessary to demonstrate compliance with these terms and conditions and to allow the Manufacturer to meet the demands of such regulatory inspection, review, litigation, investigation, supervision or audit.
10. Each Distributor who sends a Systematic Instruction shall defend, indemnify and hold harmless the Manufacturer who receives and acts upon the Systematic Instruction and its affiliates, managers, directors, officers and agents and employees (collectively, the "Indemnified Parties") at the Distributor's sole expense against any and all proceedings, demands, actions, causes of action, assessments, orders, settlements, suits, claims, debts or liabilities against the Indemnified Parties, including, but not limited to, costs and solicitors' fees, and amounts paid in settlement arising out of or in connection with:
 - (a) any claim arising as a result of a breach or alleged breach of these terms and conditions by the Distributor
 - (b) any claim arising from or related to any injury to persons, damage to property, loss of use of property or fidelity or crime loss related to that Systematic Instruction sent by the Distributor and
 - (c) any claim arising from acting upon or responding to the Systematic Instruction by the Manufacturer.

11. Each Manufacturer who receives and acts upon a Systematic Instruction shall defend, indemnify and hold harmless the Distributor who sends the Systematic Instruction and its affiliates, managers, directors, officers and agents and employees (collectively, the “Indemnified Parties”) at the Manufacturer’s sole expense against any and all proceedings, demands, actions, causes of action, assessments, orders, settlements, suits, claims, debts or liabilities against the Indemnified Parties, including, but not limited to, costs and solicitors’ fees, and amounts paid in settlement arising out of or in connection with any claim arising as a result of a breach or alleged breach of these terms and conditions by the Manufacturer.