

Royal Bank of Canada  
Family  
Education Savings Plan

Plan Text

Royal Bank





# Royal Bank of Canada Education Savings Plan Family Plan Text

**Note: this plan text applies to your plan if you have designated one or more beneficiaries, all of whom are under the age of 21 years at the time of designation and are your natural, step or adopted son, daughter, grandson, or granddaughter.**

## 1. DEFINITIONS

Whenever used in this Plan Text or the Application, any capitalized terms shall have the meanings given to them below:

- (a) **“Account Agreement”** means the agreement or agreements entered into between the Subscriber and Royal Bank or Royal Mutual Funds Inc. (RMFI) as the case may be, regarding the terms under which Royal Bank or RMFI may deal with the Property;
- (b) **“Accumulated Income Payment”** means any amount paid out of the Plan, other than a payment described in any of sections 3(a) and 3(c) to 3(f) (Appointment and Responsibilities of Trustee), to the extent that the amount so paid exceeds the fair market value of any consideration given to the Plan for the payment of the amount;
- (c) **“Applicable Grant Legislation”** means the *Canada Education Savings Act* (Canada), the *Taxation Act* (Quebec) with respect to the Quebec Education Savings Incentive, the *Saskatchewan Advantage Grant for Education Savings Act* with respect to the *Saskatchewan Advantage Grant for Education Savings*, the *Special Accounts Appropriation and Control Act* with respect to the British Columbia Training and Education Savings Grant and any other provincial education savings plan legislation that may be enacted and come into force from time to time, as the case may be, and any regulations thereunder, as may be amended from time to time;
- (d) **“Applicable Laws”** means the *Income Tax Act* (Canada), Applicable Grant Legislation and other legislation of Canada and of the provinces and territories applicable hereto, including regulations established under such legislation, as may be amended from time to time;
- (e) **“Application”** means the Subscriber’s application to Royal Bank for an education savings plan;
- (f) **“Assets of the Plan”** means all amounts contributed to the Plan (including transfers to the Plan from another RESP), all Government Grants received by the Plan and all earnings and gains derived from investments of such amounts, net of any losses and Expenses payable pursuant to section 17 (Expenses and Taxes) and any other payments from the Plan;

- (g) **“Beneficiary”** means an individual, and **“Beneficiaries”** means the individuals, designated by the Subscriber in accordance with section 7 (Beneficiary), to whom or on whose behalf an Educational Assistance Payment will be paid if the individual qualifies under the Plan;
- (h) **“Designated Educational Institution in Canada”** means an educational institution in Canada that is a university, college or other educational institution designated by the Lieutenant Governor in Council of a province as a specified educational institution under the *Canada Student Loans Act*, designated by an appropriate authority under the *Canada Student Financial Assistance Act*, or designated by the Minister of Education of the Province of Quebec for the purpose of *An Act respecting financial assistance for education expenses*;
- (i) **“Designated Provincial Program”** means a program established under the laws of a province or territory to encourage the financing of children’s post-secondary education through savings in RESP’s;
- (j) **“Educational Assistance Payment”** means any amount, other than a Refund of Payments, paid out of the Plan in accordance with section 14 (a) (Educational Assistance and Other Payments) to or for a Beneficiary to assist that Beneficiary to further his or her education at a Post-Secondary School Level;
- (k) **“Estate Documents”** means proof of the Subscriber’s death and other documents as may be required by the Trustee in its sole discretion in connection with the transmission of the Property on the Subscriber’s death and expressly includes Letters Probate, Letters of Administration, Certificate of Appointment of Estate Trustee With or Without a Will or other document of like import issued by any court in Canada;
- (l) **“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 appointed;
- (m) **“Expenses”** means all (i) costs, (ii) charges, (iii) investment management fees, investment advisory fees, commissions, and other fees as set out in an Account Agreement or the Application, (iv) legal expenses and (v) out-of-pocket expenses incurred from time to time in relation to the Plan;
- (n) **“Final Contribution Date”** means the last day of the 31st year following the Plan Commencement Year;
- (o) **“Final Termination Date”** means the last day of the 35th year following the Plan Commencement Year;
- (p) **“Government Grants”** mean:
  - (i) the Canada Education Savings grant paid or payable under section 5 of the *Canada Education Savings Act* (Canada) or under Part III.1 of the *Department of*

*Employment and Social Development Act* (Canada) as it read immediately before the coming into force of the *Canada Education Savings Act* (Canada),

- (ii) the Canada Learning Bond paid or payable under section 6 of the *Canada Education Savings Act* (Canada),
  - (iii) the Quebec Education Savings Incentive paid or payable under the *Taxation Act* (Quebec) in respect of contributions made after February 20, 2007,
  - (iv) the Saskatchewan Advantage for Education Savings grant paid or payable under the *Saskatchewan Advantage Grant for Education Savings Act* in respect of contributions made January 1, 2013 or later,
  - (v) the British Columbia Training and Education Savings grant paid or payable under the *Special Accounts Appropriation and Control Act* in respect of an “eligible child”, as defined by that Act, who is a Beneficiary, and
  - (vi) any grant payable under any other provincial education savings plan legislation which may be enacted and come into force from time to time, and any regulations thereunder, as may be amended or terminated from time to time;
- (q) **“Investment Dealer”** means Royal Mutual Funds Inc., a registered dealer of securities under the Applicable Laws, and with whom the Subscriber has entered into an Account Agreement;
- (r) **“Plan”** means the education savings plan established by the Application and this Plan Text for the Subscriber;
- (s) **“Plan Commencement Year”** means:
- (i) the year in which the Plan was originally entered into, or
  - (ii) where an amount has been transferred to the Plan from another RESP, the earlier of the year in which the Plan was originally entered into and the year in which the other RESP was established;
- (t) **“Post-Secondary Educational Institution”** means:
- (i) a Designated Educational Institution,
  - (ii) an educational institution in Canada that is certified by the Minister of Employment and Social Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person’s skills in, an occupation, or
  - (iii) an educational institution outside Canada that provides courses at a Post-Secondary School Level and that is:
    - (A) a university, college, or educational institution at which a Beneficiary was enrolled in a course of not less than 13 consecutive weeks, or
    - (B) A university at which a Beneficiary was enrolled on a full-time basis in a course of not less than 3 consecutive weeks;

- (u) **“Post-Secondary School Level”** includes a program of courses at a Post-Secondary Educational Institution as well as at an educational institution in Canada that is certified by the Minister of Employment and Social Development to be an educational institution providing courses, other than courses designed for university credit, of a technical or vocational nature designed to furnish a person with skills for, or improve a person’s skills in, an occupation;
- (v) **“Promoter”** means Royal Bank of Canada or any successor Promoter under section 27 (Replacing the Promoter);
- (w) **“Public Primary Caregiver”** of a Beneficiary under an education savings plan in respect of whom a special allowance is payable under the *Children’s Special Allowances Act* means the department, agency or institution that maintains the beneficiary or the public trustee or public curator of the province in which the beneficiary resides;
- (x) **“Qualifying Educational Program”** means a program at a Post-Secondary School Level of not less than 3 consecutive weeks duration that requires that each student taking the program spend not less than 10 hours per week on courses or work in the program;
- (y) **“Refund of Payments”** means:
  - (i) a refund of a contribution, if the contribution was made otherwise than by way of a transfer from another RESP, or
  - (ii) a refund of an amount that was paid into the Plan by way of a transfer from another RESP, where the amount would have been a refund of payments under the other RESP if it had been paid directly to a subscriber under the other RESP;
- (z) **“RESP”** means a “registered education savings plan” as defined in the Applicable Laws;
- (aa) **“RESP Lifetime Limit”** means the “RESP lifetime limit” as defined in the Applicable Laws;
- (bb) **“Specified Educational Program”** means a program at a Post-Secondary School Level of not less than 3 consecutive weeks duration that requires each student taking the program to spend not less than 12 hours per month on courses in the program;
- (cc) **“Subscriber”** means:
  - (i) each individual or the Public Primary Caregiver (as defined above), identified as a Subscriber in the Application,
  - (ii) another individual or another Public Primary Caregiver who has before that time, under a written agreement, acquired a Public Primary Caregiver’s rights as a Subscriber under the Plan,
  - (iii) an individual who has before that time acquired a Subscriber’s rights under the Plan pursuant to a decree, order or judgment of a competent tribunal,

or under a written agreement, relating to a division of property between the individual and a Subscriber under the Plan in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership, or

- (iv) after the death of an individual described in any of (i) to (iii) above, any other person (including the Estate Representative of the deceased individual) who acquires the individual's right as a Subscriber or who makes contributions into the Plan in respect of a Beneficiary, but does not include an individual or a Public Primary Caregiver whose rights as a Subscriber under the Plan had, before that time, been acquired by an individual or Public Primary Caregiver in the circumstances described in (ii) or (iii) above;
- (dd) **"Taxes"** means any and all applicable taxes, assessments, interest and penalties which may be required to be paid under the Applicable Laws; and
- (ee) **"Trustee"** means The Royal Trust Company, in its capacity as trustee and issuer of the arrangement governed by this Plan Text, and its successors and assigns.

## 2. AGREEMENT

The application of the Subscriber for a Royal Bank of Canada education savings plan and this Plan Text constitute an agreement among the Promoter, the Trustee and the Subscriber for an education savings plan.

Both the Promoter and the Trustee in their respective roles agree to administer the Plan in accordance with this Plan Text and the Applicable Laws.

## 3. APPOINTMENT AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee agrees to act as trustee of the Assets of the Plan and shall, subject to the payment of Expenses and Taxes pursuant to Section 17 (Expenses and Taxes), irrevocably hold, invest and reinvest the Assets of the Plan for the following purposes:

- (a) the payment of Educational Assistance Payments,
- (b) the payment of Accumulated Income Payments,
- (c) the Refund of Payments,
- (d) the repayment of amounts (and the payment of amounts related to that repayment) under the *Canada Education Savings Act* (Canada) or under a Designated Provincial Program,
- (e) the payment to one or more Designated Educational Institutions, or
- (f) the payment to a trust that irrevocably holds property pursuant to an RESP for any of the purposes set out in (a) to (e) above.

You expressly authorize the Trustee to delegate to the Promoter,

as its agent, the performance of certain duties of the Trustee as permitted by Applicable Laws. You acknowledge that, to the extent the Trustee delegates any such duties, the Trustee shall thereby be discharged from performing them.

#### **4. RESPONSIBILITIES OF THE PROMOTER**

The Promoter has ultimate responsibility for the Plan, including the administration of the Plan in accordance with these terms and conditions. The Promoter will apply for the registration of the Plan as an RESP in accordance with the Applicable Laws.

The Promoter shall file all information returns and other documents in respect of the Plan as required under the Applicable Laws.

#### **5. SELF-DEALING**

The Trustee's services are not exclusive and, subject to the limitations on the powers of the Trustee otherwise provided in this Plan Text, 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 Plan Text.

#### **6. PRIVACY**

The Subscriber agrees that any information provided by the Subscriber to the Promoter may be used by and shared among the Trustee, the Government of Canada and the applicable province or territory as required for the administration of the Plan in accordance with these terms and conditions, Applicable Grant Legislation, and otherwise in accordance with Applicable Laws.

#### **7. BENEFICIARY**

- (a) The Subscriber can designate one or more individuals as Beneficiaries of the Plan provided that each such individual is connected to each living Subscriber, or was connected to a deceased original Subscriber, by blood relationship, marriage or adoption (as defined in the Applicable Laws); provided that a designation in respect of a particular individual can only be made if the individual's social insurance number is provided to the Promoter before the designation and the individual is resident in Canada at the time of the designation, and
  - (i) the individual is under 21 years of age at the time of designation, or
  - (ii) the individual was, immediately before the time of designation, a beneficiary under another RESP that allows more than one beneficiary at any one time.
- (b) At any time, subject to the conditions above, the Subscriber may designate another individual to replace a Beneficiary



by delivering to the Promoter written notice of such designation in a form satisfactory to and containing the information required by the Promoter. If more than one such replacement designation has been delivered to the Promoter, the one bearing the latest date will govern.

## **8. NOTICE OF BENEFICIARY DESIGNATION**

Within 90 days after a Beneficiary has been designated by the Subscriber, the Promoter shall notify the Beneficiary (or, where the Beneficiary is under 19 years of age at the time of designation and either ordinarily resides with a parent or legal guardian of the Beneficiary or is maintained by a Public Primary Caregiver of the Beneficiary, that parent, legal guardian or Public Primary Caregiver) in writing of the existence of the Plan and the name and address of the Subscriber.

## **9. DATE OF BIRTH, SIN AND RESIDENCY**

The date of birth and social insurance number (SIN) in the Application will be certification of the Beneficiary's date of birth and social insurance number for the purposes of establishing an education savings plan. The Subscriber will provide the Promoter with any further evidence, proof of age or social insurance number that may be required for such purpose.

The Trustee shall be entitled to rely upon the Promoter's records as to the current address of the Beneficiary and the Subscriber as establishing the Subscriber's residency and domicile for purposes of the operation of the Plan and any payments from it, subject to the receipt of any written notice to the contrary respecting a change in residency or domicile prior to such payment being made.

## **10. GOVERNMENT GRANTS**

Where a Beneficiary is eligible for Government Grants under the Applicable Grant Legislation, at the request of the Subscriber and upon completion and delivery of all forms required under the Applicable Grant Legislation and by the Promoter, the Promoter will apply for Government Grants in respect of the Beneficiary. The Promoter and the Trustee are not responsible for determining whether the Beneficiary is eligible for Government Grants.

The Trustee will be required by the Promoter to pay any refund of Government Grants required under the Applicable Grant Legislation.

## **11. CONTRIBUTIONS**

The Subscriber is solely responsible for ensuring that the total amount of contributions made in respect of each Beneficiary under the Plan and any other RESP's does not exceed the RESP Lifetime Limit. A contribution must meet the minimum amount applicable to each investment option as defined under the Account Agreement. Any contribution made by someone who is not the Subscriber but made on behalf of the Subscriber must be accompanied by the investment instructions of the Subscriber.

A contribution may be made into the plan by or on behalf of the Subscriber in respect of a Beneficiary:

- (a) who is resident in Canada when the contribution is made;
- (b) for whom the Subscriber has given a SIN to the Promoter at the time of designation;
- (c) who is under 31 years of age at the time of the contribution, or over 31 years of age if the contribution is made by way of transfer from another RESP; and
- (d) provided the contribution is made either before the Final Contribution Date or, past this date, if the contribution is made by way of transfer from another RESP.

As well, a contribution may be made by way of transfer from another RESP provided that:

- (a) the Subscriber provides a SIN for the Beneficiary to the Promoter at the time of designation;
- (b) an Accumulated Income Payment has not been made from the other RESP; and
- (c) either:
  - (i) the Beneficiary was a beneficiary on the other RESP immediately before the transfer; or
  - (ii) the parent (as that term is defined at paragraph 252(2) (a) of the Income Tax Act (Canada)) of the Beneficiary was the parent of an individual who was a beneficiary under the other RESP and the Beneficiary was under 21 years of age when the Plan was entered into and the Beneficiary is a resident in Canada when the contribution by way of transfer is made and unless the Plan was entered into before 1999, the Beneficiary's social insurance number is provided to the Promoter before the contribution by way of transfer is made.

Contributions into the Plan do not include amounts paid into the Plan under

- (a) the Applicable Grant Legislation, or
- (b) any other program that has a similar purpose to a Designated Provincial Program and that is funded, directly or indirectly, by a province (other than an amount paid in to the Plan by a Public Primary Caregiver in its capacity as Subscriber under the Plan).

## **12. INVESTING**

It is the sole responsibility of the Subscriber to select investments of the Assets of the Plan, provided that any proposed investment must comply with the terms of any Account Agreement. In the absence of any instructions from the Subscriber, the Promoter may, in its sole discretion, cause the realization of sufficient investments to permit the payment of any amounts required to be paid under the Plan.

It is the sole responsibility of the Subscriber to ensure that investments of the Plan are and remain "qualified investments" for RESPs within the meaning of the Applicable Laws.

The investment of the Assets of the Plan shall not be limited in any way to investments authorized for trustees under, or to the criteria in planning or the requirements for diversifying the investment of the Assets of the Plan as may be prescribed for trustees by, any applicable federal, provincial or territorial legislation. The Subscriber may make investments with the Promoter or through the Investment Dealer or both and the relevant Account Agreements will apply to those investments.

Any uninvested cash will be placed on deposit with the Promoter or an affiliate of the Promoter. The interest payable to the Plan in respect of such cash balances will be determined by the Promoter from time to time in its sole discretion with no obligation to pay a minimum amount or rate. The Promoter shall credit the Assets of the Plan with appropriate interest. The Trustee shall have no responsibility to ensure the interest is included in the Assets of the Plan by the Promoter and will not be liable if such inclusion is not made.

### 13. REFUND OF PAYMENTS

At any time, subject to Applicable Grant Legislation, the Subscriber may, in a form satisfactory to the Promoter, request a Refund of Payments for education purposes or any other reason, such amount not to exceed the value of the Assets of the Plan less the total amount of all Government Grants held in the Plan.

The Refund of Payments will be paid to the Subscriber, or to a Beneficiary if so directed by the Subscriber in writing, within a reasonable time.

### 14. EDUCATIONAL ASSISTANCE AND OTHER PAYMENTS

Upon receipt of instructions from the Subscriber in a form satisfactory to the Promoter, the Promoter shall cause the Trustee to pay out of the Assets of the Plan, including any Government Grants held in the Plan subject to the provisions of the Applicable Grant Legislation, as follows:

- (a) An **Educational Assistance Payment** to or for a Beneficiary
  - (i) provided either that the Beneficiary
    - (A) is enrolled at a Post-Secondary Educational Institution as a student in a Qualifying Educational Program or
    - (B) has attained the age of 16 years and is enrolled as a student in a Specified Education Program at a Post-Secondary Educational Institution; and
  - (ii) further provided that the Beneficiary
    - (A) has satisfied the condition set out in section 14(a)
      - (i) A (Educational Assistance and Other Payments); and
      - (a) has done so throughout at least 13 consecutive weeks in the 12-month period that ends at that time, or

- (b) the total of the Educational Assistance Payment and all other education assistance payments made under this Plan and any other RESP of the Promoter to or for the Beneficiary in the 12-month period that ends at that time does not exceed \$5,000 or any greater amount that the Minister designated for the purposes of the *Canada Education Savings Act* (Canada) approves in writing with respect to the Beneficiary, or
- (B) satisfies the condition set out in section 14(a) (i) B (Educational Assistance and Other Payments); and the total of the payment and all other educational assistance payments made under an RESP of the Promoter to or for the Beneficiary in the 13-week period that ends at that time does not exceed \$2,500 or any greater amount that the Minister designated for the purpose of the *Canada Education Savings Act* (Canada) approves in writing with respect to the Beneficiary.

Notwithstanding the above, an Educational Assistance Payment may be paid at any time in the six-month period immediately following the time at which the Beneficiary ceases to be enrolled as a student in the Qualifying Educational Program or the Specified Educational Program if the Educational Assistance Payment would have complied with the above requirements had it been made immediately before that time.

The Trustee will cause all or a portion of each Educational Assistance Payment to be paid from any Government Grants held in the Plan as permitted by and pursuant to the terms of the Applicable Grant Legislation.

The Promoter will determine whether the conditions for paying an Educational Assistance Payment have been satisfied and such determination shall be final and binding on the Subscriber and Beneficiary;

- (b) An **Accumulated Income Payment** provided that:
  - (i) the payment is made to, or on behalf of, a Subscriber who is resident in Canada for tax purposes when the payment is made in accordance with the Applicable Laws, and
  - (ii) the payment is not made jointly to, or on behalf of, more than one Subscriber, and
  - (iii) any of
    - (A) the payment is made after the 9th year that follows the year of the Plan Commencement Year and each individual (other than a deceased individual) who is or was a Beneficiary has attained 21 years of age

before the payment is made and is not, when the payment is made, eligible under the Plan to receive an Educational Assistance Payment,

- (B) the payment is made in the 35th year following the Plan Commencement Year, or
- (C) each individual who was a Beneficiary is deceased when the payment is made.

At the Subscriber's request and on receipt of the requisite supporting documentation, where a Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a Qualifying Educational Program at a Post-Secondary Educational Institution, the Promoter will apply to the Minister of National Revenue for permission to waive the condition in section 14 (b)(iii)(A) (Educational Assistance and Other Payments) for making Accumulated Income Payments.

- (c) A payment to a **Designated Educational Institution (DEI)** once all Contributions have been withdrawn, and the Government Grants have been repaid, or at the termination of the RESP; or
- (d) A **transfer to another RESP** so long as no Accumulated Income Payment has been paid under section 14 (b) (Educational Assistance and Other Payments).

## 15. TERMINATION

The Plan will be terminated on the earliest of the following dates:

- (a) the date designated by the Subscriber in a form satisfactory to the Promoter, if permitted by Applicable Laws,
- (b) the last day of February in the year following the year in which the first Accumulated Income Payment is made from the Plan,
- (c) the date the registration of the Plan as a RESP is revoked by the Minister of National Revenue, and
- (d) the Final Termination Date.

Where any Assets of the Plan remain on or immediately before the termination of the Plan, the Promoter shall cause the Trustee to pay from the Assets of the Plan:

- (e) any fees or charges that remain unpaid,
- (f) a Refund of Payments to the Subscriber in the amount that would be permitted under section 13 (Refund of Payments),
- (g) a repayment of any Government Grants as required under the Applicable Grant Legislation, and
- (h) any amount remaining in the Plan after the payments described in (e), (f) and (g) above, to the Designated Educational Institution in Canada designated by the Subscriber or, where such designation has not been made, chosen by the Promoter.

## **16. RETURNED PAYMENTS AND OTHER UNCLAIMED PROPERTY**

- (a) If the Promoter has no record of Plan activity for a period of time prescribed under any Applicable Laws, the Promoter may be required to undertake reasonable efforts to locate the Subscriber and or the Beneficiary.
- (b) If a payment has been made and is subsequently returned as undeliverable or is due but cannot be made for any reason, the Promoter in its sole discretion may take one of the following actions with respect to the payment:
  - (i) cancel the payment and return it to the Plan if permitted under Applicable Laws;
  - (ii) where there are Applicable Laws respecting unclaimed payments, comply with such Laws, including reporting and/or remitting the payment to the applicable provincial, territorial or federal authority; or
  - (iii) credit the funds to an existing deposit account, or to a new deposit account in the name of the payment recipient, whether Subscriber or Beneficiary as the case may be, provided that all information required to open such account will be the same as such information on record with the Promoter;
- (c) If the Plan itself becomes unclaimed under Unclaimed Property Guidelines, the Plan will continue to be charged all allowable Expenses including allowable fees until such time as the Assets of the Plan are fully remitted. No statements will be mailed by regular mail when the Plan is considered unclaimed.
- (d) Once the Assets of the Plan are fully remitted, the Promoter and the Trustee shall no longer have any liability or responsibility with respect to the Plan and it will be closed. If any Assets of the Plan are remitted to a government authority, the Subscriber or the Beneficiary may be able to reclaim the Assets from that authority under Applicable Laws but any payments made to a charitable corporation shall be final.

## **17. EXPENSES AND TAXES**

Subject to any limitations in the Applicable Grant Legislation, all Expenses incurred shall be paid from the Plan. For greater certainty, for third party demands or claims of any kind made against the Plan, the Trustee, the Promoter and Investment Dealer are entitled to fully be reimbursed from the Plan with respect to any resulting Expenses incurred by them.

As part of Expenses, the Trustee, the Promoter and Investment Dealer will be entitled to such reasonable fees as each may establish from time to time for services rendered in connection with the Plan. All such fees will, unless first paid directly to the Promoter, be charged against and deducted from the Assets of the Plan (excluding Government Grants) in such manner as it determines. For any increase in fees or the introduction of new fees, the Promoter and, if applicable, the Investment Dealer will provide the Subscriber with notice either mailed to the Subscriber or sent electronically, if the Subscriber agreed to this

form of delivery, at least 30 days before the effective date of the change.

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 Applicable Laws, will be charged against and deducted from the Assets of the Plan (excluding Government Grants) in such manner as the Promoter determines

## **18. NOTICES**

Any notice given by the Subscriber to the Promoter shall be sufficiently given if delivered electronically to the Promoter upon the Subscriber's receipt of an acknowledgement or response to the same, or if mailed, postage prepaid and addressed to the Promoter at P.O. Box 6001, Montreal, Quebec H3C 3A9, or if provided by the Subscriber to the Promoter in such other form that is acceptable to the Promoter or the Trustee, and shall be considered to have been given on the day that the notice is actually delivered to or received by the Promoter.

Any notice, statement, receipt or other communication given by the Trustee or Promoter to you shall be sufficiently given if delivered electronically or personally to the Subscriber, or if mailed, postage prepaid, and addressed to the Subscriber at the address shown on the Application or at his or her last address given to the Trustee or the Promoter and any such notice, statement, receipt or other communication shall be considered to have been given at the time of delivery to the Subscriber electronically or personally or, if mailed, on the fifth day after mailing.

## **19. STATEMENTS AND RECORDS**

The Promoter will maintain an account for the Plan in which will be recorded:

- (a) contributions to the Plan by or on behalf of the Subscriber,
- (b) investments, investment transactions and investment income, gains and losses,
- (c) amounts and recipients of Educational Assistance Payments,
- (d) amounts transferred to another RESP,
- (e) Government Grants repayments,
- (f) amounts paid to Designated Educational Institutions,
- (g) the Refund of Payments available to be made to the Subscriber and the Refund of Payments already made,
- (h) the amount of fees and other charges payable by the Plan,
- (i) Accumulated Income Payments, and
- (j) the balance of any Government Grants held in the Plan and any other information required under an agreement between the Promoter and the Minister of Employment and Social Development respecting Government Grants.

An annual (or more frequent at the sole discretion of the Promoter) statement will be sent to the Subscriber showing the transactions affecting the Plan for the preceding year.

## **20. SUBSCRIBER DEATH**

- (a) The Promoter and the Trustee are each authorized to release any information about the Plan and Plan proceeds after the Subscriber's death to either the Subscriber's Estate Representative or a Beneficiary, or both. If the Beneficiary is a minor at the time of his or her death, such information may be released to his or her custodial parent, legal guardian or Public Primary Caregiver.
- (b) Upon the death of a Subscriber and receipt of Estate Documents, the Promoter will take instructions from the Estate Representative in a form acceptable to the Promoter to assign the Plan to a successor subscriber, who must agree to accept that role, with such instructions and acceptance all to be done in keeping with Applicable Laws.

## **21. HEIRS, EXECUTORS AND ASSIGNS**

The terms of this Plan Text will be binding upon the heirs, Estate Representatives, attorneys, committees, guardians of property, other legal and personal representatives ("Representative") and assigns of the Subscriber and upon the respective successors and assigns of the Trustee and the Promoter 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.

## **22. LEGAL PROCEEDINGS**

If there is a dispute about who is legally authorized to direct and receive payments from the Plan, the Promoter and the Trustee are entitled to either apply to the court for directions or to pay all or a portion of the Assets of the Plan into court and, in either case, fully recover any legal costs incurred in this regard as a cost or disbursement in respect of the Plan. The Promoter and the Trustee will not be liable for any penalty, or any loss or damage resulting from the repayment of Government Grants as required under the Applicable Grant Legislation, that may occur as a result of any such payment of Assets of the Plan into court.

## **23. LIMITATION OF LIABILITY**

The Promoter and the Trustee shall not be liable for any loss or damage suffered or incurred by the Plan, a Subscriber or a Beneficiary as a result of the purchase, sale or retention of any investment including any loss resulting from the Promoter or the Trustee acting on the direction of an agent appointed by a Subscriber to provide investment direction.

The Promoter and the Trustee shall not be liable in their personal capacity for any Taxes, which may be imposed on the Trustee in respect of the Plan under Applicable Laws, as a result of payments out of the Plan or the purchase, sale or



retention of any investment (including any investment that is not a “qualified investment” within the meaning of the Applicable Laws).

#### **24. INDEMNITY**

The Subscriber will at all times indemnify the Promoter and the Trustee and save the Promoter and the Trustee harmless in respect of any Government Grant repayments required to be made or Taxes which may be imposed on the Promoter or the Trustee as a result of the acquisition, retention or transfer of any investments or as a result of payments or distributions out of the Plan made in accordance with these terms and conditions or as a result of the Promoter or the Trustee acting or declining to act upon any instructions given to the Promoter or the Trustee, whether by the Subscriber or any agent appointed by the Subscriber to provide investment direction.

#### **25. CHANGES TO THE PLAN TEXT**

The Promoter and the Trustee, acting together, may change this Plan Text at any time provided that at all times the Plan continues to comply with the requirements of the Applicable Laws. If there are changes, the Subscriber will be notified on how to obtain an amended copy of the Plan Text reflecting any such change and will be deemed to have accepted such changes.

No change to these terms and conditions shall have the effect of disqualifying the Plan as an RESP or disqualifying a Beneficiary as a recipient of Government Grants under the Applicable Grant Legislation and any change may be retroactive.

#### **26. CHANGE OF TRUSTEE**

The Trustee may resign as trustee of the Plan by providing written notice of such resignation within the notice period agreed upon by the Promoter and the Trustee in writing. The Trustee will resign upon receiving 90 days’ written notice from the Promoter so long as it is satisfied that the proposed replacement Trustee will properly assume and fulfill the Trustee’s duties and liabilities hereunder.

Upon receiving notice of resignation from the Trustee, or upon providing notice to the Trustee to resign, the Promoter shall forthwith select a replacement Trustee. If the Promoter fails to nominate a replacement Trustee within 30 days after receipt of the notice of resignation or providing the notice to the Trustee to resign, the Trustee shall be entitled to appoint a replacement Trustee. The resignation of the Trustee will not be effective until the replacement Trustee has been appointed and until notice of the replacement has been provided by the Promoter to the Minister of Employment and Social Development.

Upon the appointment of a replacement Trustee, the replacement Trustee shall, without further act or formality, be and become the Trustee hereunder and, without any conveyance or transfer, be vested with the same power, rights, duties and responsibilities as the Trustee and with the Assets of the Plan 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.

Any replacement Trustee must 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 a 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 to substantially all of the trust business of the Trustee will become the replacement Trustee without further act or formality, subject to prior notice being provided to the Minister of Employment and Social Development.

The Promoter shall give notice of the replacement of the Trustee to the Subscriber and the Minister of National Revenue.

## **27. REPLACING THE PROMOTER**

Provided the written consent of the Trustee has been obtained, such consent not to be unreasonably withheld, at any time, the Promoter may assign its rights and obligations under the Plan to any other corporation resident in Canada that is authorized to assume and discharge the obligations of the Promoter under the Plan so long as prior notice has been provided by the Promoter to the Minister of Employment and Social Development. Any such assignee shall execute any agreements and other documents that are necessary for the purpose of assuming such rights and obligations.

The successor Promoter shall give notice of the replacement of the Promoter to the Subscriber and the Minister of National Revenue.

## **28. LANGUAGE**

The Subscriber has expressly requested that this Plan Text and all related documents, including Section 18 (Notices), be in the English language. *J'ai expressément demandé que cette Déclaration de fiducie et tous documents y afférents, y compris tout avis, soient rédigés en langue anglaise (Quebec only / Québec seulement).*

## **29. INTERPRETATION**

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

## **30. GOVERNING LAW**

The Plan Text and the Plan will be construed, administered and enforced in accordance with the law of and in force in the Province of Ontario and the laws of Canada.

The Subscriber expressly agrees that any action arising out of or relating to the Plan shall be filed only in a court located in Canada and the Subscriber irrevocably consents and submits to the jurisdiction of such court for the purposes of litigating any such action.

**PROBLEM OR CONCERN**

If you have a problem or concern, please contact your branch. If it is not resolved, please contact the Client Care Centre by telephone at 1 (800) 769-2540, by email at [clientcarecentre@rbc.com](mailto:clientcarecentre@rbc.com) or by mail to P.O. Box 1, Royal Bank Plaza, Toronto, Ontario M5J 2J5. For more information, please consult our brochure “How to Make a Complaint”, available at any branch or at [www.rbc.com/customer-care](http://www.rbc.com/customer-care).



**Royal Bank**