

## Simplii Financial™ Tax-Free Savings Account Agreement

### Some basic terminology:

- “You” and “Your” mean the Simplii Financial services customer, and after Your death, means the Successor Holder.
  - “We”, “Us” and “Our” mean Canadian Imperial Bank of Commerce and any member of the CIBC group of companies that provides You with a Simplii Financial product or service.
  - “CIBC” means Canadian Imperial Bank of Commerce.
  - “CIBC group of companies” means CIBC and its affiliated companies.
  - “Common-Law Partner” has the meaning set out in the Tax Act.
  - “Estate Representative” means the person who has demonstrated, with evidence satisfactory to us, the death of the Holder and that such person is the legal personal representative of the estate of the Holder, and such evidence may include letters probate or other court documentation.
  - “Holder” means You the Holder as defined in subsection 146.2(1) of the Tax Act.
  - “Spouse” means a spouse for purposes of the Tax Act.
  - “Successor Holder” means the individual who is the Holder’s survivor as defined in subsection 146.2(1) of the Tax Act whom the Holder designates to become and who then becomes the holder (as defined in subsection 146.2(1) of the Tax Act) of the Account.
  - “Tax Act” means the Income Tax Act (Canada).
1. **ESTABLISHMENT OF ACCOUNT:** We agree to establish a Simplii Financial Tax-Free Savings Account (the “Account”), to receive contributions from the Holder, to hold on deposit such contributions to be used, invested or otherwise applied for the purpose of us making distributions under the Account to the Holder or otherwise in accordance with the Account and the Tax Act.
  2. **REGISTRATION OF YOUR ACCOUNT:** We will file an election with the Minister of National Revenue to register the Account as a Tax-Free Savings Account (TFSA) under the Tax Act and, if applicable, the income tax legislation of the province or territory in which You reside, as shown on the Application.
  3. **ACCOUNT CONTRIBUTIONS:** The Holder may make cash contributions to the Account (“Deposits”) from time to time. It will be the responsibility of the Holder to determine the amount of Deposits or contributions that can be made to the Account from time to time or otherwise any tax effect on the Holder or anyone else of any Deposits or contributions to the Account.
  4. **ACCOUNT OPTIONS WHICH THE HOLDER MAY CHOOSE:** The Account will consist of the “Account Options” the Holder selects from time to time. (“Account Option” means the Simplii Financial Tax-Free Savings Account, and any other Deposit option which Simplii Financial may make available from time to time).
  5. **MINIMUM DEPOSIT AMOUNT:** We will determine the minimum amount for each Deposit and may change that minimum amount from time to time.
  6. **HOLDER’S ACCOUNT AND STATEMENTS:** We will maintain an Account for the Holder of all banking transactions, including Deposits and interest credited to the Account. This information will be available to the Holder, through online banking, telephone banking or CIBC bank machines.
  7. **WITHDRAWALS AND EXCESS DEPOSITS:**
    - a) **Withdrawals:** The Holder may request us to pay the Holder all or part of the funds in the Account by written notice given to us at any time. However, all payments are subject to any restrictions imposed by the Account Option or Options in which Account funds are held.
    - b) **Excess Deposits and Non-Resident Deposits:** Where permitted by the Tax Act, the Holder may direct us in writing to distribute from the Account balance an amount to reduce the tax that would otherwise be payable under Part XI.01 of the Tax Act. We must comply with that direction. We are not responsible for determining the amount of the distribution.
  8. **PAYMENT ON DEATH:** On death of the Holder, We will pay the amount of the Account, less any applicable taxes and any CIBC fees (the “Account Proceeds”) to the Estate Representative and not in accordance with any designation of successor holder or other beneficiary, unless such designation of successor holder or other beneficiary is effective in the Holder’s jurisdiction as of the date of death of the Holder such that a TFSA or proceeds of a TFSA can pass outside of the Holder’s estate. Paragraphs 9 and 10 of this Agreement are subject to this provision.
  9. **DESIGNATION OF SUCCESSOR HOLDER OR OTHER BENEFICIARY:** Subject to paragraph 8 of this Agreement: a successor holder or other beneficiary may be designated in accordance with this paragraph to receive an amount or amounts out of the Account after the Holder’s death.
    - a) **Spouse/Common-Law Partner Successor Holder:** The Holder may designate his/her surviving Spouse/Common-Law Partner as the successor holder of the Account after the Holder’s death.
    - b) **Beneficiary of Lump Sum:** Alternatively, the Holder can designate one or more persons (“Beneficiary” or “Beneficiaries”) to receive the Account Proceeds in a lump sum payment.Either designation may be made, changed or revoked by Will or by a written instrument in a form acceptable to us which adequately identifies the Account and is signed and dated by the Holder, as applicable (an “Instrument”).

**10. DEATH OF HOLDER:** Subject to paragraph 8 of this Agreement: on death of the Holder, We will pay the Account Proceeds in accordance with the latest dated Instrument We have notice of in our records, or if we have no such Instrument, to the Estate Representative, upon receiving satisfactory evidence of the Holder's death and any other documents which We may require. If we receive more than one Instrument or evidence of it, satisfactory to us in our sole discretion, we will pay the Account Proceeds in accordance with the Instrument having the latest execution date. We may delay payment for any period We may determine in our absolute discretion if We believe that a delay is required or advisable to determine the proper recipient of the Account Proceeds or under any applicable law. We will not be liable for any loss caused by a delay. A designated successor holder or Beneficiary who disclaims or at law is treated as having disclaimed the interest in the Account arising on death of the Holder will be deemed to have predeceased the Holder.

Unless otherwise provided in the Instrument:

- a) If You elected your Spouse or Common-law Partner as the successor holder, this election will only be effective if Your Spouse or Common-law Partner
- i) has not predeceased You; and
  - ii) has not disclaimed or released the right to become the successor holder; and
  - iii) was Your Spouse or Common-law Partner on the date of Your death.

In the event all of the above do not apply, the proceeds will be distributed to Your Estate Representative.

- b) If more than one Beneficiary was designated in the Instrument:
- i) the Account Proceeds will be divided among those of the Beneficiaries who survive the Holder, in the percentage share specified by the Holder (if no percentage was specified, the Account Proceeds will be divided equally);
  - ii) should any Beneficiary designated in the Instrument predecease the Holder, the percentage share of the deceased Beneficiary will be divided equally among the Beneficiaries who survive the Holder; and
  - iii) if only one of the Beneficiaries survives the Holder, that Beneficiary will receive the entire Account Proceeds.
- c) If neither a successor holder nor any Beneficiary is designated, or if the designated successor holder or all Beneficiaries die before the Holder, the Account Proceeds will be paid to the Estate Representative, or if the named successor holder or all Beneficiaries designated in the Instrument die before the Holder, the Account Proceeds will be paid to the Estate Representative.

We will only change the name of the Account into the name of the designated successor holder or make payments from the Account to the designated successor holder or pay the Account Proceeds to the Beneficiary or Beneficiaries or the Estate Representative, as applicable, if We receive satisfactory evidence of Your death and any other documents We may require, including letters probate or similar documents, in order to, among other things, establish that the Holder did not subsequently revoke or amend the designation of the successor holder or Beneficiary in such documents. We may also require proof satisfactory to us that the designated successor holder was the Spouse/Common-law Partner of the Holder at the time of the Holder's death and in order for the designation of successor holder to be effective, We may also require certain information from the designated successor holder. We will be fully discharged once we make such payments, or change the name of the Account into the name of the designated successor holder, as applicable, even though any beneficiary designation made by You may be invalid as a testamentary instrument.

- 11. PAYMENT INTO COURT:** If there is a dispute or uncertainty about who is legally authorized to instruct on the Account and direct payment of Account Proceeds during Your life or to apply for and accept payment of Account Proceeds on Your death, or, in our view, a failure of persons entitled on Your death to properly instruct us regarding payment of Account Proceeds, we are entitled to either apply to the courts for directions or pay the Account Proceeds or portion thereof into court and be discharged on such payment, and, in any such case, fully recover any legal costs we incur in this regard from the Account.
- 12. TRANSFERS OUT OF THE ACCOUNT:** Within a reasonable period of time after We receive from the Holder a written direction and all documents which We reasonably request, We will transfer all or part of the value of the Account, in the manner and to the person specified in the direction, to another TFSA of the Holder, so long as the transfer satisfies the definition of "qualifying transfer" under paragraph 207.01(1)(a) of the Tax Act and any applicable provincial legislation. The Holder agrees no direction shall require a transfer to take place until after all applicable taxes and any fees have been paid or provided for.
- 13. FEES:** We are entitled to receive and may charge against the Account the fees disclosed in writing to the Holder when the Account is opened and any new or increased fee(s) in respect of which We have given the Holder written notice at least 30 days before it (they) are effective. We are also entitled to receive and may charge against the Account any taxes, interest or penalties payable in respect of the Account other than those taxes, interest or penalties that the issuer is liable for under the *Income Tax Act* which can't be charged against the Account.
- 14. ORIGINAL HOLDER'S DATE OF BIRTH:** You certify that the date of birth set out on the original application for this Account is correct. The Account will not be considered a TFSA unless the first Holder who opened it was at least 18 years old when the first Holder entered into the Account arrangement.

## 15. NOTICES OF ACCOUNT

- a) Notice by Holder: Any notice or instructions given by the Holder to us must be delivered or mailed (postage prepaid) to Simplii Financial, PO Box 603, STN Agincourt, Scarborough ON M1S 5K9, or any other address as We may advise in writing, and will be considered to have been given to us on the day that it is actually delivered to or received by us.
- b) Notice to Holder: Any notice, statement, receipt, or advice given by us to the Holder must be delivered or sent (postage prepaid) to the Holder at the address recorded in our books with respect to the Holder of the Account and will be considered to have been received when actually delivered or, if mailed, on the fifth day after mailing. Notice to the legal representative of the Holder, to a designated successor holder or to any Beneficiary is effective if sent to the address of the Holder on our records until such time as we have notice of the death of the Holder and that such legal representative, designated successor holder or Beneficiary is legally entitled to the Account Proceeds or otherwise entitled to information about the Account and such person has then informed us of a different notice address.
- c) Notice to us by Third Parties: While any legal notice or document issued by a third party in respect of the Account will be effectively served on us if served at the address in paragraph 15(a), service may be accepted, at our discretion, at any location of CIBC or any affiliate of CIBC. If We or any of our affiliates incurs any expenses in responding to any third party legal notice or document, We may charge such expenses to the Account. We may, but are not required to, notify the Holder of the receipt of any legal notice or document before We comply with it. We may serve the Holder with any legal notice or document by mailing it to the Holder by ordinary mail in accordance with paragraph 15(b). Any payment made by us or any of our affiliates to a third party claimant under any legal process, if the payment is made in good faith, is a discharge of our obligations under this Agreement and with respect to the Account, to the extent of the amount paid.

**16. AMENDMENTS TO ACCOUNT:** We may amend this Agreement and the Account from time to time at our discretion by giving the holder 30 days written prior notice. No amendment may be retroactive or result in the amended Account not being acceptable as a Tax-Free Savings Account under the Tax Act. Should We so choose in our sole discretion, We may amend the plan by converting it into a trusteed Account under a Declaration of Trust instead of this Agreement, and assign our obligations and rights as an Account issuer to a trust company which, if We wish, is a CIBC affiliate and such Declaration of Trust will be comparable to Declarations of Trust for Tax-Free Savings Accounts then offered by a CIBC affiliate, as applicable.

## 17. EXCLUSIVE BENEFIT OF HOLDER:

- a) The Account must be maintained for the exclusive benefit of the Holder.
- b) While there is a Holder of the Account, no one other than the Holder or us shall have rights under the Account relating to the amount and timing of distributions and investing of funds in the Account.
- c) No one other than the Holder may make contributions to the Account.  
Notwithstanding sections a) and b) above, You may, only with our written consent, obtained in advance, use the Account or your interest in the Account as security for a loan or other indebtedness in accordance with subsection 146.2(4) of the Tax Act.

**18. LEGAL REPRESENTATIVE:** We may deal with a legal representative of the Holder while the Holder is alive, if such person demonstrates, to our satisfaction, which may include requiring a court order, the legal authority to act on behalf of the Holder, both generally with respect to the Account and specifically with respect to any particular transaction.

**19. BINDING ON HEIRS, SUCCESSORS, ETC.:** This Agreement is binding on the heirs, successors and legal representatives of the Holder.

**20. GOVERNING LAW:** This Agreement is governed by and construed in accordance with the laws of the Canadian Province or Territory in which You live (if You do not live in Canada, the laws of Ontario, Canada will apply). If any provision of the Tax Act which is referred to in this Agreement is renumbered because of an amendment to that Act, then the reference in this Agreement is considered to be a reference to the renumbered provision.

**21. SET OFF:** CIBC may apply a credit (positive) balance in the Account against any debt or liability You may owe CIBC or any affiliate of CIBC no matter how long it has been owed. CIBC may do so in any manner it considers necessary without first giving You notice. This right operates despite any demands that may have been made by a third party. You acknowledge that in the event CIBC or its affiliate receives notice of Your bankruptcy, insolvency or similar arrangement, either CIBC or its affiliate, as applicable, can immediately exercise this right of set-off without prior notice to You. This right is in addition to any rights which CIBC may have at law or in equity in respect to set-off or consolidation of accounts.