Index-linked term deposit (ILTD) Agreement: Terms and Conditions

1. This ILTD is **not redeemable** until the Maturity Date.
2. Before the Issue Date, Vancouver City Savings Credit Union ("Vancity") may, at its sole discretion, proceed or refuse to proceed, in whole or in part, with the issuance of the ILTD to the member. Any refused Initial Deposit will be returned to the member, together with pre-issue interest, calculated in accordance with section 12 of this agreement. Vancity will not charge any fees on any refused initial deposits.
3. Minimum deposit is $1,000.
4. The member agrees to make, on the date of initial deposit specified above, a first deposit (the "Initial Deposit") on which pre-issue interest is calculated according to section 12 of this agreement.
5. **NOTE**: For RRIF products, funds may not be withdrawn to satisfy any minimum RRIF withdrawals. To be included within your Vancity RRIF portfolio, member must ensure that funds for all future minimum annual payments are available from other RRIF investments rather than your Index-linked RRIF term deposit(s). Your annual minimum payment amount will be determined in part by the value of your Index-linked RRIF term deposit(s) at the previous year.
6. On the date of issue specified above (the "Issue Date"), the member expressly agrees that the amount of the Initial Deposit and the pre-issue interest accrued on that amount at that date be reinvested in the form of an ILTD (the “Index-Linked Term Deposit”) maturing on the maturity date specified above (the "Maturity Date"). The term of the ILTD is either 3 or 5 years (the “term length”), as identified above.
7. This ILTD may not be negotiated, transferred, or redeemed before the Date of Maturity.
8. No amount of principal or interest shall be redeemable or payable before the Maturity Date. No secondary market for this ILTD exists nor will one be established.
9. This ILTD may not be transferred, charged, encumbered or given as security except in favour of Vancity.
10. This ILTD is in Canadian dollars. The redemption of the principal and the payment of interest, if applicable, will be made in Canadian dollars.
11. For a listing of the securities included in the currently available Index-Linked Term Deposit, please refer to https://www.vancity.com/invest/term-deposit-gic/index-linked

Method of Interest Calculation: Terms and Conditions

12. During the period between the date of Initial Deposit and the Issue Date, the funds will be held in a short-term account at Vancity’s current Cashable (30-day Lock-out) rate.
13. During the period between the Issue Date and the Maturity Date, the interest generated by the ILTD shall be determined at maturity according to the variation in the price of the securities (20 for Planet-Wise ILTD and 15 for Canadian ILTD) (common shares) described below (the “Securities”), in the following manner:

Planet-Wise ILTD

$$\text{Interest} = \text{Principal} \times \left\{\left[\left(\frac{CP^2 \text{ for } S}{CP^1} + \frac{CP^2 \text{ for } S_1}{CP^1} + \ldots \frac{CP^2 \text{ for } S_2}{CP^1}\right) \times 1/20\right] - 1\right\} \times 100\%$$

Principal	=	The amount of the Initial Deposit plus the cumulative pre-issue interest accrued between the date of Initial Deposit and the Start Date.
CP^2	=	The average closing level of the Securities, approximately 7 days, 30 days, and 60 days prior to the Maturity Date, which dates are determined at Vancity’s sole discretion. Refer to the Product Information Sheet for specific dates of the current issue.
CP^1	=	The closing level of the 20 Securities, measured approximately seven days prior to the Issue Date, which date is determined at Vancity’s sole discretion. Refer to the Product Information Sheet for specific dates.
S1 to S20	=	Each one of the 20 Securities listed below.
100 %	=	The rate of participation in the growth of the basket of Securities.

Canadian ILTD

$$\text{Interest} = \text{Principal} \times \left\{\left[\left(\frac{CP^2 \text{ for } S}{CP^1} + \frac{CP^2 \text{ for } S_1}{CP^1} + \ldots \frac{CP^2 \text{ for } S_2}{CP^1}\right) \times 1/15\right] - 1\right\} \times 100\%$$

Principal	=	The amount of the Initial Deposit plus the cumulative pre-issue interest accrued between the date of Initial Deposit and the Start Date.
CP^2	=	The average closing level of the Securities, approximately 7 days, 30 days, and 60 days prior to the Maturity Date, which dates are determined at Vancity's sole discretion. Refer to the Product Information Sheet for specific dates of the current issue.
CP^1	=	The closing level of the 15 Securities, measured approximately seven days prior to the Issue Date, which date is determined at Vancity's sole discretion. Refer to the Product Information Sheet for specific dates.
S1 to S15	=	Each one of the 15 Securities listed below.
100 %	=	The rate of participation in the growth of the basket of Securities.

Interest Limit

14. The interest paid at maturity, if applicable, is subject to the maximum return specified in the applicable Product Information Sheet. If the return of the Securities is higher than the maximum interest amount at maturity, then the interest paid will be the maximum return specified in the applicable Product Information Sheet. The maximum interest amount is a percentage of the Principal and is not an annual amount.

15. The yield of the reference index does not take into account the payment of dividends or regular distributions on shares or other securities included in the index.

Risk and Suitability

16. This ILTD carries a higher level of risk than a fixed-rate investment as the interest, which is based in part on the performance of the Securities, could be no more than the minimum return specified in the applicable Product Information Sheet at maturity.

17. This ILTD is different from traditional fixed-rate investments because it does not guarantee a fixed or variable return determined in advance. The return on this ILTD will only be known with certainty on the date of maturity and will be a function in part of the appreciation of the Securities. It is not possible to know with certainty if, or to what extent, there will be any appreciation of the Securities. The Securities could be subject to major fluctuations. Past performance of the Securities does not guarantee future performance. Consequently, Vancity does not guarantee a yield at maturity.

18. The ILTD is not a direct investment in the reference Securities. Therefore, the member will not be entitled to the rights or the benefits of an actual holder of the securities, such as the right to receive distributions or dividends or the right to vote or attend shareholders' meetings.

19. Since the calculation method determines the closing level of the Securities using an average of the dates specified in the Product Information Sheet, the yield paid out at maturity may not reflect the performance of the Securities between the Issue Date and the Maturity Date.

20. Given the features of this kind of investment, the member should seek independent financial and tax advice to ensure that such an investment meets his/her investment objectives before the purchase of this investment.

21. This ILTD is not suitable for those who require a fixed income from interest.

22. Vancity purchases the ILTD from a third party, which third party calculates the yield and interest payable to members at maturity. If a change in any applicable law, regulation or tax increases the third party's cost of providing the ILTD, or the third party otherwise increases the cost to Vancity, Vancity may, at its sole discretion, require the member to pay to Vancity an amount equal to any amount paid or payable by Vancity to the third party in respect of the increase in cost.

Redemption of Principal at Maturity: Terms and Conditions

23. The principal investment will be returned to the member at maturity. If index-related interest has been earned during the term, it will be paid automatically on the Maturity Date. Unless the member advises otherwise in advance of the maturity date, on the Maturity Date the deposit will automatically renew into a flexible term option or savings account, with non-registered and TFSA products renewing into a 12-month Cashable Term (30 day lockout prior to full interest paid), RRSP products renewing into a 12-month Convertible Term, and RRIF products renewing into a RRIF Investment Savings Account (note: the above term options and savings

account are dependent on prevailing rates, configurations, and product offerings at the time).

Extraordinary Events

24. The member acknowledges that a disruption on capital markets, a change in the calculation, publication or numerical form of the stock market index, or any other event or circumstance may occur and affect Vancity's capacity to calculate or pay the interest or to fulfill any other obligation on the date provided for. In such case, the member agrees that Vancity may depart from the terms and conditions of this agreement and take any action as deemed appropriate including, without limitation, adjusting, anticipating, or deferring the calculation or the payment of the interest, or determining the interest in a different manner. Vancity may determine, at its sole discretion, if an extraordinary event has occurred. If this ILTD includes a minimum annual interest, the extraordinary event will not affect this minimum interest.

Access to Information

25. The ILTD's yield and interest payable will only be calculated on the Maturity Date.

26. Complete information about ILTD is available on the Web site **www.vancity.com** or upon request by calling 604-877-7000 or **1-888-VANCITY**.

Taxation

27. This Guaranteed Investment is an investment eligible for registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs) and tax-free savings accounts (TFSAs). For Index-Linked Term Deposits not held in one of the aforementioned registered accounts, the member may be liable to pay income tax on interest, if any, paid on the ILTD. This information is of a general nature and constitutes neither legal nor tax advice. Members should seek independent legal and tax advice.