

## TERMS AND CONDITIONS FOR TERM DEPOSIT

### 1. Definitions — In this Term Deposit Receipt:

“Final Average Value” means the average of the closing values of the NORTH AMERICAN BASKET™ stocks on each monthly anniversary of the Strike/Deposit Date between the Strike/Deposit Date and the Maturity Date and the closing values of the NORTH AMERICAN BASKET™ stocks on the Option Maturity Date, except where any such monthly anniversary or Option Maturity Date falls on a day other than a Business Day, and in that case the closing value of the NORTH AMERICAN BASKET™ stocks on the next Business Day will be utilized for calculation purposes.

“Business Day” means a day on which the “NORTH AMERICAN BASKET™” is (or, but for the occurrence of a Market Disruption Event, would have been) calculated, other than a Saturday, Sunday or a day on which trading on the exchanges of its component stocks is scheduled or ordered to close before its regular time.

“Market Disruption Event” means a major event that, in the determination of Credit Union Central of Saskatchewan (“SaskCentral”) in its sole and absolute discretion, disrupts trading on any of the stock exchanges on which the stocks of any of the companies included in the “NORTH AMERICAN BASKET™” trade.

“Maturity Date” means the final date the term deposit is locked in. Maturity Date will occur within 5 business days following the Option Maturity Date.

“Maximum Return Rate” means the upper limit on appreciation in the equity-linked deposit converted to percentage terms. Please note that an equity-linked deposit does not generate interest and its final value is based on the appreciation in the underlying linked stock.

“Option Maturity Date” means the date the contracted option matures and the day on which the NORTH AMERICAN BASKET™ stocks are last valued.

“NORTH AMERICAN BASKET™” means a basket of stocks trading on the Toronto Stock Exchange or New York Stock Exchange prepared and published by SaskCentral or its designate (or any successor basket as determined by SaskCentral.)

“Strike Date” means the date on which the underlying option contract that hedges the deposit is entered into.

### 2. Calculation of Total Return — The Credit Union will pay as the rate of return on the Principal Amount, for the period starting on the Strike Date and ending on the Maturity Date, an amount equal to the lesser of:

- i. 100% of the average of the percentage differences in the NORTH AMERICAN BASKET™ stocks (the percentage difference for each stock is the difference between the Final Average Value for each stock and the closing value on the Strike Date), determined as follows:

Average of:

$$\frac{\text{“stock” Final Average Value} - \text{“stock” value on Strike Date}}{\text{“stock” value on Strike Date}}$$

Where stock =: Enbridge Inc. (ENB CT)  
BCE Inc. (BCE CT)  
TransAlta Corp. (TA CT)  
Thomson Reuters Corp. (TRI CT)  
Verizon Communications Inc. (VZ UN)  
Johnson & Johnson (JNJ UN)  
Mondelez Int'l (MDLZ UN)

Coca-Cola Company (KO UN)  
McDonald's Corp (MCD UN)  
Wal-mart Stores Inc. (WMT UN)  
Pfizer Inc. (PFE UN)  
Lockheed Martin Corp. (LMT UN)

Multiplied by the principal amount, and

- ii. The Maximum Return Rate.

*Should the average of the percentage differences in the NORTH AMERICAN BASKET™ stocks, as calculated above, be zero or less than zero, then the total return paid will be zero.*

*The total return, if any, will be paid within 5 business days following the Option Maturity Date.*

The Credit Union will be responsible for determining the rate of return and making the required calculations.

3. **Risk Considerations** – This deposit will not give a guaranteed rate of return. The return on this deposit will depend on the performance of the NORTH AMERICAN BASKET™ stocks.

4. **Disposition on Maturity Date** — Subject to paragraphs 2 & 15 unless it is redeemed on or before the Maturity Date, the Credit Union will pay the Principal Amount and any applicable total return in the manner set out in the Payment Instructions on page 1 of this Term Deposit Receipt. If no Payment Instructions are specified on page 1 then the entire Principal Amount plus any applicable total return will automatically be reinvested into a one-year fixed term deposit at the then current interest rate for such term and subject to the terms and conditions that may be applicable to such deposit at that time.

5. **Survivorship** — Where more than one person is named as Applicant:

- In the case of a **Personal Term Deposit**, the deposit shall be owned jointly, with right of survivorship, unless the deposit is designated no right of survivorship;
- In the case of a **Business Term Deposit**, the deposit shall be owned jointly, without right of survivorship, unless the deposit is designated to be with right of survivorship.

In the case of a joint deposit without survivorship, upon maturity, and upon the death of one Applicant, the account shall be paid upon joint direction from the remaining Applicants and the legal representatives of the estate of the deceased.

In the case of a joint deposit with survivorship, if one Applicant dies, all money in the deposit automatically becomes the property of the survivor(s). After the death, the Credit Union will only have obligations with respect to the deposit to the survivor(s), and anyone else making a claim against the account must deal with the survivor(s). Upon maturity, and upon the death of all Applicants and the request of the personal representative of the last surviving Applicant, the deposit may be withdrawn. Despite the above, if an Applicant dies, the Credit Union, in its sole discretion, may require joint direction from the survivor(s) and the legal representatives of the deceased before releasing funds.

All Applicants indemnify and hold the Credit Union harmless from any responsibility, claim or loss whatsoever arising from or relating to the payment of funds from any joint deposit.

6. **Mailing Address** — Any cheque or notice to be mailed to the Applicant will be mailed to the last address on the records of the

Credit Union.

7. **Other Provisions of Law** — The Credit Union is authorized to comply with the provisions of any law, regulation or order now or hereafter in force that imposes on the Credit Union a duty to take or refrain from taking any action in respect to this deposit or the total return thereon.
8. **Non-redeemable Deposit** — This term deposit is not redeemable before the Maturity Date.
9. **Non-negotiable Receipt** — This Term Deposit Receipt is non-negotiable and the term deposit may not be assigned or transferred, either absolutely or by way of security to any person unless the Credit Union expressly agrees in writing. If the Credit Union agrees to an assignment or transfer, this Term Deposit Receipt together with a form of assignment or transfer approved by the Credit Union will be delivered to the Credit Union and at the Credit Union's option this receipt will be endorsed with particulars of the assignment or transfer or a new receipt will be issued in the name of the assignee or transferee.
10. **Registration** — The Credit Union will register this deposit in its records in the name of the Applicant.
11. **Stock Performance** — The Applicant acknowledges that past performance of the NORTH AMERICAN BASKET™ does not guarantee future performance, and that the Applicant's potential return will fluctuate in relation to the performance of the NORTH AMERICAN BASKET™ stocks. The value of each NORTH AMERICAN BASKET™ stock is determined by the entities referenced in paragraph 1 or their designates.
12. **Amendment** - Should any entity (or its designates) as referenced in paragraph 1, 2 or 11 cease publishing a value for a NORTH AMERICAN BASKET™ stock and should there be no successor stock, then the value of the NORTH AMERICAN BASKET™ will be determined solely by SaskCentral or its designate.
13. **Basket Composition** — The initial basket is comprised of stocks identified in Term 2. SaskCentral reserves the right to add or substitute a stock for any of the initial stocks identified.
14. **Total Return on Principal Amount** — The Applicant acknowledges that though there is a promise by the Credit Union to repay the Principal Amount on the Maturity Date, there is no assurance or guarantee that any return will be paid on the Principal. The Applicant further acknowledges that any total return depends solely on the performance of the NORTH AMERICAN BASKET™ and is capped at the Maximum Return Rate. The Applicant also acknowledges that it is possible that at the Maturity Date the Applicant will be repaid only the Principal Amount.
15. **Termination** — Notwithstanding any other provisions herein or on the face of this Term Deposit Receipt, the Credit Union has the right to terminate this term deposit on or before the Strike Date.

*Subject to any contrary instructions with respect to payment set out in the Term Deposit Details on page 1 of this Term Deposit Receipt, the Credit Union may on such termination transfer the Principal Amount to any Applicant's share account or ordinary demand deposit account, or may mail a cheque for the Principal Amount to the Applicant. The Applicant acknowledges that in the event of such termination, there will be no return earned on the Principal Amount.*

16. **Conflict of Interest** - The Credit Union's calculations and determinations of rate of return will be final and binding on the Applicant, and as a result potential conflicts between the interests of the term deposits and the Credit Union's interests may arise. The Credit Union, SaskCentral and/or their respective affiliates may, from time to time, in the course of their normal business operations hold interest in or hold securities of or extend credit to or enter into other business dealings with one or more of the entities whose securities are held in the market indices. Such actions will be based on normal commercial criteria in the particular circumstances and may not take into account the effect, if any, of such actions on the amount of return payable, if any, on this term deposit.
17. **Market Disruption Event** — If a Market Disruption Event occurs on or prior to the Maturity Date, payment of any return may be delayed until normal trading resumes.
18. **Enurement** — These terms and conditions are binding on the Credit Union, its successors and assigns, and on the Applicant and the Applicant's heirs, executors, administrators, successors and assigns.
19. **Use of Singular** — Wherever the singular is used in these terms and conditions it will include the plural.
20. **Credit Union Disclaimer** — Neither the Credit Union or its agents or sponsors make any representation or warranty, expressed or implied, to the Applicant or any member of the public regarding the advisability of investing in securities generally or in this Equity-Linked Term Deposit specifically or the ability of the Credit Union or its agents to track stock market performance.  
— SaskCentral makes no representation or warranty express or implied to the Credit Union or any member of the public regarding the advisability of investing in securities generally or in the Product or the ability of either to track stock market performance.

Note: Credit union deposit guarantees vary among provinces. The principal in an index-linked term deposit is guaranteed under the conditions of your province's credit union deposit guarantee program. Because the return these deposits realize is linked to the performance of individual stocks, the return cannot be guaranteed until it has been deposited to the credit union. Please refer to your provincial credit union deposit guarantee corporation for details.

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