



CANADIAN ActionGIC (hereinafter "ActionGIC")

1. **General.** The *ActionGIC* issued by Laurentian Bank of Canada or by one of its subsidiaries (hereinafter collectively the "Bank") is a guaranteed investment certificate with a rate of return (as applicable). *The ActionGIC* rate of return, as applicable, is based on the performance of a reference index (see below) between the issue date and maturity date. The principal amount is always fully guaranteed; however, depending on if there is a stipulated minimum rate of return it does not bear any fixed interest rate and is only repayable at maturity.
2. **Term of Investment.** No withdrawals or partial or total transfers are permitted prior to the expiry of the term. This investment is not redeemable in any secondary market. The Laurentian Bank of Canada or one of its subsidiaries (hereinafter the "Bank") *ActionGIC* is not redeemable prior to maturity or under the Home Buyer's Plan (HBP) or the Lifelong Learning Plan (LLP). The *ActionGIC* is eligible for investment in a Registered Retirement Income Fund (RRIF). In the event of a withdrawal from the RRIF-held *ActionGIC*, no interest shall be paid, including the minimum return guaranteed, and only the capital will be paid out at maturity.
3. **Portfolio Management Fees/Charges:** There are no portfolio management fees or charges collected by the Bank for the *ActionGIC*.
4. **Maximum/Minimum Rate of Return (i.e. interest payable):** If applicable, the rate of return for your *ActionGIC* is subject to either a minimum or maximum rate of return, which is determined and disclosed to you (see above) prior to the issuance of the *ActionGIC*. Your actual rate of return is contingent upon the performance of the reference index and the following scenarios may apply to your initial investment:
 1. The reference index does not exceed the minimum rate indicated or there is no minimum rate indicated (i.e. 0%); the minimum rate will be applied.
 2. The reference index exceeds the maximum rate indicated; the maximum rate will be applied.
 3. The reference index is between the minimum and the maximum rate indicated; the rate of return of the reference index will be applied.

As applicable, in all three (3) scenarios indicated above, the rate of return is non-compounding over the term of the *ActionGIC* and calculated solely on the initial investment, which along with the applicable rate of return, is paid at maturity. The minimum and maximum rate of return may vary between issuance of the *ActionGIC*.

5. **Rate of Return Calculation.** The final rate of return (or payable interest) of the *ActionGIC* is calculated based on the performance of the reference index and if applicable the limitations of the maximum and minimum rate of return. The return is calculated between the issue date (Initial Value or IV) and the maturity date (Final Value or FV). The value at maturity (Final Value or FV) is calculated using the average value at closing on the three (3) dates in the table below. If one of the dates hereunder does not fall on a business day or if an extraordinary event occurs, the value of the reference index shall be calculated using the closing value of the reference index in effect on the Toronto Stock Exchange's next business day following this date.

Date 1: 2 months before date 3
Date 2: 1 month before date 3
Date 3: 1 week before maturity

The final rate of return of the reference index is calculated using the following formula:

$$\text{Final rate of return of reference index} = \frac{\text{FV} - \text{IV}}{\text{IV}}$$

IV: Value of the reference index on the day of issue.

FV: Average value of reference index on the foregoing three (3) dates above.

Examples of final rate of return calculation (used for illustrative purposes only):

Example 1: The reference index IV is \$1,000. The FV average on the three dates (date 1 = \$1,350, date 2 = \$1,400 and date 3 = \$1,450) towards the end of the Term is \$1,400. The rate of return of reference index is therefore equal to 40%. This example assumes that the investment will mature at the end of an X-year term with no maximum. The Rate of return in this example is therefore 40%.

Example 2: The reference index IV is \$1,000. The FV average on the three dates (date 1 = \$1,350, date 2 = \$1,400 and date 3 = \$1,450) towards the end of the Term is \$1,400. The rate of return of reference index is therefore equal to 40%. This example assumes that the investment will mature at the end of an X-year term with a 35% maximum. The Rate of return in this example is therefore capped at 35%.

Example 3: The reference index IV is \$1,000. The FV average on the three dates (date 1 = \$1,000, date 2 = \$900 and date 3 = \$950) towards the end of the Term is \$950. The rate of return of reference index is therefore equal to -5%. This example assumes that the investment will mature at the end of an X-year term with a maximum return of 35%. Since this example does not include a minimum guaranteed rate of return, the investor will therefore receive the capital invested at the end of the term, i.e. \$1,000 with no earned interest due to the negative Return of the index. The Rate of return in this example is therefore 0%.

Example 4: The reference index IV is \$1,000. The FV average on the three dates (date 1 = \$1,000, date 2 = \$900 and date 3 = \$950) towards the end of the Term is \$950. The rate of return of reference index is therefore equal to -5%. This example assumes that the investment will mature at the end of an X-year term with a minimum return of 10% and a maximum return of 35%. The Rate of return in this example is therefore the minimum guaranteed rate of 10%.

- 6. Index.** The reference index is based on the S&P/TSX60. The Bank has no control over fluctuations in the reference index and does not guarantee any return. The final performance of the *ActionGIC* may not be the same as a direct investment in the index. The value of the index used to calculate the final rate of return of the index will not include any distributions or dividends declared by the securities that compose the index.
- 7. Investment-Related Risks.** Unlike a traditional GIC or other deposit where interest is known at the start because interest payable at maturity is tied to the performance of a reference index, the *ActionGIC*'s rate of return may be negative or nil and the principal amount thus invested shall be reimbursed at maturity; however, no additional interest other than a minimum rate of return indicated and as applicable (shall be paid). Past performance is not an indicator of future performance. The *ActionGIC* constitutes a secure investment if it meets the investment needs and risk tolerance level of the investor. Moreover, this is a suitable investment for an investor who understands the inherent risks of the *ActionGIC* and its non-redeemability pursuant to the terms and conditions stipulated in this Disclosure Notice. This is an unsuitable investment for an investor who does not have a sound understanding of the inherent risks of the *ActionGIC* and who needs to access his funds on a short-time basis.
- 8. Amendments to the *ActionGIC*/Extraordinary events (as applicable).** An "extraordinary event" is an event, circumstance, or cause that, the Bank determines has or will have a material adverse effect on its ability to perform its obligations under the *ActionGIC* or on its ability or the ability of its counterparties to make payment of amounts owing or under hedges relating to shares in the reference index. An extraordinary event includes, for example, a merger, takeover, delisting (without relisting), insolvency of the issuing Company and expropriation. If an extraordinary event occurs, the Bank reserves the right (without being obligated) to make certain adjustments to (as applicable) the benchmark portfolio, reference index (including its composition or weight attributed to each security) or to any other variable as it determines to be appropriate to preserve as nearly as practicable the economic equivalent before the extraordinary event occurred. If the index used in connection with an *ActionGIC* is withdrawn for any reason, the issuer reserves the right, without being obliged, to substitute another index or determine the yield of the product independently. In case of an interruption of trading activities for the index or any other circumstances preventing the release of the index, beyond the control of the issuer, it may take such action as it deems appropriate in the circumstances, including but not limited to, the reports of the issue, deferring the calculation of performance and payment. In this case, the Bank shall notify investors of the amendment. Furthermore, should financial markets be disrupted or any other event beyond the issuer's control occurs which would affect the calculation of the return or the fulfillment of its other obligations, the investor agrees that the issuer may take the measures it deems appropriate under the circumstances, including, but not limited to, the determination of the return or the evaluation thereof, using another method, the adjustment, the deferral or the anticipation of the calculation of the return and/or the payment of the interest linked to the product amending the Rate of return or the method of calculation or determination thereof.
- 9. Cancellation.** The investor has a right of cancellation of 2 days following the later of (i) the date of entry into Purchase Agreement and (ii) the date of deemed receipt of this Disclosure Notice. The Investor will be deemed to have received this Disclosure Notice (i) on the day recorded on the server or other electronic transmission system as the date the Disclosure Notice is sent, if transmitted electronically, (ii) on the day recorded as the date of transmission on the transmission statement, if transmitted by facsimile, (iii) five business days after the postmark date, if transmitted by mail, and (iv) when received, in all other cases. Upon cancellation, the investor is entitled to a refund of principal and fees paid in connection with the purchase. To exercise the right of cancellation, the investor may call their advisor.
- 10. Death.** In the event the investment holder dies, the *ActionGIC* must be redeemed before the investment maturity date in accordance with the policies in effect at the Bank when the request is made. Since the return is not known until maturity, no interest will be paid when the investment is redeemed, only the principal will be paid to the estate. No secondary market will be provided.
- 11. Investor Information.** The Bank shall promptly provide the investor, requesting such information, the value of the *ActionGIC*. The value of this index will be calculated using the latest reference available prior to the date such information is requested and based on which the interest to pay under the *ActionGIC* is determined and the relation between the reference and interest. Furthermore, the Bank shall publish information stipulated in this Disclosure Notice on its Web site or promptly serve written documentation to any party requesting such information.
- 12. Conflict of interest.** The way the *ActionGIC* is structured and administered does not place the Bank in a conflict of interest.
- 13. Withdrawals.** No withdrawals or partial or total transfers are permitted prior to the expiry of the term. The *ActionGIC* is not redeemable prior to maturity or under the Home Buyer's Plan (HBP) or the Lifelong Learning Plan (LLP).
- 14. Eligibility for tax returns.** The *ActionGIC* is eligible for a Retirement Savings Plan (RSP), Tax-Free Savings Account (TFSA) and Retirement Income Fund (RRIF). It can also be held in non-registered accounts. When a withdrawal is made from an *ActionGIC* held in a RRIF, the total sum invested will be withdrawn from the *ActionGIC*. The sum exceeding the amount withdrawn will be deposited in the RRIF cash balance. Because the return is only known at maturity, no interest, including the minimum return guaranteed, shall be paid. Only the capital will be paid out to the client at maturity.
- 15. Tax considerations and interest payment.** According to current tax laws that apply to Canadian residents, interest earned from the *ActionGIC* must be included in declared income of the year interest is paid. Laws governing accrued interest do not, as a rule, apply to investor of the *ActionGIC*. Consequently, the investor will not be required to add the theoretical earnings from an *ActionGIC* to their income. However, if a minimum guaranteed return is indicated this must be included annually in declared income. If applicable, the minimum rate of return is the rate used for tax purposes during the term of your investment. The minimum rate of return is divided into an equivalent compounded annual rate for the applicable term of the investment for tax purposes. As the full rate of return is only known at maturity, any interest earned above a minimum guaranteed return paid at maturity will need to be declared for the year in which it is paid out. This information is general in nature and does not constitute legal or fiscal recommendations or opinions for investors. The investor must consult a legal or taxation advisor about their personal situation.

- 16. Deposit insurance.** The deposit certified by this document constitutes an insurable deposit under the *Canada Deposit Insurance Act*. Laurentian Bank of Canada, LBC Trust and Laurentian Trust of Canada Inc (as applicable) are members of Canada Deposit Insurance Corporation.
- 17. Risk.** Before investing in an *ActionGIC*, the investor must ensure that this product is suitable for their investment goals and risk tolerance. Unlike a traditional GIC or other deposit where interest is known at the start, since the interest payable at maturity is tied to the performance of a reference index, it is impossible to predict future return. Past performance is not an indicator of future performance. Should the *ActionGIC* rate of return be negative or nil, the principal amount invested shall be reimbursed at maturity; however, no interest shall be paid except for a minimum guaranteed return, if any.
- 18. Interpretative clause:** Whenever the context so requires, the singular number shall be interpreted as plural, the masculine gender as feminine or neutral and vice-versa.