

**UNDERTAKING  
TO  
THE ONTARIO SECURITIES COMMISSION  
AND  
EACH OTHER PROVINCIAL AND TERRITORIAL SECURITIES  
REGULATOR WHERE THE PLANS (AS HEREINAFTER DEFINED) ARE  
QUALIFIED FOR DISTRIBUTION TO THE PUBLIC OR ARE REPORTING  
ISSUERS**

This Undertaking is provided on behalf of C.S.T. Savings Inc. (formerly C.S.T. Consultants Inc.) (the Manager or we) to the Ontario Securities Commission (the OSC), as well as each other securities regulatory authority in the provinces and territories of Canada (collectively, the Jurisdictions), where (i) securities of the CST Advantage Plan (formerly Group Savings Plan 2001), Family Savings Plan and Individual Savings Plan (the Current Plans) are managed and distributed to the public pursuant to a current prospectus (the Prospectus) filed in accordance with National Instrument 41-101 *General Prospectus Requirements* (NI 41-101), and (ii) the Group Savings Plan (the Old Plan) is a reporting issuer whose securities are no longer distributed to the public pursuant to a Prospectus, but continues to meet its continuous disclosure obligations under National Instrument 81-106 *Investment Fund Continuous Disclosure*. The Current Plans and the Old Plan are collectively referred to herein as the Plans.

The Manager confirms that the assets of the Plans, consisting of contributions made into the Plans by subscribers (the Principal), amounts deposited into the Plans from various government grant and incentive programs for registered education savings plans (Government Grant Moneys) as well as income and capital gains earned on the Principal and the Government Grant Moneys for the benefit of the beneficiaries of such subscribers (Income), are managed (i) by portfolio managers registered in one or more Jurisdictions and (ii) in accordance with the investment objectives, strategies and restrictions described in the Prospectus, or in the case of the Old Plan, in its most recently filed management report of fund performance.

We hereby undertake to the Jurisdictions that:

1. The Plans will be managed in accordance with the investment restrictions set out in National Policy Statement No 15 *Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses* (NP 15), as modified by this Undertaking, so that:
  - (a) Principal and Government Grant Moneys of the Plans are invested only in one or more of the following types of securities (the Principal Investments):
    - (i) “government securities”, as that term is defined in National Instrument 81-102 *Mutual Funds* (NI 81-102) (Government Securities)
    - (ii) “guaranteed mortgages” as that term is defined in NI 81-102 (Guaranteed Mortgages),
    - (iii) mortgage-backed securities, where all of the underlying mortgages are Guaranteed Mortgages,

- (iv) “cash equivalents” as that term is defined in NI 81-102,
  - (v) evidences of indebtedness issued by corporations (Corporate Bonds), provided those Corporate Bonds have a minimum credit rating of BBB or equivalent, as rated by a “designated rating organization” as that term is defined in National Instruments 25-101 *Designated Rating Organizations*,
  - (vi) a security that otherwise meets the definition of “index participation unit”, as that term is defined in NI 81-102, except that it provides indirect exposure only to the types of investments referred to in 1(a)(i) to (v) above of this Undertaking;
- (b) Income of the Plans is invested only in one or more of the following types of securities (the Income Investments):
- (i) Principal Investments,
  - (ii) Exchange-traded equity securities (Equity Securities) listed on a stock exchange in Canada or the United States,
  - (iii) “Index participation units” as that term is defined in National Instrument 81-102,
- (c) A Plan will not purchase a security of an issuer if, immediately after the transaction, more than 10 percent of the net assets of the Plan, taken at market value at the time of the transaction, would be invested in securities of any one issuer.
- (d) Paragraph (c) does not apply to the purchase of any of the following:
- (i) Government Securities;
  - (ii) an Index Participation Unit;
- (e) A Plan will not purchase a security of an issuer if immediately after the purchase, the Plan would hold securities representing more than 10 percent of
- (i) the votes attaching to the outstanding voting securities of that issuer, or
  - (ii) the outstanding equity securities of that issuer.
- (f) Paragraph (e) does not apply to the purchase of any of the following:
- (i) an Index Participation Unit;
- (g) The Plans will not purchase a security for the purpose of exercising control over or management of the issuer of the security.
- (h) The Plans will not:
- (i) purchase real estate or physical commodities,

- (ii) purchase a mortgage other than a Guaranteed Mortgage,
  - (iii) purchase, sell or use a “specified derivative” as that term is defined in NI 81-102, other than for the purposes of currency hedging in accordance with NI 81-102,
  - (iv) purchase linked notes, including principal protected and non-principal protected notes or other similar evidences of indebtedness issued by financial institutions or corporations, or linked GICs,
  - (v) purchase an “illiquid asset” as that term is defined in NI 81-102,
  - (vi) purchase or hold a security of an investment fund, other than an ETF which issues “index participation units” as defined in NI 81-102, to the extent permitted by subparagraphs 1(a)(vi) and (b)(iii) of this Undertaking,
  - (vii) borrow cash or provide a security interest over any of its assets,
  - (viii) purchase securities on margin,
  - (ix) sell securities short,
  - (x) purchase a security that by its terms may require the Plans to make a contribution in addition to the payment of the purchase price,
  - (xi) lend cash or portfolio assets other than cash,
  - (xii) guarantee securities or obligations of a person or company,
  - (xiii) purchase securities other than through market facilities through which these securities are normally bought and sold, unless the purchase price approximates the prevailing market price or the parties are at arm’s length in connection with the transaction.
2. The Plans will make the education assistance payment (EAP) eligibility rules for each Plan permit all current (as of the date of this Undertaking) and future beneficiaries of the Plan enrolled in any post-secondary educational program or school that meets the definition of “qualifying educational program” or “specified educational program”, as those terms are defined in the *Income Tax Act* (Canada), qualify for receipt of EAPs from the Plans.
  3. The Plans will require each current (as of the date of this Undertaking) and future registered representative of the Manager, in its capacity as a registered scholarship plan dealer, to take a continuing education program (which can be via e-learning module or provided at a sales or educational conference) about the benefits and risks associated with investing Income in Equity Securities.
  4. Each Plan will amend its Prospectus and material agreements, where applicable, to reflect the material terms of this Undertaking as soon as practicable after execution of this Undertaking.

5. On an annual basis, the Manager will confirm the Plans' compliance with this Undertaking in each Jurisdiction by filing this Undertaking on SEDAR, as well as a Certificate of Annual Compliance, no later than the date of the final renewal prospectus filing for the Plans. The Undertaking will be filed as a "public" document on SEDAR and will be incorporated by reference into each Plan's Prospectus and the Prospectus will state this fact.
6. The Manager represents that the Manager (both in its capacity as a registered investment fund manager of the Plans and as a registered scholarship plan dealer) and the Plans are not in default of securities legislation in any Jurisdiction.
7. The Manager agrees and acknowledges that this Undertaking supersedes any prior agreement or administrative policy of a Jurisdiction concerning applicable investment restrictions for the Plans and that to the extent there is any conflict between the terms of this Undertaking or the provisions of NP 15, this Undertaking will prevail.
8. The Manager agrees and acknowledges that any security or other asset not specifically permitted by this Undertaking is a prohibited investment of the Plans.
9. This Undertaking will terminate on the earlier of: (i) 365 days from the date of notice from the principal regulator of the Plans to the Manager that the Undertaking may no longer be relied upon (ii) the Undertaking being superseded or replaced by a new, amended Undertaking, agreed to between the Manager and the Jurisdictions in respect of the same subject matter, and (iii) the coming into force of any rule of the Jurisdictions that regulates the subject matter of this Undertaking.
10. In the event that this Undertaking is terminated as contemplated by section 9(i), the Manager acknowledges and agrees that it will return to managing the Plans in accordance with the investment restrictions applicable to such Plans on the date immediately preceding the date on which this Undertaking was first executed.

This Undertaking is hereby executed by the Chief Executive Officer, the Chief Financial Officer and the Vice President, Investments and Compliance of the Manager, in its capacity as investment fund manager of the Plans and as a registered scholarship plan dealer as of this 24<sup>th</sup> day of January, 2023.

**C.S.T. SAVINGS INC.**



Sherry MacDonald  
President and Chief Executive Officer



Christopher Ferris  
Chief Financial Officer



Brad Norris  
Chief Investment Officer

