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Margin Secured Line of Credit Application Personal with Corporate Security

This Application is for **Personal Applicants** who wish to use **corporate permanent insurance policies** with accumulated net Cash Surrender Value (CSV) at an approved life insurance carrier as security for a Line of Credit **OR investments held in corporate-owned investment accounts with onboarded Dealers OR corporate-owned Segregated Funds held at an approved life insurance carrier.**

SECTION 1: INSURANCE SECURED LINE OF CREDIT

If your client is applying for a LOC using **corporate-owned permanent insurance policies with accumulated net Cash Surrender Value (CSV)**, please note that the borrower must be the life insured under the corporate-owned insurance policy. Please review sections 1A, 1B and 1C below to determine which program best suits your client.

Approved life insurance carriers include:

- BMO Life/AIG
- Canada Life/Great West Life/London Life
- Co-operators
- Empire Life
- Equitable Life
- Industrial Alliance
- Ivari/Transamerica Life
- Manulife Financial/Standard Life
- RBC Insurance
- Serenia Life Financial
- Sun Life

Section 1A: Interest Capitalizing LOC at 80% or 50% LTV with Limited Underwriting

If your client is requesting an **LOC with the option to capitalize interest at either 80% or 50% LTV** (depending on type of insurance; see chart on page 3) with **limited underwriting**, please complete and attach the following documents:

- Margin Secured Line of Credit Application (document in hand; signatures required in sections 15, 16, 17 and 19 of the Application)
- An in-force life insurance policy illustration of the life insurance policy held by an approved life insurance carrier.
- A recent Policy Summary of the life insurance policy held by the approved life insurance carrier (no more than 30 days old)
- Application Fee: 0.20% of the line of credit amount or \$250, whichever is greater

Section 1B: Interest Capitalizing LOC at 90% LTV with Full Underwriting

If your client is requesting an **LOC with the option to capitalize interest at 90% LTV**, the corporate-owned insurance policy must be a Whole Life insurance policy and **full underwriting** applies; please attach the following *in addition to the documents required in Section 1A*.

- Proof of income (Personal Applicant):
 - Recent paystub (within past 6 weeks) OR 2 months recent direct deposit history OR current letter of employment
 - Most recent T1 General and CRA Notice of Assessment
- Two years of Accountant prepared Business Financial Statements for the Corporation or Partnership

Section 1C: Interest Only LOC at 100% or 75% LTV with Full Underwriting

If your client is requesting an **Interest only LOC at either 100% or 75% LTV** (depending on type of insurance; see chart on page 3), **full underwriting** is required. Please complete and attach the following documents:

- Margin Secured Line of Credit Application (document in hand - Signatures required in sections 15, 16, 17 and 19 of the Application)
- An in-force life insurance policy illustration of the life insurance policy held by an approved life insurance carrier.
- A recent Policy Summary of the life insurance policy held by the approved life insurance carrier (less than 30 days old)
- Proof of income (Personal Applicant):
 - Recent paystub (within past 6 weeks) OR 2 months recent direct deposit history OR current letter of employment
 - Most recent T1 General and CRA Notice of Assessment
- Two years of Accountant prepared Business Financial Statements for the Corporation or Partnership.
- Copy of current investment statements
- Application Fee: 0.20% of the line of credit amount or \$250, whichever is greater

Note: The following documents will be required after approval:

- Me to Me Transfer Authorization form (signatures required on page 1; DUCA will provide document)
- Shareholder Borrowing Disclosure (DUCA will provide document)
- Assignment of Life Insurance Policy (required to secure the life insurance policy; DUCA will provide document)
- DUCA Guarantee from Corporation (DUCA will provide document)
- Corporate Officer's Certificate supported by:
 - (a) Articles of incorporation and any subsequent amendments
 - (b) By-laws and any subsequent amendments
 - (c) Banking Resolutions
 - (d) Unanimous shareholder agreement or declaration
 - (e) Share capital
- Declaration of Tax Residents for Entities (RC519 CRA form; DUCA will provide document)
- VOID cheque to set up monthly interest pre-authorized payments (required for 1C – Interest Only LOCs)

SECTION 2: INVESTMENT SECURED LINE OF CREDIT

If your client is applying for a LOC using corporate-owned **investment accounts or segregated funds**, at either (i) 100% or 75% LTV (depending on type of investment), **full underwriting** is required; (ii) at 50% LTV, with only Limited Underwriting. See chart on page 3. Please complete and attach the following documents:

- Margin Secured Line of Credit Application (document in hand; signatures required in sections 15, 16, 17 and 19 of the Application)
- Copies of most recent corporate investment statements for assets acting as security
- Articles of Incorporation or Partnership Agreement Documentation
- Application Fee: 0.20% of the line of credit amount or \$250, whichever is greater

For 100% and 75% LTV to support full underwriting, please also provide:

- Proof of income (Personal Applicant):
 - Recent paystub (within past 6 weeks) OR 2 months recent direct deposit history OR current letter of employment
 - Most recent T1 General and CRA Notice of Assessment
- Two years of Accountant prepared Business Financial Statements for the Corporation or Partnership

Note: The following documents will be required after approval:

- Me to Me Transfer Authorization form (signatures required on page 1; DUCA will provide document)
- Shareholder Borrowing Disclosure (DUCA will provide document)
- DUCA Pledge of Securities (required to secure a corporate investment account; DUCA will provide document)
- DUCA Securities Control Agreement or other DUCA approved agreement signed by the Dealer holding the securities account (required to secure a corporate investment account; DUCA will provide document)
- DUCA Assignment of Contract of Annuity (required to secure a corporate segregated fund; DUCA will provide document)
- DUCA Guarantee from Corporation (DUCA will provide document)
- Corporate Officer's Certificate supported by:
 - (a) Articles of incorporation and any subsequent amendments
 - (b) By-laws and any subsequent amendments
 - (c) Banking Resolutions
 - (d) Unanimous shareholder agreement or declaration
 - (e) Share capital
- Declaration of Tax Residents for Entities (RC519 CRA form; DUCA will provide document)
- VOID cheque to set up monthly interest pre-authorized payments

For all lines of credit over \$5,000,000 the security documents will be forwarded to the Applicant's solicitor for signing, as a Solicitor's Letter of Opinion is also required. However, we recommend that you do not obtain the Solicitor's Letter of Opinion until such time as the Application is approved and the security documents are prepared for the Applicant's solicitor.

Please provide the documents listed above, as well as the signed application form to DUCA, either by fax, encrypted email or mail:

Fax: 1-416-941-2140

Encrypted Email: specializedlenders@duca.com (Note: DUCA cannot accept unencrypted emails.)

Mail: DUCA Financial Services Credit Union, Specialized Lending, 4195 King Street East, Unit 110, Kitchener, ON N2P 0C1

Please refer to the following chart to help select the appropriate LTV for the personal line of credit.

Security	Security Type	Capitalizing Interest Limited Underwriting	Capitalizing Interest Full Underwriting	Interest Only Limited Underwriting	Interest Only Full Underwriting
Whole Life Insurance (CSV)	Whole Life / Par Policies	80%	90%	N/A	100%
Universal Life Insurance (CSV)	Universal – GIA Investments	80%	N/A	N/A	100%
	Universal – Bond/Equity Investments	50%	N/A	N/A	75%
Investments	GICs or Savings Accounts	N/A	N/A	N/A	100%
	Managed Accts / Mutual Funds / ETFs / Segregated Funds	N/A	N/A	50% (Credit Limit up to \$250,000)	75%

Adjustment Factor (Premium over Base Rate)	
Line of Credit Size	Adjustment Factor
\$50,000 – \$249,999	1.00%
\$250,000 – \$999,999	0.75%
\$1,000,000 and over	Contact for pricing

Questions?

If you have any questions, please contact DUCA Financial Services at 1-833-932-2016.

Note: Applicant(s) must establish a DUCA membership account prior to funding of the Margin Secured Line of Credit. If this is your first account with DUCA, we'll use the information you provide in this form to also open up a membership & savings account for you. Please refer to www.duca.com/assets/pdf/PersonalMemberAgreement.pdf for the Personal Member Agreement. We will also fund the \$1 Membership share on your behalf.

THE APPLICATION

For DUCA use only

Line of Credit number:

Effective date (mm/dd/yy)

1. Cost of Borrowing Summary / Disclosure Statement

Initial Credit Limit

To be disclosed after evaluation of Application.

Annual Interest Rate

- A: Currently, DUCA's Specialized Lending Base Rate (the "Base Rate") is%.
For the current Base Rate, please call 1-833-932-2016.
- B: The Adjustment Factor for your credit line is% per annum.
For the Adjustment Factor, see chart on page 3. Adjustment Factor depends on size of the approved line of credit.
- C = A + B. Your current Annual Interest Rate is% (calculated and compounded monthly).
The Base Rate today plus the Adjustment Factor. Your Annual Interest Rate will vary automatically if and when the Base Rate varies.

Date from which Interest Is Charged

Interest is charged from the day you borrow money or that interest, Other Fees / Charges and Default Charges (as the case may be) are charged to the Account, until you pay the money back in full. Interest is calculated on the daily balance and charged and compounded monthly, not in advance. There is no interest-free grace period.

Minimum Monthly Payment

For an Interest Capitalizing LOC no minimum payment is required as long as the total outstanding debt and accrued interest does not exceed the approved credit limit. If the debt does exceed the approved credit limit, a payment will be required in an amount sufficient to reduce the debt to below the credit limit.

For a Non-Capitalizing LOC the minimum payment is the interest amount charged to the account each month, calculated as described above.

Monthly Statements

We will provide the Applicant with a statement of the Account monthly, unless you have indicated you want the statement mailed to you.

Default Charges

The Applicant must pay us a fee of \$45 (subject to change) if any cheque or other payment item is dishonoured due to insufficient funds (NSF fee). We may charge the Applicant for legal costs on a substantial indemnity basis and other expenses which we incur to enforce our Security (described below) and collect any amount that the Applicant owes us.

Security

The Applicant and the Corporate Guarantor agree that the security for the Account shall be the following (the Secured Assets) (if required as determined by DUCA):

- A Guarantee in favour of DUCA from the Corporate Guarantor, which will in turn be secured by:
 - An assignment from the Corporate Guarantor in favour of DUCA of the corporate owned insurance policy or annuity contract (including segregated funds) purchased from an eligible insurer;
 - A Pledge of Securities between DUCA and the Corporate Guarantor in favour of DUCA related to the corporate owned mutual funds shares or units which are held in a designated securities account with the Dealer;
 - A Securities Control Agreement (or other DUCA approved agreement) between DUCA, the Corporate Guarantor and the Dealer related to the corporate owned mutual funds shares or units which are held in a designated securities account with the Dealer; and
 - An assignment from the Corporate Guarantor in favour of DUCA of a corporate owned deposit account or guaranteed investment certificate (GIC) held with an eligible bank or trust company.

Registration Fees

Any registration fees incurred with respect to the security granted by the Applicant or others to secure your indebtedness under the Account, and any other costs or administrative fees charged from time to time, including any fees for withdrawals from the Account, will be paid by the Applicant.

Foreign Currency Conversion

Not applicable

Annual Fees

Not applicable

Other Fees / Charges

Late annual reporting fee: \$250 each month

Credit Limit Increase fee: Greater of 0.20% of the credit limit increase amount or \$250

For other fees and charges that may apply and charged on the date that they occur, refer to the Service and Fee guidelines which can be found at www.duca.com/rates.

Additional Information: If the Applicant requires information about the Account, the Applicant may call us toll free at 1-833-932-2016 during regular business hours.

2. Information on Applicant

Mr. Mrs. Miss Ms. Other:

Marital Status: Married Common Law Never Married Widowed Separated Divorced

.....
Last Name First Name (Legal Name) Middle Initial

.....
Date of Birth (mm/dd/yy) Social Insurance Number Email Address Telephone Number

I consent to the use of my SIN number for the purpose of accurately obtaining my credit report(s). Yes No

Permanent Residence Address:

.....
Street City Province (ON only) Postal Code Years at Residence

Residential Status: Rent Own Live with parents Other (specify):

Previous Permanent Residence Address (required if years at current residence is less than 3 years):

.....
Street City Province Postal Code Years at Residence

Please provide one Canadian government issued photo ID verified in person:

Canadian Driver's License Canadian Passport Canadian Citizenship Card (issued prior to 2012)

Other Provincial/Canadian Photo ID (specify):

.....
Document Number Issuing Province/Territory Issue Date (mm/dd/yy) Expiry Date (mm/dd/yy) Date of Verification (mm/dd/yy)

.....
Name of Employer Telephone Number # of Yrs/Mths with Employer \$..... Annual Income

.....
Industry Job Title Detailed Occupation

Occupation Status:

If Other, please specify:

Employer Address:

.....
Street City Province Postal Code

If employed by Employer less than two years: Previous employer Yrs Mths

If there is more than one income type, please provide details on the last page of this application.

3. Information on Joint Applicant (if applicable)

Mr. Mrs. Miss Ms. Other:

Marital Status: Married Common Law Never Married Widowed Separated Divorced

.....
Last Name First Name (Legal Name) Middle Initial

.....
Date of Birth (mm/dd/yy) Social Insurance Number Email Address Telephone Number

I consent to the use of my SIN number for the purpose of accurately obtaining my credit report(s). Yes No

Permanent Residence Address:

.....
Street City Province (ON only) Postal Code Years at Residence

Residential Status: Rent Own Live with parents Other (specify):

Previous Permanent Residence Address (required if years at current residence is less than 3 years):

.....
Street City Province Postal Code Years at Residence

Please provide one Canadian government issued photo ID verified in person:

Canadian Driver's License Canadian Passport Canadian Citizenship Card (issued prior to 2012)

Other Provincial/Canadian Photo ID (specify):

.....
Document Number Issuing Province/Territory Issue Date (mm/dd/yy) Expiry Date (mm/dd/yy) Date of Verification (mm/dd/yy)

.....
Name of Employer Telephone Number # of Yrs/Mths with Employer \$..... Annual Income

.....
Industry Job Title Detailed Occupation

Occupation Status:

If Other, please specify:

Employer Address:

.....
Street City Province Postal Code

If employed by Employer less than two years: Previous employer Yrs Mths

If there is more than one income type, please provide details on the last page of this application.

4. Other Information

	Applicant	Joint Applicant
Are you liable as a co-signer or guarantor?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Are there any law suits or judgements against you?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Are you now or have you been bankrupt or filed a consumer proposal in the last six years?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No

If you answered yes to any of the above, please provide full details on the last page of this application.

Are you a Politically Exposed Domestic Person* (PEDP) or an immediate family member or close associate* of one?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Are you a Politically Exposed Foreign Person* (PEFP) or an immediate family member or close associate of one?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Are you a Head of an International Organization* or an immediate family member or close associate of one?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Is this line of credit account being opened by, or on behalf of, a third party* ?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Are you required to make a monthly spousal or child support payment?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No

Declaration of Tax Residence:

Are you a tax resident of Canada?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Are you a tax resident or a citizen of the United States?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Taxpayer Identification Number (TIN) (if a US tax resident or citizen)
Are you a tax resident of a jurisdiction other than Canada or the United States?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
What is your jurisdiction of tax residence?
Taxpayer Identification Number (TIN) (if jurisdiction of tax residence other than Canada or the United States)

*Refer to the *Application Definitions* section located at end of application for more information.

7. Owner/Authorized Signing Officer 1 for Corporate Guarantor

(Details to be completed by any individual or business that owns or controls 25% or more. If owner is a corporation, enter only the Corporation Name and proceed to complete the *Corporation Information Statement – Owners of Borrowing Corporation Is Another Corporation*.)

.....% of Ownership

Complete if Corporation: Corporation Name:

Complete if Individual:

If owner or corporate guarantor is the same as Applicant or Joint Applicant, enter name only.

Mr. Mrs. Miss Ms. Other:

Marital Status: Married Common Law Never Married Widowed Separated Divorced

.....
Last Name First Name (Legal Name) Middle Initial

.....
Date of Birth (mm/dd/yy) Social Insurance Number Email Address Telephone Number

I consent to the use of my SIN number for the purpose of accurately obtaining my credit report(s). Yes No

Permanent Residence Address:

.....
Street City Province (ON only) Postal Code Years at Residence

Residential Status: Rent Own Live with parents Other (specify):

Previous Permanent Residence Address (required if years at current residence is less than 3 years):

.....
Street City Province Postal Code Years at Residence

Please provide one Canadian government issued photo ID verified in person:

Canadian Driver's License Canadian Passport Canadian Citizenship Card (issued prior to 2012)

Other Provincial/Canadian Photo ID (specify):

.....
Document Number Issuing Province/Territory Issue Date (mm/dd/yy) Expiry Date (mm/dd/yy) Date of Verification (mm/dd/yy)

.....
Name of Employer Telephone Number # of Yrs/Mths with Employer \$..... Annual Income

.....
Industry Job Title Detailed Occupation

Occupation Status:

If Other, please specify:

Employer Address:

.....
Street City Province Postal Code

If employed by Employer less than two years: Previous employer Yrs Mths

If there is more than one income type, please provide details on the last page of this application.

8. Owner/Authorized Signing Officer 2 for Corporate Guarantor

(Details to be completed by any individual or business that owns or controls 25% or more. If owner is a corporation, enter only the Corporation Name and proceed to complete the *Corporation Information Statement – Owners of Borrowing Corporation Is Another Corporation*. If there are more than two Owners/Authorized Signing Officers, please complete the *Corporation Information Statement for additional Owners/Authorized Signing Officers*.)

..... % of Ownership

Complete if Corporation: Corporation Name:

Complete if Individual:

If owner or corporate guarantor is the same as Applicant or Joint Applicant, enter name only.

Mr. Mrs. Miss Ms. Other:

Marital Status: Married Common Law Never Married Widowed Separated Divorced

.....
Last Name First Name (Legal Name) Middle Initial

.....
Date of Birth (mm/dd/yy) Social Insurance Number Email Address Telephone Number

I consent to the use of my SIN number for the purpose of accurately obtaining my credit report(s). Yes No

Permanent Residence Address:

.....
Street City Province (ON only) Postal Code Years at Residence

Residential Status: Rent Own Live with parents Other (specify):

Previous Permanent Residence Address (required if years at current residence is less than 3 years):

.....
Street City Province Postal Code Years at Residence

Please provide one Canadian government issued photo ID verified in person:

Canadian Driver's License Canadian Passport Canadian Citizenship Card (issued prior to 2012)

Other Provincial/Canadian Photo ID (specify):

.....
Document Number Issuing Province/Territory Issue Date (mm/dd/yy) Expiry Date (mm/dd/yy) Date of Verification (mm/dd/yy)

.....
Name of Employer Telephone Number # of Yrs/Mths with Employer \$..... Annual Income

.....
Industry Job Title Detailed Occupation

Occupation Status:

If Other, please specify:

Employer Address:

.....
Street City Province Postal Code

If employed by Employer less than two years: Previous employer Yrs Mths

If there is more than one income type, please provide details on the last page of this application.

9. Other Information (to be completed by owners)

Owner 1

Owner 2

Are you liable as a co-signer or guarantor?

Yes No

Yes No

Are there any law suits or judgements against you?

Yes No

Yes No

Are you now or have you been bankrupt or filed a consumer proposal in the last six years?

Yes No

Yes No

If you answered yes to any of the above, please provide full details on the last page of this application.

Are you a **Politically Exposed Domestic Person*** (PEDP) or an immediate **family member or close associate*** of one?

Yes No

Yes No

Are you a **Politically Exposed Foreign Person*** (PEFP) or an immediate family member or close associate of one?

Yes No

Yes No

Are you a **Head of an International Organization*** or an immediate family member or close associate of one?

Yes No

Yes No

Is this line of credit account being opened by, or on behalf of, a **third party***?

Yes No

Yes No

Are you required to make a monthly spousal or child support payment?

Yes No

Yes No

Declaration of Tax Residence:

Are you a tax resident of Canada?

Yes No

Yes No

Are you a tax resident or a citizen of the United States?

Yes No

Yes No

Taxpayer Identification Number (TIN) (if a US tax resident or citizen)

.....

.....

Are you a tax resident of a jurisdiction other than Canada or the United States?

Yes No

Yes No

What is your jurisdiction of tax residence?

.....

.....

Taxpayer Identification Number (TIN) (if jurisdiction of tax residence other than Canada or the United States)

.....

.....

*Refer to the *Application Definitions* section located at end of application for more information.

10. Type of Line of Credit Requested

Insurance Secured with option to capitalize interest at either 80% or 50% LTV. See **Section 1A** on page 1 for details.

Do you wish to make monthly interest payments? (If yes, include a VOID cheque with this application.) Yes No

Insurance Secured with option to capitalize interest at 90% LTV. See **Section 1B** on page 1 for details.

Do you wish to make monthly interest payments? (If yes, include a VOID cheque with this application.) Yes No

Insurance Secured Interest Only at either 100% or 75% LTV. See **Section 1C** on page 1 for details.

Investment Secured at either 100%, 75% or 50% LTV. See **Section 2** on page 2 for details.

11. Credit Limit Requested

Credit limit at time of Application:

- Maximum value possible
- Specific amount less than maximum (please specify) \$

Your Margin Secured Line of Credit account with DUCA is secured by the Corporate Guarantee which in turn is secured by the Corporate Guarantor's assignment of a life insurance policy it holds on the Applicant's life.

The CSV of that policy is expected to increase over time. When that happens, you may be eligible for a higher credit limit than what was established when you opened the account.

To maximize the efficiency of your banking experience, DUCA may increase your credit limit from time to time at our discretion. Should DUCA increase your limit, you and the Corporate Guarantor will be notified by mail.

If you prefer not to permit DUCA to periodically increase your credit limit, please check the box below. Otherwise, you and the Corporate Guarantor are free to instruct DUCA at any time to refrain from any further increases or to reduce your credit limit any time by mailing your instructions to DUCA.

- I, the Applicant, do NOT give DUCA the authorization to periodically increase my credit limit.
- I, the Corporate Guarantor, do NOT give DUCA the authorization to periodically increase the credit limit.

Please note that a credit check will be completed annually when DUCA reviews your account whether or not you or the Corporate Guarantor authorize periodic increases to your credit limit.

12. Corporate Owned Security

- Insurance Policy:
Company Name
 - Mutual Fund Account:
Dealership Name
 - Segregated Fund Contract:
Company Name
 - GIC or Deposit Account:
Company Name
- \$ Irrevocable Beneficiary Yes No
CSV/Market Value Date Issued (mm/dd/yy)
-
Owner's Name (Last, First, Middle Initial) Joint Owner's Name (Last, First, Middle Initial)
-
Life Insured Name (Last, First, Middle Initial) Joint Life Insured Name (Last, First, Middle Initial)

13. Personal and Credit Information Consent

The words "I" and "me" refer to each of the Applicant, the Joint Applicant, the Owner and Joint Owner of the Corporate Owned Security. I AUTHORIZE DUCA FINANCIAL SERVICES CREDIT UNION LTD. TO OBTAIN PERSONAL AND CREDIT INFORMATION ABOUT ME FROM ANY SOURCE AT ANY TIME IF REQUIRED BY DUCA. I hereby certify all information included herein is true and correct. I have no other undisclosed financial obligations and acknowledge the foregoing will be used to determine my credit worthiness for the purpose of obtaining a DUCA lending product and DUCA membership.

I consent to DUCA's exchanging personal information with credit bureaus, other credit grantors and mortgage insurers of credit information, at any time, and hereby agree to indemnify and save harmless DUCA from all claims arising from such exchange.

I understand that my Social Insurance Number (SIN) will be used by DUCA for tax reporting purposes on a Savings Account, which is required by law, as well as identity verification purposes through Equifax which is optional. I can indicate whether I would like DUCA to use my SIN for identity verification purposes in the *Information on Applicant*, *Information on Joint Applicant* and *Information on Corporate Guarantor* sections above. If I choose to not use my SIN, it will not be disclosed to credit bureaus for the purposes of accurately obtaining my credit report(s) which may delay the processing of my application.

I can withdraw any consent I give for the collection, use, and disclosure of my personal information by contacting DUCA. I may be asked to provide a request in writing. If I withdraw my consent, DUCA may no longer be able to provide me with a product(s) and/ or service(s).

I acknowledge that I have read and understood DUCA's Privacy Disclosure Statement included herein. I consent to DUCA's collection, use, retention and disclosure of my personal information in accordance with DUCA's general Privacy Statement, which can be found at www.duca.com/security-privacy.

14. For Accounts with Multiple Borrowers and Joint Account Holders Only

Cost of Borrowing Separate Disclosure

As a Joint Applicant, you have the right to receive a separate copy of disclosure documents. If you choose to receive a separate copy of disclosure documents by indicating below, you will receive a separate copy of disclosure documents. Disclosure documents will be sent to borrowers via email(s) provided in the application. This may include renewal agreements and other documents outlining the terms and conditions of the product and any other documentation that shows the cost of borrowing. This consent will carry through renewals or amendments, if applicable. If at any time you want to change your selections noted below, you may do so by contacting us at 1-833-932-2016.

- I (Joint Applicant) do not wish to receive separate disclosure documents related to the account.
- I (Joint Applicant) wish to receive separate disclosure documents related to the account.

Joint Account Agreement (for Savings Account)

We hereby agree with each other and with DUCA that all deposits heretofore or hereafter made by any of us to the credit of the under noted account, together with all accumulation of interest thereon are and shall be owned by us jointly with right of survivorship and shall be subject to withdrawal by any of us; and we hereby further agree that payments by DUCA to any of us or to the survivor or any of the survivors shall discharge DUCA from any further liability for such payment.

We agree that any or all of us may pledge all or any part of the deposits in this account for a line of credit or lines of credit from DUCA.

We further agree that the right of authority of DUCA under this agreement shall not be changed or terminated by us, or any of us, except by written notice to DUCA, which shall not affect transaction theretofore made. DUCA shall be under no duty to inquire as to the ownership of the funds or the rights thereto as between the account holders.

Select either one signature required or two signatures required for the Joint savings account.

Joint Accounts with One Signature Required:

Funds held in an account in more than one name where only one signature is required shall be subject to withdrawal in whole or in part, transfers in whole or in part, and any account changes upon the authorization and signature of any one of the account holders. DUCA shall be under no duty to inquire as to the ownership of the funds or the rights thereto as between the account holders.

Applicant's Initials Joint Applicant's Initials

Joint Accounts with More Than One Signature Required:

Funds held in an account in more than one name where multiple signatures are required shall be subject to withdrawal in whole or in part, transfer in whole or in part, and any account changes upon the authorization and signatures of account holders.

Applicant's Initials Joint Applicant's Initials

15. Applicant Signatures

By signing below, the Applicant(s) named above is (are) applying for a Margin Secured Line of Credit, membership and a savings account from DUCA in accordance with the attached Margin Secured Line of Credit Agreement. By signing below, the Applicant(s): (i) acknowledge that the Adjustment Factor shown in the Cost of Borrowing Summary / Disclosure Statement may change based on the evaluation of this Application; (ii) agree with the Personal and Credit Information Consent section above; (iii) agree to authorize DUCA to share account information with the advisor named below; (iv) acknowledge that the information provided in this Application is true and complete, and agree to inform DUCA of any changes to the information provided within 30 days; (v) agree that if this Application is accepted, to be bound by the Member agreement located at www.duca.com/assets/pdf/PersonalMemberAgreement.pdf and the attached Personal Pre-Authorized Payment Authorization for Line of Credit Payments; (vi) agree that the intended use of the account being for investment purposes; (vii) agree that the line of credit disclosures will be sent by email, after the line of credit opens, to the primary applicant and to the joint applicant if specified above; (viii) understand and agree that notifications indicating that statements are ready will be sent by email to the applicant(s) (if you prefer paper statements, contact us at 1-833-932-2016); and (ix) agree with and understand DUCA's policies, terms and conditions of Membership and DUCA's online agreement which are available at www.duca.com/legal and DUCA's Privacy Statement available at www.duca.com/security-privacy. Further, the Applicant(s) understands that the line of credit approval is good for 90 days. If any conditions cannot be met within 90 days of the line of credit approval, this line of credit approval is null and void.

Signed at this day of, 20.....

.....
Applicant Signature

.....
Joint Applicant Signature (if applicable)

16. Corporate Guarantor Signatures

By signing below, the Corporate Guarantor: (i) agree to guarantee the Margin Secured Line of Credit for the Applicant(s) named above in accordance with the attached Margin Secured Line of Credit Agreement; (ii) agree with the Personal and Credit Information Consent section above; (iii) acknowledge that the information provided in this Application is true and complete, and agree to inform DUCA of any changes to the information provided within 30 days; and (iv) agree with and understand DUCA's online agreement which are available at www.duca.com/legal and DUCA's Privacy Statement available at www.duca.com/security-privacy.

Dated at this day of, 20.....

.....
Authorized Signature for Corporate Guarantor
I have the authority to bind the Corporation or Partnership.

.....
Title

.....
Authorized Signature for Corporate Guarantor
I have the authority to bind the Corporation or Partnership.

.....
Title

.....
Authorized Signature for Corporate Guarantor
I have the authority to bind the Corporation or Partnership.

.....
Title

.....
Authorized Signature for Corporate Guarantor
I have the authority to bind the Corporation or Partnership.

.....
Title

17. Life Insurance Security (requires Applicant, Corporate Guarantor and Advisor Signatures)

If the collateral security is a corporate owned insurance policy, complete the following section.

Once per year, DUCA will contact you, the representative, to obtain a new Policy Summary and an inforce illustration from the life insurance carrier. Please acknowledge with your signature that you agree to provide this information.

.....
Advisor's Signature Date (mm/dd/yy)

If the Borrower's security is a Universal Life policy, any change to the investment mix will require written permission from DUCA.

.....
Advisor's Signature Date (mm/dd/yy)

.....
Applicant Signature Date (mm/dd/yy)

.....
Joint Applicant Signature (if applicable) Date (mm/dd/yy)

.....
Authorized Signature for Corporate Guarantor Date (mm/dd/yy):
I have the authority to bind the Corporation or Partnership.

.....
Authorized Signature for Corporate Guarantor Date (mm/dd/yy):
I have the authority to bind the Corporation or Partnership.

.....
Authorized Signature for Corporate Guarantor Date (mm/dd/yy):
I have the authority to bind the Corporation or Partnership.

.....
Authorized Signature for Corporate Guarantor Date (mm/dd/yy):
I have the authority to bind the Corporation or Partnership.

18. Advisor Information

.....
Last Name First Name Middle Initial Telephone Number

.....
DUCA Advisor Code Email Address Fax Number Business/Operating Name (if applicable)

Mailing Address:

.....
Street City Province Postal Code

With respect to this transaction, you are acting via:

Managing General Agency (MGA) Direct with Insurance Company MFDA Dealer IIROC Dealer Other

Name of MGA/Insurance Company/Dealer, or provide details if "Other":

19. Advisor Assertions

I confirm that I have seen the original, valid and unexpired identification verification documentation presented by the Applicant(s). I undertake to deliver the completed Third Party Identification form, if required. I also undertake to inform DUCA if I become aware that the line of credit proceeds are being used for the benefit of a third party. I confirm that I have provided a copy of this application to the Applicant(s) and the Corporate Guarantor.

Advisor Signature Date (mm/dd/yy)

If the collateral security includes an insurance policy, complete the following section.

Once per year, DUCA will contact you, the representative, to obtain a new Policy Summary and an inforce illustration from the life insurance carrier. Please acknowledge with your signature that you agree to provide this information.

Advisor Signature Date (mm/dd/yy)

20. DUCA Authorization

To be completed by DUCA Representatives

.....
Lending Representative's Signature Lending Representative's Name Date (mm/dd/yy)

.....
Lending Representative's Signature Lending Representative's Name Date (mm/dd/yy)

APPLICATION DEFINITIONS

Family Members and Close Associates

A prescribed family member of a politically exposed foreign person, a politically exposed domestic person or a head of an international organization is:

- (a) their spouse or common-law partner;
- (b) their child;
- (c) their mother or father;
- (d) the mother or father of their spouse or common-law partner; or
- (e) a child of their mother or father.

A close associate may be an individual who is closely connected to a PEP or HIO for personal or business reasons. For example:

- Business partners
- Romantic relationships
- Prominent members of the same political party or union
- Members of the same Board
- Carrying out charitable works together

Head of an International Organization

A person who, at a given time, holds—or has held within a prescribed period before that time—the office or position of head of:

- (a) an international organization that is established by the governments of states;
- (b) an institution of an organization referred to in paragraph (a); or
- (c) an international sports organization.

Politically Exposed Domestic Person

A person who, at a given time, holds—or has held within a prescribed period before that time—one of the offices or positions referred to in any of paragraphs (a) and (c) to (j) in or on behalf of the federal government or a provincial government or any of the offices or positions referred to in paragraphs (b) and (k):

- (a) Governor General, lieutenant governor or head of government;
- (b) member of the Senate or House of Commons or member of a legislature of a province;
- (c) deputy minister or equivalent rank;
- (d) ambassador, or attaché or counsellor of an ambassador;
- (e) military officer with a rank of general or above;
- (f) president of a corporation that is wholly owned directly by Her Majesty in right of Canada or a province;
- (g) head of a government agency;
- (h) judge of an appellate court in a province, the Federal Court of Appeal or the Supreme Court of Canada;
- (i) leader or president of a political party represented in a legislature;
- (j) holder of any prescribed office or position; or
- (k) mayor, reeve or other similar chief officer of a municipal or local government.

Politically Exposed Foreign Person

A person who holds or has held one of the following offices or positions in or on behalf of a foreign state:

- (a) head of state or head of government;
- (b) member of the executive council of government or member of a legislature;
- (c) deputy minister or equivalent rank;
- (d) ambassador, or attaché or counsellor of an ambassador;
- (e) military officer with a rank of general or above;
- (f) president of a state-owned company or a state-owned bank;
- (g) head of a government agency;
- (h) judge of a supreme court, constitutional court or other court of last resort;
- (i) leader or president of a political party represented in a legislature; or
- (j) holder of any prescribed office or position.

Third Party

Any individual or entity that instructs another individual or entity to act on their behalf for a financial activity or transaction.

MARGIN SECURED LINE OF CREDIT AGREEMENT

The information set forth above in the Cost of Borrowing Summary / Disclosure Statement must be read together with the Terms and Conditions which follow. Together they form the agreement (this **Agreement**) between the Applicant (and any Joint Applicant) named above, the Corporate Guarantor named above, and DUCA Financial Services Credit Union Ltd. ("DUCA") for a Margin Secured Line of Credit (the **Account**). This Agreement is to be read together with the Member Agreement that is located at www.duca.com/assets/pdf/PersonalMemberAgreement.pdf, but in the case of any conflict between this Agreement and the Account Operating Agreement, this Agreement will govern.

In this Agreement, **you** and **your** refers to the Applicant and any Joint Applicant (if applicable) named above; if there are two or more Applicants, **we can take instructions or deal with any one of you concerning matters in connection with this Account**; Corporate Guarantor refers to the corporation or partnership that has signed a Guarantee with respect to any obligations of the Applicant(s) to us, and pledged as security for that Guarantee investment accounts or permanent life insurance policies that it owns and, with respect to permanent life insurance policies, the Applicant is or the Applicants are the life-insured; **we, our** and **us** refers to DUCA Financial Services Credit Union Ltd.

All capitalized terms that are not defined in this Agreement have the meaning ascribed to them in the Cost of Borrowing Summary / Disclosure Statement in Section 1 of the Application.

Terms and Conditions

Definitions

Base Rate means the DUCA Specialized Lending Base Rate that may vary from time to time as determined by DUCA. The Base Rate will change within 5 business days of any change in the Prime Rate as published by a minimum of 3 of the 5 largest Canadian chartered banks (Royal Bank of Canada, Bank of Montreal, TD Canada Trust, CIBC and Bank of Nova Scotia). The Base Rate can be accessed by calling us at 1-833-932-2016.

Default Charges (described in Section 1 of the Application) that have been charged to the Account, less all amounts that you have paid on the Account.

Line of Credit Documents are any pre-printed documents which includes but is not limited to this Agreement, the securities control agreement for mutual funds shares or units which are held in a designated securities account, the assignment in favour of the Credit Union of an insurance policy or annuity contract purchased from an eligible insurer (in the case of a Segregated Fund), and the assignment of a deposit account or guaranteed investment certificate (GIC) held with an eligible bank, credit union or trust company.

Other Fees / Charges (described in Section 1 of the Application)

Outstanding Balance means at any time the total amount that you have borrowed from us on the Account, plus all accrued interest and unpaid charges.

Secured Obligations means all of the Borrower's present and future, direct and indirect indebtedness and liability to the Credit Union including, but not limited to, the Outstanding Balance and all other debts, liabilities and obligations, present or future, and all interest, commissions, legal and other costs and expenses.

1. Credit Limit

The Credit Limit that we establish for the Account is the maximum amount that may be outstanding under the Account for borrowed funds, accrued and unpaid interest and unpaid charges. The maximum amount of credit available under the Account, including any accrued but unpaid interest as described below, is the Initial Credit Limit amount indicated above or such other limit as may be established from time to time pursuant to the terms of this Agreement, less your outstanding indebtedness under the Account. If the value of the collateral rises or additional collateral is pledged, you and the Corporate Guarantor may request an increase to your limit. We retain the right to approve or reject your request to increase the Credit Limit, in our sole discretion. Should we approve your request, you and the Corporate Guarantor will be sent written notice of the new Credit Limit. It is your responsibility to ensure that you do not exceed the Credit Limit from time to time. To maximize the efficiency of your banking experience, DUCA may increase the Credit Limit from time to time at our discretion if you and the Corporate Guarantor did not check the checkbox in section 8 of the Application which would indicate you and the Corporate Guarantor do not wish DUCA to periodically increase the Credit Limit. Should DUCA increase the Credit Limit, you and the Corporate Guarantor will be notified by mail. Please note that a credit check will be completed when DUCA reviews the Account annually, whether or not you indicate that you don't want periodic increases to your credit limit and DUCA will require payment of an Application Fee of 0.20% based on the amount of the credit limit increase or \$250, whichever is greater.

2. Security

The Applicant and the Corporate Guarantor agree that the security for the Account shall be the following (the Secured Assets) (if required as determined by DUCA):

- A Guarantee in favour of DUCA from the Corporate Guarantor, which in turn will be secured by:
 - An assignment from the Corporate Guarantor in favour of DUCA of the corporate owned insurance policy or annuity contract (including segregated funds) purchased from an eligible insurer;
 - A Pledge of Securities in favour of DUCA related to the corporate owned mutual funds shares or units which are held in a designated securities account with the Dealer;
 - A Securities Control Agreement (or other DUCA approved agreement) related to the corporate owned mutual funds shares or units which are held in a designated securities account with the Dealer; and
 - An assignment from the Corporate Guarantor in favour of DUCA of a corporate owned deposit account or guaranteed investment certificate (GIC) held with an eligible bank or trust company.

Where we require it, the Applicant must cause the Corporate Guarantor to deliver to DUCA an assignment, or a securities control agreement and a pledge of the Secured Assets in such form and amount as may be directed by us. You must repay the Outstanding Balance without regard to the fluctuation in value of the Secured Assets. You and the Corporate Guarantor authorize us to release a copy of this Agreement to the issuer of the Secured Assets for the purpose of enabling us to register both the nature and extent of our ongoing interest in the Secured Assets but we will otherwise maintain confidentiality with respect to all information relating to this Agreement. Upon fulfilment of your obligations to us under this Agreement, we will notify the issuer of the Secured Assets that we are releasing our interest in the Secured Assets and, if applicable, we will return the Secured Assets to the Corporate Guarantor.

The Security given to us under this Agreement is in addition to and not in substitution for any other security now or hereafter held by DUCA.

You and the Corporate Guarantor irrevocably appoint each of DUCA, its officers, employees and nominees or any authorized agent of any of them to be your attorney with full power of substitution, to fill in any blanks in this Agreement or any related document, to do, make and execute all such statements, assignments, documents, acts, matters or things, with the right to use your name whenever we may deem necessary or expedient and to perform all acts of ownership in respect of the Secured Assets.

Exercising Options: If you are not in default under this Agreement or any other agreement with us, and the Corporate Guarantor is not in default under any security agreement relating hereto or any other agreement with us, and if the Applicant and the Corporate Guarantor are not otherwise prohibited by and meet the terms of this or any other agreement with us, then the Corporate Guarantor may exercise any option(s) provided under the Policy, provided that no option may be exercised without our prior written consent and unless the Policy remains in force at all times.

3. Access to Credit

Subject to our right to refuse credit as provided in clause 8 below, you may borrow funds on the Account by personalized cheque, debit or any other method we establish from time to time. You may only borrow funds in Canadian dollars. We will provide you with a banking access card (except where two or more signatures are required to make withdrawals) and personalized cheques.

Borrowing under the Margin Secured Line of Credit: You acknowledge that it is important to be aware of the terms of this line of credit secured by the Secured Assets. We require that the Outstanding Balance not rise above the benchmark designated by us the Loan to Value (LTV). Should this occur you must either reduce the Outstanding Balance or increase the value of the Secured Assets to return the line of credit to the agreed percentage. If this does not occur, we may exercise our rights under the Corporate Guarantee to surrender the Assets. You and the Corporate Guarantor acknowledge that this could result in insufficient funds being available to retire all outstanding balances on the line of credit. You and the Corporate Guarantor acknowledge that we may sue you or the Corporate Guarantor to cover any shortfall. A surrender of the Secured Assets may also trigger a requirement to pay taxes owing on any gain realized and still have the right to demand payment in full of the Outstanding Balance at any time without giving you or the Corporate Guarantor prior notice. If you do not pay the Outstanding Balance in full upon demand, then, in addition to any other remedy available to us, we may enforce our Security by any method permitted by law.

You acknowledge that the Outstanding Balance may exceed the LTV due to adverse interest rate spreads. The interest rate spread is the difference between the interest rate charged on the line of credit and the rate of growth of the Secured Assets. The interest sensitivity analysis illustration that you received contemplates a constant interest rate spread. However, interest rates on the line of credit fluctuate with the Base Rate and depending on the investment choices made; investment returns generated within the Secured Assets may not be guaranteed. Therefore, you acknowledge that it is important to conduct a “reality check” on a regular basis by reviewing actual investment returns within the Secured Assets and balances on the line of credit to those forecast in the interest sensitivity analysis illustrations and make appropriate adjustments where necessary.

You acknowledge that the performance of the Secured Assets are not guaranteed and indeed values may go down. You acknowledge that this may have a detrimental impact on the LTV such that the likelihood of you being called upon to remedy a breach of the LTV may be greater. You understand that if you are considering margining the Secured Assets, you should ensure that you have adequate financial resources available to remedy a breach of margin condition—particularly if an aggressive investment posture is taken at the same time as balances owing on the line of credit.

4. Payments

Capitalizing LOC: No minimum payment is required as long as the total debt and accrued interest does not exceed the approved Credit Limit. However, if at any time the Outstanding Balance exceeds the Credit Limit, you must repay the excess amount on the date that we require you to pay such amount. This is a demand credit facility, and therefore even if you repay the excess amount, we still have the right to demand payment in full of the Outstanding Balance at any time without giving you or the Corporate Guarantor prior notice. If you do not pay the Outstanding Balance in full upon demand, then, in addition to other remedy available to us, we may enforce our Security by any method permitted by law.

Non-Capitalizing LOC: Each month you must pay the Minimum Monthly Payment on the payment due date shown on your monthly statement. The Minimum Monthly Payment is payable whether or not you have received your monthly statement. In addition to the Minimum Monthly Payment, if at any time the Outstanding Balance exceeds the Credit Limit, you must repay such excess amount on the earlier of the date that we require you to pay such amount or your next monthly payment due date. This is a demand credit facility and therefore even if you make all payments when due, we still have the right to demand payment in full of the Outstanding Balance at any time without giving you or the Corporate Guarantor prior notice. If you do not pay the Outstanding Balance in full upon demand, then in addition to any other remedy available to us, we may enforce our Security by any method permitted by law.

5. Interest

See the Cost of Borrowing Summary / Disclosure Statement in section 1 of the Application as to how interest is calculated and charged. We may at any time change the Adjustment Factor that is used to determine the Annual Interest Rate, but we will give you and the Corporate Guarantor prior notice of any change. Interest will continue to be payable by you after we demand payment in full or we obtain a judgment against you for failure to pay. In all cases, interest will be charged on the amount of interest that has not been paid. This means that interest is compounded monthly.

6. Additional Costs and Expenses

You agree to pay the costs and expenses described herein including Registration Fees, Other Fees / Charges, and Default Charges described within section 1 of the Application.

7. Paying Outstanding Balance and Costs by Direct Debit

You authorize us to debit your deposit account which you have specified for such purpose for your monthly payment and all costs, charges and other amounts that you owe us from time to time on the Account. If there are insufficient funds in such deposit account and you do not make alternative payment arrangements with us, we may charge any amount that you owe to us to the Account or debit any other account that you maintain with us.

8. Our Right to Refuse Credit

We may, without prior notice to you or to the Corporate Guarantor, refuse to permit any borrowing on the Account, that would increase your Outstanding Balance if we have any concern as to your use of the Account or your ability to repay what you owe to us. If we allow you to exceed your Credit Limit at any time, we do not give up any of our rights, including our right to refuse you further credit without notice in the future.

9. Electronic Communication

An electronic communication includes any communication by telephone, facsimile, wire, or email. We will deem any electronic communication received from you or in your name to be duly authorized by you and you authorize us to rely and act upon any such electronic communication. If a facsimile is received, we will act on a signature purporting to be your signature. If you request, we will forward copies of any statements, instruments, or other documents by facsimile or other electronic transmission to the number or address provided by you, even though such electronic communication may not be considered "secure". You will be deemed to have received the electronic communication on the day and time recorded by our fax machine or for email, on the day recorded by our server. You agree that any records regarding any electronic communication will be admissible in any legal, administrative, or other proceeding as if such records were the original written documents. DUCA's records will be conclusive as to the information contained in such electronic communications.

10. Default

You will be in default if: (a) you fail to make a required payment when due or to fulfill any of your other obligations under this Agreement; (b) the Outstanding Balance is greater than the Credit Limit or we determine that the Outstanding Balance is greater than the LTV; (c) you or the Corporate Guarantor are insolvent or have become bankrupt or commit any act of bankruptcy; (d) we believe on reasonable grounds that the Secured Assets will decline in value; (e) any statement you or the Corporate Guarantor make to us is false in any material respect when it is made or it becomes false; (f) you are declared incompetent by a court or die; or (g) any event occurs which causes us to believe in good faith that we are unsecured or that the Secured Assets are or are about to be placed in jeopardy.

If you or the Corporate Guarantor are in default, then, in addition to any other remedy available to us, we may enforce our Security by any method permitted by law. This is a demand credit facility, and therefore even if you are not in default, we still have the right to demand payment of the Outstanding Balance and enforce our Security at any time without giving you prior notice.

11. Waiver

The Credit Union's failure or delay in exercising any of its rights under the Line of Credit Documents shall not be deemed to constitute a waiver thereof nor shall it render the Credit Union liable to you in any way. No waiver of any breach of any provision of the Line of Credit Documents will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

12. Set-Off

At any time that you are in default of any Secured Obligations under this Agreement or otherwise, the Credit Union may, to the extent permitted by law, without notice to you or any other person, any notice being expressly waived by you, set-off and compensate any and all deposits and other assets, held by the Credit Union, against and on account of your Secured Obligations hereunder notwithstanding that any of them are contingent or unmatured.

13. Acknowledgement

You and the Corporate Guarantor acknowledge having read, understood, and received a copy of this Agreement. You and the Corporate Guarantor have been given the opportunity to obtain legal advice with respect to all of the Line of Credit Documents before executing them, and you and the Corporate Guarantor agree to be bound by the terms thereof. You and the Corporate Guarantor further understand and agree that this Agreement will not constitute a binding obligation on the part of the Credit Union unless and until Line of Credit proceeds are advanced by the Credit Union. You and the Corporate Guarantor also understand and agree that the Credit Union shall not be responsible for any loss incurred by you as a result of the Credit Union's delay or refusal to accept your application for the Line of Credit or to make the Line of Credit available.

14. Statements of Account

An email notification indicating that a monthly statement is available in Online Banking will be sent to your last known email address (unless you have indicated you want to have a statement mailed to you). You must promptly notify us in writing of any change to your address and of any errors appearing on a statement of account. Upon the expiration of thirty (30) days from a statement date, each statement will be conclusively deemed to have been accepted by you as correct, except as to errors of which you have notified us in writing within thirty (30) days from the statement date.

15. Continuing Effectiveness of this Agreement

We may assign the amounts that you owe to us from time to time under this Agreement, with or without the benefit of this Agreement, to any other financial institution or other person or entity without your consent, but you may not assign this Agreement without our consent. In connection with such assignment by us, we may provide personal information about you as well as information about the Corporate Guarantor to any assignee or their agents. This Agreement is also binding upon and benefits our successors your heirs and personal representatives and any successors of the Corporate Guarantor.

16. Questions / Complaints

You may contact us at **1-833-932-2016** if you have any questions or concerns about the products, services, or our representatives. If, after speaking to DUCA Financial Services Credit Union Ltd. staff, the complaint is not resolved to your satisfaction, you may ask to speak with the manager of the department. If you are not satisfied with the manager's response, you may ask that your concerns be escalated to the **Complaints Officer**, or send an email directly to complaints@duca.com, for an additional review. If, after speaking to the Complaints Officer the problem is not resolved to your satisfaction, please write to: the **Financial Services Regulatory Authority of Ontario at 5160 Yonge St 17th Floor, North York, ON M2N 6L9**.

17. Amendments and Waivers

We may amend this Agreement at any time without your or the Corporate Guarantor's consent, but we will give you and the Corporate Guarantor 30 days prior advance notice of each amendment. We may in a particular circumstance waive or postpone the exercise of any right that we have or waive or postpone the performance of any obligation that you and the Corporate Guarantor owe to us, but any such waiver or postponement only applies to the particular circumstance and is only effective if we confirm it to you and the Corporate Guarantor in writing.

18. Notice

Any notice, including without limitation, a notice of amendment or any demand or other communication referred to in this Agreement may be forwarded to you and the Corporate Guarantor by personal delivery, courier, by prepaid ordinary, registered, or certified mail or included in a monthly statement or by email or any other electronic communication mode that we agree to use, at your last known address as shown in our records. You and the Corporate Guarantor agree that it shall be deemed that you and the Corporate Guarantor have received the same on the date of delivery, if personally delivered or if delivered by courier or on the fifteen (15th) day after mailing by prepaid ordinary, registered, or certified mail, even if you or the Corporate Guarantor do not actually receive it.

19. Governing Law

This Agreement is governed by and construed in accordance with the laws of the Province of Ontario, and for the purpose of any legal actions or proceedings brought by DUCA in respect of the same, the Borrower and any Guarantor each hereby irrevocably submits to the non-exclusive jurisdiction of any competent court of such Province or of any competent federal court of Canada sitting in such Province and acknowledges their competence and the convenience and propriety of the venue and agrees to be bound by any judgement thereof and not to seek, and hereby waives, any review of such judgments by the courts of any other jurisdiction.

PERSONAL PRE-AUTHORIZED PAYMENT AUTHORIZATION FOR LINE OF CREDIT PAYMENTS

By signing the attached Line of Credit Application (the "Application") and attaching a void cheque (the "Cheque"), the Payor (which for the purpose of this authorization [the "Authorization"] authorizes DUCA Financial Services Credit Union Ltd. ("DUCA") to debit the account identified on the Cheque, or any replacement account (each, the "Account), at the financial institution identified on the Cheque or any replacement thereof (the "Processing Institution") for payments (which will vary in amount) when due under the line of credit granted to the Applicant by DUCA, by submitting pre-authorized debit requests (each, a "PAD") to the Processing Institution in accordance with the rules of Payments Canada. The Payor warrants that all persons whose signatures are required to sign on the Account have signed the Application. The Payor may, by notice in writing sent to DUCA at the address below, cancel this Authorization, which will be effective up to thirty (30) business days after it is received by DUCA. In the event that the Payor cancels the Loan to which the PAD under this Authorization relate, this Authorization shall automatically be cancelled. A sample cancellation form and further information on the Payor's right to cancel this Authorization is available from DUCA or by visiting www.payments.ca.

The Payor waives any and all requirement(s) under the rules of Payments Canada that DUCA give prior notice to the Payor of the amount and date of any debit to be made under a PAD authorized under this Authorization.

In the event that a PAD is not honoured because there were not sufficient funds ("NSF") in the Account, the Payor authorizes DUCA to process, at any time within thirty (30) days from the date that DUCA submitted the PAD that was dishonoured, an additional PAD to pay the NSF fee due to DUCA. Refer to www.duca.com/rates for the most up to date NSF Fee.

The Payor agrees to inform DUCA in writing of any change in the Account information at least fifteen (15) business days before the date of the next debit. The Payor acknowledges (i) that delivery of this Authorization to DUCA constitutes delivery to the Processing Institution, (ii) that the Processing Institution is not required to verify that a PAD has been issued in accordance with this Authorization or that the purpose of the payment for which the PAD was issued has been fulfilled by DUCA as a condition to honouring a PAD, and (iii) that this Authorization applies only to the method of payment under the line of credit agreement and neither this Authorization nor cancellation thereof affects the obligation of the Applicant under that agreement.

The Payor has certain recourse rights if any PAD does not comply with this Authorization. For example, the Payor has the right to receive reimbursement for any PAD that is not authorized or is not consistent with this Authorization. To obtain more information on the Payer's recourse rights, the Payor may contact DUCA or visit www.payments.ca.

Contact Information: DUCA Financial Services Credit Union
Specialized Lending
4195 King Street East, Unit 110
Kitchener, ON N2P 0C1

ADDITIONAL DETAILS

