

TERMS AND CONDITIONS

ACCEPTING AND CANCELLING THIS AGREEMENT

1. This agreement becomes effective two (2) days following your receipt of the Certificate of Deposit and these terms and conditions (the "**Effective Date**"). You are deemed to have received this agreement five (5) business days after it has been emailed or mailed to you, if applicable. This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

Unless you notify us in writing within two (2) days of the Effective Date (the "**Cancellation Deadline**"):

- that the information shown in this agreement is not in accordance with your request, or
- that you do not accept all of the terms and conditions applicable to this agreement,

you will be deemed to have provided the instructions indicated in this agreement and to have accepted all of its terms and conditions. If you cancel this agreement before the Cancellation Deadline, the Initial Deposit invested by you will be returned to you in full and without fees or interest.

2. Before the "**Issue Date**" shown on the Certificate of Deposit, we may decide that we will not issue you a Canadian Financial Services Market-Linked Term deposit in which case we will return your Initial Deposit to you, without fees, with pre-issue interest as stipulated in section 10.
3. This agreement is subject to the provisions of any application form for an RRSP or any other plan issued by us that you have already enrolled in or signed with us.

CANADIAN FINANCIAL SERVICES MARKET-LINKED TERM DEPOSIT

4. You agree to make, or have made, on the "**Initial Deposit Date**" as shown on the Certificate of Deposit, a first deposit (the "**Initial Deposit**"). We will calculate pre-issue interest on your Initial Deposit as stated in section 10.
5. You consent that on the Issue Date the amount of your Initial Deposit and the accrued pre-issue interest (together, the "**Principal**") be reinvested in a Canadian Financial Services Market-Linked Term deposit (the "**Investment**") maturing on the "**Maturity Date**" as shown on the Certificate of Deposit. The term of the Investment is one (1) year (the "**Term**").
6. We guarantee the Principal of this Investment at maturity. You cannot negotiate, transfer or redeem the Investment and we will not redeem or pay any Principal or any interest on the Principal before the Maturity Date. No secondary market exists for this Investment and none will be established.
7. You may give this Investment as security only to us and only to the extent permitted under current legislation.
8. This Investment is in Canadian dollars. The redemption of the Principal and the payment of interest will be in Canadian dollars.

FEES

9. We charge no management fees on this Investment. Therefore, the interest generated by the Investment for the period between the Issue Date and the Maturity Date calculated in accordance with section 11 (the "**Investment Interest**") will not be affected by any management fees.

METHOD OF CALCULATION OF INTEREST

10. For the period between the Initial Deposit Date and the Issue Date, the interest on the Initial Deposit will be calculated on the daily balance at the "**Pre-Issue Interest Rate**", as shown on the Certificate of Deposit.
11. The Investment Interest will be determined at maturity according to the variation in the price of the eight (8) securities listed below (the "**securities**"), in the following manner:

$$\text{Investment Interest} = \text{Principal} \times \text{Rate of Return} \times 100\%$$

where:

"**Principal**" means the amount of your Initial Deposit together with the pre-issue interest accrued between the Initial Deposit Date and the Issue Date.

"**Rate of Return**" means the Performance Rate (as calculated using the formula below), expressed as a percentage, but subject to a maximum rate equal to the Maximum Rate of Return and a minimum rate equal to the Minimum Guaranteed Interest Rate.

"**Maximum Rate of Return**" means the maximum rate of return on the Investment, as specified on the Certificate of Deposit.

"**Minimum Guaranteed Interest Rate**" means the minimum rate of return on the Investment, as specified on the Certificate of Deposit.

"**100%**" refers to the rate of participation in the growth of the securities.

AND

$$\text{Performance Rate} = \left[\left(\frac{\text{Valuation CP}}{\text{Initial CP}} \text{ for } S^1 + \frac{\text{Valuation CP}}{\text{Initial CP}} \text{ for } S^2 + \dots + \frac{\text{Valuation CP}}{\text{Initial CP}} \text{ for } S^8 \right) \times \frac{1}{8} \right] - 1$$

where:

"**Valuation CP**" means, in respect of a security, the average of the Closing Prices of a security occurring on October 8, 2019, November 7, 2019, and December 9, 2019 (or, if a Closing Price is unavailable on any such date, on the following day on which a Closing Price is available).

"**Initial CP**" means the Closing Price of a security on December 7, 2018.

"**S¹**" - "**S⁸**" refers to each of the eight (8) securities, as listed below.

"**Closing Price**" means, in respect of a security on a particular date, the official closing price for that security on such date as announced by the relevant stock exchange or trading system.

Here are the eight (8) securities. This list of securities is pre-established and non-negotiable, and subject to change only in accordance with section 22. Each security has the same weighting in the portfolio. We give no opinion on the future price of the securities.

	Security	Stock Market	Currency
S ¹	Royal Bank of Canada (RY CT)	TSX (Toronto)	Canadian Dollar
S ²	Scotiabank (BNS CT)	TSX (Toronto)	Canadian Dollar
S ³	Canadian Imperial Bank of Commerce (CM CT)	TSX (Toronto)	Canadian Dollar
S ⁴	Bank of Montreal (BMO CT)	TSX (Toronto)	Canadian Dollar
S ⁵	The Toronto-Dominion Bank (TD CT)	TSX (Toronto)	Canadian Dollar
S ⁶	Manulife Financial Corp. (MFC CT)	TSX (Toronto)	Canadian Dollar
S ⁷	Intact Financial Corporation (IFC CT)	TSX (Toronto)	Canadian Dollar
S ⁸	Great-West Lifeco Inc. (GWO CT)	TSX (Toronto)	Canadian Dollar

INTEREST LIMIT

12. The Investment Interest is subject to a maximum as described in section 11. At maturity, if the Performance Rate of the securities is higher than the Maximum Rate of Return, then the Investment Interest paid will be capped to match the Maximum Rate of Return.

13. The Performance Rate does not take into account the payment of dividends or distributions on shares or other securities included in the securities.

RISK AND SUITABILITY

14. Since the Investment Interest is tied to changes in the market, this Investment carries a higher level of risk than a traditional fixed-rate investment. It is possible that the Performance Rate of the securities may be nil at maturity and only interest at the Minimum Guaranteed Interest Rate could be paid. This Investment is different from traditional fixed-rate investments because it does not guarantee a return determined in advance. Also, the Performance Rate based on the performance of the securities can only be known at maturity and is a function of the appreciation (if any) of the securities, which could be subject to major fluctuations in the capital markets. Consequently, we can guarantee only the Minimum Guaranteed Interest Rate at the Maturity Date.
15. The Investment Interest will not be affected by changes in exchange rates, even if the security prices are published in foreign currencies.
16. The Investment is not a direct investment in the securities. Therefore, you are not entitled to the rights or the benefits of a shareholder, such as the right to receive distributions or dividends or the right to vote or attend shareholders' meetings.
17. The Investment Interest is calculated based on an average of certain Closing Prices of each security as described in Section 11. Consequently, the Investment Interest paid out at maturity may not reflect the rate of return on each security between the Issue Date and the Maturity Date.
18. Given the features of this kind of investment, as a potential purchaser, you should consult your advisor to make sure that such an investment meets your investment objectives.
19. This Investment could be a sound investment if your investment horizon is at least as long as the Term and you also intend to keep it until the Maturity Date. It also could be a sound choice if you wish to diversify your investments and wish to gain exposure to the capital markets. **However, this Investment is not suitable if you require an income during the Term.**

NON-REDEEMABLE PRIOR TO MATURITY

20. **You cannot negotiate, transfer or redeem the Investment and we will not redeem or pay any principal and interest before the Maturity Date.**

RENEWAL AND REDEMPTION OF PRINCIPAL AT MATURITY

21. On the Maturity Date, unless you notify us to the contrary no later than the fifth (5th) business day prior to such date, the Principal and any interest will be dealt with in accordance with the "Action at Maturity" instruction shown on the Certificate of Deposit.

EXTRAORDINARY EVENTS

22. You acknowledge that a disruption in capital markets (e.g. transactions halted due to a sharp drop in, or a problem with the publication of, security prices), a change in the calculation, publication or numeric form of security prices (e.g. a merger, a stock split), securities facing some financial hardship (e.g. company bankruptcy) or any other extraordinary event or circumstance out of our control and having a significant impact on product management (an "Extraordinary Event") may occur and affect our capacity to calculate or pay the Investment Interest or to fulfill any other obligation on the date provided for. If we believe, in our sole discretion, that such an event has occurred, you agree that we may depart from the terms and conditions of this agreement and take any action as deemed appropriate and equitable in the circumstances, including, without limitation, the substitution of securities, adjusting, anticipating or deferring the calculation or the payment of the Investment Interest, or determining the Investment Interest in a different manner. We will determine which measures to take in the above-mentioned circumstances, in our sole discretion, and will take reasonable action and will consider the interests of all stakeholders, in particular, without limiting the scope of the foregoing, those of members with products, our other members, and the interests of Coast Capital Savings Federal Credit Union and its affiliates and successors.

Because the Investment includes the Minimum Guaranteed Interest Rate, an Extraordinary Event will not affect this minimum yield.

ACCESS TO INFORMATION

23. All information provided in the Certificate of Deposit and these terms and conditions shall be available on our website and upon your request. Upon your request for information concerning the value of your Investment, we shall provide you with the net asset value of the Investment on the day of request and how that value relates to the interest payable under the Investment, or the last available measure, before the day of request, of the index or reference point on which the interest is determined and how that measure is related to the interest payable under the Investment.

The performance of the securities is posted regularly on our website. It is intended for information purposes only. The Investment Interest payable will only be calculated on the Maturity Date. Additional information about Canadian Financial Services Market-Linked Term deposits is available on www.coastcapitalsavings.com or upon request by calling 1-888-517-7000. You may also visit your local branch to speak with an authorized Coast Capital Savings representative. The address of our Help Headquarters is 800 - 9900 King George Blvd, Surrey, BC, V3T 0K7.

TAXATION

24. This Investment is an investment eligible for registered retirement savings plans (RRSPs) and tax-free savings accounts (TFsas). For Canadian Financial Services Market-Linked Term deposits not held in one of the aforementioned registered accounts, the pre-issue interest calculated in accordance with section 10 is considered to be interest income for tax purposes for the year the Investment is issued. Interest calculated at the Minimum Guaranteed Interest Rate, as described in section 11, must be added annually to your income throughout the entire term of the product, even if it has not yet been paid out. Amounts paid at maturity are considered to be interest income for tax purposes. During the year it is paid, you must add the interest received at maturity to your income, excluding the amounts taxed in previous years. Compliant tax information slips are issued by us for this purpose. **This information is of a general nature and is not intended to be, nor should it be construed to be, legal or tax advice. You should consult with your own tax advisors for more information having regard to your own particular circumstances.**