



## AGENCY AGREEMENT

THIS AGENCY AGREEMENT (“the Agreement”) made effective this \_\_\_ day of \_\_\_\_\_, 20\_\_

BETWEEN:

**CANADIAN WORKER CO-OPERATIVE FEDERATION**, a corporation incorporated under the laws of Canada, with its principal office located in the City of Kentville, in the Province of Nova Scotia, Canada

(the “Agent” or “CWCF”)

AND:

\_\_\_\_\_, an incorporated cooperative, non-profit organization or other similar corporation with its head office in \_\_\_\_\_ (City, Province), which is a Member (Associate, or Regular/ Worker Co-operative Member) of the Canadian Worker Co-operative Federation

(the “Sub-Agent”)

WHEREAS:

- A. The Agent carries on the business of administrator of Self-Directed Registered Retirement Savings Plans (SD-RRSPs) and Self-Directed Tax-Free Savings Accounts (SD-TFSAs), which enable registered plan holders (“Annuitants”) to hold investments issued by Member Co-operatives and similar corporations under the Canadian Worker Co-operative Federation registered specimen plans; and
- B. The Agent intends to appoint the Sub-Agent to solicit deposits for SD-RRSPs and SD-TFSAs for the Agent throughout Canada, on the terms and restrictions set out herein;

The two parties agree to all of the terms and conditions of this Agency Agreement, as set forth below:

### ARTICLE 1 – APPOINTMENT OF SUB-AGENT, TERMS AND TERMINATION OF AGREEMENT

1. The Agent hereby appoints the Sub-Agent to canvass as an independent contractor for registered plan applications and related deposit funds for SD-RRSPs and SD-TFSAs (hereinafter referred to as “Contracts”), to collect and pay over to the Agent all deposit amounts received by the Sub-Agent and intended for the Contracts.
2. The Agent shall be entitled to receive a fee for any services hereunder in accordance with its current Member Fee schedule, attached to this Agreement as ‘Schedule B’. The Agent’s fee schedule is subject to amendment from time to time upon the Agent providing 30 days’ written notice to the Sub-Agent.

3. The Agent shall also be reimbursed for any such reasonable and necessary expenditures incurred in the performance of its duties hereunder, outside of the scope of the duties listed in Article 2 in the normal course of SD-RRSP and SD-TFSA administration, including but not limited to expenses incurred as a result of the Sub-Agent's failure or omission to carry out any of its duties and responsibilities as noted in Article 3. The Agent may also seek reimbursement from the Sub-Agent for any penalties and/or interest charged by the Canada Revenue Agency ("CRA") resulting directly from the Sub-Agent's action, omission, error or failure to act.
4. Either party reserves the right to, at any time, revoke this Agency Agreement by giving the other party 30 days' written notice of such revocation.
5. Notwithstanding the intent of the foregoing, if, in the Agent's sole discretion and opinion, the Sub-Agent is in breach of this Agency Agreement, the Agent shall be entitled to terminate this Agency Agreement at any time on 3 days' notice. In such an event, the Sub-Agent shall forthwith deliver to the Agent all Contracts sold by the Sub-Agent.

#### ARTICLE 2 – DUTIES OF THE AGENT

1. The Agent shall perform all acts and do all things required to properly issue Contracts in conformity with the SD-RRSP and SD-TFSA specimens as required under the *Income Tax Act* (Canada) and Regulations thereto (the "Tax Laws"), and shall strictly comply with the Declaration of Trust of each Contract.
2. The Agent's duties hereunder are as follows:
  - a) accepting applications, contributions, transfers and administration fees from Annuitants on terms and conditions consistent with the SD-RRSP and SD-TFSA specimen and the requirements of the Tax Laws and CRA, and/or accepting said documents and funds directly from the Sub-Agent;
  - b) maintaining records of all personal or personally identifying information as required under the Tax Laws with respect to each Contract;
  - c) accounting for all funds received for Annuitants in respect of Contracts, and any subsequent deposits thereunder;
  - d) ensuring that all cash received by the Agent is held in trust pending the acquisition of Investments and the making of payments, in accordance with the instructions of the Annuitant or the terms of the applicable Declaration of Trust;
  - e) preparing and issuing tax receipts for all contributions received from or on behalf of Annuitants that properly require the issuing of official receipts, and delivering such receipts to the Annuitant at their last known address within the time frames as required by the Tax Laws;
  - f) calculating, withholding and remitting to the appropriate tax authorities all amounts required under the Tax Laws;

- g) making all payments, including but not restricted to payments to Annuitants, or to estates or beneficiaries of Annuitants, and in answer to proper external demands in a timely manner;
- h) attending to all Contract de-registrations, partial or full withdrawals, transfer requests, over-contributions, refunds of premiums and annulments, and filing all appropriate returns that are required under Tax Laws in respect thereof;
- i) responding in a timely and effective manner to all inquiries from Annuitants relating to their Contracts, and annually mailing to Annuitants at their last known address a statement of their account for the previous annual period, showing details of any transactions and the total assets of the Contract held on the effective date of said statement;
- j) dealing with assets of each Annuitant held under an RRSP Contract on maturity of the Contract as necessary to comply with the election of the Annuitant as to the form of retirement income to be received by the Annuitant, and to comply with the terms of the Declaration of Trust. This is because Annuitants may no longer hold RRSPs after December 31<sup>st</sup> in the year when they turn 71 years of age (“maturity”). If an Annuitant fails to elect a form of retirement income in writing at least 90 days prior to the maturity date of the Annuitant’s RRSP, the Agent shall take one of the following actions: transfer the assets to a retirement income option in the name of the Annuitant; if the assets do not meet the requirements for such an option, sell the assets within the Plan and pay the Annuitant the proceeds as a withdrawal; and/or transfer the assets from the Plan in specie to the Annuitant as a withdrawal from the Plan.
- k) annually in December, providing the Sub-Agent with a list of Contracts (the “Contract Listing”) solicited by the Sub-Agent and administered by the Agent, and for whom the Sub-Agent acts as Account Representative. Included with the Contract Listing will be an invoice for the total of the Contracts’ annual account fees for the current calendar year.

### ARTICLE 3 – DUTIES OF THE SUB-AGENT

1. The Sub-Agent, when acting on behalf of the Agent, shall at all times strive to act in a manner that upholds the business reputation of the Agent, does not discredit the goodwill of the Agent, and does not result in the Agent becoming liable to any person, whether for the amount of any Investment made by any person or for any other cause whatsoever.
2. The Sub-Agent shall perform all acts and do all things required to allow the Agent to properly issue Contracts in conformity with the RRSP and TFSA specimens as may be required under the Tax Laws, as noted by the Agent in the Self-Directed RRSP and TFSA Support Manual (the “Support Manual”), which the Sub-Agent acknowledges having received from the Agent.
3. The Sub-Agent shall, at its own expense:
  - a) submit an application for membership in the Canadian Worker Cooperative Federation (“CWCF”) along with its first year’s dues (unless it is already a member and dues are up to date) and remain a member in good standing of CWCF by paying its membership dues, upon receipt of an annual invoice from CWCF;

- b) submit all other required documentation as outlined in Schedule A, Prescribed Forms;
- c) provide to the Agent confirmation that the Sub-Agent's securities are Qualified Investments for the purpose of being held in a registered plan, by whichever means specified by the Agent, and be prepared, if specifically requested by the Agent, to provide to the Agent an Opinion letter written by an independent lawyer or accountant that references the applicable sections of the Tax Laws under which the securities have been deemed Qualified Investments;
- d) abide by the terms and instructions set out in the most current version of the Support Manual, as provided to the Sub-Agent by the Agent;
- e) explain fully the terms of the Contract to prospective Annuitants, and further not make untrue statements, interpretations, or misrepresentations, or omit or evade material facts concerning the Contracts, and to fully disclose all such material facts to prospective Annuitants;
- f) assist Annuitants with completing the most current version of all prescribed forms as specified in 'Schedule A,' and deliver same to the Agent for review, understanding that inaccurate, incomplete or outdated paperwork will be returned to the Sub-Agent;
- g) accept only cheques made payable to the Agent for contributions to the Contracts (no cash); promptly and accurately account to the Agent for all funds received; and complete full and sufficient records in such form as the Agent may require from time to time, understanding that all records shall be open for inspection by the Agent at any time;
- h) remit to the Agent all funds and paperwork received by the Sub-Agent within thirty (30) days of receipt. Records of the Annuitants' business that remain in the possession of the Sub-Agent are, and will at all times, remain the property of the Agent;
- i) adhere to the deadlines as set by the Agent with regard to submission of funds and paperwork, with particular attention being paid to the RRSP contribution deadline;
- j) provide the Agent with an Issuer Representation Letter stating the Fair Market Value of one security with each transaction that requires such, or at any time upon request from the Agent, and provide written notice to the Agent of any changes in the Fair Market Value of the Sub-Agent's securities;
- k) pay to the Contracts (by cheque or equivalent made payable to CWCF) the full value of any dividends or interest ("Returns") earned on the Sub-Agent's registered securities that are held within the Contracts, understanding that any fees owed to the Sub-Agent by the Annuitants must not be deducted from the amount of the Returns earned by the holdings of the Contracts, and that Returns earned on securities held within the Contracts may not be paid directly to the Annuitants outside of the Contracts;
- l) pay to the Contracts (by cheque or equivalent made payable to CWCF) the full value of any security redemptions requested by the Annuitants, including any outstanding Returns earned on said securities, understanding that the redemption of securities held within a Contract may only be paid out to the Contract and that failure to do so may result in penalties from CRA, the cost of which shall be reimbursed to the Agent by the Sub-Agent;

- m) provide to the Agent, within sixty (60) days of receipt by the Sub-Agent of funds intended for the purchase of securities, the corresponding Certificate or Register Confirmation Letter for said purchase;
- n) upon receipt of the Contract Listing and corresponding annual account fee invoice from the Agent, remit payment in full to the Agent within sixty (60) days of receipt of the invoice unless the Agent has previously provided its express agreement to alternative arrangements. This is the case whether the Sub-Agent collects the fees from the Annuitants, or if the Sub-Agent pays the annual account fees on behalf of the Annuitants. When the Sub-Agent remits the fees, it shall also provide the Agent with updated contact information for any Annuitants whose address has changed without notification being provided to the Agent, as indicated on the Contract Listing;

NOTE: The Agent reserves the right to charge interest on any past due amounts at an effective rate of 12.6825% per annum, charged and compounded monthly at 1% under this Agency Agreement. Interest may be charged whenever amounts are overdue, and/or if the Sub-Agent fails to provide required information or responses within reasonable deadlines as set by the Agent.

- o) upon request of the Agent, provide an updated Declaration Regarding Directors and Officers, and alert the Agent to any amendments to said Declaration as may occur, understanding that making a false statement is grounds for removal from CWCF's RRSP-TFSA Program, and/or expulsion from membership with CWCF;
- p) upon joining the CWCF RRSP/TFSA Program, and again whenever there is a change in Authorized Signing Officers, update the Authorized Signing Officers for the Sub-Agent;
- q) on an annual basis, and by the deadline specified by the Agent, complete the Certificate of Compliance and Due Diligence Checklist in its entirety, confirming that the Sub-Agent is upholding its responsibilities as a Sub-Agent and following the procedural requirements as set forth by the Agent;
- r) keep the Agent informed of any changes in the liquidity of its securities, and any changes to the Sub-Agent that would affect the liquidity of its securities, including but not limited to dissolution and/or liquidation.

#### ARTICLE 4 – INDEMNITY

1. The Agent shall not incur liability, or be in any way responsible, for any breach on the part of the Sub-Agent or its agents relating to the Sub-Agent's duties and obligations under this Agreement. The Agent shall not be liable for any action taken or omitted by it, or any action suffered by it to be taken or omitted excepting only its own gross negligence or willful misconduct. In no event shall the Agent be liable for any consequential or punitive damages for consequential losses of any kind whatsoever.
2. The Sub-Agent shall indemnify and hold harmless the Agent, its directors, officers, employees and sub-agents (other than the Sub-Agent) from and against any and all losses, claims, damages, liabilities, penalties, actions, suits, demands, levies, assessments, costs, expenses and disbursements, including any and all legal fees and disbursements as invoiced to the Agent, of any kind or nature whatsoever, which may at any time be suffered by, imposed on, incurred by or asserted against the Agent, howsoever arising from, out of, in connection with, or as a result of:

- a) Any suit or claim brought or commenced against the Agent by any Annuitant, prospective Annuitant, CRA or any other person arising from the failure of the Sub-Agent to perform its duties and services required of the Sub-Agent under this Agreement;
- b) Any act, omission or error of the Agent in connection with its administration of the registered plans including, in particular, but without limitation, in respect of the responsibilities of the Sub-Agent;
- c) Any other act or thing done or omitted to be done by, or any errors by, the Sub-Agent, its directors, officers, employees, agents, delegates and assigns.

**ARTICLE 5 - NOTICE**

1. Any notice or direction required or permitted to be given under this Agreement shall be in writing and may be given by delivering, sending by facsimile, email, or other means of electronic communication capable of producing a printed copy, or sending by Registered Mail, the notice or direction to the Head Office of the Agent or Sub-Agent, as the case may be:

**IN THE CASE OF THE AGENT:**

Canadian Worker Co-operative Federation  
 Suite #1, 41 Aberdeen Street  
 Kentville, NS B4N 2M9  
 ATTENTION: RRSP Program Manager  
 Fax: (902) 678-0780  
 Email: [rrsp@canadianworker.coop](mailto:rrsp@canadianworker.coop)

**IN THE CASE OF THE SUB-AGENT:**

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

(or to such other address or number as any party may specify by notice in writing to the other party) and shall be deemed to have been delivered within 48 hours of sending thereof.

**ARTICLE 6 – GENERAL**

1. The rules and regulations as set forth by the Agent shall be strictly adhered to by the Sub-Agent, and may be amended by the Agent from time to time, provided such amended rules and regulations are not in substantial variation of this Agreement.

2. The provisions herein constitute the entire agreement between the parties and supersede all previous agreements, whether oral or written, between the parties with respect to the subject matter hereof. No purported amendment shall be binding upon the Agent unless it is in writing signed on the Agent's behalf by two authorized signing officers of the Agent. The Agent is not bound by any promises or representations not contained herein.
3. This Agency Agreement enures to the benefit of and is binding upon the parties hereto, and their respective successors and assigns, if such successors and assigns are expressly approved in writing by the Agent.
4. A waiver of any one provision of this Agreement shall not be deemed a waiver of any other provision, and no waiver shall be deemed made by the Agent except under authority of the Agent in writing over the signatures of two of its authorized signing officers.

EXECUTION OF AGREEMENT

**The Agent: CANADIAN WORKER CO-OPERATIVE FEDERATION**

The Agent has executed this Agreement by their duly authorized representatives this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

PER: \_\_\_\_\_ Print: \_\_\_\_\_  
(Executive Director)

PER: \_\_\_\_\_ Print: \_\_\_\_\_  
(RRSP/TFSA Program Manager)

**The Sub-Agent: \_\_\_\_\_**

The Sub-Agent has executed this Agreement by their duly authorized representatives this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

PER: \_\_\_\_\_ Print: \_\_\_\_\_  
(Title: \_\_\_\_\_)

PER: \_\_\_\_\_ Print: \_\_\_\_\_  
(Title: \_\_\_\_\_)



## SCHEDULE A Prescribed Forms for Registered Plans

The following forms are required to be signed and submitted by Sub-Agents in order to start using CWCF's Self-Directed RRSP/TFSA Program:

- **Membership Application Form** and first year's membership dues, unless already a CWCF member *(Note that Membership Applications must be approved by the CWCF Board of Directors.)*
- **Declaration Regarding Directors and Officers** *(to be re-submitted upon any change in Directors and/or Officers)*
- **Agency Agreement** *(this Agreement)*
- **Schedule B: Member Fee Schedule**
- **Authorized Signing Officers** *(to be re-submitted upon any change in the Signing Officers)*
- **Opinion letter** by lawyer or accountant on status of securities as Qualified Investments, *if requirement of such is made by CWCF*

Further, the Sub-Agent should review the **Compliance and Due Diligence Checklist**, which will need to be completed in each year after the first year of enrolment in the Program.

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The forms listed below are to be signed by Annuitants unless otherwise indicated, all in accordance with the current Support Manual. Relevant forms should be provided to Annuitants in their preferred language, as available. It is the Sub-Agent's responsibility to ensure that they are providing Annuitants with the most current versions of these forms, as provided by the Agent, and that they are using the appropriate forms for the specific account type. CWCF will not accept inaccurate, incomplete or outdated documents.

### Requirements for all New Contracts

- Self-Directed RRSP or TFSA Application form
- Copy of Photo ID
- Program Overview and Risk Acknowledgement
- Declaration of Trust *(to be read and retained by Annuitant; please do not submit copies to CWCF)*
- Designation of Beneficiary *(optional)*
- Appointment of Successor Holder and Optional Beneficiary Designation *(TFSA accounts only; optional)*
- Annuitant Fee Schedule
- Payment Authorization form

### Requirements for Deposits

- Direct Transfer Authorization Form *(for a transfer-in from another registered plan only)*
- Deposit Form

### Requirements for Security Acquisitions: Co-ops only

- Worker Cooperative and Specified Cooperative Corporation Shares Declaration *(completed by an accredited independent accountant)*
- Worker Cooperative and Specified Cooperative Corporation Shares Annuitant Declaration

Requirements for Security Acquisitions: CED entities only

- Subscription Agreement
- Small Business Shares Annuitant Declaration

Requirements for Security Acquisitions: NPOs only

- Non-Profit Organization Community Bonds Annuitant Declaration
- *Additional documentation may be required by CWCF; these requirements will be discussed with the Designated Representative upon membership approval.*

Requirements for all Security Acquisitions: To be provided by the Sub-Agent

- Original Share/Bond Certificate(s) duly executed in favour of “Canadian Worker Co-operative Federation In Trust For” the Annuitant, **OR**
- Share/Bond Register Confirmation Letter(s) signed by a duly authorized signing officer of the Sub-Agent, confirming the registered holdings of the Sub-Agent by the Annuitant, **AND**
- Issuer Representation Letter signed by a duly authorized signing officer of the Sub-Agent, stating the Fair Market Value of one security.

Requirements for Withdrawals

- Withdrawal Request Form (*for withdrawals in cash or in kind*), **OR**
- Transfer Authorization form (*for assets being transferred to another financial institution; form to be obtained from receiving institution*)

NOTE: CWCF reserves the right to request additional documentation as may be necessary for scenarios outside the scope of standard transactions, or tailor document requirements to a particular Security Issuer as required.