



knowledge**first**
FINANCIAL

LA PREMIÈRE
financière du **savoir**

April 5, 2019

[Sub1Name]
[Sub2Name]
[Address1]
[Address2]
[Address3] [Address4]

Dear Customer,

Important News – It's Time to Vote!

On behalf of the Board of Directors of the Knowledge First Foundation (the "Foundation"), I invite you to a Special Meeting of customers of the Classic Education Savings Plan (the "Classic Plan") to be held at the offices of Knowledge First Financial Inc., Suite 1000, 50 Burnhamthorpe Road West, Mississauga, Ontario L5B 4A5 on **Thursday, May 2, 2019 at 10:00 AM (EDT)**. If you cannot attend the meeting, please vote using one of the alternative methods shown on the enclosed Proxy Form.

The Proposed Changes

The Foundation, the sponsor and promoter of the Classic Plan, is proposing changes to **wind-up the Classic Plan** and transfer your assets to the Family Single Student Education Savings Plan, an individual Plan that provides you with full flexibility in withdrawing funds and maximizing the full benefits of your RESP. The benefits of these changes are summarized below and are described in detail in the Notice of Meeting and Management Information Circular. This Management Information Circular is available on our website at: www.knowledgefirstfinancial.ca/subscribervote.

1. **Eliminate the risk** of not receiving all three Education Assistance Payments (EAPs), which in the Classic Plan can only be realized by attending a traditional, four-year university degree program.
2. **Removing restrictions** you may encounter in withdrawing funds from your RESP and applying for EAPs.
3. **Allowing you and your student** to access all income accumulated in your RESP.

If a majority of customers approve the propose changes, each customer will receive, as part of the wind-up of the Classic Plan, a Proportionate Asset Transfer. **Please see the enclosed schedule that shows your Proportionate Asset Transfer amount and your Total Amount Available for Transfer if the proposed changes are approved.**

Reasons for the Changes

The Proposed Changes regarding the wind-up of the Classic Plan and the transfer of remaining Customers to the Single Student Plan will be beneficial to Customers and Students of the Classic Plan for the following reasons:

- eliminate the **risk and uncertainty** for Classic Plan Customers in obtaining all three EAPs;
- reduce the **risk and uncertainty** for Classic Plan customers to receive all accumulated contribution income, grant income and government grants in their RESP;
- the Single Student Plan provides the Customer with **much greater flexibility** in requesting EAP payments and maximizing the benefit from your RESP;

Knowledge First Financial Inc. / La Première financière du savoir inc.

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- allow the Customer, within their new Single Student Plan, to continue to earn and accumulate income on their asset balances **for the remaining life of their Customer Agreement** (up to 35 years from the year the Customer enrolled in the Customer Agreement);
- allow the Customer to request all remaining income in their Customer Agreement (not just grant income) as an Accumulated Income Payment in the event the Student does not enroll in a qualifying post-secondary education program (subject to Tax Act regulations).

I trust this helps you understand why this change is important and beneficial to you.

Independent Review

The Classic Plan's Independent Review Committee has reviewed the proposed changes and has concluded that the proposed changes, if approved by customers, would result in fair and reasonable result for the Classic Plan.

AFTER CAREFUL CONSIDERATION, THE KNOWLEDGE FIRST FOUNDATION BOARD OF DIRECTORS HAS APPROVED THE PROPOSED PLAN CHANGES FOR THE CLASSIC PLAN AND RECOMMENDS THAT CUSTOMERS VOTE IN FAVOUR OF THE RESOLUTION IN THE ENCLOSED MANAGEMENT INFORMATION CIRCULAR.

Voting

As a Classic Plan customer, you are entitled to vote on the proposed changes. We are enclosing with this letter the Notice of Meeting, Management Information Circular and Proxy Form that gives you the opportunity to vote on the proposed changes. If you cannot attend the Special Meeting on May 2, 2019, you can still vote **by following the instructions on the enclosed Proxy Form.**

If you have any questions or need help with voting, please call us at 1 800 363-7377 or, from outside of Canada, at 1 (647) 788-2923, or by email at vote@kffinancial.ca.

Sincerely,

KNOWLEDGE FIRST FINANCIAL INC.



R. George Hopkinson
President and Chief Executive Officer

Encl.

PROPORTIONATE ASSET TRANSFER SCHEDULE

[Sub1Name]

[Sub2Name]

Our records show you have the following Classic Plan agreement(s):

- **Classic Plan Customer Agreement #** - [Agr#] for [BeneName]

Each Classic Plan Customer is entitled to vote in respect of the units held by them. If a majority of voting customers vote in favor of the Proposed Plan Changes, the following **Proportionate Asset Transfer** will be calculated and Total Amount Available for Transfer will be transferred to your Customer Agreement in the Family Single Student Education Savings Plan:

EAP #	Eligible for Payment	Proportionate Asset Transfer Unit	Units Owned	Transfer Dollar Value
EAP 1	[Eligible1]	\$[Payment1]	[Units1]	\$[Value1]
EAP 2	[Eligible2]	\$[Payment2]	[Units2]	\$[Value2]
EAP 3	[Eligible3]	\$[Payment3]	[Units3]	\$[Value3]
Subtotal – Proportionate Asset Transfer Available				\$(Subtotal)¹
Accumulated Grants and Grant Income available to Transfer				\$[GrantsTot]
Principal available to Transfer				\$[PrincTot]
Total amount available to Transfer				\$(TrsfTotal)

The Payment per Unit is the same as the EAP values set by the Foundation’s Board of Directors in December 2018.

¹ Any advances you have received towards these EAPs will be deducted from this sub-total. If you are not sure if you have received an EAP advance, please call our Customer Service Centre at 1-800-363-7377.