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# Special Meeting of Subscribers of Classic Education Savings Plan

To be held at 10:00 a.m. (EDT) on May 2, 2019 at

Knowledge First Financial Inc.  
50 Burnhamthorpe Road West,  
Suite 1000 (10th floor)  
Mississauga, Ontario L5B 4A5

THE KNOWLEDGE FIRST FOUNDATION BOARD OF DIRECTORS HAS APPROVED THE PROPOSED PLAN CHANGES FOR THE CLASSIC EDUCATION SAVINGS PLAN AND RECOMMENDS THAT CUSTOMERS VOTE IN FAVOUR OF THE RESOLUTION ATTACHED AS SCHEDULE "A" OF THE ACCOMPANYING INFORMATION CIRCULAR.

# NOTICE OF SPECIAL MEETING OF SUBSCRIBERS OF CLASSIC EDUCATION SAVINGS PLAN

**NOTICE IS HEREBY GIVEN** that a special meeting of the subscribers (the “**Special Meeting**”) of the Classic Education Savings Plan will be held on **May 2, 2019** at the offices of Knowledge First Financial Inc., 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario, L5B 4A5 at 10:00 a.m. (EDT) for the following purposes:

- to consider and, if deemed appropriate, to pass a resolution as set out in **Schedule “A”** to the accompanying management information circular; and
- to transact such other business as may properly come before the Special Meeting or any adjournment thereof.

**DATED** at Mississauga, Ontario the 1<sup>st</sup> day of April, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS OF KNOWLEDGE FIRST FOUNDATION,  
SPONSOR OF THE CLASSIC EDUCATION SAVINGS PLAN**

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Donald W. Hunter, Chairman

**IMPORTANT:** You can vote in person by attending the Special Meeting and casting your vote. If it is not your intention to be present in person at the Special Meeting, you can vote by proxy. To vote by proxy, you can choose one of the following methods:

- **Online, through a secure website:** Go to [www.investorvote.com](http://www.investorvote.com) and enter the Control Number provided in the left-hand corner of the enclosed Proxy Form. You will be directed to a dedicated website describing your voting options and giving you the ability to vote. To vote with a smartphone, scan the QR code shown on the Proxy Form;
- **By Phone:** Vote by phone by calling **1-866-723-VOTE (8683)**, entering the Control Number provided in the left-hand corner of the enclosed Proxy Form and following the interactive prompts; or
- **By Mail:** Cast your vote on the enclosed Proxy Form and sign, date and return the form in the enclosed Business Reply Envelope.

For your proxy vote to count at the Special Meeting, your vote must be cast online or by phone or received by mail at Computershare Proxy Department, PO Box 18210 STN BRM B, Toronto, ON M7Y 3J1, or your vote must be cast at the phone number or website provided, **by 10:00 a.m. (EDT) on April 30, 2019**. If you are attending the Special Meeting and voting by proxy, proxies must be given to the Chairman of the Special Meeting on the day of the Special Meeting, before the meeting starts.

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# MANAGEMENT INFORMATION CIRCULAR

## SOLICITATION OF PROXIES

This management information circular (“**Information Circular**”) is being sent to subscribers (“**Customers**”) of the Classic Education Savings Plan, formerly known as the USC Education Savings Plan (the “**Classic Plan**”) by Knowledge First Foundation (the “**Foundation**”), formerly known as The International Scholarship Foundation, the sponsor of the Classic Plan, in connection with the solicitation of proxies to be used at a Special Meeting of Customers of the Classic Plan to be held on **May 2, 2019** starting at 10:00 a.m. EDT (the “**Meeting Date**”) for the reasons set out in this Information Circular and the accompanying notice calling the Special Meeting. In this Information Circular, subscribers of the Classic Plan are referred to as Customers.

The Special Meeting and any adjournments thereof will be held at the offices of Knowledge First Financial Inc. (the “**Manager**”), 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario, L5B 4A5. The Manager is a wholly owned subsidiary of the Foundation and will bear the costs of soliciting proxies for the Special Meeting. Proxies may be solicited by mail, and the directors, officers and employees of the Foundation may solicit proxies personally, by mail, telephone or online.

Computershare Investor Services Inc. has been retained to assist in connection with the Foundation’s communication with Customers.

Except as otherwise stated, the information contained in this Information Circular is given as of April 1, 2019.

## INTRODUCTION

The Foundation, a Canadian not-for-profit corporation, is the sponsor of the Classic Plan and other education savings plans. The Foundation has been assisting Canadian families with saving for their children’s post-secondary education since 1965. The Classic Plan is established under an Amended and Restated Trust Agreement between the Foundation and Bank of Nova Scotia Trust Company dated as of November 1, 2018 (the “**Classic Plan Trust Agreement**”).

Sales of the Classic Plan started in 1965 and continued until August 2000, after which further sales ceased and the Manager continued administration of the Plan. Classic Plan Customers entered into an Education Assistance Agreement (“**EAA**”) with the Foundation when they enrolled in the Classic Plan that details the Plan’s features and design, including how to qualify for education assistance payments (“**EAPs**”). In this Information Circular the Foundation is seeking approval of Customers to amend the Classic Plan EAA and amend and terminate the Classic Plan Trust Agreement to:

- allow the Foundation to transfer the assets of the remaining Classic Plan Customers to the Family Single Student Plan (“**Single Student Plan**”), another education savings plan sponsored by the Foundation, for the purpose of winding up the Classic Plan; and
- thereby provide a proportionate transfer of the Classic Plan assets represented by the attrition income within the Classic Plan to Classic Plan Customers.

Under these proposals (the “**Proposed Plan Changes**”), the terms of the Classic Plan EAA will be amended to allow the Manager to transfer the assets of the remaining Customers to the Single Student Plan. Following this transfer, it is the Foundation’s intention that the Classic Plan will be formally wound-up and dissolved by means of terminating the Classic Plan Trust Agreement.

The Proposed Plan Changes would become effective upon the Manager, on behalf of the Foundation, implementing them, in whole or part, after receiving approval of the resolution attached hereto as **Schedule “A”** (the “**Transfer Resolution**”) by a majority of the votes cast at the Special Meeting (whether in person or by proxy) in favour of the Transfer Resolution.

## **BACKGROUND**

The Classic Plan, an education savings plan first offered by the Foundation in 1965, was established to allow families to save for their children’s post-secondary education. Prior to August 2000, when sales of the Classic Plan ceased, Customers could enroll into the Plan by completing an enrolment application form and other documents, which, upon approval, established an agreement for the Customer (the “**Customer Agreement**”). Each Customer Agreement is governed by the Classic Plan EAA, representing the contract between the Customer and the Foundation. Each Customer Agreement represents a certain number of units in the Classic Plan (“**Classic Plan Units**”) that the Customer agreed to make contributions on over the life of the Customer Agreement. Where the Customer made all scheduled contributions and fulfilled all other requirements of the Classic Plan EAA, the Customer was able to apply for one or more EAPs for their designated beneficiary under their Customer Agreement (the “**Student**”), the amount of which is determined by reference to the number of Classic Plan Units in each Customer Agreement. In 1974, the federal government enacted changes to the requirements of the *Income Tax Act* (Canada) (the “**Tax Act**”), establishing Registered Education Savings Plans (“**RESP**”) as a tax-deferred vehicle to encourage saving towards post-secondary education. The Foundation registered the Classic Plan EAA under these provisions of the Tax Act, establishing the Classic Plan as a RESP for its Customers.

To encourage savings, the Classic Plan EAA rewards Customers who contribute to their Customer Agreement continuously from enrollment until the scheduled maturity date of the Customer Agreement, generally July 31 of the year the Student is anticipated to enroll in his or her first year of post-secondary education (known as the Customer Agreement’s “**Maturity Date**”). The Manager continues to track each Customer Agreement by its Maturity Date and identifies all Customer Agreements with the same Maturity Date as belonging to that cohort of Customer Agreements (“**Cohort Year**”).

The Classic Plan EAA also rewards Students who complete a standard four-year post-secondary, undergraduate degree. These Students receive an EAP (comprised of grants, grant income and a share of the pool of income earned on net contributions attributed to all Customer Agreements in a given Cohort Year (“**Cohort Contribution Income**”) and any discretionary top-up payments provided by the Foundation. At the time the Classic Plan was first offered, the only qualifying post-secondary education program was a four-year degree program offered by a university approved by the Foundation. Students that did not successfully complete a qualifying post-secondary program could not receive an EAP and would forgo, or leave behind, their share of Cohort Contribution Income for the benefit of other Students (“**Post Maturity Attrition**”).

Income earned on government grants has always been, and continues to be, excluded from Post-Maturity Attrition in the Classic Plan. Grants and grant income can only be paid to Students as part of an EAP. However, if a Student does not apply for or qualify for one or more EAPs, under the rules of the Tax Act:

- upon application and if the Customer and Student meet certain criteria, the grant income can be paid to the Customer or rolled over to the Customer's RRSP, as an Accumulated Income Payment ("AIP"); and
- any remaining grant balances are returned to the federal or provincial government that paid out the grant.

Therefore, if a Student does not receive all three EAPs in the Classic Plan, he or she is not taking full advantage of the government grants and grant income in their Customer Agreement that could otherwise be used if they were in an Individual Plan and received one or two EAPs.

## PROPOSED PLAN CHANGES

### *Transfer of Classic Plan Assets*

As the Classic Plan has not been distributed since August 2000, only 836 Customers remain active in the Plan (including seventeen Customers whose Customer Agreements have not reached their Maturity Date), meaning a limited number of Customers continue to have, and will continue to have on the Meeting Date, an economic interest in their Customer Agreement (by virtue of continuing to hold assets in their Customer Agreement or a Student continuing to be eligible for one or more EAPs). With only a small number of remaining active Customers, certain of the costs of continuing to administer the Classic Plan are borne disproportionately by these Customers. Further, there is a significant risk to Customers and Students in realizing the maximum potential benefit from their RESP. **As a result, the Foundation believes it is in the best interest of the Customers and their Students to wind-up the Classic Plan** and transfer the assets (which include customer net contributions, government grants and accumulated income, collectively "**Assets**"), to another education savings plan, the Single Student Plan, which does not prevent the Customers from receiving the maximum amount of EAPs available.

For the seventeen Customers whose Customer Agreements have not reached their Maturity Date, the transfer of Assets will include the Customer's net contributions (gross contributions, less enrolment fees paid) and the accumulated grants, grant income and Cohort Contribution Income on each Customer Agreement.

The Single Student Plan is an individual plan RESP (an "**Individual Plan**"), different in form from the Classic Plan. An Individual Plan is a type of RESP where Customers contribute to the Plan, apply for and receive government grants and earn and accumulate income on their contributions (net of fees) and grants over the life of their RESP. When the Student is ready to attend post-secondary education, the Student applies for and receives an EAP (as per the Tax Act rules) consisting of a proportionate share of the Plan's grants, grant income and contribution income. Any accumulated grant and contribution income that the Student does not withdraw as an EAP is available for the Customer to withdraw as an AIP. The Single Student Plan, as an Individual Plan, contains no terms or restrictions that prevent Students from receiving the maximum amount of EAPs to which the Student is eligible.

The Classic Plan EAA allows for a transfer of Assets within each Customer Agreement, to the Single Student Plan, upon receiving a written request from the Customer, provided such request is made prior to or within two years after the Maturity Date. As part of the efforts to wind-up the Classic Plan, the Foundation is proposing the following Proposed Plan Changes and actions:

- to grant the Foundation the discretion to transfer Assets from the Classic Plan to the Single Student Plan;
- to allow the Foundation to enter into an EAA for the Single Student Plan on behalf of each Customer;
- to authorize the Foundation, if necessary, to amend the Trust Agreement to permit the transfer of trust funds held pursuant to the Trust Agreement to the Single Student Plan; and
- to terminate the Trust Agreement.

The Foundation is seeking consent of the Customers to enact the Proposed Plan Changes pursuant to the Transfer Resolution attached hereto as **Schedule “A”**.

For the Proposed Plan Changes to be implemented, a majority of the votes cast at the Special Meeting (either in person or by proxy) must be voted in favour of the Transfer Resolution. If the Transfer Resolution is passed, the Manager is planning to complete the transfers and wind-down the Classic Plan by **June 30, 2019**.

### ***Calculation of Proportionate Asset Transfer***

Remaining Customers whose Assets are transferred to the Single Student Plan may forgo the benefits of Post-Maturity Attrition in the Classic Plan. However, if the Transfer Resolution is passed, each Customer will receive, through the transfer of Assets, a portion of the remaining accumulated income in the Classic Plan (“**Proportionate Asset Transfer**”). The amount of the Proportionate Asset Transfer available for each Customer will be calculated by:

1. Multiplying the most recent Classic Plan EAP values<sup>1</sup> by the number of units in each Customer’s Customer Agreement, for each remaining EAP that the Customer would otherwise be entitled to receive (the “**Final EAP Amount**”); and
2. Crediting the Final EAP Amount(s) to each Eligible Customer’s Agreement.

The cover letter you received with this Information Circular contains details of the Proportionate Asset Transfer you can expect to receive for each of your Customer Agreements as a result of this calculation, if a majority of voting Customers vote in favour of the Proposed Plan Changes. **Please review this information carefully prior to casting your vote.**

**If Customers do not vote in favour of the Transfer Resolution and the Classic Plan EAA remains unchanged, it is not possible for the Foundation to predict future Classic Plan EAP values.** Past EAP values do not guarantee future EAP values. Similarly, past investment performance in the Classic Plan (which is a key component of determining EAP values) does not guarantee future performance.

<sup>1</sup> As approved by the Foundation’s Board of Directors in December 2018.

# COMPARISON OF CLASSIC PLAN AND SINGLE STUDENT PLAN

The following table compares the key features, benefits and risks of the Classic Plan and the Single Student Plan:

CLASSIC PLAN	SINGLE STUDENT PLAN
RECEIVING EAPS <sup>2</sup>	
<ul style="list-style-type: none"> <li>• Students enrolled in a qualifying post-secondary education program can apply, up to November 1<sup>st</sup> of each year, to receive an EAP comprised of grants, grant income, Cohort Contribution Income and Discretionary Top-Ups from the Foundation.</li> <li>• Students can apply for up to three EAPs, depending on the length of the qualifying post-secondary education program.</li> <li>• Each year, the Foundation approves a per-unit EAP value for each Cohort Year, consisting of the Cohort Contribution Income and the Discretionary Top-Ups.</li> <li>• EAPs can be requested and paid at any time after your plan’s maturity date, up until December 31<sup>st</sup> of the third year after the year in which the Agreement reached its Maturity Date, <b>provided that</b> the Student receives the first EAP before December 31<sup>st</sup> of the year of his/her 22<sup>nd</sup> birthday.</li> <li>• Students who receive their first EAP can request to defer receipt of the second or third EAP for up to one year.</li> <li>• Students who do not request an EAP by November 1<sup>st</sup> of each year and have not previously requested an EAP deferral, or who have not received the first EAP by December 31<sup>st</sup> of the year of the Student’s 22<sup>nd</sup> birthday, lose eligibility for all future EAPs. This is <b>Post-Maturity Attrition</b>, as described in this Information Circular.</li> </ul>	<ul style="list-style-type: none"> <li>• Students enrolled in a qualifying post-secondary education program can request an EAP comprised of the income earned on contributions, grants and grant income.</li> <li>• The Foundation can also approve a Discretionary Top-Up payment for each EAP paid in a given year.</li> <li>• EAPs can be requested and paid at any time after your plan’s maturity date, up until December 31<sup>st</sup> of the 35<sup>th</sup> year after the year in which the Agreement was opened.</li> <li>• <b>There is no Post-Maturity Attrition in the Single Student Plan.</b> The full amount of income earned on the Customer’s contributions is available to be withdrawn as an EAP or AIP throughout the life of the Agreement, subject to the Single Student EAA and Tax Act regulations.</li> </ul>

<sup>2</sup>Please review the Classic Plan EAA, available on the Manager’s website, for more information on applying for, qualifying and receiving EAPs.

<sup>3</sup>Please see the most recent Classic Plan EAP Values, available on the Manager’s website, [www.knowledgefirstfinancial.ca](http://www.knowledgefirstfinancial.ca).

<sup>4</sup>Please review the Classic Plan EAA for more information on how and when the fees payable by customers are collected.

<sup>5</sup>Please review the Classic Plan EAA for more information on how and when the fees paid by the Plan are collected.



## FEES PAID BY CUSTOMERS<sup>4</sup>

The fees paid by Customers in the Classic Plan and the Single Student Plan are identical and consist of:

- \$100 per unit Sales Charge, paid from Customer contributions.
- Depository Fees, ranging from \$3.50/year to \$10.00/year, per contribution, depending on the frequency of contributions.
- Insurance premiums of 17 cents for every \$10 of contributions (plus applicable taxes), mandatory in all provinces except Quebec.
- Transaction fees, ranging from \$10 to \$95 per transaction, for items such as replacement cheques, beneficiary changes and transfers to another RESP not sponsored by the Foundation.

## FEES PAID BY THE PLAN<sup>5</sup>

The fees collected from the Classic Plan and the Single Student Plan are identical and consist of:

- Management Fee, consisting of:
  - Administration Fee of 0.5% per annum
  - portfolio management fees of between 0.10% and 0.15% per annum, and
  - custodial and trustee fees,

all calculated on the average market value of the Plan's assets.

***NOTE: The Foundation is holding a subscriber vote on the Single Student Plan on May 30, 2019. In the Single Student Plan vote, Customers will be asked to vote on changes to various fees in the Single Student Plan. If Single Student Plan Customers vote in favour of these changes, the changes will not take effect for a minimum of seven (7) months and by no later than thirteen (13) months, following the date by which the Resolution is approved. This change, if approved, will be applicable to Classic Plan Customers who transfer to the Single Student Plan. See Schedule "B" for information on the proposed changes in the Single Student Plan vote. A copy of the Information Circular for the Single Student Plan vote is available at [www.knowledgefirstfinancial.ca](http://www.knowledgefirstfinancial.ca).***

## HOW THE PLAN'S ASSETS ARE INVESTED

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>• All of the Plan's assets (customer contributions, grants and accumulated income) are invested in fixed income securities, consisting primarily of government bonds</li></ul> | <ul style="list-style-type: none"><li>• All of the Plan's assets (customer contributions, grants and accumulated income) are invested in fixed income securities, consisting primarily of government bonds</li><li>• The Manager has the authority to invest the accumulated income within the Plan into Canadian and U.S.-listed equity securities and/or exchange-traded funds.</li></ul> |
|--|---|

## REASONS FOR PROPOSED PLAN CHANGES

The Proposed Plan Changes regarding the transfer of remaining Assets of the Classic Plan 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;
- the Single Student Plan provides the Customer with ***much greater flexibility*** in requesting EAP payments;

- the flexibility in requesting the EAP payments in the Single Student Plan helps ensure all customers can maximize the benefits from their RESP;
- 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); and
- allow the Customer to request any and all remaining income in their Customer Agreement as an AIP in the event the Student does not enroll in a qualifying post-secondary education program (subject to Tax Act regulations).

The Proposed Plan Changes regarding the Proportionate Asset Transfers to Customers is beneficial to Customers and Students of the Classic Plan for the following reasons:

- provides the Customer and Student with a full allocation of all remaining Cohort Contribution Income that the Customer and Student would otherwise have to apply for and qualify to receive; and
- removes the uncertainty associated with determining future EAP values.

## IMPLEMENTATION OF PROPOSED PLAN CHANGES

By approving the Transfer Resolution, Customers are giving the Foundation the authority to give effect to the Proposed Plan Changes by implementing the actions identified in the Transfer Resolution related to the Classic Plan EAA and Classic Plan Trust Agreement.

The Proposed Plan Changes would become effective upon the Manager, on behalf of the Foundation, implementing them, in whole or part. The Manager is planning to complete the transfers and wind-down of the Classic Plan by **June 30, 2019**.

## ADDITIONAL INFORMATION

Additional information regarding the Classic Plan is contained in the Classic Plan EAA, a copy of which is available on the Manager's website. Customers may review the audited financial statements of the Classic Plan for the year ended December 31, 2018, on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the company profile 'Classic Education Savings Plan'. Copies of the Classic Plan EAA and audited financial statements may also be obtained by e-mail at [contact@kff.ca](mailto:contact@kff.ca), by phone at 1-800-363-7377 or by mail or in person at 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario, L5B 4A5.

## AUTHORIZATION BY CUSTOMERS

In order to carry out each of the Proposed Plan Changes, Customers must approve each of the Plan changes listed in this Information Circular under the heading "Proposed Plan Changes". To be approved, the Transfer Resolution set out in **Schedule "A"** requires a vote 'FOR' by a majority of the votes cast at the Special Meeting (either in person or by sending in a proxy form).

## RECOMMENDATION REGARDING THE PROPOSED PLAN CHANGES

For the reasons set out in this Information Circular, the Foundation recommends that Customers vote in favour of the Transfer Resolution, as set out in Schedule “A” of this Information Circular, and the related Proportionate Asset Transfers described herein. **Voting in favour of the Transfer Resolution eliminates the risk associated with remaining as a Customer of the Classic Plan, with a Student not receiving available EAPs.**

**Should a majority of Customers vote against the Transfer Resolution, the proposed transfer of Assets from the Classic Plan to the Single Student Plan will not occur, the Proportionate Asset Transfers will not be calculated, and the Classic Plan EAA will remain in its current form, with Post-Maturity Attrition.**

## RECOMMENDATION OF THE INDEPENDENT REVIEW COMMITTEE

The Independent Review Committee (“**IRC**”) established for the Classic Plan under National Instrument 81-107 – *Independent Review Committee for Investment Funds* has reviewed the Proposed Plan Changes and, after making reasonable inquiry, has concluded that, if approved by Customers, the Proposed Changes would achieve a fair and reasonable result for the Classic Plan. The IRC has come to this conclusion based on the information provided to the IRC by the Foundation, and the information set out in this document generally and the reasons given by the Foundation as set out in this Information Circular.

## INCOME TAX CONSIDERATIONS REGARDING THE PROPOSED PLAN CHANGES

The following is a summary of the principal Canadian federal income tax considerations that are generally applicable to individuals resident in Canada. This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Tax Regulations**”), all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the Foundation’s understanding of the current published administrative and assessing practices of the Canada Revenue Agency (the “**CRA**”). The summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative action or decision, or changes in the administrative practices of the CRA, nor does it consider provincial, territorial or foreign income tax legislation or consequences.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice generally or to any particular Customer of a Classic Plan. Accordingly, Customers of a Classic Plan should consult with their own tax advisers as to their particular income tax situation.

### Tax Consequences of the Transfer

No amount will be included in computing the income of any person as a result of the transfer of Assets from the Classic Plan to the Single Student Plan.

## Tax Consequences of Investing in the Single Student Plan

Please refer to the Prospectus for the Single Student Plan filed on the company profile 'Family Single Student Education Savings Plan' on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the Proxy Form accompanying this Information Circular are officers or employees of the Manager. **A Customer has the right to appoint a person (who need not be a Customer) other than the persons specified in such Proxy Form to attend and act for and on behalf of such Customer at the Special Meeting. Such right may be exercised by striking out the names of the persons specified in the Proxy Form, inserting the name of the person to be appointed in the blank space so provided, signing the Proxy Form and returning it in the reply envelope.** In order to be voted at the Special Meeting, proxies must be received by Computershare, or records of online or telephone voting received, **by 10:00 a.m. (EDT) on April 30, 2019**, or later date to be announced if there is a postponement or adjournment of the Special Meeting. If you are attending the Special Meeting in person, the completed Proxy Form must be deposited with the Chairman of the Special Meeting on the day of the Special Meeting, or any adjournment thereof, prior to the start of the meeting.

A Customer who executes and returns the Proxy Form may revoke it: (i) by delivering an instrument in writing executed by him or her (or by his or her attorney authorized in writing) to the place, and by the time, specified above for the delivery of proxies; (ii) by depositing such instrument in writing with the chairman of the Special Meeting on the day of the Special Meeting, or any adjournment thereof, prior to the start of the meeting; or (iii) in any other manner permitted by law.

## **VOTING OF PROXIES**

If the person named on the proxy specifies a choice to vote for or against the Transfer Resolution, the proxy will be voted accordingly. Except as indicated below, where no direction is given by a Customer submitting a proxy, the persons named therein will vote in favour of the Transfer Resolution. The enclosed Proxy Form confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in this Information Circular and with respect to other matters which may properly come before the Special Meeting in respect of which the proxy is granted or any adjournments of such Special Meeting. As of the date of this Information Circular, the Foundation knows of no such amendments, variations or other matters to come before the Special Meeting.

You can vote your proxy as follows:

### **(A) Online, via secure website –**

You can vote online by going to [www.investorvote.com](http://www.investorvote.com) and following the instructions on the screen, or scanning the QR code provided on your Proxy Form. You will need your 15-digit control number which is noted on your Proxy Form.

### **(B) by Phone –**

You can vote by phone by calling **1-866-732-VOTE (8683)** (toll free in Canada and the United States) from a touch-tone phone and follow the voting instructions. You will need your 15-digit control

number which is noted on your Proxy Form. Please note that if you vote by phone, you cannot appoint anyone other than the persons named in the enclosed Proxy Form as your proxyholder.

**(C) by Mail –**

You can complete, sign and date your Proxy Form and return it in the envelope provided to the offices of Computershare at: Computershare Trust Company of Canada Proxy Department 135 West Beaver Creek, P.O. Box 300 Richmond Hill, Ontario, L4B 4R5

**(D) by Hand Delivery –**

You can complete, sign and date your Proxy Form and return it to the offices of Computershare at: Computershare Trust Company of Canada Proxy Department 8th Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1

## **MEETING QUORUM AND ADJOURNMENTS**

If at least three (3) Customers attend the meeting in person or by proxy vote, this shall constitute a quorum for the Special Meeting. If a quorum is present at the opening of the meeting, the meeting may start, even if a quorum is not present throughout the whole meeting. If a quorum is not present at the opening of the meeting, the meeting will be adjourned to another time and place, but no other business may be transacted. No business shall be transacted at the adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. The Customers present at the adjourned meeting, whatever their number, will form a quorum. If the Special Meeting is adjourned for less than thirty-five (35) business days, it is not necessary to give notice of the adjourned meeting, other than by announcement at the original Special Meeting that was adjourned. If the Special Meeting is adjourned for more than thirty-five (35) business days, notice of the adjourned meeting shall be mailed or delivered by the Manager to customers at their address appearing in the register of Customers not less than five (5) or more than twenty (20) business days before the adjourned meeting.

## **RECORD DATE**

April 1, 2019 is the record date for the determination of Customers entitled to receive notice of the Special Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS**

As at April 1, 2019, the Classic Plan had 836 Customers that were parties to active Classic Plan EAAs and entitled to vote at the Special Meeting. Each Customer, as defined herein, is entitled to vote in respect of the units held by them on matters coming before the Special Meeting. If there are two Customers who are parties to a Customer Agreement jointly, any one of them present or represented by proxy at the Special Meeting may, in the absence of the other, vote in respect thereof, but if both of them are present or represented by proxy they shall vote once together in respect of the units held jointly.

As at April 1, 2019, to the knowledge of the Foundation, no person or company owned beneficially, directly or indirectly, or exercised control or direction over, more than 10% of the outstanding units of the Classic Plan.

## OTHER INFORMATION

### *Auditors*

PricewaterhouseCoopers, LLP are the auditors of the Classic Plan and the Single Student Plan.

### *Interest of Insiders in the Proposed Plan Changes*

The Manager provides management services to the Classic Plan and Single Student Plan. If the Proposed Plan Changes are approved, the Manager will continue to provide management services to the Single Student Plan and receive administration fees as described in the Single Student Plan EAA and Plan prospectus. During the past completed financial year ended December 31, 2018 the Manager received \$110,672 in administration fees from the Classic Plan.

## CERTIFICATE

The contents of this Information Circular and its distribution have been approved by the Board of Directors of the Foundation as sponsor of the Classic Plan.

**DATED** at Mississauga, Ontario the 1<sup>st</sup> day of April 2019.

**BY ORDER OF THE BOARD OF DIRECTORS OF KNOWLEDGE FIRST FOUNDATION,  
SPONSOR OF THE CLASSIC EDUCATION SAVINGS PLAN**

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Donald W. Hunter, Chairman

## SCHEDULE “A”

### **FORM OF RESOLUTION OF THE SUBSCRIBERS OF THE CLASSIC EDUCATION SAVINGS PLAN (THE “CLASSIC PLAN”)**

#### **BE IT RESOLVED THAT:**

1. The Knowledge First Foundation (the “**Foundation**”) be authorized to amend the Classic Education Savings Plan Education Assistance Agreement (the “**EAA**”), attached as Schedule A to the Amended and Restated Trust Agreement between the Foundation and Bank of Nova Scotia Trust Company dated as of November 1, 2018, for the Classic Plan (the “**Trust Agreement**”),
  - a. to grant the Foundation the discretion to transfer (the “**Transfer**”) the assets from the Classic Plan to the Family Single Student Education Plan (the “**Single Student Plan**”), and
  - b. to allow the Foundation to enter into an EAA for the Single Student Plan on behalf of each subscriber

in the manner described in the Management Information Circular of the Classic Plan dated April 1, 2019, and to terminate the Classic Plan EAA;

2. The Foundation be authorized to amend the Trust Agreement, as it deems necessary, to permit the transfer of trust funds held pursuant to the Trust Agreement to the Single Student Plan;
3. The Foundation be authorized to terminate the Trust Agreement if necessary in its discretion;
4. The Foundation be authorized, in its discretion, to elect not to proceed with the Transfer or the termination of the Trust Agreement; and
5. Any director or officer of Knowledge First Financial Inc. be and is hereby authorized to take all such steps as may be necessary or desirable to give effect to the foregoing.

## **SCHEDULE “B”**

### **SINGLE STUDENT PLAN SUBSCRIBER VOTE – PROPOSED FEE CHANGES**

In a subscriber vote to be held on May 30, 2019, Customers of the Single Student Plan will be voting on the following resolution:

#### **BE IT RESOLVED THAT:**

1. The Knowledge First Foundation (the “**Foundation**”) be authorized to amend the Family Single Student Education Savings Plan Education Assistance Agreement (the “**EAA**”), attached as Schedule A to the Amended and Restated Trust Agreement between the Foundation and Bank of Nova Scotia Trust Company dated as of November 1, 2018, for the Single Student Plan (the “**Trust Agreement**”), to:
  - a. eliminate the Depository Fees, referred to in the EAA; and
  - b. eliminate the Administration Fee, Custodian Fees and Portfolio Management Fees and replace these fees, and the Depository Fees, with a single, consolidated Management Fee **not to exceed 1% per annum**

with such changes not to take effect for a minimum of seven (7) months and by no later than thirteen (13) months, following the date by which this Resolution is approved, for all existing and future subscribers to the EAA.

2. Any director or officer of Knowledge First Financial Inc. be and is hereby authorized to take all such steps as may be necessary or desirable to give effect to the foregoing.

Copies of the Single Student Plan Information Circular are available on the Manager’s website at [www.knowledgefirstfinancial.ca](http://www.knowledgefirstfinancial.ca) or on SEDAR under the profile name ‘Family Single Student Education Savings Plan’.



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For more information about our education savings plans, please visit [knowledgefirstfinancial.ca](http://knowledgefirstfinancial.ca) or refer to our prospectus.

CANADA'S LARGEST RESP COMPANY