



# PROSPECTUS

March 2024



— Continuous offering units of —

## **HERITAGE INTERNATIONAL SCHOLARSHIP TRUST PLAN (PLAN E)**

— Sponsored by —

**HERITAGE INTERNATIONAL SCHOLARSHIP  
TRUST FOUNDATION - INCORPORATED IN CANADA**

— Distributed locally by: —

**HERITAGE AGENCY (BERMUDA) LIMITED**



*This Prospectus constitutes a continuous public offering of these securities and contains information to help you make an informed investment decision and to help you understand your rights. It contains information about the securities being offered, as well as the names of persons responsible for its organization and management. You are encouraged to read this Prospectus in its entirety prior to making any investment decision.*

The Heritage International Scholarship Trust Plan (the “Heritage Plan” or the “Plan”) has been authorized by the Bermuda Monetary Authority as an Authorized Fund under the Investment Funds Act 2006 of Bermuda. Authorization by the Bermuda Monetary Authority (the “Authority”) does not constitute a guarantee by the Authority as to the performance of the Plan or its creditworthiness.

Furthermore, in authorizing such a Plan, the Authority shall not be liable for the performance of the Plan or the default in its operators or service providers, nor for the correctness of any opinions or statements expressed in the offering document.

This document together with all documents incorporated by reference herein if any, constitutes full, true and plain disclosure of all material facts relating to the foreign issuer and the securities to be distributed by this Prospectus.

This Prospectus does not constitute an offer to sell Units in the Heritage International Scholarship Trust Plan to anyone resident in the United States of America or by anyone in the United States of America or any other jurisdiction prohibited by law.

## TABLE OF CONTENTS

### 2 SUMMARY OF THE HERITAGE INTERNATIONAL SCHOLARSHIP TRUST PLAN

|  |   |
|--|---|
| What is PROVEN Group Limited? .....                                      | 2 |
| What is the Heritage International Scholarship Trust Foundation? .....   | 2 |
| What is the Heritage International Scholarship Trust Plan? .....         | 2 |
| What is Heritage Education Funds (International) Inc.? .....             | 3 |
| Who is the Plan's Custodian? .....                                       | 3 |
| Who are the Plan's Investment Advisors? .....                            | 3 |
| How does the Heritage Plan Help Me Save for My Child's Education? .....  | 3 |
| How does the Heritage Plan Work? .....                                   | 3 |
| Contribution Period .....  | 4 |
| Payout Period .....  | 4 |
| Foundation Awards .....  | 4 |
| Address of the Heritage International Scholarship Trust Foundation ..... | 4 |
| How Do I Learn More About the Heritage Plan? ...                         | 4 |

### 4 THE HERITAGE PLAN

|   |   |
|---|---|
| How do I Enroll in the Heritage Plan? .....   | 5 |
| What Happens after Enrollment into the Heritage Plan? .....   | 5 |
| What are the Contribution Options under the Heritage Plan? .....                                    | 5 |
| Contribution Schedule .....   | 6 |
| Where Do My Contributions Go? .....   | 6 |
| Can I Change my Contribution Method at a Later Date? .....  | 6 |
| What happens if I (or my joint Subscriber) Die or become Disabled before Maturity of my Plan? ..... | 6 |
| Death of Subscriber .....   | 7 |
| Disability of Subscriber .....  | 7 |

|   |    |
|---|----|
| Can I Purchase More Units Later? .....  | 7  |
| Can I Reduce Units at any Time? .....   | 7  |
| What Happens if I Stop Making My Contributions Under the Heritage Plan? ..... | 8  |
| What Fees or Expenses are involved with a Heritage Plan? .....                | 8  |
| Membership Fee .....  | 8  |
| Are my Membership Fees Returned? .....  | 8  |
| Other Fees .....  | 8  |
| What Happens If I Terminate the Heritage Plan? ...                            | 9  |
| Within 60 days .....  | 9  |
| After 60 days .....   | 9  |
| Can I Reactivate my Plan if it Becomes Inactive? ...                          | 9  |
| Can I Change the Beneficiary? .....   | 10 |

### 10 PLANNING FOR POST-SECONDARY EDUCATION

|  |    |
|--|----|
| How Do I Get Money Out for Post-Secondary Education? .....         | 10 |
| Will I Receive a Notice of Maturity? .....                         | 10 |
| What if my Beneficiary is Advanced in Academic Studies? .....      | 10 |
| What are the Required Program Qualifications? ...                  | 10 |
| What Qualifies as a Recognized Institution? .....                  | 11 |
| What are the Maturity Options Under the Heritage Plan? .....       | 11 |
| Change in Maturity Date, Year of Eligibility or Scholarships ..... | 11 |

### 11 SCHOLARSHIP OPTION

|   |    |
|---|----|
| What is the Scholarship Option? .....                         | 11 |
| How Does my Beneficiary Become a Qualified Student? .....     | 12 |
| What Makes up the Scholarship Fund? .....                     | 13 |
| How are the Educational Assistance Payments Calculated? ..... | 13 |

What is the Enhancement Fund? ..... 13

What Happens if the Beneficiary Does  
Not Pursue Post-Secondary Education? ..... 14

## 14 SELF-DETERMINED OPTION

What is the Self-Determined Option? ..... 14

When Must I Select the Self-Determined Option? . 14

What Money do I Receive  
Under the Self-Determined Option? ..... 14

What Happens if my Beneficiary Does Not  
go on to Post-Secondary/Tertiary Education? . . . . 14

Can I Contribute Additional Amounts  
to a Self-Determined Account?..... 14

## 15 ADMINISTRATION OF THE PLAN

## 16 VALUATION OF THE PLAN

Valuation Policy ..... 16

Differences from International  
Financial Reporting Standards ..... 17

Investment Policies ..... 17

Financial Year End ..... 17

Conflicts of Interest ..... 18

Scholarship Committee ..... 18

## 18 RISK FACTORS

No Entitlement to Income ..... 18

Early Withdrawal and Default  
from the Heritage Plan ..... 18

Failure to Notify the Foundation of Enrollment . . . . 18

Beneficiary Does Not Attend  
a Post-Secondary Program ..... 18

Investment Risks ..... 18

What if I Fail to Apply or am  
Late in Applying for an EAP?..... 18

What if I Don't Attend a  
Program of Length Selected? ..... 18

## 19 TAXATION OF SUBSCRIBER AND BENEFICIARY

## 19 FOREIGN ACCOUNT TAX COMPLIANCE ACT

## 19 OECD COMMON REPORTING STANDARD REQUIREMENTS

## 20 LOCAL FATCA & CRS OBLIGATIONS - BERMUDA

FATCA Requirements in Bermuda .....20

OECD Requirements in Bermuda.....20

## 20 IMPLICATIONS FOR SUBSCRIBERS

## 21 COMPLIANCE DISCLAIMER – MONEY LAUNDERING

## 22 SUBSTITUTION OF TRUSTEE

## 22 AMENDMENT OF CONTRACTS AND TRUST INDENTURE

## 23 STATEMENT TO SUBSCRIBERS

## 23 PLAN OF DISTRIBUTION

## 23 DIRECTORS AND OFFICERS

## 24 TRUSTEE

## 25 CHARTER DOCUMENTS AND MATERIAL CONTRACTS

## 26 CONTRIBUTION SCHEDULE FOR EACH HERITAGE PLAN UNIT

## 27 GLOSSARY OF TERMS USED IN THIS PROSPECTUS

## 29 CERTIFICATE OF ISSUER



SUMMARY OF THE  
HERITAGE INTERNATIONAL  
SCHOLARSHIP TRUST PLAN

*This summary highlights important information about the Heritage International Scholarship Trust Plan offered by the Heritage International Scholarship Trust Foundation. However, we encourage you to read the entire Prospectus.*

*All dollar amounts in this Prospectus are amounts in United States currency, unless otherwise noted.*

WHAT IS PROVEN GROUP LIMITED?

PROVEN Group Limited (“**PROVEN**”) is the ultimate beneficial owner and owns of 100% of the issued and outstanding shares of Heritage Education Funds International Inc. (“**Heritage International**”, the “**Administrator**” the “**Distributor**”) and, by extension, the membership interests in the Heritage International Scholarship Trust Foundation (the “**Foundation**”).

PROVEN is a “Income & Growth Strategy” Investment Holding Company, incorporated under the laws of St. Lucia and is listed on the Jamaica Stock Exchange.

Heritage International is, and continues to be, the administrator and distributor of the Heritage International Scholarship Trust Plan (“**Heritage Plan**” or the “**Plan**”), sponsored by the Foundation.

WHAT IS THE HERITAGE INTERNATIONAL  
SCHOLARSHIP TRUST FOUNDATION?

The Foundation is a not-for-profit corporation without share capital, incorporated in 1983 under the Canada Corporations Act for the purpose of encouraging and promoting the advancement of higher education by the provision of Educational Assistance Payments (“**EAPs**”) and other assistance to Qualified Students attending post-secondary education from countries where the Heritage Plan is distributed. The Foundation has also sponsored awards for teachers in Early Childhood Education and International Graduate Awards for those students pursuing graduate studies. The Foundation administers invested assets of over US\$140 million, and since its inception has returned more than US\$215 million in Principal and EAPs to Qualified Students.

The Foundation sponsors the Heritage Plan, co-ordinates functions provided by the Depository, Trustee, custodian and portfolio advisors and has appointed Heritage Agency (Bermuda) Limited as the local Distributor. Heritage Agency (Bermuda)

Limited is a for-profit Bermudian company limited by shares, that offers enrollment in the Heritage Plan to Subscribers through its Sales Representatives, deriving the majority of its income from Membership Fees. In addition to appointing Heritage International as the Plan’s Administrator, the Foundation has also appointed PROVEN Wealth Limited (“PWL”) to assist Heritage International with managing the day to day administration of the Plan. PROVEN Wealth Limited (“PWL”) is an ultimate subsidiary of PROVEN Group Limited. PWL is a licensed securities dealer with the Financial Services Commission in Jamaica.

WHAT IS THE HERITAGE INTERNATIONAL  
SCHOLARSHIP TRUST PLAN?

The Heritage Plan is a cooperative education savings plan (“ESP”) structured as a trust governed by the laws of Bermuda and was established for the purpose of helping parents (or other sponsors) save towards the ever-increasing cost of a post-secondary/ tertiary education. The Plan is a time-defined, goal directed, disciplined education savings program for parents, grandparents and other sponsors who contribute on behalf of children who are under 14 years of age at the time of enrollment. Subscribers save towards the first year of a qualified Post-Secondary Education Program, and the Foundation provides EAPs for the remaining three years of the program. EAPs are funded by the income earned on Subscribers’ Contributions, as well as from the Enhancement Fund. The Heritage Plan offers investor confidence in having its investments managed by leading Canadian investment management firms and is being governed by conservative investment guidelines. The Heritage Plan has achieved the following rates of return for its invested assets:

| Year Ended Dec. 31, 2023 | One<br>Year | Three<br>Years | Five<br>Years | Ten<br>Years |
|--------------------------|-------------|----------------|---------------|--------------|
| Annual compounded return | 9.8%        | 0.1%           | 3.8 %         | 3.5%         |

The Heritage Plan uses the Modified Dietz method for calculating rates of return on the Plan’s assets. The Modified Dietz Method takes into account the timing of cash flows in calculating period returns and assumes a constant rate of return over a specified period of time. The Modified Dietz Method is more accurate than the Simple Dietz Method, which assumes that all cash flows come from the middle of the period of time being evaluated.

Monthly returns are calculated using Modifies Dietz formula and then geometrically linked to determine the annual rate of return for a given year.

EAPs may be topped up by funds from the Enhancement Fund at the discretion of the Foundation (see “What is the Enhancement Fund?”). An Enhancement is a discretionary payment and the amount and frequency of such payments are not guaranteed. Past investment performance of the Heritage Plan is not indicative of future returns. Units of the Plan now being offered are those of Plan E, which have been offered since 1996.

## WHAT IS HERITAGE EDUCATION FUNDS (INTERNATIONAL) INC.?

Heritage International is a Canadian company, incorporated under the laws of Province of Ontario. Following the Acquisition, PROVEN is the owner of all of the issued and outstanding shares of Heritage International and has relocated the registered office of Heritage International to Toronto, Ontario, Canada.

Heritage International is the Administrator and Distributor of the Plan in Bermuda, pursuant to a Franchise Agreement dated June 3, 1996 and renewed by agreement dated June 3, 2016 between the Foundation and Heritage International. Heritage International is not licensed to carry on fund management or fund administration business in Bermuda.

## WHO IS THE PLAN’S CUSTODIAN?

The Northern Trust Company, Canada Branch is the Plan’s primary custodian. In Bermuda, HSBC Bank Bermuda Limited of 37 Front Street, Hamilton, Pembroke HM 11, Bermuda, serves as the Plan’s sub-custodian. HSBC Bank Bermuda Limited provides banking, investment, insurance to personal, business and corporate customers in Bermuda and is licensed to conduct banking and investment business by the Bermuda Monetary Authority. The Northern Trust Company is an Illinois state bank corporation, incorporated under the laws of the State of Illinois. The principal place of business of Northern Trust Company is in Chicago, Illinois, USA. The principal place of business of the Northern Trust Company, Canada Branch is Toronto, Ontario, Canada. The Northern Trust Company, Canada Branch, provides custody services to the Plan pursuant to a Master Custody Agreement dated October 28, 2019, which continues to be in force following the Acquisition. The Northern Trust Company is an authorized foreign bank under the Bank Act (Canada), which authorizes the company to provide custodial services in Canada. Being a preeminent global financial institution, the main business activity of Northern Trust Company, Canada Branch is to provide asset servicing, investment management and wealth management services.

## WHO ARE THE PLAN’S INVESTMENT ADVISORS?

The Foundation has engaged the services of PROVEN Wealth Limited to manage the Plan’s assets on behalf of Bermudian subscribers and beneficiaries.

The services of the two previous investment managers, Jarislowsky Fraser limited, and Fiera Capital were terminated on October 31, 2022, and November 25, 2022, respectively.

## HOW DOES THE HERITAGE PLAN HELP ME SAVE FOR MY CHILD’S EDUCATION?

Whether your child chooses an eligible university, college or trade school at home or abroad, a Heritage Plan can help pay for the costs of post-secondary/tertiary education.

With your Plan, your Principal (comprised of Contributions, less Membership Fees and Depository Fees) is returned at maturity, typically in the year your child turns 18 (“**Maturity Date**”). Since inception, the Plan has consistently delivered competitive investment returns enhanced with discretionary payments from the Enhancement Fund.

As a Subscriber and on behalf of a Beneficiary, you agree to contribute to purchasing Units according to a pre-determined Contribution Schedule, which is included in this Prospectus. The minimum number of Units that a Subscriber may agree to purchase is two. For a Beneficiary under the age of one, this represents a Contribution of US\$12.00 per month.

After deducting the Fees described in the Membership Fee section in this Prospectus, the Contributions are held in an account maintained by the Trustee appointed by the Foundation. Once contributed, your Contributions are pooled with those of other Subscribers and are invested over the long term, primarily in U.S. dollar-denominated investments. See “Investment Policies” for more information on how the assets of the Plan are invested.

## HOW DOES THE HERITAGE PLAN WORK?

Your investment in the Plan is comprised of two distinct periods: the **Contribution Period**, when you make your Contributions, and the **Payout Period**, when there is a return of your Principal and Earnings in the form of EAPs, Scholarships or Self-Determined Payments.

## CONTRIBUTION PERIOD

At the time of enrolling in your Plan, you need to decide, based on when you expect the child to begin his/her post-secondary/tertiary education, how much you wish and can afford to contribute and the length of time over which you would like to make Contributions. These decisions will affect the total amount of your Contributions. Refer to the “Contribution Schedule for Each Heritage Plan Unit.”

After these decisions have been made, you make your first Contribution, and the Contribution period begins. Your Contributions then continue based upon the Contribution Method you selected.

You may choose to change the amount and/or the frequency of your Contributions, and consequently, your Contribution Schedule, by contacting your Sales Representative or the office of the local Distributor for details to make such change. Once the changes are decided, your Plan will be recalculated, and upon your approval, the new Contribution Schedule will apply. This recalculation/adjustment is to ensure that regardless of the Contribution Method selected, each method will earn approximately an equal amount of income at Plan maturity.

## PAYOUT PERIOD

The Payout Period begins when your Plan reaches maturity, usually July 31st in the year your Beneficiary turns 18. At the Maturity Date, the income in your Plan will follow one of two different paths selected by you in advance and is best determined by the type of Post-Secondary Program your child plans on pursuing. For those Beneficiaries enrolling in a qualified four-year Post-Secondary Program, the Scholarship Option is likely the better choice. In other situations, the Self-Determined Option (“SDO”) may likely be the better choice; each option should be carefully reviewed to determine which one better meets your needs.

## FOUNDATION AWARDS

The Foundation has the ability to make discretionary payments in the form of top-ups to EAPs, Scholarships and awards for teachers in Early Childhood Education. Such payments are not guaranteed and are made at the sole discretion of the Foundation.

## ADDRESS OF THE HERITAGE INTERNATIONAL SCHOLARSHIP TRUST FOUNDATION

The registered address of the Foundation is 100 King Street West, Suite 6200, 1 First Canadian Place, Toronto ON, Canada, M5X 1B8. Customers can also reach the foundation at Telephone: 1 876 946-4073-6 or via email: [customercare@heritageintlplan.com](mailto:customercare@heritageintlplan.com)

You can contact the local Distributor, Heritage Agency (Bermuda) Limited, at Washington Mall, Phase 1 Unit #45, Church Street Level, Hamilton, Bermuda, HM11, Telephone: 441 296-8528.

## HOW DO I LEARN MORE ABOUT THE HERITAGE PLAN?

The Plan is distributed exclusively by Heritage International through its assigned dealer, Heritage Agency (Bermuda) Limited and its Sales Representatives. Contact Heritage Agency (Bermuda) Limited for the Sales Representative in your area. You may also visit our website at [www.heritageintlplan.com](http://www.heritageintlplan.com)

## THE HERITAGE PLAN

The Plan is a contractual arrangement by which trust has been established to hold property under an Education Savings Plan. The Plan was established on February 3, 1988 under the laws of Bermuda. The duration of the Plan is unlimited. The office of the Plan’s local distributor in Bermuda is located at Washington Mall, Phase 1 Unit #45, Church Street Level, Hamilton, Bermuda, HM11, Telephone: 441 296-8528.

The securities offered by this Prospectus are Units in Plan E of the Plan obtained by Subscribers who enter into an Education Savings Plan Contract (“**ESP Contract**” or “**Contract**”) with the Foundation. The terms and conditions of a Subscriber’s participation in the Plan are set out in the Contract. The principal features of the Contract and of the Plan are set out below.

Under Bermuda law, the Plan may be wound-up by the Foundation by written notice to Trustee and the Subscribers on not less than three months and no more than six months’ notice. Upon termination, the Trustee is required to liquidate all investments and sell all assets of the Plan and to distribute such proceeds of sale to the Subscribers after paying out the Plan’s outstanding liabilities.

The Plan operates as a trust, where each Subscriber purchases a specified number of Units of the Plan in accordance with the Deposit Schedule. The Subscriber is entitled to the income earned on the Units purchased, provided the Subscriber makes all scheduled contributions, which normally conclude in the year that the Beneficiary reaches age 18. If the Subscriber fails to make all scheduled contributions, he/she may forfeit the income earned (See “*What is the Enhancement Fund*”).

Each Subscriber enters into an ESP Contract with the Foundation upon enrolment into the Plan. The contract sets out the obligations of the Subscriber and the Foundation, including the situations in which an amendment to the contract would require approval of the collective Subscribers through a voting process. In that situation, each Subscriber would receive one (1) vote per Unit held in their respective agreement. As well, Subscribers who choose to or would not otherwise be able to exercise their right to vote, could appoint another person to vote on their behalf through proxy.

All dollar amounts in this Prospectus are amounts in United States currency, unless otherwise noted.

## HOW DO I ENROLL IN THE HERITAGE PLAN?

To enroll in the Plan, you, acting alone, or you and your spouse or any other person of legal age jointly or separately, enter into a Contract, name a child under the age of 14 years old as the Beneficiary of your Plan and select a year of maturity (the year you expect the child to enroll in the first year of post-secondary/tertiary education, typically age 18). A Subscriber must also decide at the time of enrollment the method of Contribution which he/she wishes to make. The Subscriber, by executing the Contract, agrees to enroll in the Plan by subscribing for the number of Units identified on the Application. He/she agrees to make Contributions with the Depository by way of pre-authorized debits, online payments, cheques or bank drafts drawn in the name of the Foundation to the account maintained by the Depository in accordance with the Contribution Method identified on the Application. Contributions should not be made or given to any individual who is not employed or otherwise serves as a Sales Representative with Heritage Agency (Bermuda) Limited.

## WHAT HAPPENS AFTER ENROLLMENT INTO THE HERITAGE PLAN?

Upon enrollment into the Plan, you will be provided with proof of enrollment by way of a Welcome Package. The Welcome Package includes a welcome letter, a copy of your enrollment application form, a summary of your Plan, a certificate of enrollment for the Beneficiary and our Privacy Policy.

Through online account access, details of your Plan will be available for review at any time. Simply send an email to [customercare@heritageintlplan.com](mailto:customercare@heritageintlplan.com) requesting access and this will be provided. (See “*Statement to Subscribers*”).

## WHAT ARE THE CONTRIBUTION OPTIONS UNDER THE HERITAGE PLAN?

There are six different Contribution options available to Subscribers under the Plan, providing flexibility in financial planning.

If you initially contribute to Units using a single Lump Sum Contribution option, your money has a longer period of time in which to earn income, and you will be required to contribute less over the life of your Plan. Other options involving periodic Contributions will require you to save more because the full sum of your money is not in the Plan earning income from the beginning of your enrollment. However, a regular Contribution option of smaller payments offers you the benefit of manageable Contributions over a longer period of time.

The required Contribution for each Unit will depend on the length of time until the Maturity Date and the frequency of Contributions as selected. All Contribution amounts and methods are actuarially designed to accumulate approximately the same amount of income over the life of the Contract. The Subscriber nominates a child under 14 years of age (a “**Beneficiary**”). All income earned on Contributions is contributed to the Deposit Account at least monthly and remains in the Deposit Account until the Maturity Date (or earlier termination). Contributions may be made in U.S. dollars or in Bermuda dollars, which are converted to U.S. dollars at the prevailing exchange rate at the time of deposit.

The Contribution options available to you are:

- 1) “[Single or Lump-Sum Contribution](#)” requiring a one-time Contribution;
- 2) “[Annual Contribution](#)” requiring one Contribution per year until the Contribution Schedule is complete;
- 3) “[Monthly Contribution](#)” requiring one Contribution per month until the Contribution Schedule is complete;
- 4) “[Five-year Annual Contribution](#)” requiring one Contribution per year for five years;
- 5) “[Five-year Monthly Contribution](#)” requiring one Contribution per month for five years;
- 6) “[Ten-year Monthly Contribution](#)” requiring one Contribution per month for ten years.

For a complete breakdown of the Unit values and Contribution Schedules available to you, please refer to the chart entitled “Contribution Schedule for Each Heritage Plan Unit.”

## CONTRIBUTION SCHEDULE

The Contribution Schedule sets out the various options of Contribution:

- (a) the minimum initial Contribution required with an Application; and
- (b) the number and amount of additional Contributions required.

The applicable Contributions per Unit are determined by first locating across the top of the Schedule the length of time until the Maturity Date (on which Principal may be returned) and by selecting on the left side of the Contribution Schedule the applicable Contribution Method. If there are fractional Units, the equivalent fractional amounts from the Contribution Schedule will be calculated and applied.

The Contribution Schedule was prepared on the basis that each Unit will earn approximately an equal amount of income by the Maturity Date.

## WHERE DO MY CONTRIBUTIONS GO?

Contributions made by a Subscriber under the Plan are paid by the Depository to one or more Deposit Accounts within the Plan, from which the Membership Fees are then deducted. The balance of funds in the Deposit Account (the “**Principal**”) is invested and earns income, which stays in the Deposit Account until the Maturity Date.

## CAN I CHANGE MY CONTRIBUTION METHOD AT A LATER DATE?

You may change the Contribution method, as long as the Beneficiary remains within the same cohort (maturity) year. In some cases the payment of a required adjustment in Contributions and income may be required as a result of such change so as to ensure that your Plan has earned approximately the same amount of income at maturity as other Subscribers with the same Year of Eligibility. In other cases, a change in the Contribution Method may generate excess funds. Depending on the accumulated funds contributed to the Plan at the time of the change request, changing the Contribution Method from Monthly to Annual or Lump Sum may result in excess funds, as Units purchased under an Annual or Lump Sum Contribution method are purchased at a lesser cost per Unit than those purchased under a Monthly Contribution method. Where there are excess funds after conversion, such excess may be refunded to Subscribers upon request, added back to the accumulated principal, or may be used to increase Units in the Plan. If used to purchase additional Units, the Beneficiary must be under age 14 and must be kept in his or her original cohort. This is commonly referred to as a Subscriber’s “**Conversion Privilege**”.

## WHAT HAPPENS IF I (OR MY JOINT SUBSCRIBER) DIE OR BECOME DISABLED BEFORE MATURITY OF MY PLAN?

In the event of the premature death or disability of the Subscriber or one of the joint Subscribers and subject to the conditions set out below, the Self-Completion Feature may provide for the return of the Principal, less Depository Fees, accumulated in your Plan at the time of your death or disability. This feature also allows your Beneficiary, if eligible, to receive three years of EAPs even though the Subscriber was unable to complete the required Contributions.

To make a death or disability claim under the Self-Completion Feature described below, please contact the local Distributor or the Foundation’s Customer Service Department at 1-876-908-3800 or via email [customercare@heritageintplan.com](mailto:customercare@heritageintplan.com).

Until such time as your death or disability claim under the Self-Completion Feature has been approved in writing by the Foundation, all Contributions are required to be made in accordance with the Contribution Schedule you selected at the time of enrollment. If Contributions are not continued, then the Plan will become inactive (See “What Happens if I Stop Making My Contributions Under the Heritage Plan”).

## DEATH OF SUBSCRIBER

The Self-Completion Feature is available provided that the deceased Subscriber (or, in the case of joint Subscribers, the deceased joint Subscriber) met the following conditions:

- i. was the parent, grandparent or legal guardian of the proposed Beneficiary;
- ii. was not suffering from any serious illness, disease or injury at the time of enrollment;
- iii. was less than 65 years of age at the time the Application was accepted by the Foundation; and
- iv. died before age 70 prior to completion of all Contributions.
- v. the Plan was in good standing at the time of death of the subscriber (or, in the case of joint subscribers, the deceased joint subscriber).

If the above conditions are met, no further Contributions are required to be made, pending written approval of your claim by the Foundation. Principal in the Plan, less Depository Fees, on behalf of the Subscriber(s) at the time of disability or death, is returned to the Subscriber's estate or the surviving Subscriber at the Maturity Date. EAPs will be paid to the Beneficiary, as if his/her Plan had been completed by the Subscriber, provided that the Beneficiary becomes a Qualified Student. If the Self-Determined Option is selected, the surviving Subscriber or the estate will be eligible to receive the accumulated Principal at the time of death, less Depository Fees, at the Maturity Date; and the Beneficiary, will be entitled to the income earned on the Principal.

## DISABILITY OF SUBSCRIBER

The Self-Completion Feature is available provided that the Subscriber who becomes disabled (or, in the case of joint Subscribers, the joint Subscriber who becomes disabled) meets the following conditions:

- i. is the parent, grandparent or legal guardian of the proposed Beneficiary;
- ii. is not suffering from any serious illness, disease or injury at the time of enrollment;
- iii. is less than 65 years of age at the time the Application is accepted by the Foundation; and
- iv. becomes totally disabled for a period of nine continuous months or longer prior to completion of all Contributions.

If the above conditions are met, the remaining Contributions will not be required to be paid by the Subscriber during the period of such disability. For greater certainty, Contributions are required to be made during the first nine months of the Subscriber's disability.

Where a Subscriber (or in the case of joint Subscribers, one Subscriber) is older than 65 years of age or is under 65 years of age and is suffering from serious disease or injury at the time the Application is accepted by the Foundation, and where such Subscriber (or in the case of joint Subscribers, one Subscriber) dies prior to completion of all Contributions, the Plan may be completed by the Subscriber's heirs. If Contributions are not continued, then the Plan will become inactive (See "What Happens if I Stop Making My Contributions Under the Heritage Plan").

## CAN I PURCHASE MORE UNITS LATER?

You may purchase more Units, and thus increase the amount of your Contributions at any time, as long as your Beneficiary is under 14 years of age. When you purchase additional Units, a Membership Fee of \$110 per additional Unit will apply. The Contribution amount for each additional Unit is based on the age of the Beneficiary at the time the Units are being added. At the time of purchasing additional Units, your Plan must be in good standing, with all Contributions up-to-date. Where there is a record of unsatisfactory servicing of the Plan, Subscribers may not be allowed to add Units or increase their Contributions. All trades are subject to review and acceptance by the Foundation.

## CAN I REDUCE UNITS AT ANY TIME?

You may reduce the number of Units at any time prior to your Plan's maturity. If this occurs during the first 60 days after enrollment, you will be entitled to a return of all Contributions made on the reduced Units. If the reduction occurs after the first 60 days, you will be entitled to a return of all Contributions made on the reduced Units, less paid Membership Fees associated with the number of Units being reduced. These Membership Fees are not reapplied to the remaining Units. If the Subscriber reactivates the reduced Units at a later date, the fees paid on those Units will be applied to the reactivated Units, subject to the reactivation provisions (see "Can I Reactivate My Plan If It Becomes Inactive").

WHAT HAPPENS IF I STOP MAKING MY CONTRIBUTIONS UNDER THE HERITAGE PLAN?

In the event that you fail to make a Contribution when required, the Foundation will provide notice to you of such failure, normally within 30 days, at your address on the records of the Foundation. In the event of failure to remit the required Contribution within 60 days following the giving of such notice, your Plan becomes inactive and the Foundation will then provide you with notice that the Plan has become inactive requiring you to select from such options as are in effect from time to time pertaining to a Plan that is inactive. Upon sending such notice, one option shall be the reactivation option referred to below under “What Happens if I Terminate the Heritage Plan?” Another option shall be the return of all savings, less income and deductions, upon request from the Subscriber.

Upon failure of a Subscriber to make any selection, the Foundation shall, at the deemed Maturity Date, return all savings without income and less deductions (your Principal) to the relevant Subscribers by the posting of a cheque to the last known local address of the Subscriber on the records of the Foundation. If it is not a local address, Subscribers will be required to provide their wire transfer information. Where such payment is returned as undeliverable or unclaimed within six months of the date of the cheque, the funds will be forfeited and the proceeds applied to the Enhancement Fund.

WHAT FEES OR EXPENSES ARE INVOLVED WITH A HERITAGE PLAN?

MEMBERSHIP FEE

A fee (the “**Membership Fee**”) of \$110 per Unit (pro-rated for fractional Units) is deducted from Contributions and paid to the Distributor as follows:

- (i) The first \$55 per Unit contributed; and
- (ii) 50% of subsequent Contributions until the total Membership Fee of \$110 per Unit is paid.

This fee is a one-time payment used to pay the costs of distributing the Plan, including the payment of sales commissions. Other fees, described below, are paid to the Distributor for services in administering your Plan over the lifetime of your participation.

The Membership Fees are included in your Contribution Schedule and deductions start immediately following the application of your Contributions to your Plan. For single Lump Sum Contributions, this Fee is paid at the

time of enrollment. With other Contribution Methods, the fee is paid through scheduled deductions as described above. For example, if you have two Units on a monthly Contribution Schedule paying \$55 per month, the Membership Fee is paid as follows:

- The first two standard Contributions (\$110) would go directly to reduce the Membership Fees;
- Of the next four Contributions, one-half of each Contribution (\$27.50) and totaling \$110 overall would go towards reducing the Membership Fees. The other one-half of each Contribution accumulates as Principal. After applying the fourth Contribution, the Membership Fees have been fully paid; and
- Subsequent contributions accumulate as Principal.

Membership Fee payment schedules will differ depending on the number of Units subscribed to.

ARE MY MEMBERSHIP FEES RETURNED?

Your Membership Fees are returned if you cancel your Plan within the first 60 days of your Plan’s existence. If you decide to withdraw from the Heritage Plan after 60 days and prior to the Maturity Date, you will forfeit all of your Membership Fees paid to the date of withdrawal and will forfeit all income earned. These are important considerations when deciding whether to withdraw from the Heritage Plan.

OTHER FEES

In addition to the Membership Fees, the other deductions under the Heritage Plan are as follows:

- (a) An annual depository fee (the “**Depository Fee**”) is based upon the number of Units subscribed to, up to a maximum of \$50 annually, including the year that your Plan is established and the year it matures. This Fee is accumulated and deducted from Principal on December 31<sup>st</sup> of each year, beginning in the year that sufficient principal is accumulated.

| Depository Fees/Unit | Lump Sum | Annual | Monthly | 5-Year Annual | 5-Year Monthly | 10-Year Monthly |
|----------------------|----------|--------|---------|---------------|----------------|-----------------|
|                      | \$1.00   | \$2.00 | \$5.00  | \$2.00        | \$5.00         | \$5.00          |

These are the Depository Fees in effect at the present time. Such Fees may be amended in the future by the Foundation upon prior notice given to Subscribers in a form determined by the Foundation.

- (b) An annual Administration Fee to constitute the operating account used to pay future expenses of administration of the Foundation, of up to 1%

of Principal and interest thereon in the Deposit Account and, with respect to Subscribers who have selected the Self-Determined Option of Principal and interest thereon in the Self-Determined Account, calculated monthly and deducted from interest before allocation.

For the year ending December 31, 2023, the Administration Fee was 1.00% per annum. The Administration Fee may be amended in the future by the Foundation upon prior notice and approval from the Subscribers.

- (c) Portfolio management fees are calculated as a percentage of the total fair value of the Plan's investment portfolio. Portfolio management fees paid for the year ended December 31, 2023 was 0.25% of the total fair market value of the investment portfolio of the Plan.
- (d) Custodian fees, which are paid to The Northern Trust Company, Canada Branch, represented less than 0.01% of assets under management.

## WHAT HAPPENS IF I TERMINATE THE HERITAGE PLAN?

You may decide to terminate your Plan for a variety of reasons: you may have experienced a change in financial circumstances, or you may have simply changed your mind. If you terminate or withdraw funds contributed under your Plan before the Maturity Date (either voluntarily or upon default), the following applies:

### WITHIN 60 DAYS

The first termination period is within the first 60 days of entering into the Contract. The 60-day period begins on the later of: the date you signed the Contract, the date of your first Contribution, or the first withdrawal on pre-authorized debit. After you have signed the Contract and enrolled, you have 60 days to further review and consider all information given to you. If you decide within that 60-day period that you do not wish to continue the Plan, you may terminate your interest in the Plan and receive a refund of your initial Contributions, including an amount equivalent to all Membership Fees within 50 business days. You must provide the Foundation with written notice of your intention to terminate, signed by all persons who signed the Contract. As well, Subscribers must either display a valid government-issued ID, or if termination is requested by mail, provide photocopies of the afore-mentioned identification. For example, if you and your spouse or any other person of legal age signed the Contract, both of you must sign the letter of termination. Any income earned on your Contributions in that time will not be returned to you. A termination within the first 60 days is the only situation where an

amount equivalent to paid Membership Fees is returned on a Heritage Plan. If you reduce the number of Units within the first 60 days, an amount equivalent to the paid Membership Fees associated with the reduced Units is refunded to you.

### AFTER 60 DAYS

If you have been enrolled in the Plan for more than 60 days, different rules apply. After the 60-day period has expired, participation under your Plan can only be terminated by your written request to the Foundation signed by all persons who signed the Contract. Valid ID information as described above must be provided with the termination request.

If you terminate participation under your Plan after 60 days, you are entitled to receive a refund of your Principal only. If you reduce the number of Units after 60 days, an amount equivalent to the paid Membership Fees associated with the Units reduced is not refunded nor reapplied to the remaining Units. Membership Fees and Depository Fees are not refundable. In addition, any income earned on your Contributions will be applied to the EAPs of Beneficiaries with the same Year of Eligibility as your Beneficiary. Income earned on such income will be applied to the Enhancement Fund. Your Principal will be refunded within 50 business days after submission of the prescribed documents.

## CAN I REACTIVATE MY PLAN IF IT BECOMES INACTIVE?

Participation in your Plan or reactivation of Units that were reduced at an earlier date may be reactivated provided it occurs: (a) within three years after becoming inactive where the Beneficiary is, at the time of reactivation, under 14 years of age; or (b) within six months after becoming inactive where the Beneficiary at the time of reactivation is over 14 years of age (but not later than the Maturity Date) by paying:

- (i) Contributions which would have been made during the period when your Plan was inactive;
- (ii) an amount equal to income which would have been earned on Principal, calculated by applying the historically obtained interest return as if all Contributions had been made when due; and
- (iii) the amount of Principal, if any, returned upon termination.

Reinstatements outside of the period described above are not allowed. In extenuating circumstances, Subscribers may be able to have their Plan reinstated

if an appeal is submitted in writing to the Special Case Committee of the Foundation. Reinstatements are granted at the sole discretion of the Foundation.

Alternatively, you may restructure your Plan under a different Contribution Method, which may require payment of an adjustment in Contributions and income. Reactivation of your Plan, whether or not you choose to restructure and select a different Contribution Method, will require the completion and signing by both Subscribers, if jointly held, of the reactivation document, referred to as the Plan Adjustment Quote. For more information on reinstatements and reactivations, please contact the Foundation's Customer Service Department.

### CAN I CHANGE THE BENEFICIARY?

The Subscriber is entitled to change the original Beneficiary at any time subject to the following conditions:

- i) the Beneficiary and the person to be substituted are both under the age of 22 at the time of such substitution;
- ii) if the present Beneficiary and the new Beneficiary are both under the age of 14, then the older Beneficiary may be substituted for the younger Beneficiary. Any required adjustment to the Contributions and income earned must be made at the time of substitution;
- iii) if the substitution is to occur after the Beneficiary has passed the age of 14 and before the Maturity Date, then the substitute Beneficiary may not be older than the original Beneficiary; and
- iv) the Maturity Date and Year of Eligibility shall be adjusted for the new Beneficiary.

Should your Beneficiary die, another Beneficiary may be substituted in place of the deceased Beneficiary, up to September 1st in the Year of Eligibility. Notice must be given to the Foundation within 90 days of the death and provided that the Maturity Date and Year of Eligibility (or Self-Determined Year of Eligibility, if applicable) are adjusted, if necessary, and such substituted Beneficiary is not older than the original Beneficiary. Contributions and income earned thereon are adjusted as necessary. Alternatively, the Subscriber may choose to receive the return of all Contributions (including an amount equivalent to paid Membership Fees and Depository Fees) or may continue to make Contributions and at maturity, select the Self-Determined Option.

## PLANNING FOR POST-SECONDARY EDUCATION

### HOW DO I GET MONEY OUT FOR POST-SECONDARY EDUCATION?

On or after the Maturity Date, the Principal in the Deposit Account is returned to the Depository for payment to the Subscriber or, on instruction by the Subscriber, to the Subscriber's Beneficiary. The Principal may be, but is not required to be, used for the costs of the first year of attendance at a post-secondary/tertiary institution.

### WILL I RECEIVE A NOTICE OF MATURITY?

The Foundation will provide you with notice of maturity, normally not later than 90 days prior to the Maturity Date, by mail or electronic delivery (email) at your mailing address or your email address on the records of the Foundation.

### WHAT IF MY BENEFICIARY IS ADVANCED IN ACADEMIC STUDIES?

The Maturity Date can be advanced if your Beneficiary becomes a Qualified Student prior to the year originally specified in the Contract. An income adjustment may be required in order to ensure that your Plan contributes approximately the same amount of income to the scholarship pool as the other Plans having the same Year of Eligibility. In the event that the Subscriber has selected the Self-Determined Option, the Maturity Date may be advanced if the student has been accepted into a Recognized Institution and no income adjustment will be required.

### WHAT ARE THE REQUIRED PROGRAM QUALIFICATIONS?

Under the Scholarship Option, a Beneficiary must be enrolled as a full-time or part-time student in a Post-Secondary Educational Program. An EAP will be paid as long as the Beneficiary is registered at a recognized post-secondary institution in each of the school years (a 12-month period between September and August) starting in the Year of Eligibility. Under the Self-Determined Option, there are no eligibility requirements. Income earned on your Contributions will be returned along with your Principal under this option.

## WHAT QUALIFIES AS A RECOGNIZED INSTITUTION?

Any Recognized Institution in any country is accepted by the Foundation. Institutions include universities, colleges, community colleges, technical colleges, religious colleges, as well as online learning at any of such institutions throughout the world.

## WHAT ARE THE MATURITY OPTIONS UNDER THE HERITAGE PLAN?

There are two maturity options – the Scholarship Option and the Self-Determined Option. Under the **Scholarship Option**, up to three EAPs made to Qualified Students, one each in the second, third and fourth year of their studies. Alternatively, you may select the **Self-Determined Option**, better suited where academic studies in a Recognized Institution are expected to be less than two years in duration.

When your Plan approaches its maturity, you will be provided with a maturity notice to inform you of the steps of the maturity process. This notice will normally be sent within one month of your Plan's maturity date. You are requested to select either of the following:

### (i) Scholarship Option

For those selecting the Scholarship Option, all Beneficiaries are provided with a proof of registration form in the Year of Eligibility. Beneficiaries must complete this form, have it signed and sealed by the registrar of the Recognized Institution and returned to the Foundation before August 15th in each year of the Beneficiary's eligible post-secondary studies.

### (ii) Self-Determined Option

For those selecting the Self-Determined Option, the SDO Application Form must be completed by Subscribers and must be forwarded to the Foundation no later than July 1st, confirming their decision to transfer to the Self-Determined Option.

## CHANGE IN MATURITY DATE, YEAR OF ELIGIBILITY OR SCHOLARSHIPS

A Beneficiary who enters a Recognized Institution prior to the Maturity Date may request the Foundation to advance the Maturity Date. In such case, a Plan Adjustment Quote must be accepted and must be signed by both Subscribers, if your plan is jointly held, to effect the advancement. An income adjustment may

be required to compensate the Heritage Plan for the missed interest as a result of this advancement. The Maturity Date may also be delayed up to July 31st in the year of the Beneficiary's 21st birthday. Where a delay in the Maturity Date is required, a written request by both Subscribers, if jointly held, must be provided to the Foundation before the Maturity Date.

A Beneficiary who enters a Recognized Institution prior to the Year of Eligibility is entitled, upon giving satisfactory written evidence to the Foundation prior to August 15th in the year prior to entering the Recognized Institution, to have the Year of Eligibility advanced to the earlier year. An advancement of up to two years is automatically granted and further advancements may be granted by the Scholarship Committee at its discretion, provided that the Year of Eligibility does not precede the Maturity Date.

A Subscriber or Beneficiary enrolled in the Plan may, upon written application to the Foundation prior to August 1st in the Year of Eligibility, apply to postpone the Year of Eligibility. A postponement of up to two years is automatically granted and further postponements may be granted by the Scholarship Committee at its discretion. Postponements and deferments are only possible provided the Maturity Date has not been delayed by the maximum time frame. If such further postponements are not granted, then a Beneficiary will not obtain further EAPs. The income credited on the Plan in respect of a Beneficiary in the Plan where the Year of Eligibility is changed will then be transferred from the Scholarship Fund for the original Year of Eligibility to the Scholarship Fund for the new Year of Eligibility.

If a Beneficiary has begun to receive EAPs and interrupts studies, a deferral of the second or third EAP entitlement of up to one year will be granted automatically. Any request for further deferral may be granted by the Scholarship Committee at its discretion. If such further deferrals are not granted, then that particular EAP entitlement will be forfeited. However, the Beneficiary may still qualify for the remaining EAPs, if any.

## SCHOLARSHIP OPTION

### WHAT IS THE SCHOLARSHIP OPTION?

This is the route your Plan will take unless you inform the Foundation not later than 60 days before the Maturity Date that you wish to choose and be transferred to the Self-Determined Option. The Scholarship Option will

likely be the better option if your Beneficiary enrolls in and completes a four-year Post-Secondary Program.

Although the Foundation will remind Subscribers in annual mailings of the need to consider and make the appropriate selection, the onus will be on the Subscriber to ensure that the selection is made on a timely basis. Once the deadline has been reached and a selection with respect to which Option has been made, it cannot be reversed or changed.

Your Plan will usually mature on July 31st in the year your Beneficiary turns 18 years old and enters the first year of a Post-Secondary Program. The Maturity Date is determined at the time you enrolled in the Plan. You will receive a payment in your Beneficiary's first year of academic study for an amount equal to your Principal. Most Subscribers apply this amount toward their Beneficiary's first-year tuition and other expenses. Your Beneficiary will then receive EAPs once per year in each of his or her second, third and fourth years of study, if the Beneficiary is a Qualified Student in that year.

EAPs made under the Plan are derived from investment income and monies from the Enhancement Fund as described herein. Payments from the Enhancement Fund are discretionary; there is no set formula for Enhancement Fund payments and Beneficiaries have no contractual right to these payments. There can be no assurance that sufficient funds will be available in the Enhancement Fund or that the Foundation will exercise its discretion to make any such payments in any given year.

EAPs are usually paid in mid-September of each year, provided that the Beneficiary is eligible for an EAP. However, a portion of the EAP may be advanced. To receive an advanced payment, you must complete and submit the required proof of the Beneficiary's registration in an eligible post-secondary/tertiary institution by August 15th. If the documents are received after this deadline, the EAP will be issued as a full payment in mid-September, provided all EAP eligibility requirements are met. The required proof of registration may be submitted for processing up to January 31st of the following year.

The amount of any advanced EAP installment is calculated as up to 50% of the previous year's EAP. At the end of August, the balance of the EAP will be calculated based on the new EAP payout per Unit. It is important to note that the payout per Unit in any given year may vary from the amount paid in previous years.

## HOW DOES MY BENEFICIARY BECOME A QUALIFIED STUDENT?

Under the Scholarship Option, a Beneficiary must pursue a four-year Post-Secondary Program of studies on a full-time or part-time basis at a Recognized Institution in order to obtain the maximum number of EAPs. Studies may include more than one program of full-time or part-time study, each of at least one year's duration for up to four years. Beneficiaries may change academic programs and remain eligible for EAPs.

If the Subscriber's Plan is in good standing (all scheduled Contributions have been made), a Beneficiary qualifies for EAPs as follows:

- **First EAP:** a Beneficiary qualifies upon providing evidence of enrollment in a Post-Secondary Program prior to August 15th in the Year of Eligibility, generally the year following the maturity year and the year in which the Beneficiary becomes 19 years of age.
- **Second EAP:** a Beneficiary qualifies upon providing evidence of enrollment in a Post-Secondary Program prior to August 15th in the year following the Year of Eligibility.
- **Third EAP:** a Beneficiary qualifies upon providing evidence of enrollment in a Post-Secondary Program prior to August 15th in the second year following the Year of Eligibility.

The proof of registration form is provided to Subscribers in the Beneficiary's Year of Eligibility, and each subsequent year (if they have qualified in the prior year or if requested) up to the end of their educational program. The form must be completed by the Beneficiary and signed and sealed by the Registrar of the Educational Institution and returned to the Foundation before August 15th in each year of the Beneficiary's eligible post-secondary/tertiary studies. Applications for EAPs must be made before August 15th in order to ensure payment of an EAP by mid-September, if approved. Applications received after August 15th will result in delayed payment of the EAP, and non-payment of the EAP, if not approved.

It is the responsibility of the Subscriber or the Beneficiary to ensure that the institution in which the Beneficiary is enrolled is a Recognized Institution and to provide the Foundation with evidence that the Beneficiary is enrolled in a Post-Secondary Program each year. The Foundation will, upon request by a Subscriber or Beneficiary, advise whether an institution is a Recognized Institution.

As indicated above, assuming continued qualification, a Beneficiary will receive three EAPs. The Plan's financial statements (see "Schedule of Educational Assistance Payments") indicate the amount of EAPs paid, and the number of Plan Units on which EAPs were paid to Beneficiaries who initially qualified in a particular year, and the number of Plan Units on which the EAPs were paid, to those who qualified in subsequent years.

## WHAT MAKES UP THE SCHOLARSHIP FUND?

At the Maturity Date, income earned on all Principal in the Deposit Account (except for Principal from Subscribers who have selected the Self-Determined Option) is paid to the Trustee and deposited into the Scholarship Fund. The Trustee uses the interest earned on all Principal to provide for EAPs to Qualified Students.

Once the income is paid to the Trustee at the Maturity Date, there is no further growth of the Deposit Account. The period of time from contribution in the Scholarship Fund until the Scholarship Fund is paid out may be up to four years (or longer if postponements are applied for and granted). Income earned on the Scholarship Fund is applied to the Enhancement Fund.

## HOW ARE THE EDUCATIONAL ASSISTANCE PAYMENTS CALCULATED?

The amount of funds available to Qualified Students for EAPs in a given year shall be calculated in early September of the Year of Eligibility. This is determined by adding all income earned to the Trustee on Plans which have the same Year of Eligibility, and income on Plans that have terminated which would have had the same Year of Eligibility (except for Plans to which the Self-Determined Option has been chosen). Such income is distributed to Qualified Students on or about mid-September of such year as follows:

- **Initial EAP:** One third of the total is available for EAPs and is divided by the total number of Units held by Qualified Students with that Year of Eligibility; the result is multiplied by the number of Units for each Qualified Student and paid to the Qualified Student;
- **Second EAP:** One half of the remaining income is available for EAPs and is applied in the same way as the Initial EAP to Qualified Students; and
- **Third EAP:** The remaining income is available for EAPs and is applied in the same way as the Initial EAP to Qualified Students.

Any income remaining in the account maintained by the Trustee after the aforesaid calculation and payment shall be applied to the objects of the Foundation as the Foundation in its discretion may decide.

The Subscriber acknowledges that funds available for EAPs are derived from the income on Principal which is paid at the Maturity Date to the Trustee from Subscribers who have not selected the Self-Determined Option. Such income is held by the Trustee until applied for and paid as EAPs. The interest earned on this income is not required to be applied to EAPs but is maintained by the Foundation and held in the Enhancement Fund to be used at its discretion.

The Subscriber acknowledges that the Foundation does not make any representation, warranty or guarantee as to the amount of funds available for EAPs in any particular year.

## WHAT IS THE ENHANCEMENT FUND?

The Enhancement Fund pertaining to the Plan consists of: (a) interest earned on the scholarship fund used to pay Educational Assistance Payments from the maturity date to the date that the funds are distributed to qualified beneficiaries; (b) interest earned on the income forfeited when a Subscriber's plan is terminated prior to the maturity date; and (c) principal payments to Subscribers on maturity that have not cleared the bank after six months from the date of payment.

The Enhancement Fund is directed by the Foundation in accordance with the not-for-profit nature of the Foundation. Interest income earned on matured and terminated plans is recorded in the Enhancement Fund on an accrual basis. The Enhancement Fund is for the benefit of all Subscribers and the Foundation will use a component, at its discretion, to supplement the Education Assistance Payments. Such discretionary payment is determined on an annual basis by the Foundation and the objective is to distribute an amount that is equal to the membership fee paid by the Subscriber. There is no assurance that the Enhancement Fund will have a sufficient balance to achieve this objective and maintain a sustainable balance for remaining Subscribers.

Qualified Students have no contractual right to the funds in the Enhancement Fund.

## WHAT HAPPENS IF THE BENEFICIARY DOES NOT PURSUE POST-SECONDARY EDUCATION?

If the Beneficiary decides not to pursue a post-secondary education, you may nominate another Beneficiary to benefit from the Plan provided certain rules are adhered to (See “Can I Change the Beneficiary?”). If no substitution of Beneficiary is made, or if the Contract is terminated before the Maturity Date, your Principal, which includes Contributions made less applicable fees, will be returned to you and the Beneficiary will not receive EAPs. You will receive a refund of Contributions, excluding an amount equivalent to paid Membership Fees and Depository Fees. The income remains in the Scholarship pool and is divided amongst all Qualified Students entering a post-secondary/tertiary educational institution in the same year. Alternatively, you may select the Self-Determined Option once the maturity notice is received. This feature allows you to receive all your Contributions, plus all of the income earned on your Contributions, less Membership Fees and Depository Fees.

## SELF-DETERMINED OPTION

### WHAT IS THE SELF-DETERMINED OPTION?

If the Beneficiary plans to enroll in a Post-Secondary Program that is shorter than two years in duration, you should select the Self-Determined Option since the Beneficiary would, under the Scholarship Option, not qualify for the maximum number of EAPs. When you select the Self-Determined Option, you are essentially withdrawing from the co-operative nature of the Heritage Plan which provides for a pooling of income earned in the Heritage Plan for all Beneficiaries who have the same Year of Eligibility.

Under the Self-Determined Option, you may withdraw your Principal and income at any time after the Maturity Date.

Although the Self-Determined Option offers greater flexibility in timing than the Scholarship Option (since there are no eligibility requirements), there will likely be less benefit compared to participation in the Scholarship Option, with eligibility for up to three EAPs. This is because you lose the beneficial effects of a pooled plan whereby the Beneficiary effectively shares in the income earned from Contributions by other participants in the Heritage Plan whose Beneficiaries do not qualify for EAPs.

## WHEN MUST I SELECT THE SELF-DETERMINED OPTION?

Once the maturity notice has been received, you may select the Self-Determined Option. Income earned on your Principal in the Deposit Account is then transferred to the Self-Determined Account at the Maturity Date. Once you select the Self-Determined Option, participation under your Plan becomes self-determined rather than pooled.

Although the Foundation will remind Subscribers in annual mailings of the need to consider and, if appropriate, to select the Self-Determined Option, the onus will be on the Subscriber to ensure that the selection is made prior to maturity.

## WHAT MONEY DO I RECEIVE UNDER THE SELF-DETERMINED OPTION?

Under the Self-Determined Option, you receive the return of your Principal and income as one payment at maturity once you select this option prior to maturity.

## WHAT HAPPENS IF MY BENEFICIARY DOES NOT GO ON TO POST-SECONDARY/ TERTIARY EDUCATION?

If the Beneficiary decides not to pursue a post-secondary education and you have selected the Self-Determined Option, your Principal and income is returned as outlined in the above explanation.

## CAN I CONTRIBUTE ADDITIONAL AMOUNTS TO A SELF-DETERMINED ACCOUNT?

You may make Contributions to your Plan of any amount at any time up to and including the last day of the 21st year following the year in which the Subscriber initially obtained Units in their Plan.



## ADMINISTRATION OF THE PLAN

|   |  |
|---|--|
| <p><b>DEPOSITORY</b><br/> <a href="#">Bank of N.T. Butterfield &amp; Son Limited</a><br/>         65 Front Street<br/>         Hamilton, Bermuda, HM12</p>  | <p>Acts as Depository for all Contracts in Bermuda. Bank of N.T. Butterfield &amp; Son Limited receives Contributions made by Subscribers, deducts Membership Fees and Depository Fees and remits the balance to the account maintained by the Custodian and the Trustee in trust for the Subscribers. In The Bahamas, RBC Royal Bank (Bahamas) Limited acts as local depository in respect of Bahamian dollar Contributions made by Bahamian Subscribers. RBC Royal Bank (Bahamas) Limited provides personal and commercial banking, wealth management, corporate and investment banking, insurance and trust and asset management services to a wide range of clients, including individuals, small businesses, general commercial entities, regional and multi-national corporations and governments.</p> |
| <p><b>PRIMARY CUSTODIAN</b><br/> <a href="#">The Northern Trust Company, Canada Branch</a><br/>         145 King Street West<br/>         Suite 1910<br/>         Toronto, Ontario, Canada<br/>         M5H 1J8</p> <p><b>SUB-CUSTODIAN</b><br/> <a href="#">HSBC Bank Bermuda Limited</a><br/>         37 Front Street<br/>         Hamilton, Pembroke<br/>         HM 11, Bermuda</p> <p><a href="#">PROVEN Wealth Limited</a><br/>         2–4 Gladstone Drive<br/>         Kingston 10<br/>         Jamaica</p> | <p>The primary Custodian holds the assets of the Plan on behalf of the Trustee, with the exception of the Bahamian dollar Contributions, which are received by RBC Royal Bank (Bahamas) Limited and deposited with The Finance Corporation of The Bahamas Limited (“RBC FINCO”), an affiliate of the local depository in The Bahamas. RBC FINCO’s primary business is providing Bahamian Dollar mortgage financing on residential properties, mortgage origination insurance, a full range of Bahamian Dollar deposit services, foreign exchange and automated banking machines.</p>   |
| <p><b>REGISTRAR</b><br/> <a href="#">Heritage International Scholarship Trust Foundation</a><br/>         100 King Street West, Suite 6200<br/>         1 First Canadian Place<br/>         Toronto ON, Canada, M5X 1B8</p>   | <p>The Foundation acts as registrar for the Plan.</p>  |
| <p><b>TRUSTEE</b><br/> <a href="#">Butterfield Trust (Bermuda) Limited</a><br/>         65 Front Street<br/>         Hamilton, Bermuda HM12</p>   | <p>Butterfield Trust (Bermuda) Limited serves as Trustee of the Plan for all jurisdictions where the Plan is distributed. As stated above, the Bahamian dollar Contributions are received by the local depository, RBC Royal Bank (Bahamas) Limited, and deposited with RBC FINCO on behalf of the Trustee. See “Trustee” for more information on the role of the Trustee and the individuals who are the key employees of the Trustee.</p>  |
| <p><b>AUDITORS</b><br/> <a href="#">PricewaterhouseCoopers LLP</a><br/>         Chartered Professional Accountants,<br/>         Licensed Public Accountants<br/>         PricewaterhouseCoopers<br/>         P.O. Box HM 1171, Hamilton HM EX, Bermuda</p>   | <p>Auditors of the Plan and the Foundation.</p>  |
| <p><b>LEGAL COUNSEL</b><br/> <a href="#">Appleby (Bermuda) Limited</a><br/>         Canon’s Court<br/>         22 Victoria Street<br/>         Hamilton HM12, Bermuda</p>   | <p>Legal counsel of the Heritage Plan in Bermuda.</p>  |

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| <b>PORTFOLIO ADVISOR</b><br><b>PROVEN Wealth Limited</b><br>2-4 Gladstone Drive<br>Kingston, Jamaica  | Investment managers for the Foundation, assisting the Foundation in investing Principal and investment income earned thereon for Subscribers and Beneficiaries in Bermuda.  |
| <b>ADMINISTRATOR AND DISTRIBUTOR</b><br><b>Heritage Education Funds International Inc.</b><br>100 King Street West, Suite 6200<br>1 First Canadian Place<br>Toronto ON, Canada, M5X 1B8 | Pursuant to The Franchise Agreement dated June 3, 1996 and renewed by agreement dated June 3, 2016 between Heritage International Scholarship Trust Foundation and Heritage Education Funds International Inc. (the “Distributor”), the Distributor has the exclusive worldwide rights outside of Canada to distribute the Plan through its affiliates or through local distributors. In exchange for these services, the Foundation pays Distributor fees. |
| <b>LOCAL DISTRIBUTOR</b><br><b>Heritage Agency (Bermuda) Limited</b><br>Washington Mall, Phase 1<br>Unit #45, Church Street Level<br>Hamilton, Bermuda, HM11                            | Local distributor of the Heritage Plan in Bermuda.  |
| <b>REGISTERED OFFICE</b><br><b>Butterfield Trust (Bermuda) Limited</b><br>65 Front Street<br>Hamilton, Bermuda, HM12  | Registered office of the Heritage Plan in Bermuda   |

## VALUATION OF THE PLAN

### VALUATION POLICY

In 2020, the Plan has developed and implemented a comprehensive policy for the valuation of the Plan’s assets (the “Valuation Policy”), and procedures to ensure the Valuation Policy is effectively implemented. HEFI, as the Plan’s Administrator, values the assets of the Plan in accordance with the Valuation Policy.

The following is a description of the key elements of the Valuation Policy:

(a) Nature, Size, Complexity, Structure and Diversity of the Plan

The Plan’s assets are invested conservatively, consistent with the nature of the Plan, which is a vehicle for Subscribers to accumulate Contributions towards saving for post-secondary education of their Beneficiaries. See “Investment Strategies” for the particular investment strategies for the Plan’s assets.

The assets of the Plan are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on a measurement date. The fair value of the Plan’s assets that are traded in active markets is based on quoted market prices at the close of trading on the reporting date. For equity securities and exchange

traded funds, the Plan uses the last traded market price where the last traded price falls between that day’s bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Plan determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. For fixed income securities, the Plan uses mid prices provided by independent security pricing vendors. The Plan’s policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of the Plan’s assets that are not quoted in an active market or provided by independent security pricing vendors, is determined using valuation techniques. The use of valuation techniques for valuing such assets requires assumptions that are based on market conditions existing as at the valuation date. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of such assets from one valuation period to another.

The Foundation’s Board of Directors is responsible for reviewing the accounting, financial reporting, audit control and risk management responsibilities of the Plan, including the review and approval of this Valuation Policy.

Income and expenses of the Plan including realized gains and losses on the Plan’s assets,

changes in unrealized gains or losses on the Plan's assets, and any dividend, interest and investment income received from the Plan's assets, as well as expenses related to the management of the Plan, are allocated to individual subscriber accounts on a monthly basis.

(b) Compliance with Plan's Constitutional Documents

The primary constitutional document of the Plan is the Second Amended and Restated Trust Deed dated as of November 1, 2019 (as further amended, restated or supplemented from time to time, most recently on April 23, 2021) between the Foundation and Butterfield Trust (Bermuda) Limited (the "**Trust Deed**"). In accordance with Article 4 of the Trust Deed, the Trustee shall invest and reinvest the assets of the Plan as directed by the Foundation or an investment management company appointed by the Foundation. Further, the Foundation shall ensure that the assets of the Trust are invested only in investments which conform to investment guidelines established by the Foundation. The Foundation has established Statements of Investment Policies and Procedures for each of the Plan's Portfolio Advisors, setting out the guidelines for each to follow. The Plan's Administrator monitors compliance of the Plan's investments and the Portfolio Advisor's activities against these guidelines.

(c) Timing of Valuations

The Plan's assets are valued on a monthly basis by an independent third-party valuation service provider who is also the Custodian of the Plan. Throughout the fiscal year, the Investment Committee of the Board of Directors receives regular information on the valuation of the Plan's assets.

(d) Reporting on Valuations

Units of the Plan do not trade in any recognized market and are not tradeable as the number of units associated with a Subscriber is unique to that subscriber's interest in the Plan. As such, the Plan does not strike a Net Asset Value ("**NAV**"). Subscribers wishing to withdraw from the Plan and cancel their Units will receive their net contributions up to withdrawal date, in accordance with the terms of the Prospectus.

The valuation of the Plan's assets is reported in the annual audited financial statements of the Plan, which are approved by the Foundation's Board of Directors.

(e) Disseminating Information to Subscribers

Upon completion, a copy of the Plan's annual audited financial statements will be made available to each of the Plan's Subscribers annually within 90 days of the end of the fiscal year and by not later than March 31. The audited financial statements contain descriptions of how the Plan's assets are valued in accordance with International Financial Reporting Standards. Copies of the most recent annual audited financial statements are posted at [www.heritageintlplan.com](http://www.heritageintlplan.com) and can also be obtained upon request from the Foundation.

## DIFFERENCES FROM INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Plan's financial statements are prepared in accordance with International Financial Reporting Standards and those principles may differ from the valuation principles that are set out in this Prospectus.

## INVESTMENT POLICIES

Subscribers' Contributions will be, as directed by the Foundation, invested in investment certificates, debentures and bonds, most of which are guaranteed by the Government of the United States of America or the Government of Canada, and any state, province or municipality thereof. Contributions may also be invested in corporate bonds with a minimum credit rating of BBB or equivalent, as directed by the Foundation.

Income earned on Contributions may be invested in: (a) Equities listed on a stock exchange in Canada or the United States; (b) Index participation units of a Canadian or U.S. Exchange-Traded Fund ("ETF") whose objective is to replicate the performance of a specified widely quoted index of Canadian, U.S. or Global Equity Securities; (c) Corporate Bonds issued in Canada and the United States, with a minimum credit rating of BBB, and/or (d) Derivatives for hedging and liquidity purposes.

The investment objective of the Plan is to ensure the Plan's assets are fully invested, in the asset classes set out above, at all times. The Plan does not engage in any borrowing or lending activities, itself, or with the assets of the Plan. The Plan does not invest in other investment funds other than ETFs described herein.

## FINANCIAL YEAR END

The date of the financial year end for the Plan is December 31.

## CONFLICTS OF INTEREST

The Foundation and the Distributor are under common management, and the members of the Board of the Distributor also constitute members of the Board of the Foundation. While there may be a perceived conflict of interest as a result of this relationship, the Foundation does not believe that such overlap will result in any conflicts of interest.

## SCHOLARSHIP COMMITTEE

The Scholarship Committee is appointed by the Board of Directors of the Foundation and is responsible for assisting the Board and implementing decisions made by it. See “Directors and Officers” for those Directors who serve on the Scholarship Committee.

The major functions of the Scholarship Committee are to calculate EAPs each year, to make decisions concerning qualification of Beneficiaries, to determine whether institutions qualify as Recognized Institutions and to decide similar matters. As part of its role in determining EAPs, the Scholarship Committee determines the amounts, if any, that will be paid from the Enhancement Fund to supplement EAPs. The principal factors in this determination are the availability of funds for future Beneficiaries and current interest income.

## RISK FACTORS

### NO ENTITLEMENT TO INCOME

The Subscriber may not be entitled to any income earned on the investment if the Beneficiary does not become a Qualified Student (and the Self-Determined Option has not been selected).

### EARLY WITHDRAWAL AND DEFAULT FROM THE HERITAGE PLAN

If the Subscriber withdraws from his/her Plan within 60 days of signing the Application, all Contributions will be returned to the Subscriber without deductions.

Early withdrawal from or a default under your Plan may have negative financial consequences (See “What Happens If I Terminate the Heritage Plan”).

### FAILURE TO NOTIFY THE FOUNDATION OF ENROLLMENT

If the Subscriber does not notify the Foundation, no later than 60 days before the Maturity Date of the decision to select the Self-Determined Option, the Contract will be automatically placed under the Scholarship Option.

Once the deadline has been reached and a selection made, the selection cannot be reversed or changed.

## BENEFICIARY DOES NOT ATTEND A POST-SECONDARY PROGRAM

If the Beneficiary does not pursue a post-secondary/tertiary education, the Subscriber may nominate another Beneficiary to benefit from your Plan provided certain requirements are met (See “Can I Change the Beneficiary”). If no substitution of Beneficiary is made, or if the Contract is terminated before the Maturity Date, your Principal, which includes Contributions made less applicable fees, will be returned to you and the Beneficiary will not receive any EAPs.

## INVESTMENT RISKS

Principal and income are primarily invested in conservative investments. The Foundation may invest in equities, exchange traded funds and corporate debt securities of those firms with a minimum credit rating of BBB or higher. These investments are subject to greater risk than other securities invested by the Foundation. The primary risks are interest rate risk, investment risks and credit risk. See “Investment Policies” for more information.

## WHAT IF I FAIL TO APPLY OR AM LATE IN APPLYING FOR AN EAP?

If the Proof of Registration evidencing full-time or part-time enrollment at a Recognized Post-Secondary Institution is not returned to the Foundation by August 15th of the Year of Eligibility, the EAP may not be approved and if not approved, the Beneficiary will not be eligible to receive an EAP in that particular year.

## WHAT IF I DON'T ATTEND A PROGRAM OF LENGTH SELECTED?

If a Beneficiary is not enrolled in a Post-Secondary Program for each of the applicable years, the Beneficiary will not receive the full amount of the EAPs to which he/she may be entitled. Failure to enroll within the specified time frame could result in forfeiture. Any unpaid EAPs will remain in the appropriate Scholarship Fund for distribution among those Qualified Students who continue their Post-Secondary/Tertiary Education.

## TAXATION OF SUBSCRIBER AND BENEFICIARY

Bermuda at present imposes no taxes on profit, income, capital gains or appreciations in value of the Plan. There are also currently no taxes imposed in Bermuda by withholding or otherwise on the Subscribers on profit, income, capital gains or appreciations in respect of their Units nor any taxes on the Subscribers in the nature of estate duty, inheritance or capital transfer tax.

The Plan has received assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 (as amended by the Exempted Undertakings Tax Protection Amendment Act 2011) that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until March 31, 2035 be applicable to the Plan or to any of its operations, or to the Units, shares, debentures or other obligations of the Plan except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such Units, shares, debentures or other obligations of the Plan or any land leased or let to the Plan.

## FOREIGN ACCOUNT TAX COMPLIANCE ACT

The Foreign Account Tax Compliance Act ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010, represents an expansive information reporting regime enacted by the United States of America ("**U.S.**"). FATCA imposes a withholding tax of thirty per cent onto certain U.S. sourced amounts paid to certain Foreign Financial Institutions ("**FFI**"), unless various information reporting requirements are satisfied. The withholding obligation arises unless the FFI enters directly into a contract ("**FFI Agreement**") with the U.S. Internal Revenue Service ("**IRS**") or alternatively if the FFI is located in a Model 1 Intergovernmental Agreement ("**IGA**") country, and reports to the relevant tax authority. Amounts subject to withholding under these rules generally include gross U.S.-sourced dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the U.S. and certain other payments made by Participating Foreign Financial Institutions to recalcitrant account holders ("Foreign Pass Thru Payments"). An FFI agreement will impose obligations on the FFI including disclosure of certain information about U.S. investors directly to the IRS

and the imposition of withholding tax in the case of non-compliant investors.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the U.S. has developed an intergovernmental approach to the implementation of FATCA.

Knowledge First Financial, in its ongoing role in assisting the Foundation with administration of the Plan, is responsible for FATCA compliance in Canada. As a Canadian corporation, Knowledge First Financial is accountable to the Canadian federal government and more specifically, the Canada Revenue Agency ("**CRA**") for all income tax reporting matters, including FATCA. The Canadian Government signed an Intergovernmental Agreement with the U.S. Government on February 5, 2014 ("**Canadian IGA**"). The Canadian IGA is also intended to reduce the burden for Canadian Financial Institutions of FATCA compliance. The Canadian IGA also requires that information regarding U.S. Subscribers and their reportable accounts be provided to the CRA, who will then provide such information to the IRS.

## OECD COMMON REPORTING STANDARD REQUIREMENTS

The OECD has adopted a "Common Reporting Standard" ("**CRS**"), which is an international standard for financial account reporting. CRS requires that jurisdictions obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis.

The Government of Canada and Bermuda are signatories to the Multi-lateral Competent Authority Agreement on Automatic Exchange of Financial Account Information ("**MCAA**") that will be adopted by all jurisdictions committing to the CRS (each a "**Reportable Jurisdiction**"). Under Part XIX of the Income Tax Act (Canada), (the "**CRS Order**") the Plan will be required to make annual filings in respect of Subscribers who are resident in a Reportable Jurisdiction and who are not covered by one of the exemptions in the CRS Order. The information may also be reportable to other relevant authorities.

## LOCAL FATCA & CRS OBLIGATIONS - BERMUDA

### FATCA REQUIREMENTS IN BERMUDA

The Plan may be subject to the requirements imposed on FFIs, under FATCA and the Plan will use reasonable efforts to avoid the imposition of a withholding tax on EAP payments to Beneficiaries under FATCA. As a result, Subscribers will be required to provide identification and information attesting whether the Subscriber or the Beneficiary is a U.S. citizen, resident or is otherwise a U.S. taxpayer to avoid the imposition of such withholding tax. The ability of the Plan to satisfy such obligations will depend on each Subscriber providing, or causing to be provided, any information, which the Plan determines to be necessary in order to satisfy such obligations.

In the event any Subscriber fails to timely provide any information or tax documentation which the Plan determines is necessary in order to satisfy any obligations that it may have under FATCA, or to the extent that Subscriber's ownership or the existence of a Beneficiary otherwise would cause the Plan to be subject to withholding tax under FATCA,

- a) the Plan (or its agents on its behalf) is authorized to withhold amounts from EAP payments otherwise distributable to the Beneficiary as compensation for any amount withheld from payments to it as a result of such failure or such Subscriber's ownership, and
- b) to the extent necessary to avoid an adverse effect on the Plan or any other Subscriber as a result of such failure or such Subscriber's ownership, the Plan (or its agents on its behalf) shall have the right to cancel the Contract and disqualify the Beneficiary from receiving any further EAPs that he/she may otherwise be entitled to receive within 10 calendar days after notice from the Plan.

### OECD REQUIREMENTS IN BERMUDA

Bermuda has implemented a legal and regulatory regime which the OECD has recognized as generally complying with internationally agreed standards for transparency and exchange of information for tax purposes. This standard has involved Bermuda entering into a number of bilateral tax information exchange agreements which provide that upon request the competent authorities of participating countries shall provide assistance through the exchange of information relevant to the administration or enforcement of domestic laws of the participating countries concerning taxes covered by the agreements without regard to any

domestic tax interest requirement or bank secrecy for tax purposes. This includes information that is relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims or the investigation or prosecution of tax matters. Information is to be exchanged in accordance with the agreements and shall be treated as confidential in the manner provided therein. Consequently, each Subscriber should be aware that in accordance with such arrangements (as extended or varied from time to time to comply with then current international standards, to the extent adopted by Bermuda or any other relevant jurisdiction), relevant information concerning it and/or its investment in the Plan may be provided to the competent authority of a jurisdiction with which Bermuda has entered a tax information exchange agreement (or equivalent).

In addition, in 2014, the OECD announced the introduction of the CRS, which has now been widely accepted as the international standard for financial account reporting for tax purposes outside of the United States. The CRS sets out the financial account information to be exchanged between participating countries, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions. Bermuda became a participant of the CRS pursuant to the MCAA executed in 2014. Unlike FATCA, which requires the direct reporting of requisite information to the United States authorities, under the CRS reporting financial institutions are required to report requisite data to the Minister of Finance, in his capacity as the Competent Authority in Bermuda, for onward inter-governmental exchange. Bermuda legislation has been amended to ensure all Bermuda persons comply with the obligations of the CRS, FATCA and any other arrangements or agreements entered into by the Government of Bermuda for the exchange of information for tax purposes. The Plan is required to collect certain information for each calendar year from Subscribers and report such information to the Minister of Finance for exchange under the CRS.

## IMPLICATIONS FOR SUBSCRIBERS

By subscribing for Units (or continuing to subscribe for Units) in the Plan, Subscribers acknowledge that:

- i. the Plan (or its agents) may be required to disclose to the Government of Bermuda (including but not limited to the Registrar of

Companies, Bermuda Monetary Authority or any other regulatory body in Bermuda or the relevant tax authorities) certain confidential information in relation to the Subscriber, including but not limited to the Subscriber's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Subscriber's Contract;

- ii. the Government of Bermuda and/or Canadian Government may be required to automatically exchange information as outlined above with the IRS and the CRA;
- iii. the Plan (or its agents) may be required to disclose to the IRS and CRA certain confidential information if registering with such authorities and if such authorities contact the Plan (or its agent directly) with further enquiries;
- iv. the Plan may require the Subscriber to provide additional information and/or documentation which the Plan may be required to disclose to the Government of Bermuda or Canadian Government (including the relevant tax authorities);
- v. in the event that the Subscriber does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Plan or a risk of the Plan or its Subscribers being subject to withholding tax or penalties under the relevant legislative or intergovernmental regime, the Plan reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, terminating the Subscriber's Contract;
- vi. to the extent the Plan does suffer U.S. withholding tax or other applicable penalties from any tax authorities on its investments as a result of FATCA or CRS, then the Plan may take any action in relation to a Subscriber's subscription in the Plan to ensure that such withholding and penalties are economically borne by the relevant Subscriber whose failure to provide the necessary information or become a participating FFI gave rise to the withholding; and
- vii. no Subscriber affected by any such action or remedy shall have any claim against the Plan (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Plan in order to comply with any of the Canadian IGA, or

any other similar or future IGAs, or any of the relevant underlying legislation (including legislation for CRS and other legislation in any relevant country).

Each prospective Subscriber should consult their own tax advisor regarding the requirements of the above with respect to their own situation.

## COMPLIANCE DISCLAIMER – MONEY LAUNDERING

Participation in the Plan can result in a large deposit from the Subscriber. The Subscriber undertakes, when he/she signs the Application, that the funds used for deposit have not been derived from activities specified in the Money Laundering Statement that follows:

*Activities can consist of drug-trafficking offenses and financial misconduct or other specified activities. Drug-trafficking offenses include the manufacture, importation sale, or distribution of controlled substances; the commission of acts constituting a continuing criminal enterprise; and transportation of drug paraphernalia. Financial misconduct includes the concealment of assets from a receiver, custodian, trustee, marshal, or other officer of the court, from creditors in a bankruptcy proceeding; the making of a fraudulent conveyance in contemplation of a bankruptcy proceeding or with the intent to defeat any bankruptcy law; the giving of false oaths or claims in relation to a bankruptcy proceeding; bribery; the giving of commissions or gifts for the procurement of loans; theft, embezzlement, or misappropriation of bank funds or funds of other lending, credit, or insurance institutions; the making of fraudulent bank or credit institution entries or loan or credit applications; and mail, wire, or bank fraud or bank or postal robbery or theft. Other specified activities include counterfeiting, espionage, kidnapping or hostage-taking, copyright infringement, entry of goods by means of false statements, smuggling, removing goods from the custody of Customs officials, illegally exporting arms.*

As part of the Plan's responsibility for the prevention of money laundering and terrorist financing, the Plan, acting through the Administrator, may require detailed verification of a prospective Subscriber's identity, any beneficial owner underlying the account, and the source of the prospective Subscriber's Contributions.

The Administrator will receive all Contributions. Depending on the circumstances of each Contribution,

it may not be necessary to obtain full documentary evidence of identity where:

- (a) the prospective Subscriber is regulated for compliance with rules for the prevention of money laundering and terrorist financing and is based or incorporated in, or formed under the laws of one of the following recognized jurisdictions: Argentina, Aruba, Andorra, Australia, Bahamas, Barbados, Bermuda, Belgium, Brazil, British Virgin Islands, Bulgaria, Canada, Cayman Islands, Chile, China, Curaçao, Cyprus, Denmark, Dubai, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Latvia, Liechtenstein, Luxembourg, Malta, Mauritius, Mexico, Monaco, Netherlands, New Zealand, Norway, Panama, Portugal, Russia, Singapore, Slovenia, Spain, South Africa, St. Lucia, Sweden, Switzerland, United Kingdom, United States of America, Uruguay (the “**Recognized Jurisdictions**”); or
- (b) the Contribution is made by an intermediary acting on behalf of the prospective Subscriber and such intermediary is regulated for compliance with rules for the prevention of money laundering and terrorist financing and is based or incorporated in, or formed under the laws of a Recognized Jurisdiction.

In other cases, the Administrator may opt to apply the laws and regulations for the prevention of money laundering and terrorist financing of the Recognized Jurisdiction in which it is based, in such circumstances the derogations in (a) or (b) may not apply. The Administrator will notify prospective Subscribers if additional proof of identity is required. By way of example, a prospective Subscriber may be required to produce a copy of a passport or identification card duly certified as a true copy by a notary public, law firm or bank, together with evidence of his or her address such as a utility bill or bank statement.

Failure to provide the necessary evidence may result in applications being rejected or in delays in receiving funds or in the processing of documents.

Pending the provision of satisfactory evidence as to identity, the processing of the Subscriber’s enrollment application may be delayed. If within a reasonable period of time following a request for verification of identity, the Administrator has not received evidence satisfactory to it, the Subscriber’s enrollment application may be cancelled in which event application monies will be returned without income to the account from which such monies were received.

The Plan, the Administrator and any party acting on their behalf will be held harmless and will be fully indemnified by a Subscriber or prospective Subscriber against any loss arising as a result of a failure to process an enrollment application or any post-enrollment transaction if such information has not been satisfactorily provided by such Subscriber or prospective Subscriber.

## SUBSTITUTION OF TRUSTEE

In the event that continued Contributions by a Subscriber are prevented by currency restrictions or other legal and practical limitations, the Scholarship Committee may, in its sole discretion, establish a separate fund (“**Separate Fund**”) for the affected Subscribers. The conditions governing the Contributions and entitlement to the Separate Fund will be identical so far as possible to the terms of the Heritage Plan but may be modified to fit local conditions or modified as necessary according to the provisions of the Contract. In such event, the Qualified Student will receive EAPs either pursuant to the Contract or from the income accruing on the Separate Fund or both on a proportional basis and under the same terms and conditions as described in the Contract. In such event, the Scholarship Committee Members, in their sole discretion, will appoint an appropriate financial institution in the jurisdiction imposing such restrictions or limitation to act as trustee of the Separate Fund. In any event, all Fees shall continue to be payable in United States currency.

## AMENDMENT OF CONTRACTS AND TRUST INDENTURE

Any amendments to the Contract or the trust indenture establishing the Heritage Plan or any of the Heritage Plan’s constitutive documents (the “**Constitutive Documents**”) require the approval of the Foundation and the Subscribers. The Foundation or Trustee must call a meeting of Subscribers, on at least 30 days’ notice, to consider and approve all amendments. A resolution of the Subscribers may be passed by a majority of the votes cast at a meeting in person or by proxy. Each Subscriber is entitled to one vote per Unit.

Notwithstanding the foregoing, the Foundation may alter the Contract or any of the Constitutive Documents, without consulting the Subscribers, if in the opinion of the Foundation and the Trustee certifies in writing that, in its opinion, the proposed alteration:

- a) is required to be made in order to comply with applicable law or an order or rule of any governmental or regulatory authority;
- b) does not materially prejudice the interest of any Subscriber;
- c) does not to any material extent release a custodian, investment fund administrator, investment fund manager, investment fund advisor or any other person from any liability to Subscribers; and
- d) does not materially increase the costs and charges payable from the assets of the Heritage Plan.

However, if the Trustee is not able to certify in writing that an amendment to the Contract or Constitutive Documents proposed by the Foundation comply with (a) to (d) above, then the concurrence of the Subscribers is required. Such an amendment must be approved by (i) an extraordinary resolution passed by at least 75% of the Subscribers at a duly convened and constituted extraordinary meeting of the Subscribers; or (ii) a written resolution consented to in writing by at least 75% of the Subscribers.

## DIRECTORS AND OFFICERS

Following the Acquisition, the following individuals are the directors and officers of the Foundation and the Distributor:

| NAME   | POSITION WITH THE FOUNDATION                           | POSITION WITH DISTRIBUTOR | PRINCIPAL OCCUPATION DURING PAST FIVE YEARS  |
|--|--|---------------------------|--|
| <b>Garfield Sinclair</b><br>BSc.<br>Kingston, Jamaica            | Chairman and Director, Member of Scholarship Committee | Chairman and Director     | Co-Founder, Proven Management Limited; Vice President, Cable and Wireless Communications; prior to April 2021, Chief Executive Officer of BTC Bahamas and VP Northern Cluster (Bahamas, Jamaica, Cayman) Cable and Wireless Communications; prior to 2018, President- Caribbean, Cable and Wireless Communications; prior to 2017, President Chief Executive Officer, Cable and Wireless Communications LIME-Jamaica |
| <b>Johann Heaven</b><br>MSc, BSc., CFA, FRM<br>Kingston, Jamaica | Director, Member of Scholarship Committee              | Director                  | Deputy CEO, Proven Group Limited, and President and Chief Executive Officer of Proven Wealth Limited; prior to 2017, Senior Vice President and Chief Investment Officer, Proven Management Limited   |
| <b>Christopher Williams</b><br>MBA, BSc.<br>Kingston, Jamaica    | Director   | Director                  | Co-Founder and Chief Executive Officer, Proven Management Limited  |
| <b>John Richard Reid</b><br>MBA, BA<br>Orlando, Florida, USA     | Director   | Director                  | Micro Business Owner, Bynx, LLC, Kindred Investment Co. LLC, Second Act, LLC, Big Bang Promotional Products Inc. (Canada), T.R.I.J. properties Inc. (Canada); prior to 2018 Chief Executive Officer, Cable and Wireless Communications; prior to 2015 President and Chief Operating Officer, Columbus Communications Inc.  |

## STATEMENT TO SUBSCRIBERS

Each Subscriber is provided with an annual Statement of Account showing the amount of Contributions and any deductions therefrom as well as the annual rate of return earned by the Heritage Plan during the previous year.

## PLAN OF DISTRIBUTION

Pursuant to the provisions of an agreement between the Foundation and Heritage International (the “**Distributor**”, also referred to as the “**Administrator**”), the Distributor or its assignee has the exclusive right to offer Contracts. Heritage Agency (Bermuda) Limited is the assigned local distributor of the Plan in Bermuda. The Foundation will engage in the continuous sale of Units in the Heritage Plan.

The Distributor, a corporation organized under the laws of Canada, is a wholly-owned subsidiary of PROVEN. The Distributor, as remuneration for its services in distributing the Plan, is paid the Membership Fee by the Depository. The Membership Fee is used by the Distributor in part to reimburse the Sales Representatives of the local Distributor.

| NAME   | POSITION WITH THE FOUNDATION  | POSITION WITH DISTRIBUTOR            | PRINCIPAL OCCUPATION DURING PAST FIVE YEARS  |
|--|---|--------------------------------------|--|
| <b>Richard Gordon</b><br>MSc., BSc, CFA, CAIA<br>Kingston, Jamaica | Director, Member of Scholarship Committee and Chief Executive Officer | Director and Chief Executive Officer | PROVEN Group Chief Investment Officer, prior to 2023, Senior Vice President and Deputy Chief Executive Officer, Proven Wealth Limited; prior to 2021, Vice President, and General Manager, Proven Wealth Limited |
| <b>Amanda Bonnick</b><br>BSc.<br>Kingston, Jamaica                 | Chief Operating Officer   | Chief Operating Officer              | Senior Manager, Operations at Proven Wealth Limited  |
| <b>Damion Reynolds</b><br>BSc.<br>Kingston, Jamaica                | Chief Financial Officer   | Chief Financial Officer              | Assistant Vice President, Finance at PROVEN Wealth Limited   |
| <b>Trecia-Gay Clarke</b><br>MSc. BSc.<br>Kingston, Jamaica         | Chief Administrator   | Chief Administrator                  | Assistant Vice-President, Pension Administration, Proven Wealth Limited; prior to 2018, Assistant Manager, Pensions Administration, Victoria Mutual Pensions Management Limited                                  |
| <b>Monique Lawrence</b><br>MBA, BSc.<br>Kingston, Jamaica          | Vice President, Risk & Compliance                                     | Vice President, Risk & Compliance    | Assistant Vice-President, Risk and Compliance, Proven Wealth Limited; prior to 2021, Senior Manager, Risk and Compliance Assistant Manager, Risk and Compliance  |
| <b>Sherri Murray</b><br>MBA, BSc.<br>Kingston, Jamaica             | Company Secretary   | Company Secretary                    | Vice President, Operations and Human Resources/ Company Secretary, Proven Management Limited   |

## TRUSTEE

Butterfield Trust (Bermuda) Limited acts as Trustee of the Plan. Upon the Maturity Date or upon withdrawal by the Subscriber from the Heritage Plan, the Trustee returns Principal to the Depository for payment to the Subscribers and remits income thereon for contribution to the Scholarship Fund or the Self-Determined Account.

Funds remitted to the Trustee by the Depository are invested in trust for the Subscribers in investments directed by the Foundation, acting on investment advice from the portfolio advisors.

The members of the Trustee's senior management team who are responsible for the trustee services to the Plan are:

| NAME                 | TITLE   | PRINCIPAL OCCUPATION DURING PAST FIVE YEARS & KEY RESPONSIBILITIES  |
|----------------------|---|---|
| <b>John Richmond</b> | Managing Director, Member of Board of Directors | <p>Managing Director, Member of Board of Directors for Butterfield Trust (Bermuda) Limited. Prior to May 2016, VP and Team Leader for the Family Office Operation with HSBC Private Bank (Bermuda) Limited. The Managing Director has over 25 years' experience in managing complex trust structures across multiple jurisdictions.</p> <p>The Managing Director's responsibilities include the operation of Butterfield Trust (Bermuda) Limited and providing support to the team, as required, in addition to driving organizational success and developing and implementing strategic plans.</p> |

| NAME                      | TITLE  | PRINCIPAL OCCUPATION DURING PAST FIVE YEARS & KEY RESPONSIBILITIES  |
|---------------------------|--|---|
| <b>Michelle Malpas</b>    | Vice-President Trust Services & Deputy Managing Director, Member of Board of Directors | <p>Vice-President Trust Services and Deputy Managing Director, Member of Board of Directors for Butterfield Trust (Bermuda) Limited. The Vice-President Trust Services &amp; Deputy Managing Director has over 15 years' experience in the private client industry, seven years experience in risk and compliance and has garnered extensive experience in the areas of trust management and administration, wills and estates, company administration and compliance and risk management.</p> <p>The Vice-President Trust Services and Deputy Managing Director responsibilities include providing support to the MD in carrying out strategic plans in addition to providing support to the team when required.</p> |
| <b>Wendy Tucker-Adams</b> | Assistant Vice-President, Institutional Trust  | <p>Assistant Vice-President, Institutional Trust for Butterfield Trust (Bermuda) Limited.</p> <p>The Assistant Vice-President, Institutional Trust is responsible for the day to day administration of the Plan. The Trustee holds the trust property in trust for the use and benefit of the participants subject to the terms and conditions of the Trust Deed.</p>   |

## CHARTER DOCUMENTS AND MATERIAL CONTRACTS

The Foundation was established by letters patent (the “**Letters Patent**”) as a not-for-profit corporation under the Canada Corporations Act on May 16, 1983 as Canadian International Scholarship Trust Foundation. On November 4, 1987 it changed its name by supplementary letters patent (“**Supplementary Letters Patent**”) to Heritage International Scholarship Trust Foundation.

The Portfolio Advisor contracted by the Foundation to invest the non-Bahamian assets of the Heritage Plan is:

**PROVEN Wealth Limited (“PWL”)**, a licensed securities dealer with the Financial Services Commission in Jamaica. PWL is one of the Caribbean’s premier wealth management and asset management firms which specializes in investment management, investment banking, financial advisory services, stock brokerage and Cambio services. A core focus for PWL’s business is pension fund management and administration services. It is the fourth largest pension fund management company in Jamaica and has been operating for close to twenty (20) years. PWL manages over US\$610 million on behalf of clients.

The trust is established by the Trust Deed. The registered office of the Plan is c/o Butterfield Trust (Bermuda) Limited, 65 Front Street, Hamilton, Bermuda, HM12.

The only material contract of the Foundation is the Franchise Agreement (the “**Franchise Agreement**”) dated 1996 between the Foundation and Scholarship Advisors International LLC (now HEFI). The Franchise Agreement remains in place following the Acquisition.

The relationship between Heritage Education Funds International Inc. and Heritage Agency (Bermuda) Limited is that of an independent Distributor. Heritage Agency (Bermuda) Limited acts as agent to Heritage Education Funds International Inc. and Heritage Agency (Bermuda) Limited is responsible for supervising Sales Representatives, fulfilling compliance responsibilities and coordinating local sales and marketing efforts.

Copies of the following constitutive documents of the Plan, each of which may be inspected free of charge or purchased during normal business hours upon reasonable advance notice, are available at the Plan’s registered office in Bermuda:

- (a) Letters Patent;
- (b) by-laws of the Foundation;
- (c) Supplementary Letters Patent;
- (d) the Trust Deed;
- (e) the Franchise Agreement;
- (f) the Investment Management Agreements; and
- (g) the Contract.

CONTRIBUTION SCHEDULE FOR EACH HERITAGE PLAN UNIT

All contributions are actuarially designed (assuming all are made in accordance with the Contribution Schedule) to earn approximately an equal amount of income at maturity and include Membership Fees.

| CONTRIBUTION METHOD            |            | Number of Years until Maturity (first year of Post-Secondary Program) |            |            |            |            |            |            |            |            |            |            |            |            |   |
|--------------------------------|------------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---|
| NUMBER OF YEARS UNTIL MATURITY |            | 18  | 17         | 16         | 15         | 14         | 13         | 12         | 11         | 10         | 9          | 8          | 7          | 6          | 5 |
| SINGLE CONTRIBUTION            |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
| Number of contributions        | 1          | 1   | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1 |
| Total amount of contributions  | \$507.70   | \$543.90  | \$585.20   | \$632.60   | \$687.50   | \$751.60   | \$827.40   | \$918.30   | \$1,029.00 | \$1,166.60 | \$1,341.90 | \$1,572.40 | \$1,888.60 | \$2,348.00 |   |
| ANNUAL                         |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
| Amount of contributions        | \$ 64.50   | \$72.40   | \$81.90    | \$93.40    | \$107.50   | \$125.10   | \$147.50   | \$176.50   | \$214.70   | \$266.80   | \$340.50   | \$449.40   | \$620.40   | \$911.60   |   |
| Number of contributions        | 17         | 16  | 15         | 14         | 13         | 12         | 11         | 10         | 9          | 8          | 7          | 6          | 5          | 4          |   |
| Total amount of contributions  | \$1,096.50 | \$1,158.40  | \$1,228.50 | \$1,307.60 | \$1,397.50 | \$1,501.20 | \$1,622.50 | \$1,765.00 | \$1,932.30 | \$2,134.40 | \$2,383.50 | \$2,696.40 | \$3,102.00 | \$3,646.40 |   |
| MONTHLY*                       |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
| Amount of contributions        | \$ 6.00    | \$6.70  | \$7.60     | \$8.70     | \$10.10    | \$11.80    | \$13.90    | \$16.80    | \$20.70    | \$26.00    | \$33.80    | \$45.50    | \$64.70    | \$98.80    |   |
| Number of contributions        | 207        | 195   | 183        | 171        | 159        | 147        | 135        | 123        | 111        | 99         | 87         | 75         | 63         | 51         |   |
| Total amount of contributions  | \$1,242.00 | \$1,306.50  | \$1,390.80 | \$1,487.70 | \$1,605.90 | \$1,734.60 | \$1,876.50 | \$2,066.40 | \$2,297.70 | \$2,574.00 | \$2,940.60 | \$3,412.50 | \$4,076.10 | \$5,038.80 |   |
| FIVE-YEAR ANNUAL               |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
| Amount of contributions        | \$122.50   | \$132.10  | \$143.20   | \$156.20   | \$171.60   | \$189.90   | \$212.10   | \$239.80   | \$275.00   | \$321.20   | \$384.50   | \$476.10   | \$620.40   | \$880.20   |   |
| Number of contributions        | 5          | 5   | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          |   |
| Total amount of contributions  | \$612.50   | \$660.50  | \$716.00   | \$781.00   | \$858.00   | \$949.50   | \$1,060.50 | \$1,199.00 | \$1,375.00 | \$1,606.00 | \$1,922.50 | \$2,380.50 | \$3,102.00 | \$4,401.00 |   |
| FIVE-YEAR MONTHLY*             |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
| Amount of contributions        | \$11.10    | \$12.00   | \$13.00    | \$14.20    | \$15.60    | \$17.30    | \$19.50    | \$22.20    | \$25.70    | \$30.40    | \$37.10    | \$47.30    | \$64.80    | \$98.80    |   |
| Number of contributions        | 60         | 60  | 60         | 60         | 60         | 60         | 60         | 60         | 60         | 60         | 60         | 60         | 60         | 60         |   |
| Total amount of contributions  | \$666.00   | \$720.00  | \$780.00   | \$852.00   | \$936.00   | \$1,038.00 | \$1,170.00 | \$1,332.00 | \$1,542.00 | \$1,824.00 | \$2,226.00 | \$2,838.00 | \$3,888.00 | \$5,928.00 |   |
| TEN-YEAR MONTHLY*              |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
|                                |            |   |            |            |            |            |            |            |            |            |            |            |            |            |   |
| Amount of contributions        | \$7.40     | \$8.00  | \$8.80     | \$9.80     | \$11.00    | \$12.50    | \$14.00    |            |            |            |            |            |            |            |   |
| Number of contributions        | 121        | 121   | 121        | 121        | 121        | 121        | 121        |            |            |            |            |            |            |            |   |
| Total amount of contributions  | \$895.40   | \$968.00  | \$1,064.80 | \$1,185.80 | \$1,331.00 | \$1,512.50 | \$1,694.00 |            |            |            |            |            |            |            |   |

Amounts may not reconcile due to rounding.

\* Initial Deposit on Monthly, Five-Year Monthly and Ten-Year Monthly Plans is \$5.00/Unit, minimum \$25, in addition to the schedule outlined.

## GLOSSARY OF TERMS USED IN THIS PROSPECTUS

**“ACCEPTANCE DATE”** means the date designated by the Foundation, being not later than the date on which an application is approved by the Foundation and an initial Contribution has been made and is not earlier than the date an application is signed by the Subscriber;

**“ANNUAL COMPOUNDED RETURN”** is calculated using market values and time-weighted cash flows during the year. The returns are net of the portfolio management fees and assume that all of the income, interest earned and capital gains distributions are reinvested in the Plan. Past performance does not necessarily indicate how the Plan’s investment portfolio will perform in the future.

**“APPLICATION”** means the completed Enrollment Application annexed to the Education Savings Plan Contract;

**“BENEFICIARY”** means the child identified in the Contract under age 14 at the time of enrollment and, if applicable, his/her successor;

**“CONTRACT”** means the Contract for the Heritage Plan, together with the Enrollment Application;

**“CONTRIBUTIONS”** means the funds contributed by a Subscriber to the Plan on behalf of a Beneficiary;

**“DEPOSIT ACCOUNT”** means the account maintained by the Custodian and the Trustee in trust for the Subscriber into which Principal is placed;

**“DEPOSITORY”** means Bank of N.T. Butterfield & Son Limited, whose registered office is situated at 65 Front Street, Hamilton, Bermuda, HM12, or its successor which is responsible for receiving Deposits, deducting Membership Fees and Depository Fees and remitting the balance to and receiving Principal from the account maintained by the Custodian and the Trustee in trust for the Subscriber;

**“DEPOSITORY FEES”** are the fees paid to the Foundation or an affiliate of the Distributor described in the section entitled “What Fees or Expenses are involved with a Heritage Plan”;

**“EDUCATION SAVINGS PLAN”** (ESP) means a contract made between (i) an individual, singly or jointly, and (ii) the Foundation, under which the Foundation agrees to cause Educational Assistance Payments to be paid to a Beneficiary;

**“EDUCATION SAVINGS PLAN DETAILS”** means the form, issued by the Foundation after an application has been accepted, which contains personal details of each Contract;

**“EDUCATIONAL ASSISTANCE PAYMENTS”** (“EAPs/ Scholarships”) mean the amounts determined by the Foundation to be paid out of the Group Plan Trust to eligible Beneficiaries who attend a Recognized Institution in the Year of Eligibility and the amounts paid subsequently upon continued qualification if the Subscriber selected the Scholarship Option;

**“EFFECTIVE RATE OF RETURN”** means the rate of return adjusted for the impact of compound growth over the period of time in which all available EAPs are received by a Beneficiary who chooses the Scholarship Option;

**“ENHANCEMENT FUND”** means a fund consisting of interest accruing on funds in the Scholarship Fund and returned Principal cheques or uncashed Principal cheques of Subscribers;

**“FEES”** means the fees specified in the section entitled “What Fees or Expenses are involved with a Heritage Plan?”;

**“MATURITY DATE”** means July 31st in the year in which the Beneficiary is expected to begin post-secondary studies (normally when the Beneficiary is 18 years of age) and is the date stipulated in this Contract, being the date on which the Principal is returned to the Subscriber;

**“MEMBERSHIP FEE”** means \$110 per Unit deducted from Contributions as set out in the section entitled “What Fees or Expenses are involved with a Heritage Plan?”;

**“PLAN”** means the particular savings plan in which a Subscriber enrolls by entering into this Contract;

**“POST-SECONDARY PROGRAM”** is any eligible program of study at a Recognized Institution requiring full-time or part-time attendance by the Beneficiary. A full-time program at a university is described as a course of study that is at least three consecutive weeks, with at least ten hours of study each week; or a course of study at a Recognized Institution, other than a university, of at least 13 consecutive weeks, with at least ten hours of study each week. A part-time program is described as a course of study at a Recognized Institution of at least 13 consecutive weeks, with at least 12 hours of study per month;

**“PRINCIPAL”** means the amount deposited in the Deposit Account after deduction from the Contributions of the Fees and does not include income earned on such amounts;

**“QUALIFIED STUDENT”** means a Beneficiary under a Contract which is in good standing and who attends a Recognized Institution in the Year of Eligibility and who is accepted by the Recognized Institution for up to two additional years of study;

**“RECOGNIZED INSTITUTION”** means an accredited educational institution anywhere in the world that provides courses at a post-secondary level and is authorized to confer a degree or diploma, attendance at which, in the Year of Eligibility and subsequently, qualifies a Beneficiary for an Educational Assistance Payment/Scholarship and which is approved by the Scholarship Committee;

**“SCHOLARSHIP COMMITTEE”** means the committee established from time to time by the Board of Directors of the Foundation to make decisions concerning eligibility, approved courses of study, Recognized Institutions and other matters;

**“SCHOLARSHIP FUND”** (also referred to as Scholarship pool) means the separate account maintained by the Trustee, constituted of income on Principal at the Maturity Date from Subscribers enrolled in the Plan (including a portion of the income of those who have withdrawn from the Plan) allocated according to the Year of Eligibility with respect to Beneficiaries where the Self-Determined Option has not been selected;

**“SCHOLARSHIP OPTION”** means the option automatically deemed selected by a Subscriber enrolled in the Plan if the Self-Determined Option is not selected, entitling the Beneficiary to Educational Assistance Payments;

**“SCHOLARSHIPS”** means the EAPs determined by the Foundation and payable to Beneficiaries who become Qualified Students in the Year of Eligibility and the EAPs made subsequently upon continued qualification;

**“SELF-COMPLETION FEATURE”** is a feature of the Plan that may allow for a Qualified Student to receive EAPs, in the event of death or disability of a Subscriber, as if all Contributions were made;

**“SELF-DETERMINED ACCOUNT”** means (with respect to Subscribers who have enrolled in the Plan and selected the Self-Determined Option) each individual account established by the Trustee to hold funds into which Principal and income thereon is directed on the Maturity Date and additional Contributions are made after the Maturity Date;

**“SELF-DETERMINED OPTION”** means the option that may be selected by a Subscriber of a Contract that is in good standing, no later than 60 days prior to the Maturity Date permitting additional Contributions to be made up to and including the 21st year following the year the Subscriber’s Contract was entered into and providing for the return to the Subscriber of Principal and income upon request of the Subscriber any time after the original Maturity Date;

**“SELF-DETERMINED PAYMENTS”** are payments comprised of principal and income and are made if the Subscriber selects the Self-Determined Option at any time after the Maturity Date, upon request from the Subscriber. There is no participation in the Group Plan under this option;

**“SUBSCRIBER(S)”** means the person or persons who signed the application for enrollment of a Beneficiary in the Heritage Plan and who is responsible for the required Contributions, and whose Application has been accepted by the Foundation;

**“TRUSTEE”** means the trustee of funds to be paid as EAPs or Self-Determined Payments, being a financial institution authorized to do business as a trustee. Initially the Trustee shall be Butterfield Trust (Bermuda) Limited;

**“UNIT”** is the standard of measurement or shares used to determine the level of participation by a Subscriber for a Beneficiary enrolled in the Plan;

**“YEAR OF ELIGIBILITY”** means the year in which a Beneficiary is expected to begin the second year of post-secondary education (usually the year in which the Beneficiary becomes 19 years of age) or such earlier or later year to which it is changed.

## CERTIFICATE OF ISSUER

This Prospectus includes all information in respect of the Plan that is required by the Investment Funds Act 2006 of Bermuda as amended and the Fund Prospectus Rules thereunder, including all material information reasonably within the Issuer's knowledge that it has determined investors would reasonably require for the purpose of making an informed judgment about the merits of investing in the Plan.

Signed by:

*Garfield Sinclair*

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**Garfield Sinclair**

Chairman

Heritage International Scholarship Trust Foundation

DocuSigned by:

*Richard Gordon*

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**Richard Gordon**

President & Chief Executive Officer

Heritage International Scholarship Trust Foundation







**PROSPECTUS** | MARCH 2024

**HERITAGE INTERNATIONAL  
SCHOLARSHIP TRUST PLAN (PLAN E)**

Sponsored by

**HERITAGE INTERNATIONAL  
SCHOLARSHIP TRUST FOUNDATION**

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Distributed locally by:

**HERITAGE AGENCY (BERMUDA) LIMITED**

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Hamilton, Bermuda, HM11

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