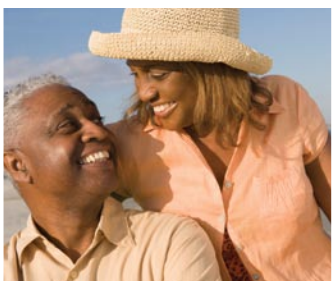
Effective November 2008


Five *for* Life™

Information Folder

TRANSAMERICA LIFE CANADA

TRANSAMERICA LIFE CANADA

Five *for* Life™

INFORMATION FOLDER AND POLICY

This information folder is published for information purposes and is not a Contract. For the terms of the **Five *for* Life** Contract, please consult the Annuity Policy. This information folder should be read together with the **Five *for* Life** Summary Fact Statements and Fund Highlights.Transamerica Life Canada is the sole issuer of the **Five *for* Life** Contract and the provider of the guarantees under the Contract.

Transamerica Life Canada hereby certifies that this information folder provides brief and plain disclosure of all material facts relating to the **Five *for* Life** annuity contract.

Certified on behalf of Transamerica Life Canada by:

Douglas W. Brooks
President and Chief Executive Officer

Glenn Daniels
Corporate Secretary

Table of Contents

Table of Contents

THE PURPOSE OF THIS INFORMATION FOLDER

This information folder is not a policy or a contract - it explains the features of your Contract. This folder does not confer any rights on you or any obligations on us.

Some key terms in this information folder are defined in the glossary in the Annuity Policy.

EXECUTIVE SUMMARY

Five *for* Life is an individual variable insurance contract, commonly referred to as a segregated fund contract (the "Contract").

The Contract is between you, the Owner, and Transamerica Life Canada. You must designate an Annuitant for the Contract. If the Contract is established as an RRSP or a RRIF, you must also be the Annuitant.

Under this Contract, you are provided with certain benefits or guarantees. Specifically, the benefits provided under this Contract are as follows:

- Guaranteed Lifetime Withdrawal Benefit (GLWB),
- Death Benefit, and
- Contract Maturity Benefit.

The benefits under the Contract are based on both the age and life of the Annuitant.

The Guaranteed Lifetime Withdrawal Benefit provides that you will be eligible to receive a Guaranteed Lifetime Withdrawal Amount (GLWA) in the year the Annuitant attains age 65, or immediately if the Annuitant is age 65 or older. The GLWA is an amount that you may withdraw each calendar year from the Contract for the life of the Annuitant. While you may choose to make withdrawals during a calendar year that exceed the GLWA (or in the case of RIF contracts, the GLWA RRIF Minimum, if greater), such withdrawals will have a negative impact on the GLWB available under the Contract.

The GLWA will be determined annually by multiplying the Withdrawal Percentage (WD%) by the Guaranteed Withdrawal Base (GWBase) of the Contract. **The first withdrawal from the Contract in a year that the annuitant is 65 years of age or older will set the WD%**. Once set, the WD% cannot be changed. The WD% will be 5% in calendar years that the Annuitant is aged between 65 and 74 and will increase to 5.5% in calendar years that the Annuitant is 75 years of age or older. GLWA payments must begin no later than the year the Annuitant is 95 years of age.

The GWBase is a notional amount that we track for determining the GLWA. It is initially set by the first Deposit to the Contract and will increase in three ways:

- by additional Deposits,
- through a 5% bonus which is added to the GWBase at the end of each calendar year where a withdrawal is not made. The bonus is available for the first 15 calendar years of the Contract, and
- through a Reset that occurs every 3 years, on the Policy Anniversary date. If the Market Value of the Contract is greater than the value of the GWBase, the Reset will increase the GWBase to match the Contract's Market Value. Resets are available until the earlier of the tenth Reset or the Annuitant reaching the age of 81.

The GWBase will not reduce in value if withdrawals are less than or equal to the GLWA. However, the GWBase will decrease in value if you make a withdrawal in a calendar year that exceeds the GLWA. Such a withdrawal is referred to as an Excess Withdrawal and will lead to a Downward Adjustment of the GWBase. A Downward Adjustment may result in a decrease in the value of the GWBase that is greater than the amount of the Excess Withdrawal. If the GWBase and the Market Value of the Contract are reduced to zero, the withdrawal benefit ends and the Contract is terminated.

The Death Benefit provides that upon the death of the Annuitant, your Beneficiary will receive the greater of the Market Value of the Contract and the Death Guaranteed Amount. The Death Guaranteed Amount is equivalent to 100% of all the Deposits to the Contract, less proportionate reductions for withdrawals. The Death Guaranteed Amount can also increase through Resets.

The Contract Maturity Benefit provides that upon the Contract Maturity Date, you will receive the greater of the Market Value of the Contract and the Maturity Guaranteed Amount. The Maturity Guaranteed Amount is the equivalent to 75% of all the money deposited to the Contract, less proportionate reductions for withdrawals. The Contract Maturity Benefit will be applied towards the purchase of an immediate, single life annuity issued by Transamerica Life Canada. The annual annuity payment will be no less than the GLWA in effect as of the Contact Maturity Date. The Contract Maturity Date will be December 31st in the year the Annuitant turns 120 years of age.

For more information on the features of **Five *for* Life**, please read this Information Folder. For the terms of the Contract between you and Transamerica, please consult the Annuity Policy. For information on the Funds available within this Contract, please refer to the **Five *for* Life** Summary Facts Statement Booklet or speak with your financial advisor.

Any amount that is allocated to a Fund is invested at the risk of the Owner and may increase or decrease in value.

THE FOLLOWING TABLE SUMMARIZES THE MAIN FEATURES OF THE ***Five for Life*** CONTRACT.

General Information	
Plan types	• RRSP, RRIF, and non-registered *See section 3, Types of Contracts Available for more information*
Latest age to make deposits	• Non-Registered and RRIF Contracts – The day before the Annuitant turns 81 • RRSP Contracts – December 31st of the year the Annuitant turns 71*
Deposits**	• Minimum $25,000 within the Initial Deposit Period. The Initial Deposit Period is the first 45 days of the Contract. • Minimum $500 per Fund • PAC Minimum $100/month, with a minimum of $50 per Fund • Deposits of $2 Million or more require pre-approval *See section 4, Deposits for more information*
Fund Switches	• 4 free unscheduled switches per calendar year, thereafter we will charge a switch fee of 2% of the amount switched • Minimum switch amount of $100 with a minimum of $50 per Fund • We may also charge an early switch fee of 2% of the amount switched if you make an unscheduled switch within 90 days of allocating a deposit to the Fund. *See section 5, Fund Switches for more information*
Withdrawals***	• Minimum withdrawal amount of $100 with a minimum of $50 per Fund • We may charge an early withdrawal fee of 2% of the amount withdrawn if the unscheduled withdrawal is made within 90 days of the Deposit. *See section 6, Withdrawals for more information*

* Or latest age to hold an RRSP under the *Income Tax Act* (Canada)

** We reserve the right to refuse Deposits to a ***Five for Life*** Fund if they are outside our minimum or maximum requirements according to the Administrative Rules in place at that time. **WE RESERVE THE RIGHT TO CHANGE OR MODIFY THESE RULES FROM TIME TO TIME**.

*** Please note, in this Information Folder, in the context of the Guaranteed Lifetime Withdrawal Benefit, the terms “withdrawals” and “payments” are used interchangeably.

Guarantees	
Contract Maturity Benefit	• Calculated on the Contract Maturity Date, which is December 31st of the year the last surviving Annuitant turns 120, or the last Valuation Date of the year if December 31st is not a Valuation Date. • Calculated as the greater of: (i) the Maturity Guaranteed Amount, and (ii) the Market Value of the Contract. *See sections 7.9, 7.9.2, 7.9.3, Contract Maturity Benefit and Death Benefit and 9.4, Market Value of the Contract for more information*
Death Benefit	• Calculated on the Death Benefit Date. • Calculated as the greater of: (i) the Death Guaranteed Amount, and (ii) the Market Value of the Contract. *See sections 7.9, 7.9.5, 7.9.6, 7.9.7, Contract Maturity Benefit and Death Benefit and 9.4, Market Value of the Contract for more information*

Guarantees	
Guaranteed Lifetime Withdrawal Benefit (GLWB)	• The GLWB provides for guaranteed minimum annual withdrawals equal to the Guaranteed Lifetime Withdrawal Amount (GLWA) for the lifetime of the Annuitant, provided annual withdrawal maximums are not exceeded. *See section 7.2, Guaranteed Lifetime Withdrawal Benefit for more information*
Guaranteed Lifetime Withdrawal Amount (GLWA)	• The GLWA is the minimum amount guaranteed to be available for withdrawals each calendar year for the life of the Annuitant. • The GLWA may vary from year to year, however if withdrawals during a calendar year do not exceed the GLWA, the GLWA will not decrease in value. • The GLWA is available in the year the Annuitant reaches Calendar Age 65, or immediately if the Annuitant is age 65 or older. By the end of the year the Annuitant turns Calendar Age 95, you must take the full GLWA payment. The Calendar Age is determined by subtracting the current year by the birth year of the Annuitant (for example: 2008 – 1943 = Calendar Age 65) • The GLWA is calculated in three circumstances: (i) on the first Deposit; (iii) when subsequent Deposits are made in the Initial Deposit Period; (iii) on each December 31st or the last Valuation Date of the year if December 31st is not a Valuation Date. • The GLWA is calculated by multiplying the Withdrawal Percentage with the Guaranteed Withdrawal Base (GWBase). *See section 7.4, Guaranteed Lifetime Withdrawal Amount for more information*
Guaranteed Withdrawal Base (GWBASE)	• The GWBase is a notional amount used to determine the GLWA. • The GWBase is initially equal to the first Deposit to the Contract • The GWBase increases by: (i) additional Deposits (ii) Resets (iii) Future Income Escalator Bonus (FIE Bonus) • The GWBase is not decreased by withdrawals less than or equal to the GLWA. • The GWBase will decrease when a withdrawal is made during a calendar year that exceeds the GLWA (or in the case of RIF contracts, the GLWA RRIF Minimum, if greater). The amount withdrawn in excess of the GLWA is referred to as an Excess Withdrawal. • An Excess Withdrawal will lead to a reduction in the value of the GWBase via a GWBase Downward Adjustment. • A GWBase Downward Adjustment will reduce the value of the GWBase by the greater of the: (i) dollar value of the Excess Withdrawal; and (ii) proportionate market value of the Excess Withdrawal relative to the Market Value of the Contract before the Excess Withdrawal *See section 7.3, Guaranteed Withdrawal Base for more information*

Guarantees	
Withdrawal Percentage (WD%)	• The Withdrawal Percentage (WD%) is used for determining the GLWA • The WD% for the Contract is set when you make a withdrawal for the first time in a year the Annuitant is Calendar Age 65 or older. • Once set, it is the WD% for the term of the Contract. • The WD% varies based on the Calendar Age of the Annuitant as follows: (i) 5% for Annuitants with a Calendar Age ranging from 65 to 74 (ii) 5.5% for Annuitants with a Calendar Age ranging from 75 to 95 *See section 7.4.2, Components of the GLWA Calculation for more information*
Future Income Escalator Base (FIEBASE)	• The FIEBase is a notional amount used to determine the FIE Bonus. • The FIEBase is set by the first deposit made to the Contract. • It increases by : (i) additional Deposits (ii) Resets • The FIEBase decreases by the: (i) dollar value of withdrawals, if the withdrawal is less than or equal to the GLWA; and (ii) the FIEBase Downward Adjustment, when an Excess Withdrawal is made during a calendar year. The amount withdrawn in excess of the GLWA is referred to as an Excess Withdrawal. • The FIEBase Downward Adjustment will reduce the value of the FIEBase by the greater of the: (i) dollar value of the Excess Withdrawal; and (ii) the proportionate market value of the Excess Withdrawal relative to the Market Value of Contract before the Excess Withdrawal *See section 7.3.4, Future Income Escalator Bonus and Impact on GWBase for more information*
Future Income Escalator Bonus (FIE BONUS)	• The FIE Bonus is a notional amount that increases the GWBase. • It is available in each of the first 15 calendar years that the Contract is in force. The FIE Bonus is zero in the year a withdrawal is made. • The FIE Bonus is calculated as 5% of the FIEBase. • It is calculated on December 31st of each year you are eligible for a FIE Bonus. If December 31st is not a Valuation Date, the FIE Bonus will be calculated on the last Valuation Date of the year. *See section 7.3.4, Future Income Escalator Bonus and Impact on GWBase for more information*

Guarantees	
Resets	• Resets may increase the value of each of the following features of the Contract, as applicable: (i) the Death Guaranteed Amount; (ii) the GWBase; and (iii) the FIEBase. • Resets are performed automatically every 3 three years, on the Policy Anniversary Date if the Market Value of the Contract , as applicable is greater than the value of each of the following: (i) the Death Guaranteed Amount; (ii) the GWBase; and (iii) the FIEBase. • For the Death Guaranteed Amount, GWBase and FIEBase, Resets will occur until the tenth Reset or the Annuitant's 81st birthday, whichever is earlier. *See section 7.9.6, Resets of the Death Guaranteed Amount and 7.3.5, Resets and Impact on the GWBase and the FIEBase for more information*
GLWA RRIF Minimum	• The GLWA RRIF Minimum is only calculated if the Contract is registered as a RRIF • The GLWA RRIF Minimum is used to minimize Excess Withdrawals as a result of an Annuitant taking the required RRIF Minimum Amount from the Contract • If you have elected to calculate your RRIF Minimum Amount based on your age, the GLWA RRIF Minimum is based on your age and will be equal to the RRIF Minimum Amount. • If you have elected to calculate your RRIF Minimum Amount based on your spouse's or common-law partner's age, we will calculate the GLWA RRIF Minimum based on either your age or your spouse's or common-law partner's age, whomever is younger. • Any withdrawal amounts in a calendar year that exceed both the GLWA and the GLWA RRIF Minimum, will be considered an Excess Withdrawal. • An Excess Withdrawal will trigger a Downward Adjustment of both the GWBase and FIEBase. Such an event may have a negative impact on future guaranteed payments under the GLWB. *See section 7.5, GLWA RRIF Minimum for more information*
Guaranteed Payment Phase	• The Contract is in the Guaranteed Payment Phase if the Market Value is reduced to zero while the GWBase is greater than zero. • GLWA payments will continue to be made to you as long as the Annuitant is living. • The calculation of payments will be based on the value of the GWBase and the WD% at the time the Contract enters the Guaranteed Payment Phase. • During the Guaranteed Payment Phase, the Contract Maturity Benefit and the Death Benefit will no longer apply. *See section 7.8, Guaranteed Payment Phase for more information*

Fee and Investment Options	
Investment Options	• The Funds available under this Contract are diversified by asset class, geographic region and investment style. • Individual funds as well as portfolio or asset allocation funds are available. • Fund Units are valued daily on each Valuation Date. **Please consult the Summary Fact Statements for the investment objective, policy and risks associated with each Fund.**
Sales Charges	• There are two sales charge options available for the Funds in the Contract: (i) Initial Sales Charge (ISC); and (ii) Deferred Sales Charge (DSC). • Under the ISC option, a sales charge that you negotiate with your advisor is deducted from the Premium before Units are purchased. The initial sales charge is paid as compensation to your Advisor. The Fund Units allocated to your Contract will be ISC Units. • Under the DSC option, we pay your Advisor at the time of the deposit, and the full Premium is used to purchase Units. You pay us a fee if you make a withdrawal within the first 8 years of the Deposit. Thereafter, there is no DSC fee on those Units. The Fund Units allocated to your Contract will be DSC Units. • You are entitled to a 10% free withdrawal each year of DSC Units allocated to the Funds within the Contract. This privilege is prorated in the first year of deposit. Any unused portion of the privilege cannot be carried forward to future years. • You may hold both DSC and ISC Units in the same Contract. *See section 10, Sales Charge Options for more information*

Fee and Investment Options	
Fees	• Fees in this Contract consist of : (i) Management Fees and operating expenses, (ii) GLWB Fees, and (iii) Transactional Fees • Each Fund pays a management fee to us for providing the management of the Fund, commissions and service fees payable to Advisors, and for the costs of providing the death and maturity benefits of the Contract. • Each Fund also pays its own operating expenses. • Management Fees and expenses are deducted daily before the calculation of the Unit Value of the Fund. • Management fees and operating expenses vary for each Fund and are incorporated in the Management Expense Ratio (MER) of a Fund. • There is no duplication of fees if the Fund invests in an Underlying Fund. • The GLWB Fee is paid out of the Contract and is in addition to Management Fees and expenses applicable to the Funds. (i) The GLWB Fee is paid monthly, through the withdrawal of Units. (ii) The amount of the GLWB Fee is determined by the GWBase, the Fund Fee Rate and the proportionate market value of the Fund in relation to the Market Value of the Contract. • In addition to these fees, there are certain transactional fees we can charge that are intended to discourage behaviour that can negatively impact the returns of the funds. Specifically, we will charge a: (i) switch fee of 2% of the amount switched if you make more than 4 unscheduled switches in one year. • We may also charge: (i) an early withdrawal fee of 2% of the amount withdrawn if the unscheduled withdrawal is made within 90 days of the Deposit and (ii) an early switch fee of 2% of the amount switched if the unscheduled switch is made within 90 days of allocating a Deposit to the Fund. *See section 11, Fees for more information* **Please consult the Summary Fact Statements for the Management Fee of each Fund.**

Other Important Information	
Fundamental Changes	• You have certain rights if we make changes that are considered fundamental. A fundamental change is: ▪ an increase in the management fee of a Fund; ▪ a change in the fundamental investment objectives of a Fund; ▪ a decrease in the frequency with which Units of a Fund are valued; or ▪ an increase in the insurance cost of a Fund in excess of the maximum limit. *See section 13.2, Fundamental Changes for more information*
Tax	• You will be allocated income and capital gains and losses based on the number of Units of each Fund you hold. You may be taxed on the income allocated and gains realized. • Switches, withdrawals, discontinuance of a Fund and reallocation to another Fund, substitution of an Underlying Fund may result in a taxable event. • Where required, we will issue a tax slip at the end of the year showing the income, capital gain and capital losses for Units of Funds allocated to you. *See section 14, Tax Implications for more information*
Financial information about the Funds	**Please review the Summary Facts Statements Booklet that accompanies this Information Folder before entering into this Contract.** • Audited annual financial statements and unaudited semi-annual financial statements are available upon request by writing to us at our Head Office at 5000 Yonge Street, Toronto, Ontario, M2N 7J8. Attention: Investment Products, Operations. You may also access these documents at www.transamerica.ca.

Any part of the premium or other amount that is allocated to a *Five for Life* Fund is invested at the risk of the contractholder and may increase or decrease in value.

1. COMMUNICATIONS

1.1 General Information

In this Information Folder, "you", "your" and "Owner" mean the person who is the Owner of the Contract or holder of rights under the Contract. "We", "our", "us", "Transamerica" and the "Company" mean Transamerica Life Canada, which is a federally incorporated life insurance company. Transamerica Life Canada provides Canadians with innovative life insurance and investment products and services. Through a national network of independent advisors, Transamerica creates better futures for stakeholders through our core values: Respect, Quality, Transparency and Trust.

Transamerica Life Canada is a member of the AEGON Group, one of the world's largest life insurance and pension companies, and strong provider of investment products. AEGON N.V. is headquartered in The Hague, The Netherlands. Shares of AEGON N.V. are traded on the stock exchanges of Amsterdam, London, New York and Tokyo. In 2007, Transamerica Life Canada had more than $700 million in gross life insurance premiums and recorded over $10.8 billion in total assets under management.

1.2 Giving us your instructions

When we ask you to "notify us in writing," please send your correspondence to our head office at: Transamerica Life Canada, 5000 Yonge Street, Toronto, Ontario, M2N 7J8.

1.3 Correspondence you will receive from us

When we say "we will notify you," we mean that we will send a written notice to your address as shown in our files.

- From time to time we will notify you of important information and provisions of the Contract. It is your obligation to notify us of any change in your address as we are not responsible for any missed opportunities or losses resulting from your address not being kept up to date.
- In some cases where the Contract is held externally and classified as a nominee name Contract, the correspondence may be directed to a third party based on the authorization you have given to the third party.

  We will send you:

  - statements for the Contract at least annually,
  - upon request, annual audited financial statements for the Funds available within ***Five for Life***,
  - upon request, semi-annual unaudited financial statements for the Funds available within ***Five for Life***
  - notices under the terms of the Contract, where applicable and
  - upon request, copies of the Simplified Prospectus, Annual Information Form and audited Financial Statements of the Underlying funds
- The annual audited and semi-annual unaudited financial statements for the Funds are also available at any time on our website (www.transamerica.ca).

2. THE CONTRACT

2.1 General Information

Five for Life is an insurance contract, legally known as an individual variable insurance contract, based on the life of a person, designated by you, to be the Annuitant. The Contract is an annuity contract because at the Contract Maturity Date, an annuity will be issued unless you instruct us otherwise.

If you choose to register the Contract, the endorsements override the provisions of your Contract that are inconsistent with the endorsements.

When you allocate premiums to a Fund, also referred to as a "Deposit", you do not become a unitholder of the Segregated Funds or Underlying Funds available under the Contract. Instead, you acquire certain benefits under the Contract. To determine the extent of your benefits and to record your interest under your Contract, we use a notional measure called "Units". You do not legally own Units because at law, the assets of the Segregated Funds are owned by the Company and are required to be segregated from the Company's other assets. Generally speaking, the effect of keeping the segregated funds separate from other assets is to give contract holders prior claim over other claimants against the assets of the segregated fund if the Company is insolvent. Please be mindful of this when you read the Contract documents.

- We may change our Administrative Rules at any time without notice at our discretion to reflect corporate policy, economic and legislative changes.

2.2 Your Contract

Your "Contract" with us consists of:

- the attached ***Five for Life*** annuity policy
- any endorsements or riders incorporated by reference into the annuity policy at the time of its issue
- the application
- amendments that we agree to in writing after your Contract is issued

2.3 Effective date of your Contract

Your Contract is effective on the Valuation Date of the first Deposit and upon acceptance that the Contract has been set up in accordance with our Administrative Rules. Delivery of the Annuity Policy does not constitute acceptance of a Contract. We will send you a transaction confirmation. The notice will state the Effective Date of the Contract.

2.4 Contract Owner

You are the Owner of the Contract. As Owner, you are entitled to all rights under the Contract. Your rights may be limited if you have named an irrevocable Beneficiary or if you have assigned the Contract.

The Owner must be a Canadian resident at the time the Contract is issued.

The Owner may be an individual, a corporation, a trust or any type of ownership permitted under the applicable laws.

2.5 Successor Owner

You may designate a Successor Owner, who will assume Ownership of the Contract upon your death. In naming a Successor Owner, upon your death ownership of the Contract will be transferred directly to the Successor Owner rather than to the executor of your estate. In Quebec, the Successor Owner is called the subrogated policyholder. If you are also the Annuitant, the Contract will end on your death and the Death Benefit will be paid to your Beneficiary or your estate. In that case, the ownership of the Contract will not be transferred to the Successor Owner.

2.6 Joint Owners

The Contract can be jointly owned or held by two Owners. The type of joint ownership available for this Contract is by "Joint Tenancy with Right of Survivorship". Under this type of ownership, each joint Owner holds an undivided interest in the entire Contract. On the death of one Owner, who is not the Annuitant, the surviving Owner will become the sole Owner. Both joint Owners have to agree to changes and transactions made within the Contract. This form of ownership is not available in Quebec.

2.7 Annuitant

The Annuitant is the person on whose age and life the Contract Maturity Benefit and the Guaranteed Lifetime Withdrawal Benefit are measured and on whose death the Death Benefit is payable. The Annuitant is designated by you on your initial application. If you choose to set up your Contract as a registered plan, you must be the Annuitant. The Annuitant must be a Canadian resident at the time you open your Contract.

Subject to the terms of the Contract and our consent, you may, for non-registered plans, request a change of Annuitant under your Contract by notifying us in writing. Before consenting to such a change, we may require, among other things, acceptable medical evidence of the new Annuitant's health. **When the Annuitant is changed, there is a readjustment of guarantee benefits, including a recalculation of the Guaranteed Lifetime Withdrawal Benefit based on the new Annuitant's age. Please be mindful and discuss the effect of the change with your Advisor.** We have the right to limit the number of Contracts with the same Annuitant. Please see section 7.7, GLWB and change of Annuitant for more information.

2.8 Successor Annuitant (Only applicable for RIFs)

You may name your spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)) as Successor Annuitant if the Contract is issued as a Retirement Income Fund ("RIF") plan. The designation of your spouse or common-law partner as Successor Annuitant and the removal of a previously named Successor Annuitant must be made while the Annuitant is alive.

Upon the death of the primary Annuitant, if you have named a Successor Annuitant, the Contract will continue and no Death Benefit will be payable.

The Guaranteed Lifetime Withdrawal Benefit will continue, except that there will be a one-time adjustment of guarantee benefits. **In some cases, where the Successor Annuitant has not reached Calendar Age 65, RIF Minimum Amounts will be treated as Excess Withdrawals. Excess Withdrawals will negatively impact the future guaranteed withdrawal payments under the GLWB. Please be mindful and discuss the effect of the adjustment of guarantee benefits with you Advisor before designating a Successor Annuitant**. Please see section 7.6, GLWB and the Successor Annuitant for more information.

2.9 Beneficiary

You may also designate one or more beneficiaries under your Contract. The Beneficiary is the person who will receive the Death Benefit on the death of the last surviving Annuitant.

You can designate the Beneficiary as revocable or irrevocable.

If you designate a revocable Beneficiary, you may change the Beneficiary at any time while the Annuitant is living, by notifying us in writing. The change will be effective when you sign the declaration changing the Beneficiary, except that we will only be responsible for acting upon information that has been filed with us at our Head Office before the death benefit has been paid.

If you designate the Beneficiary as irrevocable, you may not make certain changes to the Contract without the consent of the irrevocable Beneficiary. Please be mindful of this when designating beneficiaries under the Contract.

In the Province of Quebec, the designation of your married or civil union spouse as Beneficiary is considered irrevocable unless the designation is specifically made revocable.

If you do not designate a Beneficiary, you or your estate will receive the Death Benefit under your Contract on the death of the Annuitant.

3. TYPES OF CONTRACTS AVAILABLE

3.1 General Information

A ***Five for Life*** Contract can be registered or non-registered.

We have the right to limit the number of *Five for Life* Contracts held by you or the Deposits made to any of them.

The latest age in which you may deposit into a Contract varies with the type of Contract you select.

Contract Tax Type	Latest age to make a deposit
Non-registered	The day before the Annuitant turns 81.
RRSP and Spousal RRSP	December 31st of the year the Annuitant turns 71.*
RRIF and Spousal RRIF	The day before the Annuitant turns 81.

*Or the latest age to hold an RRSP under the *Income Tax Act* (Canada).

The Contract Maturity Date for purposes of determining the Contract Maturity Benefit is December 31st of the year the Annuitant turns age 120.

3.2 Non-Registered Contracts

Non-registered Contracts may:

- be owned by an individual, a corporation or more than one individual in a form of ownership permitted under our current Administrative Rules and applicable laws;
- have either the Annuitant or another person as Owner

You can change the Owner of the Contract by notifying us in writing. A change of ownership must be in accordance with governing legislation and the Administrative Rules that we have in place at that time. There may be tax implications to such change and you should discuss the matter with your advisor prior to making a change. A change in ownership will not change the Contract features, including the Contract Maturity Benefit, the Death Benefit and the GLWB.

You cannot borrow money from the Contract.

You may be able to use the Contract as security for a loan by assigning it to the lender. The rights of the lender may take precedence over the rights of any other person having a claim over the Contract. An assignment of this Contract may restrict or delay certain transactions otherwise permitted.

3.3 Registered Contracts

Registered plans are tax efficient investment vehicles and may be considered more suitable as long term investments for retirement planning. There are also legislative restrictions on a registered plan.

- The Registered Contracts available include:
  - Registered Retirement Savings Plan (RRSP),
  - Spousal RRSP,
  - Registered Retirement Income Fund (RRIF), and
  - Spousal RRIF.
- Terms applicable to Registered Contracts:
  - You are both the Owner and the Annuitant.
  - You cannot borrow money from the Contract.
  - You cannot use the Contract as security for a loan or assign it to a third party.
  - The Contract will be registered under the provisions of the *Income Tax Act* (Canada). You do not pay taxes on earnings as long as they remain inside the plan. Any money withdrawn from a registered Contract is taxable in your hands. We will deduct any required withholding tax from the amount you withdraw.

3.3.1 Registered Retirement Savings Plans (RRSPs)

Once you reach the end of the year that you attain age 71 (or the latest age to hold an RRSP under the *Income Tax Act* (Canada)), you must convert the RRSP to:

- a RRIF,
- an immediate annuity, or
- cash

Unless you indicate otherwise, if the Contract is in force on December 31st of the year you turn 71 (or the latest age to hold an RRSP under the *Income Tax Act* (Canada)), we will automatically change the registration status from a RRSP to a RRIF.

3.3.2 Spousal RRSPs/RRIFs

If your spouse makes Deposits to an RRSP owned by you, it is a Spousal RRSP. You are the Owner and the Annuitant of a Spousal RRSP and your spouse is the contributor of Deposits.

A RRIF purchased with Funds transferred from a Spousal RRSP will be a Spousal RRIF.

4. DEPOSITS

4.1 General Information

The Contract becomes effective on the Valuation Date we receive the first Deposit and upon acceptance that the Contract has been set up in accordance with our Administrative Rules. This date is called the "Effective Date". It is also the date on which the Policy Anniversary Date is set. In the case of leap years, if the Effective Date is on February 29th, the Policy Anniversary will be set at February 28th.

The minimum initial Deposit required to issue your Contract is $25,000. Deposits made during the Initial Deposit Period (the first 45 days from the Effective Date) will count towards the minimum initial Deposit. The minimum that can be allocated to a specific Fund is $500. Each additional Deposit to the same Fund must be at least $100. The minimum Pre-Authorized Chequing (PAC) Deposit is $100 per month (provided our minimum Contract rules are met), of which the minimum Deposit to a particular Fund is $50.

You need our prior written approval for Deposits above $2 Million.

We have the right in accordance with our Administrative Rules to:

- refuse to accept Deposits
- limit the amount of Deposits allocated to a Fund
- refund Deposits previously accepted within 90 days
- refuse to open new Contracts
- request medical evidence on the health of the Annuitant and of any changes of the Annuitant and refuse to accept Deposits if the medical evidence is unsatisfactory or incomplete
- if necessary, require proof of age or sex of any person upon whose age or sex any payment depends. If this information has been misstated, we reserve the right to recalculate the withdrawal benefits to those that would have been provided for the Annuitant's correct age or sex
- periodically request proof of existence or death of the person on whose life withdrawal benefits are contingent. Payments will be suspended if we do not receive such proof.

4.2 Making Deposits

Until the latest age to make a deposit and before the Contract Maturity Date and the death of the Annuitant, you may make Deposits, subject to the Administrative Rules in place at that time. These restrictions are in addition to any age restrictions on Deposits imposed by law.

- You may elect to make a Deposit under the Initial Sales Charge (ISC) or the Deferred Sales Charge (DSC).
- If the ISC method applies, a sales charge will be deducted from the amount received from you for investment before we purchase Units. The remaining amount will be divided by the Unit Value of the Fund effective on the Valuation Date of the Deposit to determine the number of the applicable Units of the Fund to be allocated to the Contract.

If the DSC method applies, the entire Premium will be divided by the Unit Value effective on the Valuation Date of the Deposit to determine the number of the applicable Units of the Fund to be allocated to the Contract. Under this method, a sales charge will be deducted on a declining scale from any withdrawals made within the first 8 years of the effective date of the Contract.

- All Deposits must be made in Canadian dollars.

If we do not receive payment and all of the necessary documents within the required period of time, we will cancel the Units allocated to your Contract on the next business day.

- If your payment comes back to us marked NSF (Not Sufficient Funds), we reserve the right to charge a fee to cover our expenses.

The value of Units allocated to the Contract in respect of a particular Fund is invested at the risk of the contractholder and may increase or decrease in value.

4.3 Scheduled Pre-Authorized Chequing

Scheduled Pre-Authorized Chequing or PACs are Deposits made for the same amount, at the same frequency and to the same Funds that you have selected. You may elect PAC Deposits to be made on an annual, semi-annual, quarterly, monthly, bi-weekly and weekly basis.

PACs are available for Non-registered and RRSP Contracts.

We will make regular PAC withdrawals directly from your bank account.

- We have the right to cancel the PAC at any time, upon 30 days notice to you.

If we discontinue a Fund or close a Fund to new Deposits, we have the right to direct the PAC to another Fund. Please see section 8, The Investment Options for more information on Fund discontinuance.

For PAC Deposits that come back to us marked NSF, we will cancel the PAC and you will be required to notify us in writing to re-establish the PAC Deposit.

5. FUND SWITCHES

5.1 General Information

At any time before the Contract Maturity Date or the death of the Annuitant, you may request a switch of monies between Funds within the same sales charge option (i.e. ISC to ISC) and the same Contract on an unscheduled or scheduled basis.

Whenever you switch between Funds, you do not incur surrender charges and your guarantees are not impacted. Certain Fund switches may give rise to fees. Please see sections 5.2, Unscheduled Fund Switches and 5.3, Early Switch Fees for more information.

Moving between Funds of different sales charges (i.e. DSC to ISC) is **not** considered a switch and may trigger surrender fees. This transaction is processed as a withdrawal from the Contract and a subsequent purchase back into the Contract. **Guarantees will be impacted.** This is a taxable transaction.

- Fund switches are not permitted between different Contracts.

Because the Funds are generally considered to be long-term investments, we discourage investors from excessive trading in Units of a Fund with the object of realizing a short-term gain. Such trading may not only harm a Fund's performance, but may also affect the value of other owners' interests in the Fund. We will deduct a switch fee of 2% for the 5th and subsequent switches made within a calendar year. In addition we reserve the right to charge an early switch fee of 2% in the event you switch within 90 days of the Deposit. Please see section 5.2 , Unscheduled Fund Switches and Fund Switch Fees and 5.3, Early Switch Fees for more information.

We reserve the right to delay switches in unusual or exceptional circumstances where it is not practical to dispose of investments made in a Fund or where it would be unfair to other Owners.

The value of the Units cancelled or acquired to effect a Fund switch is invested at the risk of the contractholder and may increase or decrease in value.

The FIE Bonus will not be applicable when moving between different sales charge options because moving between sales charges options is a withdrawal from the Contract and a subsequent purchase back into the Contract. There is no FIE Bonus in the year a withdrawal is made.

5.2 Unscheduled Fund Switches and Fund Switch Fees

You may request a Fund switch up to four times in any calendar year free of charge. We count all switches made on a single day as one switch. You may not carry forward any unused portion of this privilege from one year to the next.

We will deduct a Fund switch fee of 2% of the amount switched for the fifth and subsequent switches in the same calendar year. Transamerica reserves the right to change this fee at any time upon 60 days advance notice.

The switch fee will reduce the Maturity Guaranteed Amount and Death Guaranteed Amount proportionally.

When you switch between Funds, it is your oldest Units that are switched first.

If your Contract is non-registered, switches are considered a disposition under the *Income Tax Act* (Canada) and will be taxable. Please see section 14.2, Taxation of Non-Registered Contracts for more information.

We have the right to:

- refuse any Fund switch request,
- limit the amount switched to any particular Fund(s), and
- impose additional conditions at our discretion before any Fund switches are made.

5.3 Early Switch Fees

We reserve the right to charge an early switch fee of 2% of the value of Units switched if you make a switch within 90 days of allocating those Units to the Fund. Transamerica reserves the right to change this fee at any time upon 60 days advance notice.

The early switch fee will reduce the Maturity Guaranteed Amount and Death Guaranteed Amount proportionally.

- If your Contract is non-registered, the early switch fee will be considered a disposition under the *Income Tax Act* (Canada) and will be taxable. For more information, please refer to section 14.2, Taxation of Non-Registered Contracts for more information.

5.4 Scheduled Fund Switches (Dollar Cost Averaging)

You may request to have scheduled Fund switches for your Contract. Scheduled Fund switches are commonly referred to as a "Dollar Cost Averaging"(DCA) service. There are no switch fees applicable for this service and such switches do not count towards the four Fund switches per calendar year that are free of charge.

You can arrange to have scheduled Fund switches from one Fund to another Fund or Funds, subject to having sufficient value in the Fund where the monies are switched from. You must provide us with the frequency, amount, start date and the Funds where monies will be switched.

- Scheduled Fund switches are subject to a minimum of $100 with a minimum of $50 per Fund.

We reserve the right to cancel the scheduled Fund switches at any time or direct the scheduled Fund switches to a similar Fund, according to the Administrative Rules that we have in place at the time. An example of this would be if we were to close or restrict new deposits to a Fund. In this situation, we will provide you with advance notice of our intentions and the Fund options available to you.

6. WITHDRAWALS

6.1 General Information

At any time before the Contract Maturity Date and the death of the Annuitant, you may make withdrawals under your Contract, according to our Administrative Rules

You may decide to make withdrawals on a scheduled or unscheduled basis.

- Requests for withdrawals must meet minimum amounts that we have in place at the time you make the request. The current minimum withdrawal amount is $100 with a minimum of $50 per Fund.
- Any applicable deferred sales charges, fees or withholding taxes that you must pay are deducted from the withdrawal. The minimum withdrawal amounts are calculated before applicable deferred sales charges, fees and withholding taxes are deducted.
- Withdrawals may result in either a capital gain or a capital loss since they create a taxable disposition. Please see section 14, Tax Implications for more information.

Withdrawals will reduce the Market Value of the Contract, the Maturity Guaranteed Amount, the Death Guaranteed Amount, and the FIEBase. Please see section 7, Guarantees for more information. Excess Withdrawals may have a negative impact on future guaranteed payments under the Guaranteed Lifetime Withdrawal Benefit (GLWB). Please see section 7, Guarantees for more information.

The value of the Units of a Fund that are withdrawn fluctuate with the Market Value of the underlying assets and is not guaranteed.

6.2 Withdrawal Options

There are two categories of withdrawal options: scheduled and unscheduled.

- Scheduled Options include Systematic Withdrawal Plans or "SWPs" that can be requested on an annual, semi-annual, quarterly or monthly basis.
- For Scheduled options relating to RRIF Contracts, you may elect to withdraw the RIF Minimum Amount or payments on a custom basis (you select the amount). We are required to pay you the RRIF Minimum Amount even though you may have elected a lesser amount.
- Unscheduled options may be customized in amount and frequency at your discretion, subject to our prescribed minimum withdrawal amounts.

6.3 Processing a Withdrawal

You may request a date up to 30 days in advance for processing your withdrawal, otherwise the withdrawal will be processed when it is received in good order at our head office. We will pay you the value of the withdrawn Units, after deducting:

- any applicable Deferred Sales Charge,
- any unpaid administrative fees and charges you owe us, and
- any applicable tax withholding.

We have the right to delay the effective date of any withdrawal order from any Fund for up to seven business days in order to properly process your withdrawal.

- In the event of exceptional or unusual circumstances, we have the right to delay payment of any withdrawal amount for the duration of the exceptional or unusual circumstances.
- If the value of the Fund on the date of the withdrawal is insufficient to permit us to make the requested withdrawal, we will proceed as follows:
  - In the case of an unscheduled withdrawal, the withdrawal will not be processed and we will request further instructions from you.
  - In the case of a scheduled withdrawal, the withdrawal will still be processed based on our current administrative practices.

6.4 Early Withdrawal Fees and Recovery of Expenses

We may apply an early withdrawal fee of 2% of the value of Units withdrawn if the withdrawal is made within 90 days of the Deposit to the Contract. This fee does not apply to scheduled withdrawal payments and to the 10% free withdrawal privilege. This fee will be in addition to any applicable DSC. **Transamerica reserves the right to change this fee at any time upon 60 days advance notice.**

- The early withdrawal fee will reduce the Maturity Guaranteed Amount and Death Guaranteed Amount proportionally.
- If your Contract is non-registered, the early withdrawal fee will be considered a disposition under the *Income Tax Act* (Canada) and will be taxable. For more information, please refer to Section 14.2 – Taxation of Non-Registered Contracts for more information.

6.5 Information Specific to RRIF Contracts

6.5.1 If you are the Owner of a RRIF Contract:

If you are the Owner of a RRIF Contract:

- You will have scheduled payments made to you.
- Starting in the second calendar year, the *Income Tax Act* (Canada) requires that a minimum amount be paid to you from the Contract each calendar year. We refer to this amount as the RRIF Minimum Amount.
- The RRIF Minimum Amount is calculated by multiplying the closing Market Value of the Contract on December 31st of the previous year by the percentage determined under the *Income Tax Act* (Canada). When legislation permits, you can elect to have the RRIF minimum percentage based on the age of your spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)). You must make this election at the time you purchase the Contract and once this election is made, it cannot be changed while the Contract is in force.
- If the total of your scheduled and unscheduled withdrawals in the calendar year is less than the RRIF Minimum Amount for that year, we are required to make a year-end payment to you to meet the RRIF Minimum Amount. Year-end payments will be applied using the scheduled withdrawal allocation we have on file, or if there are no allocations on file, using the default allocation subject to our Administrative Rules in place at that time.
- You may elect to customize your RRIF payments and withdraw an amount greater than your RRIF Minimum Amount. **Please consider that if your RRIF custom payments requested exceeds the greater of the GLWA and the GLWA RRIF Minimum, this may have a negative impact on future guaranteed payments under the GLWB. Please see section 7.5, GLWA RRIF Minimum for more information.**

6.5.2 Special Treatment for Contracts Held as Self-Directed RRIFs

- If your Contract is held in a self-directed plan, your Contract is considered non-registered with Transamerica. The trustee of your plan is required to satisfy the requirements necessary to comply with a RRIF under the *Income Tax Act* (Canada) and has to make annual minimum payments to you from the investments you hold within the self-directed plan.
- Where the trustee of your self-directed plan notifies us in writing that your Contract is part of a self-directed RRIF, we will allow withdrawals to be made up to a notional RRIF Minimum Amount without triggering an Excess Withdrawal provided that the notional RRIF Minimum Amount does not exceed an amount called the Guaranteed Lifetime Withdrawal Amount (GLWA) RRIF Minimum Amount. Please see section 7.5 GLWA RRIF Minimum Amount for more information.
- After we have been notified by the trustee, we will, at the end of each calendar year, calculate a notional RRIF Minimum Amount that will be applicable for the following calendar year. The notional RRIF Minimum Amount will be based on the Annuitant's or Annuitant's spouse/common-law partner's age, as instructed by the trustee. It will be calculated using the Market Value of the Contract and will not include any other investments held in the self-directed RRIF.

7. GUARANTEES

7.1 Definitions used for guarantees

Contract Maturity Date	The Contract Maturity Date is December 31st of the year in which the Annuitant turns 120, or the last Valuation Date of that year if December 31st is not a Valuation Date. It is the day the Contract Maturity Benefit is calculated.
Contract Maturity Benefit	The Contract Maturity Benefit is the greater of the: (i) Maturity Guaranteed Amount, and (ii) Market Value of the Contract.
Maturity Guaranteed Amount	The Maturity Guaranteed Amount is equal to 75% of the sum of all Deposits made to the Contract minus a proportionate market value reduction for withdrawals. The Contract Maturity Benefit will not be less than 75% of Deposits before deduction for initial sales charge less proportionate market value reductions for withdrawals.
Death Benefit Date	The date that we receive satisfactory proof of the death of the last surviving Annuitant. It is the day the Death Benefit is calculated.
Death Benefit	The Death Benefit is the greater of the: (i) Death Guaranteed Amount; and (ii) Market Value of the Contract.
Death Guaranteed Amount	The Death Guaranteed Amount is equal to 100% of the sum of all Deposits to the Contract minus a proportionate market value reduction for withdrawals.
Guaranteed Lifetime Withdrawal Benefit (GLWB)	A guarantee that provides for annual withdrawals during the life of the Annuitant, regardless of the performance of the Fund(s) within the Contract and provided that annual withdrawal maximums are not exceeded. The guarantee is provided through the Guaranteed Lifetime Withdrawal Amount (GLWA).
Initial Deposit Period	The first 45 calendar days from the Effective Date of the Contract. All Deposits made during the Initial Deposit Period will cause the GLWA to be recalculated.
Effective Date	Is the Valuation Date on which we receive the first Deposit and upon acceptance that the Contract has been set up in accordance with our Administrative Rules.
Policy Anniversary Date	Is the anniversary of the Effective Date of the Contract. Every 3 years, on the Policy Anniversary Date, Resets may be performed under the Contract

7.1 Definitions used for guarantees *continued*

Excess Withdrawals	Excess Withdrawals are withdrawals: • made before the Annuitant turns Calendar Age 65; • which exceed the GLWA in a calendar year after the Annuitant turns Calendar Age 65; • that exceed both the GLWA and the GLWA RRIF Minimum, for Contracts registered as RRIFs.
Guaranteed Lifetime Withdrawal Amount (GLWA)	The amount guaranteed for withdrawal during a calendar year. It is recalculated each calendar year. The GLWA is calculated on the life of a specific Annuitant and will be recalculated when the Successor Annuitant takes ownership and becomes the Annuitant upon the death of the primary Annuitant or when the Annuitant is changed. The GLWA will be available for the life of the Annuitant Excess Withdrawals will negatively impact the GLWA.
Calendar Age	Is calculated by subtracting the birth year from the current calendar year. It does not take into consideration the day and month.
Withdrawal Percentage (WD%)	A set percentage used to calculate the GLWA. It is set when a withdrawal is made for the first time when the Annuitant is Calendar Age 65 or older. Once the WD% is set, it will not change for the term of the Contract.
Guaranteed Withdrawal Base (GWBASE)	A notional amount used to calculate the GLWA.
Guaranteed Withdrawal Base (GWBASE) Downward Adjustment	The reduction of the GWBase that occurs immediately following an Excess Withdrawal.
Future Income Escalator Base (FIEBASE)	A notional amount used to calculate the FIE Bonus at the end of the year.
Future Income Escalator Bonus (FIE BONUS)	A notional amount added to the GWBase at the end of each of the first 15 calendar years of the Contract. No FIE Bonus is added if you make a withdrawal in that year.
Future Income Escalator Base (FIEBASE) Downward Adjustment	The reduction of the FIEBase that occurs immediately following an Excess Withdrawal.
Resets	An upward adjustment of the: • Death Guaranteed Amount • GWBase • FIEBase will be performed when the Market Value of the Contract is greater than the current value of each of the above. Resets will automatically occur every 3 years on the Policy Anniversary Date until, in the case of: (i) the Death Guaranteed Amount, GWBase and the FIEBase the tenth Reset or the Annuitant's 81st birthday, whichever is earlier; The total number of Resets of the Death Guaranteed Amount and the GWBase will not exceed 10.
GLWA RRIF Minimum	The GLWA RRIF Minimum is only calculated if the Contract is registered as a RRIF The GLWA RRIF Minimum is used to minimize Excess Withdrawals as a result of an Annuitant taking their required RRIF Minimum Amount from the Contract If you have elected to calculate your RRIF Minimum Amount based on your age, the GLWA RRIF Minimum is based on your age and will be equal to the RRIF Minimum Amount If you have elected to calculate your RRIF Minimum Amount based on the age of your spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)), we will calculate the GLWA RRIF Minimum based on either your age or your spouse's or common-law partner's age, whomever is younger
Guaranteed Payment Phase (GPP)	Occurs when the Market Value of the Contract reduces to zero while the GWBase is greater than zero.

7.1.1 Types of Gurantees

This Contract provides for three types of guarantees: the Guaranteed Lifetime Withdrawal Benefit, the Contract Maturity Benefit and the Death Benefit.

7.2 Guaranteed Lifetime Withdrawal Benefit (GLWB)

7.2.1 General Information

- Under the Guaranteed Lifetime Withdrawal Benefit (GLWB), you are guaranteed annual withdrawals when the Annuitant is Calendar Age 65 or older, as long as the Annuitant is living. The amount available for withdrawal during the calendar year is called the Guaranteed Lifetime Withdrawal Amount (GLWA). By the end of the year the Annuitant turns Calendar Age 95, you must take full GLWA payments.
- Your GLWA will be initially calculated when you make your first Deposit to the Contract.
- During the Initial Deposit Period (the first 45 days of the Contract), all Deposits to the Contract will trigger a recalculation of the GLWA.
- After the Initial Deposit Period, the GLWA is calculated annually on December 31st for the next calendar year. If December 31st is not a Valuation Date, the GLWA will be calculated on the last Valuation Date of the year
- The GLWA calculation is based on:
  - the value of the Guaranteed Withdrawal Base (GWBase); and
  - the Withdrawal Percentage (WD%).
- The GWBase is a notional value used to determine the GLWA each year. The GWBase is initially set to equal the value of the first Deposit in the Contract. The GWBase increases by:
  - the value of deposits on a dollar for dollar basis,
  - Resets,
  - Future Income Escalator Bonus (FIE Bonus).
- The GWBase is not decreased by withdrawals less than or equal to the GLWA (or in the case of RIF contracts, the GLWA RRIF Minimum, if greater). However, it is impacted by Excess Withdrawals. In the event of an Excess Withdrawal, a GWBase Downward Adjustment will occur. A GWBase Downward Adjustment may decrease the GWBase by more than the actual value of the withdrawal and may impact future guaranteed withdrawal benefits.
- The WD% is set for the Contract when you take a withdrawal for the first time, in the year the Annuitant is Calendar Age 65 or older. The WD% will be 5% in calendar years that the Annuitant is aged between 65 and 74 and will increase to 5.5% in calendar years that the Annuitant is 75 years of age or older. Please see section 7.4.2, Components of the GLWA Calculation for more information.
- If the Market Value of the Contract has been reduced to $0 and there is still a positive value to the GWBase, the Contract is said to be in the Guaranteed Payment Phase.

  Once the Contract is in the Guaranteed Payment Phase, you cannot make additional deposits, however you will receive payments as long as the Annuitant is living. The calculation of payments will be based on the value of the GWBase at the time the Contract enters the Guaranteed Payment Phase and the WD% that was established for the Contract. During the Guaranteed Payment Phase, the Contract Maturity Benefit and the Death Benefit will no longer apply.
- If the GWBase and the Market Value of the Contract are reduced to zero, the withdrawal benefit ends and the Contract is terminated.
- For Contracts registered as a RIF, we are required to pay you a minimum amount every year called the RRIF Minimum Amount. The RRIF Minimum Amount may be greater than the GLWA. We will not treat the RRIF Minimum Amount as an Excess Withdrawal provided it does not exceed an amount called the GLWA RRIF Minimum. Please see section 7.5, GLWA RRIF Minimum for more information.
- The first deposit to the Contract will establish various components of the GLWB, specifically it will:
  - establish the Policy Anniversary Date,
  - set the initial value of the GWBase, and
  - set the initial value of the FIEBase.
- We may, if necessary, require proof of age or sex of any person upon whose age or sex any payment depends. If this information has been misstated, we reserve the right to recalculate the withdrawal benefits to those that would have been provided for the Annuitant's correct age or sex or to suspend the benefits until we receive the correct age, sex and survival information.
- We reserve the right to periodically request proof of existence or death of the person on whose life withdrawals are contingent. Payments will be suspended if we do not receive such proof.

7.3 Guaranteed Withdrawal Base (GWBase)

7.3.1 General Information

The GWBase is a notional value used to determine the GLWA. The GWBase is initially set by the first Deposit in the Contract.

7.3.2 Transactions and Events that Increase the Value of the GWBase

- The GWBase increases by the following transactions and events:
  - Additional Deposits,
  - FIE Bonus,
  - Resets.

7.3.3 Additional Deposits and Impact on the GWBase

- The GWBase is immediately increased by the value of additional Deposits to the Contract.

Date	Transaction	Amount	GWBase Before Transaction/ Event	GWBase After Transaction/ Event
Apr. 8, 2008	Initial Deposit	$100,000	–	$100,000
July 15, 2008	Additional Deposit	$50,000	$100,000	$150,000

- If the Deposit is on an Initial Sales Charge (ISC) basis, any applicable Initial Sales Charge will be deducted from the Premium before determining the value to be allocated to the GWBase.
- For example, if the Owner allocates $100,000 to the Contract under the ISC sales option and negotiates a 3% sales charge with his advisor, the GWBase will be increased by the amount of the Deposit, which is $97,000 ($100,000 - $3,000).

7.3.4 Future Income Escalator Bonus (FIE Bonus) and Impact on the GWBase

The Contract is eligible for the FIE Bonus during the first 15 calendar years.

- During an eligible calendar year, if there are no withdrawals (including the GLWA) made from the Contract, the GWBase will increase by the FIE Bonus.
- The FIE Bonus is applied to the GWBase on December 31st, or the last Valuation Date of the year if December 31st is not a Valuation Date, after all transactions have been processed but before the yearend recalculation of the GLWA for the next calendar year.
- The FIE Bonus does not affect the market value of the Contract.

Calculating the FIE Bonus

- The amount of the FIE Bonus is determined to be 5% of the FIEBase as at December 31st, or the last Valuation Date of the year if December 31st is not a Valuation Date.
- The FIEBase is a notional value that is established for each Contract and is used to calculate the FIE Bonus. The FIEBase:
  - Is initially set to equal the value of the initial Deposit to the Contract on the Effective Date.
  - Will increase by the value of additional Deposits
  - Will increase by the Reset
  - Will decrease by the value of withdrawals that are equal to or less than the GLWA
  - Will decrease by the FIEBase Downward Adjustment for Excess Withdrawals

Below is an example of the FIE Bonus and its impact to the value of the GWBase at the end of the calendar year. For this example, no withdrawals were made during the calendar years.

Date	Transaction/Event	Amount	FIEBase (After Transaction/Event)	FIE Bonus	GWBase (After Transaction/Event)	Market Value of Contract
Dec. 23, 2008	Initial Deposit	$100,000	$100,000	–	$100,000	$100,000
Dec. 29, 2008	Subsequent Deposit	$50,000	$150,000	–	$150,000	$150,150
Dec. 31, 2008	FIE Bonus calculated and added to GWBase	–	$150,000	$7,500 (5% of $150,000)	$157,500	$150,200
Feb. 2, 2009	Subsequent Deposit	$25,000	$175,000	–	$182,500	$175,950
Oct. 14, 2009	Subsequent Deposit	$25,000	$200,000	–	$207,500	$202,200
Dec. 31, 2009	FIE Bonus calculated and added to GWBase	–	$200,000	$10,000 (5% of $200,000)	$217,500	$208,700

No FIE Bonus is applied to the GWBase in a calendar year where a withdrawal is made.

- Any withdrawal during a calendar year that is less than or equal to the GLWA for the calendar year will reduce the FIEBase by the amount of the withdrawal, however the withdrawal will not reduce the GWBase.

Below is an example of a withdrawal less than the GLWA and the subsequent impact to the FIEBase and GWBase. In this example, no FIE Bonus will be added to the GWBase at the end of 2009 as a withdrawal was made during that calendar year.

Date	Transaction/Event	Amount	FIEBase (After Transaction/Event)	FIE Bonus	GWBase (After Transaction/Event)	Market Value of Contract
Dec. 23, 2008	Initial Deposit	$100,000	$100,000	–	$100,000	$100,000
Dec. 29, 2008	Subsequent Deposit	$50,000	$150,000	–	$150,000	$150,150
Dec. 31, 2008	FIE Bonus calculated and added to GWBase	–	$150,000	$7,500 (5% of $150,000)	$157,500	$150,200
Feb. 2, 2009	Subsequent Deposit	$25,000	$175,000	–	$182,500	$175,950
Oct. 14, 2009	Subsequent Deposit	$25,000	$200,000	–	$207,500	$202,200
Dec. 17, 2009	Withdrawal*	$2,000	$198,000	–	$207,500	$206,500
Dec. 31, 2009	No FIE Bonus due to withdrawal	–	$198,000	–	$207,500	$208,700
Dec. 31, 2010	FIE Bonus calculated and added to GWBase	–	$198,000	$9,900 (5% of $198,000)	$217,400	$222,265

*The Withdrawal is less than the GLWA for the Contract (in this example, the GLWA for 2009 is $7,875 (5% of $157,500)).

7.3.5 Resets and Impact on the GWBase and the FIEBase

Every 3 years, on the Policy Anniversary Date, if the market value of the Contract is greater than the GWBase and/or the FIEBase, we will automatically reset the value of the GWBase and/or the FIEBase to equal the market value of the Contract, as applicable.

- In the case of the GWBase and FIEBase, Resets will be exercised until the earlier of:
  (i) The tenth Reset; and
  (ii) The Annuitant's 81st birthday.
- Below is an example of a Reset and the impact to both the GWBase and FIEBase. For this example, no withdrawals were made during the calendar years.

Date	Transaction/Event	Amount	Market Value of Contract	FIEBase (After Transaction/Event)	FIE Bonus	GWBase (After Transaction Event)
Dec. 23, 2008	Initial Deposit	$100,000	$100,000	$100,000	–	$100,000
Dec. 29, 2008	Subsequent Deposit	$50,000	$150,150	$150,000	–	$150,000
Dec. 31, 2008	FIE Bonus calculated and added to GWBase	–	$150,200	$150,000	$7,500 (5% of $150,000)	$157,500
Dec. 23, 2009	Policy Anniversary #1	–	$160,600	$150,000	–	$157,500
Dec. 31, 2009	FIE Bonus calculated and added to GWBase	–	$160,714	$150,000	$7,500 (5% of $150,000)	$165,000
Dec. 23, 2009	Policy Anniversary #2	–	$171,100	$150,000	–	$165,000
Dec. 31, 2010	FIE Bonus calculated and added to GWBase	–	$171,160	$150,000	$7,500 (5% of $150,000)	$172,500
Dec. 23, 2011	**Policy Anniversary #3 Reset (Increase of both FIEBase & GWBase)**	–	**$183,997**	**$183,997**	–	**$183,997**
Dec. 31, 2011	FIE Bonus calculated and added to GWBase	–	$183,555	$183,997	$9,199.85 (5% of $183,997)	$193,196.85
Dec. 31, 2012	FIE Bonus calculated and added to GWBase	–	$179,884	$183,997	$9,199.85 (5% of $183,997)	$202,396.70

7.3.6 Transactions and Events that Decrease the Value of the GWBase and/or FIEBase

Withdrawals, less than or equal to the GLWA, made in a calendar year will reduce the FIEBase by the value of the withdrawal, however such transactions will not reduce the value of the GWBase.

- An Excess Withdrawal is any amount withdrawn from the Contract that is greater than the GLWA for the calendar year. Specifically, the amount withdrawn in excess of the GLWA is the amount of the Excess Withdrawal. Please note that any withdrawal made in a calendar year where the Annuitant's Calendar Age is less than 65, is also considered an Excess Withdrawal.
- An Excess Withdrawal will reduce the value of both the GWBase and the FIEBase by triggering both the GWBase and FIEBase Downward Adjustments.
- The Downward Adjustment of the FIEBase and GWBase is calculated separately.
- The Downward Adjustment will immediately reduce the GWBase and FIEBase by the greater of the:
  - (i) Dollar value of the Excess Withdrawal, and
  - (ii) the proportionate market value of the Excess Withdrawal relative to the market value of the Contract before the Excess Withdrawal multiplied by the GWBase and FIEBase, as applicable.
- The Downward Adjustment can potentially reduce both the GWBase and FIEBase by an amount greater than the Excess Withdrawal.
- **Consideration should be made to the fact that Excess Withdrawals may result in the reduction of guaranteed withdrawal benefits in the future. If the GWBase and the Market Value of the Contract are reduced to zero as a result of Excess Withdrawals, the withdrawal benefit ends and the Contract is terminated.**
- Below is an example of both a withdrawal up to the GLWA and an Excess Withdrawal and their impact to both the GWBase and FIEBase. The example does not take into consideration any applicable fees.

Date	Transaction/Event	Amount	Market Value of Contract	FIEBase (After Transaction/Event)	FIE Bonus	GWBase (After Transaction Event)
Dec 23, 2008	Initial Deposit	$100,000	$100,000	$100,000	–	$100,000
Dec 29, 2008	Subsequent Deposit	$50,000	$150,150	$150,000	–	$150,000
Dec 31, 2008	FIE Bonus calculated and added to GWBase	–	$150,200	$150,000	$7,500 (5% of $150,000)	$157,500
Dec 31, 2009	FIE Bonus calculated and added to GWBase	–	$160,714	$150,000	$7,500 (5% of $150,000)	$165,000
Dec 31, 2010	FIE Bonus calculated and added to GWBase	–	$171,160	$150,000	$7,500 (5% of $150,000)	$172,500
Dec 23, 2011	Reset (Increase of both FIEBase & GWBase)	–	$183,997	$183,997	–	$183,997
Dec 31, 2011	FIE Bonus calculated and added to GWBase	–	$183,555	$183,997	$9,199.85 (5% of $183,997)	$193,196.85
Apr 12, 2012	**Withdrawal (Up to GLWA)***	**$9,659.84**	**$174,850**	**$174,337.16**	–	**$193,196.85**
Apr 12, 2012	**Excess Withdrawal***	**$5,000**	**$169,850**	**$169,337.16**	–	**$187,672.20**
Dec 31, 2012	No FIE Bonus due to withdrawal	–	$161,290	$169,337.16	–	$187,672.20
Dec 31, 2013	FIE Bonus calculated and added to GWBase	–	$159,800	$169,337.16	$8,466.86 (5% of $169,337.16)	$196,193.06
Dec 31, 2014	Policy Anniversary #6 – Reset Year	–	$162,554**	$169,337.16	–	$196,193.06
Dec 31, 2014	FIE Bonus calculated and added to GWBase	–	$162,554	$169,337.16	$8,466.86 (5% of $169,337.16)	$204,659.92

*For this example, the GLWA for the Contract is $9,659.84 (5% of $193,196.85). The market value of Contract immediately prior to the Excess Withdrawal is $174,850.
**No Reset was processed, as the Market Value was less than the previous GWBase and FIEBase

In the above example, both the GWBase Downward Adjustment and FIEBase Downward Adjustment were calculated as follows:

7.3.7 GWBase Downward Adjustment

The Downward Adjustment will immediately reduce the GWBase by the greater of the:

A. Dollar value of the Excess Withdrawal, and

B. The value of the GWBase prior to the Excess Withdrawal multiplied by the proportionate market value of the Excess Withdrawal relative to the market value of the Contract before the Excess Withdrawal.

For this example:

A. = $5,000

B. = $193,196.85 x ($5,000/$174,850)

= $5,524.65

B is greater than A in this example. Therefore, the GWBase Downward Adjustment reduces the GWBase by $5,524.65 to $187,672.20.

7.3.8 FIEBase Downward Adjustment

The Downward Adjustment will immediately reduce the FIEBase by the greater of the:

A. Dollar value of the Excess Withdrawal, and

B. The value of the FIEBase prior to the Excess Withdrawal multiplied by the proportionate market value of the Excess Withdrawal relative to the market value of the Contract before the Excess Withdrawal.

For this example:

A. = $5,000

B. = $174,337.16 x ($5,000/$174,850)

= $4,985.33

A is greater than B in this example. Therefore, the FIEBase Downward Adjustment reduces the FIEBase by $5,000.00 to $169,337.16

7.4 Guaranteed Lifetime Withdrawal Amount (GLWA)

7.4.1 General Information

The GLWA is the withdrawal amount you are guaranteed each year. As long as you do not take Excess Withdrawals, the GLWA will not decrease and may increase throughout the term of the Contract.

- By the end of the year the Annuitant turns Calendar Age 95, you must take full GLWA payments. If by then, you do not withdraw the full GLWA, we will make the GLWA payments to you annually according to our Administrative Rules.
- You are entitled to GLWA payments starting in the year the Annuitant reaches Calendar Age 65. The Calendar Age takes into account the birth year of the Annuitant, regardless of the day and month of birth. For example, if the Annuitant will be 65 on August 12, 2008, you will be entitled to the GLWA any time in 2008. You may, at your discretion, decide to postpone the start date of GLWA payments. Withdrawals made before the Annuitant reaches Calendar Age 65 are considered Excess Withdrawals. Withdrawals may result in the reduction of guaranteed withdrawal benefits in the future.●

  During the Initial Deposit Period (the first 45 days of the Contract) all Deposits to the Contract will trigger a recalculation of the GLWA. If no Excess Withdrawals have been made, the recalculation will result in an increase of the GLWA.
- After the Initial Deposit Period, the GLWA is calculated annually on December 31st for the next calendar year. If December 31st is not a Valuation Date, the GLWA will be calculated on the last Valuation Date of the year. The GLWA calculation is based on the value of the Guaranteed Withdrawal Base (GWBase) and the Withdrawal Percentage (WD%).

The GLWA will continue until the earliest of the following events:

- the death of the last surviving Annuitant, subject to a recalculation when the Successor Annuitant becomes Annuitant on the death of the Annuitant. Please see section 7.6, GLWB and the Successor Annuitant;
- both the GWBase and the Market Value of the Contract are equal to zero.

Upon the occurrence of either event, the Contract is terminated.

7.4.2 Components of the GLWA Calculation

The components that are used to calculate the GLWA are as follows:

I. the Withdrawal Percentage (WD%), and

II. the Guaranteed Withdrawal Base (GWBase)

I. Withdrawal Percentage (WD%)

The WD% is set for the Contract when you take a withdrawal for the first time, in the year the Annuitant is Calendar Age 65 or older.

Once set, the WD% will not change for the term of the Contract, subject to a resetting of the WD% if a designated Successor Annuitant assumes the Contract or if the Annuitant is changed. Please see sections 7.6, GLWB and the Successor Annuitant and section 7.7, GLWB and Change of the Annuitant.

The Withdrawal Percentage (WD%) is based on the Annuitant's Calendar Age as follows:

Calendar Age (Current Year – Birth Year)	Withdrawal Percent (WD%)
0-64	WD% will not be set
65-74	5%
75-95	5.5%

For example, if you make your first withdrawal when the Annuitant's Calendar Age is 70, the WD% for the Contract is set at 5%. However, if your first withdrawal occurs when the Annuitant's Calendar Age is 75, the WD% for the Contract will be set at 5.5%.

If a withdrawal is made prior to the Annuitant reaching Calendar Age 65, the WD% is not set for the Contract. Such a withdrawal is considered an Excess Withdrawal and will negatively impact the Guaranteed Lifetime Withdrawal Benefit.

II. Guaranteed Withdrawal Base (GWBase)

The GWBase is a notional value used to determine the GLWA. The GWBase is initially set by the first deposit in the Contract. The GWBase is increased by:

- additional Deposits,
- Resets, and
- FIE Bonus.

The GWBase is not decreased by withdrawals less than or equal to the GLWA. However, it is impacted by Excess Withdrawals. In the event of an Excess Withdrawal, a GWBase Downward Adjustment will occur. **A GWBase Downward Adjustment may decrease the GWBase by more than the actual value of the withdrawal and will impact future guaranteed withdrawal benefits. If the GWBase and the Market Value of the Contract are reduced to zero as a result of Excess Withdrawals, the withdrawal benefit ends and the Contract is terminated.** For more information see section 7.3.7, GWBase Downward Adjustment.

A change in the Annuitant will trigger an immediate recalculation in the value of the GWBase based on the current market value of the Contract. Please see section 7.7, GLWB and change of Annuitant for more information.

7.4.3 Determining the GLWA

The GLWA for a calendar year is determined based on the following calculation:

- **WD%** multiplied by **GWBase = GLWA** for the calendar year.

- The following table illustrates when the GLWA is calculated:

Event	When calculated
Initial Deposit in the Contract	Effective Date of the Contract
Subsequent Deposits in the Contract during the Initial Deposit Period	Valuation Date of the Subsequent Deposit
Annual Recalculation of GLWA	On December 31st or last Valuation Date of the Year

Examples of how the GLWA is calculated.

- There are three examples provided below illustrating how the GLWA is calculated, specifically for:

I. The first Deposit in the Contract

II. Subsequent Deposits during the Initial Deposit Period

III. Recalculation of the GLWA on December 31st or the last Valuation Date of the year

I. The first Deposit in the Contract

In the first calendar year of the Contract, the GLWA is calculated on the Effective Date of the Contract.

The components of the GLWA calculation are as follows:

A. Guaranteed Withdrawal Base (GWBase) on the Effective Date

B. Withdrawal Percentage (WD%) on the Effective Date

The GLWA on the Effective Date is calculated as follows: A x B

For example, you make your first Deposit of $100,000 to the Contract on April 8th, 2008. The Annuitant for your Contract has a Calendar Age of 67. The GLWA for the first calendar year of the Contract would be calculated as follows:

A. $100,000

B. 5% (WD% for Calendar Age 67)

GLWA for the first calendar year = $100,000 x 5% = $5,000

II. Subsequent Deposits during the Initial Deposit Period

Recognizing that there may be delays in how quickly you can make additional deposits when the Contract is first established, we will immediately recalculate the GLWA based on each additional deposit made during the Initial Deposit Period.

The Initial Deposit Period is the first 45 calendar days from the Effective Date of the Contract.

Continuing with the preceding example, you make a subsequent Deposit of $50,000 to the Contract on May 15th, 2008. The GLWA would be recalculated on the Valuation Date of the subsequent Deposit. The components of the GLWA recalculation during the Initial Deposit Period are as follows:

A. GWBase (immediately prior to the Subsequent Deposit) = $100,000

B. Withdrawal Percentage = 5% (WD% for Calendar Age 67)

C. Subsequent Deposit = $50,000

As a result of the subsequent Deposit during the Initial Deposit Period, the GLWA is recalculated as follows: (A + C) x B

The value of the GWBase after the subsequent Deposit is $150,000 based on (A + C) or ($100,000 + $50,000)

The new value of the GLWA for the calendar year = ($150,000 x 5%) = $7,500

III. Annual Recalculation of the GLWA on December 31st or the last Valuation Date of the Year

On December 31st of the first calendar year and each calendar year the Contract is in force, we will recalculate the GLWA.

If you do not make any Excess Withdrawals and if there are no changes to the Annuitant, the recalculated GLWA will not be lower than the GLWA from the previous year.

The GLWA determined on each December 31st is the amount available for withdrawal for the following calendar year.

If December 31st is not a Valuation Date, we will calculate the GLWA on the last Valuation Date of the year.

The components of the recalculation are as follows:

A. The GWBase on December 31st of the current calendar year

B. Withdrawal Percentage (WD%) based on the Annuitant's Calendar Age for the subsequent calendar year (if it has not already been set for the Contract)

The calculation for determining the GLWA in subsequent Calendar year is: A x B

Continuing with the previous example, and assuming no withdrawals or other activity in the Contract and ignoring the FIE Bonus (Please see section 7.3.4 FIE Bonus and Impact on the GWBase), the GLWA for the subsequent calendar year (for this example, 2009) would be calculated as follows:

A. $150,000 (GWBase on December 31st, 2008)

B. 5% (WD% for Calendar Age 68)

GLWA for 2009 = $150,000 x 5% = $7,500

Date	Calendar Age	Transaction	Amount	GWBase (A)	WD% (B)	GLWA
Apr. 8, 2008	67	Initial Deposit	$100,000	$100,000	5	$5,000 (5% of $100,000)
May 15, 2008	67	Subsequent Deposit	$50,000	$150,000	5	$7,500 (5% of $150,000)
Dec. 31, 2008	67	FIE Bonus calculated and applied to GWBase	$7,500 (5% of 150,000*)	$157,500	5	$7,500 (5% of $150,000)
Dec. 31, 2008	68 (Calendar Age for 2009)	Recalculation of GLWA	N/A	$157,500	5	$7,875 (5% of $157,500)

*On December 31st, the FIEBase was $150,000

If December 31st falls within the Initial Deposit Period, the GLWA will be recalculated on December 31st or the last Valuation Date of the year as shown above.

Please note, prior to recalculating the GLWA on December 31st or the last Valuation date of the year, we will add the applicable FIE Bonus to the GWBase, if no withdrawals have been made in the calendar year. For more information, see section 7.3.4, FIE Bonus and Impact on the GWBase.

7.4.4 Mandatory Payment of the GLWA

You must take full GLWA payments by the end of the year the Annuitant turns Calendar Age 95. If by then, you do not withdraw the full GLWA, we will make the GLWA payments to you annually according to our Administrative Rules.

Putting it all together

For additional examples to help you better understand how Five for Life's Guaranteed Lifetime Withdrawal Benefit works in both rising and falling markets, please see the Addendum to the Five for Life Information Folder.

7.5 Guaranteed Lifetime Withdrawal Amount RRIF Minimum (GLWA RRIF Minimum)

7.5.1 General Information

If your Contract is registered as a RRIF, starting in the second calendar and every calendar year thereafter, you are required under the *Income Tax Act* (Canada) to withdraw an amount referred to as the "RRIF Minimum Amount."

The RRIF Minimum Amount is calculated based on your age or if you elect, based on the age of your spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)).

- The RRIF Minimum Amount may be greater than the GLWA, which would typically result in an Excess Withdrawal. In order to minimize the impact of Excess Withdrawals as a result of taking the required RRIF Minimum Amount, we have introduced the concept of the GLWA RRIF Minimum.
- The GLWA RRIF Minimum is only calculated if the Contract is registered as a RRIF.
- **If you are under Calendar Age 65, the GLWA RRIF Minimum is equal to zero and any RRIF payments made will be treated as an Excess Withdrawal, which will negatively impact the future guaranteed payments under the GLWB. Please see section 7.3.6, Transactions and Events that decrease the value of the GWBase and/or the FIEBase for more information.**

7.5.2 RRIF Minimum Amount, the GLWA, and the GLWA RRIF Minimum

If you have elected to calculate your RRIF Minimum Amount based on your age, the GLWA RRIF Minimum is based on your age and will be equal to the RRIF Minimum Amount.

- Any amounts withdrawn (including withholding tax) in a calendar year that are in excess of the greater of the:
  - GLWA for the contract, and

- GLWA RRIF Minimum for the Contract

will be considered an Excess Withdrawal.

An Excess Withdrawal will trigger a Downward Adjustment of both the GWBase and FIEBase. Such an event may have a negative impact on future guaranteed payments under the GLWB. Please see section 7.3.6, Transactions and Events that decrease the value of the GWBAse and/or FIEBase for more information on the impact to your Guaranteed Lifetime Withdrawal Benefits.

- The following illustrates the case where the Annuitant is over Calendar Age 65 and the Annuitant's age is used to determine the RRIF Minimum Amount. The assumptions for the case are as follows:
  - Annuitant is age 73
  - Under the *Income Tax Act*, the RRIF minimum percentage for the Annuitant aged 73 is 7.59%
  - The Annuitant has elected to withdraw only the RRIF Minimum Amount
  - The market value of the Contract as at December 31st is $150,000
  - The GWBase of the Contract as at December 31st is $200,000

RRIF Minimum Amount*	GLWA	GLWA RRIF Minimum	Excess Withdrawal
$11,385 (7.59% of $150,000)	$10,000 (5% of $200,000)	$11,385	0

* Percentage is based on non-qualifying RRIF rules (i.e. a RRIF opened after 1993)

  - In this example, because the RRIF Minimum Amount is equal to the GLWA RRIF Minimum, the Annuitant may withdraw the RRIF Minimum Amount without triggering an Excess Withdrawal.

7.5.3 Using your Spouse's or Common-law Partner's Age to Determine the RRIF Minimum

When legislation permits, the RRIF Minimum Amount may be based on the age of your spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)). You can choose to make this election at the time the RRIF is first established and once made, it cannot be changed.

- If you have elected to calculate your RRIF Minimum Amount based on the age of your spouse or common-law partner, we will calculate the GLWA RRIF Minimum based on either your age or your spouse's or your common-law partner's age, whomever is younger.
- Therefore, where you have elected to calculate the RRIF Minimum Amount based on the age of your spouse or common-law partner who is older, the RRIF Minimum Amount will be greater than the GLWA RRIF Minimum for the Contract. Any withdrawals that are greater than the GLWA RRIF Minimum and the GLWA will be treated as an Excess Withdrawal and this may have a negative impact on future guaranteed payments under the GLWB.
- The following is an example of the RRIF Minimum Amount exceeding the GLWA RRIF Minimum for the Contract. In this example, the RRIF Minimum Amount is based on the age of your older spouse or common-law partner. The assumptions for the example are as follows:
  - Annuitant is age 73
  - Annuitant's spouse is age 78
  - The Annuitant elected to base the RRIF Minimum Amount on the spouse's age
  - Under the *Income Tax Act*, the RRIF minimum percentage for the Annuitant aged 73 is 7.59% and for Annuitant's spouse aged 78 it is 8.33%
  - The market value of the Contract as at December 31 is $150,000.
  - The GWBase of the Contract as at December 31 is $200,000

RRIF Minimum Amount (based on the older spouse's age) *	GLWA	GLWA RRIF Minimum	Excess Withdrawal
$12,495 (8.33% of $150,000)	$10,000 (5% of $200,000)	$11,385 (7.59% of $150,000)	$1,110 ($12,495 - $11,385)

*Percentages in the example are based on non-qualifying RRIF rules (i.e. a RRIF opened after 1993)

  - The Excess Withdrawal in the above example will trigger a Downward Adjustment and this will reduce the value of both the GWBase and FIEBase.

7.6 GLWB and the Successor Annuitant (only Applicable for RIF Contracts)

You may designate a Successor Annuitant if your Contract is registered as a RRIF to assume ownership and become Annuitant of the Contract upon your death.

- The Successor Annuitant exercises the rights you have as the Owner when we receive satisfactory proof of death of the Annuitant (the "Death Benefit Date"). The Contract Maturity Benefit and the GLWB will continue, except that a one-time adjustment of these guarantee benefits will occur as follows:
  - The Contract Maturity Benefit Date which was set at December 31st of the year in which the deceased Annuitant turns age 120 will be based on the Successor Annuitant's age.

- The value of the GWBase is recalculated and will be equal to the Market Value of the Contract effective on the Death Benefit Date.
- The WD% will be based on the Successor Annuitant's Calendar Age and will be set based on the first withdrawal made by the Successor Annuitant after Calendar Age 65. **Withdrawals made before the Successor Annuitant is Calendar Age 65 will be treated as Excess Withdrawals and may have a negative impact on future guaranteed payments.**
- The value of the FIEBase is recalculated and will be equal to the Market Value of the Contract effective on the Death Benefit Date.
- Resets are available until the earlier of the:
  (i) Successor Annuitant's 81st birthday; and
  (ii) tenth Reset for the Contract.
- The GLWA RRIF Minimum is calculated based on the age of the Successor Annuitant. Therefore, for purposes of the new GLWA RRIF Minimum calculation, it will be based on the Successor Annuitant (now considered the Annuitant) and his or her new spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)), if any.

Please note, if the Contract is in the Guaranteed Payment Phase when the Annuitant dies, the Contract will automatically end.

7.7 GLWB and Change of Annuitant

Upon our consent, you may, for non-registered plans, request a change to the Annuitant.

- Where the Annuitant is changed, a one-time adjustment of guarantee benefits will occur as follows:
  - The Contract Maturity Benefit Date which was set at December 31st of the year in which the original Annuitant turns age 120 will be based on the new Annuitant's age.
  - The value of the GWBase is recalculated and will be equal to the Market Value of the Contract effective on the date the change of Annuitant is processed.
  - The WD% will be based on the new Annuitant's Calendar Age and will be set based on the first withdrawal made by the new Annuitant after Calendar Age 65. **Withdrawals made before the new Annuitant is Calendar Age 65 will be treated as Excess Withdrawals and may have a negative impact on future guaranteed payments**.
  - The FIEBase is recalculated based on the Market Value of the Contract effective on the date the change of Annuitant is processed.
  - Resets are available until the earlier of the:
    (i) new Annuitant's 81st birthday; and
    (ii) tenth Reset for the Contract.

7.8 Guaranteed Payment Phase

When the Market Value of the Contract reduces to zero but the GWBase is greater than zero, the Contract enters the Guaranteed Payment Phase.

- During the Guaranteed Payment Phase, the following will apply:
  - Any remaining GLWA payable to you in that year will be paid to you in the year the Contract enters the Guaranteed Payment Phase.
  - For the following calendar years, we will make annuity payments to you based on the value of GWBase at the time the Contract enters the Guaranteed Payment Phase and the WD% that was established for the Contract.
  - Payments will continue as long as the Annuitant is living.
  - The method and frequency of payments will be made in accordance with our Administrative Rules in effect at the time of payment.
  - No additional Deposits can be made to the Contract.
  - No GLWB Fees will be payable
  - The Contract Maturity Benefit and Death Benefit will no longer apply.
  - The FIE Bonus is no longer available.
  - Any Successor Annuitant designation will no longer apply.

7.9 The Contract Maturity Benefit and Death Benefit

7.9.1 General Information

This Contract provides for a:

- Guarantee on maturity called the Contract Maturity Benefit. Under the Contract Maturity Benefit provision, we guarantee that you will receive no less than an amount referred to as the Maturity Guaranteed Amount. Therefore, if on the Contract Maturity Date, the Market Value of your Contract is lower than the Maturity Guaranteed Amount, we will increase the Market Value of your Contract to equal the Maturity Guaranteed Amount; and
- Guarantee on death called the Death Benefit. The Death Benefit is the guarantee payable to the Beneficiary on the death of the last surviving Annuitant. Under the Death Benefit provision, we guarantee that the Beneficiary will receive no less than an amount referred to as the Death Guaranteed Amount. Therefore, if on the date the Death Benefit is calculated, the Market Value of your Contract is lower than the Death Guaranteed Amount, we will increase the Market Value to equal the Death Guaranteed Amount.

7.9.2 Transactions and Events that Increase and Decrease the Maturity Guaranteed Amount

The Maturity Guaranteed Amount is

- set at an amount equal to 75% of the first Deposit to the Contract
- increased by 75% of the value of additional Deposits
- reduced proportionately by withdrawals.
- reduced proportionately by client-initiated transaction fees, with the exception of the GLWB fees.
  - To determine the Maturity Guaranteed Amount after a withdrawal, the formula is as follows: (A – P)

    Where A = Maturity Guaranteed Amount before the Withdrawal

    P = Proportionate market value reduction of the Withdrawal

    P is determined as **A x (B/C)** where:

    B is the value of the Units withdrawn; and

    C is the Market Value of the Contract before the withdrawal

- When calculating the Contract Maturity Benefit for Deposits made under the initial sales charge option, we will not deduct the initial sales charge from the Premium. Therefore, the Maturity Guaranteed Amount will not be less than 75% of Premiums less proportionate market value reductions for withdrawals.
- The following examples illustrate the Maturity Guaranteed Amount and the impact of a deposit and withdrawal.

a) Example where the Market Value is GREATER than the Maturity Guaranteed Amount at the time of a withdrawal.

Date	Transaction	Amount	Market Value of Contract Before Transaction	Market Value of Contract After Transaction	Maturity Guaranteed Amount Before Transaction	Maturity Guaranteed Amount After Transaction
May 1, 2008	First Deposit	$25,000	N/A	$25,000	N/A	$18,750 (75% of $25,000)
Aug. 1, 2008	Additional Deposit	$70,000	27,000	$97,000	$18,750	$71,250 = ($18,750 + $52,500) (75% of $70,000)
Nov. 1, 2009	Withdrawal	$4,750 **(B)**	$100,000 **(C)**	$95,250	$71,250 **(A)**	$67,865.62 **($71,250 – $3,384.38*)**

*The value of the proportionate reduction of the withdrawal to the Maturity Guaranteed Amount is calculated as follows: (A – P) = ($71,250 – $3,384.38) = $67, 865.62
Where P = **A x (B/C)** = $71, 250 x ($4,750/$100,000) = $3,384.38

b) Example where the Market Value is LESS than the Maturity Guaranteed Amount at the time of a withdrawal.

Date	Transaction	Amount	Market Value of Contract Before Transaction	Market Value of Contract After Transaction	Maturity Guaranteed Amount Before Transaction	Maturity Guaranteed Amount After Transaction
May 1, 2008	First Deposit	$25,000	N/A	$25,000	N/A	$18,750 ($25,000 x 75%)
Aug. 1, 2008	Additional Deposit	$70,000	27,000	$97,000	$18,750	$71,250 ($18,750 + (70,000 x 75%))
Nov. 1, 2009	Withdrawal	$4,750 **(B)**	$68,000 **(C)**	$63,250	$71,250 **(A)**	$66,272.98 **($71,250 – $4,977.02*)**

*The value of the proportionate reduction of the withdrawal to the Maturity Guaranteed Amount is calculated as follows: (A – P) = ($71,250 – $4,977.02) = $66, 272.98
Where P = **A x (B/C)** = $71, 250 x ($4,750/$68,000) = $4,977.02

7.9.3 Contract Maturity Benefit

The Contract Maturity Benefit is calculated on the Contract Maturity Date, which is December 31st of the year the last surviving Annuitant turns age 120, or the last Valuation Date of that year if December 31st is not a Valuation Date.

- On the Contract Maturity Date, the Contract Maturity Benefit is the greater of the:

  (i) Maturity Guaranteed Amount, and

  (ii) Market Value of the Contract.

- If the Market Value on the Contract Maturity Date is less than the Maturity Guaranteed Amount, we will make up the difference. We refer to the difference as the "Top-Up Benefit".
- When calculating the Contract Maturity Benefit for Deposits made under the initial sales charge option, we will not deduct the initial sales charge from the Premium. Therefore, the Maturity Guaranteed Amount will not be less than 75% of the Premium less proportionate market value reductions for withdrawals.
- The following illustrates the Contract Maturity Benefit in 2 cases where : (a) the Market Value of Contract is lower than the Maturity Guaranteed Amount; and (b) where the Market Value of the Contract is greater than the Maturity Guaranteed Amount.

Case	Maturity Guaranteed Amount	Market Value of Contract	Contract Maturity Benefit (amount you will receive)
(a)	$100,000	$90,000	$100,000
(b)	$100,000	$110,000	$110,000

Any amount that is allocated to a Fund is invested at the risk of the owner and may increase or decrease in value.

7.9.4 Default Annuity

Upon reaching the Contract Maturity Date, the Contract Maturity Benefit will be applied to provide you with a single life annuity and a single life annuity contract will be issued to you.

- Terms of the Single Life Annuity Contract:
  - The single life annuity contract will have the following characteristics:
    - The annuity payment will be equal to the greater of :
      - (i) the GLWA effective as of the Contract Maturity Date; and
      - (ii) an annuity based on a single premium equal to the Contract Maturity Benefit issued on the life of the Annuitant. The applicable rates will be those in effect at the time the annuity is issued.
    - The annuity payment will be made annually.
    - If the Annuitant dies before the annuity payments have started, the Contract Maturity Benefit will be paid to the Beneficiary.
    - The single life annuity contract will be subject to the terms of the *Income Tax Act* (Canada), if the Contract is registered.
    - Please note that the Contract Maturity Benefit, including the default annuity provision, do not apply to a Contract in the Guaranteed Payment Phase as there is no longer a Contract Maturity Benefit when the Contract is in that stage. Please see section 7.8, Guaranteed Payment Phase.

7.9.5 Transactions and Events that Increase and Decrease the Death Guaranteed Amount

The Death Guaranteed Amount is:

- set at an amount equal to 100% of the value of the first Deposit to the Contract
- increased by 100% of the value of additional Deposits
- increased by Resets.
- reduced proportionately by withdrawals.
- reduced proportionately by client-initiated transaction fees, with the exception of the GLWB fees.
  - To determine the Death Guaranteed Amount after a withdrawal, the formula is as follows: (A – P)

    Where A = Death Guaranteed Amount before the Withdrawal

    P = Proportionate reduction of the Withdrawal

    P is determined as **A x (B/C)** where:

    B is the value of the Units withdrawn; and

    C is the Market Value of the Contract before the withdrawal

7.9.6 Resets of the Death Guaranteed Amount

The Death Guaranteed Amount has the potential to increase by Resets.

- Every three years, on the Policy Anniversary Date, if the Market Value of the Contract is greater than the Death Guaranteed Amount, we will automatically reset the Death Guaranteed Amount to equal the Market Value of the Contract.
- Resets will be exercised until, the earlier of the:

  (i) tenth Reset; and

  (ii) Annuitant's 81st birthday.
- **The Reset feature may be changed or discontinued at any time upon 60 days prior written notice.**

Below is an example to illustrate the impact to the Death Guaranteed Amount as a result of an additional Deposit, a Withdrawal, and a Reset. No fees have been considered for this example.

Date	Transaction	Amount	Market Value of the Contract before Transaction/Event	Market Value of the Contract after Transaction/Event	Death Guaranteed Amount before Transaction/Event	Death Guaranteed Amount after Transaction/ Event
April 8, 2008	Initial Deposit	$100,000	–	$100,000	–	$100,000
Dec. 29, 2008	Subsequent Deposit	$50,000	$105,000	$155,000	$100,000	$150,000
Jan. 15, 2009	Withdrawal (not exceeding the GLWA)	$7,500 (B)	$156,000(C)	$148,500	$150,000 (A)	$142,788.46 = ($150,000 - $7211.54*)
April 8, 2011	Reset	–	$160,000	$160,000	$142,788.46	$160,000 (since $160,000 > $142,788.46)

*The value of the proportionate reduction withdrawal to the Death Guaranteed Amount is calculated as follows: (A – P) = $150,000 – $7,211.54 = $142,788.46
Where P = A x (B/C) = $150,000 x ($7,500/$156,000) = $7,211.54

7.9.7 **Death Benefit**

The Death Benefit is calculated on the Death Benefit Date. The Death Benefit Date is the Valuation Date we receive satisfactory proof of the death of the last surviving Annuitant. Satisfactory proof of death is determined under our Administrative Rules.

- The Death Benefit is the greater of the:
  (i) Death Guaranteed Amount; and
  (ii) Market Value of the Contract.
- If the Market Value on the Death Benefit Date is less than the Death Guaranteed Amount, we will make up the difference. We refer to the difference as the "Top-Up Benefit".
- **The Death Benefit provision does not apply to a Contract in the Guaranteed Payment Phase as there is no longer a Death Benefit when the Contract is in that stage. Please see section 7.8, Guaranteed Payment Phase.**
- The Contract will terminate upon payment of the Death Benefit.

Any amount that is allocated to a Fund is invested at the risk of the owner and may increase or decrease in value.

7.9.8 **Process for Determining the Death Benefit**

In some circumstances, there may be delays in obtaining satisfactory proof of death and we may be notified of the death of the Annuitant before receipt of proof of death (for example, a death certificate). In such event, on the date we are notified of the death of the last surviving Annuitant, we will switch all Units in the Funds held in the Contract into the Money Market Fund or to another Fund we designate if the Money Market Fund is not available. This date is called the "Notice Date".

- Notification of death has to be in writing and meet the requirements set out in our Administrative Rules.
- As of the Notice Date, no further transactions can be made. For example, scheduled withdrawals, including payments of RRIF Minimum Amounts will be stopped.
- Subsequently, on the Valuation Date we receive proof of death, the Death Benefit will be calculated.

8. THE INVESTMENT OPTIONS

8.1 General Information

This Contract gives you access to a selection of Funds.

- The categories of Funds currently include Money Market, Fixed Income, Canadian and Global Balanced.
- The underlying investments in a Fund may be units of a mutual fund, stocks, bonds, short-term notes or other selected investments. You do not acquire any ownership interest in the Funds or in the underlying investments when you make Deposits to the Contract.
- **For additional information about the Funds, please see the Summary Fact Statements Booklet for the list of Funds available when you purchase the Contract.**
- For Funds available after the purchase of the Contract, please consult with your advisor.
- We may discontinue offering a Fund, add, merge or split Fund(s) available within the Contract.
- If we discontinue offering a Fund, we will automatically reallocate your holdings in the discontinued Fund to another Fund of our choice.
- We may also substitute an Underlying Fund(s) for a substantially similar Underlying Fund(s) for any of the Funds available within the Contract. This transaction may be a taxable event and subject to the Fundamental Change rule. Please see section 14.2, Taxation of Non-Registered Contracts and section 13.2 Fundamental Changes for more information.

8.2 Investment Objective, Policy and Restrictions

For each Fund, we will outline the investment objective and the investment policy, restrictions and risks applicable to that Fund. The investment policy and restrictions may change from time to time.

We may change the investment objective of a Fund. A change to the investment objective will be considered a fundamental change. Please see section 13.2, Fundamental Changes for more information.

- We have the right to change the manager of any Fund, at any time at our discretion. The manager is the person or team of people who are directly responsible for the investment decisions of any Fund.

Please see the Summary Fact Statements Booklet for the investment objective, policy, restrictions and risks applicable to each Fund.

9. HOW WE CALCULATE THE VALUE OF YOUR INVESTMENT

9.1 Net Asset Value of a Fund

On each Valuation Date, we calculate the net asset value for Units of each Fund. The net asset value is the total market value of the Fund's assets minus any applicable liabilities, on that date. The net asset value is divided by the number of Units in the Fund to determine the Unit Value.

The net asset value of a Fund fluctuates with the market value of the underlying assets of the Fund and is not guaranteed.

9.2 Unit Value of a Fund

- The Unit Value of a Fund is determined by dividing the net asset value of a Fund by the number of Units held in the Fund on that Valuation Date.
- The Unit Value of a Fund remains in effect until the next Valuation Date.

- All earnings of a Fund are automatically reinvested in the Fund and this will be reflected in the Unit Value of the Funds.
- Transamerica reserves the right to change this method of reinvesting a Fund's earnings following written notice to policyholders.
- Transamerica may increase the number of Units of a Fund by splitting a unit into two or more Units, or decrease the number of Units by combining two or more Units. However, the market value of the Funds in your Contract will not be affected by this activity.

  The Unit Value of a Fund is not guaranteed but varies in accordance with fluctuations in the market value of the assets of each Fund.

9.3 Valuation Date

We determine the net asset value and the Unit Value of a Fund at the close of business on every Valuation Date.

- A Valuation Date occurs every day that the principal exchange is open for business and a value is available for the underlying assets of the Fund. Currently, the principal exchange is the Toronto Stock Exchange. We may change the principal exchange to another exchange.
- All transactions (e.g. Deposits, withdrawals, transfers) are processed based on the market value as at the close of business on the Valuation Date provided we receive at our Head Office, the instructions or transactions by the Valuation Date cut-off time, that we determine. If we receive instructions or transactions after the cut-off time, it will be considered to be received on the next Valuation Date.
- Transamerica reserves the right to change the Valuation Date cut-off time (earlier or later).
- Please contact your financial advisor for the Valuation Date cut-off time that may apply to your specific transaction request.

  Transamerica reserves the right to reduce the frequency with which the Unit Value of a Fund is calculated, subject to a minimum frequency of once a month. If such an event occurs, you are provided with certain rights. Please see section 13.2, Fundamental Changes for more information.
- We may postpone valuation:
  - (i) for any period during which one or more of the nationally recognized stock exchanges are closed for other than a customary weekend or holiday closing,
  - (ii) for a period during which trading on securities exchanges is restricted, or
  - (iii) when there is an emergency during which it is not reasonable for us to dispose of investments owned by the Funds or to acquire investments on behalf of the Funds or to determine the total value of the Funds.

9.4 Market Value of the Contract

The Market Value of your Contract on any given Valuation Date is determined according to the following formula:

Market Value of your Contract = sum of [(Unit Value x number of Units) for each Fund you hold in the Contract]

10. SALES CHARGE OPTIONS

10.1 General Information

- You may have to pay sales charges when depositing or withdrawing from the Contract, depending on the sales charge option of the Funds that you choose. There are two sales charge options under the Contract: ISC option and DSC option.
- The amount of sales charges are determined by the Fund category and sales charge option in which you originally purchase Units.
- While the Contract is in force, you may request that Funds that you hold under one sales charge option be moved to a Fund of another sales charge option in accordance with our Administrative Rules in effect at the time. Moving from Funds of different sales charge options is not considered a switch and such transaction will trigger sales charges and withdrawal fees. As this transaction is processed as a surrender of Units of one Fund and a purchase of another, guarantees will be impacted.

  The movement between Funds of different sales options are subject to market fluctuations. As this transaction will impact guarantees, you may want to consult your advisor before requesting such transaction.
- We reserve the right to change, add or delete sales charge options at any time.

10.2 Initial Sales Charge Option (ISC)

- With this option, you negotiate the sales charge with your Advisor. The negotiated sales charge is between 0% and 5% of your Premium. The negotiated sales charge will be deducted from the Premium to determine the Deposit. For example, if you invest $25,000 and you negotiate a 5% initial sales charge, $23,750 will be the amount of the deposit and $1,250 will be paid to your Advisor as a sales charge. There is no Deferred Sales Charge when you make a withdrawal against these Units. Units purchased under this option are called ISC Units.

10.3 Deferred Sales Charge Option (DSC)

- With this option, you pay no sales charge to your Advisor at the time of Deposit. Instead, you agree to pay a Deferred Sales Charge to us if you request a withdrawal within eight years of the effective date of each Deposit. Units obtained under this option are called DSC Units.

10.3.1 Deferred Sales Charge (DSC) Upon Withdrawal

- The DSC is charged as a percentage of the original purchase price of the DSC Units withdrawn. The percentage charged varies based on the time that has passed since the effective date of Deposit. The DSC schedule is as follows:

When the Units are withdrawn:	Deferred sales charge (as percentage of the original purchase price of DSC Units)
During the 1st year after Deposit	6.0%
During the 2nd year after Deposit	6.0%
During the 3rd year after Deposit	5.0%
During the 4th year after Deposit	5.0%
During the 5th year after Deposit	4.0%
During the 6th year after Deposit	3.0%
During the 7th year after Deposit	2.0%
During the 8th year after Deposit	1.0%
During the 9th year after Deposit	0%

This Deferred Sales Charge schedule is subject to change and any new Deposits made after such change will be subject to the new Deferred Sales Charge schedule.

- We withdraw Units from your selected Funds in the order they were purchased – first in, first out, until the total requested amount is withdrawn.

10.4 10% Free Withdrawal Privilege for DSC Units

- If you make a withdrawal, you are entitled in each calendar year to withdraw up to 10% of the number of DSC Units allocated to a Fund without paying DSC. Any unused portion of the privilege may not be carried forward from one year to the next. We reserve the right to discontinue or change this right at any time.
- The number of DSC Units that may be withdrawn each year is the sum of the following:
  - (i) 10% of the number of DSC Units that were allocated to the Fund at the end of the previous calendar year, and
  - (ii) 10% of DSC Units allocated to the Fund in the current year, prorated by the number of days the Units have been held in the current year (not including the day of allocation) (In prorating, we divide by 366 for leap years and by 365 for non-leap years); less
  - (iii) any DSC Units withdrawn from the Fund in the current year under this privilege.

For example:

Date	Transaction/Event	Amount	Unit Price	Number of Units	Free Units
Dec. 31, 2008	Deposit	$25,000.00	$10.00	2,500	250 (2,500 X 10%)
Jan. 10, 2009	Deposit	$5,500.00	$11.00	500	20.959*
Apr. 17, 2009	Deposit	$6,000.00	$12.00	500	7.671**
Jun. 12, 2009	10% free withdrawal requested	$3,622.19	$13.00	–	278.63

* (10% of 500 DSC Units = 50 free additional Units in aggregate) x 153/365† = 20.959 free Units available to be withdrawn as of June 12, 2009

** (10% of 500 DSC Units = 50 free additional Units in aggregate) x 56/365†† = 7.671 free additional Units available to be withdrawn from your Fund as of June 12, 2009

Total free Units available to be withdrawn from your Fund as of June 12, 2009 are 250 + 20. 959 + 7.671 = 278.63 free additional Units.

†153 represent the number of days from January 11 to June 12 inclusive

††56 represent the number of days from April 18 to June 12 inclusive

The standard provision under Processing a Withdrawal will apply to free withdrawals. **Excess Withdrawals may have a negative impact on future GLWB. DSC free withdrawals in excess of the GLWA are considered Excess Withdrawals.**

11. FEES

11.1 General Information

The management fee is the fee you pay for the management of the Funds, commissions and service fees payable to Advisors, and for the basic insurance benefits under the Contract.

- The basic insurance benefits of the Contract are the 75% Contract Maturity Benefit, 100% Death Benefit and Resets of the Death Guaranteed Amount.
- The fee you pay for the management, basic insurance benefits, operating expenses and applicable taxes of a Fund are incorporated in the Management Expense Ratio (MER) of a Fund.
- The fee you pay for the Guaranteed Lifetime Withdrawal Benefit is referred to as the GLWB Fee .
- The GLWB Fee is paid from the Contract through the monthly withdrawal of Units. The GLWB Fee is in addition to a Fund's MER.
- The Contract is subject to switch fees. We reserve the right, in certain circumstances, to charge an early withdrawal fee and an early switch fee to dissuade activity that may be detrimental to the Funds and all policyholders.

11.2 Management Fee and Operating Expenses

- Each Fund pays a management fee to us for providing the management of the Fund, commissions and service fees payable to Advisors and for the basic insurance benefits under the Contract.
- Where the Fund invests in an Underlying Fund, there is no duplication of management fees.
- Each Fund also pays its own operating expenses. Operating expenses accrue daily and include, among other things legal, audit, accounting, safekeeping and custodial fees and expenses, taxes and interest, administrative expenses, costs associated with meeting legal requirements and regulatory guidelines on variable insurance contracts, the costs of financial reports, information folders, client statements, mailings, and other reports necessary to comply with regulatory guidelines.
- The management fees and operating expenses are calculated and accrued based on the market value of the Fund's assets on each Valuation Date and are paid to us monthly.
- You do not directly pay for the management fees, operating expenses and applicable taxes as they are paid by the Fund, however the management fees, operating expenses and applicable taxes will reduce the returns earned by the underlying assets within the Fund.

Subject to the Fundamental Changes provision described in section 13.2, we may change the management fee for any Fund by sending you written notice of the change at least 60 days in advance.

Please see the Summary Facts Statement Booklet for the management fee of each Fund.

11.3 Management Expense Ratio

The "management expense ratio" (MER) shows the historical, annual cost of investing in a Fund and may vary from year to year. It includes the management fees, operating expenses and applicable taxes (i.e. GST) paid by the Fund. You do not directly pay the MER as it is paid out of the Fund before the calculation of the Unit Value.

The MER is calculated as follows:

$$MER = 100 \times \frac{\text{management fee plus operating expenses and applicable taxes}}{\text{average net assets of the Fund during the year}}$$

Please see the Summary Facts Statement Booklet for more information about MERs.

11.4 GLWB Fee

The GLWB Fee covers the cost of providing the Guaranteed Lifetime Withdrawal Benefit.

- The fee is paid through a withdrawal of Fund Units at the end of each month.
- Withdrawals of Units to pay for the GLWB Fee have no impact on the Maturity Guaranteed Amount and Death Guaranteed Amount nor does it reduce the GWBase, FIEBase and GLWA.
- If a full surrender is done prior to the last Valuation Date of the month, the GLWB fees will not be collected for that month.
- The GLWB Fee is not payable during the Guarantee Payment Phase. Please see section 7.8, Guaranteed Payment Phase for more information.
- The GLWB Fee is currently not subject to Goods and Services Tax (GST).

11.4.1 GLWB Fund Fee Levels

- Depending on the risk level and volatility of the Fund, each Fund will be assigned, at our discretion, a GLWB Fund Fee Level.
- Currently, there are four GLWB Fund Fee Levels available within the Contract.
- For each GLWB Fund Fee Level we determine a corresponding Fund Fee Rate.
- The riskier and more volatile the Fund, the higher the GLWB Fund Fee Level is for that Fund.

- We may change the amount of the Fund Fee Rate, up to the Maximum Fund Fee Rate, without prior notification. If the increase is beyond the Maximum Fund Fee Rate, we will provide you with at least 60 days advance notice and you will have the rights outlined under the Fundamental Change Rule. Please see section 13.2, Fundamental Changes for more information.
- We reserve the right to change the GLWB Fund Fee Level of a Fund by providing you with at least 60 days advance notice. If the change results in a Fundamental Change, the change will be subject to the Fundamental Change Rule outlined in section 13.2.
- We reserve the right to add new GLWB Fund Fee Levels.
- The table below outlines the GLWB Fund Fee Levels and applicable Fund Fee Rates:

GLWB Fund Fee Levels	Annualized Fund Fee Rates	
	Fund Fee Rates	Maximum Fund Fee Rates
Level 1	0.20%	0.70%
Level 2	0.40%	0.90%
Level 3	0.60%	1.10%
Level 4	0.80%	1.30%

11.4.2 Calculation of the GLWB fee

The monthly GLWB Fee is based on the following factors:

- Fee Rate of each Fund(s) held in the Contract
- The value of the GWBase at the end of each month
- The proportionate market value of the Fund in relation to the other Funds held in the Contract.

- Specifically, the monthly GLWB Fee for each Fund is calculated based on the following formula:

F = GWBase x ((M x R)/12)

Where:

F = GLWB Fee collected on the last Valuation Date of the month

GWBase = Value of the GWBase on the last Valuation Date of the month (after all transactions have been processed, including the FIE Bonus or Reset)

M = Proportional weighting of the market value of the Fund relative to the market value of the Contract on the last Valuation Date of the month

R = Fund Fee Rate for the Fund

Example of the GLWB Fee Calculation:

- The GWBase on the last Valuation Date of the month = $85,000
- Market value of the Contract on the last Valuation Date of the month = $90,000, with the market value allocation by Fund as follows:

  Fund 1 = $5,000

  Fund 2 = $65,000

  Fund 3 = $20,000
- Fee Rates for the Funds were as follows:

  Fund 1 = 0.20%

  Fund 2 = 0.40%

  Fund 3 = 0.60%

The GLWB Fee calculation on the last Valuation Date of the month is as follows:

Fund	Proportionate Market Value of Fund (M) relative to the Contract	Fund Fee Rate (R)	(M x R)/12	GWBase of the Contract	GLWB Fee to be applied to Fund for the Month
Fund 1	$ 5,000 ($5,000/$90,000) = 0.0556	0.20%	(0.0556 x 0.20%)/12 = 0.0000092	$85,000	$0.78
Fund 2	$65,000 ($65,000/$90,000)= 0.7222	0.40%	(0.7222 x 0.40%)/12 = 0.0002407	$85,000	$20.46
Fund 3	$20,000 ($20,000/$90,000) = 0.2222	0.60%	(0.2222 x 0.60%)/12 = 0.0001111	$85,000	$9.44
Total GLWB Fee Charged for the Month					**$30.68**

11.4.3 Collection of the GLWB fee

The GLWB Fee will be collected on the last Valuation Date of each month, after all transactions are processed, but before the GLWA recalculation (if applicable for the month).

- The GLWB Fee is applied to each Fund in accordance with the formula above.

11.5 Switch Fees, Early Withdrawal Fees, Early Switch Fees and Recovery Of Expenses

- Frequent trading in and out of Funds may have a negative impact on the overall performance of the affected Funds. Such activity is detrimental to all policyholders in the affected Funds. To discourage attempts at market timing, this Contract is subject to switch fees. Transamerica also reserves the right to charge an early withdrawal fee and an early switch fee.

11.5.1 Switch Fee

- We will deduct a switch fee of 2% of the amount switched for the **FIFTH** and subsequent switches in the same calendar year. Please refer to section 5.2 for information on the switch fee.
- The switch fee will reduce the Maturity Guaranteed Amount and Death Guaranteed Amount proportionally.
- If your Contract is non-registered, switches are considered a disposition under the *Income Tax Act* (Canada) and will be taxable. For more information, please refer to section 14.2 – Taxation of Non-Registered Contracts.
- Transamerica reserves the right to change this fee at any time upon 60 days advance notice.

11.5.2 Early Withdrawal Fee

- We may apply an early withdrawal fee of 2% of the value of Units withdrawn if the unscheduled withdrawal is made within 90 days of the Deposit. This fee does not apply to scheduled withdrawal payments and to the 10% free withdrawal privilege. Transamerica reserves the right to change this fee at any time upon 60 days advance notice.
- The early withdrawal fee will reduce the Maturity Guaranteed Amount and Death Guaranteed Amount proportionally.
- If your Contract is non-registered, the early withdrawal fee will be considered a disposition under the *Income Tax Act* (Canada) and will be taxable. For more information, please refer to section 14.2 – Taxation of Non-Registered Contracts.

11.5.3 Early Switch Fee

- We may apply an early switch fee of 2% of the value of Units switched if an unscheduled switch is made within 90 days of allocating those Units to the Fund. This fee does not apply to scheduled switches. Transamerica reserves the right to change this fee at any time upon 60 days advance notice.
- The early switch fee will reduce the Maturity Guaranteed Amount and Death Guaranteed Amount proportionally.
- If your Contract is non-registered, the early switch fee will be considered a disposition under the *Income Tax Act* (Canada) and will be taxable. For more information, please refer to section 14.2- Taxation of Non-Registered Contracts.

11.5.4 Recovery of Expenses

- We reserve the right to charge you for any expenses or investment losses that occur as a result of you writing an (non-sufficient funds) NSF cheque when making a Deposit to the Contract. Any charges passed on to you will correspond to any expenses or losses incurred by Transamerica.

12. COMPENSATION PAID TO ADVISORS

- The Contract is sold through independent advisors. We compensate the Advisor who solicits the Contract. The amount of compensation depends on the contractual agreement between Transamerica and/or its distributor.
- We pay sales commission which may vary based on the sales charge option, the Fund and in some cases the amount of Deposit.
- Your Advisor also receives service commission for ongoing service.
- No compensation is paid for:
  - Top-Up Benefit paid on Contract Maturity Date and Death Benefit Date;
  - Switches between Funds (i.e. within the same sales charge option)
  - Transfers between an RRSP to a RRIF

13. OTHER IMPORTANT INFORMATION

13.1 Claims of Creditors

- This Contract may be protected from claims of creditors when the Beneficiary is the spouse, parent, child or grandchild of the Annuitant (in Quebec, the Beneficiary must be the married or civil union spouse, the ascendant or descendant of the Owner), or if the Beneficiary is named irrevocably. It is not clear if creditor protection is available if the Contract is classified as a nominee name Contract.

This description is of a general nature only. There are important limitations with respect to this protection and this description does not include all possible considerations. You should consult your own legal advisors with respect to your particular circumstances.

13.2 Fundamental Changes

- We may make certain changes under this Contract that are considered a fundamental change. A fundamental change is defined as:
  - an increase in the management fee of a Fund;
  - a change in the fundamental investment objectives of a Fund;
  - a decrease in the frequency with which Units of a Fund are valued; or
  - an increase in the insurance cost of a Fund in excess of the maximum limit.
- We will give you at least 60 days' written notice (the "Notice Period") before making a fundamental change. In the event we make a fundamental change, you have the right to: (a) switch to another Similar Fund before the expiry of the Notice Period; or (b) if we do not offer a Similar Fund, withdraw the Units in the Funds affected by the fundamental change without incurring sales charges. We must receive your response at least 5 days prior to the expiry of the Notice Period.
- A Similar Fund is a Fund that has a comparable investment objective, is in the same Fund investment category and has the same or lower management fee and guarantee cost as the Fund subject to the fundamental change.
- During the notice period, you may not switch to the Fund subject to the fundamental change unless you agree to waive in writing the right to surrender without sales charges.

  We reserve the right to make Fundamental Changes from time to time, subject to compliance with the clauses noted above. In cases where a Five for Life GIF invests in an underlying fund, we also reserve the right to change such underlying fund. If such a change constitutes a Fundamental Change, you will have the rights described in the section above.

  Changing an underlying fund to another similar underlying fund will not constitute a Fundamental Change provided immediately following the change the total management fee and insurance fee of the Five for Life GIF is the same as, or lower than, the total management and insurance fee immediately prior to the change.

  A similar underlying fund is one that has a comparable fundamental investment objective, is in the same investment fund category and has the same or lower management fees as the underlying fund.

14. TAX IMPLICATIONS

14.1 General Information

- **This is a general summary of the income tax consideration for individual Owners who are Canadian residents. It does not address all possible tax considerations and you should consult your tax advisor to address your personal tax circumstances. The summary is based on the current *Income Tax Act* (Canada).**
- Legally, Transamerica is considered the Owner of the assets of the Funds. However, for tax purposes, each Fund is treated as a trust, separate from Transamerica. Transamerica does not pay taxes on income or net gains generated by the Fund. Rather, each Fund will allocate income, capital gains and capital losses to you based on the number of Units you hold under the Contract.
- You are responsible for the proper reporting and payment of taxes, irrespective of our interpretation of certain features offered under the Contract, which could be uncertain at this time. We recommend that you consult your tax advisor regarding the tax treatment of the benefits under this Contract as they apply to your individual circumstances.

14.2 Taxation of Non-Registered Contracts

- Each year, you will be allocated income and capital gains or capital losses realized by a Fund in which you hold Units.
- If you withdraw Units of a Fund due to the payment of the GLWA, death of the Owner or otherwise, or switch between Funds, you may realize a capital gain or a capital loss.
- Sales charges including DSC can be deducted as a capital loss in the year you dispose of your Units.
- The withdrawal of Units to pay for the GLWB Fee, switch fee, early withdrawal fee and early switch fee can result in a capital gain or a capital loss in the year of withdrawal.
- The discontinuance of a Fund and reallocation to another Fund is considered a disposition for income tax purposes, which can result in a capital gain or a capital loss. The substitution of an Underlying Fund is also considered a disposition for income tax purposes, which can result in a capital gain or a capital loss.
- We will send you a tax slip at the end of each year showing the income, capital gains and capital losses for Units of each Fund allocated to you.

14.2.1 Taxation of Contract Maturity Benefit and Death Benefit Top-Up

- If the Contract Maturity Benefit or Death Benefit is greater than the Market Value of the Contract on the Contract Maturity Date or Death Benefit Date, as the case may be, we will make up the difference. The difference is called "Top-Up Benefit".
- The Top-Up Benefit is taxable when it is deposited into the Contract.
- The taxation of the Top-Up Benefit is not certain at this time. We recommend that you consult your tax advisor to consider the tax treatment of Top-Up Benefits in your individual circumstances. Based on our current understanding of the *Income Tax Act* (Canada), we will report the top-up as a capital gain.

14.2.2 Taxation of Payments During the Guaranteed Payment Phase

- The taxation of payments made to you during the Guaranteed Payment Phase is uncertain at this time.
- We will report any payments during the Guaranteed Payment Phase based on our understanding of tax legislation and CRA assessing practices at that time.
- We recommend that you consult your tax advisor to consider the potential tax treatment of payments during the Guaranteed Payment Phase in your individual circumstances.

14.2.3 Taxation of GLWB Fees

- At this time, the GLWB Fee that is charged through a withdrawal of Units is considered an expense to you.
- The withdrawal of Units to pay for the GLWB Fee is a tax disposition that may result in capital gain or capital loss.
- You may wish to consult your tax advisor to determine the deductibility of the GLWB Fee in your circumstances.
- The GLWB Fee is currently not subject to GST.

14.3 Taxation of Registered Contracts

- The ***Five for Life*** Contract may be registered as a Retirement Savings Plan (RSP) or a Retirement Income Plan (RIF).
- In a registered Contract, no tax is payable on income allocated to your Contract or on capital gains realized as a result of a switch of Funds.
- There are no tax consequences on the conversion from an RRSP Contract to a RRIF Contract.

14.3.1 RRSP

- Deposits made to an RRSP can be deducted by the person making the deposit, up to the maximum permitted under the *Income Tax Act* (Canada). If you own a spousal RRSP, your spouse who is contributing to your RRSP can make the deduction, subject to allowable limits.
- Withdrawals from an RRSP, including the GLWA, are taxable. We are required to withhold and remit taxes on the amount withdrawn.

14.3.2 RRIF

- You are required to take the RRIF Minimum Amount as determined by the *Income Tax Act* (Canada) each calendar year.
- We are required to withhold taxes at the prescribed rates if you withdraw an amount in excess of the RRIF Minimum Amount. Therefore, if in any given calendar year, the GLWA is greater than the RRIF Minimum Amount, the difference is subject to withholding taxes.

14.3.3 Taxation of Contract Maturity Benefit and Death Benefit Top-Up

- The Top-Up Benefit amount that we pay on Contract Maturity Date is not subject to taxation if it is deposited to the Contract. However, it is taxable to you when the Contract Maturity Benefit (including the top-up) is paid to you.
- The Top-Up Benefit amount we pay on Death Benefit Date is not subject to taxation if it is deposited to the Contract. However, it is taxable to you when the Death Benefit (including top-up) is paid to your Beneficiary or your estate.

14.3.4 Taxation of Payments during the Guaranteed Payment Phase

- The amount of payments made during the Guaranteed Payment Phase will be taxable to you when withdrawn from the Contract.

14.3.5 Taxation of GLWB Fees

- At this time, the GLWB Fee that is charged through a withdrawal of Units is considered a non deductible expense to you.
- The Units withdrawn to pay for the GLWB Fee are not subject to withholding taxes and will not be reported to you as taxable income.
- The GLWB Fee is currently not subject to GST.

15. CUSTODIAN

- The custodian of the Funds is RBC Dexia Investor Services Trust, 200 Bay Street, North Tower, Toronto, Ontario, M5J 2J5.

16. AUDITOR

- The auditors of the Funds is Ernst and Young LLP, 222 Bay Street, Toronto, Ontario, M5K 1J7.

17. MATERIAL CONTRACTS AND MATERIAL FACTS

- There have been no material Contracts entered into by Transamerica within two years prior to the date of filing this information folder. There are no materials facts relating to your Contract that have not been otherwise disclosed.

18. INTEREST OF MANAGEMENT

- No director or officer of Transamerica has had any material interest in any transactions within 3 years prior to the date of filing of this information folder that would materially affect Transamerica with respect to the Funds.

19. GLOSSARY

- For terms used in this folder, please see section 1 of the Annuity Policy, page: 38.

THIS PAGE IS LEFT INTENTIONALLY BLANK

TRANSAMERICA LIFE CANADA

Five *for* Life™
ANNUITY POLICY

In this Contract, "you" and "your" mean the Owner of the Contract. "We", "us", "our" and "Transamerica" means Transamerica Life Canada.

Transamerica Life Canada is the sole issuer of this annuity Contract and the provider of the guarantees under the Contract.

Douglas W. Brooks
President and Chief Executive Officer

Glenn Daniels
Corporate Secretary

1. DEFINITIONS OF TERMS USED IN THE ANNUITY POLICY AND THE INFORMATION FOLDER

In the Annuity Policy and Information Folder, the following terms shall have the following meanings:

Administrative Rules are rules, policies and procedures that we may establish from time to time to administer your Contract. We may change Administrative Rules without notice to you. The Administrative Rules that apply are those in effect at the time of the transaction.

Advisor means the person, firm, distributor, corporation or other entity duly licensed by the appropriate regulatory authorities to solicit applications for insurance in the applicable jurisdiction, and with whom Transamerica has a contractual agreement.

Annuitant is the measuring life on whom the Contract Maturity Benefit, the Death Benefit and the Guaranteed Lifetime Withdrawal Benefit are based. For registered plans, you must be the Annuitant; for non-registered plans, you may be the Annuitant or you may designate another person to be the Annuitant.

Beneficiary is the individual or entity you designate to receive the Death Benefit on the death of the last surviving Annuitant.

Business Day means a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario, Canada.

Calendar Age refers to the age of the Annuitant. It is calculated by subtracting the birth year of the Annuitant from the current calendar year. It does not take into consideration the day and month. For example, someone born on July 10, 2000 will on January 1, 2065 be Calendar Age 65.

Contract consists of the **Five *for* Life** annuity policy, any endorsements or riders incorporated by reference into the annuity policy at the time of its issue, the application once completed and any amendments agreed to by us in writing after the Contract is issued.

Contract Maturity Benefit is the benefit payable or used to calculate an immediate annuity when the Contract matures (the Contract Maturity Date). The benefit is calculated as the greater of the Maturity Guaranteed Amount and the Market Value of the Contract on the Contract Maturity Date.

Contract Maturity Date is the date that the Maturity Benefit is calculated. It refers to December 31st of the year in which the last surviving Annuitant turns 120 years of age, or the last Valuation Date of that year if December 31st is not a Valuation Date.

Death Benefit is the benefit payable on the Death Benefit Date. The death benefit is calculated as the greater of the Death Guaranteed Amount and the Market Value of the Contract.

Death Benefit Date means the Valuation Date we receive satisfactory proof of the death of the last surviving Annuitant in accordance with our Administrative Rules.

Death Guaranteed Amount means the minimum amount that is payable on the death of the last surviving Annuitant.

Deferred Sales Charge (DSC) is a sales option where you pay no sales charge to your Advisor at the time of Deposit. You will pay a DSC if you withdraw Units within 8 years of the effective date of the deposit.

Deferred Sales Charge Units (DSC Units) means Units purchased under the Deferred Sales Charge option.

Deposit(s) means the Premium(s) received from you less applicable taxes and sales charges. It does not include the dollar amount of any switches between Funds.

Effective Date is the date the Contract becomes effective. It is the Valuation Date we receive the first Deposit to the Contract and confirm that the Contract has been set up in accordance with our Administrative Rules.

Excess Withdrawals are withdrawals taken before the Annuitant turns Calendar Age 65 or withdrawals which exceed the GLWA in a calendar year on or after the Annuitant turns Calendar Age 65. The amount of the Excess Withdrawal is the amount in excess of the GLWA. For RRIF Contracts, an Excess Withdrawal occurs when the withdrawals exceed the greater of the GLWA and the GLWA RRIF Minimum.

Fund or Fund(s) means the Segregated Funds currently available under the **Five *for* Life** Contract.

Future Income Escalator Base (FIEBase) is a notional amount used to calculate the Future Income Escalator Bonus.

Future Income Escalator Base Downward Adjustment (FIEBase Downward Adjustment) means the reduction to the FIEBase that occurs immediately following an Excess Withdrawal.

Future Income Escalator Bonus (FIE Bonus) means an amount added to the GWBase at the end of any of the first 15 calendar years. No FIE Bonus is added to the GWBase if a withdrawal is made in that year.

Guaranteed Lifetime Withdrawal Amount (GLWA) means the minimum amount guaranteed to be available for withdrawal each calendar year for the life of the Annuitant. The GLWA may vary from year to year; however, if withdrawals during a calendar year do not exceed the GLWA, the GLWA will not decrease in value. The GLWA is calculated on the life of a specific Annuitant and will be recalculated when the Successor Annuitant assumes the RIF Contract or when the Annuitant is changed.

Guaranteed Lifetime Withdrawal Amount (GLWA) RRIF Minimum is an amount calculated for Contracts registered as a RRIF to minimize the impact of Excess Withdrawals as a result of taking the RRIF Minimum Amount from the Contract. If you have elected to calculate the RRIF Minimum Amount based on your age, the GLWA RRIF Minimum is based on your age and will be equal to the RRIF Minimum Amount. If you have elected to calculate your RRIF Minimum Amount based on your spouse's or common-law partner's age, the GLWA RRIF Minimum is based on either your age or your spouse's or common-law partner's age, whoever is younger.

Guaranteed Lifetime Withdrawal Benefit (GLWB) means a guarantee that provides for annual withdrawals for the life of the Annuitant, regardless of the performance of the investment and provided that Excess Withdrawals are not taken.

Guaranteed Lifetime Withdrawal Benefit Fee (GLWB Fee) means the fee for providing the Guaranteed Lifetime Withdrawal Benefit under the Contract. It is payable monthly to Transamerica through the surrender of Units. It is in addition to the management fees, operating expenses and applicable taxes charged to the Funds. The GLWB Fee is not payable during the Guaranteed Payment Phase.

Guaranteed Payment Phase (GPP) occurs when the Market Value of the Contract reduces to zero dollars but the GWBase is greater than zero.

Guaranteed Withdrawal Base (GWBase) is a notional amount used to calculate the GLWA.

Guaranteed Withdrawal Base Downward Adjustment (GWBase Downward Adjustment) means the reduction to the Guaranteed Withdrawal Base that occurs immediately following an Excess Withdrawal.

Head Office means our office at 5000 Yonge Street, Toronto, Ontario M2N 7J8. If we change our Head Office, we will notify you in writing.

Initial Sales Charge (ISC) means that a fee, agreed upon by you and that is paid to your Advisor. The fee is deducted from the amount we receive from you before Units are allocated to your Contract.

Initial Sales Charge Units (ISC Units) means Units purchased under the ISC option.

Market Value of the Contract is equal to the sum of [(Unit Value x number of Units) for each Fund you hold in the Contract] at the close of business in a given day if it is a Valuation Date, or if it is not a Valuation Date, the immediately preceding Valuation Date.

Maturity Guaranteed Amount means the minimum amount that is payable on the maturity of the Contract.

Owner means the Owner or Owners of the Contract, as named in the application or as changed in accordance with the Contract.

Policy Anniversary Date means the anniversary of the Effective Date of the Contract.

Premiums are the amounts we receive from you for allocation to the Contract before deducting applicable taxes and sales charges.

Resets are performed every 3 years, on the Policy Anniversary Date up to a specified time period. Resets are performed to lock in market gains for the Death Guaranteed Amount, GWBase and the FIEBase.

RRIF Minimum Amount means the minimum amount that is required to be withdrawn from the RRIF Contract each calendar year under the *Income Tax Act* (Canada).

Successor Annuitant means a person who will become the Annuitant when the primary Annuitant dies and for the purposes of the Contract will be considered the Annuitant. A Successor Annuitant can be designated for RIF Contracts and in that case, only a spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)) can be designated as a Successor Annuitant. You may appoint a Successor Annuitant only while the Annuitant is living.

Underlying Fund means a mutual fund or other types of fund that we may select in which a Fund invests in from time to time.

Unit Value is determined by dividing the net asset value of a Fund by the number of Units held in the Fund on a Valuation Date. The Unit Value of a Fund remains in effect until the next Valuation Date.

Units is a notional measurement to determine your participation interests in a segregated fund.

Valuation Date means every day that the principal exchange is open for business, and a value is available for the underlying assets of the Fund. Currently, the principal exchange is the Toronto Stock Exchange.

Withdrawal Percentage (WD%) is one of the two components used to calculate the GLWA. It is based on the Annuitant's Calendar Age, starting from Calendar Age 65. The WD% is set for the Contract the first time a withdrawal is made and once set, it continues to apply for the term of the Contract, except that the WD% is re-determined when a Successor Annuitant assumes the Contract or when the Annuitant is changed.

2. THE CONTRACT

2.1 Nature of the Contract

- The Contract consists of this individual variable annuity policy (the "Annuity Policy"), the application form once completed, endorsements issued with the Annuity Policy and written amendments we agree to after your Contract is issued.

  We will not be bound by an amendment made by you or your Advisor unless it is in writing and signed by our President together with one of our Vice-Presidents.

  This Contract is available as a non-registered Contract or if you request that your Contract be registered as a Retirement Savings Plan (RSP) or a Retirement Income Plan (RIF), the RSP or RIF endorsement, as applicable, will be part of the Contract. The terms of the endorsements will override any conflicting provisions of the Contract.

2.2 Effective Date of the Contract and Policy Anniversary Date

- The Contract takes effect on the Valuation Date on which we receive your first Deposit and establish that your Contract has met the Contract set-up requirements as determined under our Administrative Rules. Delivery of a copy of the Annuity Policy does not constitute acceptance of a Contract. The date the Contract takes effect is called the "Effective Date".

  The Effective Date determines the Policy Anniversary Date.

2.3 Number of Contracts Allowed

- We have the right to limit the number of Contracts where you are the Owner by declining subsequent applications for the same taxation type and the same Annuitant.

2.4 Contract Amendment

- We reserve the right to amend the Contract at any time if legislation or regulation which affects the terms of the Contract is changed. We will inform you of changes to the Contract resulting from legislative or regulatory amendment along with regular communications sent to you.

2.5 Administrative Rules

- We adopt Administrative Rules to administer your Contract. The Administrative Rules are those in effect at the time the transaction is processed and may change from time to time, without notice to reflect corporate policy, economic and legislative changes. As these Administrative Rules change, it may affect the administration of your Contract.

3. GENERAL PROVISIONS

3.1 Owner

- As Owner, you are entitled to all rights granted under the Contract, subject to any limits imposed by law. The Owner must be a Canadian resident at the time the Contract is issued.

  Your rights may be limited if you have designated an irrevocable beneficiary or if you have assigned or hypothecated the Contract.

3.2 Successor Owner

- You may designate a successor Owner to assume ownership of the Contract upon your death. If you are also the Annuitant, ownership will not pass to the successor Owner. Upon your death, the Death Benefit will become payable and the Contract will end.

  In the Province of Quebec, the successor Owner is called a "subrogated policyholder".

3.3 Joint Owners

- You may along with another person hold the Contract in joint ownership. The type of joint ownership available for this Contract is by "Joint Tenancy with Right of Survivorship". Under this type of ownership, each joint Owner holds an undivided interest in the entire Contract. On the death of one Owner, who is not the Annuitant, the surviving Owner will become the sole Owner. Both joint Owners have to agree to changes and transactions made within the Contract. This form of ownership is not available in Quebec.

3.4 Annuitant

- The Annuitant is the person on whose age and life the Contract Maturity Benefit and the Guaranteed Lifetime Withdrawal Benefit are measured and on whose death the Death Benefit is payable.

  The Annuitant must be a Canadian resident at the time the Contract is issued.

  Upon request and subject to our consent, you may change a previously designated Annuitant for a non-registered Contract. Before consenting to the change, we may request information, including acceptable medical evidence of the new Annuitant's health. We may refuse consent if the medical evidence is not satisfactory or is incomplete.

  A change of Annuitant will trigger a readjustment of guarantee benefits, including a recalculation of the Guaranteed Lifetime Withdrawal Benefit based on the new Annuitant's age as defined in section 8.1.6. **Please consider and discuss the effect of the readjustment with your Advisor before changing the Annuitant.**

3.5 Successor Annuitant (applicable to RIFs only)

- For a Contract registered as a RIF, you may, during your lifetime, appoint your spouse or common-law partner, as defined in the *Income Tax Act* (Canada) as Successor Annuitant to replace you as Annuitant after your death. You may also, during your lifetime, remove a previously made Successor Annuitant designation.

If you have designated a Successor Annuitant under the Contract who is still alive on the death of the Annuitant, no Death Benefit is payable until the death of the last surviving Annuitant.

The Successor Annuitant continues the rights and interests of Owner under the Contract, except for a readjustment of guarantee benefits, including a recalculation of the Guaranteed Lifetime Withdrawal Benefit based on the Successor Annuitant's age as defined in section 8.1.5. **Please consider and discuss the effect of the readjustment with your Advisor before designating a Successor Annuitant.**

3.6 Beneficiary

- The Beneficiary is the person you designate to receive the Death Benefit after the death of the last surviving Annuitant. You may change or revoke the Beneficiary as far as the law permits. If the appointment of the Beneficiary is irrevocable, you may not change or revoke the designation without the Beneficiary's consent.

  Any appointment of a Beneficiary, or any change or revocation of an appointment, must be made in writing and will be effective when recorded by us. We are not bound by a designation, change or revocation, which has not been received and recorded by us at the date we make a payment or take any action. We assume no responsibility for the validity or effect of any appointment, change or revocation.

  If there is no surviving Beneficiary at the time of the last surviving Annuitant's death, the Death Benefit will be paid to you if you are not the Annuitant, otherwise to your estate.

4. TYPES OF CONTRACTS AVAILABLE

This Contract may be non-registered or registered for Canadian tax purposes as a Retirement Savings Plan (RSP) or a Retirement Income Plan (RIF).

4.1 Non-Registered Contracts

- The Owner of a non-registered Contract may be an individual, a corporation or any type of ownership permitted under the laws governing your Contract and our Administrative Rules. You may be the Annuitant or designate another person as Annuitant.

  You may be able to transfer ownership of a non-registered Contract. A transfer of ownership must be made in accordance with the laws applicable to your Contract and our Administrative Rules.

  You cannot borrow money directly from a non-registered Contract; however, a non-registered Contract may be assigned as security for a loan to the lender. The rights of the lender may take precedence over the rights of any other person having a claim over the Contract. An assignment of this Contract may restrict or delay certain transactions.

4.2 Registered Contracts

- Under a registered Contract, you are both the Owner and Annuitant.

  The Registered Contracts available under this Contract are: Registered Retirement Savings Plan (RRSP), Spousal RRSP, Registered Retirement Income Fund (RRIF), and Spousal RRIF.

  You cannot borrow money directly from a registered Contract and you cannot use the Contract as security for a loan.

  If the Contract is registered as an RSP, Deposits can be made until December 31st of the year the Annuitant turns 71 or the latest age to hold an RRSP under the *Income Tax Act* (Canada), at which time the RRSP must be converted into a RRIF, an immediate annuity or taken as a cash withdrawal.

  If the Contract is in force in the year the Annuitant turns 71 or the latest age to hold an RRSP under the *Income Tax Act* (Canada), we will automatically change the registration status from an RRSP to a RRIF, unless you indicate otherwise. The Contract Maturity Date remains at December 31st of the year the last surviving Annuitant turns 120.

5. DEPOSITS

5.1 Making Deposits

- While this Contract is in force, you may make Deposits in accordance with our Administrative Rules until the latest age to make a Deposit. The latest age to make a Deposit varies on the taxation type of the Contract and is set out below:

Taxation Type	Latest Age to Make a Deposit
Non-registered	The day before the Annuitant turns 81.
RRSP and Spousal RRSP	December 31st of the year the Annuitant turns 71.*
RRIF and Spousal RRIF	The day before the Annuitant turns 81.

* Or the latest age to hold an RRSP under the *Income Tax Act* (Canada).

- There are minimum Deposit requirements for this Contract. The minimum initial Deposit required to issue your Contract is $25,000. Deposits made during the Initial Deposit Period (the first 45 days from the Effective Date) will count towards the minimum initial Deposit. The minimum that can be allocated to a specific Fund is $500. Each additional Deposit to the same Fund must be at least $100. The minimum Pre-Authorized Chequing (PAC) Deposit is $100 per month (provided our minimum Contract rules are met), of which the minimum Deposit to a particular Fund is $50.

A Deposit in excess of $2 million requires our prior approval.

All payments must be made in Canadian Dollars.

If your payment comes back to us marked NSF (Not Sufficient Funds), we reserve the right under our Administrative Rules to charge a fee to cover our expenses. *Please see section 12.5, Recovery of Expenses.*

The Valuation Date for your Deposit is as set out in *section 10.2, Valuation Date.*

5.2 Deposits by Scheduled Pre-Authorized Chequing Plan

- You may establish a pre-authorized chequing (PAC) plan to make deposits on a periodic basis.

  The Pre-authorized chequing plans are not available for Contracts registered as a RIF.

  We have the right to cancel the PAC at any time, upon 30 days notice to you.

  If we discontinue a Fund or close a Fund to new Deposits, we have the right to direct the PAC to another Fund.

  We will cancel PACs that cannot be processed due to insufficient funds. In that case, you will be required to notify us in writing to re-establish the PAC.

5.3 Deposits under different Sales Charge Options

- You may elect to make a Deposit under the Initial Sales Charge (ISC) or the Deferred Sales Charge (DSC).

  If the ISC method applies, a sales charge will be deducted from the Premium before Units are purchased. The remaining amount or the Deposit will be divided by the Unit Value of the Fund effective on the Valuation Date of the Deposit to determine the number of the applicable Units of the Fund to be allocated to the Contract.

  If the DSC method applies, the Premium will be divided by the Unit Value effective on the Valuation Date of the Deposit to determine the number of the applicable Units of the Fund to be allocated to the Contract. Under this method, a sales charge will be deducted on a declining scale from all withdrawals made within the first 8 years of the Effective Date of the Contract.

5.4 General Provisions Relating to Deposits

- We have the right in accordance with our Administrative Rules to:
  - refuse to accept Deposits
  - limit the amount of Deposits allocated to a Fund
  - refund Deposits previously accepted within 90 days
  - refuse to open new Contracts

  Any amount that is allocated to a Fund is invested at the risk of the Owner and may increase or decrease in value.

6. FUND SWITCHES

6.1 Making Switches

- While this Contract is in force, you may, subject to our Administrative Rules, request in writing that we switch monies between Funds of the same sales charge option and within the same Contract. Switches can be made on a scheduled or an unscheduled basis. No sales charges apply to switches. Fund switches between different Contracts are not permitted.

  Switches are subject to minimum switch requirements. The current minimum switch amount is $100 with a minimum of $50 per Fund.

  The Maturity Guaranteed Amount and Death Guaranteed Amount are not impacted by a switch. However, moving between Funds of different sales charges is not a switch and is processed as a withdrawal from the Contract and a subsequent purchase back into the Contract. This transaction will trigger sales charges and will impact both the Maturity Guaranteed Amount and Death Guaranteed Amount. This transaction will also impact the FIEBase and may impact the GWBase. The Contract will also not be eligible for a FIE Bonus in the calendar year a withdrawal is made. This transaction is also a taxable event. **Please be mindful of moving between Funds of different sales charges and discuss with your Advisor its impact on sales charges, the Maturity Guaranteed Amount, the Death Guaranteed Amount and the Guaranteed Lifetime Withdrawal Benefit**. *Please see section 8.2, Contract Maturity Benefit; section 8.3, Death Benefit; section 8.1.2.2, FIE Bonus, FIEBase and Increase of the GWBase; and section 8.1.2.4, Decrease of the GWBase and FIEBase.*

  When you switch between Funds, it is your oldest Units that are switched first.

  The Valuation *Date for a switch is as set out in* section 10.2, Valuation Date.

  You may realize a capital gain or a capital loss as a result of switches since they create a taxable disposition.

6.2 Unscheduled Fund Switches and Switch Fees

- You may request a Fund switch at any time.

  We will deduct a switch fee of 2% of the amount switched for each unscheduled switch you request in excess of 4 in a calendar year. Switches made in a single day count as one switch. You may not carry forward any unused switches from one calendar year to the next.

  We reserve the right to charge an early switch fee of 2% of the value of Units switched if you make a switch within 90 days of allocating those Units to the Fund.

  The switch fee and the early switch fee will proportionately reduce the Maturity Guaranteed Amount and Death Guaranteed Amount.

  Transamerica reserves the right to change the switch fee and the early switch fee at any time upon 60 days advance notice.

6.3 Scheduled Fund Switches (Dollar Cost Averaging)

- You may request to have scheduled switches for your Contract subject to the minimum amounts that apply to scheduled fund switches. Scheduled Fund switches are commonly referred to as a "Dollar Cost Averaging" (DCA) service.

  No switch fees and early switch fees apply to scheduled fund switches.

  We reserve the right to cancel the scheduled Fund switches at any time or direct the scheduled Fund switches to a similar Fund, according to the Administrative Rules that we have in place at the time.

6.4 General Provisions Relating to Switches

- We reserve the right to delay switches in unusual or exceptional circumstances where it is not practical to dispose of investments made in a Fund or where it would be unfair to other Owners.

  We have the right to refuse any Fund switch request; limit the amount switched to any particular Fund(s), and impose additional conditions at our discretion before any Fund switches are made.

  The value of Units of a Fund that is withdrawn to effect the switch is not guaranteed and may increase or decrease in value.

7. WITHDRAWALS

7.1 Making Withdrawals

- While this Contract is in force, you may request in writing a withdrawal of Units from one or more Funds in accordance with our Administrative Rules.

  Withdrawals must meet the minimum withdrawal requirements that we have in place at the time of the request for withdrawal. The current minimum withdrawal amount is $100 with a minimum of $50 per Fund. The minimum withdrawal amount is calculated before deferred sales charges, fees and taxes are deducted.

  Withdrawals will reduce both the Maturity Guaranteed Amount and the Death Guaranteed Amount on a proportionate basis. Withdrawals will also impact the FIEBase and may impact the GWBase. The Contract is not eligible for an FIE Bonus in a calendar year that a withdrawal is made. *Please see section 8.2, Contract Maturity Benefit; section 8.3, Death Benefit; section 8.1.2.2, FIE Bonus, FIEBase and increase of the GWBase; and section 8.1.2.4, Decrease of the GWBase and FIEBase.*

  The Valuation Date for a withdrawal is as set out in *section 10.2, Valuation Date.*

  You may realize a capital gain or a capital loss on withdrawals since they create a taxable disposition.

  If the value of the Fund on the date of the withdrawal is insufficient to permit us to make the requested withdrawal, we will proceed as follows:

  - In the case of an unscheduled withdrawal, the withdrawal will not be processed and we will request further instructions from you.
  - In the case of a scheduled withdrawal, the withdrawal will still be processed based on our current administrative practices.

7.2 Withdrawal Options

- Withdrawals can be made on a scheduled or an unscheduled basis.

  Scheduled payment options, also known as Systematic Withdrawal Plans or "SWPs", can be requested on an annual, semi-annual, quarterly or monthly basis. The scheduled payment option is only available for non-registered and RRIF Contracts. For scheduled options relating to RRIF Contracts, you may elect to withdraw the RIF Minimum Amount or payment on a custom basis as you may determine.

  The scheduled payment option and payment frequency you select will remain in effect until you instruct us in writing to change it. The change will affect future payments only.

  Unscheduled options may be customized in amount and frequency at your discretion, subject to our prescribed minimum withdrawal amounts.

7.3 Withdrawals and RRIF Contracts

- For Contracts registered as RIFs, the *Income Tax Act* (Canada) requires that starting in the second calendar year after the Contract is issued and every calendar year thereafter, you must receive an amount from the Contract. We refer to this amount as the "RRIF Minimum Amount".

  The RRIF Minimum Amount is calculated by multiplying the closing Market Value of the Contract on December 31st of the previous year (or the last Valuation Date if December 31st is not a Valuation Date) by the percentage determined under the *Income Tax Act* (Canada).

  Where legislation permits, you can elect to have the RRIF minimum percentage based on your spouse's or common-law partner's age (as the terms are defined in the *Income Tax Act* (Canada)). You must make this election at the time you purchase the Contract and once made, it cannot be changed while the Contract is in force.

  If the total of your scheduled and unscheduled withdrawals in the calendar year is less than the RRIF Minimum Amount for that year, we are required to make a year-end payment to you to meet the RRIF Minimum Amount. Year-end payments will be applied using the scheduled withdrawal allocation we have on file, or if there are no allocations on file, using the default allocation subject to our Administrative Rules.

You may elect to customize your RRIF payments and withdraw an amount greater than your RRIF Minimum Amount. **Your future guaranteed payments under the GLWB may be negatively impacted if your RRIF custom payments exceed the greater of the GLWA and the GLWA RRIF Minimum.** *Please see section 8.1.4, Guaranteed Lifetime Withdrawal Amount RRIF Minimum.*

We are required to withhold taxes from any payment in excess of the RRIF Minimum Amount.

7.4 Early Withdrawal Fees

- We reserve the right to apply an early withdrawal fee of 2% of the value of Units withdrawn if the withdrawal is made within 90 days of the Deposit. This fee does not apply to scheduled withdrawal payments and to the 10% free withdrawal right. This fee is in addition to any applicable DSC. Transamerica reserves the right to change this fee at any time upon 60 days advance notice.

  The Maturity Guaranteed Amount and Death Guaranteed Amount will be proportionally reduced by the early withdrawal fees.

7.5 General Provisions Relating to Withdrawals

- We have the right to delay the Valuation Date of a withdrawal to up to seven business days in order to properly process the withdrawal.

  In the event of exceptional or unusual circumstances, we have the right to delay payment of any withdrawal amount for the duration of the exceptional or unusual circumstances.

  The value of the Units of a Fund that are withdrawn is not guaranteed and may increase or decrease in value.

8. GUARANTEES

This Contract provides for three types of guarantees: the Guaranteed Lifetime Withdrawal Benefit, the Contract Maturity Benefit and the Death Benefit.

8.1 Guaranteed Lifetime Withdrawal Benefit

- Under the Guaranteed Lifetime Withdrawal Benefit (GLWB), starting from the Annuitant's Calendar Age 65, you are entitled to receive guaranteed annual withdrawals or payments during the lifetime of the Annuitant provided that the withdrawals do not exceed the guaranteed annual withdrawal amount. The amount you are guaranteed for withdrawal each calendar year is called the "Guaranteed Lifetime Withdrawal Amount" (GLWA). By the end of the year the Annuitant turns Calendar Age 95, you must take full GLWA payments. *Please see section 8.1.1, Withdrawal Percentage* for how the Annuitant's Calendar Age is determined*; and section 8.1.3, Guaranteed Lifetime Withdrawal Amount.*

The GLWA calculation is based on 2 components:

- the Withdrawal Percentage (WD%)
- the value of the Guaranteed Withdrawal Base (GWBase).

8.1.1 Withdrawal Percentage

The Withdrawal Percentage (WD%) is used to calculate the GLWA. It determines the rate at which the GLWA will be calculated.

It is set when a withdrawal is taken for the first time, starting when the Annuitant is Calendar Age 65 or older. Once the WD% is set, it will not change for the term of the Contract, except in the case where a Successor Annuitant assumes ownership of the Contract or the Annuitant is changed.

The WD% is based on the Annuitant's Calendar Age as follows:

Calendar Age (Current Year – Birth Year)	Withdrawal Percent (WD %)
0-64	WD% will not be set
65-74	5%
75-95	5.5%

8.1.2 Guaranteed Withdrawal Base (GWBase)

The GWBase is a notional value used to determine the GLWA. The GWBase is initially set by the first Deposit in the Contract. It is increased by:

- Additional Deposits,
- Future Income Escalator Bonus (FIE Bonus),
- Resets.

The GWBase is not decreased by withdrawals that are less than or equal to the GLWA. It is, however, reduced when a withdrawal in excess of the GLWA is made during a calendar year. Such withdrawals are called "Excess Withdrawals". An Excess Withdrawal will trigger a Downward Adjustment of the GWBase. *Please see section 8.1.2.4, Decrease of the GWBase and FIEBase.*

8.1.2.1 Additional Deposits and Increase of the GWBase

Additional Deposits will immediately increase the GWBase by the value of the Deposit.

8.1.2.2 FIE Bonus, Future Income Escalator Base (FIEBase) and Increase of the GWBase

For the first 15 calendar years, the Contract is eligible for the FIE Bonus. The FIE Bonus is a notional amount that is added to the GWBase on each December 31st, or the last Valuation Date of the year if December 31st is not a Valuation Date, after all transactions have been processed but before the year end recalculation of the GLWA for the next calendar year. **There is no FIE Bonus in a year a withdrawal (including the GLWA) is made.**

The FIE Bonus is calculated as 5% of the (Future Income Escalator Base) FIEBase as at December 31st, or the last Valuation Date of the year if December 31st is not a Valuation Date.

The FIEBase is a notional amount that is initially set by the first Deposit to the Contract. It will be:

- increased by the value of additional Deposits
- increased by the Reset
- decreased by the value of withdrawals that are equal to or less than the GLWA
- decreased by the FIEBase Downward Adjustment for Excess Withdrawals

Please see section 8.1.2.4, Decrease of the GWBase and FIEBase.

8.1.2.3 Resets and Increase of the GWBase and the FIEBase

Every 3 years, on the Policy Anniversary Date, if the Market Value of the Contract is greater than the GWBase and/or the FIEBase, we will automatically reset the value of the GWBase and/or the FIEBase to equal the market value of the Contract.

In the case of the GWBase and the FIEBase, Resets will be exercised until the earlier of:

(i) the tenth Reset; and

(ii) the Annuitant's 81st birthday.

THE RESET FEATURE MAY BE CHANGED OR DISCONTINUED AT ANY TIME UPON 60 DAYS PRIOR WRITTEN NOTICE.

8.1.2.4 Decrease of the GWBase and the FIEBase

A decrease in the values of the GWBase and FIEBase will be calculated separately.

Withdrawals less than or equal to the GLWA made in a calendar year will not reduce the GWBase, but they will reduce the FIEBase.

Withdrawals that are considered Excess Withdrawals will trigger a Downward Adjustment of both the GWBase and the FIEBase and will in turn immediately reduce the value of the GWBase and the FIEBase.

The following amounts are considered Excess Withdrawals:

- a withdrawal that is greater than the GLWA for the calendar year;
- a withdrawal made in a calendar year where the Annuitant's Calendar Age is less than 65;
- for Contracts registered as RIFs, a withdrawal that exceeds the greater of:
  (i) the GLWA; and
  (ii) the GLWA RRIF Minimum.

Please see section 8.1.4, GLWA RRIF Minimum Amount.

The Downward Adjustment of the FIEBase and GWBase is calculated separately. The Downward Adjustment will immediately reduce the GWBase and FIEBase by the **greater** of the:

(i) dollar value of the Excess Withdrawal, and

(ii) the proportionate market value of the Excess Withdrawal relative to the market value of the Contract before the Excess Withdrawal multiplied by the GWBase and FIEBase, as applicable.

The Downward Adjustment can potentially reduce both the GWBase and FIEBase by an amount greater than the Excess Withdrawal.

Consideration should be made to the fact that Excess Withdrawals may result in the reduction of guaranteed withdrawal benefits in the future. If the GWBase and the Market Value of the Contract are reduced to zero as a result of Excess Withdrawals, the withdrawal benefit ends and the Contract is terminated.

8.1.3 Guaranteed Lifetime Withdrawal Amount

The Guaranteed Lifetime Withdrawal Amount (GLWA) is the withdrawal amount you are guaranteed each calendar year.

By the end of the year the Annuitant turns Calendar Age 95, you must take full GLWA payments. If by then, you do not withdraw the full GLWA, we will make the GLWA payments to you annually according to our Administrative Rules.

You are entitled to GLWA payments starting in the year the Annuitant reaches Calendar Age 65. You may, at your discretion, decide to postpone the start date of GLWA payments. Withdrawals made before the Annuitant reaches Calendar Age 65 are considered Excess Withdrawals.

The GLWA will continue until the earlier of the following events:

(i) the death of the last surviving Annuitant, subject to a recalculation when the Successor Annuitant becomes Annuitant on the death of the Annuitant. *Please see section 8.1.5, GLWB and the Successor Annuitant*; and

(ii) both the GWBase and the Market Value of the Contract are equal to zero.

Upon the occurrence of either event, the Contract will terminate.

The GLWA is calculated by multiplying the Withdrawal Percentage (WD%) by the Guaranteed Withdrawal Base (GWBase) of the Contract. It is calculated in 3 instances:

(i) when the first Deposit is made on the Effective Date of the Contract;

(ii) each time a Deposit is made during the Initial Deposit Period (the first 45 days from the Effective Date of the Contract); and

(iii) annually on December 31st or on the last Valuation Date of the year, if December 31st is not a Valuation Date.

8.1.4 **Guaranteed Lifetime Withdrawal Amount RRIF Minimum**

For Contracts registered as RIFs, the *Income Tax Act* (Canada) requires that starting in the second calendar year after the Contract is issued and every calendar year thereafter, you must receive the RRIF Minimum Amount.

The rule to determine an Excess Withdrawal has been broadened for Contracts registered as RIFs to minimize the impact of withdrawing the RRIF Minimum Amount. Provided that the Annuitant is at least Calendar Age 65, an Excess Withdrawal in a RRIF Contract is determined as any withdrawal (including withholding tax) made in a calendar year that are in excess of the greater of the:

- GLWA for the contract, and
- GLWA RRIF Minimum for the Contract

An Excess Withdrawal will trigger a Downward Adjustment of both the GWBase and FIEBase. Such an event may have a negative impact on future guaranteed payments under the GLWB. *Please see section 8.1.2.4, Decrease of GWBase and FIEBase.*

If the Annuitant is under Calendar Age 65, the GLWA RRIF Minimum is equal to zero and any RRIF payments made will be treated as an Excess Withdrawal, which will negatively impact the future guaranteed payments under the GLWB.

The RRIF Minimum Amount is calculated based on your age or where legislation permits, you may elect at the time the Contract is issued to have the RRIF Minimum Amount based on the age of your spouse or common-law partner (as the terms are defined under the *Income Tax Act* (Canada)).

If you have elected to calculate the RRIF Minimum Amount based on your age, the GLWA RRIF Minimum is based on your age and will be equal to the RRIF Minimum Amount.

If you have elected to calculate the RRIF Minimum Amount based on your spouse's or common-law partner's age, we will calculate the GLWA RRIF Minimum based on either your age or your spouse's or common-law partner's age, whoever is younger. Therefore, where you have elected to calculate the RRIF Minimum Amount based on the age of your spouse or common-law partner who is older, the RRIF Minimum Amount will be greater than the GLWA RRIF Minimum for the Contract. Any withdrawals that are greater than the GLWA RRIF Minimum and the GLWA will be treated as an Excess Withdrawal and this may have a negative impact on future guaranteed payments under the GLWB.

8.1.5 **Guaranteed Lifetime Withdrawal Benefit and the Successor Annuitant (Only Applicable to RIFs)**

On the Death Benefit Date, the Successor Annuitant will become the Annuitant and will exercise ownership rights under the Contract, except when the Contract is in the Guaranteed Payment Phase. When the Contract is in the Guaranteed Payment Phase, the Contract ends on the death of the Annuitant, notwithstanding a prior Successor Annuitant designation. *Please see section 8.3, Death Benefit; section 8.1.7, Guaranteed Payment Phase.*

When the Successor Annuitant assumes ownership of the Contract, no Death Benefit is payable. The Contract Maturity Benefit and the GLWB will be measured on the life of the Successor Annuitant, except that a one-time adjustment of these guarantee benefits will occur as follows:

- The Contract Maturity Benefit Date, which was set at December 31st of the year in which the deceased Annuitant turns age 120 will be based on the Successor Annuitant's age.
- The value of the GWBase is recalculated and will be equal to the Market Value of the Contract effective on the Death Benefit Date.
- The WD% will be based on the Successor Annuitant's Calendar Age and will be set based on the first withdrawal made by the Successor Annuitant after Calendar Age 65. **Withdrawals made before the Successor Annuitant's Calendar Age 65 will be treated as Excess Withdrawals and may have a negative impact on future guaranteed payments.**
- The value of the FIEBase is recalculated and will be equal to the Market Value of the Contract effective on the Death Benefit Date.
- Resets are available until the earlier of the:
  - Successor Annuitant's 81st birthday; and
  - the tenth Reset for the Contract.
- The GLWA RRIF Minimum is calculated based on the age of the Successor Annuitant. Therefore, for purposes of the new GLWA RRIF Minimum calculation, it will be based on the Successor Annuitant and his or her new spouse or common-law partner, if any.

8.1.6 **Guaranteed Lifetime Withdrawal Benefit and Change of Annuitant**

Where the Annuitant is changed, a one-time adjustment of guarantee benefits will occur as follows:

- The Contract Maturity Benefit Date, which was set at December 31st of the year in which the original Annuitant turns age 120 will be based on the new Annuitant's age.
- The value of the GWBase is recalculated and will be equal to the Market Value of the Contract effective on the date the change of Annuitant is processed.
- The WD% will be based on the new Annuitant's Calendar Age and will be set based on the first withdrawal made by the new Annuitant after Calendar Age 65. Withdrawals made before the new Annuitant is Calendar Age 65 will be treated as Excess Withdrawals and may have a negative impact on future guaranteed payments.
- The FIEBase is recalculated based on the Market Value of the Contract effective on the date the change of Annuitant is processed.

- Resets are available until the earlier of the:
  - new Annuitant's 81st birthday; and
  - the tenth Reset for the Contract.

8.1.7 Guaranteed Payment Phase

The Contract enters the Guaranteed Payment Phase when the Market Value of the Contract reduces or is equal to zero but the GWBase is greater than zero.

During the Guaranteed Payment Phase, the following will apply:

- Any remaining GLWA payable in the year the Contract enters the Guaranteed Payment Phase will be remitted to you.
- For the following calendar years, we will make annuity payments to you based on the value of GWBase at the time the Contract enters the Guaranteed Payment Phase and the WD% that was established for the Contract.
- Payments will continue as long as the Annuitant is living.
- The method and frequency of payments will be made in accordance with our Administrative Rules in effect at the time of payment.
- No additional Deposits can be made to the Contract.
- No GLWB Fees will be charged.
- **The Contract Maturity Benefit and Death Benefit will no longer apply.**
- **The FIE Bonus is no longer available.**
- Any Successor Annuitant designation will no longer apply.

8.1.8 General Provisions Relating to Guaranteed Lifetime Withdrawal Benefit

We may, if necessary, require proof of age or sex of any person upon whose age or sex any payment depends. If this information has been misstated, we reserve the right to recalculate the withdrawal benefits based on the correct age or sex of the Annuitant.

We reserve the right to periodically request proof of existence or death of the person on whose life withdrawals are contingent. Payments will be suspended if we do not receive such proof.

8.2 Contract Maturity Benefit

Under this guarantee, on the Contract Maturity Date, you are entitled to the Contract Maturity Benefit, which is the greater of the:

(i) Maturity Guaranteed Amount, and

(ii) Market Value of the Contract.

The Contract Maturity Date is set to be December 31st of the year the last surviving Annuitant turns age 120, or the last Valuation Date of that year if December 31st is not a Valuation Date.

If the Market Value on the Contract Maturity Date is less than the Maturity Guaranteed Amount, we will pay you the difference. We refer to the difference as the "Top-Up Benefit".

This Contract Maturity Benefit provision, including the default annuity, do not apply when the Contract enters the Guaranteed Payment Phase. *Please see section 8.1.7, Guaranteed Payment Phase.*

8.2.1 Calculation of the Maturity Guaranteed Amount

The Maturity Guaranteed Amount is the sum of 75% of all Deposits made into the Contract, less a proportionate market value reduction for withdrawals. Withdrawals include client-initiated transaction fees, except for GLWB fees. *Please see section 8.3.3, Impact of Withdrawals on the Maturity Guaranteed Amount and Death Guaranteed Amount.*

If your Deposit is made under the initial sales option, we will add back the initial sales charge to the Deposit for the purpose of calculating the Maturity Guaranteed Amount. Therefore, the Maturity Guaranteed Amount will not be less than 75% of Premiums less proportionate market value reductions for withdrawals.

8.2.2 Payment of Contract Maturity Benefit and Default Annuity

Upon reaching the Contract Maturity Date, the Contract Maturity Benefit will be applied to provide you with a single life annuity and a single life annuity contract will be issued to you. The terms of the single life annuity contract will be as follows:

- The annuity payment will be equal to the greater of :

(i) the Guaranteed Lifetime Withdrawal Amount (GLWA) effective as of the Contract Maturity Date. *Please see section 8.1.3, Guaranteed lifetime Withdrawal Amount;* and

(ii) an annuity based on a single premium equal to the Contract Maturity Benefit issued on the life of the Annuitant. The applicable rates will be those in effect at the time the annuity is issued.

- The annuity payment will be made annually.
- If the Annuitant dies before the annuity payments have started, the Contract Maturity Benefit will be paid to the Beneficiary.
- The single life annuity contract will be subject to the terms of the *Income Tax Act* (Canada), if the Contract is registered.

If you elect to withdraw the Contract Maturity Benefit, payment of the Contract Maturity Benefit will discharge our obligations under this Contract. If the Contract Maturity Benefit is applied to a single life annuity, except for our obligations to make annuity payments, the issue of the single life annuity contract will discharge our obligations under this Contract.

8.3 Death Benefit

- Under this guarantee, on the Valuation Date we receive satisfactory proof of the death of the last surviving Annuitant in accordance with our Administrative Rules, the Death Benefit will be calculated. The Death Benefit is the greater of the:

  (i) Death Guaranteed Amount; and

  (ii) Market Value of the Contract.

  If the Market Value on the Death Benefit Date is less than the Death Guaranteed Amount, we will pay the difference to the person entitled to the Death Benefit. We refer to the difference as the "Top-Up Benefit".

  No deferred sales charge applies to the Death Benefit.

  This Death Benefit provision does not apply when the Contract enters the Guaranteed Payment Phase. *Please see section 8.1.7, Guaranteed Payment Phase.*

  Payment of the Death Benefit will discharge our obligations under this Contract. No further payments will be made under the Guaranteed Lifetime Withdrawal Benefit as of the Death Benefit Date. *Please see section 8.1.3, Guaranteed Lifetime Withdrawal Amount.*

8.3.1 Calculation and Reset of the Death Guaranteed Amount

- The Death Guaranteed Amount is the sum of 100% of all Deposits made into the Contract, less a proportionate market value reduction for withdrawals. Withdrawals include client-initiated transaction fees, except for GLWB fees. *Please see section 8.3.3, Impact of Withdrawals on the Maturity Guaranteed Amount and Death Guarantee.*

  The Death Guaranteed Amount has the potential to increase by Resets.

  Every three years, on the Policy Anniversary Date, if the Market Value of the Contract is greater than the Death Guaranteed Amount, we will automatically reset the Death Guaranteed Amount to equal the Market Value of the Contract.

  Resets will be exercised until, the earlier of the:

  (i) tenth Reset; and

  (ii) Annuitant's 81st birthday.

  WE RESERVE THE RIGHT TO CHANGE OR DISCONTINUE THE RESET FEATURE UPON 60 DAYS PRIOR WRITTEN NOTICE.

8.3.2 Process for Determining the Death Benefit

- If there is a delay between the receipt of satisfactory proof of death (for example death certificate) and notice of death of the Annuitant (for example letter from next of kin), we will, on notice of death, switch all Units in the Funds held in the Contract into the Money Market Fund or to another Fund we designate if the Money Market Fund is not available. This date is called the "Notice Date".

  As of the Notice Date, no further transactions can be made. For example, scheduled withdrawals, including payments of RRIF Minimum Amounts will be stopped. Subsequently, on the Valuation Date we receive proof of death (the "Death Benefit Date"), the Death Benefit will be calculated.

8.3.3 Impact of Withdrawals on the Maturity Guaranteed Amount and Death Guaranteed Amount

- The Maturity Guaranteed Amount and Death Guaranteed Amount will be reduced proportionately by withdrawals. Withdrawals include client-initiated transaction fees, with the exception of the GLWB fees.

  To determine the Maturity Guaranteed Amount or the Death Guaranteed Amount after a withdrawal, the formula is as follows: (A – P)

  Where A = Maturity Guaranteed Amount/Death Guaranteed Amount before the Withdrawal

  P = Proportionate market value reduction of the Withdrawal

  P is determined as **A x (B/C)** where:

  B is the value of the Units withdrawn; and

  C is the Market Value of the Contract before the withdrawal

9. INVESTMENT OPTIONS

This Contract gives you access to a selection of Funds.

You do not acquire any ownership interest in the Funds or in the underlying investments when you make Deposits to the Contract.

We may discontinue, add, merge or split Funds available within the Contract.

If we discontinue offering a Fund, we will automatically withdraw the Units in the discontinued Fund and reallocate the value of the Units in the discontinued Fund to another Fund of our choice. This transaction may be a taxable event and subject to the Fundamental Change rule. *Please see section 14.1, Fundamental Changes.*

We may also substitute an Underlying Fund(s) for a substantially similar Underlying Fund(s) or other investments for any of the Funds available within the Contract.

We may also change the investment objective of a Fund. A change to the investment objective is considered a fundamental change. *Please see section 14.1, Fundamental Changes.*

We have the right to change the manager of any Fund, at any time at our discretion. The manager is the person or team of people who are directly responsible for the investment decisions of any Fund.

10. VALUATION

10.1 Net Asset Value and Unit Value

- On each Valuation Date, we calculate the net asset value for Units of each Fund. The net asset value is the total market value of the Fund's assets minus any applicable liabilities, on that date.

  On each Valuation Date, we determine the Unit Value of a Fund. The Unit Value of a Fund is calculated by dividing the net asset value of a Fund by the number of Units held in the Fund on that Valuation Date. The Unit Value of a Fund remains in effect until the next Valuation Date.

  All earnings of a Fund are automatically reinvested in the Fund and this will be reflected in the Unit Value of the Funds. We reserve the right to change this method of reinvesting a Fund's earnings following written notice to policyholders.

  We reserve the right to increase the number of Units of a Fund by splitting a Unit into two or more Units, or decrease the number of Units by combining two or more Units. However, the market value of the Funds in your Contract will not be affected by this activity.

  The net asset value and Unit Value of a Fund are not guaranteed but may increase or decrease in value.

10.2 Valuation Date

- A Valuation Date occurs every day that the principal exchange is open for business and a value is available for the underlying assets of the Fund. Currently, the principal exchange is the Toronto Stock Exchange. We may change the principal exchange to another exchange.

  All transactions (e.g. Deposits, withdrawals, transfers) are processed based on the market value as at the close of business on the Valuation Date provided we receive at our Head Office, the instructions or transactions in accordance with our Administrative Rules by the Valuation Date cut-off time, that we determine. If the instructions or transactions are received after the cut-off time, they will be considered to be received on the next Valuation Date. We reserve the right to change the Valuation Date cut-off time (earlier or later).

  Transamerica reserves the right to reduce the frequency with which the Unit Value of a Fund is calculated, subject to a minimum frequency of once a month. If such an event occurs, you are provided with certain rights. *Please see section 14.1, Fundamental Changes*.

  We may postpone valuation:

  (i) for any period during which one or more of the nationally recognized stock exchanges are closed for other than a customary weekend or holiday closing,

  (ii) for a period during which trading on securities exchanges is restricted, or

  (iii) when there is an emergency during which it is not reasonable for us to dispose of investments owned by the Funds or to acquire investments on behalf of the Funds or to determine the total value of the Funds.

10.3 Market Value of the Contract

- The Market Value of your Contract on any given Valuation Date is determined according to the following formula:

  Market Value of your Contract = sum of [(Unit Value x number of Units) for each Fund you hold in the Contract]

11. SALES CHARGE OPTIONS

You may request to allocate your Deposit under the initial sales charge (ISC) or the deferred sales charge (DSC) option.

The amount of sales charges is determined by the Fund category and sales charge option in which you originally purchase Units.

We may change, add or delete sales charge options from time to time.

11.1 Initial Sales Charge Option

- With this option, you negotiate the sales charge with your Advisor. The negotiated sales charge is between 0% and 5% of your Premium. The negotiated sales charge will be deducted from the Premium to determine the Deposit. There is no deferred sales charge when you make a withdrawal against these Units. Units purchased under this option are called ISC Units.

11.2 Deferred Sales Charge Option

- With this option, you pay no sales charge to your Advisor at the time of Deposit. Instead, you agree to pay a Deferred Sales Charge to us if you request a withdrawal within eight years of the effective date of each Deposit. Units obtained under this option are called DSC Units.

  The DSC is charged as a percentage of the original purchase price of the DSC Units withdrawn. The percentage charged varies based on the time that has passed since the effective date of Deposit. The DSC schedule is as follows:

When the Units are withdrawn:	Deferred sales charge (as percentage of the original purchase price of DSC Units)
During the 1st year after Deposit	6.0%
During the 2nd year after Deposit	6.0%
During the 3rd year after Deposit	5.0%
During the 4th year after Deposit	5.0%
During the 5th year after Deposit	4.0%
During the 6th year after Deposit	3.0%
During the 7th year after Deposit	2.0%
During the 8th year after Deposit	1.0%
During the 9th year after Deposit	0%

This Deferred Sales Charge schedule is subject to change and any new Deposits made after the change will be subject to the new Deferred Sales Charge schedule.

Units are withdrawn in the order they were purchased - first in, first out, until the total requested amount is withdrawn.

11.3 10% Free Withdrawal Right for DSC Units

- Each calendar year, you are entitled to withdraw up to 10% of the number of DSC Units allocated to a Fund without paying DSC.

  Any unused portion of the right may not be carried forward from one year to the next. We reserve the right to discontinue or change this right at any time.

  The number of DSC Units that may be withdrawn each year is the sum of the following:

  (i) 10% of the number of DSC Units that were allocated to the Fund at the end of the previous calendar year, and

  (ii) 10% of DSC Units allocated to the Fund in the current year, prorated by the number of days the Units have been held in the current year (not including the day of allocation) (In prorating, we divide by 366 for leap years and by 365 for non-leap years); less

  (iii) any DSC Units withdrawn from the Fund in the current year under this right.

  DSC-free withdrawals are subject to the Excess Withdrawals rule. ***Please see section 8.1.2.4, Decrease of GWBase and FIEBase.***

11.4 Movement between Sales Charge Options

- While the Contract is in force, you may request that Funds that you hold under one sales charge option be moved to a Fund of another sales charge option. Moving between Funds of different sales charges is not a switch and is processed as a withdrawal from the Contract and a subsequent purchase back into the Contract. **This transaction will trigger sales charges and impact the Contract Guaranteed Amount, the Death Guaranteed Amount and the FIEBase. This transaction may also impact the GWBase. The Contract will not be eligible for an FIE Bonus in a calendar year as a withdrawal is made. This transaction is also a taxable event.** *Please see section 8.2, Contract Maturity Benefit; section 8.3, Death Benefit; section 8.1.2.2, FIE Bonus, FIEBase and Increase of GWBase; and section 8.1.2.4, Decrease of the GWBase and FIEBase.*

  The withdrawal of Units to effect the movement between Funds of different sales options is not guaranteed and is subject to market fluctuations.

12. FEES

The Contract is subject to the following fees: management fees, GLWB fees and in certain circumstances, switch fees. We reserve the right to charge an early withdrawal fee and an early switch fee to discourage activity that may be detrimental to the Fund and all policyholders. We also reserve the right to recover expenses that we incur as a result of your action.

12.1 Management Fees and Operating Expenses

- Each Fund pays us a management fee for the management of the Fund, commissions and service fees payable to Advisors, and for the basic insurance benefits under the Contract. The basic insurance benefits of the Contract are the 75% Contract Maturity Benefit, 100% Death Benefit and Resets of the Death Guaranteed Amount.

  Where the Fund invests in an Underlying Fund, there is no duplication of management fees.

  Each Fund also pays its own operating expenses. They include, among other things legal, audit, accounting, safekeeping and custodial fees and expenses, taxes and interest, administrative expenses, costs associated with meeting legal requirements and regulatory guidelines on variable insurance contracts, the costs of financial reports, information folders, client statements, mailings, and other reports necessary to comply with regulatory guidelines.

  The management fees and operating expenses are calculated and accrued based on the market value of the Fund's assets on each Valuation Date and are paid to us monthly.

  Subject to the Fundamental Changes provision described in section 14.1, we may change the management fee of a Fund by sending you written notice of the change at least 60 days in advance.

  Please see the Summary Facts Statement Booklet for the management fee of each Fund.

12.2 Management Expense Ratio

- The "management expense ratio" (MER) shows the historical, annual cost of investing in a Fund and may vary from year to year. It includes the management fees, operating expenses and applicable taxes (i.e. GST) paid by the Fund. The MER is paid out of the Fund before the calculation of the Unit Value.

  The MER is calculated as follows:

  $$\text{MER} = 100 \times \frac{\text{management fee plus operating expenses and applicable taxes}}{\text{average net assets of the Fund during the year}}$$

12.3 Guaranteed Lifetime Withdrawal Benefit Fee

- You will be charged a GLWB Fee to provide for the Guaranteed Lifetime Withdrawal Benefit. The fee is charged through a withdrawal of Units at the end of each month and paying the proceeds of withdrawal to Transamerica. The fee is not collected if all the Units to the Contract's credit are withdrawn before the last Valuation Date of the month.

  No GLWB fee is charged when the Contract is in the Guaranteed Payment Phase. *Please see section 8.1.7, Guaranteed Payment Phase.*

  Withdrawals of Units to pay for the GLWB Fee have no impact on the Maturity Guaranteed Amount, Death Guaranteed Amount, GWBase, FIEBase and GLWA.

12.3.1 Guaranteed Lifetime Withdrawal Benefit Fund Fee Level

- For each Fund, we have assigned, at our discretion, a GLWB Fund Fee level based on the risk level and volatility of the Fund. Each GLWB Fund Fee Level has a corresponding Fund Fee Rate.

  We may change the Fund Fee Rate, up to the Maximum Fund Fee Rate, without prior notice. If the increase is beyond the Maximum Fund Fee Rate, we will provide you with at least 60 days advance notice and you will have the rights outlined under the Fundamental Change Rule. *Please see section 14.1., Fundamental Changes.*

  We reserve the right to change the GLWB Fund Fee Level of a Fund by providing you with at least 60 days advance notice. If the change results in a Fundamental Change, the change will be subject to the Fundamental Change Rule outlined in *section 14.1., Fundamental Changes.*

  We also reserve the right to add new GLWB Fund Fee Levels in addition to the four GLWB Fund Fee Levels.

12.3.2 Calculation of the Guaranteed Lifetime Withdrawal Benefit Fee

- The monthly Fee for each Fund is calculated based on the following formula:

  F = GWBase x ((M x R)/12)

  Where:

  F = GLWB Fee collected on the last Valuation Date of the month

  GWBase = Value of the GWBase on the last Valuation Date of the month (after all transactions have been processed, including the FIE Bonus or Reset)

  M = Proportional weighting of the market value of the Fund relative to the market value of the Contract on the last Valuation Date of the month

  R = Fund Fee Rate for the Fund

12.4 Switch Fees, Early Switch Fees, Early Withdrawal Fees and Recovery of Expenses

12.4.1 Switch Fees

- The Contract is subject to a switch fee of 2% of the amount switched for the **FIFTH** and subsequent switches in the same calendar year. *Please see section 6.2, Unscheduled Switches and Switch Fees.*

12.4.2 Early Switch Fee

- The Contract may be subject to an early switch fee of 2% of the value of Units switched if a switch is made within 90 days of allocating those Units to the Fund. This fee does not apply to scheduled switches.

12.4.3 Early Withdrawal Fee

- The Contract may be subject to an early withdrawal fee of 2% of the value of Units withdrawn if a withdrawal is made within 90 days of the Deposit. This fee does not apply to scheduled withdrawal payments and to the 10% free withdrawal right.

12.4.4 General Provisions Relating to Switch Fees, Early Switch Fee and Early Withdrawal Fee

- We reserve the right to change the switch fee, early switch fee and early withdrawal fee at any time upon 60 days advance notice.

  The switch fee, early switch fee and early withdrawal fee will each reduce the Maturity Guaranteed Amount and Death Guaranteed Amount proportionally, but will not impact the GWBase and the FIEBase.

  The switch fee, early switch fee and early withdrawal fee will, in non-registered Contracts, be considered a disposition under the *Income Tax Act* (Canada) and will be taxable.

12.5 Recovery of Expenses

- We reserve the right to charge you for any expenses or investment losses that occur as a result of your action or inaction, including writing an (not-sufficient funds) NSF cheque when making a Deposit to the Contract. Any charges passed on to you will correspond to any expenses or losses incurred by Transamerica.

13. TERMINATION OF THE CONTRACT

This Contract will be terminated if you withdraw all the Units to the Contract's credit and the GWBase is zero. Upon payment of the withdrawal proceeds, our obligations under this Contract will be discharged.

This Contract will be terminated on payment of the Death Benefit. Payment of the Death Benefit will discharge our obligations under this Contract.

If you elect to withdraw the Contract Maturity Benefit on the Contract Maturity Date, upon payment of the Contract Maturity Benefit, our obligations under this Contract will be discharged and the Contract will be terminated. If the Contract Maturity Benefit is applied to a single life annuity, except for our obligations to make annuity payments, the issue of the single life annuity contract will discharge our obligations under this Contract and this Contract will be terminated.

If at any time, the Market Value of the Contract and the Guaranteed Withdrawal Base is less than $1,000, we reserve the right to cancel all the Units to the Contract's credit. The Market Value of the Contract, less any unpaid administrative fees, sales charges and taxes will be paid to you. Payment of this amount will discharge our obligations under this Contract and upon payment of this amount, this Contract will be terminated.

14. GENERAL TERMS

14.1 Fundamental Changes

- We may make certain changes under this Contract that are considered a fundamental change. A fundamental change is defined as:
  - an increase in the management fee of a Fund;
  - a change in the fundamental investment objectives of a Fund;
  - a decrease in the frequency with which Units of a Fund are valued; or
  - an increase in the insurance cost, such as the GLWB Fee, of a Fund in excess of the maximum limit.

  In the event of a fundamental change, we will give you at least 60 days prior written notice (the "Notice Period") and you will have the right to: (a) switch to another Similar Fund before the expiry of the Notice Period; or (b) if we do not offer a Similar Fund, withdraw the Units in the Funds affected by the fundamental change without incurring sales charges. We must receive your response at least 5 days prior to the expiry of the Notice Period.

  A Similar Fund is a Fund that has a comparable investment objective, is in the same Fund investment category and has the same or lower management fee and insurance cost as the Fund subject to the fundamental change.

  During the notice period, you may not switch to the Fund subject to the fundamental change unless you agree to waive in writing the right to surrender without sales charges.

  We reserve the right to make Fundamental Changes from time to time, subject to compliance with the clauses noted above. In cases where a Five for Life GIF invests in an underlying fund, we also reserve the right to change such underlying fund. If such a change constitutes a Fundamental Change, you will have the rights described in the section above.

  Changing an underlying fund to another similar underlying fund will not constitute a Fundamental Change provided immediately following the change the total management fee and insurance fee of the Five for Life GIF is the same as, or lower than, the total management and insurance fee immediately prior to the change.

  A similar underlying fund is one that has a comparable fundamental investment objective, is in the same investment fund category and has the same or lower management fees as the underlying fund.

14.2 Claims of Creditors

- This Contract may be protected from claims of creditors when the Beneficiary is the spouse, parent, child or grandchild of the Annuitant (in Quebec, the Beneficiary must be the married or civil union spouse, the ascendant or descendant of the Owner), or if the Beneficiary is named irrevocably. It is not clear if creditor protection is available if the Contract is classified as a nominee name Contract. **This description is of a general nature only. There are important limitations with respect to this protection and this description does not include all possible considerations. You should consult your own legal advisors with respect to your particular circumstances.**

14.3 Catastrophic Events

- If the performance of any of our obligations under the Contract is delayed or otherwise made impractical due to causes beyond our control, our obligations may be postponed until such time the cause ceases to preclude or make impractical the performance of our obligation under the Contract.

14.4 Non-Participating Contract

- The Contract does not participate in the profits or surplus realized by Transamerica.

14.5 Assignment of this Contract

- We are not bound by an assignment or hypothec unless it is filed with and recorded by Transamerica at its Head Office. We are not responsible for the adequacy or legal effect of an assignment or hypothec.

14.6 Notices

- It is your obligation to notify us of any change in your address. Any notice, payment or statement sent to your last known address on our records is considered to be sufficiently given.

TRANSAMERICA LIFE CANADA

Five *for* Life™

RETIREMENT SAVINGS PLAN (RSP) ENDORSEMENT

1. INTERPRETATION

- This endorsement contains additional terms that apply if you requested that the Contract be registered as a Retirement Savings Plan (RSP) under the *Income Tax Act* (Canada) (the "Act") and any applicable provincial income tax legislation.

  In this endorsement, "you" "your" refer to the Owner, who is also the Annuitant under the Contract. "We" refers to Transamerica Life Canada.

  RSP Age means the end of year in which you turn 71 years of age or any other age as prescribed by the Act.

  "Spouse" and "common-law partner" have the meanings defined in the Act and any applicable provincial income tax legislation.

2. TIME LIMIT FOR AN RSP

- You may hold an RSP until you reach the RSP Age.

3. PAYMENT UNDER THE RSP

- No payment from the Contract will be made prior to the RSP Age except as a refund of premium as defined under the Act or a payment to you.

4. OPTIONS UNDER THE RSP

- You may elect to take the Market Value of the Contract, as the term is defined in the Annuity Policy (the "Value") and exercise the following options:

  (a) transfer the Value to another registered retirement savings plan;

  (b) use the Value to purchase an annuity that satisfies the conditions set out below;

  (c) withdraw the Value, in full and in part, subject to taxes and surrender fees; and

  (d) transfer the Value to a registered retirement income fund.

  At the RSP Age, you may only elect options (b), (c) and (d).

The annuity provided under paragraph 4(b) has to meet the following conditions:

(a) The annuity must be a single life annuity or a joint and survivor life annuity on your life and your spouse or common-law partner, or a term certain annuity on your life.

  (i) If you chose a single life or a joint life annuity, the guarantee period must not exceed 90 minus your age or the age of your spouse or common-law partner, if younger.

  (ii) If you chose a term certain annuity, the guarantee period is subject to the same restriction outlined in (i).

(b) The annuity must provide for annual or more frequent payments.

(c) Payments under the annuity must be equal, except that they may be increased or decreased in accordance with paragraph 146(3) (b) of the Act.

(d) Annuity payments to you or your spouse or common-law partner may not be commuted, either in full or in part, except that we reserve the right to commute an annuity where the monthly payment is less than $50.00. If you die after annuity payments commence and your Spouse or Common Law Partner becomes the annuitant under the policy, the total of all annuity payments in a year after the date of your death will not exceed the total of all annuity payments made in a year before your death.

(e) If you die after annuity payments commence and the Beneficiary is not the Spouse or Common Law Partner, the commuted value of any remaining annuity payments will be paid in one sum to the Beneficiary, if there is one, otherwise to your estate.

(f) If you die before annuity payments commence, the death benefit will be paid in one sum, unless a "refund of premiums" as defined in subsection 146(1) of the Act has been requested.

(g) Annuity payments cannot be assigned in whole or in part.

Any amounts paid under paragraphs 4(a), (b), (c) or (d) will discharge Transamerica's liability under the Contract.

5. MISCELLANEOUS

- No deposits will be accepted after annuity payment have commenced.

  Upon request, we will pay an amount to the taxpayer to reduce the amount of tax the taxpayer would otherwise have to pay because of over-contributions by the taxpayer under Part X.1 of the Act.

  No advantage that is conditional in any way on the existence of the Contract may be extended to you or to a person with whom you were not dealing at arm's length other than in accordance with paragraph 146(2)(c.4) of the Act.

  The Contract and the payments cannot be assigned.

  We reserve the right to resign as issuer and appoint a successor issuer.

  This endorsement has precedence over any provision contained in this Contract that is inconsistent with it.

TRANSAMERICA LIFE CANADA

Douglas W. Brooks
President and Chief Executive Officer

Glenn Daniels
Corporate Secretary

THIS PAGE IS LEFT INTENTIONALLY BLANK

TRANSAMERICA LIFE CANADA

Five *for* Life™

RETIREMENT INCOME FUND (RIF) ENDORSEMENT

1. GENERAL

- This endorsement contains additional terms that apply if you requested that the Contract be registered as a Retirement Income Fund (RIF) under the *Income Tax Act* (Canada) (the "Act") and any applicable provincial income tax legislation.

  In this endorsement, "you" "your" refer to the Owner, who is also the Annuitant under the Contract. "We" refers to Transamerica Life Canada.

  "Spouse" and "common-law partner" have the meanings defined in the Act and any applicable provincial income tax legislation;

2. DEPOSITS

- Transamerica will only accept deposits or transfers under the Contract from:

  (a) a registered retirement savings plan (RRSP) under which you are the Owner;

  (b) another registered retirement income fund under which you are the Owner;

  (c) a registered pension plan (RPP) under which you are a member or a former member;

  (d) you, to the extent that the amount of the deposit or transfer was an amount described in subparagraph 60(l)(v) of the Act;

  (e) a RRSP or RRIF of your spouse, common-law partner or former spouse or common-law partner pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement, relating to a division of property in settlement of rights arising out of, or on the breakdown of, their marriage or common-law relationship;

  (f) the RPP of your spouse, common-law partner, former spouse in accordance with subsection 147.3(5) or (7) of the Act;

  (g) a provincial pension plan in circumstances to which subsection 146(21) of the Act applies;

  (h) any sources permitted under the Act.

3. PAYMENTS UNDER THE CONTRACT

- Transamerica will make the minimum payment each calendar year as provided in subsection 146.3(1) of the Act.

  You may elect the frequency of the payment as monthly, quarterly, semi-annually or annually. If no election is made, the payment will be made to you annually.

4. TRANSFERS

- Under the endorsement, you may upon request transfer all or part of the Market Value of the Contract (the "Value")

  (a) to the carrier of another registered retirement income fund of which you are also the Annuitant of the Act;

  (b) to the issuer of another registered retirement savings plan under which you are the Annuitant prior to the prescribed age for an RRSP within the meaning of subsection 146(1 of the Act;

  (c) to purchase an immediate life annuity under the terms of the Act;

  (d) to a RRIF or RRSP of your spouse, common-law partner, former spouse or common-law partner as a result of marriage breakdown or upon death in accordance with subsection 146.3(14) of the Act.

  In accordance with the Act, before the transfer is made, we will pay you any remaining minimum amount for the year. Any amount payable is subject to taxes and withdrawal fees, as applicable.

  Payment of all of the Market Value of the Contract under this section 4 will discharge Transamerica's liability under the Contract.

5. SUCCESSOR ANNUITANT

- You may elect to appoint your spouse or common-law partner as Successor Annuitant who will replace you as Annuitant upon your death. The Successor Annuitant may also exercise every right as Owner under the Contract on your death.

  Where a Successor Annuitant has been designated in the contract, the death benefit will be paid on the death of the last to die of the Annuitant or the Successor Annuitant.

6. DEATH BENEFIT

The death benefit payable under the RIF endorsement is described in the annuity policy.

7. MISCELLANEOUS

No benefit or loan that is conditional in any way on the existence of the Contract may be extended to you or to a person with whom you were not dealing at arm's length, other than in accordance with paragraph 146.3(2) (g) of the Act.

Neither the Contract nor payments under the Contract may be assigned in whole or in part.

We reserve the right to resign as carrier and appoint a successor carrier.

This endorsement has precedence over any provision contained in this Contract that is inconsistent with it.

TRANSAMERICA LIFE CANADA

Douglas W. Brooks
President and Chief Executive Officer

Glenn Daniels
Corporate Secretary

THIS PAGE IS LEFT INTENTIONALLY BLANK

ADDENDUM TO THE

Five *for* Life™

INFORMATION FOLDER

The addendum does not form part of the Contract.

The attached examples provided are for illustration purposes.

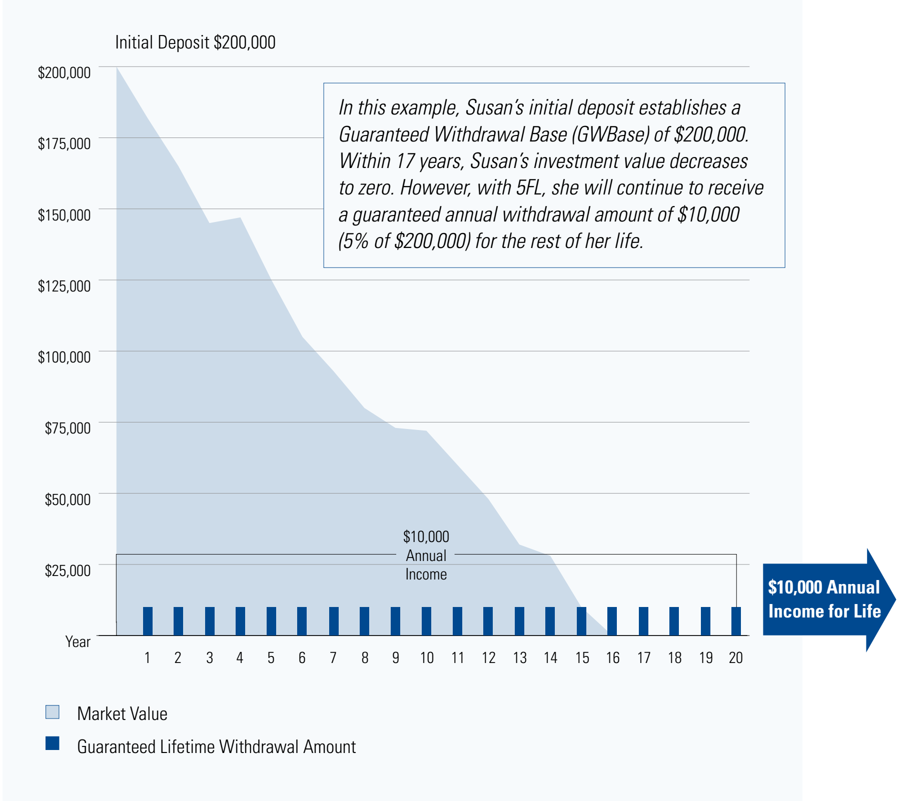
SUSAN, AGE, 67, INVESTS $200,000 IN FIVE FOR LIFE AND HAS DECIDED TO IMMEDIATELY START TAKING WITHDRAWALS.

Five *for* Life can provide Susan with:

- A minimum amount guaranteed to be available for regular withdrawals equal to 5% of her investment for life.
- The potential to automatically increase the GLWA once every three years if her investments perform well*.
- Access to the market value of the investment at any time (subject to the deferred sales charge, if applicable).

*Resets continue until the 10th Reset or the Annuitant's 81st birthday, whichever is earlier.

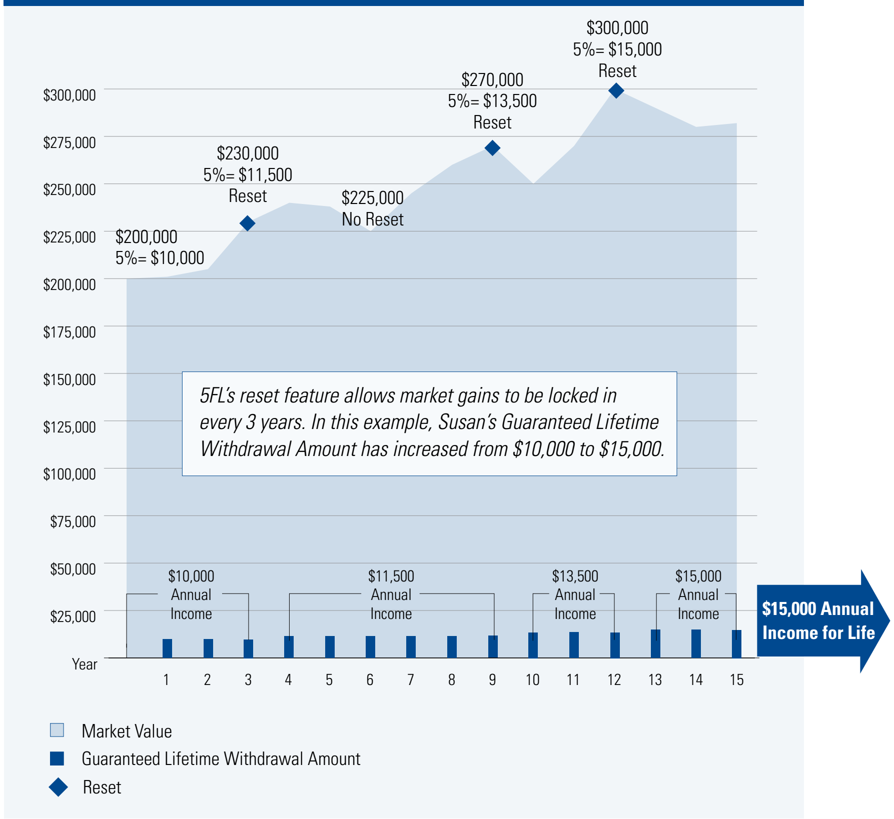
DOWN MARKET SCENARIO



SUSAN BENEFITS WHEN SHE INVESTS $200,000 AND THE MARKETS PERFORM WELL.

In this example, when the market performs well, the investment growth will be locked in every three years, resulting in higher income. As a result of the reset, Susan will be able to withdraw an annual amount of $15,000 from year 13 on for the rest of her life. If markets continue to perform well, Susan's annual guaranteed income can continue to increase.

UP MARKET SCENARIO



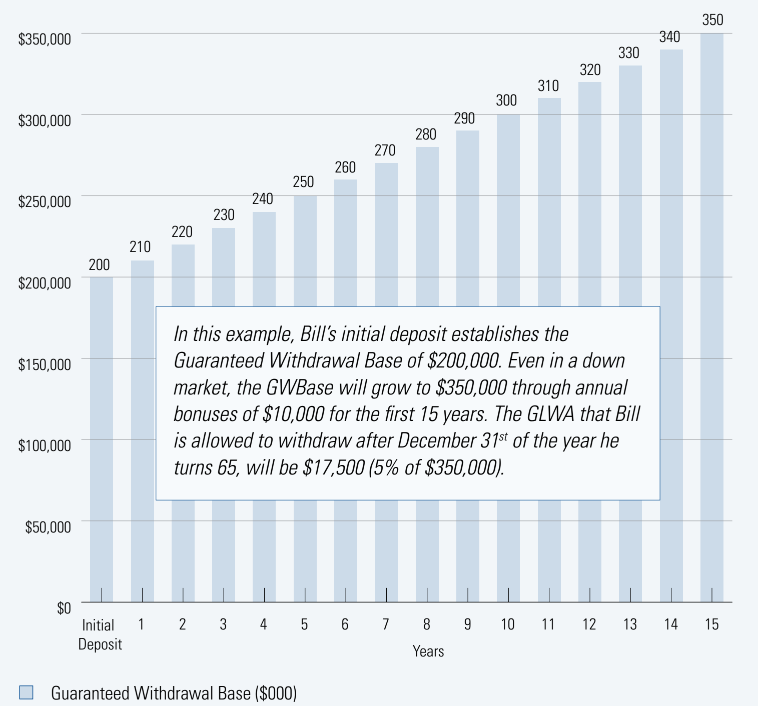
IMPORTANT: EXCESS WITHDRAWALS WILL REDUCE YOUR FUTURE GUARANTEED LIFETIME WITHDRAWAL AMOUNT (GLWA). THE GLWA IS AVAILABLE IN THE YEAR THE ANNUITANT TURNS AGE 65. PAYMENTS CONTINUE UNTIL THE DEATH OF THE LAST SURVIVING ANNUITANT.

BILL, AGE 50, INVESTS $200,000 IN THE 5FL CONTRACT, AND DOESN'T START TAKING WITHDRAWALS IMMEDIATELY.

Five *for* Life can provide Bill with:

- A minimum amount guaranteed to be available for regular withdrawals equal to 5% of his deposit for life (in the year Bill turns age 65).
- A 5% Future Income Escalator Bonus credited to the value of the Guaranteed Withdrawal Base for each of the first fifteen (15) calendar years if no withdrawal is made during those years
- The possibility of automatically protecting the value of the investment every three (3) years through resets to ensure that the gains are protected against market downturns.
- Access to the market value of the investment at any time (subject to the deferred sales charge option, if applicable).
- The transfer of funds to beneficiaries, without the usual probate costs.

DOWN MARKET SCENARIO

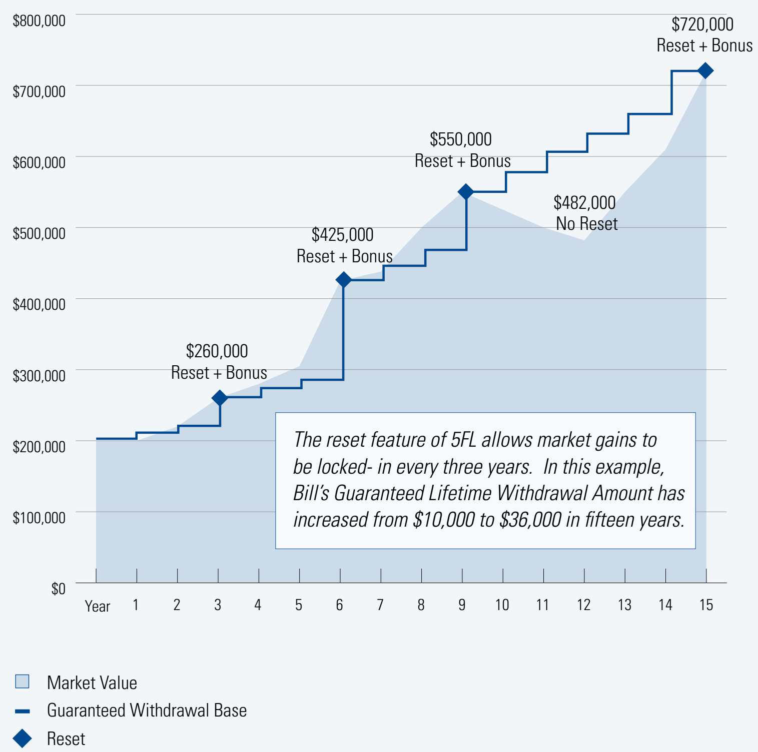


Five *for* Life can profit from market growth.

BILL BENEFITS WHEN HE INVESTS $200,000 AND THE MARKETS PERFORM WELL.

In this example, if the market performs well, the GWBase will automatically reset every three years resulting in increased potential income. Resets can also increase bonuses for future years. Even though markets have declined in year 12, Bill's yearly five percent bonus continues at the year nine amount. By the end of year 15, when Bill is ready to start taking withdrawals, his GWBase has increased to $720,000 and the GLWA available starting in year 16 is $36,000 (5% of $720,000).

UP MARKET SCENARIO



IMPORTANT: EXCESS WITHDRAWALS WILL REDUCE YOUR FUTURE GUARANTEED LIFETIME WITHDRAWAL AMOUNT (GLWA) . THE GLWA IS AVAILABLE IN THE YEAR THE ANNUITANT TURNS AGE 65. PAYMENTS CONTINUE UNTIL THE DEATH OF THE LAST SURVIVING ANNUITANT.

BONUSES ARE NOT CASH DEPOSITS, THEY INCREASE THE GUARANTEED WITHDRAWAL BASE.

TRANSAMERICA
LIFE CANADA

Member of the **AEGON** Group

5000 Yonge Street
Toronto, Ontario M2N 7J8
www.transamerica.ca

Any amount that is allocated to a segregated fund is invested at the risk of the contract holder(s) and may increase or decrease in value.

IP1176 11/08