Transamerica Guaranteed Investment Funds

INFORMATION FOLDER

- This Information Folder is not complete without the Fund Information Folder.

TRANSAMERICA LIFE CANADA

Effective November 2010

TRANSAMERICA LIFE CANADA

Transamerica Guaranteed Investment Funds
INFORMATION FOLDER AND ANNUITY POLICY

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.

This information folder is published for information purposes and is not a Contract. For the terms of the ***Transamerica Guaranteed Investment Funds*** Contract, please consult the Annuity Policy. This information folder should be read together with the ***Transamerica Guaranteed Investment Funds*** Fund Information Folder. Transamerica Life Canada is the sole issuer of the ***Transamerica Guaranteed Investment Funds*** 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 Transamerica Guaranteed Investment Funds annuity contract.

Certified on behalf of Transamerica Life Canada by:

Douglas W. Brooks
President and Chief Executive Officer

Glenn Daniels
Corporate Secretary

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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.

The capitalized terms in this information folder are defined in the Annuity Policy.

KEY FACTS ABOUT TRANSAMERICA GUARANTEED INVESTMENT FUNDS

This summary briefly describes the basic things you should know before you apply for this individual variable insurance contract. This summary is not your contract. A full description of all the features and how they work is contained in this information folder and your contract. Review these documents and discuss any questions you have with your advisor.

WHAT AM I GETTING?

This is an insurance contract between you and Transamerica Life Canada. It gives you a choice of investments and guarantees.

You can:

- Choose investment options
- Name a person to receive the death benefit
- Name a person to own the contract after your death
- Name yourself or another person to be the annuitant
- Choose a registered or non-registered contract
- Receive regular payments now or later, depending on your age

The choices you make may affect your taxes and guarantees. Ask your advisor to help you make these choices.

The value of your contract can go up or down. The guarantees provide some protection for your investment. Please see section 7, Guarantees for details.

WHAT GUARANTEES ARE AVAILABLE?

Your contract has maturity and death benefit guarantees. The benefits are based on the age and life of the annuitant. The guarantees provide some protection for your investments. You can also get added protection from an annual death benefit reset.

You pay fees for this protection. The fees are explained below under *How much will it cost?*

Any withdrawals you make will reduce the guarantees. Please see section 7 Guarantees.

Contract Maturity Benefit

This guarantee protects the value of your investment on December 31st of the year the annuitant turns 100, unless the annuitant dies first. On this date, you will receive the greater of:

- The market value of the funds, or
- 75% of the money you put into the funds.

Death Benefit

This guarantee protects the value of your investment if you die during the term of the contract (if you are the annuitant). The benefit is paid to someone you name.

The death benefit applies if you die before the maturity date. It pays the greater of:

- The market value of the funds, and
- 100% of the money you put in the funds
- The death guaranteed amount is automatically reset to the market value, if higher, on the policy anniversary date until the year the annuitant turns 75.

For full details about how these guarantees work, see sections 7.2 Contract Maturity Benefit, 7.3 Death Benefit and section 7.3.2, Resets of the Death Guaranteed Amount in this information folder.

WHAT INVESTMENTS ARE AVAILABLE?

You can invest in segregated funds. We explain the segregated fund options in the Fund Information Folder.

Transamerica Life Canada guarantees the maturity and death benefits. Transamerica Life Canada does not guarantee the performance of the segregated funds. Carefully consider your tolerance for risk when you select an investment option.

Your investment may go up or down.

HOW MUCH WILL IT COST?

The funds and the sales charge options you select all affect your costs.

You can choose up-front (initial) or deferred sales charges. For full details see section 10, Sales Charge Options.

Fees and expenses are deducted from the segregated funds. The fees pay for the insurance benefits including resets, the management of the funds and taxes. Management expense ratios (MERs) express the percentage of the segregated fund used to pay for fees and expenses for the segregated fund. The MER is in the Fund Information Folder for each segregated fund.

If you make certain transactions or other requests, you may be charged separately for them. These include withdrawals, early withdrawals, early switches or more than four switches per year.

Please see the section 11, Fees for details.

WHAT CAN I DO AFTER I PURCHASE THIS CONTRACT?

If you wish, you can do any of the following:

Transfers: You may switch from one fund to another. See section 5, Fund Switches for details.

Withdrawals: You can withdraw money from your contract. If you decide to withdraw money, this will affect your guarantees. You may also need to pay a fee and taxes. See section 6, Withdrawals for details.

Deposit: You may make lump-sum or regular investments. See section 4, Deposits for details.

Pay-out annuity: On the date your Contract matures, you may select a payout annuity. Unless you select another option, we will start making payments to you. See section 7.2.4 Default Annuity.

Certain restrictions and other conditions may apply. Review the contract for your rights and obligations and discuss any questions with your advisor.

WHAT INFORMATION WILL I RECEIVE ABOUT MY CONTRACT?

We will tell you at least once a year the value of your investments and any transactions you made.

We print audited annual financial statements and unaudited semi-annual financial statements for the funds. These are available on our website or you can request a copy by contacting us.

CAN I CHANGE MY MIND?

Yes, you can:

- Cancel the contract
- Cancel any deposit you make, or
- Cancel fund allocation decisions.

To do any of these, you must tell us in writing within two business days of the earlier of:

- The date you received confirmation, and
- Five business days after the confirmation is mailed to you.
- If you:
  (a) cancel the contract or a deposit the amount will be returned to you.
  (b) cancel a fund allocation, the original fund allocation will be restored.

The amount returned or restored will be the lesser of the amount invested and the value of the fund if it has gone down.

We will refund any sales charges or other fees you paid.

If you change your mind about a specific fund deposit or switch, the right to cancel only applies to that transaction.

For more information, see section 2.4, Rescission Rights for details.

WHERE CAN I GET MORE INFORMATION?

You may call us at 1-800-PYRAMID (797-2643) or send us an e-mail to ipservices@aegoncanada.ca. Information about our company and the products and services we provide is on our website at www.transamerica.ca.

For information about handling issues you are unable to resolve with your insurer, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the internet at www.olhi.ca.

For information about additional protection available for all life insurance contractholders, contact Assuris, a company established by the Canadian life insurance industry. See www.assuris.ca for details.

For information regarding how to contact the insurance regulator in your province visit the Canadian Council of Insurance Regulators website at www.ccir-ccrra.org.

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.

SUMMARY OF MAIN CONTRACT FEATURES

The following table summarizes the main features of the ***Transamerica Guaranteed Investment Funds*** Contract.

General Information	
Contract types	• RRSP, LIRA, RLSP, RRIF, LIF, RLIF, PRIF, TFSA and non-registered See section 3, Types of Contracts Available for more information
Latest age to make deposits	• Non-Registered, RRIF, LIF, RLIF, PRIF, TFSA Contracts – The day before the Annuitant turns 76 • RRSP, LIRA, RLSP Contracts (pension jurisdiction requiring an annuity at age 80) – December 31st of the year the Annuitant turns 71** • LIF Contracts regulated by Newfoundland and Labrador – December 31st of the year the Annuitant turns 71** See section 4, Deposits and section 10, Sales Charge Options for more information ** Or latest age to hold under the *Income Tax Act* (Canada), except that it cannot exceed the day before the Annuitant's age 76.
Deposits	• Non-payout Contracts: Minimum $1,000 per Contract/ $100 per Fund • Payout Contracts (RRIF, LIF, RLIF or PRIF plans): Minimum $10,000 per Contract/$100 per Fund • The monthly Pre-Authorized Cheque (PAC) Deposit minimum amount is $50. The minimum allocation per Fund is $25. • Deposits of $2,000,000 or more require pre-approval See section 4, Deposits for more information We reserve the right to refuse any Deposit to a Fund if it is 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.**
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 and a minimum switch amount of $25 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 or a switch to the Fund. See section 5, Fund Switches for more information
Withdrawals	• Minimum withdrawal amount of $100 and a minimum of $25 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 sections 6, Withdrawals and 10, Sales Charges for more information.

Guarantees	
Contract Maturity Benefit	• Calculated on the Contract Maturity Date, which is December 31st of the year the last surviving Annuitant turns 100, or the last Valuation Date of the year if December 31st is not a Valuation Date. The Contract Maturity Date is age 80 for locked-in plans registered under the laws of Newfoundland and age 90 for locked-in plans registered under the laws of New Brunswick. • Calculated as the greater of: (i) the 75% Contract Maturity Guaranteed Amount, and (ii) the Market Value of the Contract. See sections 7.2, Contract Maturity 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 7.3, Death Benefit and 9.4, Market Value of the Contract for more information
Resets	• Resets may increase the value of the Death Guaranteed Amount of the Contract. • Resets are performed automatically every year, on the Policy Anniversary Date, if the Market Value of the Contract is greater than the value of the Death Guaranteed Amount. • A final reset of the Death Guarantee Amount will be made on the Policy Anniversary Date of the year the Annuitant turns age 75. See section 7.3.2, Resets of the Death Guaranteed Amount 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 Fund Information Folder 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 allocated to your Contract. 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 compensation at the time of the Deposit, and the full Premium is used to allocate Units to the Contract. You pay us a declining fee if you make a withdrawal within the first 6 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 the 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	• The fees charged to the Funds in this Contract consist of: – management fees – insurance fees, 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. • Each Fund pays an insurance fee for the costs of providing the Maturity Benefit, Death Benefit and Reset of the Death Guaranteed Amount. • Each Fund also pays its own operating expenses. • Each Fund also pays the applicable taxes. • Management fees, insurance fees, operating expenses and applicable taxes are deducted daily before the calculation of the Unit Value of the Fund. • Management fees, insurance fees, operating expenses and applicable taxes vary for each Fund and are incorporated in the Management Expense Ratio (MER) of a Fund. • Where the Fund invests in an Underlying Fund(s), there is no duplication of fees. **Transactional Fees** • 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: – switch fee of 2% of the amount switched if you make more than 4 unscheduled switches in one year. • We may also charge: – an early withdrawal fee of 2% of the value of Units withdrawn if you make a withdrawal within 90 days of allocating those Units to the Fund – an early switch fee of 2% of the value of Units switched if you make a switch within 90 days of allocating a Deposit or a switch to the Fund See section 11, Fees for more information **Please consult the Fund Information Folder for the management fee, insurance fee, maximum insurance fee and MER 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 fee of a Fund in excess of the maximum limit. See section 14.2, Fundamental Changes and Other Changes for more information
Tax	• You will be allocated income and capital gains and losses based on the number of Units of each Fund allocated to you. 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 following the end of the year showing the income, capital gain and capital losses for Units of Funds allocated to you. See section 15, Tax Implications for more information
Financial information about the Funds	**Please review the Fund Information Folder 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 amount that is allocated to a *Transamerica Guaranteed Investment Funds* Contract is invested at the risk of the contract holder(s) 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. Transamerica 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 one of Canada's leading life insurance companies, with over $10.1 billion in total assets under management and total gross premium revenue of $708 million in 2009.

For over 80 years, Transamerica Life Canada has striven to create better futures for all of its stakeholders – customers, distributors, business partners and employees – through our core values of respect, quality, transparency and trust.

Through a national network of independent advisors, Transamerica provides a full spectrum of innovative and flexible life insurance and segregated fund products, services and solutions – all designed to improve the lives of Canadians from every walk of life.

With headquarters in Toronto, Transamerica Life Canada employs approximately 700 people in locations across the country, providing challenging and rewarding careers in the continually evolving financial services industry.

As a life insurance company, Transamerica Life Canada has a close understanding of the health and wellness issues that impact Canadians. That's why we commit funds annually to our *in the spirit of hope* charitable giving program, and support our neighbours and communities by donating these funds to health-related and other worthy non-profit organizations.

Please visit www.transamerica.ca to learn more about Transamerica Life Canada.

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 or request your instructions. It is important for you to notify us if your address changes to ensure you receive information about your policy. We are not responsible for any missed opportunities or losses resulting from your address not being kept up to date.

Where the Contract is held in nominee name, our correspondence to you may be directed to a third party based on the authorization you have given to the third party.

We will send you or your nominee:

- statements for the Contract at least annually,
- upon request, annual audited financial statements for the Funds available within the Contract,
- upon request, semi-annual unaudited financial statements for the Funds available within the Contract,
- 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).

Current performance of the Funds and their corresponding Fund Facts pages are available on our website (www.transamerica.ca).

2. THE CONTRACT

2.1 General Information

Transamerica Guaranteed Investment Funds is an insurance contract, legally known as an individual variable insurance contract. The Contract is an annuity because at the Contract Maturity Date, an annuity will be issued based on your life, unless you instruct us otherwise.

If you choose to register the Contract as a retirement plan, an endorsement will be issued. The endorsement overrides the provisions of your Contract that are inconsistent with the endorsement.

When you allocate premiums, also referred to as a "Deposit", to a Fund, 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. These assets 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. We have the right in accordance with our Administrative Rules to refuse to open new Contracts.

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

2.2 Your Contract

Your "Contract" with us consists of:

- the attached 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

The following information presented in the Fund Facts documents also forms part of the Contract:

- Name of the Contract and the segregated funds
- Management Expense Ratio, fees and expenses
- Risk disclosure
- Right to cancel

The Fund Facts documents are included in the Fund Information Folder and are also available on our website at www.transamerica.ca. The information provided in the Fund Facts is accurate and complies with the requirements of the Individual Variable Insurance Contract Guideline as of the date the information was prepared. Any error in the Fund Facts information described above will be remedied by correction of the error, where reasonable, but will not entitle you to benefit from the error.

2.3 Effective Date Of Your Contract

Your Contract is effective on the later of the Valuation Date of the first Deposit and the acceptance of the Contract in accordance with our Administrative Rules. Delivery of the Annuity Policy does not constitute our acceptance of a Contract. We will send you a transaction confirmation for the Deposit. It will state the Effective Date of the Contract. The Effective Date 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.

2.4 Rescission Rights

You may cancel the Contract, any Deposit(s) or any Fund allocation (switch) provided you send us written notice requesting the cancellation within two Business Days of the earlier of (i) the date you receive the transaction confirmation and (ii) five Business Days after it is mailed by us.

On the Valuation Date we receive your request for cancellation of:

(a) the Contract or a Deposit, the value of cancelled Units will be refunded to you.

(b) an allocation between funds (switch), the value of the cancelled Units will be returned to the immediately preceding Fund allocation.

The value of the cancelled Units will be the lesser of:

(i) the market value of the Units on the Valuation Date of the Deposit or switch and

(ii) the market value of the Units on the Valuation Date your cancellation request was received by us.

Any sales charges or other fees charged to you for the Deposit or switch will be reversed.

A cancellation of a Fund switch will include a reversal of any fees resulting from the switch but will not be refunded in cash.

A request for cancellation must clearly identify the specific transaction you wish to cancel.

2.5 Effective Minimum Guaranteed Amount of your Contract

Subject to any applicable legislative requirements, if all the Guaranteed Amounts, including the Death Guaranteed Amount and the Contract Maturity Guaranteed Amount are less than $500, we reserve the right to terminate the Contract upon 30 days notice and forward to you the Market Value of the Contract, minus of any applicable charges, fees and taxes.

2.6 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, if you have assigned the Contract or if your Contract is a registered plan.

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

The Owner may be an individual, a corporation or more than one individual as permitted by our current Administrative Rules and applicable laws.

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. Subject to the terms in section 2.8, a change in ownership will not change the Contract features, including the Contract Maturity Benefit and the Death Benefit.

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.

2.7 Successor Owner

You may designate a Successor Owner, who will assume Ownership of the Contract upon your death. This designation may be useful when you have designated an Annuitant other than yourself or a Successor Annuitant. 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 and have not named a Successor 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.

2.8 Joint Owners

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

2.9 Annuitant

The Annuitant is the person on whose age and life the Contract Maturity Benefit is 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. We have the right in accordance with our Administrative Rules to:

(i) require medical evidence of the health of the Annuitant or Successor Annuitant and refuse to accept Deposits if the medical evidence is unsatisfactory or incomplete.

(ii) 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.

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, the Contract Maturity Date and the latest age to Deposit will be 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.

2.10 Successor Annuitant

For non-registered plans, you may designate any person as Successor Annuitant who will become the Annuitant upon the primary Annuitant's death.

You may only designate 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 TFSA or 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.

2.11 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.

Please be mindful if you designate the Beneficiary as irrevocable, you may not make certain changes to the Contract without the consent of the irrevocable Beneficiary.

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.

Special rules apply to Contracts held in nominee name, please review with your Advisor.

3. TYPES OF CONTRACTS AVAILABLE

3.1 General Information

The Contract can be set up as non-registered or registered.

3.2 Registered Contracts and TFSA Contracts

The limitations described in this section are exceptions to the general information provided in the information folder and apply to registered contracts only. Registered plans are tax efficient investment vehicles. There are also legislative restrictions on registered plans.

The registered Contracts available include:

- Registered Retirement Savings Plan (RRSP),
- Spousal RRSP,
- Locked-In Retirement Account (LIRA),
- Locked-In Retirement Savings Plan (LRSP),
- Restricted Locked-In Savings Plan (RLSP),

- Registered Retirement Income Fund (RRIF),
- Spousal RRIF,
- Life Income Fund (LIF),
- Prescribed Retirement Income Fund (PRIF),
- Restricted Life Income Fund (RLIF), and
- Tax-Free Savings Account Plan (TFSA).

Not all variations of registered Contracts may be available to you depending on the source of the initial Deposit and the province of purchase.

We have the right to limit the number of Contracts held by you or the Deposits made to any of them. Please see section 4, *Deposits*, for additional information.

For registered and TFSA 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. With the exception of a TFSA, any money withdrawn from a registered Contract is taxable in your hands. We will deduct any required withholding tax from the amount you withdraw.

3.2.1 Registered Retirement Savings Plan (RRSP)

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

- a RRIF,
- an immediate annuity, or
- cash (in one lump sum).

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

3.2.2 Registered Retirement Income Fund (RRIF)

A RRIF must pay you a minimum amount each calendar year, starting by the end of the year after the year in which you purchase the RRIF. A RRIF is funded by a transfer from an RRSP. You are the Owner and the Annuitant of a RRIF.

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.

3.2.3 Spousal RRSPS/RRIFS

An RRSP that is funded by your spouse and owned by you, 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 that is funded by a transfer from a Spousal RRSP and owned by you is a Spousal RRIF. You are the Owner and the Annuitant of a Spousal RRIF.

3.2.4 Locked-In Savings Plans (LIRA, LRSP, RLSP)

A LIRA (called LRSP in certain jurisdictions) is registered as an RRSP for tax purposes with contractual terms that are specially designed to hold pension funds for a former pension plan member, former spouse or common-law partner, or survivor. You cannot access assets in a LIRA until you reach a certain age, which depends on the provincial legislation that governs your plan.

An RLSP is only available for locked-in funds governed by the federal pension legislation. It is designed to accept transfers from a Restricted Life Income Fund (RLIF) for individuals who no longer wish to receive income from the RLIF.

Once you reach the end of the year that you attain age 71 (or the latest age to own under the *Income Tax Act* (Canada), you cannot take the proceeds in cash, you must convert the LIRA, RLSP or LRSP to:

- a LIF, RLIF or PRIF (except in Manitoba) where applicable; or
- a life annuity.

Unless you indicate otherwise, if the Contract is in force on December 31st of the year you turn 71 (or the latest age to own under the *Income Tax Act* (Canada)), we will automatically change the registration status from a LIRA/LRSP to the applicable LIF as allowed under pension legislation. In the case of a:

- Saskatchewan regulated LIRA, we will automatically change the registration status from a LIRA to a PRIF.
- Federally regulated RLSP, we will automatically change the registration status from a RLSP to a RLIF.

3.2.5 Locked-In Income Plans (LIF, RLIF, PRIF)

For a LIF, RLIF or PRIF, the Contract is registered as a RRIF for tax purposes

A LIF, RLIF and PRIF are vehicles used to hold and pay out pension funds.

A LIF, RLIF or PRIF Contract may only be issued at the ages permitted by the applicable pension legislation governing the former pension plan.

When transferred, spousal rights prescribed under pension legislation are preserved unless otherwise waived. Some jurisdictions may require that you obtain spousal consent or a spousal waiver form before we can facilitate such a transfer.

You must withdraw a minimum amount each calendar year, starting by the end of the calendar year after the year in which you open a LIF, RLIF or PRIF. For a LIF and RLIF, there is a maximum amount that may be withdrawn each calendar year.

Depending upon the legislation governing your former pension plan, a LIF may require you to purchase a life annuity with the balance of the funds by a certain date before the Contract Maturity Date. Payment of the annuity fulfils our obligations under the Contract in full. **Please consult your LIF endorsement and your advisor for more information.**

3.2.6 Tax Free Savings Account Plans (TFSA)

For a TFSA, the Contract is registered as a TFSA for tax purposes.

The Owner must be a minimum of 18 years of age.

Your TFSA Deposits are not tax deductible. Any unused TFSA contribution room will accumulate and can be carried forward to subsequent years.

Withdrawals are not subject to income tax and will restore your contribution room equal to the withdrawal amount(s) in the following calendar year. If you re-contribute amounts in the same year that you withdraw from a TFSA, you may be subject to substantial penalties imposed by the Canada Revenue Agency (CRA).

No tax is payable on earnings accumulated in the Contract.

4. DEPOSITS

4.1 General Information

The latest age for Deposits into a Contract varies with the type of Contract you select.

Plan type	Latest age to deposit
Non-registered, RRIF, LIF, RLIF, PRIF and TFSA	The day before the Annuitant turns 76
RRSP, RLSP and LIRA	December 31st of the year the Annuitant turns 71*
LIF Contracts regulated by Newfoundland and Labrador(pension jurisdiction requiring an annuity at age 80)	December 31st of the year the Annuitant turns 71

* Or the latest age to hold under the *Income Tax Act* (Canada), except that it cannot exceed the day before the Annuitant's age 76.

The minimum initial Deposit required to issue your Contract is $1,000 or $10,000 for a RRIF, LIF, RLIF or PRIF plan. The minimum that can be allocated to a specific Fund is $100. Each additional Deposit to the same Fund must be at least $100. Subject to our current Administrative Rules, the monthly minimum Pre-Authorized Chequing (PAC) Deposit amount is $50. The minimum allocation per Fund is $25.

You need our prior written approval for Deposits above $2,000,000.00.

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

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) option.

If you choose the ISC option, a sales charge between 0 and 5%, (to be negotiated between you and your advisor) will be deducted from the Premium for investment before we allocate Units to the Contract. 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 you choose the DSC option, 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 option, a sales charge will be deducted on a declining scale from any withdrawals made within the first 6 years of the Effective Date of the Contract. Please see section 10.3.1, Deferred Sales Charge (DSC) Upon Withdrawal for more information.

All Deposits must be made in Canadian dollars.

If we do not receive your Deposit and all of the necessary documents in good order within the required period of time set out in our Administrative Rules, 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

Pre-Authorized Chequing or PACs are scheduled Deposits made for a set amount, frequency and 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, TFSA and RRSP Contracts.

We will make regular PAC withdrawals directly from your bank account, as authorized by you.

We have the right to cancel the PAC at any time, upon 10 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.

Subject to our Administrative Rules, we will stop processing Deposits by PAC if they are returned unprocessed. You will be required to notify us in writing to re-establish Deposits to the Contract by PAC.

Please see the application for terms and conditions applicable to PAC.

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. A switch in a non-registered contract is a taxable transaction. 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 Deposit back into the Contract. **Guarantees will be impacted**. Please see section 6.1 Withdrawals, General Information. This is a taxable transaction, and is subject to the latest age to make a Deposit rule. Please see section 4.1, Deposits, General Information.

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% of the value of Units switched if you make a switch within 90 days of allocating those Units to the Fund. 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.

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 Contract 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 15.2, 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 15.2, 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 are in addition to the four Fund switches per calendar year that are free of charge.

You can arrange to have scheduled Fund switches between Funds, subject to having sufficient value in the Fund from which monies are switched. 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. If we were to close or restrict new Deposits to a Fund, 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 from 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 Contract Maturity Guaranteed Amount and the Death Guaranteed Amount. Please see section 7, Guarantees for more information.

The values of the Units of a Fund that are withdrawn fluctuate with the Market Value of the underlying assets and are 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. For certain locked-in plans, the amount withdrawn cannot exceed the maximum annual amount prescribed by applicable legislation.

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

6.3 Processing a Withdrawal

A withdrawal request 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 withholding tax.

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 allocating those Units to the Contract. This fee does not apply to scheduled withdrawal payments nor 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/LIF/ RLIF/PRIF Contracts

6.5.1 RRIF Payments

If you are the Owner of a RRIF/LIF/ RLIF/PRIF Contract:

- In the calendar year you purchase the RRIF, LIF, RLIF or PRIF Contract, you are not required to make a withdrawal from the Contract.
- 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. The Custom/Level payment option, payment allocation instructions and the payment frequency you select will remain in effect until you file a written request with us to change it.

6.5.2 LIF/RLIF Maximum Amount

- The maximum payment amount for LIF and RLIF Contracts is calculated in accordance with the formula specified by the applicable pension legislation.
- For the initial calendar year, the maximum amount may be prorated based on the number of months the Deposit is held in the Contract.

6.5.3 Contracts Held As Self-Directed RRIFS (Including LIF/RLIF/PRIF)

- 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.

7. GUARANTEES

7.1 General Information

The Contract provides a Contract Maturity Benefit and a Death Benefit guarantee.

The Contract Maturity Benefit provides that on the Contract Maturity Date, if the Market Value of your Contract is lower than the applicable Contract Maturity Guaranteed Amount, we will increase the value of your Contract to equal the Contract Maturity Guaranteed Amount.

The Death Benefit provides that on the Death Benefit Date, if the Market Value of your Contract is lower than the Death Guaranteed Amount, we will increase the value of your Contract to equal the Death Guaranteed Amount.

- We reserve the right to add new Guarantee Classes. We will provide notice of such a change.

The guaranteed amounts are calculated as follows:

Guaranteed Benefits	Description of Guarantees
Contract Maturity Guaranteed Amount	75% of your Deposits*
Death Guaranteed Amount	100% of your Deposits*

*Less a proportional market value reduction for withdrawals and client-initiated transaction fees

When we increase the value of the Contract to equal the Contract Maturity Guaranteed Amount or Death Guaranteed Amount, we call this a Top-up Benefit.

Only the Death Guaranteed Amount is increased by Resets. Please see section 7.3.2 Resets if the Death Guaranteed Amount.

7.2 Contract Maturity Benefit

This Contract provides for a guarantee on Contract 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 Contract Maturity Guaranteed Amount. Therefore, if on the Contract Maturity Date, the Market Value of your Contract is lower than the Contract Maturity Guaranteed Amount, we will increase the Market Value of your Contract to equal the Contract Maturity Guaranteed Amount.

7.2.1 Contract Maturity Guaranteed Amount

The Contract Maturity Guaranteed Amount:

- Is set by the value of the first Deposit to the Contract,
- Increases by the value of additional Deposits,
- Reduces proportionally by withdrawals,
- Reduces proportionally by client-initiated transaction fees.

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

Where **A** is the Contract Maturity Guaranteed Amount before the Withdrawal

P is the proportional market value reduction of the Withdrawal and is equal to **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 the Premium less proportional market value reductions for withdrawals.

Please consider that, when the market value of the Units withdrawn is lower than the market value of those Units on the Deposit date, the proportional reduction due to the withdrawal will reduce the Contract Maturity Guaranteed Amount and Death Guaranteed Amount by more than the amount of the withdrawal.

The following examples illustrate the Contract Maturity Guaranteed Amount and the impact of a Deposit and withdrawal in (a) rising and (b) declining markets.

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

Date	Transaction	Amount	Market Value of Contract Before Transaction	Market Value of Contract After Transaction	Contract Maturity Guaranteed Amount Before Transaction	Contract Maturity Guaranteed Amount After Transaction
May 3, 2010	First Deposit	$25,000	N/A	$25,000	N/A	$18,750 (75% of $25,000)
Aug 1, 2010	Additional Deposit	$70,000	$27,000	$97,000	$18,750	$71,250 = ($18,750 + $52,500 (75% of $70,000))
Nov 1, 2011	Withdrawal	$4,750 **(B)**	$100,000 **(C)**	$95,250	$71,250 **(A)**	$67,865.62 **($71,250 – $3,384.38*)**

* The value of the Contract 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 Contract Maturity Guaranteed Amount at the time of a withdrawal.

Date	Transaction	Amount	Market Value of Contract Before Transaction	Market Value of Contract After Transaction	Contract Maturity Guaranteed Amount Before Transaction	Contract Maturity Guaranteed Amount After Transaction
May 3, 2010	First Deposit	$25,000	N/A	$25,000	N/A	$18,750 ($25,000 x 75%)
Aug 1, 2010	Additional Deposit	$70,000	$23,000	$93,000	$18,750	$71,250 = ($18,750 + $52,500 (70,000 x 75%))
Nov 1, 2011	Withdrawal	$4,750 **(B)**	$68,000 **(C)**	$63,250	$71,250 **(A)**	$66,272.98 **($71,250 – $4,977.02*)**

* The value of the Contract 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

7.2.2 Contract Maturity Date

Unless required by applicable pension legislation, the Contract Maturity Date is December 31st of the year the last surviving Annuitant turns age 100, or the last Valuation Date of that year if December 31st is not a Valuation Date.

The Contract Maturity Date is as follows for the types of Contract available.

Contract Type	Contract Maturity Date
Non-registered, RRSP, LIRA, LRSP, RLSP, RIF, LIF, PRIF, RLIF and TFSA	December 31st of the year in which the last surviving Annuitant turns age 100
New Brunswick LIRA and LIF	December 31st of the year in which the last surviving Annuitant turns age 90
Newfoundland LIRA and LIF	December 31st of the year in which the last surviving Annuitant turns age 80

7.2.3 Contract Maturity Benefit

On the Contract Maturity Date, the Contract Maturity Benefit is calculated and it will be the greater of the:

(i) Contract Maturity Guaranteed Amount, and

(ii) Market Value of the Contract.

If the Market Value on the Contract Maturity Date is less than the Contract 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 Contract Maturity Guaranteed Amount will not be less than 75% of the Premium less proportional 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	Deposit Amount *	Contract Maturity Guaranteed Amount	Market Value of Contract	Contract Maturity Benefit (amount you will receive)
(a)	$100,000	$75,000	$65,000	$75,000
(b)	$100,000	$75,000	$120,000	$120,000

*Assuming no withdrawals are made and no client initiated transaction fees applied

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.

7.2.4 Default Annuity

If the Annuitant is living on the Contract Maturity Date, and we have **not** been notified of your maturity option, we will automatically apply the Contract Maturity Benefit to provide you with an immediate single life annuity, guaranteed for ten years in accordance with our Administrative Rules and applicable legislation. The annuity will be based on your life, be payable monthly and will be based on the rates in effect on the Contract Maturity Date.

- The single life annuity contract will be subject to the terms of the *Income Tax Act* (Canada), if the Contract is registered.

We reserve the right to make payments in a lump sum if each payment is less than $100.

Payment of the annuity (or lump sum if applicable) fulfils our obligation under the Contract in full.

7.2.5 Default Annuity for Contracts Issued in Quebec Only

For Contracts issued in Quebec only, the annuity will be based on your life, be payable monthly and will be based on the rates in effect on the Contract Maturity Date. However, the annual annuity payment for each $1,000 shall not be lower than the amount set out in Table 1 for the applicable age on which the annuity is based.

The applicable age on which the annuity is based, is the age of the Annuitant.

Table 1 – Annual Annuity Payment per $1,000

Age of Annuitant	Annuity Payment
50	$15.39
55	$16.67
60	$18.19
65	$20.01
70	$22.23
75	$25.01
80	$28.58
85	$33.34
90	$40.01
95	$50.01
100	$66.67

For example, if the Contract Maturity Benefit is $100,000 and the age of the Annuitant is 90, the annual annuity payment per $1,000 for age 90 = $40.01. Therefore the Minimum Annual Annuity Payment is $4,001 = [($100,000 x 40.01)/1000]

7.3 **Death Benefit**

This Contract provides for a 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.

7.3.1 **Transactions and Events that Increase or 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 proportionally by withdrawals.

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

Where **A** is the Death Guaranteed Amount before the Withdrawal

P is the proportional reduction of the Withdrawal and 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

Please consider that when the Market Value of the Units withdrawn is lower than the original Deposit value of the Units withdrawn, the proportional reduction due to the withdrawal will reduce the Death Guaranteed Amount by more than the actual amount of the withdrawal.

7.3.2 **Resets of the Death Guaranteed Amount**

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

Every year, 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 policy anniversary date in the year the Annuitant turns 75.

Below is an example to illustrate the maximum date for when the reset of the Death Guaranteed Amount will occur.

Policy Anniversary Date	Annuitant's Age*	Reset Allowed?
May 29, 2010	73	Yes
May 29, 2011	74	Yes
May 29, 2012	75	No

*Annuitant's attained age as of the policy anniversary date with an assumed date of birth of September 29, 1936

The Reset feature may be changed or discontinued at any time upon 60 days prior written notice.

The following illustrates 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/ Event	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, 2010	Initial Deposit	$100,000	-	$100,000	–	$100,000
Dec 29, 2011	Subsequent Deposit	$50,000	$105,000	$155,000	$100,000	$150,000
Jan 14, 2011	Withdrawal	$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)
June 17, 2011	Withdrawal	$5,000 (**B**)	$135,000 (**C**)	$130,000	$160,000 (**A**)	$154,074.07 = ($160,000 - $5,925.93**)

*For further clarification, the value of the proportional 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

For further clarification, the value of the proportional reduction withdrawal to the Death Guaranteed Amount is calculated as follows: **A x (B/C) = $160,000 x ($5,000/$135,000) = $5,925.93

7.3.3 Death Benefit Date

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.

7.3.4 Death Benefit

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 Top-up Benefit, if applicable, will be payable as a part of the Death Benefit.

The Contract will terminate upon payment of the Death Benefit.

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.

7.3.5 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 Transamerica Canadian Money Market Fund or to another Fund we designate if the Transamerica Canadian Money Market Fund is not available. This date is called the “Notice Date”.

Notification of death must 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 full range of Funds.

The asset class categories of Funds include Money Market & Fixed Income, Canadian Balanced, Global Balanced, Canadian Equity, U.S. Equity, Global Equity, Target Date and Asset Allocation Portfolios.

The underlying investments in a Fund may be units of a mutual fund, stocks, Exchange Traded Funds (ETFs), 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 Fund Information Folder 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) within the Contract. If we discontinue offering a Fund, we will automatically reallocate your holdings in the discontinued Fund to a Similar Fund of our choice. This transaction may be a taxable event and subject to the Fundamental Change rule. Please see section 14.2, Fundamental Changes and Other Changes.

8.2 Investment Objective, Policy and Restrictions

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

- We may also change the investment objective of a Fund. A change to the investment objective is considered a fundamental change. Please see section 14.2, Fundamental Changes and Other Changes.

8.3 Investment Management of the Funds

As part of our responsibility for the day-to-day management of the Funds, we have retained on a non-exclusive basis various portfolio managers to manage the assets of the Funds. The portfolio manager is the person or team of people who are directly responsible for the investment decisions of any Fund.

The names and addresses of the portfolio managers and their relationships to us, for each Fund, can be found in the Fund Information Folder

With regards to conflicts of interest between us and a portfolio manager, we have reserved the right to terminate, if necessary, the portfolio manager.

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

We have the right to change an Underlying Fund of any Fund, at any time at our discretion. Please see section 14.2, Fundamental Changes and Other Changes for more information.

Please see the Fund Information Folder 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 according to our Administrative Rules. 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 14.2, Fundamental Changes and Other 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 of the Fund.

While the Contract is in force, you may request that Funds that are allocated 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 between Funds of different sales charge options is processed as a withdrawal of Units of one Fund and a Deposit to the Contract. Guarantees will be impacted and sales charges and withdrawal fees may be triggered.

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. Units allocated to a Fund under this option are called ISC Units. There is no Deferred Sales Charge when you make a withdrawal against these 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 six years of the effective date of each Deposit. Units allocated to your Contract 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 market value as of the Deposit date 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:	DSC (as a percentage of the market value of DSC Units as of the Deposit date)
During the 1st year after Deposit	6.0%
During the 2nd year after Deposit	5.0%
During the 3rd year after Deposit	4.0%
During the 4th year after Deposit	3.0%
During the 5th year after Deposit	2.0%
During the 6th year after Deposit	1.0%
During the 7th year after Deposit	0.0%

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 the Funds you have selected in the order they were allocated to a Fund – first in, first out, withdrawing the oldest Units first until the total requested amount is withdrawn.

10.4 Free Withdrawal Privilege for DSC Units

You are entitled in each calendar year to withdraw 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 under the free withdrawal privilege for DSC Units is the sum of the following:

(i) 10% of the 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.

The standard provision under Processing a Withdrawal will apply to free withdrawals.

The following example is for a non-registered Contract:

Date	Transaction/Event	Amount	Unit Value	Number of Units	Free Units
Dec 31, 2010	Deposit	$25,000.00	$10.00	2,500	250 (2,500 X 10%)
Jan 10, 2011	Deposit	$5,500.00	$11.00	500	25.890*
Apr 18, 2011	Deposit	$6,000.00	$12.00	500	12.466**
Jul 18, 2011	10% free withdrawal requested	$3,748.63	$13.00	_	288.356

* (10% of 500 DSC Units = 50 free additional Units in aggregate) x 189/365† = 25.890 free Units available to be withdrawn as of July 18, 2011

** (10% of 500 DSC Units = 50 free additional Units in aggregate) x 91/365†† = 12.466 free additional Units available to be withdrawn from your Fund as of July 18, 2011
Total free Units available to be withdrawn from your Fund as of July 18, 2011 are 250 + 25.890 + 12.466 = 288.356 free additional Units.

† 189 represent the number of days from January 11 to July 18 inclusive

†† 91 represent the number of days from April 19 to July 18 inclusive

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.

The insurance fee is the fee you pay for the insurance benefits provided by the Contract. The insurance benefits provided by the Contract are the Contract Maturity Benefit, the Death Benefit and Resets of the Death Guaranteed Amount.

The management fee, insurance fee together with operating expenses and applicable taxes of a Fund are incorporated in the Management Expense Ratio (MER) of a Fund.

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. Certain fees are subject to applicable taxes.

11.2 Management Fee, Insurance Fee And Operating Expenses

Each Fund pays a management fee to us for the management of the Fund, which includes the costs for investment management services and facilities to support the Funds, and commissions and service fees payable to Advisors.

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

Each Fund also pays an insurance fee to us for providing the insurance benefits of the Contract. Each Fund also pays its own operating expenses. Operating expenses accrue daily and include, among other things:

- Audit, accounting and financial costs
- Custodial and trustee costs
- Legal and regulatory costs
- Bank service fees and interest charges
- Policyholder communications and related administrative costs
- Applicable taxes

Depending on the risk level and volatility of the Fund, each Fund will be assigned, at our discretion, a insurance fee. The more risk and volatility associated with a Fund, the higher the insurance fee is for that Fund.

Each Fund is responsible for the cost of the insurance fee, which can be increased at any time by the Company. We may change the amount of the insurance fee of a Fund, up to the maximum insurance fee of the Fund, without prior notification. In this case we will let you know annually whether any such increases occurred. If the increase is beyond the maximum insurance fee of the Fund, 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 14.2, Fundamental Changes and Other Changes for more information.

The management fees, operating expenses, insurance fee and applicable taxes 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, insurance fees, operating expenses and applicable taxes as they are paid by the Fund. These fees and applicable taxes will reduce the returns earned by the underlying assets within the Fund.

Subject to the Fundamental Changes and Other Changes provision described in section 14.2, 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 Fund Information Folder for the management fee, insurance fee and maximum insurance 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, insurance fee and applicable taxes 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. Where the Fund invests in an Underlying Fund, there is no duplication of fees.

The MER is calculated as follows:

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

Please see the Fund Information Folder for more information about MERs.

11.4 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.

11.4.1 Switch Fees

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.

11.4.2 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 allocating those Units to the Fund. This fee does not apply to scheduled withdrawal payments nor 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 the 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.

11.4.3 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 allocatingthose 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 is paid as a withdrawal of Units and will reduce the Maturity Guaranteed Amount and the Death Guaranteed Amount proportionally.

If your Contract is non-registered, the early switch fee will be 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.

11.4.4 Recovery Of Expenses

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

11.4.5 Additional Fees

We reserve the right to charge a fee for any administrative service provided under the Contract. We reserve the right to change the amount or the nature of such administrative fees at any time.

12. TERMINATION OF THE CONTRACT

This Contract will be terminated if you withdraw all the Units to the Contract's credit. Upon payment of such 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 or after 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.

Subject to any applicable legislative requirements, if the Death Guaranteed Amount and the Contract Maturity Guaranteed Amount are less than $500, we reserve the right to terminate the Contract upon 30 days notice and forward to you the Market Value of the Contract, minus any applicable charges, fees and taxes. Payment of this amount will discharge our obligations under this Contract and upon payment of this amount, this Contract will be terminated.

13. 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 advisor.

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 the Contract Maturity Date and the Death Benefit Date
- Switches between Funds (i.e. within the same sales charge option)
- Within the same Contract, conversions between a RRSP/ LIRA/LRSP/RLSP to the applicable RRIF/LIF/ RLIF/PRIF

14. OTHER IMPORTANT INFORMATION

14.1 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 married or civil union spouse, the ascendant or descendant of the Owner), or if the Beneficiary is named irrevocably. It is not clear whether creditor protection is available if the Contract is held in a nominee plan.

This information is of a general nature only based on Transamerica's understanding of the law at the time of printing. There are important limitations with respect to this protection. Certain facts may void creditor protection. A contract holder is advised to obtain legal advice with respect to his or her personal circumstances.

14.2 **Fundamental Changes And Other 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 fee of a Fund in excess of the maximum.

In the event of a fundamental change, we will give you at least 60 days' prior written notice (the "Notice Period") before making the 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, has the same or lower management fee and insurance fee 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 will also notify the insurance regulators and the Canadian Life and Health Insurance Association Inc. at the same time we notify you of the change (unless such notice is not practical in the circumstances, in which event we will provide notice as soon as possible and as reasonably practical), and amend or re-file the Information Folder to reflect the change. The foregoing may be superseded by any regulatory changes governing individual variable insurance contracts.

We reserve the right to make Fundamental Changes from time to time, subject to compliance with the clauses noted above.

In the case where a ***Transamerica Guaranteed Investment Fund*** 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 ***Transamerica Guaranteed Funds*** Fund 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, has the same or lower management fee and insurance fee, as applicable, as the Underlying Fund.

The investment objective of the Underlying Funds may not be changed unless approved by the unit-holders of the underlying mutual fund. Upon such approval, you will be provided notice of the change.

Transamerica Guaranteed Investment Funds GIPs invest in multiple Underlying Funds. Periodic changes to Underlying Funds or to the target weightings of the ***Transamerica Guaranteed Investment Funds*** GIPs will not normally constitute a Fundamental Change. If the change meets the definition of a Fundamental Change, you will have the rights described in the section above.

15. TAX IMPLICATIONS

15.1 **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 allocated to you under the Contract.

You are responsible for the proper reporting and payment of taxes, though Transamerica may suggest an interpretation of certain features offered under the Contract based on our understanding of current tax legislation. 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.

We reserve the right to withdraw Units of a Fund or Funds to satisfy your tax liability towards the Canada Revenue Agency and for which Transamerica is responsible for collecting, e.g. non-resident withholding tax.

15.2 **Taxation Of Non-Registered Contracts**

Each year, you will be allocated income and capital gains or capital losses realized by a Fund with Units allocated to you.

If you withdraw Units of a Fund due to the death of the Owner or a switch between Funds, you may realize a capital gain or a capital loss.

Sales charges including DSC may be deducted as a capital loss in the year you dispose of your Units.

The withdrawal of Units to pay for the switch fee, early withdrawal fee,early switch fee, and any other fee or administrative charge can result in a capital gain or a capital loss in the year of withdrawal.

Should you become a non-resident of Canada, the withdrawal of Units may be required to satisfy withholding tax liabilities; such a withdrawal may result in a capital gain or capital loss.

The discontinuance of a Fund and reallocation to another Fund is a disposition for income tax purposes, which can result in a capital gain or a capital loss. The substitution or re-balancing of an Underlying Fund(s) 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.

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

If the Contract Maturity Guaranteed Amount or Death Guaranteed Amount 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 paid as part of the Contract Maturity Benefit or Death Benefit.

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.

15.3 Taxation of Registered Contracts

Your Contract may be issued as a registered plan under the *Income Tax Act* (Canada).

In a registered Contract, no tax is payable on investment income and earnings allocated to your Contract or on capital gains realized as a result of a switch of Funds.

15.3.1 RRSP

Deposits made to an RRSP can be deducted on the personal income tax return 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 are taxable. We are required to withhold and remit the applicable taxes on the amount withdrawn.

There are no tax consequences on the conversion or transfer from an RRSP Contract to a RRIF Contract or another RRSP Contract.

15.3.2 LIRA/LRSP/RLSP

Withdrawals from a LIRA/LRSP/RLSP are taxable. We are required to withhold and remit the applicable taxes on the amount withdrawn.

There are no tax consequences on the conversion or transfer from an LIRA/LRSP/RLSP Contract to another LIRA/LRSP/RLSP Contract or the applicable LIF/RLIF/PRIF Contract.

15.3.3 RRIF/LIF/RLIF/PRIF

If your contract is a RRIF,LIF, RLIF or PRIF, you are required to take the RRIF Minimum Amount as determined by the *Income Tax Act* (Canada) each calendar year.

Payments and cash withdrawals from a RRIF, LIF, RLIF or PRIF will be included in your income for the year the payments are made.

We are required to withhold taxes at the prescribed rates if you withdraw an amount in excess of the RRIF Minimum Amount. The difference is subject to withholding taxes.

15.3.4 TFSA

Deposits made to a TFSA are not tax deductible. Any unused TFSA contribution room will accumulate and can be carried forward to subsequent years.

Withdrawals are not subject to income tax and will restore your contribution room equal to the withdrawal(s) amount in the following calendar year. If you withdraw and re-contribute in the same taxation year, you may be subject to significant tax penalties imposed by the CRA.

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

The Top-up Benefit amount that we pay on the Contract Maturity Date of a registered contact is not subject to taxation if it is deposited to the Contract or transferred to another registered plan. However, it is taxable to you when the Contract Maturity Benefit (including the Top-up Benefit amount) 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 Benefit amount) is paid to your Beneficiary or your estate.

16. CUSTODIAN

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

17. AUDITOR

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

18. MATERIAL CONTRACTS AND MATERIAL FACTS

In 2008, Transamerica entered into a contract with RBC Dexia Investor Services Trust for the provision of investment accounting services in respect of the Funds. There are no other materials facts relating to your Contract that have not been otherwise disclosed.

19. 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.

20. GLOSSARY

For terms used in this folder, please see section 1 of the *Annuity Policy*, page: 27

TRANSAMERICA LIFE CANADA

Transamerica Guaranteed Investment Funds
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.

TRANSAMERICA LIFE CANADA

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 is 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.

Contract consists of the ***Transamerica Guaranteed Investment Funds*** 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 Contract 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 100 years of age, or the last Valuation Date of that year if December 31st is not a Valuation Date (except for locked-in plans registered under the laws of Newfoundland and New Brunswick).

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

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. (See Reset of the Death Guaranteed Amount).

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 6 years of the effective date of the deposit.

Deferred Sales Charge Units (DSC Units) means Units allocated to a Fund 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 coinciding with or next following the later of (i) the date we receive the first Deposit to the Contract; and (ii) the date we confirm that the Contract has been set up in accordance with our Administrative Rules.

Fund or Fund(s) means the Segregated Funds currently available under the **Transamerica GIF** Contract.

Guaranteed Amount means the minimum amount that is payable at a time specified in the Contract, whether on death, contract maturity or any other stated time defined in the Contract.

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. There is no deferred sales charge when you make a withdrawal against these Units.

Initial Sales Charge Units (ISC Units) means Units allocated to a Fund 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.

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.

Reset of the Death Guaranteed Amount means the transaction that occurs every year, on the Policy Anniversary Date, to lock in market gains, if any, for the Death Guaranteed Amount.

Resets are an insured benefit applied or attempted automatically to increase the value of the Death Guaranteed Amount. Where the total market value of the Funds is lower than the then current value of the Death Guaranteed Amount, the Reset is attempted but there is no change to the Death Guaranteed Amount. The application of the Reset to each of these features is described in section 8, Guarantees.

RRIF Minimum Amount means the minimum amount that is required to be withdrawn from the RRIF or locked-in income Contracts each calendar year under the *Income Tax Act* (Canada).

Similar Fund means a Fund that has a comparable investment objective, is in the same Fund investment category, has the same or lower management fee, and insurance fee as the comparable Fund. See section 14.1 Fundamental Change.

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 type of fund that we may select in which a Fund invests from time to time.

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

Units are 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. The end of one Valuation Date and the beginning of the next Valuation Date is defined in accordance with our then current Administrative Rules with respect to cut-off times for transactions. For example, a Valuation Date may end at 4 p.m. Any transaction requests received after that time will be deemed received on the next following Valuation Date.

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 and accepted by us, endorsements issued with the Annuity Policy and written amendments we agree to after your Contract is issued.

The following information presented in the Fund Facts documents also forms part of the Contract:

- Name of the Contract and the segregated funds
- Management Expense Ratio, fees and expenses
- Risk disclosure
- Right to cancel

The Fund Facts documents are included in the Fund Information Folder and are also available on our website at www.transamerica.ca. The information provided in the Fund Facts is accurate and complies with the requirements of the Individual Variable Insurance Contract Guideline as of the date the information was prepared. Any error in the Fund Facts information described above will be remedied by correction of the error, where reasonable, but will not entitle you to benefit from the error.

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), a Retirement Income Plan (RIF), a locked-in plan (LIRA, LRSP, RLSP, LIF, PRIF, RLIF) or as a Tax Free Savings Account (TFSA), the RSP, RIF, locked-in plan or TFSA endorsement, as applicable, will be part of the Contract. The terms of the endorsement will override any conflicting provisions of the Contract.

2.2 Rescission Rights

You may cancel the Contract, any Deposit(s) or any Fund allocation (switch) provided you send us written notice requesting the cancellation within two (2) Business Days of the earlier of (i) the date you receive the transaction confirmation; and, (ii) five (5) Business Days from the date it is mailed by us. You will be deemed to have received the transaction confirmation five Business Days after we have mailed it to you.

On the Valuation Date we receive your request for cancellation of:

(a) the Contract or a Deposit, the value of cancelled Units will be refunded to you.

(b) an allocation between funds (switch), the value of the cancelled Units will be returned to the immediately preceding Fund allocation.

The value of the cancelled Units will be the lesser of (i) the market value of the Units on the Valuation Date of the Deposit or switch, and (ii) the market value of the Units on the Valuation Date your cancellation request was received by us. Any sales charges or other fees charged to you for the Deposit or switch will be reversed. A cancellation of a Fund switch will include a reversal of any fees resulting from the switch but will not be refunded in cash. A request for cancellation must clearly identify the specific transaction you wish to cancel.

2.3 Effective Date of the Contract and Policy Anniversary Date

The Contract takes effect on the Valuation Date coinciding with or next following the later of (i) the date on which we receive your first Deposit; and (ii) the date we confirm that the Contract has been set up in accordance with 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.

2.4 Effective Minimum Guaranteed Amount

Subject to any applicable legislative requirements, if all the Guaranteed Amounts, including the Death Guaranteed Amount and the Contract Maturity Guaranteed Amount are less than $500, we reserve the right to terminate the Contract upon 30 days notice and forward to you the Market Value of the Contract, minus any applicable charges, fees and taxes.

2.5 Number of Contracts Allowed

We have the right to limit the number of Contracts with the same Annuitant or Successor Annuitant by declining subsequent applications.

2.6 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.

2.7 Administrative Rules

We adopt Administrative Rules for the consistent administration of all Contracts. 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 unless you have also designated a Successor Annuitant. Upon your death, the Death Benefit will become payable and the Contract will end, unless you have designated a Successor Annuitant.

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 or if you have designated a Successor Annuitant, the surviving Owner will become the sole Owner. While both of the joint Owners are living, the consent and instruction of both joint Owners is required to effect any changes or 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 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, except for a TFSA 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. Following a change of Annuitant, the Contract Maturity Date and the determination of the latest age for deposit will be based on the new Annuitant's age.

3.5 Successor Annuitant

You may, during the Annuitant's lifetime, appoint a Successor Annuitant to replace the deceased Annuitant for a non-registered Contract and a Contract registered as a RIF. For a TFSA Contract or a Contract registered as a RIF, the Successor Annuitant must be your spouse or common-law partner, as defined in the *Income Tax Act* (Canada).

You may also, during the Annuitant's 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.

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 in accordance with the law applicable to this Contract. If you have designated the Beneficiary as 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. If you have designated a Successor Owner, the benefit will be payable to the Successor Owner in this case. Special rules apply to Contracts held in nominee name.

4. TYPES OF CONTRACTS AVAILABLE

This Contract may be non-registered or registered for Canadian tax purposes. Please see section 4.2 for the registered plans available under this Contract.

4.1 Non-Registered Contracts (other than TFSA 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 and TFSA Contracts

Under a registered or TFSA 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. This Contract can also be registered as a Locked-in savings plan, such as Locked-in Retirement Account (LIRA) (also called Locked-in Retirement Savings Plan), Restricted Locked-in Savings Plan (RLSP) and as a locked-in income plan, such as a Life income fund (LIF), Prescribed Retirement Income Fund (PRIF) and Restricted Life Income Fund (RLIF). This Contract is also available as a Tax Free Saving Account (TFSA).

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 registered as a locked-in savings plan, you may make Deposits into the plan until December 31st of the year the Annuitant turns 71 or the latest age to hold locked-in savings plan under the *Income Tax Act* (Canada), at which time it must be converted into a locked-in income plan.

For a registered or TFSA Contract, you do not pay taxes on earnings as long as they remain inside the plan.

Unless you indicate otherwise, we will automatically change the registration status as follows from:

- from an RRSP to a RRIF;
- a LIRA or LRSP to a LIF;
- a LIRA governed by the laws of Saskatchewan to a PRIF; or
- a LIRA governed by the laws of Manitoba to a PRIF;
- a RLSP to a RLIF

The Contract Maturity Date remains at December 31st of the year the last surviving Annuitant turns 100; age 80 for locked-in plans registered under the laws of Newfoundland and Labrador; age 90 for locked-in plans registered under the laws of New Brunswick. All terms related to registered plans and TFSA contracts are subject to change as required by the laws of the applicable jurisdiction.

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 based on the plan type of the Contract and is set out below:

Plan Type	Latest Age to Maket a Deposit
Non-registered, RRIF, Spousal RRIF, LIF, RLIF, PRIF, TFSA (except as provided below)	The day before the Annuitant turns 76.
RRSP, Spousal RRSP, LIRA, LRSP, RLSP	December 31st of the year the Annuitant turns 71.*
Newfoundland LIF	December 31st of the year the Annuitant turns 71.

* Or the latest age to hold an RRSP under the *Income Tax Act* (Canada), except that it cannot exceed the day before the Annuitant's age 76.

There are minimum Deposit requirements for this Contract. The minimum initial Deposit required to issue your Contract is $1,000. Our Administrative Rules also provide minimum amounts for subsequent deposits and fund allocations. These minimum amounts may vary depending on the deposit method you choose, for example Pre-Authorized Chequing (PAC) or payment by cheque.

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

All payments must be made in the lawful currency of Canada.

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 scheduled basis.

The pre-authorized chequing plans are available for non-registered, TFSA and RRSP Contracts. They are not available for Contracts registered as a RIF and locked-in income plans.

We have the right to cancel the PAC at any time, upon 10 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.

Subject to our Administrative Rules, we will stop processing deposits by PAC if they are returned unprocessed. You will be required to notify us in writing to re-establish deposits to the Contract by PAC. Please see the application for terms and conditions applicable to 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 option applies, a sales charge will be deducted from the Premium before Units are allocated to the Contract. The remaining amount is the Deposit. 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 each Fund to be allocated to the Contract. There is no sales charge when you make a withdrawal against Units allocated under the ISC option.

If the DSC option applies, the Premium will be divided by the Unit Value of each Fund selected, effective on the Valuation Date of the Deposit to determine the number of Units of each Fund to be allocated to the Contract. Under this option, a sales charge will be deducted on from all withdrawals made within the first 6 years of the Effective Date of the Contract, except for withdrawals made in accordance with your 10% free withdrawal right.

5.4 **General Provisions Relating to Deposits**

In accordance with our Administrative Rules, we may

- refuse to accept Deposits
- limit the amount of Deposits allocated to a Fund
- refund Deposits within the previous 90 days

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.

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 money 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 $25 per Fund. This minimum amount is set in accordance with our Administrative Rules.

The Contract Maturity Guaranteed Amount and Death Guaranteed Amount are not impacted by a switch.

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.

A switch in a non-registered Contract is a taxable transaction.

6.2 **Moving Money Between Sales Charge Options**

Moving money between Funds of different sales charges is a withdrawal from the Contract and a subsequent deposit back into the Contract, not a switch. This transaction may trigger sales charges. A withdrawal will impact both the Contract Maturity Guaranteed Amount and Death Guaranteed Amount. This transaction is also a taxable event in a non-registered contract, except a TFSA contract. As this transaction is a new Deposit, it is subject to the latest age for deposit rule.

Please be mindful of moving between Funds of different sales charges and discuss with your Advisor its impact on sales charges, the Contract Maturity Guaranteed Amount, the Death Guaranteed Amount. Please see section 8.1, Contract Maturity Benefit; section 8.2, Death Benefit; section 5.1, Making Deposits

6.3 **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 proportionally reduce the Contract 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.

6.4 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 our then current Administrative Rules.

6.5 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.

Any switch and switch fee charged, other than within a registered plan or TFSA, are a taxable transaction.

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.

Units are withdrawn from the Fund or Funds in the order the Units were allocated to a Fund, first in, first out, withdrawing the oldest Units first.

Withdrawals will reduce both the Contract Maturity Guaranteed Amount and the Death Guaranteed Amount on a proportional basis. Please see section 8.1, Contract Maturity Benefit; section 8.2, Death Benefit.

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

A withdrawal creates a taxable disposition, resulting in either a capital gain or a capital loss.

If on the date a withdrawal is requested the value of the Fund 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", are 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 legislated minimum withdrawal amounts and to a maximum annual amount for certain locked-in income plans.

7.3 Withdrawals from RRIF and Locked-in Income Contracts

For Contracts registered as a RIF or a locked-in income plan (such as LIF, PRIF, RLIF), 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 enter into 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, LIF, PRIF, RLIF payments and withdraw an amount greater than your RRIF Minimum Amount.

For a LIF and a RLIF, the withdrawal amount cannot exceed the annual maximum amount prescribed by governing legislation. There is no withdrawal limit on a contract registered as a PRIF.

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 Contract 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 a Contract Maturity Benefit and a Death Benefit.

8.1 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) Contract Maturity Guaranteed Amount, and

(ii) Market Value of the Contract.

The Contract Maturity Date is as follows for the Contract plan types available.

Plan Type	Contract Maturity Date
Non-registered, RRSP, LIRA, LRSP, RLSP, RIF, LIF, PRIF, RLIF and TFSA	December 31st of the year in which the last surviving Annuitant turns age 100
New Brunswick LIRA and LIF	December 31st of the year in which the last surviving Annuitant turns age 90
Newfoundland LIRA and LIF	December 31st of the year in which the last surviving Annuitant turns age 80

If, on the Contract Maturity Date, the Market Value is less than the Contract Maturity Guaranteed Amount, the difference plus the Market Value of the Contract on the Contract Maturity Date is the Contract Maturity Benefit. We refer to the difference as the top-up benefit.

8.1.1 Calculation of the Contract Maturity Guaranteed Amount

The Contract Maturity Guaranteed Amount is the sum of 75% of all Deposits made into the Contract, less a proportional market value reduction for withdrawals. Withdrawals include client-initiated transaction fees. Please see section 8.2.3, Impact of Withdrawals on the Contract Maturity Guaranteed Amount and Death Guaranteed Amount.

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

8.1.2 Payment of Contract Maturity Benefit and Default Annuity

If the Annuitant is living on the Contract Maturity Date and we are not notified of your maturity instructions, the Contract Maturity Benefit amount will be applied to provide you with a single life immediate annuity based on your life, guaranteed for ten years in accordance with applicable legislation and our administrative rules. The annuity will be issued based on the rates in effect on the Contract Maturity Date, payable monthly.

Payment of the annuity or the lump sum if the minimum amount for the issue of an immediate annuity is not met discharges Transamerica of all obligations under this Contract.

8.1.3 Default Annuity for Contracts Issued in Quebec Only

For Contracts issued in Quebec, the annuity will be based on your life, be payable monthly and will be based on the rates in effect on the Contract Maturity Date. However, the annual annuity payment for each $1,000 being annuitized with a maximum guarantee period of ten years shall not be lower than the amount set out in Table 1 for the applicable age on which the annuity is based.

The applicable age on which the annuity is based is the age of the Owner in the case of a single life annuity.

Table 1 – Annual Annuity Payment by Age	
Age of Annuitant	**Annuity Payment**
50	$15.39
55	$16.67
60	$18.19
65	$20.01
70	$22.23
75	$25.01
80	$28.58
85	$33.34
90	$40.01
95	$50.01
100	$66.67

We reserve the right to pay the Contract Maturity Benefit in a lump sum if the monthly annuity payment is less than $100.

Payment of the annuity or the lump sum if the minimum amount for the issue of an immediate annuity is not met discharges Transamerica of all obligations under this Contract.

8.2 8.2 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 Date"), the Death Benefit will be calculated. The Death Benefit on the Death Benefit Date 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, the difference plus the Market Value of the Contract on the Death Benefit Date is payable to the person entitled to the Death Benefit. We refer to the difference as the top-up benefit. The Top-up Benefit, if applicable, will be payable as a part of the Death Benefit.

No deferred sales charge applies to the Death Benefit.

Payment of the Death Benefit will discharge our obligations under this Contract.

8.2.1 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 proportional market value reduction for withdrawals. Withdrawals include client-initiated transaction fees. Please see section 8.2.3, Impact of Withdrawals on the Contract Maturity Guaranteed Amount and Death Guarantee.

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

Every year, 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.

As long as the Annuitant is living, the last Reset of the Death Guaranteed Amount will be exercised on the Policy Anniversary Date of the year the Annuitant turns 75.

We reserve the right to change or discontinue the Reset feature upon 60 days prior written notice.

8.2.2 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 allocated to the Contract to 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.

8.2.3 Impact of Withdrawals on the Contract Maturity Guaranteed Amount and Death Guaranteed Amount

The Contract Maturity Guaranteed Amount and Death Guaranteed Amount will be reduced proportionally by withdrawals. Withdrawals include client-initiated transaction fees.

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

Where **A** is the Contract Maturity Guaranteed Amount/ Death Guaranteed Amount before the Withdrawal

P is the proportional 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.

Please consider that, when the market value of the Units withdrawn is lower than the market value of those Units on the Deposit date, the proportional reduction due to the withdrawal will reduce the Contract Maturity Guaranteed Amount and Death Guaranteed Amount by more than the amount of 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 portfolio manager of any Fund, at any time, at our discretion. The portfolio manager is the person (or team of people) who is directly responsible for the investment decisions of any Fund or Underlying 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 allocated to 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 acceptable. 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 have 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 under which Units are allocated to your Contract.

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 allocated to your Contract 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 six years of the effective date of each Deposit. Units allocated to your Contract under this option are called DSC Units.

The DSC is charged as a percentage of the market value as of the Deposit date 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:	DSC (as a percentage of the market value of DSC Units as of the Deposit date)
During the 1st year after Deposit	6.0%
During the 2nd year after Deposit	5.0%
During the 3rd year after Deposit	4.0%
During the 4th year after Deposit	3.0%
During the 5th year after Deposit	2.0%
During the 6th year after Deposit	1.0%
During the 7th year after Deposit	0.0%

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 from the Fund or Funds in the order the Units were allocated to a Fund - first in, first out, withdrawing the oldest Units first.

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 allocated 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.

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 money between Funds of different sales charges is not a switch and is processed as a withdrawal from the Contract and a subsequent Deposit into the Contract. **This transaction will trigger sales charges and impact the Contract Guaranteed Amount and the Death Guaranteed Amount and is subject to the latest age to deposit rule.** Please see section 8.1, Contract Maturity Benefit; section 8.2, Death Benefit, section 5.1, Making Deposits.

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, insurance 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, including the right to charge a fee for any administrative service provided with respect to the Contract. We reserve the right to change the amount or the nature of such administrative fees at any time. Certain fees are subject to applicable taxes.

12.1 Management Fees and Operating Expenses

Each Fund pays us a management fee for the management of the Fund, which includes the cost of investment management, services and facilities to support the Fund, commissions and service fees payable to Advisors.

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, audit, accounting and financial reporting and disclosure costs; custodial and trustee costs; legal and regulatory costs; bank service fees and interest charges; policyholder communication fees and related administrative costs; and applicable taxes.

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.

12.2 Insurance Fees

Each Fund pays us an insurance fee for the cost of providing the insurance benefits under the Contract. The insurance benefits of the Contract are the Contract Maturity Benefit, Death Benefit and Resets of the Death Guaranteed Amount.

Depending on the risk level and volatility of the Fund, each Fund will be assigned, at our discretion, an insurance fee. The more risk and volatility associated with a Fund, the higher the insurance fee. We may change the insurance fee, up to the Maximum insurance fee, without prior notice. If the increase is beyond the Maximum insurance fee, 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, Fundamental Changes for more information.

Please see the Fund Information Folder for the management fee, insurance fee and maximum insurance fee of each Fund.

12.3 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, insurance fees, operating expenses and applicable taxes paid by the Fund. The MER is paid out of the Fund before the calculation of the Unit Value. Where the Fund invests in an Underlying Fund(s), there is no duplication of fees.

The MER is calculated as follows:

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

The management fees, insurance fee 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, insurance fees, operating expenses and applicable taxes as they are paid by the Fund. These fees and applicable taxes will reduce the returns earned by the underlying assets within 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 Contract Maturity Guaranteed Amount and Death Guaranteed Amount proportionally.

The switch fee, early switch fee and early withdrawal fee will, in non-registered Contracts (other than a TFSA contract), 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. Upon payment of such 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 or after 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.

Subject to any applicable legislative requirements, if the Death Guaranteed Amount and the Contract Maturity Guaranteed Amount are less than $500, we reserve the right to terminate the Contract upon 30 days notice and forward to you the Market Value of the Contract, minus any applicable charges, fees and taxes. 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 fee of a Fund in excess of the maximum.

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, has the same or lower management fee and insurance fee 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 withdraw without sales charges.

We will also notify the insurance regulators and the Canadian Life and Health Insurance Association Inc. at the same time we notify you of the change (unless such notice is not practical in the circumstances, in which event we will provide notice as soon as possible and as reasonably practical), and amend or re-file the information Folder to reflect the change. The foregoing may be superseded by any regulatory changes governing individual variable insurance contracts.

We reserve the right to make Fundamental Changes from time to time, subject to compliance with the clauses noted above.

In the case where a Transamerica 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 that immediately following the change the total management fee and insurance fee of the Transamerica 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 and insurance fee, if applicable, as the Underlying Fund.

The investment objective of the Underlying Funds may not be changed unless approved by the unit holders of the underlying mutual fund. Upon such approval, you will be provided notice of the change.

In the case where a Transamerica Guaranteed Investment Portfolios (GIP) invests in multiple Underlying Funds, periodic changes to the Underlying Funds or to the target weightings of the GIP is not considered a Fundamental Change unless the change to the GIP is so material that is meets the definition of Fundamental Changes as outlined above.

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 held in nominee name. **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

Transamerica Guaranteed Investment Funds
Retirement Savings Plan (RSP) Endorsement

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 $100.00. 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 Payments 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

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TRANSAMERICA LIFE CANADA

Transamerica Guaranteed Investment Funds
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 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

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For more details please see the Transamerica Guaranteed Investment Funds Fund Information Folder (IP1301/IP1301FR).

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.

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