

RMG Home Appliance Service Plan Terms and Conditions

MCAP Financial Corporation¹ or an affiliate of it if so indicated in your Welcome Letter) ("RMG Mortgages") is the provider of this Home Appliance Service Plan ("Plan"). Membership in the Plan allows You to be eligible for the services described under the section entitled "Plan Services", and subject to the terms, conditions, and limitations set out in this document (the "Terms and Conditions"). Please refer to this paragraph and to the Definitions section for the meaning of all capitalized terms in these Terms and Conditions, Your Welcome Letter and any other documentation in connection with the Plan.

Definitions

"Appliance(s)" means, individually or collectively, the home appliances that are eligible for servicing as listed in the section entitled "What services are provided" in these Terms and Conditions.

"Complimentary Period" means the period of time where the Membership Fee is waived, as set out in the Welcome Letter.

"Effective Date" means the date immediately after the Waiting Period.

"Home" means a single-family home or a freehold townhome owned by You and which is Your primary residence where You reside for more than six (6) months of a year. Home does not include condo townhomes, condominiums, rental properties, and any commercial properties or residences fully or partially used as businesses, including but not limited to day care centres, fraternity or sorority houses, nursing care homes, or homes used for short-term or long-term rentals.

"Homeowner" means the owner of the Home who is also the original member of this Plan. The Homeowner may also be referred to as "You" and "Your".

"Membership Fee" means the cost of this Plan as set out in Your Welcome Letter.

"Mortgage Loan" means Your mortgage product, whether new, refinanced or renewed, which is arranged by RMG Mortgages for which funds are advanced to You for the purpose of financing Your Home.

"Registration Date" means the date Your membership in the Plan begins, as set out in Your Welcome Letter.

"Regularly Scheduled Payment" means Your weekly, bi-weekly, semi-monthly or monthly instalment payment made to RMG Mortgages to repay Your Mortgage Loan.

"Repair Service Provider" means the RMG Mortgages designated repair provider that You are required to use for repair.

"Waiting Period" means the thirty (30) days between the Registration Date and the Effective Date where no request for Plan services may be made. Any services provided in Your Home during the Waiting Period must be covered and paid by You.

"We", "Us" and "Our" means RMG Mortgages, MCAP Financial Corporation, P.O. Box 351, STN C, Kitchener, ON N2G 3Y9.

"Welcome Letter" means the letter confirming Your membership in this Plan, which will be mailed to You by Us. The Welcome Letter indicates Your Registration Date, Effective Date, Complimentary Period (if applicable), and the address of the Home covered by this Plan.

June 2023

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Page 1 of 8

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1-866-809-5800

Eligibility

You are eligible for membership in this Plan if You meet the following conditions:

1. the Home must be located in, and You must be a resident of, the Province of Alberta;
2. the covered property must be a Home as defined in the "Definitions" section;
3. You must be on the property title of the Home as an owner;
4. You must be approved and have a mortgage in good standing with RMG Mortgages as of the Registration Date; and
5. You must not have any other property already covered under this Plan.

If We determine that an ineligible Homeowner or Home has been enrolled in the Plan, We may cancel the membership through written notification and refund any Membership Fee paid by You (if applicable).

Contract Period

This contract starts on the Registration Date and continues until cancelled as described in the section entitled "Membership Cancellation". You become eligible to submit a request for Plan services on the Effective Date. Any services provided in Your Home prior to the Effective Date during the Waiting Period must be covered and paid by You.

Payment of Membership Fee

The due date of Your Membership Fee payments will coincide with Your Regularly Schedule Payments and will be debited from the same bank account from which You make Your Regularly Scheduled Payments. The authority to debit Your account will remain in effect until revoked by You in writing to Us. If the Complimentary Period applies, at least thirty (30) days prior to the date on which We will begin to collect Your Membership Fee, We will send You a notice to remind You about the commencement of the Membership Fee payment.

Your Membership Fee payments will begin:

1. immediately after the Complimentary Period ends, if applicable; or
2. immediately after the Registration Date of the Plan.

Membership Cancellation

By You: You may cancel Your membership in the Plan for any reason by calling Us at 1-866-809-5800, by fax at 1-866-371-0132 or by mailing Your cancellation request to RMG Mortgages Servicing Centre, P.O. Box 351, STN C, Kitchener, ON N2G 3Y9.

We will refund any Membership Fee paid by You if You cancel Your membership:

1. within the first thirty (30) days from the Registration Date; or
2. if You had a Complimentary Period, within thirty (30) days from the end of the Complimentary Period.

After the first thirty (30) days from the Registration Date or from the end of the Complimentary Period, if applicable, the cancellation will be effective the next business day and Your eligibility for arranging for Plan services immediately ceases for the remainder of the current billing period, unless otherwise prohibited by law, and You may not re-enroll in the Plan at a later date.

Eligible service requests arranged prior to cancellation will be honoured.

June 2023

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Automatically: Your membership in the Plan and all services under the Plan will automatically end on the earliest of the following:

1. You pay off Your Mortgage Loan;
2. You transfer Your mortgage to another lender;
3. the date You cease to be on the property title of the Home as an owner;
4. the date You transfer, sell or dispose of the Home;
5. the date You no longer reside, or it is no longer possible for You to reside, in the Home for more than 6 months of a calendar year; and
6. You begin using the property for commercial purposes, including short-term and long-term rental.

If Your membership in the Plan automatically terminates, Your eligibility for arranging for Plan services immediately ceases and We will have no further liability to You. The Membership Fee paid by You is fully earned and You will not receive a refund, except due to mortgage payoff or transfer, in which case, You will receive a pro-rated refund of the Membership Fee.

You agree that You will give reasonable prior notice to Us of Your decision to (i) be removed from the property title of the Home as an owner, or (ii) no longer reside in the Home for more than 6 months of a calendar year.

By Us: At Our election:

1. We may cancel Your membership in this Plan for fraud or material misrepresentation in relation to Your application for enrollment in this Plan or when arranging for services under the Plan, to take effect immediately and without prior notice to You;
2. We may cancel Your membership in this Plan if You have not paid Your Membership Fees for 60 consecutive days;
3. We may discontinue the Plan and cancel the Plan upon giving You at least 60 days' advance written notice or, in the event of a postal strike, a shorter, reasonable notice, as required by law.

Should We cancel this Plan or Your membership in the Plan, We do so without any further liability. The effective date of cancellation is as determined by Us.

Changes To The Plan

We may elect to change services in the Plan, Membership Fees, or any of these Terms and Conditions from time to time, so long as We provide You with at least 60 days' advanced written notice of the change (or, in the event of a postal strike, a shorter, reasonable notice), which notice will disclose the date the change is to occur, as required by law. Where such a change takes place, these Terms and Conditions, Your Welcome Letter and the notice of the change, will together be Your new Plan Terms and Conditions. Your Effective Date will not be affected by such changes.

Entire Agreement

These Terms and Conditions and Your Welcome Letter, each as amended from time to time, will constitute the entire agreement between You and MCAP. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set out in this agreement.

Transferability

The Plan is transferable if You port Your Mortgage Loan to another eligible property. However, You must meet the eligibility requirements as set out under section entitled "Eligibility," and the new home has to qualify as Your Home. This Plan applies to only one Home.

You cannot transfer this Plan to another person.

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Page 3 of 8

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Refinance/Renewal Of Mortgage Loan

If Your membership in this Plan is in effect when Your Mortgage Loan is refinanced or renewed with Us, this Plan will continue automatically on your newly refinanced/renewed loan unless cancelled as set out in the section entitled "Membership Cancellation". The Effective Date will remain as the original Effective Date.

Privacy

All Personal Information is collected, maintained and used by MCAP and its business associates and service providers in accordance with the MCAP Privacy Code, which is available to You at www.rmgmortgages.ca/privacy-policy-rmg or by calling 1-800-387-4405.

Plan Services

In the event that an Appliance(s) experiences mechanical breakdown or malfunction occurring during normal usage and operation, We will arrange for the services of a Repair Service Provider, subject to the terms, conditions, and limitations set out in these Terms and Conditions.

Charges for Plan services, including parts, labour, and cost of necessary overtime or after-hours services, are paid for by Us directly to the Repair Service Provider, provided that services are both eligible under the Terms and Conditions and arranged and approved by Us. You will be responsible for any additional costs, including overtime charges and additional fees, for any service performed at Your request without Our prior approval.

Provision of Plan services is subject to the limitations listed under the headings, "Plan Services Limitations of Liability" and "Plan Services that are Not Provided".

ANY SERVICES FOR APPLIANCE(S) REPAIR ARRANGED BY YOU OUTSIDE OF THIS PLAN ARE EXPRESSLY PROHIBITED FROM COVERAGE UNDER THE PLAN SERVICES.

Consultation Fee

A non-refundable consultation fee of \$75 plus any applicable taxes will apply each time You request a Plan service, including, if applicable, during the Complimentary Period. If You request Plan services for multiple Appliances, each Appliance will be subject to a \$75 consultation fee. The consultation fee(s) will be charged to You at the time You request Plan services.

No consultation fee will apply if the Plan service request is related to the same breakdown or malfunction of an Appliance occurring within 90 days and for which You have already paid a consultation fee.

June 2023

RMG Mortgages is a division of MCAP Financial Corporation
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Page 4 of 8

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What Services Are Provided

The following Plan services are subject to the limitations listed under the headings “Plan Services Limitation of Liability” and “Plan Services that are Not Provided”.

1. Range, Oven and Cook Top (Gas or Electric)	Plan services apply to all components and parts that affect the basic functionality or operation of the Home’s gas or electric range, oven, and cook top.
2. Clothes Dryer	Plan services apply to all components and parts that affect the basic functionality or operation of the Home’s standalone front loading or top loading clothes dryer.
3. Clothes Washer	Plan services apply to all components and parts that affect the basic functionality or operation of the Home’s standalone front loading or top loading clothes washer.
4. Dishwasher	Plan services apply to all components and parts that affect the basic functionality or operation of the Home’s dishwasher.
5. Kitchen Refrigerator and Freezer	Plan services apply to all components and parts that affect the basic functionality or operation of the Home’s refrigerator and freezer, including integral freezer units.

Plan Services Limitations of Liability

The value of Plan services provided by Us for each Appliance in any 12 consecutive months is limited to the following Appliance coverage amounts:

Appliance	Appliance Coverage Amount
Kitchen Refrigerator and Freezer	\$1,250
Range, Oven and Cook Top (Gas or Electric)	\$1,250
Washer	\$850
Dryer	\$850
Dishwasher	\$800

The Appliance coverage amount includes any amount paid by Us directly to the Repair Service Provider or directly to You.

The following limitations are applicable to all Plan services:

1. The maximum value of all Plan services provided under this Plan with respect to the Home is limited to \$5,000 in any 12 consecutive months.
2. If the cost of any repair exceeds the cost of replacement with materials of like kind and quality, size, capacity or functionality, as determined by Us in Our sole and final judgement based on the Repair Service Provider’s assessment, it is Our right to replace the part, components or Appliance, subject to Our liability being limited to the lesser of (a) the actual cost of the replacement; and (b) a cash settlement payable to You equal to the remaining coverage amount available for the applicable Appliance.

June 2023

RMG Mortgages is a division of MCAP Financial Corporation
Ontario Mortgage Brokerage #10600 | Ontario Mortgage Administrator #11790

Page 5 of 8

RMGbrokersupport@RMGmortgages.ca
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3. If a part required for repair is materially delayed, as determined by Us in Our sole and final judgement based on the Repair Service Provider's assessment, We will pay you a cash settlement equal to the lesser of (a) the sum of the approved cost of the part plus \$125; and (b) the remaining coverage amount available for the applicable Appliance.
4. If We are prevented from, or delayed in, performing any of Our obligations because of circumstances or events beyond Our control (for example, a major flood, a pandemic declaration issued by Health Canada or local Public Health Units, earthquake or other natural disaster, act of terror or labour interruption), We shall be excused from the performance of such obligations for the duration of such circumstances or events and We shall not be liable to You for such failure to perform services.

The following limitation is applicable to all Appliance:

1. If We determine, in Our sole and final judgement based on the Repair Service Provider's assessment, that the manufacturer of an Appliance that would otherwise be covered under this Plan no longer manufactures the parts required to repair Your Appliance, or no longer makes the required parts readily available commercially for retail, Your Appliance will not be eligible for services under the Plan.

Plan Services That Are Not Provided

1. Range, Oven and Cook Top (Gas or Electric)	<p>We do not provide range, oven and cook top services in respect of: end-user replaceable parts, including but not limited to, information displays (unless they affect the function of the oven), thermometers or probes of any variety, rotisseries, racks, shelves, trays, knobs, buttons, handles, doors or hinges, removable light sources and associated coverings, roller or leveling feet, grates or burner bowls, and glass displays; vent and fan assemblies; range hoods; glass surface covers or windows; warming drawers; microwaves and toaster ovens; liquid or vapor dispensing nozzles and hoses; door locks, hinges, gaskets; and detection devices and door sensors.</p>
2. Clothes Dryer	<p>We do not provide clothes dryer services in respect of: inlet and outlet hoses; glass windows; door windows, hinges, gaskets and locks; and end-user replaceable parts including, but not limited to, handles, rollers and leveling feet, grates, buttons, caps, mini-tubs, filter screens, knobs, dials, and removeable light sources and associated coverings.</p>
3. Clothes Washer	<p>We do not provide clothes washer services in respect of: glass windows; door windows, hinges, gaskets, locks and detection devices; inlet and outlet hoses; and end-user replaceable parts including, but not limited to, handles, rollers and leveling feet, grates buttons, caps; rinse aids, filter screens, knobs, dials, fabric softener dispenser, mini-tubs, soap dispensers, and removeable light sources and associated coverings.</p>
4. Dishwasher	<p>We do not provide dishwasher services in respect of: glass windows; door windows, hinges, gaskets, locks and detection devices; inlet and outlet hoses; dishwashers that are not permanently installed (such as portable and countertop dishwashers); and end-user replaceable parts including, but not limited to, handles, rollers and leveling feet, glass displays, removable light sources and associated coverings, grates, knobs, dials, buttons, caps, rinse aids, racks, and baskets.</p>

June 2023

RMG Mortgages is a division of MCAP Financial Corporation
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Page 6 of 8

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Plan Services That Are Not Provided

5. Kitchen Refrigerator and Freezer

We do not provide kitchen refrigerator and freezer services in respect of: glass windows; door windows, hinges, gaskets, locks and detection devices; inlet and outlet hoses; spoilage of food in your refrigerator or freezer; end-user replaceable parts including, but not limited to, condensation pans, handles, rollers and leveling feet, glass displays, light bulbs, grates, knobs, dials, buttons, caps, racks, shelves, drawers, baskets, and removable light sources and associated coverings; ice makers and ice crushers; beverage dispensers and related equipment; interior thermal shells; and freezers that are not an integral part of the refrigerator.

We do not cover expenses related to any externalities resulting from the failure of the covered unit, such as, but not limited to, spoilage of food in kitchen freezer/refrigerator and damages caused by leaking connections.

6. All Plan Services

In addition to any other limitations listed in these Terms and Conditions, the following additional exclusions and limitations will apply to all Plan services.

Plan services do not cover the following:

- a) Appliances older than 12 years at the time of service request under the Plan;
- b) Appliances with original model/serial numbers removed or altered;
- c) consumable items such as, but not limited to, batteries or replaceable power sources;
- d) structural or physical damage or cosmetic defect that does not affect the functionality of the Appliance;
- e) custom components or parts that do not affect the functionality of the Appliance;
- f) smart technology, including but not limited to Bluetooth and WIFI connectivity;

The Plan does not provide any services where the requirement for services is caused directly or indirectly by:

- a) chemical or sedimentary build-up;
- b) inherent and natural wear characteristics that cause the deterioration or self-destruction of the Appliance;
- c) external causes, such as but not limited to: structural changes, freezing, fire, electrical failure, flood, wind, water, lightning, mud, earthquake, soil movement, ice, snow, sleet, explosion, war, order of any civil authority, intrusion by unauthorized person(s), vandalism, malicious mischief, sudden and accidental tearing or breakage or any other accident or occurrence or event other than the normal use of property;
- d) dishonest acts on the part of the Homeowner;
- e) vermin or insect infestation;
- f) rust, corrosion, mold, mildew or bacterial manifestations;
- g) excessive water pressure;
- h) use of appliances, components or parts for purposes other than those intended by the manufacturer;
- i) failure to provide normal and proper maintenance, as specified by the manufacturer;
- j) inadequacy or lack of capacity of any component in the Home;
- k) improper installation or design deficiencies of the Home equipment or Appliance;
- l) hacking of components with WIFI connectivity;

June 2023

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Ontario Mortgage Brokerage #10600 | Ontario Mortgage Administrator #11790

Page 7 of 8

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Plan Services That Are Not Provided

- m) failure of any part that does not impact the functionality of the Appliance;
- n) alteration, modification, upgrades, addition to, or deletion from any Appliance, component or part thereof;
- o) any violations of building codes, by-laws or other laws (any upgrade work or service required to meet building code or conform to by-laws, or other laws is also not covered).

In addition to any other limitations listed in these Terms and Conditions, this Plan does not provide the following:

- a) restoration of any wall or floor coverings, cabinets, counter tops, tiling, or painting;
- b) preventive maintenance;
- c) delays in getting parts;
- d) any service involving hazardous or toxic materials, asbestos, lead or the disposal of refrigerants or contaminants;
- e) shared Appliances in multi-unit residences;
- f) indirect, consequential or incidental damages, losses or inconveniences;
- g) loss of profits, downtime charges for time and effort; or
- h) decorating services.

How To Arrange For Plan Services

You can arrange for Plan services by calling Us at 1-866-707-8729. We will arrange for the services of a Repair Service Provider. Please note, service appointment timelines are dependent on the availability of the Repair Service Providers in Your geographic area. Delays may occur as a result.

Under no circumstance are We liable for the cost of any services provided in Your Home, except when arranged and approved by Us in accordance with these Terms and Conditions.

June 2023

RMG Mortgages is a division of MCAP Financial Corporation
Ontario Mortgage Brokerage #10600 | Ontario Mortgage Administrator #11790

Page 8 of 8

RMGbrokersupport@RMGmortgages.ca
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