

CAISSES/CREDIT UNIONS RETIREMENT INCOME FUND
APPLICATION FORM

Declaration of trust (1 of 2)

DESJARDINS TRUST INC. (hereinafter referred to as the “Carrier”), a legally incorporated corporation having its head office in Montréal, Province of Québec, hereby issues for the benefit of the annuitant a Caisses/Credit Unions retirement income fund (hereinafter referred to as the “Fund”), the terms and conditions of which are as follows:

WHEREAS for the purposes hereof, the term “shares” has the meaning assigned to it by the applicable caisses and credit unions legislations.

Clause 1. For the purposes hereof, “property held”, “minimum amount”, “annuitant” and “retirement income fund” have the meanings assigned to them in section 146.3 of the *Income Tax Act* (Canada) and if applicable, in any similar provisions of applicable provincial income tax legislation in the province designated in the annuitant’s address (hereinafter collectively referred to as the “Applicable Tax Legislation”).

Clause 2. The Fund complies with the requirements of the *Income Tax Act* (Canada) and the Carrier has the ultimate responsibility for administering the Fund and shall undertake to ask for the registration of the Fund with the Canada Revenue Agency.

Clause 3. The Carrier shall not make any payments out of the Fund other than those provided for in the definition of “retirement income funds” as per subsection 146.3(1) of the *Income Tax Act* (Canada), in paragraphs 146.3(2)d) and 146.3(2)e) and in subsection 146.3(14) of the *Income Tax Act* and, if applicable, in any similar provisions of provincial income tax legislation in force where the annuitant resides.

Clause 4. No payment under the Fund may be assigned in whole or in part.

Clause 5. No benefit or loan (except as provided for in Applicable Tax Legislation) that is conditional on the existence of the Fund may be extended to the annuitant or to a person with whom he/she was not dealing at arm’s length as defined in Applicable Tax Legislation.

Clause 6. Election of Successor Annuitant. Subject to applicable laws, the annuitant may elect that the annuitant’s spouse or common-law partner become the annuitant under the Fund after the annuitant’s death if the spouse or common-law partner survives the annuitant.

Clause 7. Designation of Beneficiary. Subject to applicable laws, and if the annuitant has not elected a successor annuitant or the successor annuitant has predeceased the annuitant, the annuitant may designate a beneficiary to receive the Fund proceeds on the annuitant’s death. A beneficiary designation may only be made, changed or revoked under the Fund by the annuitant in a format required by the Carrier for this purpose. Such designation must adequately identify the Fund and be delivered to the Carrier prior to any payment by the Carrier. The annuitant acknowledges that it is his or her sole responsibility to ensure the designation is valid under the laws of Canada, its provinces or territories.

Clause 8. Death of Annuitant (Where Spouse or Common-law Partner Becomes the Annuitant) On the death of the annuitant, where there has been an election of the annuitant’s spouse or common-law partner as successor annuitant under the Fund, the Carrier, upon receipt of estate documents, shall continue to make the payments, in accordance with this Declaration of Trust, to the annuitant’s spouse or common-law partner after the death of the annuitant. The Carrier shall be fully discharged upon making those payments to the annuitant’s spouse or common-law partner, even though any election or designation made by the annuitant may be invalid as a testamentary instrument.

Clause 9. Death of Annuitant (all other cases) If the annuitant dies and the annuitant’s spouse or common-law partner does not become the successor annuitant of the Fund, upon the receipt of estate documents by the Carrier, which are satisfactory to the Carrier:

- (a) if the Carrier has a designated beneficiary, the Fund proceeds will be paid or transferred to the designated beneficiary, subject to the applicable laws. The Carrier will be fully discharged by such payment or transfer, even though any beneficiary designation made by the annuitant may be invalid as a testamentary instrument.
- (b) if the annuitant’s designated beneficiary has died before the annuitant or if the annuitant has not designated a beneficiary, the Carrier will pay the Fund proceeds to the annuitant’s estate.

Clause 10. Upon instruction of the annuitant, the Carrier shall transfer all or part of the property of the fund, or an amount equal to the value of said property at the time of such instruction less the minimum amount which must be paid to the annuitant during the year, together with all information necessary for the continuance of the Fund, to the carrier of any other registered retirement income fund of which the annuitant has become an annuitant.

Clause 11. The Carrier shall not accept property as consideration other than property transferred from:

- (i) a registered retirement savings plan under which the annuitant is the annuitant,
- (ii) another registered retirement income fund under which the annuitant is the annuitant,
- (iii) the annuitant, to the extent only that the amount of the consideration was an amount described in subparagraph 60(1)(v) of the *Income Tax Act* (Canada) and, if applicable, in any similar provisions of provincial income tax legislation in the province where the annuitant resides, or
- (iv) a registered retirement savings plan or a registered retirement income fund under which the annuitant’s spouse or common-law partner or former spouse or common-law partner is the beneficiary, under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a division of property between the annuitant and the annuitant’s spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership,
- (v) a registered pension plan of which the annuitant is a member (within the meaning of subsection 147.1(1) of the *Income Tax Act* (Canada),
- (vi) a registered pension plan in accordance with subsection 147.3(5) or (7) of the *Income Tax Act* (Canada),
- (vii) a specified pension plan in circumstances to which subsection 146(21) of the *Income Tax Act* (Canada) applies; or
- (viii) a pooled registered pension plan in accordance with subsection 147.5(21) of the *Income Tax Act* (Canada).

Clause 12. The property of the Fund shall be held by the Carrier on behalf of the annuitant until the Fund matures. The said property shall be deposited by the Carrier in a retirement income account in a caisse or credit union chosen by the annuitant.

Clause 13. The Carrier shall keep a register in which it shall enter the cumulative balance of the property held on behalf of the annuitant.

Clause 14. Any annuitant signing an application for the Fund shall give his/her age and social insurance number and the information so given shall be considered as an undertaking by the Annuitant to provide any additional information or document as might be required later.

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Clause 15. Except in the event of negligence on its part, the Carrier shall not be liable for any act of omission, nor for any loss or depreciation in the value of the Fund.

Clause 16. The Carrier may resign as carrier and be discharged from all further obligations and liabilities under this Fund, upon giving ninety (90) days prior written notice to the annuitant.

The Carrier may appoint as successor carrier, under the terms hereof, any financial corporation qualified to act as carrier in accordance with such a contract, the provisions of the *Income Tax Act* (Canada) and, where applicable, of any provincial income tax legislation. Such appointment shall take effect on the date specified in the instrument of appointment whereby the said corporation is appointed successor carrier and accepts the appointment, such date to be fixed no later than the sixtieth (60th) day after written notice of the appointment has been sent to the annuitant. On the effective date of the appointment, the Carrier shall transfer the assets held under the Fund to its successor. It is, however, understood that the Carrier shall not be obliged to effect the prepayment of the said assets before transferring them.

Furthermore, the Carrier shall provide all the information and documents required for its management and registration, in accordance with the provisions of the *Income Tax Act* (Canada) and, where applicable, of any provincial income tax legislation. Effective on the date of such appointment, the successor carrier shall assume all the duties and liabilities of the Carrier, which shall be discharged from all its obligations and liabilities hereunder.

The annuitant may, in like manner, relieve the Carrier of its duties and appoint a qualified successor in accordance with the provisions of the *Income Tax Act* (Canada) and, where applicable, of any provincial income tax legislation.

In such a case, the Carrier must, no later than thirty (30) days as of the request by the annuitant, transfer the assets it holds under the Fund to its successor. It is, however, understood that the Carrier shall not be obliged to effect the prepayment of the said assets before transferring them.

Clause 17. The Carrier is entitled to be reimbursed from the assets of the Fund for its fees as well as all charges and expenses incurred in connection with the Fund including and without restriction, any fines and any interest as may be payable by the Fund (except for those fines and interest that the Carrier is liable under the Act and that can't be paid from the Fund) for any reason whatsoever. The Carrier shall be entitled, for administering the Fund, to collect the administration fees which the annuitant acknowledges to know and which shall be deducted from the assets held on behalf of the annuitant. Prior written notice shall be sent to the annuitant at least thirty (30) days before any change in the schedule of fees takes effect.

Clause 18. The Carrier may amend this declaration to ensure that it complies at all times with the conditions of registration under Applicable Tax Legislation.

Furthermore, the Carrier may, at its option, amend the terms and conditions of the Fund from time to time, upon thirty (30) days prior written notice to the annuitant.

Clause 19. This Agreement shall be governed in accordance with the laws of the province of residence of the annuitant and the laws of Canada applicable therein.

DESJARDINS TRUST INC.

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