

DESJARDINS FIXED-TERM ANNUITY RETIREMENT SAVINGS PLAN

Declaration of trust

(1 of 2)

Desjardins Trust Inc. (the "**Issuer**"), a legally incorporated corporation having its head office in Montréal, Province of Québec, hereby issues for the benefit of the Annuitant a **Desjardins Fixed-term Annuity Retirement Savings Plan** (the "**Plan**"), the terms and conditions of which are as follows:

For the purposes hereof, the terms "Annuitant", "spouse", "common-law partner", "maturity" and "retirement income" shall have the meanings assigned to them in the *Income Tax Act* (Canada).

For the purposes hereof, "Fédération" means the Fédération des caisses Desjardins du Québec.

For the purposes hereof, "caisse" means a caisse populaire or a caisse d'économie that is a member of the Fédération des caisses Desjardins du Québec and is acting as an agent for the Issuer.

For the purposes hereof, "shares" means shares of the capital stock of the Caisses as defined under the Act respecting financial services cooperatives and which are eligible under the *Income Tax Act* (Canada).

Clause 1.

The Plan complies with the requirements of the *Income Tax Act* (Canada) and the Issuer undertakes the ultimate responsibility to administer the Plan and to apply for its registration with the Canada Revenue Agency.

Clause 2.

From time to time, the Annuitant shall, by way of instructions, inform the Issuer or its agent in which term investments he/she intends to invest his/her contributions from the range of term investments offered by the Issuer.

Clause 3.

The Annuitant assigns and transfers of in the hands of the Issuer all present and future contributions he makes or will make in the Plan. At all times, the Issuer will have the control of the capital accumulated for the payment of the annuity.

Clause 4.

Prior to maturity of the Plan, no benefit shall be paid other than a refund of premiums or a payment to the Annuitant.

Clause 5.

The interest generated by the funds accumulated in the Plan shall be automatically reinvested in such account.

Clause 6.

The Plan shall never be assigned nor put up as guarantee in whole or in part and no retirement income under the Plan may be assigned or put up as guarantee in whole or in part.

Clause 7.

Under the Plan, and no later than the end of the calendar year in which the Annuitant reaches the age limit provided in the *Income Tax Act* (Canada), he/she shall be entitled, during his/her lifetime, or his/her spouse or common-law partner after his/her death, to a fixed-term annuity up to age ninety (90). The maximum term of such annuity shall be based on the age of the Annuitant or on that of his/her spouse or common-law partner if the latter is younger.

The annuities paid out as a result of the preceding paragraph shall not start before the date on which the Annuitant reaches age sixty (60).

Clause 8.

At all times, the amount of the annuity that is to be paid periodically to the Annuitant can be determined, or at least be determinable, according to the following computation method:

$$\text{Payment} = \text{deposit} / ((1 - (1/(1+i)^n))/i)$$

where:

i = annual interest rate

n = the term of the annuity.

Clause 9.

The assets held under the Plan shall be maintained at all times in a separate account by the Issuer.

Clause 10.

The Annuitant shall be able to partially or wholly withdraw the assets held in the Plan. Nonetheless, the Annuitant acknowledges that any partial withdrawal he/she could make would lead to a correlated reduction of the Issuer's obligations with regard to the payment of the annuity.

Clause 11.

At maturity, no benefit shall be paid to the Annuitant other than as a retirement income, as provided for in the Plan. However, if monthly payments are under twenty-five dollars (\$25), such payments shall be anticipated and the Plan shall be settled in a single payment.

Clause 12.

Payment of retirement income to the Annuitant shall not be made except in the form of equal payments to be made at periodic intervals not exceeding one (1) year.

Clause 13.

Upon the Annuitant's death, any annuity payable under the Plan which would be payable to a person other than the spouse or common-law partner shall be commuted.

Clause 14.

No periodic payments shall be made under an annuity in a year after the death of the first Annuitant where the total payments exceed the payments to be made in a year prior to his/her death.

Clause 15.

The Issuer shall, on written application made by the Annuitant or his/her spouse or common-law partner, repay the applicant, out of the proceeds of disposition of the Plan, any amount necessary to reduce the income tax that would otherwise be payable under Part X.1 of the *Income Tax Act* (Canada).

It is the responsibility of the Annuitant or his/her spouse or common-law partner, however, to ensure that the amount of his/her contributions does not exceed the maximum deduction allowed under the *Income Tax Act* (Canada).

The Issuer shall not be required to verify the total amount of contributions made by the Annuitant or the spouse or common-law partner, and the Annuitant, or his/her spouse or common-law partner, shall assume full responsibility for any consequences resulting from the provisions of Part X.1 of the *Income Tax Act* (Canada) or from the liquidation of all the assets of the Plan, including any penalty charges in the event of redemption prior to maturity and any loss suffered by the Annuitant.

DESJARDINS FIXED-TERM ANNUITY RETIREMENT SAVINGS PLAN
Declaration of trust
(2 of 2)

Clause 16.

No premium shall be paid after maturity of the Plan.

Clause 17.

The beneficiary is designated on the Application Form. Under the Plan, if he/she dies before the Annuitant, his/her rights are passed on to the Annuitant. The Annuitant may, subject to legal restrictions, change the beneficiary by way of a written notice given to the Issuer or to its agent. The Issuer shall incur no responsibility as to the validity of such a change in beneficiaries.

Clause 18.

An Annuitant who signs an Application Form must declare his/her age and social insurance number, which declaration shall be considered an undertaking by such Annuitant to provide any further proof or evidence that may subsequently be required.

Clause 19.

Except in the event of gross negligence on its part, the Issuer shall not be liable for any act or omission, nor for any loss or depreciation in the value of the investments.

Clause 20.

No advantage (except as provided for in the *Income Tax Act* [Canada]) that is conditional on the existence of the Plan shall be granted to the Annuitant or to a person with whom he/she was not dealing at arm's length as defined in the *Income Tax Act* (Canada).

Clause 21.

The Issuer shall be entitled, for administering the said Plan, to collect the customary fees which the Annuitant acknowledges and which shall be deducted from the contributions and assets held on behalf of the Annuitant. Prior written notice shall be sent to the Annuitant at least thirty (30) days before any new fee schedule takes effect.

Clause 22.

The Issuer is entitled to be reimbursed from the assets of the Plan for its fees as well as all charges and expenses incurred in connection with the Plan including and without restriction, any fines and any interest that may be payable by the Issuer for any reason whatsoever (other than penalties or interest that the Issuer is liable for under the *Income Tax Act* (Canada) and that can't be deducted from the assets of the Plan). Without limiting the scope of the above, as a result of the commitment undertaken by the Fédération towards the Issuer to pay to it, for and on behalf of the Annuitant, the fees, charges and expenses incurred, and the deductions at source, the Annuitant authorizes the Fédération under the terms hereof to deduct the amounts required for such purpose from the assets and the new contributions made to the Plan or, failing this, from the proceeds of the share redemptions.

Clause 23.

The Issuer may cancel the Plan at any time upon ninety (90) days' prior notice to the Annuitant.

Clause 24.

If the Annuitant is in default under the terms hereof and if the default is not corrected within a period of three (3) months following written notice to that effect, the Issuer shall have the right, without being required to do so, to resign as trustee and be discharged from all obligations and responsibilities.

Clause 25.

The Issuer may amend the Plan to ensure that it complies at all times with the conditions of registration under the *Income Tax Act* (Canada).

Furthermore, the Issuer may, at its option, amend the terms and conditions of the Plan from time to time.

Clause 26.

This Plan shall be governed in accordance with the laws of the Province of Québec and the provisions of the *Income Tax Act* (Canada).

DESJARDINS TRUST INC.

1, complexe Desjardins
P.O. Box 34, Desjardins Station
Montréal (Québec) H5B 1E4

DESJARDINS FIXED-TERM ANNUITY RETIREMENT SAVINGS PLAN
(RSP 168-031)
2014