

# DESJARDINS FUNDS AND GUARANTEED INVESTMENT RETIREMENT SAVINGS PLAN

## Declaration of Trust

**WHEREAS** the Annuitant wishes to establish a Desjardins Funds and Guaranteed Investment Retirement Savings Plan (herein referred to as the "Plan"), in accordance with the *Income Tax Act* (Canada) and the income tax legislation, if applicable, of the province designated in the address of the Annuitant (herein collectively referred to as the "Applicable Tax Legislation");

**WHEREAS** Desjardins Trust Inc., a legally constituted trust company having its head office in Montréal, Province of Québec, is authorized to offer its services to the public as Trustee (herein referred to as the "Trustee");

**WHEREAS** the Trustee hereby accepts the office of trustee on behalf of the Annuitant who has signed the Application Form for a Desjardins Funds and Guaranteed Investment Retirement Savings Plan;

**WHEREAS**, for the purposes hereof, the terms "Annuitant", "maturity", "retirement income", "spouse" and "common-law partner" shall have the meaning assigned to them in the Applicable Tax Legislation.

**IT IS THEREFORE AGREED** between the Annuitant and the Trustee as follows:

**Clause 1.** The Plan complies with the requirements of the Applicable Tax Legislation and the Trustee shall be responsible for administering the Plan and undertakes to register the Plan with the Canada Revenue Agency and, if applicable, with the government of the province designated in the address of the Annuitant.

**Clause 2.** The Annuitant or his or her spouse or common-law partner may make periodic payments (herein referred to as the "Contributions") to the Plan in lawful money of Canada.

**Clause 3.** The assets of the Plan shall, at all times, be held by the Trustee or a representative of its choice in a separate account for the Annuitant.

**Clause 4.** The Trustee shall, on written application made by the Annuitant or his or her spouse or common-law partner, repay the applicant from the proceeds of the disposition of the assets in the Plan, any amount required to reduce the taxes which would otherwise be payable under Part X.1 of the *Income Tax Act* (Canada).

However, it is the responsibility of the Annuitant or of his or her spouse or common-law partner, as applicable, to ensure that the amount of his or her Contributions does not exceed the maximum permitted deduction under the *Income Tax Act* (Canada).

The Trustee shall not be required to verify the total amount of the Contributions made by the Annuitant or his or her spouse or common-law partner and the Annuitant or his or her spouse or common-law partner shall assume responsibility for any consequences resulting from the provisions of section X.1 of the *Income Tax Act* (Canada) or which could result from the realization of all of the assets of the Plan, including any penalty charged in the event of redemption prior to maturity or for any loss suffered by the Annuitant.

**Clause 5.** Prior to maturity of the Plan, no benefit shall be paid to the Annuitant other than a payment to the Annuitant or a refund of premiums.

**Clause 6.** After maturity of the Plan, no benefit shall be paid to the Annuitant except in the form of retirement income, of full or partial commutation of retirement income under the Plan or in respect of a commutation provided for in the *Income Tax Act* (Canada).

**Clause 7.** 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 year, until such time as there is only one payment arising from the full or partial commutation of retirement income and, thereafter, where commutation is partial, in the form of equal payments to be made at periodic intervals not exceeding one (1) year.

**Clause 8.** 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 or her death.

**Clause 9.** No retirement income under the Plan may be assigned in whole or in part.

**Clause 10.** No premium shall be paid after maturity of the Plan.

**Clause 11.** No advantage (except as provided for in the Applicable Tax Legislation) that is conditional on the existence of the Plan shall be granted to the Annuitant or to a person with whom he or she was not dealing at arm's length, as defined in the Applicable Tax Legislation.

**Clause 12.** If the Annuitant, by the end of the year he or she attains the age limit provided in the *Income Tax Act* (Canada), has not furnished written instructions to the Trustee indicating the type of retirement income he or she wishes to receive, the assets of the Plan shall be transferred to the Desjardins Funds and Guaranteed Investment Retirement Income Fund.

**Clause 13.** Each annuity payable under this Plan which would otherwise become payable to a person other than an Annuitant under the Plan must be commuted.

**Clause 14.** The Trustee is entitled to be reimbursed from Plan assets for all charges and expenses incurred in connection to the Plan, including any taxes, interest or other penalties required to be paid out of the Plan for any reason whatsoever (not including any taxes, interest, or penalties to be paid by the Trustee, which cannot be taken from Plan assets according to income tax law). The Trustee is also entitled to collect its customary fees, which the Annuitant acknowledges and which shall be deducted from the assets held on the Annuitant's behalf.

Such fees may be modified from time to time but the Trustee undertakes to send thirty (30) days' prior written notice to the Annuitant before any new fee schedule shall take effect.

**Clause 15.** Should the Annuitant fail to pay the fees, charges, overdraft, taxes, etc., referred to in the preceding clause, the Trustee shall, upon sixty (60) days' prior written notice, be entitled to dispose of the assets held in the Plan and is hereby specifically authorized to realize the said assets at such price and on such conditions as it shall deem advisable. The Annuitant shall be accountable to the Trustee for all fees, charges, expenses, etc., that exceed the assets of the Plan.

**Clause 16.** An Annuitant who signs an Application Form must declare his or her age, which declaration shall be considered an undertaking by such Annuitant to provide any further proof that may be subsequently required.

**Clause 17.** The Contributions of the Annuitant or his or her spouse or common-law partner, as well as the interest, benefits or gains relating thereto, shall be invested by the Trustee in accordance with the instructions of the Annuitant and /or his or her attorney. All proposed investments and documents pertaining thereto must be in accordance with the requirements of the Trustee, and may be modified from time to time. However, the Annuitant shall be solely responsible for the said investments and their liquidity.

**Clause 18.** Should the Annuitant expressly waive to provide instructions or, without waiving, should he or she be unable to state his or her wishes in the event of an emergency, the Trustee may, but shall not be required to:

- (a) sell, alienate or otherwise dispose of all assets entered to the credit of the Annuitant, on such conditions and at such price as it shall deem advisable;
- (b) invest, as it shall deem appropriate, all moneys entered to the credit of the Annuitant in any kind or class of investment, notwithstanding the laws of all jurisdictions governing the investment of the assets of a third party.

**Clause 19.** The Trustee, unless otherwise instructed, may but shall not be obliged to:

- (a) exercise the voting rights attached to the securities held on behalf of the Annuitant;
- (b) seek advice from any professional or financial consultant, when it deems it appropriate, and pay the consultant's fees from the assets held on behalf of the Annuitant.

**Clause 20.** The Trustee guarantees repayment of the investment in lawful money of Canada at the maturity date indicated with interest at the rate specified. This investment may not be redeemed prior to maturity, except in the event of death. The Trustee is authorized to invest and loan the money of the Annuitant, either separately or together with the moneys of the Trustee or of other persons, in such securities as the Trustee shall deem expedient, without being restricted to fiduciary investments under applicable legislation or to investments belonging to others, such investments to be made in the name of the Trustee which shall hold them for the benefit of the Annuitant to the extent of the Annuitant's interest in such investments. The Trustee reserves the right to modify such investments or loans from time to time at its discretion.

**Clause 21.** Except in the event of negligence on its part, the Trustee shall not be liable for any act or omission, nor for any loss or depreciation in the value of the investments.

**Clause 22.** Without limiting the general nature of the preceding paragraph, it is the responsibility of the Annuitant to select the investments of the Plan and to determine if the Trustee should acquire, sell, or retain a specific investment for the Plan. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment. The Trustee is responsible for monitoring neither total contributions to the Plan made in a given tax year by the Annuitant, his or her spouse, common-law partner, or agent, nor if the investments are in compliance with the Applicable Tax Legislation. The Annuitant or his or her spouse or common-law partner is responsible for tax consequences resulting from excess contributions, from non-compliant investments, from liquidation of some or all of the assets in the Plan, or from any loss due to the sale or assignment of any asset forming part of the Plan, including all penalties resulting from redemption prior to maturity.

**Clause 23.** The Trustee may resign as Trustee and be discharged from all obligations and responsibilities hereunder, upon giving three (3) months' prior written notice to the Annuitant, or upon shorter notice as deemed acceptable by the Annuitant. The Trustee may appoint as successor, under the terms hereof, any corporation qualified to act as trustee in accordance with the provisions of the *Income Tax Act* (Canada) and, if 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 trustee and accepts the appointment, such date to be fixed no later than the sixtieth (60<sup>th</sup>) day after written notice of the appointment has been sent to the Annuitant.

On the effective date of the appointment, the Trustee shall transfer the moneys or securities of the Plan to its successor. It is, however, understood that the Trustee shall not be obliged to effect the prepayment of the said securities before transferring them. Furthermore, the Trustee 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, if applicable, of any provincial income tax legislation. Effective on the date of such appointment, the successor Trustee shall assume all the functions and responsibilities of the Trustee, which shall be discharged from all obligations and responsibilities of Trustee hereunder.

The Annuitant may, in the same manner, relieve the Trustee of its functions and name a qualified successor in accordance with the provisions of the *Income Tax Act* (Canada) and, if applicable, of any provincial income tax legislation. In such a case, the Trustee must transfer the moneys and securities in the Plan to its successor. It is, however, understood that the Trustee shall not be obliged to effect the prepayment of the said securities before transferring them.

**Clause 24.** The Trustee may amend the present Plan to ensure that it complies at all times with the conditions of registration under the Applicable Tax Legislation.

Furthermore, the Trustee may, at its option, amend the terms and conditions of the present Plan, from time to time, but undertakes to send thirty (30) days' prior written notice thereof to each Annuitant before applying said amendment(s).

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