

DESJARDINS FUNDS AND GUARANTEED INVESTMENT FIXED-TERM ANNUITY RETIREMENT SAVINGS PLAN

Declaration of trust

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 Funds and Guaranteed Investment 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).

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. By way of directions, the Annuitant will inform the Issuer from time to time in which vehicles he/she intends to invest contributions from the range of investments offered by the Issuer that are eligible within the meaning of the *Income Tax Act* (Canada) and its regulation. The Issuer shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment.

These instructions shall be given to the Issuer by order in writing signed and dated by the Annuitant and/or in any other manner deemed satisfactory to the Issuer and shall take effect only as of the date they are received by the Issuer; the latter shall never be required to act upon such instructions before such date of receipt.

All proposed investments and documents pertaining thereto must be in accordance with the requirements of the Trustee, which may be modified. However, the Annuitant shall be responsible for the said investments and their liquidity.

Clause 3. The Annuitant assigns and transfers 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 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 6. 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 7. 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 8. The assets held under the Plan shall be maintained at all times in a separate account by the Issuer.

Clause 9. 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 10. 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 11. 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 12. Notwithstanding the preceding Clause 11, the Issuer may, at its option, make a payment where there is full or partial commutation of retirement income subject to the terms and conditions that it shall deem opportune and, more specifically, all charges and penalties and all other replacement costs that the Issuer may require in such case and which the annuitant acknowledges.

Where commutation is partial, payment of the retirement income to the Annuitant shall be 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.

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

- 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;
- 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 20. The Issuer, unless otherwise instructed, may but shall not be obliged to:

- exercise the voting rights attaching to the assets held on behalf of the Annuitant;
- 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 21. Where the Annuitant acquires a guaranteed investment issued by the Issuer, the Issuer 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 Issuer is authorized to invest and loan the money of the Annuitant, either separately or together with the moneys of the Issuer or of other persons, in such securities as the Issuer 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 Issuer, which shall hold them for the benefit of the Annuitant to the extent of the Annuitant's interest in such investments. The Issuer reserves the right to modify such investments or loans from time to time, in its discretion.

Clause 22. 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 23. 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 24. The Issuer is entitled to be reimbursed from the assets held under the Plan for all charges and expenses incurred in connection with its administration hereunder, including and without restriction, any overdraft, any taxes paid by the Issuer, with respect to non-eligible investments or foreign assets, as well as any fines and any interest that may be payable hereunder for any reason whatsoever (other than taxes, 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). It is also entitled 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. Such fees may be modified from time to time but the Issuer undertakes to send thirty (30) days' prior written notice to the Annuitant before any new fee schedule shall take effect.

Clause 25. Should the Annuitant fail to pay the fees, charges, overdraft, taxes, etc., referred to in the preceding clause, the Issuer shall, upon sixty (60) days' prior written notice, be entitled to dispose of the assets held under the present 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 Issuer for all fees, charges, expenses, etc., that exceed the total amount of the said assets.

Clause 26. The Issuer may resign as Issuer 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 Issuer may appoint as successor, under the terms hereof, any corporation qualified to act as Issuer 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 Issuer 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 Issuer shall transfer the assets held hereunder to its successor. It is, however, understood that the Issuer shall not be obliged to effect the prepayment of the said assets before transferring them. Furthermore, the Issuer 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 Issuer shall assume all the functions and responsibilities of the Issuer, which shall be discharged from all obligations and responsibilities as Issuer hereunder.

The Annuitant may, in the same manner, relieve the Issuer 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 Issuer must transfer the assets it holds hereunder to its successor. It is, however, understood that the Issuer shall not be obliged to effect the prepayment of the said assets before transferring them.

Clause 27. The Issuer may amend the present contract 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 present contract, including any application of and/or modification to the fees, from time to time, but undertakes to send thirty (30) days' prior written notice thereof to each annuitant before applying said amendment(s).

Clause 28. 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.

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2014