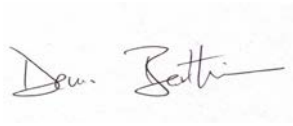


# GROUP ANNUITY CONTRACT

## VOLUNTARY RETIREMENT SAVINGS PLAN



Denis Berthiaume  
President and Chief Operating Officer  
Desjardins Financial Security  
Life Assurance Company



David Charbonneau  
Senior Vice-President  
Group Retirement Savings  
Desjardins Financial Security  
Life Assurance Company

Subject to the terms and conditions hereinafter set out, the Member hereby accepts this group annuity contract.

## 1. DEFINITIONS

In this contract:

«Applicable legislation»	Means the <i>Voluntary Retirement Savings Plans Act</i> , the <i>Regulation respecting voluntary retirement savings plans</i> , the <i>Income Tax Act</i> (Canada), the <i>Taxation Act</i> (Quebec), the administrative rules of the Canada Revenue Agency and Revenue Quebec where applicable, and any other law or regulation affecting this Plan.
« Contract »	Means this contract, including all schedules attached hereto, as it may be amended or supplemented from time to time.
« Effective date »	Means the date of confirmation of the enrolment of a Member to the Insurer's Plan as confirmed during the telephone subscription process.
« Insurer »	Means Desjardins Financial Security Life Assurance Company.
« Member »	Means the individual, as defined in Applicable legislation, who is entitled to receive benefits from this Plan in consideration for contributions made to this Plan.
« Path (s) »	Means an investment path based on a « lifecycle » approach composed of Pooled funds offered by the Insurer, as set forth in Schedule A « Investments offered ». A path refers to the predetermined allocation of assets, which becomes more conservative as the Member approaches retirement.
« Plan »	Means the voluntary retirement savings plan of the Insurer to which the Régie des Rentes du Québec has assigned the number 39706.
« Pooled fund (s) »	Means the segregated funds offered by the Insurer, the list of which is set forth in Schedule A « Investments offered ». The Pooled funds are composed of assets maintained in segregated funds apart from the other assets of the Insurer and are managed by professional fund managers.
« Portfolio (s) »	Means a portfolio of investments composed of Pooled funds offered by the Insurer, as set forth in Schedule A « Investments offered ». A portfolio regroups several Pooled funds and is generally constructed as a function of an investment objective.
« Unit (s) »	Means the nominal units of any Pooled fund established by the Insurer.

## **2. OBJECT**

In consideration of payments received and invested in accordance with the terms of this Contract, the Insurer promises to pay the benefits provided under the Plan.

## **3. CURRENCY**

All amounts payable, whether to or by the Insurer, shall be paid in the legal tender of Canada at any of the Insurer's Canadian offices.

## **4. AMENDMENTS TO THE CONTRACT**

- 4.1. Subject to the following paragraph, all of the provisions of the agreement between the Member and the Insurer are in this Contract and in any amendments or riders attached thereto.
- 4.2. The Insurer shall provide sixty (60) days written notice of any proposed amendment to the . With the exception of any amendment which would reduce the rights of the Member or the obligations of the Insurer, the amendments shall be deemed to have been accepted after expiry of the sixty (60) days.
- 4.3. Any amendment to the Contract which would reduce the rights of the Member or the obligations of the Insurer will be effective only if the Member agrees to it in writing.
- 4.4. Failure by the Insurer to require adherence to any amendments made to this Contract by the Member, for whatever reason, shall not constitute waiver thereof, nor in any way hinder or diminish the right of the Insurer to require adherence thereto at any time in the future.
- 4.5. Notwithstanding the above, in the event of changes occurring in the Applicable legislation this Contract shall be deemed to be amended to the extent necessary to comply with such changes.

## **5. CONTRIBUTIONS**

- 5.1. The Insurer shall accept the following contributions :
  - (a) Voluntary contributions, and
  - (b) Member's funds from other registered pension plans or registered plans.
- 5.2. In accordance with the investment instructions, each contribution remitted to the Insurer is allocated among the Pooled funds, Paths or Portfolios. Contributions received without investment instructions are allocated to the default investment option: the Desjardins Balanced Path.
- 5.3. A Member may change his or her contribution to the Plan at any time.
- 5.4. A Member may request at any time that changes be brought to the allocation of contributions among the Pooled funds, Paths or Portfolios offered in this Contract.
- 5.5. The Member's investment choices may not be changed by the Insurer except on the request of the Member, or after written notice is given to the Members concerned, in the circumstances and manner determined by Applicable legislation.
- 5.6. Contributions may be paid by preauthorized debit, payment of bills (AccesD or other financial institution,) check, or direct deposit.

## **6. INVESTMENTS**

- 6.1. The eligible contributions made under this Contract belong to the Insurer and are deposited in the segregated funds owned by the Insurer. The Insurer agrees to act upon the investment

instructions given by the Member for the allocation of such contributions among the Pooled funds, Paths or Portfolios offered in this Plan.

- 6.2. The value of amounts invested in Pooled funds, Portfolios or Paths is not guaranteed because the value of the assets in that fund varies with its performance. The Pooled funds are maintained in accordance with Applicable legislation. The investment of the assets of the Pooled funds is determined by the Insurer or an investment advisor designated by the Insurer.
- 6.3. Income and capital gains from the investments of a Pooled fund are credited to the same Pooled fund. Capital losses from such investments are deducted from the same fund.
- 6.4. The Pooled funds are valued daily. However, the Insurer reserves the right to value the Pooled funds at different periods, should circumstances beyond its control justify it. The market value of the assets of each Pooled fund is determined on each valuation date.
- 6.5. The net asset value of each Pooled fund is the market value on the valuation date of all securities in a fund plus other assets, less all liabilities and expenses of the fund. The net asset value as determined above for each Pooled fund is divided by the number of Units outstanding to determine the value of each Unit. This Unit value will fluctuate with the market value of the assets from valuation date to valuation date.
- 6.6. The amount standing to a Member's credit under this Contract in any Pooled fund on any date is the current unit value multiplied by the number of units credited to the Member in that fund under this Contract.
- 6.7. When a contribution is directed to a Pooled fund, Units in that fund are created and allotted to the credit of the Member based on the current Unit value. When any amounts are withdrawn from a Pooled fund, Units in the fund are liquidated based on the current Unit value. All deposits, withdrawals and transfers involving any Pooled fund are processed according to the service standards established by the Insurer. However, the Insurer reserves the right to perform these transactions according to different standards should circumstances beyond its control justify it.
- 6.8. The Insurer reserves the right to replace or close existing Pooled funds, Portfolios or Paths upon giving the Member sixty (60) days' prior written notice.

## **7. REFUNDS AND TRANSFERS**

- 7.1. A Member is entitled to the refund or to the transfer of all or part of the accumulated value in the non locked-in portion of his or her account to a pension plan determined by Applicable legislation at any time.
- 7.2. A Member may transfer all or part of the accumulated value in the locked-in portion of his or her account to a pension plan determined by Applicable legislation in the following situations:
- 7.3. A Member is entitled to the refund of all or part of the accumulated value in the non locked-in portion of his or her account in the following situations:
  - If a physician certifies that the Member's physical or mental disability reduces his or her life expectancy;
  - If a physician certifies that the Member is physically or mentally disabled without giving an opinion on his or her life expectancy;
  - If the balance of the Member's locked-in account less than 20% of the Maximum Pensionable Earnings established in accordance with Applicable legislation;
  - If the Member is deemed to not have resided in Canada for at least two years, according to Applicable legislation.

7.4. The calculation of the accumulated value is subject to the terms of section six (6).

7.5. The Insurer shall make refunds or transfers within sixty (60) days after the Member's request.

## **8. TRANSFER OF BENEFITS BETWEEN SPOUSES**

In the event of separation from bed and board, divorce or marriage annulment, dissolution otherwise than by death of a civil union or annulment of a civil union, the benefits accumulated by a Member under the Plan, calculated subject to the terms of section six (6), are upon application in writing to the Insurer, partitioned between the Member and his or her spouse to the extent determined by Applicable legislation.

## **9. TYPE OF ANNUITY**

Subject to the terms of this Contract, the Plan and the Applicable legislation, the annuities that can be paid are qualifying annuities under subsection 147.5(1) of the *Income Tax Act* offered by the Insurer, as a licensed annuities provider, including the minimum annuity described in section ten (10).

## **10. LIFE QUALIFYING ANNUITY WITHOUT A GUARANTEE PERIOD**

The Insurer is committed to pay the Member a minimum life qualifying annuity without a guarantee period with annual payments which will be determined by \$1,000 of the investment value (calculated in accordance with section six (6)) and as per the details specified in Schedule D « Life Qualifying Annuity Without a Guarantee Period Table ».

## **11. SERVICES**

While this Contract is in force, the Insurer will provide the services and information described in Schedule B « Services » to the Member, provided fees are paid in accordance with Schedule C « Fees ».

## **12. FEES**

12.1. The fees payable to the Insurer under the Plan are set forth in Schedule C « Fees ».

12.2. The Insurer may adjust the fees upon giving the Member a written notice sixty (60) days prior to the date on which new rates become effective.

12.3. Notwithstanding the above, the fees are subject to the limits provided in Applicable legislation.

## **13. PRIVACY OF INFORMATION**

13.1. The Insurer has the obligation to ensure the protection and confidentiality of the personal information regarding the Members which is provided or communicated in whatsoever manner by the Member. The Insurer is committed to managing this personal information with the discretion and diligence required and to limit access thereto in accordance with the provisions of Applicable legislation.

13.2. During his or her participation in the Plan, only the personal information that is necessary for the purpose of the Plan will be collected from the Member.

## **14. RESPONSIBILITY**

14.1. The Member will provide any document and personal information requested by the Insurer and determined by Applicable legislation.

- 14.2. The Insurer relies on the information provided by the Member in determining Plan benefits. The Insurer is not liable in case of any delay in the receipt of this information, or for errors or omissions resulting from such information.
- 14.3. Services and information not covered by this Contract are the Member's responsibility. If services and information not covered by this Contract are requested, the Insurer reserves the right to charge an hourly fee based on the Insurer's fee schedule in effect at the time of the request.

## **15. NOTICES**

Any notice given by the Insurer under this Contract is deemed to have been given and received, if it is sent by mail to the address of the Member, five days after it has been mailed to the address according to the Insurer's records, and if it is sent by electronic means, it is deemed to have been given and received the day after it is sent to the address according to the Insurer's records of the Member.

## **16. ASSIGNMENT**

No part of the Contract may be assigned without written acceptance from the Insurer.

## **17. TERMINATION OF THE CONTRACT**

Either party may terminate this Contract by giving the other party sixty (60) days prior written notice of its intention to do so. The amount payable in full discharge of all the Insurer's liabilities is as described in section six (6), less applicable fees, if any.

# Schedule A – Investments offered

## POOLED FUNDS:

**213 DGIA Money Market**  
Target asset mix: 100% Canadian Money Market

## PORTFOLIOS :

**420 Desjardins 30/70**  
Target asset mix: 10% Canadian Short-Term Fixed Income  
60% Canadian Universe Fixed Income  
7.5% Canadian Equities  
22.5% Global Equities

**421 Desjardins 50/50**  
Target asset mix: 5% Canadian Short-Term Fixed Income  
45% Canadian Universe Fixed Income  
12.5% Canadian Equities  
37.5% Global Equities

**422 Desjardins 70/30**  
Target asset mix: 30% Canadian Universe Fixed Income  
17.5% Canadian Equities  
52.5% Global Equities

**423 Desjardins 90/10**  
Target asset mix : 10% Canadian Universe Fixed Income  
22.5% Canadian Equities  
67.5% Global Equities

## PATH :

### Desjardins Balanced Path

Target asset mix :

<b>Funds /Age</b>	<b>Desjardins 30/70</b>	<b>Desjardins 50/50</b>	<b>Desjardins 70/30</b>	<b>Desjardins 90/10</b>
0 to 39	---	---	---	100.00%
40 to 41	---	---	20.00%	80.00%
42 to 43	---	---	40.00%	60.00%
44 to 45	---	---	60.00%	40.00%
46 to 47	---	---	80.00%	20.00%
48 to 49	---	---	100.00%	---
50 to 51	---	20.00%	80.00%	---
52 to 53	---	40.00%	60.00%	---
54 to 55	---	60.00%	40.00%	---
56 to 56	---	80.00%	20.00%	---
57 to 57	---	100.00%	---	---
58 to 58	20.00%	80.00%	---	---
59 to 59	40.00%	60.00%	---	---
60 to 60	60.00%	40.00%	---	---
61 to 61	80.00%	20.00%	---	---
62 and +	100.00%	---	---	---

## Schedule B – Services

The Insurer offers the following services:

- a) Provide the Member with a copy of the Contract;
- b) On request, provide the Member with the annual statement and the financial report;
- c) Send each Member a written summary of the Plan;
- d) Send and register, if applicable, all documents related to the Plan as required by any government authority having jurisdiction in the matter;
- e) Provide a default investment option;
- f) Offer three to five other investment options of varying degrees of risk;
- g) On request, and in the circumstances prescribed, partition the benefits under the Plan, in compliance with Applicable legislation;
- h) On request, and in the circumstances prescribed, provide a statement of benefits accumulated by the Member under the Plan, in compliance with Applicable legislation;
- i) On request, and in the circumstances prescribed, provide a statement of benefits for the purposes of mediation, in compliance with Applicable legislation;
- j) Provide each Member with a statement within forty-five (45) days following the end of the fiscal year of the Plan;
- k) Provide each Member concerned with a statement, within thirty (30) days following receipt of the notice of termination of employment of the Member;
- l) Provide the spouse of a deceased Member or his or her successors with a statement, within thirty (30) days following the date the Insurer receives notice of the Member's death;
- m) Maintain records for amounts contributed in accordance with the terms of the Plan;
- n) Maintain records for membership information required to administer the Plan, as provided by the Member;
- o) Provide transfers between funds in accordance with requests for changes in investment instructions from the Member, subject to reasonable rules that the Insurer may make restricting the frequency of transfers, the amounts which may be transferred and the number of funds in which money is invested;
- p) Make administration forms available;
- q) Prepare and issue tax receipts and slips for income tax purposes;
- r) Calculate and pay annuities to Members, in accordance with this Contract;
- s) Calculate and pay any benefit due in accordance with the terms of the Plan provided that, before doing so, the Insurer receives satisfactory proof of the title of the claimant and such information as the Insurer may require. As soon as the Insurer is advised of the Member's death, the sums accumulated in the Pooled funds will be transferred to the default investment option;
- t) Provide the Member with the toll free telephone number of the Insurer's plan administrator;



- u) Allow access to the Insurer's website that provides daily updated information, subject to any access limits that may be imposed by the Employer or the Insurer;
- v) Provide the services of a Customer Contact Centre to all Members which will allow them to obtain all information pertinent to their participation under the Plan;
- w) Make information and education documentation relating to the Plan available to Members;
- x) Proceed with a quarterly asset mix rebalancing of the funds used in the Portfolios based on the target asset mixes established for each Portfolio;
- y) Proceed with a quarterly asset mix rebalancing of the funds used in the Path based on the target asset mixes established for the Path.

Additional services can be offered by the Insurer based on an hourly charge in accordance with the Insurer's fee schedule in effect. The amount of the fee will be declared by the Insurer and agreed to by the Member prior to the services being performed.

# Schedule C – Fees

## 1. INVESTMENT FEES

- a) On each valuation date, the Insurer charges and withdraws fund investment fees from the market value of each Pooled Fund, Portfolio or Paths.
- b) Other operation fees are charged to each Pooled Fund, Portfolio or Paths and may include audit fees, brokerage commissions and other transaction costs. The Insurer will disclose them to the Member upon request.
- c) A management fee is calculated and deducted from then market value of the investment options. These fees represent the fees to manage and administer the plan. They are deducted from the market value of the investment options.
- d) The total fees, presented in the following table, include the Investment fees, Operation fees, Management fees and the applicable sales taxes. They are expressed as a percentage of the average assets, as follow:

Investment option	Total
DGIA Money Market	0.92%
Desjardins 30/70	1.20%
Desjardins 50/50	1.22%
Desjardins 70/30	1.24%
Desjardins 90/10	1.25%
Desjardins Balanced Path	Between 1.20% and 1.25% (determined according to the target asset mix)

- e) The Insurer reserves the right to adjust the fees related to the Pooled funds, Portfolios, and Paths. New rates are deemed effective sixty (60) days after the Employer is notified in writing.

## 2. OTHER FEES

- a) A withdrawal fee of \$50.00 is deducted from the Member's account for each withdrawal or transfer of contributions, if allowed by the Plan, other than transfers to another Desjardins account or product or transfers between investment options, subject to reasonable practices regarding the frequency of transfers, the amounts and the number of funds in which assets are invested.
- b) A 10.00\$ fee is deducted from the Member's account for each copy of income tax slips and receipts.
- c) A 50.00\$ fee is deducted from the Member's account in cases of termination of participation in the Plan.
- d) Unless the Insurer is advised of an apportionment, a fee of 50.00\$ is deducted from the Member's account and a fee of 50.00\$ is billed to the Member's spouse for carrying out the transfer of benefits between spouses.
- e) Unless the Insurer is advised of an apportionment, a fee of 75.00\$ is deducted from the Member's account and a fee of 75.00\$ is billed to the Member's spouse for producing the statement of benefits referred to in the Applicable legislation.

- f) A 25.00\$ fee is deducted from the Member's account for a request to consult an archived file.
- g) A 25.00\$ fee is deducted from the Member's account for a stop payment order on a cheque or deposit requested by a Member.
- h) A 25.00\$ fee is deducted from the Member's account for a cheque without sufficient funds issued by the Member.
- i) A 20.00\$ fee is deducted from the Member's account for a search for the contact information of the untraceable Member made by the Régie des rentes du Québec, as applicable.
- j) On receipt by the Insurer of notification of the termination of the Contract, the Insurer reserves the right to charge hourly fees for the performance of any other work not mentioned in Schedule B « Services ». The amount of fee will be declared by the Insurer and agreed to by the Member prior to the services being performed.
- k) The Insurer may adjust the fees upon giving the Member written notice sixty (60) days prior to the date on which new rates become effective.

## Schedule D – Life qualifying annuity without a guarantee period table

The Insurer is committed to pay the Member a minimum life qualifying annuity without a guarantee period calculated according to the table below. The table below shows the amount of the annuity payable, calculated as a function of the Member's age, for each \$1,000 of the Member's account.

The annuity amount is established at the date the Member's request is made. The annuity amount may vary if the request is not made on the Member's birthday.

The minimum rate provided in this regulation applies to a life annuity without a guarantee period. If the Member chooses another type of annuity which is not a life annuity without a guarantee period, the minimum amount of the annuity payable shall be established by actuarial equivalence and may be lower.

<b>Age</b>	<b>Male</b> Annuity/\$1,000	<b>Female</b> Annuity/\$1,000	<b>Unisex</b> Annuity/\$1,000
0 to 24	\$25	\$25	\$25
25 to 44	\$25	\$30	\$30
45 to 54	\$35	\$35	\$35
55	\$40	\$36	\$38
56	\$42	\$38	\$40
57	\$44	\$40	\$42
58	\$46	\$42	\$44
59	\$48	\$44	\$46
60	\$50	\$46	\$48
61	\$52	\$48	\$50
62	\$54	\$50	\$52
63	\$56	\$52	\$54
64	\$58	\$54	\$56
65	\$60	\$56	\$58
66	\$62	\$58	\$60
67	\$64	\$60	\$62
68	\$66	\$62	\$64
69	\$68	\$64	\$66
70 to 74	\$70	\$65	\$68
75 to 79	\$90	\$80	\$85
80 to 84	\$115	\$95	\$105
85 to 89	\$150	\$130	\$140
90 to 99	\$200	\$180	\$190
100 +	\$350	\$330	\$340