

**ADDENDUM TO DESJARDINS SECURITIES INC.
SELF-DIRECTED RETIREMENT INCOME FUND DECLARATION OF TRUST (RIF 694)**

**FOR LOCKED IN PENSION (BRITISH COLUMBIA) TRANSFERS TO
A LIFE INCOME FUND (LIF)**

In this Addendum, "Trustee" means Desjardins Trust Inc. and "Agent" means Desjardins Securities Inc. "Fund" means Desjardins Securities Inc. Life Income Fund (British Columbia). "Declaration of Trust" means the declaration of trust which sets out the terms and conditions governing Desjardins Securities Inc. Retirement Income Fund. "Annuitant" has the same meaning as this term is used in the Declaration of Trust and as the term "owner" is used in the Act and the Regulation.

Upon receipt of a locked-in benefit pursuant to the *Pension Benefits Standards Act* (British Columbia), the Trustee, the Agent and the Annuitant agree that these presents shall form part of the terms and conditions of the Fund.

1. For the purposes of this Addendum, the word "Act" means the *Pension Benefits Standards Act* (British Columbia), as amended from time to time, and the word "Regulation" means the *Pension Benefits Standards Regulation*, B.C. Reg. 433/93, as amended from time to time.
2. For the purposes of this Addendum, all terms defined in section 1 of the Act and in subsection 30 of the Regulation shall have the same meanings herein as are respectively given to the terms in the Act and the Regulation, including the terms "contract", "life annuity contract", "owner", "locked-in RRSP", "LIF", "RRIF", "RRSP", "spouse", "superintendent", "underwriter" and "Year's Maximum Pensionable Earnings".
3. Notwithstanding paragraph 2 of this Addendum, "spouse" does not include any person who is not recognized as a spouse or common law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting a RRIF.
4. Subject to paragraphs 7 and 15 of this Addendum, all property, including all investment earnings, that is subject to any transfer to or from the Fund, as defined by the Declaration of Trust, is to be used to provide or secure a pension that would, but for such transfer or any previous transfers, be required by the Act and the Regulation.
5. The fiscal year of the Fund ends on December 31 of each year and will not exceed 12 months.
6. The Annuitant, by notice in writing to the Agent, is to establish the amount of income to be paid during each fiscal year of the Fund at the beginning of that fiscal year after the receipt of the information specified in paragraph 9 of this Addendum, except that if the Trustee guarantees the rate of return of the Fund over a period that is greater than one year and that ends at the end of a fiscal year, then the Annuitant may establish the amount of income to be paid during that period at the beginning of that period. The Annuitant's notice expires at the end of the fiscal year to which it relates. If the Annuitant does not provide such notice in writing in any given year, the minimum amount determined under section 13 hereof will be deemed to be the amount to be paid in such year.
7. The Annuitant may transfer, to the extent permitted by paragraph 146.3(2)(e) of the *Income Tax Act* (Canada), all or part of the balance of the Fund:
 - (i) to an underwriter's LIF contract on the relevant conditions specified in section 30 of the Regulation,
 - (ii) to an underwriter's RRSP contract on the relevant conditions specified in section 29 of the Regulation,
 - (iii) to a pension plan on the conditions referred to in section 33 (2) (a) of the Act,
 - (iv) to purchase a deferred life annuity contract that meets the conditions of paragraphs (k) and (k.1) of subsection 30(8) of the Regulation, or
 - (v) to purchase an immediate life annuity contract.

Subject to this Addendum, no withdrawal, commutation or surrender of property is permitted except where an amount is required to be paid to the Annuitant to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada) in respect of the Fund.
8. A transfer pursuant to paragraph 7 of this Addendum will be effected thirty days after a request therefor by the Annuitant has been received by the Agent, provided that the Trustee has been given, through the Agent, all of the information required to process such as transfer. The foregoing does not apply with respect to the transfer of property in the form of securities whose term of investment extends beyond the thirty-day period. If assets in the Fund consist of identifiable and transferable securities, the Agent may transfer the securities with the consent of the Annuitant.
9. As required by subsection 30(12) of the Regulation, the Trustee, acting through the Agent, will, within 90 days of the beginning of each fiscal year of the Fund:
 - (a) provide to the Annuitant information respecting:
 - (i) the sums deposited, the investment income earned, the payments made out of the Fund and the fees charged against the Fund during the previous fiscal year
 - (ii) the balance in the Fund, and
 - (iii) the minimum amount that must, and the maximum amount that may, be paid out of the Fund to the Annuitant during the current fiscal year
 - (b) if the balance in the Fund is transferred as described in section 7 of this Addendum, provide the Annuitant the information described in paragraph (a) as of the date of transfer, and
 - (c) if the Annuitant dies before the balance in the Fund is used to purchase a life annuity contract or is transferred under section 7 of this Addendum, provide to the person entitled to receive the balance the information described in paragraph (a) as of the date of death.

10. The Annuitant's rights with respect to the investment of property of the Fund shall be as set out in the Declaration of Trust.
11. The method and factors used to establish the value of the Fund for the purposes of (a) a transfer of assets, (b) the purchase of a life annuity contract and (c) a payment or transfer on the death of the Annuitant, shall be as set out in the Declaration of Trust.
12. Payments to the Annuitant hereunder shall commence no later than the last day of the second Fiscal year of this Fund.
13. The amount of income paid during a fiscal year of the Fund will not be less than the minimum amount required to be paid under the Income Tax Act (Canada) and the regulations under the Income Tax Act (Canada), if there is a minimum amount, and will not exceed the greater of:
- (i) M as determined in accordance with the following formula:

$$M = C \times F$$
 where
 C = the balance of money in the Fund on the first day of the year, and
 F = the factor in Schedule III of the Regulation for the reference rate for the year and the owner's age at the end of the preceding year, and
 - (ii) the preceding year's investment returns for the Fund, if there was a preceding year.
14. The minimum payment amount shall be deemed to be zero for the initial fiscal year of the Fund. If the minimum amount to be paid out of the Fund is greater than the maximum amount, determined pursuant to the Regulations, the minimum amount must be paid out of the Fund during the fiscal year.
15. If a part of the Fund is derived from money transferred directly or indirectly from another contract of the Annuitant, the maximum amount that may be paid out of the Fund in the fiscal year in which the money is transferred shall be deemed to be zero, except to the extent that the *Income Tax Act* (Canada) requires the payment of a higher amount. If in any fiscal year of the Fund, an additional transfer is made to the Fund from a source other than another contract, an additional withdrawal will be allowed in that fiscal year, the amount of which will not exceed the maximum amount calculated in accordance with paragraph 13 of this Addendum computed as if the additional transfer was transferred into a separate contract and not this Fund.
16. Where the amount of income to be paid to the Annuitant is fixed at an interval of more than one year, paragraphs 13 and 15 of this addendum will apply with such modifications as the circumstances require to determine, at the date of the beginning of the first fiscal year of the interval, the amount of income to be paid for each fiscal year of the interval.
17. A lump sum or series of payments from the Fund may be made to the Annuitant if a physician certifies that due to physical disability the life expectancy of the Annuitant is likely to be shortened considerably and the spouse of the Annuitant has waived the life pension entitlement in the form and manner set out in Form 2 of Schedule 2 to the Regulation.
18. The benefits in the Fund may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment, and any transaction purporting to assign, alienate or anticipate the benefits is void.
19. The Trustee and the Agent hereby affirm that the property in the Fund shall conform with the rules for the investment of RRIF money contained in the *Income Tax Act* (Canada) and the regulations thereunder and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the owner of the RRIF or the parent, brother, sister or child of the owner of the RRIF or the spouse of any of those persons.
20. Where property in the Fund is paid out contrary to the Act, the Regulation or this Addendum, the Trustee hereby declares that it will provide or ensure the provision of a pension in the amount of the pension that would have been provided had the property not been paid out.
21. The Agent acting on behalf of the Trustee, before transferring out property from the Fund to another underwriter pursuant to paragraph 7 of this Addendum, shall:
- (a) ensure that the other underwriter's name and contract are on the superintendent's list established under section 30(3) of the Regulation;
 - (b) advise the other underwriter in writing of the requirement to lock-in the money; and
 - (c) make the other underwriter's acceptance of the transfer subject to the conditions in subsection 30(8)(h) of the Regulation.
22. If paragraph 21 of this Addendum is not complied with and the transferee underwriter fails to pay the benefits transferred in the form of a pension or in the manner required by subsection 30 of the Regulation, the Trustee will provide or ensure the provision of the pension referred to in paragraph 20 of this Addendum.
23. The Trustee and the Agent hereby acknowledge that if the balance in the Fund is to be used to purchase a life annuity contract, the pension to be provided to a former member who has a spouse at the date the pension commences is to be a joint pension payable during the joint lives of the former member and the spouse with at least 60% continuance to be payable to the survivor for life after the death of either, unless the spouse waives the entitlement in the form and manner set out in Form 2 of Schedule 2 to the Regulation.
24. On the death of the Annuitant who has a spouse, the money will be used to provide a pension for the surviving spouse unless the surviving spouse waives spousal entitlement in the form and manner set out in Form 4 of Schedule 2 of the Regulation, and the money must be transferred
- (i) to another LIF contract on the relevant conditions specified in section 30 (8) (k) of the Regulation,
 - (ii) to an underwriter's RRSP contract on the relevant conditions specified in section 29 of the Regulation,
 - (iii) to a pension plan on the conditions referred to in section 33 (2) (a) of the Act, or
 - (iv) to purchase a life annuity contract.
- If the Annuitant dies and is not survived by a spouse or the surviving spouse waives spousal entitlement in the form and manner set out in Form 4 of Schedule 2 of the Regulation, the money will be paid by way of a lump sum payment to the designated beneficiary or, if there is no valid designation of beneficiary, to the owner's estate. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.

25. No benefit that is not locked in will be transferred to or held under the Fund unless the locked-in money is to be held in a separate account.
26. Money, including interest, which is transferred to the Fund shall not be subsequently used to purchase a life annuity contract that differentiates on the basis of the Annuitant's sex.
27. If the Fund holds identifiable and transferable securities, any transfer or purchase referred to in this Addendum may, at the option of the Trustee and with the consent of the Annuitant, be effected by remittance of the investment securities of the Fund.
28. An Annuitant may withdraw money from the Fund if:
- (a) the Annuitant has been absent from Canada for two or more years;
 - (b) the Annuitant has become a non-resident of Canada as determined for the purposes of the *Income Tax Act* (Canada),
 - (c) the Annuitant completes and files a certificate of non-residency in Form 6 in the manner described in section 23.1(2) of the Regulation, and
 - (d) if the Annuitant has a spouse, the Annuitant obtains the spouse's waiver of entitlements using Form 2 of Schedule 2 and files a copy of the completed form with each relevant pension plan and financial institution.
29. A former member who is the owner of the Fund is exempt from section 30 of the Act and the requirements of subsections (2), (5), (8) (a) and (g) to (j), (11) and (13) to (16) of section 30 of the Regulation, and the Fund is deemed to be amended to provide for such an exemption, if the balance

of the Fund does not exceed 20% of the Year's Maximum Pensionable Earnings. If the balance of the Fund exceeds 20% of the Year's Maximum Pensionable Earnings, it must not be divided into two or more of any combination of RRSP or life income fund contracts, if any of the contracts would have a resulting balance less than 40% of the Year's Maximum Pensionable Earnings. The Annuitant shall specify the request in writing in the manner prescribed by Regulation, provided that, if the Annuitant has a Spouse, the Spouse must have waived his or her life pension entitlement in the manner prescribed by Regulation. Satisfactory evidence of such waiver must be provided to the Trustee.

30. The Annuitant represents to the Trustee that the Annuitant is:
- a member or former member of the pension plan from which the Locked-In assets originate;
 - a spouse or former spouse of a member or former member of the pension plan from which the Locked-In assets originate.
31. The Annuitant represents to the Trustee that the Annuitant
- has a spouse as defined in article 2 of this Addendum. If the Annuitant is a former member of the pension plan from which the Locked-In Assets originated and has a spouse, the Annuitant's spouse must sign **Form 3 Spouse's Consent to Transfer Locked-In Pension Funds to a Life Income Fund (B.C.)**;
 - does not have a spouse as defined in article 2 of this Addendum.
32. The Trustee and the Agent hereby affirm the provisions contained in the Declaration of Trust.
33. The conditions of this Addendum will take precedence over the provisions in the Declaration of Trust in the case of conflicting or inconsistent provisions.

November 29, 2007

Name of the Annuitant: _____ Account number: _____

Desjardins Securities is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and a member of the Canadian Investor Protection Fund (CIPF).