

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

**FOR LOCKED-IN PENSION (CANADA) TRANSFERS TO
A LIFE INCOME FUND (LIF)**

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

Subject to this Addendum, no withdrawal, commutation or surrender of property is permitted during the lifetime of the Annuitant 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.

Upon receipt of a locked-in pension benefit pursuant to the *Pension Benefits Standards Act, 1985* (Canada), the Trustee, the Agent and the Annuitant agree that the 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, 1985*, R.S.C. 1985, c. 32 (2nd. Supp.), as amended from time to time, and the word "Regulations" means the *Pension Benefits Standards Regulations, 1985*, SOR/87-19, as amended from time to time.
2. For the purposes of this Addendum, all terms defined in subsection 2(1) of the Act and subsection 2(1) of the Regulations shall have the same meanings in this Addendum as are respectively given to these words in the Act or Regulations, except that "spouse" does not include any person who is not recognized as a spouse or common law partner under any provision of the *Income Tax Act* (Canada) respecting a registered retirement income fund.
3. At the beginning of each calendar year, the Annuitant, by notice in writing to the Agent, is to establish the amount of income to be paid during such calendar year of the Fund. The Annuitant's decision expires at the end of the calendar year to which it relates. If the Annuitant does not provide such notice in writing in any given year, the minimum amount determined under paragraph 12 hereof is to be deemed to be the amount to be paid in such year.
4. The Annuitant may use, to the extent permitted by the *Income Tax Act* (Canada), all or part of the balance of the Fund:

5. The Annuitant's rights with respect to the investment of property of the Fund shall be as set out in the Declaration of Trust.
6. The method and factors used to establish the value of the Fund, including the valuation method used to establish the Fund's value on the death of the Annuitant or on the transfer of assets from the Fund, shall be as set out in the Declaration of Trust.
7. In the event the Annuitant dies, the balance in the Fund, to the extent permitted by the *Income Tax Act* (Canada), shall be paid to the survivor of the Annuitant by:

- (a) transferring the funds to another life income fund or to a restricted life income fund;
- (b) using the funds to purchase an immediate life annuity or a deferred life annuity; or
- (c) transferring the funds to a locked-in registered retirement savings plan.

In the event that the Annuitant dies without having a survivor, the balance of the Fund shall be paid to the Annuitant's designated beneficiary, or if there is no such designated beneficiary, to the personal representative of the Annuitant's estate in his or her representative capacity.

- (a) to effect a transfer to another life income fund contract or to a restricted life income fund contract provided that the Trustee shall comply with paragraph 146.3(2)(e) of the *Income Tax Act* (Canada);
- (b) to purchase an immediate life annuity or deferred life annuity that meets the requirements of section 21 of the Regulations and paragraph 60(l) of the *Income Tax Act* (Canada), provided that if the Fund resulted from the transfer of the commuted value of a pension benefit which value was determined in a manner that did not differentiate on the basis of sex, the immediate life annuity purchased with the property of the Fund shall not differentiate on the basis of sex; or
- (c) before the 31st day of December in the year in which the Annuitant attains the age limit as provided in the *Income Tax Act* (Canada), to effect a transfer to a locked-in registered retirement savings plan.

8. The Trustee and the Agent hereby affirm that the property of the Fund shall conform with the rules for the investment of property in a registered retirement income fund pursuant to the *Income Tax Act* (Canada) and the regulations thereunder.
9. The amount of income paid out of the Fund for any calendar year before the calendar year in which the Annuitant of the Fund reaches 90 years of age must not exceed the maximum amount M calculated in accordance with the following formula:

$$M = \frac{C}{F}$$

where:

C is the balance in the Fund at the beginning of the calendar year unless that amount is zero in which case C shall be the balance in the Fund at the date that the initial amount was transferred into the Fund;

F is the value, as of January 1 in the calendar year in which the calculation is made, of a pension of which the annual payment is \$1 payable on January 1 of each year between the beginning of that calendar year and December 31 of the year in which the Annuitant attains the age of 90 years, established using an interest rate that,

- (i) for the first 15 years after January 1 of the year in which the restricted life income fund is valued,

is less than or equal to the monthly average yield on Government of Canada marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the second month before the beginning of the calendar year, and

(ii) for any subsequent year, is not more than 6%.

10. For the calendar year in which the Annuitant of the Fund reaches 90 years of age and for all subsequent calendar years, the amount of income paid out of the Fund shall not exceed the value of the funds held in the Fund immediately before the time of the payment.
11. For the calendar year in which the Fund was entered into, the amount determined under section 9 or 10 hereof, as the case may be, shall be multiplied by the number of months remaining in that year and then divided by 12, with any part of an incomplete month counting as one month.
12. The amount of income paid out of the Fund during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds pursuant to the *Income Tax Act* (Canada), as amended from time to time.
13. If, at the time the Fund was established, part of the Fund was composed of assets that had been held in another life income fund of the Annuitant earlier in the calendar year in which the Fund was established, the maximum amount in section 9 or 10 hereof shall be deemed to be zero in respect of that part of the Fund, except to the extent that the *Income Tax Act* (Canada) requires the payment of a higher amount.
14. In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the funds may be paid to the Annuitant in a lump sum if
 - (i) the Annuitant certifies that the total value of all assets in all locked-in registered retirement savings plans, life income funds, restricted locked-in savings plans and restricted life income funds that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulation is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
 - (ii) if the Annuitant gives a copy of Form 2 and Form 3 of Schedule V of the Regulation to the Agent.
15. The Annuitant of the life income fund may withdraw an amount from that fund up to the lesser of the amount determined by the formula set out in subsection 20(1.1) of the Regulation and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this section — from any life income fund — or under paragraph 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulation
 - (i) if the Annuitant certifies that the Annuitant has not made a withdrawal in the calendar year under this section — from any life income fund — or under paragraph 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulation other than within the last 30 days before this certification,
 - (ii) if, in the event that the value of M in subsection 20(1.1) of the Regulation is greater than zero,

(A) the Annuitant certifies that the Annuitant expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year under this section — from any life income fund — or under paragraph 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulation, and

(B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and

(iii) if the Annuitant gives a copy of Form 1 and Form 2 of Schedule V of the Regulation to the Agent.

16. The balance of the Fund may be paid to the Annuitant in a lump sum where a physician certifies that, owing to a mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably.
17. No pension benefits that are not locked-in will be transferred to or held under the Fund.
18. The property of the Fund may not be assigned, charged, anticipated or given as security and any transaction purporting to do so is void, except for an assignment pursuant to a divorce, annulment or separation satisfying the requirements of subsection 25(4) of the Act.
19. If any part of the commuted value of the deferred pension transferred from the pension plan was determined in a manner that differentiated on the basis of sex, the Annuitant should indicate the portion below.

_____ % Yes, the preceding portion of the commuted value was determined in a manner that differentiated on the basis of sex.

20. 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.
21. The conditions of this Addendum will take precedence over the provisions in the Declaration of Trust in the case of conflicting or inconsistent provisions.
22. The Trustee, the Agent and the Annuitant hereby agree to be bound by the provisions contained in the Declaration of Trust and this Addendum.

RIF 0694
May 21, 2008

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).