



Account No.: \_\_\_\_\_

**DESJARDINS SECURITIES INC.**  
**SELF-DIRECTED FIXED-TERM ANNUITY RETIREMENT SAVINGS PLAN**

**Declaration of Trust**

Desjardins Trust Inc. (the "**Issuer**"), a legally incorporated trust company having its head office in Montreal, Province of Quebec, hereby issues for the benefit of the Annuitant a **Desjardins Securities Self-Directed Fixed-Term Annuity Retirement Savings Plan** (the "**Plan**"), the terms and conditions of which are as follows:

For the purposes herein, without confining the ultimate responsibility of the Issuer, with respect to the administration of the Plan, the Broker (the "**Agent**") hereby declares that it accepts its appointment as the Issuer's Agent, for the purposes of performing certain clerical, administrative, investment and other duties, in accordance with this contract.

For the purposes of this contract, 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 its regulations, and the Issuer will have ultimate responsibility for administering the Plan and registering it with the Canada Revenue Agency.

**Clause 2**

By way of instructions, the Annuitant or Representative will inform the Issuer or Agent 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 regulations.

The Issuer may, but shall not be bound to, require that such instructions be given in writing. Moreover, in the absence of instructions from the Annuitant or the Annuitant's representative with respect to the investment of any sum in cash or other property forming part of the Plan, the Issuer may refrain from investing the said sum or property credited to the account of the Annuitant, in which case the Issuer may dispose of any such sum or property, until it is invested or reinvested in accordance with the provisions of this contract, provided interest is paid thereon at a rate determined by the Issuer.

The Issuer shall carry out the investment instructions of the Annuitant or the Annuitant's representative in accordance with the rules and customs of the stock market or other market concerned. The Issuer shall be bound only to carry out the instructions of the Annuitant or the Annuitant's representative and to realize specific investments if the proposed investments and the documents related thereto meet its requirements for making this specific investment, with these requirements subject to modification.

The Issuer and the Agent shall assume no liability for the purchase, safekeeping or sale, resulting loss or capital loss on the said investments of the Annuitant, except in the case of negligence, dishonesty or bad faith on their part. Nor shall the Issuer assume liability for any loss or damage, direct or indirect, as a result of its failure to provide the Annuitant with information it has received with respect to the investments. 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. The Issuer shall not be liable for any taxes, fines or interest required to be paid out of the Plan for any reason whatsoever (not including any taxes, fines or interest to be paid by the Issuer, which cannot be taken from Plan assets according to the *Income Tax Act* [Canada]) or for any loss resulting from the sale or from any form of transfer of any investment forming part of the assets held in the Plan.

**Clause 3**

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 4**

The Annuitant assigns and transfers to the Issuer all present and future contributions he/she makes or will make to the Plan. At all times, the Issuer will have control of the accumulated capital for payment of the annuity.

**Clause 5**

The Annuitant shall be able to withdraw, in whole or in part, the assets held in the Plan. Nonetheless, the Annuitant acknowledges that any partial withdrawal he/she makes would lead to a correlated reduction of the Issuer's obligations with regard to payment of the annuity.

**Clause 6**

An Annuitant who signs an Application Form must declare his/her date of birth and social insurance number, and this declaration shall be considered a commitment by the Annuitant to provide any further proof or evidence that may subsequently be required.

**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, using the following computation method:

$$\text{Payment} = \text{deposit} / \left( \frac{1 - [1 + i]^{-n}}{i} \right)$$

where:

i = annual interest rate

n = term of the annuity

**Clause 8**

Subject to the provisions of clauses 14 and 19 below, the Issuer shall invest, use and apply the assets held in the Plan in their entirety to ensure an annuity as described hereafter. No retirement income under the Plan may be transferred or assigned in whole or in part. Under the Plan, and no later than the end of the calendar year in

which the Annuitant reaches the age limit set out in the *Income Tax Act* (Canada), the Annuitant during his/her lifetime, or his/her spouse or common-law partner after the death of the Annuitant, shall receive a fixed-term annuity up to age ninety (90). The maximum term of such an 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.

Annuity payments pursuant to the preceding paragraph may not begin before the day the Annuitant reaches age sixty (60).

Upon maturity of the Plan, no benefit shall be paid to the Annuitant except in the form of retirement income, as provided for under this contract. However, if the monthly annuity payments are less than \$25, the said payments shall be discounted, and the said Plan shall be settled with a lump-sum payment.

**Clause 9**

Payment of a retirement income to the Annuitant shall be made in the form of equal payments at periodic intervals not exceeding one (1) year, until such time as a payment is made resulting from full or partial commutation of retirement income and, thereafter, where commutation is partial, payment of the retirement income shall be in the form of equal payments to be made at periodic intervals not exceeding one (1) year.

**Clause 10**

Any payment resulting from the partial or total commutation of retirement income must be made to the Annuitant or, if the Annuitant is deceased, to the Annuitant's spouse or common-law partner.

**Clause 11**

Total annuity payments to be made in a year after the death of the Annuitant must not exceed total payments to be made in a year prior to his/her death.

**Clause 12**

Upon the Annuitant's death, any annuity that is payable under the Plan and that becomes payable to a person other than the spouse or common-law partner of the Annuitant must be commuted.

**Clause 13**

No premium shall be paid after maturity of the Plan.

**Clause 14**

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

**Clause 15**

The Plan may not be assigned or pledged as security, in whole or in part, nor may any retirement income be assigned in whole or in part or pledged as security.

**Clause 16**

The Issuer shall, on written application made by the Annuitant's spouse or common-law partner, pay the person making the application from the proceeds of disposal of the Plan's assets the amount required to reduce the tax that 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/her spouse or common-law partner to ensure that the amount contributed does not exceed the maximum permitted deduction under the *Income Tax Act* (Canada).

The Issuer shall not be required to verify the total amount of contributions made by the Annuitant or by his/her spouse or common-law partner, and only the Annuitant or his/her spouse or common-law partner will be responsible for any consequences resulting from the provisions of Part X.1 of the *Income Tax Act* (Canada) or from disposal of all assets in the Plan, including any penalty charged in the event of redemption prior to maturity and any loss suffered by the Annuitant.

**Clause 17**

No later than March 31 of each year, the Issuer shall provide the Annuitant or the Annuitant's spouse or common-law partner with a receipt showing the premiums paid by the Annuitant or the Annuitant's spouse or common-law partner regarding the previous year.

**Clause 18**

The beneficiary shall be designated on the application form. Under the Plan, if the beneficiary predeceases the Annuitant, the beneficiary's rights shall devolve to the Annuitant. The Annuitant may name another beneficiary, subject to any legal restrictions, by means of a written notice to the Issuer or its Agent. The Issuer shall not be liable as regards the validity of any change of beneficiary.

**Clause 19**

Should the Annuitant become deceased prior to the purchase of a retirement income, the Issuer shall, upon the request of the Annuitant's legal representatives, distribute the assets in the Plan, after deduction of all applicable charges, including income tax, if any, required to be withheld, for payment in a lump sum to the estate of the Annuitant, upon presentation by the representatives of discharges and other documents as may be required or as the legal advisors may request, unless there is a validly designated beneficiary of the Annuitant as provided for in Clause 18 above, in which case the property shall be distributed for payment in a lump sum to this beneficiary upon receipt of the said discharges and other documents as may be required or as the legal advisors may request.

Notwithstanding any of the above, the Issuer shall have the power to convert to cash the Annuitant's interest in the Plan to the extent necessary to pay all relevant charges, including income taxes, if any, unless proper provision for the payment thereof is made to the Issuer's satisfaction by the legal representatives of the Annuitant or by a validly designated beneficiary of the Annuitant.

**Clause 20**

The Issuer shall be entitled to receive and be paid out of the Plan all costs and charges incurred in relation to the Plan including, without limitation, any taxes paid by the Issuer in respect of non-qualified investments, as well as any penalties or interest for which the Plan may become liable for any reason whatsoever (other than taxes penalties or interest that the Issuer is liable for and that can't be deducted from the assets of the Plan in accordance with the *Income Tax Act*). The issuer shall also be paid for its services as trustee in each year at reasonable fees that it shall set. The Issuer may sell or otherwise dispose of all assets forming part of the Plan, at the price it shall deem proper for these purposes, but only to the extent necessary to cover the amount due. The Annuitant shall be liable to the Issuer for all such costs, charges and fees that exceed the total amount of the assets in the Plan.

**Clause 21**

Any notice given by the Issuer to the Annuitant shall be deemed to have been sent in due form if mailed, postage prepaid, to the Annuitant at his/her address indicated in the application form or at any other address that the Annuitant may indicate in writing to the Issuer, and any such notice shall be deemed to have been sent two (2) working days after it was mailed.

**Clause 22**

The terms of the Plan shall be binding on the heirs, executors, administrators and assigns of the Annuitant, as well as on the successors and assigns of the Issuer.

**Clause 23**

The Issuer may resign from its duties and be relieved of any other obligation or responsibility under the terms of this contract upon three (3) months' prior written notice to the Annuitant, or upon shorter notice deemed acceptable by the Annuitant.

The Issuer may appoint as successor trustee, under the terms of this contract, any corporation qualified to act as trustee in accordance with the *Income Tax Act* (Canada) and, if applicable, with any provincial 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, with the date set no later than the sixtieth (60th) day after written notice of the appointment has been sent to the annuitants. On the effective date of the appointment, the Issuer shall transfer all assets in the Plan to its successor and shall provide all information and documents required for its management and registration, in accordance with the *Income Tax Act* (Canada) and, if applicable, with any provincial tax legislation. Starting on the date of appointment, the successor trustee shall assume all the duties and responsibilities of the Issuer, which shall be discharged from all obligations and responsibilities of the Issuer, which shall be relieved of all obligations and responsibilities as trustee under the terms of this contract.

The Annuitant may, in like manner, relieve the Issuer of its duties and appoint a qualified successor in accordance with the provisions of the *Income Tax Act* (Canada) and, if applicable, with any provincial tax legislation. In this instance, the Issuer must transfer the assets it holds under the terms of this contract to the new trustee within three (3) months following receipt from the Annuitant of a notice in writing with respect to the change of trustee.

**Clause 24**

The Issuer may amend this Plan to ensure that it complies at all times with the conditions of registration under the *Income Tax Act* (Canada) and, if applicable, under any provincial tax legislation. Furthermore, the Issuer may, at its option, from time to time, amend the terms and conditions of the Plan, including any application and/or modification of the fees, but the Issuer agrees to send thirty (30) days' prior written notice to each annuitant before applying the said amendment(s). It is expressly agreed between the parties to this contract that if one or more of the provisions herein are null or declared to be null, this contract shall nevertheless remain in force, and only the provisions that are null or declared to be null shall be considered non-existent for the purposes of this contract.

**Clause 25**

The Issuer shall be accountable only for reasonable diligence in the management of the assets held in the Plan and shall not be answerable for any act carried out in connection with these assets, except for wilful negligence or fraud. Without diminishing the responsibility of the Issuer, the latter may delegate to other persons the performance of clerical, administrative or other duties under the terms of this contract. To the extent that these duties have been delegated, the Issuer is fully relieved of their performance. The Issuer may pay to any person to whom it delegates the said duties all or part of the fees it collects under the terms of this contract.

**Clause 26**

The terms of this contract shall be governed by the laws of the Province of Quebec and by the *Income Tax Act* (Canada), as well as by applicable provincial legislation.

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2013

RSP 168-067  
Desjardins Securities Self-Directed Fixed-Term Annuity  
Retirement Savings Plan