

**DECLARATION OF TRUST**  
**NATIONAL BANK SAVINGS AND INVESTMENTS INC. SELF-DIRECTED RETIREMENT INCOME FUND**

1. **Definitions.** For the purposes hereof, the terms set out below have the following meanings:

- a) **Agent:** National Bank Savings and Investments Inc., being designated as such under Section 12a) hereof.
- b) **Annuitant:** The person whose name is indicated as such in the Application and, after their death, the Spouse, if he or she is alive and has been designated or, if applicable, authorized in accordance with subsection 146.3(1) of the *Income Tax Act* (Canada) (also referred to herein as the “**Successor Annuitant**”).
- c) **Application:** The account opening form (request for registration) completed and signed by the Annuitant.
- d) **Assets in the Fund:** All assets of any nature whatsoever which make up the Fund, including assets transferred to the Fund in accordance with the provisions of Section 4 hereof, as well as the investment earnings generated or realized during the administration of the Fund by the Trustee.
- e) **Beneficiary:** A person who, pursuant to the applicable laws, is legally entitled to receive Assets in the Fund or proceeds from the disposition of Assets in the Fund in the case of the death of the Annuitant, such as the Annuitant’s Spouse, estate, designated beneficiary, or legal representative within the meaning of the *Income Tax Act* (Canada).
- f) **Fund:** The retirement income fund established between the Trustee and the Annuitant in accordance with the terms and conditions set out in the Application, herein and in the addendum, if applicable, as amended from time to time.
- g) **RRIF:** A registered retirement income fund, as defined in the *Income Tax Act* (Canada).
- h) **RRSP:** A registered retirement savings plan, as defined in the *Income Tax Act* (Canada).
- i) **Spouse:** The spouse or common-law partner of the Annuitant, within the meaning of the *Income Tax Act* (Canada).
- j) **Tax Legislation:** The *Income Tax Act* (Canada), the corresponding legislation of the province or territory in which the Annuitant resides as indicated on the Application, and the regulations adopted thereunder.
- k) **Trustee:** Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).

2. **Establishment of the Fund.** By means of the transfer of the assets specified in the Application, in accordance with Section 4 hereof, the Annuitant establishes with the Trustee a retirement income fund for their benefit, by which the Trustee covenants to make payments to the Annuitant in accordance with this Declaration. All assets paid into the Fund as well as all investment earnings generated or realized by the Fund and invested pursuant to the provisions provided herein are used to provide retirement income to the Annuitant.

The Fund shall constitute a trust for the purposes of the Tax Legislation only, excluding any other purpose whatsoever.

The Trustee, by accepting the Application, agrees to administer the Fund in accordance with the *Income Tax Act* (Canada) and in the manner indicated herein. Subject to registration of the Fund under the *Income Tax Act* (Canada), this declaration of trust shall take effect on the date of acceptance of the Application by the Trustee.

3. **Registration.** The Trustee shall apply for registration of the Fund pursuant to the *Income Tax Act* (Canada). To this end, the Trustee is hereby authorized to rely on the information provided by the Annuitant or their Spouse, as applicable, in the Application. If any of the authorities concerned refuses to register the Fund, the Application and this Declaration shall be cancelled, and the Assets in the Fund shall be returned to the Annuitant.

4. **Assets Transferred to the Fund.** The Trustee may accept, subject to the minimum amount of consideration that may be set by

the Trustee at its sole discretion, to be transferred into the Fund, as consideration thereunder, only assets originating:

- a) from an RRSP of which the Annuitant is the annuitant;
- b) from another RRIF of which the Annuitant is the annuitant;
- c) from the Annuitant, to the extent that the consideration is an amount referred to in subparagraph 60(l)(v) of the *Income Tax Act* (Canada) and, if applicable, any equivalent provisions in the *Income Tax Act* (Canada), and in particular of any amount paid as reimbursement of premiums pursuant to the death of a Spouse, originating from an RRSP of which the Spouse of the Annuitant was the annuitant;
- d) from an RRSP or a RRIF of which the Spouse or former Spouse of the Annuitant is the annuitant, in accordance with a decree, order or judgment issued by a competent court or with a written separation agreement, relating to a division of property between the Annuitant and their Spouse or former Spouse in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership;
- e) from a deferred profit-sharing plan in accordance with subsection 147(19) of the *Income Tax Act* (Canada);
- f) from a registered pension plan of which the Annuitant is a member within the meaning of subsection 147.1(1) of the *Income Tax Act* (Canada);
- g) from a registered pension plan in accordance with subsections 147.3(5) or (7) of the *Income Tax Act* (Canada);
- h) from a specified pension plan in circumstances to which subsection 146(21) of the *Income Tax Act* (Canada) applies;
- i) from a pooled registered pension plan in accordance with subsection 147.5(21) of the *Income Tax Act* (Canada); or
- j) from a registered plan or another source not mentioned above, to the extent permitted by and in accordance with the *Income Tax Act* (Canada).

5. **Investments.** The Assets in the Fund shall be invested in investments available under the Fund in accordance with the instructions given by the Annuitant in a form deemed satisfactory by the Trustee. The Annuitant is responsible for ensuring that investments made in or transferred to the Fund are and remain qualified investments within the meaning of the Tax Legislation. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the Fund holds a non-qualified investment. The investments shall not be limited to ones authorized by the law for trustees.

The Trustee shall reinvest all distributions of net investment income in investments of the same type unless further instructions are received from the Annuitant. Notwithstanding any provision herein, the Trustee may, in its sole discretion, refuse to accept a transfer of assets or to make any investment whatsoever, especially if the Trustee believes that the investment does not comply with its standards or policies. The Trustee may also require the Annuitant to provide specific supporting documents before making certain investments under the Fund. From time to time, the Trustee may authorize additional investments available for investment by the Fund notwithstanding that such investments may not be authorized by law for trustees or may be considered a delegation of the Trustee’s investment duties.

Voting rights related to the securities of mutual funds or any other securities distributed by National Bank Savings and Investments Inc. may be exercised by the Annuitant. For this purpose, the Annuitant is hereby appointed the Trustee’s agent and attorney to execute and deliver proxies and other instruments in accordance with applicable laws.

6. **Restrictions.**

- a) **Assignment.** No payment made under the Fund may be assigned, in full or in part.
- b) **Security.** The Fund or Assets in the Fund cannot be given as collateral, by mortgage or otherwise.

- c) **Payments.** Notwithstanding any provision to the contrary, the Trustee makes only the payments described in paragraphs 146.3(2)(d) and 146.3(2)(e), 146.3(14) and 146.3(14.1) and in the definition of "retirement income fund" in paragraph 146.3(1) of the *Income Tax Act* (Canada). The Trustee is not bound to cash in an investment before its maturity for the purpose of a payment, particularly when transferring or withdrawing Assets, unless provided otherwise in the applicable laws.
- d) **Effect.** Any agreement contrary to the restrictions contained in this section shall be null and void.

7. **Payments.** Every year, no later than the year following the year of the establishment of the Fund, payments to the Annuitant shall be made from the Fund. Subject to any provision contrary to Section 9 herein or the applicable laws, these payments may only be made under the following conditions:

- a) **Annual Payments.** The total payments to the Annuitant deducted from the Fund for each year correspond to the amount the Annuitant chooses in the Application, subject to the following. The Annuitant may change the amount of the payment selected, upon notice to the Trustee in a form deemed satisfactory by the Trustee, no later than January 1 of the year in which the change is to come into effect.

The new payment amount is in effect until another notice of amendment is duly given to the Trustee. If the amount that the Annuitant chooses is lower than the minimum amount, the Trustee shall pay the minimum amount required by the *Income Tax Act* (Canada). If the amount that the Annuitant chooses is greater than the maximum amount, the Trustee shall pay the maximum amount authorized by the *Income Tax Act* (Canada). The amount chosen by the Annuitant shall then be amended to correspond to the minimum amount or maximum amount, as applicable, with respect to such year.

- b) **Minimum Amount.** In the year the Fund is established, the minimum amount required to be withdrawn from the Fund is nil. For any other year, the minimum amount shall be calculated in accordance with the *Income Tax Act* (Canada).

The Annuitant may elect to base the minimum amount on his age or their Spouse's age. The Annuitant may not make or change any such election after the first payment has been made under the Fund.

- c) **Maximum Amount.** The maximum amount that can be paid out of the Fund corresponds to the value of the Fund immediately before the payment date. In the case of a locked-in fund, the maximum amount specifically provided under the applicable laws may be lower.

- d) **Frequency.** The frequency of the payments shall correspond to the frequency selected by the Annuitant on the Application (which must be at least one payment per calendar year), which the Annuitant may change from time to time upon notice to the Trustee in a form deemed satisfactory by the Trustee.

- e) **Payment.** The Annuitant is fully responsible for ensuring that there are sufficient assets in the Fund for payments to be made in accordance with this section. If the Trustee considers that the assets available in the Fund will not be sufficient for the payments specified in this section, it can dispose of the investments of its choice, unless the Annuitant instructs otherwise no later than 30 days before the payment date.

- f) **Receipt of Payments.** The payments to the Annuitant are deemed to have been made when a direct money transfer is made to the account indicated in the Application or when a cheque payable to the Annuitant is mailed to the address indicated on the Application or to any other address or account indicated to the Trustee in writing.

- g) **Deduction.** The Trustee may deduct from payments any amount in respect of tax, interest, penalties, fees and expenses that are payable hereunder, under the Tax Legislation or other applicable laws.

- h) **No Advantage.** The Annuitant, or a person with whom the Annuitant does not have an arm's length relationship within the meaning of the Tax Legislation, may not receive any

benefit, payment or advantage, other than the benefits authorized under this Fund and the Tax Legislation.

8. **Designation of Successor Annuitant or Beneficiary (not available for retirement income funds in the Province of Quebec).** If permitted by applicable laws, the Annuitant may designate their Spouse as Successor Annuitant to receive continuing payments from the Fund after their death, in accordance with the Tax Legislation.

If permitted by applicable laws, the Annuitant may also designate one or more Beneficiaries to receive the proceeds payable under the provisions of the Fund.

A designation may only be made, amended or revoked in compliance with the applicable laws by way of a written document or instrument, dated and signed by the Annuitant, the form and content of which shall be acceptable to the Trustee, and shall specifically identify the Fund.

Any designation, amendment or revocation validly made shall come into force on the date it is received by the Trustee. If more than one designation is received, the Trustee shall consider only the designation duly signed by the Annuitant that has the most recent date.

In certain provinces and territories, this designation may not be revoked or changed automatically by a marriage, new union, divorce or separation, and a new designation may be required. It is the Annuitant's sole responsibility to get appropriate information regarding this matter and to make the appropriate amendments, as needed.

The Trustee makes no representation and cannot be held responsible, in particular in the event of the invalidity or unenforceability, in whole or in part, of a designation or its amendment or revocation by the Annuitant.

9. **Death of Annuitant.** Unless there is a Successor Annuitant, the Trustee shall, upon the Annuitant's death, dispose of the Assets in the Fund upon receipt of satisfactory evidence of the death, subject to the Tax Legislation. After deducting any applicable tax, costs of such disposition, fees or any other amounts payable hereunder, the Trustee shall pay in a lump sum the net proceeds of such disposition to the Annuitant's successors or assigns.

Notwithstanding the foregoing, in the cases and under the conditions provided for in the Tax Legislation, the Trustee may instead transfer the Assets in the Fund to one or more persons entitled thereto.

No payment or transfer of assets shall be made unless and until the Trustee receives the releases and other documents it may reasonably require.

10. **Separate Account and Statements.** The Trustee shall maintain a separate account for the Fund and shall furnish to the Annuitant annually or more frequently a statement showing, for each period, the payments made to the Annuitant, the Assets in the Fund, the value of the Fund, the income earned by the Fund, the fees debited from the account since the last statement, the balance of the account, as well as any other information deemed relevant by the Trustee.

The Trustee shall annually provide the Annuitant with information returns regarding the payments made from the Fund in accordance with the *Income Tax Act* (Canada).

11. **Transfer of Assets.** Upon receipt of instructions from the Annuitant in a form deemed satisfactory by the Trustee, and subject to other conditions and restrictions specified in the applicable laws, the Trustee shall transfer, in the manner prescribed by the *Income Tax Act* (Canada), all or part of the Assets in the Fund or an amount equivalent to the value of such assets at that time, as well as all information necessary for the continuance of the Fund, to a registered pension plan in favour of the Annuitant and in which the Annuitant is a member or to an RRSP or a RRRIF of which the Annuitant is the annuitant, after deducting all amounts to be retained in application of paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the *Income Tax Act* (Canada), as applicable, as well as any fees and disbursements to which the Trustee is entitled.

The Annuitant may also, under the same conditions, request that the Assets in the Fund be transferred to an RRSP or to a RRRIF in

which their Spouse or former Spouse is the annuitant under a written separation agreement, a decree, an order or a judgment issued by a competent court for the division of property further to the breakdown of the Annuitant's marriage or common-law union.

These transfers shall take effect in accordance with applicable laws and within a reasonable time after the necessary formalities have been satisfied.

## 12. Provisions Regarding the Trustee.

**a) Delegation of Powers.** The Trustee may delegate any of its powers or duties to its agents, namely National Bank Savings and Investments Inc. (the "Agent"). In such a case, the agents may receive all or part of the fees to which the Trustee is entitled under these terms. However, it is understood that the ultimate responsibility for administering the Fund remains vested in the Trustee.

**b) Withdrawal of Trustee.** The Trustee may resign from its duties upon at least 30 days' prior notice given to the Annuitant in the manner set out in Subsection 13e) hereof and provided a replacement carrier has accepted the responsibility. Such replacement carrier must be a body corporate resident in Canada and duly authorized by applicable laws to act in that capacity.

**c) Fees and Expenses.** The Trustee is entitled to receive fees and other charges it prescribes from time to time, which may be directly charged against and deducted from the Assets in the Fund. These fees and charges may be demanded upon the termination of the Fund, the transfer or withdrawal of Assets in the Fund or any other event that the Trustee may reasonably determine. These fees are disclosed to the Annuitant in accordance with the applicable laws.

Similarly, the Trustee is entitled to be reimbursed by the Annuitant for all fees, out-of-pocket expenses and costs incurred by it or its agents in connection with the administration of the Fund or the production of any tax statements or other documents required under the Tax Legislation. The Annuitant shall reimburse the Trustee for any overdraft resulting from the payment of such fees, out-of-pocket expenses and costs within 30 days of the date the Annuitant is notified thereof. Should the Annuitant fail to make such reimbursement on time, the Trustee may, but without being bound to do so, dispose of the Assets in the Fund, without any further notice to the Annuitant and, on such conditions as it may determine, apply the proceeds of such disposition to the payment of sums due.

The reimbursement of any and all taxes, interest or penalties payable may be directly charged against and deducted from the Assets in the Fund but only to the extent allowed under the Tax Legislation. The Trustee may, but without being bound to do so, dispose of the Assets in the Fund without any further formality and on such conditions as it may determine and apply the proceeds of such disposition to the payment of such taxes, interest or penalties.

The Annuitant shall be accountable to the Trustee for all fees, expenses and other amounts payable that exceed the Assets in the Fund.

**d) Liability and Compensation.** The Annuitant or his or her assigns or Beneficiaries, shall at all times indemnify the Trustee and the Agent in respect of any and all taxes, interest, penalties, assessments, fees (including legal and attorney fees), costs, expenses, overdrafts, claims and demands made in relation to the Fund, as permitted by the Tax Legislation.

The indemnity may be collected from the Assets in the Fund unless prohibited by the applicable laws. Otherwise, the indemnity must be paid within 30 days of the date the Trustee or Agent makes the claim.

Unless otherwise specified in applicable laws, herein or an addendum, and without limiting the scope of the provisions of other agreements and conditions entered into with the Annuitant, including the NBSI Investment Account Agreement, neither the Trustee nor the Agent shall be liable for any losses incurred or damage suffered by the Fund, the

Annuitant, a Beneficiary or any other person, resulting from any of the following:

- i) a loss of value of the Assets in the Fund
- ii) the acquisition, retention or disposition (sale) of an investment
- iii) a payment from the Fund, the liquidation of the Fund, a withdrawal, transfer or other distribution of Assets
- iv) the execution or not of instructions given to the Trustee or the Agent

unless the losses or damages are caused by bad faith, wilful misconduct, gross negligence or, in Quebec, gross or intentional fault by the Trustee or the Agent.

Moreover, the Trustee and the Agent cannot be held liable for any particular, indirect, punitive, incidental or consequential loss or damages, regardless of the cause.

**e) Instructions.** The Trustee shall be empowered to act on the instructions received from the Annuitant or any other person designated by the Annuitant or whom it believes in good faith to have been given by them, whether transmitted in person, by telephone, mail, fax or any other electronic means.

## 13. Various Provisions.

**a) Amendments.** The Trustee may, in its sole discretion, amend the terms of the Fund (i) to comply with a requirement of an applicable law, or (ii) by giving the Annuitant 30 days' written notice. However, such an amendment must not render the Fund ineligible as a RRIF within the meaning of *Income Tax Act* (Canada).

**b) Evidence.** The recording of the date of birth of the Annuitant or of their Spouse on the Application shall constitute sufficient certification of such age, subject to any further evidence which may be required thereof.

The Trustee reserves the right to require the Annuitant, the Successor Annuitant or any other person claiming to be a Beneficiary, as applicable, to provide, at the appropriate time and at their own expense, satisfactory evidence of age or of any information that may be relevant to their rights or interests in respect of the Fund.

**c) Binding.** The terms and conditions hereof shall be binding upon the Annuitant's heirs, legal personal representatives and assigns, and upon any successors and assigns of the Trustee. Notwithstanding the foregoing, if the Fund or the Assets in the Fund are transferred to a replacement carrier, then the terms of such replacement carrier's declaration of trust or agreement shall govern the Fund thereafter.

**d) Interpretation.** Wherever the context so requires, a word used in the masculine gender shall include the feminine or neuter and the singular shall include the plural, and vice versa.

**e) Notices.** Any notice to the Trustee under these terms is validly given if delivered or mailed to National Bank Savings and Investments Inc., at 800 Saint-Jacques Street, Suite 66031, Montreal, Quebec H3C 1A3, or to any other address that the Trustee may occasionally indicate in writing. The notice takes effect only on the day it is actually delivered to or received by the Trustee. Any instruction, notice or written information given to the Trustee will be considered valid only if its form is deemed satisfactory by the Trustee.

Any notice, statement or receipt by the Trustee to the Annuitant, the Annuitant's Spouse or any person authorized to receive notice under the Fund may be mailed to the address recorded in the books of the Trustee with respect to the Fund. Any notice, statement or receipt so mailed shall be deemed to have been given the fifth day after the day of mailing.

**f) Declaration of Non-Residency.** The Annuitant must and undertakes to immediately notify the Trustee if they are or become a non-resident of Canada.

**g) Applicable Laws.** The Fund shall be governed and construed in accordance with the laws applicable in the province or

territory where the Annuitant resides, as indicated in the Application, including the Tax Legislation.

In Quebec, the Fund shall not in any way constitute a trust within the meaning of the *Civil Code of Quebec*. Given the particular nature hereof and the rules created hereby, the rules of Title VII of Book IV of the *Civil Code of Quebec* relating to the administration of the property of others shall not apply to the Trustee.

**14. Locked-in Arrangements.** Assets in the Fund that are locked in shall be accounted for separately and shall be subject to additional terms and conditions. These additional terms and conditions are part of the Fund terms from the date locked-in assets are transferred to the Fund. Subject to Tax Legislation, in the event the terms and conditions of the Fund, as set out herein, are not compatible with the additional terms and conditions, said additional terms and conditions shall take precedence.