

CAISSES/CREDIT UNIONS RETIREMENT SAVINGS PLAN

APPLICATION FORM

Declaration of trust (1 of 2)

WHEREAS the annuitant wishes to subscribe to the Caisses/Credit Unions retirement savings plan (hereinafter referred to as the "Plan") in accordance with the *Income Tax Act* (Canada), and any applicable income tax legislation in the province designated in the annuitant's address in this application (hereinafter referred to as the "Applicable Tax Legislation");

WHEREAS DESJARDINS TRUST INC., (hereinafter referred to as the "Issuer"), a corporation having its head office in Montréal, Province of Québec hereby agrees to be the issuer of the annuitant;

WHEREAS for the purposes hereof, the terms "spouse", "common-law partner", "annuitant", "maturity" and "retirement income" have the meanings assigned to them in the Applicable Tax Legislation;

WHEREAS for the purposes hereof, the term "shares" has the meaning assigned to it by the applicable caisses and credit unions legislations.

NOW THEREFORE, the annuitant and the Issuer agree as follows:

Clause 1. The Plan shall comply with the Applicable Tax Legislation and the Issuer will have the ultimate responsibility to administer the Plan and to apply for its registration with the Canada Revenue Agency and, if applicable, with the provincial government of the province designated in the annuitant's address in this application.

Clause 2. The annuitant or his/her spouse or common-law partner may make periodic contributions (hereinafter referred to as the "Contributions") to the Issuer in lawful money of Canada. The Contributions shall be in Canadian dollars and shall be held by the Issuer on behalf of the annuitant until maturity of the Plan. These Contributions shall be deposited by the Issuer in a retirement savings account at a caisse/credit union chosen by the annuitant.

Clause 3. It is the responsibility of the annuitant or his/her spouse or common-law partner to ensure that the amount of his/her Contributions does not exceed the maximum permitted under the Applicable Tax Legislation.

The Issuer shall, upon written application made by the annuitant or his/her spouse or common-law partner, repay the applicant, from the proceeds of the disposal of the assets of the Plan, such amount as is required to reduce the tax that would otherwise be payable under Part X.1 of the *Income Tax Act* (Canada).

The Issuer shall not be required to verify the total amount of Contributions made by the annuitant or his/her spouse or common-law partner and the annuitant or his/her spouse or common-law partner shall assume full responsibility for any tax consequences resulting from the provisions of Part X.1 of the *Income Tax Act* (Canada) or from the realization of all of the assets under the Plan, including any penalty charged in the event of redemption prior to maturity and any loss suffered by the annuitant.

Clause 4. The interest generated by the funds accumulated in the Plan shall be automatically reinvested in such Plan.

Clause 5. The Issuer shall keep a register and shall enter the cumulative balance of the contributions, income and assets held in the Plan on behalf of the annuitant.

Clause 6. The Issuer shall send the annuitant or his/her spouse or common-law partner, as applicable, a receipt which the annuitant or his/her spouse or common-law partner, as applicable, shall file with his/her income tax return to justify the deduction claimed.

Clause 7. No benefit shall be paid to the annuitant prior to maturity of the Plan, other than a refund of premiums or a payment to the annuitant.

Clause 8. After maturity of the Plan, no benefit shall be paid to the annuitant except in the form of retirement income, in the form of full or partial commutation of retirement income under the Plan, or in respect of a commutation provided for in the Applicable Tax Legislation.

Clause 9. Payment of retirement income to the annuitant shall not be made except by way of equal payments to be made at periodic intervals not exceeding one year, until such time as there is only one payment arising from the full or partial commutation of retirement income and, thereafter, in the form of equal payments to be made at periodic intervals not exceeding one year.

Clause 10. No periodic payments shall be made under an annuity in a year after the death of the first annuitant where the total payments exceed the payments to be made in a year to his/her death.

Clause 11. No retirement income under the Plan may be assigned in whole or in part.

Clause 12. No premium shall be paid after maturity of the Plan.

Clause 13. Designation of Beneficiary

Subject to Applicable Laws, the annuitant may designate a beneficiary to receive the Plan proceeds on the annuitant's death prior to the purchase of a retirement income. A beneficiary designation may only be made, changed or revoked under the Plan by the annuitant in a format required by the Issuer for this purpose. Such designation must adequately identify the Plan and be delivered to the Issuer prior to any payment. The annuitant acknowledges that it is his or her sole responsibility to ensure the designation is valid under the laws of Canada, its provinces or territories.

Clause 14. Death of Annuitant

If the annuitant dies before the purchase of a retirement income, upon the receipt of estate documents by the Issuer, which are satisfactory to the Issuer:

- (a) if the annuitant has a designated beneficiary, the Plan proceeds will be paid or transferred to the designated beneficiary, subject to the applicable laws. The Trustee will be fully discharged by such payment or transfer, even though any beneficiary designation made by the annuitant may be invalid as a testamentary instrument; and
- (b) if the annuitant's designated beneficiary has died before the annuitant or if the annuitant has not designated a beneficiary, the Issuer will pay the Plan proceeds to the annuitant's estate.

Clause 15. No advantage that is conditional on the existence of the Plan shall be granted (except as provided for in Applicable Tax Legislation) to the annuitant or to a person with whom he or she was not dealing at arm's length as defined in the Applicable Tax Legislation.

Clause 16. Any annuity payable under the Plan which would otherwise be payable to a person other than an annuitant under the Plan shall be commuted.

Clause 17. The Issuer is entitled to be reimbursed from the assets of the Plan for its fees as well as all charges and expenses incurred in connection with the Plan including and without restriction, any fines and any interest that may be payable by the Plan for any reason whatsoever (other than penalties or interest that the Issuer is liable for under the *Income Tax Act* (Canada) and that can't be deducted from the assets of the Plan).

The Issuer shall be entitled to collect fees for administering the said Plan, which fees the annuitant acknowledges to know and which shall be deducted from the contributions and assets held on behalf of the annuitant. The annuitant hereby authorizes the Issuer to collect the sums required for such purpose from the funds held and new contributions made to the Plan or, in the absence thereof, from the redemption price of shares. Prior written notice shall be sent to the annuitant at least thirty (30) days before any change in the schedule of fees takes effect.

Clause 18. If the annuitant, by the end of the year he or she attains the age limit as provided in the *Income Tax Act* (Canada), has not provided written instructions to the Issuer indicating the type of retirement income he or she wishes to receive, the assets of the Plan shall be transferred to a Caisses/Credit Unions Retirement Income Fund.

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Clause 19. An annuitant who signs an Application Form must declare his/her date of birth and social insurance number, which declaration shall be considered a commitment by such annuitant to provide any further information or documentation as may subsequently be required.

Clause 20. Except in the event of gross negligence on its part, the Issuer shall not be liable for any act or omission, nor for any loss or depreciation in the value of the investments.

Clause 21. Without limiting the generality of the foregoing and notwithstanding any provisions contained herein, the Issuer shall not be required to verify the total amount of contributions made by the annuitant or his/her spouse or common-law partner to the Plan during a taxation year; the annuitant or his/her spouse or common-law partner shall assume full responsibility for any tax consequences resulting from excess contributions or from the realization, in whole or in part, of the assets of the Plan, or from any assignment of any asset forming part of the Plan, including any penalty charges in the event of redemption prior to maturity and any loss sustained by the Plan.

Clause 22. The Issuer may resign as Issuer and be discharged from all further obligations and liabilities under this Plan, upon giving ninety (90) days' prior written notice to the annuitant.

The Issuer may appoint as successor issuer, under the terms hereof, any financial corporation qualified to act as issuer in accordance with such a contract, the provisions of the Act, of the *Income Tax Act* (Canada) and, where applicable, of any provincial income tax legislation. Such appointment shall take effect on the date specified in the instrument of appointment whereby the said corporation is appointed successor issuer and accepts the appointment, such date to be fixed no later than sixty (60) days after written notice of the appointment has been sent to the annuitant. On the effective date of the appointment, the Issuer shall transfer the assets held under the Plan to its successor. It is, however, understood that the Issuer shall not be obliged to effect the prepayment of the said assets before transferring them.

Furthermore, the Issuer shall provide all the information and documents required for its management and registration, in accordance with the provisions, of the *Income Tax Act* (Canada) and, where applicable, of any provincial income tax legislation. Effective on the date of such appointment, the successor issuer shall assume all the duties and liabilities of the Issuer, which shall be discharged from all its obligations and liabilities hereunder.

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, where applicable, of any provincial income tax legislation.

In such a case, the Issuer must, no later than thirty (30) days following the request by the annuitant, transfer the assets it holds under the Plan to its successor. It is, however, understood that the Issuer shall not be obliged to effect the prepayment of the said assets before transferring them.

Clause 23. The Issuer may amend this Agreement to ensure that it complies at all times with the conditions of registration under the Applicable Tax Legislation.

Furthermore, the Issuer may, at its option, amend the terms and conditions of this Agreement from time to time and undertakes to forward a thirty (30)-day notice in writing to each annuitant prior to putting the said amendment(s) into effect.

Clause 24. This Plan shall be governed in accordance with the laws of the province of residence of the annuitant and the *Income Tax Act* (Canada).

DESJARDINS TRUST INC.

1 Complexe Desjardins
P.O. Box 34, Desjardins Station
Montréal (Québec) H5B 1E4

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