

TRUST AGREEMENT

Natcan Trust Company, a trust company constituted under the laws of Canada and having its head office in Montreal, Quebec, hereby declares that it accepts to act as the Trustee under the terms of this National Bank Trust Group Retirement Income Fund on behalf of the Annuitant as defined in the *Income Tax Act* named on the face hereof.

1. **Definitions.** For the purposes hereof, the words or terms set out herein below shall have the following meaning:

- a) **Annuitant:** The member whose name appears on the Application. Indication of the Annuitant's date of birth on the Application shall constitute sufficient certification of such age, subject to any further evidence which could be required from the Annuitant.
- b) **Application:** The application form for membership in the Fund, completed and signed by the Annuitant on the back of this page.
- c) **Assets of the Fund:** All property of any nature whatsoever which comprises the Fund, including the property transferred to the Fund in accordance with the provisions of Section 4 hereof, as well as any income, capital gains and gains of any type whatsoever, generated or realized in connection with the administration of the Fund by the Trustee.
- d) **Designated Address:** the address designated by the Trustee for the purposes of receiving all amounts to be invested in the Fund and all requests, directives or instructions under this agreement is: PO Box 1907, Station Terminus, Quebec City, Quebec G1K 7M3.
- e) **Contractholder:** The employer, association, union committee or business whose name is indicated on the Application and which has been designated by the Annuitant as agent to represent him in dealings with the Trustee.
- f) **Fund:** The National Bank Trust Retirement Income Fund established by the Trustee for the benefit of the Annuitant in accordance with the terms and conditions mentioned in the Application and herein, as it may be amended from time to time by the Trustee in accordance with Section 13 hereof.
- g) **Spouse:** the spouse or common-law partner as defined in Tax Legislation.
- h) **Tax Legislation:** The *Income Tax Act* (Canada) and the corresponding statute of the province where the Annuitant resides.
- i) **Trustee:** Natcan Trust Company

2. **Constitution of Fund.** By way of transfer by the Annuitant, or his Spouse if applicable, (if the Annuitant declares on the Application that the assets transferred to the Fund come exclusively from his spouse), of the assets indicated in the Application from the Registered Retirement Savings Plans of which the Annuitant or his Spouse, as applicable, is the annuitant or from any other source permitted by the Tax Legislation, as specified in Section 4 hereof, the Annuitant creates a trust with the Trustee to establish a Retirement Income Fund for his benefit in order to receive a retirement income. All assets paid into the Fund, together with any income, capital gains or gains of any nature whatsoever, generated or realized by the Fund, held in the Fund by the Trustee, and invested pursuant to the terms and conditions provided herein, shall be applied in such a manner as to obtain a retirement income for the Annuitant in accordance herewith.

Additionally, the Fund or the Assets of the Fund are subject to the following restrictions:

- a) **Assignment:** The Annuitant acknowledges that no payment from the Fund or the Assets of the Fund or the rights and benefits therefrom may be assigned in whole or in part.
- b) **Security:** Neither the Fund nor the Assets of the Fund may be pledged, assigned or alienated in any way as security for a loan or for any purpose other than that of making payments of retirement income to the Annuitant under the terms of the Agreement.
- c) **Effect:** Any agreement intended to violate or attempting to violate the restrictions contained herein is void.

The Trustee, by way of its acceptance on the Application, agrees to act as Trustee and administer the Fund under the Tax Legislation in the manner stipulated herein. Subject to registration of the Fund under the Tax Legislation, the Agreement shall take effect on the date of acceptance by the Trustee on the Application.

3. **Registration.** The Trustee shall apply for registration of the Fund under the Tax Legislation. In the carrying out of the registration, the Trustee is hereby authorized to rely exclusively on the information which the Annuitant or his Spouse, if applicable, has provided in the Application. If any of the authorities concerned refuse this registration, the Application and this Agreement shall be cancelled, and the assets transferred to the Fund by the Annuitant or his Spouse, if applicable, shall be returned to him in accordance with his instructions.

4. **Assets Transferred to the Fund.** The Trustee may not accept as consideration assets other than those transferred from:

- a) a registered retirement savings plan (RRSP) under which the Annuitant is the annuitant;
- b) another registered retirement income fund (RRIF) under which the Annuitant is the annuitant;
- c) the Annuitant, to the extent that the consideration is a sum as prescribed at paragraph 60(1)(v) of the *Income Tax Act* (Canada), notably, any sum paid to refund the premiums, within the meaning of this Act, following the death of the Spouse, from a registered retirement savings plan (RRSP) of which the Annuitant's Spouse was the annuitant;
- d) a registered retirement savings plan (RRSP) or a registered retirement income fund (RRIF) under which the Annuitant's Spouse or former Spouse is the annuitant under a decree, order or judgment rendered by a competent tribunal, or under a written separation agreement relating to a division of property between the Annuitant and his Spouse or former Spouse in settlement of rights arising out of their marriage or after the breakdown thereof;
- e) a registered pension plan (RPP), under the circumstances set out in the Tax Legislation;
- f) a specified pension plan, under the circumstances set out in the Tax Legislation.
- g) a deferred profit-sharing plan (DPSP), under the circumstances set out in the Tax Legislation.
- h) a pooled registered pension plan (PRPP), under the circumstances set out in the Tax Legislation.

The Trustee may determine the minimum amount of the consideration to be transferred to the Fund.

5. **Investments.** The Assets of the Fund are invested in investments eligible for the Fund under the Tax legislation in accordance with Section 4 hereof and shall be invested in the investment vehicles chosen by the Annuitant. The Trustee shall exercise the same care, diligence and competence as a prudent person so as to minimize the possibility of the Fund holding non-qualified investments.

The investment vehicles shall be those, which the Trustee or its agents may offer to the Annuitant from time to time. However, the Trustee reserves the right to discontinue certain investment vehicles. The Trustee may also offer new investment vehicles provided that such investments comply with the provisions of the Tax Legislation as well as the regulations pertaining thereto. Failing the receipt of relevant instructions from the Annuitant, the Trustee may invest the Assets of the Fund in an investment vehicle designated to this effect by the Trustee until it receives such instructions.

The Annuitant may give orders to the Trustee to exchange investment vehicles of the Fund for any other investment vehicle subject to any restrictions with respect to minimum amounts, as specified in the regulations governing the said vehicles.

The Trustee, its agents and its representatives shall not be liable for any loss or decline in the value of the investments in the Fund, or during the liquidation of all or part of the Assets of the Fund.

The Trustee may maintain any investment in the Fund, in all instances to be determined by the Trustee, in its own name, in the name of an agent or under any other name chosen by the Trustee.

6. **Payments.** Pursuant to the Tax Legislation, the Trustee shall make payments to the Annuitant or, if the Annuitant has so chosen, in accordance with this Agreement or the Annuitant's will, to the Annuitant's Spouse after the death of the Annuitant.

Each year, commencing no later than the first calendar year immediately following the year in which the Trustee accepts the Annuitant's Application, the Trustee shall make payments under the Fund to the Annuitant. However, unless otherwise authorized under the Tax Legislation, the said payments shall be made only pursuant to the following conditions:

- a) The term "minimum payment" means the minimum amount which is to be withdrawn from the Fund during each year following the year in which the Fund was created, calculated as set out in subsection 146.3(1) of the *Income Tax Act* (Canada);
- b) The total payments for each year shall be such amount as the Annuitant shall have chosen on the face hereof or which the Annuitant shall choose from time to time (additional payment) by way of a written notice given to the Trustee in the form which the Trustee shall deem acceptable and subject to the Tax Legislation; each payment may not however exceed the value of the Assets held in the Fund immediately before the payment date;
- c) The amount chosen by the Annuitant for each year may not be less than the minimum payment. If the Annuitant failed to exercise any choice or if the Annuitant were to choose an amount less than the minimum payment for any one year, the amount chosen would then be deemed to be equal to the minimum payment for such year;
- d) No minimum payment shall be withdrawn for the year in which the Fund is created.

Subject to sections 8 and 10 hereof, and in spite of any provision to the contrary, the Trustee shall not make any payment other than those defined in the preceding paragraphs or those defined in paragraphs 146.3(2)(d) and 146.3(2)(e), in subsections 146.3(14) and 146.3(14.1), and in the definition of « retirement income fund » at subsection 146.3(1) of the *Income tax Act* (Canada).

The payment frequency shall not be less than one payment per calendar year nor more than one payment per calendar month. The Annuitant may amend the payment frequency for the following calendar year upon prior written notice of one calendar month in the form deemed by the Trustee to be satisfactory.

The payments may be made by cheque or direct deposit; they shall be payable in the lawful money of Canada and they shall not bear interest after the payment date after all applicable taxes, if any, have been deducted.

7. **Conversion of Assets into Cash.** If the Trustee is of the opinion that the cash in the Fund is or seems to be insufficient to meet the minimum payments which must be made, the Trustee shall, at its discretion, convert a sufficient portion of the Assets of the Fund into cash in order to meet the minimum payments and apply the proceeds of such conversion to the minimum payments.

Furthermore, the Trustee may, at its discretion, convert a sufficient portion of the Assets of the Fund into cash in order to also meet the additional payments provided that the investments of the Fund so permit.

8. **Death of the Annuitant.** If, upon the Annuitant's death, a person other than his Spouse is designated as the beneficiary of the Assets of the Fund in the Application or under the provisions of the Annuitant's will, as the case may be, and in accordance with the applicable legislation, the payments provided for herein shall cease to be paid as soon as the Trustee receives notice of the Annuitant's death. Upon receipt of the documents or instructions which the Trustee may deem necessary, the Trustee shall then distribute an amount equal to the value of the Assets of the Fund at that time pursuant to the Tax Legislation, after deducting all fees and out-of-pocket expenses as well as all applicable taxes, if any, to the beneficiary thus designated or in the absence of such designation, to the legal representatives of the Annuitant.

The Annuitant may elect, pursuant to the Application or under the provisions of the Annuitant's will, as the case may be, that upon his death, the payments shall continue to be made to his Spouse in accordance with the applicable legislation. In such case, upon the Annuitant's death, the Spouse shall become the new Annuitant of the Fund and shall receive the payments. The payments shall cease to be made as soon as the Trustee receives notice of death of the new annuitant. The Trustee shall then distribute an amount equal to the value of the Assets of the Fund at that time, after deducting all fees and out-of-pocket expenses as well as all applicable taxes, if any, to the legal representatives of the Spouse who became the annuitant, subject to the receipt of the documents mentioned in the previous paragraph.

The designation of the beneficiary may be made, amended or revoked solely in compliance with the applicable legislation by way of a written document or instrument in a form acceptable to the Trustee, which shall be signed by the Annuitant and shall adequately identify this Fund provided this document is delivered to the Trustee, at the Designated Address, before the Trustee makes any payment whatsoever from the proceeds of this Fund.

9. **Accounts.** The Trustee shall hold a separate account in trust for the Fund and shall furnish to the Annuitant a periodic statement of this account. The Trustee shall furthermore supply to the Annuitant all income tax slips certifying the payments made from the Fund in the calendar year.

10. **Transfer.** Upon receipt of written instructions from the Annuitant, the Trustee shall transfer, as prescribed by the Tax Legislation, an amount equal to the value of the Assets of the Fund at the time the instructions are given, as well as all information necessary for the continuance of the Fund, to any person legally authorized to become the carrier under any other registered retirement income fund (RRIF) of which the Annuitant is the annuitant, after deducting all amounts to be retained under paragraph 146.3(2)(e.1) or 146.3(2)(e.2) of the *Income Tax Act* (Canada) as well as all fees and out-of-pocket expenses to which the Trustee is entitled. As soon as the transfer has been completed, the Trustee its agents

and its representatives shall be fully released from any liability under the Fund.

It is however understood that the Trustee, its agents and its representatives shall not be obliged at any time to redeem the said investments prior to maturity before transferring the same.

11. Trustee.

a) **Delegation of Powers.** The Annuitant expressly authorizes the Trustee, at its discretion, to delegate all or part of its duties, including those set out hereafter, to its agents who shall receive all or a part of the fees to which the Trustee is entitled under this Agreement:

- i) invest and reinvest the contributions in the Fund, the income and capital gains produced by the Fund and the Assets of the Fund;
- ii) hold any security for all or part of the Assets of the Fund;
- iii) maintain records for the Fund and accounting for the aggregate of the Assets of the Fund and provide the Annuitant at reasonable intervals, with the statements of account for the Fund;
- iv) prepare any form required by the Tax Legislation; and
- v) any other duty within the scope of the Fund deemed, at the Trustee's discretion, to be useful.

The Trustee shall be ultimately accountable for the administration of the Fund provided however, that this does not prejudice, in any way whatsoever, the rights of the Trustee with respect to any third person or in the context of any mandate, contract or other agreement with any third person with respect to the Fund.

b) **Resignation.** The Trustee may at any time resign as the Trustee by giving sixty (60) days' notice to the Annuitant, and upon expiry of such sixty (60) day period, it may transfer, in accordance with the procedure described in Section 10 hereinabove, an amount equal to the value of the Assets of the Fund to any other carrier under the Tax Legislation in compliance with the written instructions of the Annuitant.

c) Remuneration and Indemnification

- i) The Trustee shall be entitled to remuneration for the services rendered hereunder in keeping with its fee schedule in effect from time to time and of which the Annuitant acknowledges that he is aware. The fee schedule may be amended subject to a prior written notice of thirty (30) days to the Annuitant.
- ii) The Trustee shall further be entitled to be reimbursed for all fees and out-of-pocket expenses incurred in connection with the Fund, including, but without limitation, any overdrafts, any fines and any interest which the Fund may have to pay for any reason whatsoever or for any income tax, interest and penalties paid by the Trustee. The Trustee shall also be entitled to reasonable fees for all exceptional services rendered hereunder, according to the time and responsibility involved.
- iii) In the event that not all the amounts payable to the Trustee hereunder have been settled on their due date, the Trustee may deduct from the Assets of the Fund all the amounts mentioned hereinabove in i) and ii) in the manner it may determine and the Trustee may, at its entire discretion, liquidate and convert the Assets of the Fund into cash to obtain such amounts except the income tax, interest and penalties that the Trustee is responsible under the *Income Tax Act* and that can't be deducted out of the Assets of the Fund. However, if these amounts exceed the Assets of the Fund, the

Annuitant would then be held liable for reimbursing the same to the Trustee.

d) **Liability and Indemnity.** The Annuitant, any beneficiary of the proceeds from the Assets of the Fund, and the assigns of the Annuitant agree to indemnify the Trustee, its agents, its representatives and correspondents against, and hold them harmless from all income tax, assessments, expenses, liability, claims and demands resulting from the custody or administration of the Assets of the Fund without delay, except in the case of gross negligence or serious misconduct on the part of the Trustee, its agents, its representatives and its correspondents.

The Trustee, its agents and its representatives shall not be held liable for fluctuations in the value of investment vehicles.

Without limiting the scope of any other provision hereof, neither the Trustee nor any of its agents, representatives or correspondents shall be liable for any loss incurred by the Fund, by the Annuitant or by any beneficiary under the Fund as a result of the acquisition, disposition or holding of any investment acquired at the direction of the Annuitant, as a result of the refusal to follow any instructions contravening this section or as a result of force majeure or superior force, or the authorized normal usage of the property forming part of the Assets of the Fund. Neither the Trustee nor any of its agents, representatives or correspondents shall be liable for any income tax, interest or penalties which may be imposed under the provisions of the Tax Legislation, by reason of the acquisition, disposition or holding of any investment acquired at the discretion of the Annuitant.

e) **Substitute Trustee.** Subject to the provisions of the Tax Legislation, the corporation resulting from an amalgamation or reorganization of the Trustee shall become the Trustee without any amendment hereto.

12. **Locking-in Terms and Conditions:** The Assets transferred into the Fund which are subject to locking-in terms and conditions will be accounted for separately in a life income fund (LIF) and will be subject to additional locking-in terms and conditions. The additional terms and conditions are included in the terms and conditions of the active Fund effective the date of the transfer of the funds in question to the Fund. Subject to applicable Tax Legislation, where the terms and conditions of the Fund and the additional terms and conditions are incompatible, the sums transferred will be governed by the additional terms and conditions.

13. Sundry Provisions.

a) **Cash.** All sums of money payable hereunder shall be payable in money having legal tender in Canada.

b) **Interpretation.** Wherever the context requires it, a word importing the masculine gender shall include the feminine and vice versa, and the singular number shall include the plural and vice versa.

c) **Date of Birth and Other Information.** The Annuitant signing the Application shall declare his age and his social insurance number and undertakes to provide any information or documents which may be subsequently required.

d) Notices.

- i) Any notice which the Trustee may give to the Annuitant shall be deemed sufficient if delivered personally or mailed postage paid to the Employer at the address indicated in the Application or in any other register for the Fund to which the Trustee may reasonably have access, and it shall be deemed to have been received at the time of delivery or four (4) business days after the mailing date.

- ii) Any notice which the Annuitant may give to the Trustee shall be deemed sufficient if delivered personally or mailed postage paid to the Designated Address and it shall be deemed to have been received the Trustee when the Trustee actually receives the same.
- e) **Amendments.** This agreement may be amended by the Trustee, without prior notice to the Annuitant, to ensure the Fund continues to comply with the applicable legislation or in all other cases, with prior notice of thirty (30) days, provided the proposed amendment does not render the Fund no longer eligible as a registered retirement income fund (RRIF) under the Tax Legislation. Any amendment shall be submitted in writing and signed by a person duly authorized by the Trustee.
- f) **Applicable Legislation.** The Fund shall be governed and construed in accordance with the laws of the province in which the Annuitant resides and with the Tax Legislation then in force. Furthermore, any reference made herein to a provision of the *Income Tax Act* (Canada) is to be read as also referring, if applicable, to the equivalent provision of the corresponding statute of the province in which the Annuitant resides.

The provisions of this Agreement governing the administration of the assets in trust replace those of "Title Seven of Book Four – Administration of the Property of Others" of the *Civil Code of Quebec*.