

TRU COOPERATIVE BANK
RETIREMENT INCOME FUND DECLARATION OF TRUST

We, Tru Cooperative Bank, declare that we accept the trust created between us and the Annuitant when the application was signed. The following are the terms of this trust:

1. DEFINITIONS

The following definitions apply:

“Annuitant”	Means the Applicant named in the application for the Fund and if the Applicant so elects, the spouse of the Applicant after the death of the Applicant.
“Broker”	Means the ultimate responsibility for administering the plan or fund lies with the carrier. (Canada.ca specimen approvals)
“Contribution”	Means any amount transferred into your Fund.
“Fund”	Means the Credit Union Retirement Income Fund consisting of the Application and this Declaration of Trust and addendum or addenda thereto, where applicable.
“Income Tax Act”	Means the Income Tax Act (Canada) and regulations thereto, both as amended from time to time.
“Tax Legislation”	Means the Income Tax Act and any applicable income tax legislation of the Province of British Columbia.
“Spouse”	Means the individual who is considered by Income Tax Act to be the Annuitant’s spouse or Common Law Partner.
“Trustee”	Means Tru Cooperative Bank.

2. REGISTRATION

We will apply for registration of your Fund as required by the Income Tax Act.

3. CONTRIBUTIONS

Contributions to your Fund can only be in the form of:

- (i) amounts transferred directly from certain Registered and Specified Pension Plans as permissible under paragraphs 146.3(2)(f)(v), (vi) and (vii) as well as 147.3(12)(viii) of the Income Tax Act.
- (ii) amounts you are required to include in your income as a result of:
 - (a) amounts transferred from your deceased Spouse’s Registered Retirement Savings Plan;
 - (b) amounts transferred from a Registered Retirement Savings Plan of a deceased Annuitant where you were dependent, by reason of physical or mental infirmity, on the Annuitant;
 - (c) full or partial commutation proceeds transferred directly from an annuity which originated from a Registered Retirement Savings Plan belonging to you;
 - (d) commutation proceeds, in excess of minimum amount for the year, transferred directly from a Registered Retirement Income Fund belonging to you.
- (iii) amounts transferred directly from a Registered Retirement Savings Plan or from a Registered Retirement Income Fund of your Spouse, or former Spouse, pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement, relating to a division of property between you and your Spouse or former Spouse in settlement of rights arising out of, or on the breakdown of, your marriage, or common-law partnership.
- (iv) amounts transferred from a Registered Retirement Savings Plan under which you are annuitant.

- (v) amounts transferred from another Registered Retirement Income Fund under which you are the annuitant, or
- (vi) such other amounts as may be authorized by the Income Tax Act or any future amendment thereto. We will hold all Contributions made to your Fund, and any income earned on these Contributions, as outlined in this Declaration.

4. RECORD KEEPING

We will record the details of all Contributions to your Fund, their investment, and of all payments from your Fund. We will supply you with a statement of these details at least annually.

5. INVESTMENTS OF THE FUND

The assets of the fund shall be invested and re-invested by the Trustee, on the direction of the Annuitant, in such investments as are:

- (a) qualified investments for trust governed by Registered Retirement Income Fund (including investments in, and deposits with the Trustee), without being limited to investments authorized by law for Trustees, and
- (b) investments of a nature and kind the Trustee is prepared to hold and administer for the Plan.

The Trustee may, but need not, require any investment direction to be in writing. In the absence of a direction from the Annuitant as to the investment of any cash or other property forming part of the assets of the Plan at any time the Trustee may leave such cash or other property uninvested or may invest the same at its sole discretion.

Under subsection 207.01(5) the Trustee shall exercise care, diligence, and the skill of a reasonable prudent person to minimize the possibility that the Fund holds a non-qualified investment. The Trustee will not be responsible for any tax in respect of any loss resulting from the sale of or disposition of any property, or for any loss resulting from the sale of other disposition of any investment forming part of the Fund.

6. PAYMENTS

We will make payments from the Fund to you, and where you have so elected, to your surviving Spouse after your death should you die while your Fund continues to exist, in each year, commencing not later than the calendar year following the year in which this retirement income fund is entered into, in accordance with the requirements as set forth by Section 146.3 of the Income Tax Act. The payments thereunder may not be assigned in whole or in part.

7. TRANSFERS

At your direction, in the form and manner prescribed by the Income Tax Act, we will transfer all or part of the property held in connection with the Fund, or an amount equal to such property's value at the time of the direction, together with all information necessary for the continuance of the Fund, to another Retirement Income Fund registered in your name, or in the name of your Spouse, or former Spouse, pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement, relating to a division of property between yourself and your Spouse or former Spouse in settlement of rights arising out of your marriage, on or after the breakdown of your marriage. Notwithstanding the foregoing, if you have directed transfer of all or part of the property held in connection with the Fund, or an amount equal to such property's value at the time of the direction and we have not paid the minimum amount required for the year we will withhold adequate funds to satisfy this minimum amount. We may, at our discretion, charge a fee for each transfer out of the Fund. You may be required to await the expiry of the investment from a fixed term deposit prior to being able to finalize a transfer.

8. BENEFICIARY DESIGNATION

You may designate a beneficiary, in those provinces where the law so permits, to receive the remaining proceeds of your Fund in the event of your death while your Fund continues to exist and where your Spouse did not become entitled to all future rights under the Fund as permitted under Clause 6 (payments). Details of our requirements for making, changing or revoking such a designation are available from the Trustee. If the Annuitant is domiciled in a jurisdiction in which a participant in a retirement income fund may validly designate a beneficiary other than by Will, the Annuitant may by instrument in writing in form and execution satisfactory to the Trustee and delivered to the Trustee prior to the Annuitant's death, designate a person to be entitled to receive the net amount of the Fund pursuant to Article 9 below. The person so designated by the Annuitant shall be deemed to be the designated beneficiary of the Annuitant for the purposes of Article 9 below unless such person shall predecease such Annuitant or unless the Annuitant shall, by instrument in writing in form and execution satisfactory to the Trustee and delivered to the Trustee prior to the death of the Annuitant, revoke such designation, in which case such designation shall be regarded as null and void. If any designated beneficiary is a child (as defined in Section 1 of Part 1 of the Family Relations Act (British Columbia) as amended from time to time) at the time of death of the Annuitant, then at the Trustee's option the Trustee may pay the proceeds payable to such child to any of the Public Trustee of British Columbia, a parent or a guardian or the legal representatives of such child, for and on behalf of the child.

9. DEATH

Where you have not properly elected to have your Spouse become the annuitant of your Fund, we will, once we have received the documentation we require, pay the Fund proceeds by a single payment, less required income tax deductions, to your designated beneficiary and notify your estate representative of any resulting tax liability. In instances where you have not designated a beneficiary, as explained in Clause 8, the Fund proceeds will be paid by a single payment, less required income tax deductions, to your estate. When we have made the payment of the Fund proceeds to your designated beneficiary or to your estate, we will be considered as fully discharged from any further liability with respect to your Fund.

10. YOUR RESPONSIBILITIES

It is your responsibility to ensure, that:

- (a) all assets acquired by the Fund are qualified investments for a Retirement Income Fund;
- (b) the Trustee is advised, in writing, of any changes in your address or residency for purposes of the Income Tax Act;
- (c) your birthdate as recorded on your application is accurate.

11. POWERS OF THE TRUSTEE

Subject to the right of the Annuitant to direct the Trustee as to the investments of the Fund, the Trustee shall have and shall be entitled to exercise from time to time in its sole discretion any and all rights, powers and privileges that could be exercised by a beneficial owner of any of the property and assets of the Fund and the Trustee may employ or engage the services of and rely and act on information or advice received from brokers, advisors, lawyers, accountants, and others and shall not be responsible or liable for the acts or omissions of such persons.

12. AMENDMENTS

We may from time to time amend your Fund and will advise you of such amendments in writing, either before, or within a reasonable time after, the amendments take effect. Any amendment cannot, however, be contrary to the provisions of the Income Tax Act. In the event of changes to the Income Tax Act, your Fund will be considered to have been amended to conform to such changes

effective the date such changes come into force.

13. NOTICES

Any notices given to us by you under this Fund shall be sufficiently given if mailed, postage prepaid by you, to any of our offices and shall be deemed to have been given on the day that such notice is received by us. Any notices given by us to you shall be sufficiently given if mailed, postage prepaid by us, to you at your last address supplied by you and shall be deemed to have been given on the day of mailing.

14. LIMITS OF OUR LIABILITY

We shall not be responsible for any loss or damage suffered or incurred by your Fund, by the Annuitant, or by any beneficiary designated by the Annuitant unless caused by or resulting from our dishonesty, negligence, willful misconduct or lack of good faith.

The Trustee will not provide any investment advice regarding any of the assets held or acquired by the Fund and shall act solely on the instructions of the Annuitant or the Annuitant's authorized agent or appointed representative.

15. VALUATION OF THE FUND

We shall determine the value of the property held in connection with the Fund as of the first day of January as follows:

- (a) interest bearing certificates shall be valued at their principal balance plus accrued interest to date of valuation and
- (b) other investments shall be valued at their fair market value as we determine on the date of valuation.

16. RESIGNATION OF TRUSTEE

The Trustee may resign at any time by delivering thirty (30) days notice of its resignation to the Annuitant. In the event of the resignation of the Trustee, you shall appoint a successor Trustee or Trustees who shall be acceptable to the retiring Trustee. The retiring Trustee shall deliver the assets of the Fund and the records relating thereto, and shall execute such deeds and assurances and do such things as may be requisite in order to ensure the continued and uninterrupted operation of the Fund.

17. TRUSTEE'S FINANCIAL CONDITIONS

The Trustee shall be entitled to:

- (a) pay all costs, charges, and/or overdrafts incurred in connection with the Fund out of the Fund;
- (b) pay all brokerage fees, commissions and other relevant costs, if any, from the assets of this Fund as they are incurred;
- (c) reimbursement of any costs or disbursements related to the safeguarding assets of the Fund, if any, from the assets of this Fund as they are incurred;
- (d) receive remuneration for our services as Trustees in each year and reimbursement of proper disbursements made in accord with the current fee schedule in effect between the Annuitant and Trustee;
- (e) sell investments of the Fund in order to realize sufficient monies therefrom to pay the above costs and expenses, if the said costs and/or expenses are not paid by you within sixty (60) days of the billing thereof, and after having given you fifteen (15) days written notice in this regard. You shall be liable to us for all such costs, charges, remuneration and/or overdrafts to the extent that the Fund assets are not sufficient to cover the same.

If Taxes or Penalties are imposed on the Trustee by the Income Tax Act, the Trustee cannot

reimburse itself through the fund.

18. OTHER CONDITIONS

Property held in connection with the Fund cannot be pledged, assigned or in any way alienated as security for a loan or for any purpose other than that of the making by the Trustee to the Annuitant of the payments described in Clause 6.

Your ability to take payments in excess of minimum amounts or to transfer funds to another Retirement Income Fund may be restricted due to the conditions imposed by fixed term investments held by your Fund.

The Trustee has no right of offset as regards of the property held in connection with the Fund for any debt or obligation owing to the Trustee.

19. TRANSFER OF PENSION BENEFITS ETC.

If as a condition of receiving the transfer to the Fund of a pension benefit from a registered pension plan or a specified pension plan, the Trustee is required to enter an addendum to this Declaration of Trust with the Annuitant to provide limitations on withdrawals from the Fund or transfers to other carriers, the rights and responsibilities of the Annuitant and the Trustee shall be modified accordingly and any provisions of this Declaration of Trust inconsistent with that Addendum shall, while that Addendum remains in force and effect, be null and void and of no effect.

20. ENUREMENT

These terms and conditions shall ensure to the benefit of and be binding upon the Annuitant and the Annuitant's heirs, executors, administrators and legal representatives and upon the Trustee and its successors and assigns.

21. GENERAL

- (a) Words importing the singular number only shall include the plural and vice versa unless the context clearly indicates to the contrary.
- (b) The Fund and Declaration of Trust shall be governed by the laws of the Province of British Columbia.
- (c) The effective date of the Declaration of Trust is the date set forth in the application for the Fund.

22. DISCHARGE OF TRUSTEE

Upon payment by the Trustee of the entire amount standing to the credit of the Fund (less all proper charges, including applicable taxes) in accordance with these terms and conditions, the Trustee shall thereupon be relieved and discharged from any and all obligations and responsibilities created herein and the within trust shall thereupon cease and be of no further force and effect.

23. USE OF AGENTS

The Trustee may from time to time appoint agents to perform certain administrative duties relating to the operation of the Fund. The Trustee acknowledges and confirms that the ultimate responsibility for administration of the Fund will remain with the Trustee.

No benefit or loan that is conditional in any way on the existence of the Fund can be extended to the Annuitant or to a person with whom the Annuitant was not dealing at arm's length, other than:

- (i) a benefit that is required to be included in computing the Annuitant's income;
- (ii) an amount referred to in paragraphs 146.3(5)(a) or (b) of the Income Tax Act; or
- (iii) the benefit derived from the provision of administrative or investment services in respect of the Fund.

The Fund must comply with regulations of the Governor in Council made on the recommendation of the Minister of Finance.