

**TRU COOPERATIVE BANK**  
**RETIREMENT SAVINGS PLAN 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 Plan and if the required election is filed, the Spouse of the Applicant after the death of the Applicant.
“Contribution”	Means any amount paid into the Plan.
“Contributor”	Means the individual, either you or your Spouse, who made a Contribution to the Plan.
“Income Tax Act”	Means the Income Tax Act of Canada, and regulations thereto, 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.
“Plan”	Means the Credit Union Retirement Savings Plan consisting of the application and this Declaration of Trust and the addendum or addenda thereto, where applicable.
“Plan Maturity”	Means the date you eventually select for commencement of retirement income from the Plan. (This date must not be later than the maturity date provided in the Income Tax Act.)
“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 Plan as required by the Income Tax Act.

**3. CONTRIBUTIONS**

We will hold all Contributions made to your Plan, and any income earned on these Contributions, as outlined in this Declaration and as required by the Income Tax Act.

No Contributions may be made after the Plan Maturity. Plan provides for payment to the taxpayer to reduce tax otherwise payable under Part X.1 of the Income Tax Act.

**4. RECORD KEEPING**

We will record the details of all Contributions and transactions relating to your Plan. We will supply a statement of these details upon request, at the option of the Annuitant.

**5. INCOME TAX RECEIPTS**

We will provide the Contributor with a receipt or receipts, suitable for income tax filing purposes, for all Contributions.

**6. REFUND OF CONTRIBUTIONS**

Upon receipt of your written application, and the written application of your Spouse if your Spouse was the Contributor to your Plan, we will refund to the Contributor the amount determined in accordance with Paragraph 146(2)(c.1) of the Income Tax Act.

**7. INVESTMENTS OF THE PLAN**

The assets of the Plan 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 savings plans (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 Plan 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 Plan.

**8. RETIREMENT INCOME**

You must advise us in writing, at least 90 days prior to your Plan Maturity, of the type of retirement income you elect to receive from the proceeds of your Plan. You may choose to receive income from any one of, or any combination of, a life annuity, a fixed term annuity providing benefits for a term of years equal to 90 minus the age in whole years of the Annuitant at the maturity of the Plan (or the Annuitant's Spouse if the Spouse is younger and the Annuitant so elects to use the Spouse's age), a registered retirement income fund or other retirement income option that may be provided for as per Income Tax Act 146(2)(b). If the retirement income you choose is an annuity, it must meet the following conditions:

- (a) It must be paid out in a single lump sum if it becomes payable to someone other than your Spouse upon or after your death.
- (b) It must be paid in equal annual or more frequent periodic payments until such time as you fully or partially commute this retirement income and, where such commutation is partial, equal annual or more frequent periodic payments thereafter.
- (c) It must not provide for periodic payments in a year after your death, the total of which exceeds the total of the payments under the annuity in a year before your death.
- (d) No premium after maturity (may be silent).
- (e) The Plan must mature no later than the end of year that the annuitant turns age 71.
- (f) Retirement income/annuity is not assignable.
- (g) As per paragraph 146(2)(c.2) of the Income Tax Act - An annuity payable under the Plan must be commuted if paid to anyone other than the Annuitant. Please note that paragraph 146 (2)(c.1) of the Income Tax Act stipulates notwithstanding paragraph 146(2)(a), the Plan permits the payment of an amount to a taxpayer where the amount is paid to reduce the amount of tax otherwise payable under Part X.1 by the taxpayer.

If you have not advised us in writing, prior to the maturity date provided in the Income Tax Act, of your selection of a retirement income the proceeds of your Plan will be transferred to a Registered Retirement Income Fund trusted by us.

If the funds held in your Plan at the Plan Maturity are not sufficient to produce a retirement income of greater than \$250.00 per annum the funds in your Plan will be paid to you as a single lump sum in the year following Plan Maturity.

**9. BENEFICIARY DESIGNATION**

You may designate a beneficiary, in those provinces where the law so permits, to receive the remaining proceeds of your Plan in the event of your death prior to your Plan Maturity. Details of the 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 savings plan 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 Plan pursuant to Article 10 below. The person so designated by the Annuitant shall be deemed to be the designated beneficiary of the Annuitant for the purposes of Article 10 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 (or defined in Section 1 of Part 1 of the Family Relations Act (British Columbia) as amended from time to time) at the time of the 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 guardian or the legal representation of such child, for and on behalf of the child.

**10. DEATH**

In the event of your death prior to the Plan Maturity, we will, once we have received the documentation we require, pay or transfer the Plan proceeds, less required income tax deductions, to your designated beneficiary and notify your estate representative of any resulting tax liability. When we have made the payment to your designated beneficiary, we will be considered as fully discharged from any further liability with respect to your Plan. No increase in payments after death of the first annuitant.

In instances where you have not designated a beneficiary, as explained in Clause 9 of this Declaration, the proceeds of your Plan will be paid by a single payment, less required income tax deductions, to your estate.

**11. YOUR RESPONSIBILITIES**

It is your responsibility to ensure, that:

- (a) the Contributions to the Plan do not exceed the allowable maximum under the Income Tax Act;
- (b) all assets acquired by the Plan are qualified investments for a Retirement Savings Plan;
- (c) the Trustee is advised, in writing, of any changes in your address or residency for purposes of the Income Tax Act;
- (d) your birthdate as recorded on your application is accurate;
- (e) you will eventually elect, as spelled out by Clause 8 of this Declaration, the type of retirement income you choose to receive.

**12. POWERS OF THE TRUSTEE**

Subject to the right of the Annuitant to direct the Trustee as to the investments of the Plan, as contemplated by Clause 7 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 Plan 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.

**13. AMENDMENTS**

We may from time to time amend your Plan 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 Plan will be considered to have been amended to conform to such changes effective the date such changes come into force.

**14. NOTICES**

Any notices given to us by you under this Plan 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.

**15. LIMITS OF OUR LIABILITY**

We do not and will not provide any investment advice regarding any of the assets held or acquired by the Plan and shall act solely on the instructions of the Annuitant or the Annuitant's authorized agent or appointed representatives pursuant to investments allowed outlined in Article 7.

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

**16. WITHDRAWALS**

You may withdraw funds from your Plan. Any withdrawals will be subject to the following conditions:

- (a) the Trustee will withhold taxes from any withdrawals in such amounts as required by the Income Tax Act from time to time;
- (b) amounts withdrawn must be declared by the Annuitant as income for the taxation year of receipt;
- (c) The Trustee may, at its discretion, charge a fee for each withdrawal from the Plan;
- (d) You may be required to await expiry of the investment term of a fixed rate deposit prior to being able to finalize a withdrawal;
- (e) The Plan cannot provide for payment of any benefit before maturity except a refund of premiums and a payment to the annuitant.
- (f) As per Income Tax Act 146(2)(a) - The Plan cannot provide for the payment of any benefit before Plan Maturity except (i) a refund of premiums, and (ii) a payment to the Annuitant.

**17. TRANSFERS**

The Plan may be amended to permit a transfer, on your behalf, of any funds as allowed by the Income Tax Act. The Trustee may, at its discretion, charge a fee for each transfer out of the Plan. You may be required to await expiry of the investment term of a fixed rate deposit prior to being able to finalize a transfer.

**18. OTHER CONDITIONS**

The Trustee, unless otherwise paid the following amounts directly by the Annuitant, shall be entitled to receive and be paid out of the assets of the Plan all costs, charges and expenses incurred by the Trustee in connection with the administration of the Plan. If taxes or penalties are imposed on the Trustee by the Income Tax Act, The Trustee cannot reimburse itself through the Plan.

The Trustee may adjust and amend its fee schedule from time to time after giving the Annuitant not less than thirty (30) days written notice of any adjustments or amendments. For the purpose of paying the Trustee in accordance with the foregoing the Trustee may realize and convert the assets of the Plan but only to the extent of such indebtedness. The Annuitant shall be liable to the Trustee for all such costs, charges, expenses and fees to the extent that the realizable value of the assets of the Fund is not sufficient to cover the same.

Neither the Plan nor the property held under the Plan can be pledged, assigned, or in any way

alienated as security for a loan or for any purpose other than to provide the annuitant with a retirement income starting at maturity. The Trustee cannot use the property held under the Plan to offset any debt or obligation owing to the Trustee.

**19. 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, the Annuitant shall appoint a successor Trustee or Trustees who shall be acceptable to the retiring Trustee. The retiring Trustee shall deliver the assets of the Plan 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 Plan. Should the Annuitant neglect or refuse to appoint a successor Trustee or Trustees who shall be acceptable to the retiring Trustee, the retiring Trustee reserves the right to transfer assets in specie to the Annuitant as a withdrawal from the Plan.

**20. TRANSFER OF PENSION BENEFITS ETC.**

If as a condition of receiving the transfer to the Plan of a pension benefit from a registered pension plan or a prescribed provincial 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 Plan or transfers to other issuers, 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.

**21. ENUREMENT**

The terms and conditions shall enure 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.

**22. 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 Plan 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 Plan.

**23. DISCHARGE OF TRUSTEE**

Upon payment by the Trustee of the entire amount standing to the credit of the Plan (less all proper changes, 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.

**24. USE OF AGENTS**

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

**25. REMOVAL OF INFORMATION**

Requests made by the annuitant to remove information about the contributor from the Plan due to a marital or common law partnership breakdown will be reviewed in accordance with the conditions as set forth by the Income Tax Act.

**26. ADVANTAGES**

The Annuitant or a person with whom the Annuitant was not dealing at arm's length cannot receive an advantage that is conditional on the existence of the Plan, other than:

- (i) a benefit;
- (ii) amounts included in a deceased Annuitant's income or included in the income of a Registered Retirement Savings Plan trust for years that the trust has lost its exempt status due to the death of the last Annuitant;
- (iii) the payment or allocation of any amount to the Plan by the Trustee;
- (iv) an advantage from life insurance in effect on December 31, 1981; or
- (v) an advantage obtained from administrative or investment services provided for in the Plan.

**27. ASSIGNMENT**

As per paragraph 146(2)(c) of the Income Tax Act the retirement income may not be assigned in whole or in part.