

TRU COOPERATIVE BANK
TAX-FREE SAVINGS ACCOUNT DECLARATION OF TRUST
TERMS AND CONDITIONS

WHEREAS:

Tru Cooperative Bank (hereinafter referred to as the "Trustee") accepts the office of trustee for the Holder upon application for a Tru Cooperative Bank Tax-Free Savings Account ("Account") upon the following terms and conditions.

1. DEFINITIONS

In these terms and conditions

- (a) "Advantage" has the meaning as set out in Section 207.01 of the Income Tax Act.
- (b) "Application" means the duly executed and signed application form that is attached to and forms part of the Declaration of Trust
- (c) "Applicable Tax Legislation" means the Income Tax Act and the taxation legislation of the province or territory in which the Holder or the Trustee resides, and the regulations adopted thereunder;
- (d) "Arrangement" means the Account;
- (e) "Distribution", under an Arrangement of which an individual is the Holder, means a payment out of or under the Arrangement in satisfaction of all or part of the Holder's interest in the Arrangement;
- (f) "Income Tax Act" means the Income Tax Act (Canada) as amended from time to time;
- (g) "Holder" means (a) until the death of the individual who entered into the Arrangement, the individual; and (b) at and after the death of the individual, the Survivor of the individual, if the Survivor of the individual acquires
 - (i) all of the individual's rights as the Holder of the Arrangement, and
 - (ii) to the extent it is not included in the rights described in subparagraph (i), the unconditional right to revoke any beneficiary designation made, or similar direction imposed, by the individual under the Arrangement or relating to property held in connection with the Arrangement.
- (h) "Qualifying Arrangement" means an Arrangement that qualifies as a tax-free savings account pursuant to the Income Tax Act.
- (i) "Spouse" means the individual who is considered by tax legislation to be the Holder's Spouse or Common-Law Partner
- (j) "Survivor" of an individual means a Spouse who survives such individual.
Unless the context otherwise requires or otherwise defined herein terms used herein which are defined in Sections 146.2, 248 and 252 of the Income Tax Act shall have the same meaning herein as in the Income Tax Act.
- (k) "Trustee" means Tru Cooperative Bank.

2. EXCLUSIVE BENEFIT

The Arrangement will be maintained for the exclusive benefit of the Holder

3. PRESCRIBED CONDITIONS

As described in paragraph 146.2(2)(g) of the Income Tax Act, the Arrangement will comply with prescribed conditions.

4. CONTRIBUTIONS

The Trustee shall accept such payments of cash and other transfers of property acceptable to it, as may be made by the Holder from time to time which together with any income derived therefrom shall constitute a trust fund to be held, used and invested by the Trustee subject to the provisions hereof.

No one other than the Holder may make contributions to the Arrangement.

5. REFUND OF CONTRIBUTIONS

The Trustee shall, upon written application by the Holder, in a form acceptable to the Trustee refund to that Holder an amount necessary to reduce the amount of tax otherwise payable by the Holder under Sections 207.02 or 207.03 of the Income Tax Act. The Trustee shall make such refund from uninvested funds held in the Arrangement but if there are insufficient uninvested funds to make such refund, the Trustee shall sell or redeem such investments as it may be directed by the Holder to enable it to make such refund. If the Trustee does not receive such a direction within fifteen (15) days after giving the Holder notice of the requirement for such direction, the Trustee may sell or redeem such investments as if in its absolute discretion sees fit to enable it to make such refund.

6. INVESTMENTS

The assets of the Arrangement shall be invested and reinvested by the Trustee, on the direction of the Holder, in such investments as are qualified investments for trusts governed by tax-free savings accounts (including investments in, and deposits with the Trustee) without being limited to investments authorized by law for trustees. The Trustee may, but need not, require any investment direction to be in writing. In the absence of a direction from the Holder as to the investment of any cash or other property forming part of the assets of the Arrangement at any time the Trustee may leave such cash or other property uninvested or may invest the same at its sole discretion (including deposits in an account in a chartered bank, trust company or credit union, including the Trustee). The Trustee and holder are jointly responsible for ascertaining whether any investment contributed in specie or other investment made on the direction of the holder is or remains a qualified investment or whether any such investment constitutes foreign property, or for any tax in respect of any non-qualified investment or any foreign property or any loss resulting in the sale or other disposition of any investment forming part of the arrangement.

7. DISTRIBUTION AND INVESTMENTS

The arrangement prohibits, while there is a holder of the arrangement, anyone that is neither the holder nor the issuer of the arrangement from having rights under the arrangement relating to the amount and timing of distributions and the investing of funds.

8. TRANSFERS

At the direction of the Holder, the Trustee shall transfer all or any part of the property in the Arrangement, or an amount equal to its value, to another tax-free savings account of the Holder.

9. BORROWING OF MONEY PROHIBITED

The trust may not borrow money or other property for the purposes of the Arrangement.

10. ADVANTAGE

The Trustee will not provide the Holder with an Advantage.

11. FILING WITH THE MINISTER

If the Arrangement is a Qualifying Arrangement at the time the Arrangement is entered into, the Trustee shall file with the Minister of National Revenue, on or before the day that is 60 days after the end of the calendar year in which the Arrangement was entered into, an election in the prescribed form and manner to register the Arrangement as a tax-free savings account, pursuant to the Income Tax Act.

12. CEASING TO BE A QUALIFYING ARRANGEMENT

The Arrangement will cease to be a Qualifying Arrangement;

- (a) upon the death of the last Holder of the Arrangement;
- (b) the Arrangement ceasing to meet the criteria for being a Qualifying Arrangement pursuant to the Income Tax Act;
- (c) the Arrangement not being administered in accordance with the requirements of the Income Tax Act.

13. EFFECT OF CEASING TO BE A QUALIFYING ARRANGEMENT

If the Arrangement, at a particular time, ceases to be a Qualifying Arrangement,

- (a) the trust is deemed
 - (i) to have disposed, immediately before the particular time, of each property held by the trust for proceeds equal to the property's fair market value immediately before the particular time, and
 - (ii) to have acquired, at the particular time, each such property at a cost equal to that fair market value;
- (b) the trust's last taxation year that began before the particular time is deemed to have ended immediately before the particular time; and
- (c) a taxation year of the trust is deemed to begin at the particular time.

14. DESIGNATION OF BENEFICIARY

If the Holder is domiciled in a jurisdiction in which a participant in a Qualifying Arrangement may validly designate a beneficiary other than by Will, the Holder may, by instrument in writing in form and execution satisfactory to the Trustee and delivered to the Trustee prior to the Holder's death, designate a person to be entitled to receive the net amount of the Arrangement. The person so designated by the Holder shall be deemed to be the designated beneficiary of the Holder unless such person shall predecease the Holder or unless the Holder shall, by instrument in writing in form and execution satisfactory to the Trustee and delivered to the Trustee prior to the death of the Holder, revoke such designation, in which case such designation shall be regarded as null and void. If the spouse is the sole beneficiary, he/she may be the successor holder of the arrangement and in that case acquires all of the holder's right as the holder of the arrangement, and the unconditional right to revoke any beneficiary designation made.

15. FEES AND EXPENSES

The Trustee, unless otherwise paid the following amounts directly by the Holder, shall be entitled to receive and be paid out of the Arrangement all costs, charges and expenses incurred by the Trustee in connection with the administration of the Arrangement, including without limitation any taxes paid by the Trustee in respect of an Arrangement that is not a Qualified Arrangement, and to be paid for its services as Trustee in accordance with its fee schedule, provided that the Trustee may adjust and amend its fee schedule from time to time after giving the Holder 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 Arrangement but only to the extent of such indebtedness. The Holder 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 Arrangement is not sufficient to cover the same.

16. ACCOUNT STATEMENTS AND REPORTING

The Trustee shall maintain an account for the Arrangement in which will be recorded all contributions received by the Trustee for the Arrangement, investments held in the Arrangement and the income earned from such investments. The Trustee shall forward a statement to the Holder upon request, at the option of the Holder, showing all contributions, investments and income therefrom since the date

of the preceding statement. If applicable, an official receipt for income tax purposes shall be provided to the Holder in each year, for the Holder's interest and investment income relating to the Arrangement, in respect of the previous taxation year.

17. POWERS OF THE TRUSTEE

Subject to the right of the Holder to direct the Trustee as to the investments of the property in the Arrangement, 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 Arrangement and the Trustee may employ or engage in 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.

18. TRUSTEE'S LIABILITY

The Trustee shall not be liable for the making, retention or sale of any investment or reinvestment made by it as provided herein nor for any loss or diminution of the Holder's investment, except due to the Trustee's negligence, wilful misconduct or lack of good faith.

19. USE OF AGENTS

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

20. DISCHARGE OF TRUSTEE

Upon payment by the Trustee of the entire amount standing to the credit of the Arrangement (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.

21. RESIGNATION OR REMOVAL OF TRUSTEE

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon not less than thirty (30) days notice in writing to the Holder, or such shorter period as the Holder shall accept as sufficient, and the Holder in like manner may terminate the services of the Trustee. In the event of such resignation or termination the Holder shall appoint a successor trustee prior to the resignation of the Trustee taking effect and if the Holder fails to appoint such a successor trustee within such period of time the Trustee may appoint a successor trustee and the Trustee shall transfer the assets of the Arrangement to the successor trustee together with all records, books, reports and accounts of the Arrangement within three (3) months of the Trustee ceasing to be trustee of the Arrangement.

22. WITHDRAWALS

The Trustee shall, upon written application of the Holder, pay to the Holder in cash or in specie as the Holder shall direct, out of the assets of the Arrangement or the realization thereof, the amount specified in the Holder's written application.

23. AMENDMENTS

These terms and conditions may be amended by the Trustee in its discretion at any time and from time to time, provided that such amendments will not disqualify the Arrangement as a Qualifying Arrangement. The Trustee will provide the Holder with written notice of any amendment unless it is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation. In the event of changes to the Applicable Tax Legislation, the Arrangement will be deemed to have

been amended to conform to such changes effective the date such changes come into force, without notice to the Holder.

24. NOTICES

Any notice to be given to the Trustee hereunder shall be valid and effective if given by registered mail at its registered office or such other address as the Trustee may permit and shall be deemed to have been effectively given on the day on which it is received by the Trustee. Any notice to the Holder under the provisions hereof shall be valid and effective if contained in a letter, circular newsletter or other publication sent through the ordinary post addressed to the Holder at the Holder's address set out in the Holder's application form for the Arrangement, or such other address as the Holder may in writing advise the Trustee, and shall be deemed to have been effectively given on the next day following the date upon which it is posted.

25. ENUREMENT

This Declaration of Trust shall enure to the benefit of and be binding upon the Holder and the Holder's heirs, executors, administrators and legal representatives and upon the successors and assigns of the Trustee.

26. YOUR RESPONSIBILTiy

It is your responsibility to keep us advised, in writing, at all times of any changes in your address.

27. ARRANGEMENT

An arrangement is not considered qualifying arrangement unless the holder is at least 18 years of age when the arrangement is entered into.