

# TRUST AGREEMENT

## QUÉBEC RETIREMENT INCOME FUND (RIF)

### 1. DEFINITIONS

For the purposes of these presents, the words and expressions below have the following meaning:

- Assets in the Fund:** all the investments or property of any nature whatsoever that constitute the Fund, including assets transferred to the Fund, as well as the interest income and any other income of any kind whatsoever, produced or earned during the administration of the Fund by the Trustee.
- Beneficiary:** the person who is or who legitimately should be entitled to receive assets in the Fund or the proceeds of disposition of the assets in the Fund in the event of the annuitant's death, pursuant to the applicable laws, such as the surviving spouse of the annuitant, his estate, his designated beneficiary or a legal representative within the meaning of the Income Tax Act (Canada).
- Spouse:** a spouse or de facto spouse for the purposes of any provision of the Income Tax Act (Canada) regarding a RIF.
- Application:** the Fund participation application form, being an integral part of these presents, completed and signed by the annuitant.
- Trustee:** Natcan Trust Company, a trust company duly constituted under the Trust and Loan Companies Act (Canada).
- Épargne Placements Québec:** an administrative unit of the Ministère des Finances of Québec and mandatary of the Trustee for the purposes of this Fund.
- RRIF:** a registered retirement income fund, according to the definition in the Income Tax Act (Canada).
- Fund:** the Québec Retirement Income Fund established by the Trustee for the benefit of the annuitant in accordance with the terms and conditions set out in the Application and in these presents, as this Fund may be changed from time to time.
- Tax legislation:** the Income Tax Act (Canada) and the Taxation Act (Québec) and the regulations adopted pursuant to those statutes.
- Savings Product:** any bond or other security issued by the Québec government under the book based system managed by Épargne Placements Québec (the "System").
- RRSP:** a registered retirement savings plan, according to the definition in the Income Tax Act (Canada).
- Annuitant:** the participant whose name is shown as such on the Application and, following his death, the surviving spouse, as stipulated in the definition of the word "annuitant" in subsection 146.3(1) of the Income Tax Act (Canada) (such surviving spouse being designated the "successor annuitant").

### 2. ESTABLISHMENT OF THE FUND

Through the transfer by the annuitant to the Trustee of the assets specified in the application, the annuitant establishes a retirement income fund for his benefit with the Trustee, through which the Trustee undertakes to pay each year to the annuitant the sums of money in compliance with these presents. All the assets transferred to the Fund, as well as the interest income and any other income of any nature whatsoever, produced or earned by the Fund and held in the Fund by the Trustee and invested in accordance with the provisions of these presents, are used solely to make payments to the annuitant in compliance with these presents.

The Fund constitutes a trust only for the purposes of the tax legislation and for no other purpose whatsoever. The Fund in no way constitutes a trust within the meaning of the Civil Code of Québec. In view of the special nature of these presents and the administrative rules created by these presents, the rules of Title VII of Book IV of the Civil Code of Québec relating to the administration of the property of others do not apply to the Trustee.

The Trustee agrees to administer the Fund as stipulated in these presents. Subject to the registration of the Fund under the tax legislation, this trust agreement takes effect on the date the Trustee approves the Application.

### 3. REGISTRATION OF THE FUND

The Trustee must apply to register the Fund pursuant to the tax legislation. The Trustee is by these presents authorized to rely exclusively on the information with which the annuitant or his spouse, as the case may be, provided him in the Application.

### 4. ASSETS TRANSFERRED TO THE FUND

The Trustee may accept the transfer into the Fund, as consideration, only the assets transferred:

- from an RRSP of which the annuitant is the annuitant;
- from another RRIF of which the annuitant is the annuitant;
- from the annuitant, provided the consideration is an amount covered in subparagraph 60(l)(v) of the Income tax Act and, if applicable, in any equivalent provision of the tax legislation, and more specifically of any amount paid as reimbursement of premiums because of the death of a spouse, from an RRSP of which the spouse of the annuitant was the annuitant;
- from an RRSP or a RRIF of which the spouse or the former spouse of the annuitant is the annuitant, pursuant to an order or a judgement handed down by a competent tribunal or pursuant to a written separation agreement, designed to distribute property between the annuitant and his spouse or former spouse, in settlement of rights flowing from marriage or de factor union or its breakdown;
- from a deferred profit-sharing plan in accordance with subsection 147(19) of the Income Tax Act (Canada);
- from a registered pension plan of which the annuitant is a member within the meaning of subsection 147.1(1) of the Income Tax Act;
- from a registered pension plan in compliance with subsections 147.3(5) or (7) of the Income Tax Act;
- from a specified pension plan in the circumstances determined in subsection 146(21) of the Income Tax Act;
- from a pooled registered pension plan in compliance with subsection 147.5(21); or
- from a registered plan or another source not mentioned above, to the extent permitted by and in accordance with the *Income Tax Act* (Canada).

The Fund in all other respects must comply with regulations of the Governor in Council made on the recommendation of Canada's Minister of Finance.

### 5. INVESTMENTS

Any amount received by the Trustee must be invested solely in Savings products in accordance with the instructions given by the annuitant to Épargne Placements Québec from time to time, in a form considered satisfactory by the Trustee. The annuitant bears responsibility for ensuring that the investments made by the Fund are "qualified investments" for the Fund within the meaning of the tax legislation.

In the absence of instructions from the annuitant concerning the investment of the assets or the reinvestment of maturing investments, the value at maturity of such investments, capital and interest, is invested or reinvested in Flexi-Plus Savings Units. However, the value at maturity of Québec Savings Bonds is automatically reinvested in Québec Savings Bonds issued on the maturity date or, if such bonds are not available, in Flexi-Plus Savings Units.

The annuitant is responsible for the investment of assets and the reinvestment of matured investments. The annuitant cannot hold the Trustee responsible regarding the investment of assets in the Fund, whether made in accordance with his instructions or not.

Notwithstanding any provision of these presents, Épargne Placements Québec reserves the right to cease offering certain Savings Products.

The Trustee acts with the care, diligence and skill that a prudent person would, so that the possibility that a trust governed by the Fund holds non-qualified investments is reduced to a minimum.

The annuitant must assure himself as to the liquidity of the assets for purposes of retirement income payments. In addition, if, at the time of retirement income payments, a transfer or death, the agreed term of the investments has not expired, Épargne Placements Québec will liquidate all or a portion of the investments and will apply, if necessary, the penalties stipulated for early redemption.

### 6. RETIREMENT INCOME PAYMENTS

At the beginning of each year following initial participation, the Trustee determines the minimum amount to be paid under the Fund during the year in accordance with subsection 146.3(1) of the Income Tax Act. The first payment is payable before the end of the calendar year following the year of initial participation in the Fund. The annuitant may request payment by periodic instalments, the total of which instalments must be greater than or equal to the minimum amount to be paid as established each year. The last payment to be made under the Fund shall be equal to the Fund balance.

If the amount the annuitant has chosen is less than the minimum amount, the Trustee will nonetheless pay the minimum amount required by the tax legislation. The amount chosen by the annuitant will then be adjusted to correspond to the minimum amount for such year.

The annuitant may request periodic retirement income payments greater than those stipulated in the preceding subsection. In addition, the annuitant can ask the Trustee for any additional payments that will be paid according to the availability of investments in the Fund.

The Trustee must deduct from the payments any amount on account of duties, taxes, interest, penalties or applicable expenses, if any.

### 7. DEATH OF THE ANNUITANT

The annuitant may decide, in accordance with the Income Tax Act, that at his death, the successor annuitant shall become the new annuitant of the Fund and continue to receive the other payments stipulated in these presents.

Upon the death of the successor annuitant, the payments stipulated in these presents cease once the Trustee receives notice of the death of the successor annuitant. Upon receiving proof he considers satisfactory regarding the entitlement of the beneficiary, the Trustee disposes of the assets in the Fund and, subject to the tax legislation and after deducting all of the duties and taxes applicable (including interest and penalties), costs of disposition, expenses and other amounts payable under the terms of these presents, pays in one overall amount the net proceeds of such disposition to the beneficiary. Such a payment cannot be made as long as the Trustee has not received the releases and other documents he may reasonably request.

If, upon the death of the annuitant, a successor annuitant has not been designated, the payments stipulated in these presents cease once the Trustee receives notice of the death of the annuitant. Upon receiving proof he considers satisfactory regarding the entitlement of the beneficiary, the Trustee disposes of the assets in the Fund and, subject to the tax legislation and after deducting all of the duties and taxes applicable (including interest and penalties), costs of disposition, expenses or other amounts payable under the terms of these presents, pays in one overall amount the net proceeds of such disposition to the beneficiary. Such a payment cannot be made as long as the Trustee has not received the releases and other documents he may reasonably request.

### 8. TRANSFER TO ANOTHER FUND

Upon receiving written instructions from the annuitant, the Trustee shall transfer, in the manner prescribed in the tax legislation, all of part of the assets in the Fund or an amount equivalent to their value at that time, as well as all the information needed to maintain the Fund, to any person legally authorized to become an issuer pursuant to another RRIF of which the annuitant may be the beneficiary, after deducting all the amounts to withheld under paragraphs 146.3(2)(e.1) or (e.2) of the Income Tax Act, as the case may be, as well as all the fees and outlays to which the Trustee is entitled.

Under the terms of a written separation agreement or an order or a judgement handed down by a competent tribunal for the distribution of property because of the breakdown of the marriage or de factor union of the annuitant, the annuitant may request the transfer of property from the Fund to a RRIF or an RRSP of which his spouse or former spouse is the annuitant.

On request by the annuitant to the Trustee, in a form the Trustee considers satisfactory, an amount may be transferred from the Fund a) directly to the annuitant's account as part of a pooled registered pension plan or b) directly to a registered pension plan of which the annuitant was a member within the meaning of subsection 147.1(1) before the transfer, or to a prescribed registered pension plan, and it is attributed to the annuitant in accordance with the terms of a defined contribution provision of a pension plan within the meaning of the same subsection.

These transfers take effect in compliance with the applicable laws and in a reasonable time after all the forms that must be completed regarding such transfer have been and have been

# TRUST AGREEMENT

## QUÉBEC RETIREMENT INCOME FUND (RIF)

submitted to the Trustee. At the time of such a transfer, the Trustee has no other responsibility or other duty to the annuitant regarding the assets in the Fund, or a part thereof, thus transferred, as the case may be. However, it is understood that the Trustee is never required to redeem an investment prior to its maturity, before being able to effect its transfer.

### 9. DOCUMENTS

Épargne Placements Québec maintains a separate account for the Fund, provides the annuitant with a copy of this agreement and sends him, on a regular basis and at least once a year, a statement indicating the investments held, the interest income and other income, as well as the payments, transfers, redemptions and the expenses debited, if any, directly charged against the assets held in the Fund of the annuitant pursuant to the second paragraph of section 11 c), made since the last statement, as well as the balance of the Fund.

Épargne Placements Québec also sends the account holder and the competent authorities, as the case may be, the information statements, notices and other documents in compliance with the tax legislation.

### 10. RESTRICTIONS ON ASSIGNMENT AND HYPOTHEC

The annuitant acknowledges that the assets in the Fund, as well as any payment, right or benefit resulting from this agreement, cannot be assigned, in whole or in part, or otherwise alienated. The annuitant further acknowledges that he cannot offer the Fund or the assets of the Fund as security, by means of a hypothec or otherwise.

### 11. PROVISIONS CONCERNING THE TRUSTEE

a) **Delegation of powers.** The Trustee may delegate to its mandatary any of its administrative duties or powers allowing it to take specific measures, and the representative may receive all or part of the fees to which the Trustee is entitled under the terms of these presents; however, it is understood that the ultimate responsibility for the administration of the Fund remains with the Trustee.

b) **Resignation of the Trustee.** The Trustee may resign or be replaced as Trustee of the Fund provided a successor Trustee has accepted such office. The successor Trustee must be a legal person resident in Canada and duly authorized by the applicable laws to act in that capacity. The annuitant must receive 30 days' written advance notice of the change of Trustee from the Trustee or its mandatary.

c) **Fees and expenses.** The Trustee must receive the fees and other expenses agreed to with Épargne Placements Québec that it prescribes from time to time; such fees and expenses are charged in full to Épargne Placements Québec, not to the annuitant.

The Trustee is reimbursed by Épargne Placements Québec for any expenses, small outlays and costs it incurred or its mandataries incurred in relation to the administration of the Fund. The reimbursement of duties, taxes, interest or penalties payable may be charged directly against the assets in the Fund and deducted from them, but only to the extent allowed under the tax legislation or any other applicable law. The Trustee may, without further notice to the annuitant, dispose of assets in the Fund, in whole or in part, at conditions he may determine and may apply the proceeds of such disposition to the payment in default. The Trustee is not responsible for losses suffered because of such a disposition.

The Trustee is also entitled to request Épargne Placements Québec for fees at the end of the Fund, the transfer or withdrawal of assets in the Fund or in any other situation it may reasonably determine.

d) **Liability and compensation of the Trustee.** The annuitant, his spouse, any beneficiary of the proceeds of the assets in the Fund and the right-holders of the annuitant agree to compensate the Trustee and its representatives, mandataries and correspondents regarding any payments, interest, penalties, assessments, expenses, responsibilities, claims and demands resulting from the investment of assets in the Fund and shelter them from the preceding, except in the case of serious offence or gross negligence by the Trustee.

Neither the Trustee nor any of its representatives, mandataries or correspondents shall be liable for any loss suffered by the Fund, by the annuitant or by a beneficiary of the Fund, further to the acquisition, disposition or holding of any investment acquired in accordance with the instructions of the annuitant, further to a withdrawal from the Fund at the annuitant's request, further to the refusal to follow an instruction of the annuitant that the Trustee, in its sole judgement, considers contrary to the provisions of these presents or of an applicable law, following force majeure or following the normal and authorized use of property that is part of the assets in the Fund.

The Trustee shall be discharged of any liability after having paid the Fund balance in accordance with these presents.

e) **Instructions.** The Trustee or its mandatary follows the written instructions it has received from the annuitant or from any other person designated in writing by the annuitant, whether sent by mail, by fax or other electronic means. Any instruction, notice or information sent in writing to the Trustee shall be deemed valid solely if its form is considered satisfactory by the Trustee.

### 12. MISCELLANEOUS PROVISIONS

a) **Modifications.** The Trustee may from time to time, at its discretion, modify the terms and conditions of the Fund i) to comply with a requirement of an applicable law, or ii) by giving the account holder 30 days' written notice. However, such change must not disqualify the Fund within the meaning of the tax legislation.

b) **Proof.** Entry of the annuitant's date of birth and that of his spouse on the Application constitutes sufficient certification of their age, subject to any other proof that may be requested of him. The Trustee reserves the right to ask the annuitant, the contributing spouse or any person affirming that he or she is a beneficiary, as the case may be, to provide, at the appropriate time and at their expense, satisfactory proof of their age, of the survival or death of the annuitant or of the contributing spouse and of their rights as beneficiary.

c) **Specie.** All sums of money payable under the terms of these presents are payable in legal currency of Canada.

d) **Enforceability.** The terms and conditions of these presents bind the heirs and legal personal representatives of the annuitant as well as the successors and right-holders of the Trustee. Despite this, if the Fund or the assets in the Fund are transferred to a replacement Trustee, the terms and conditions of the trust agreement of such replacement Trustee shall govern the Fund thereafter.

e) **Interpretation.** Where required by the context, a word used in the masculine includes the feminine and vice versa, and the singular includes the plural and vice versa.

f) **Notice.** Notice given to the Trustee shall be considered sufficient if it is remitted or mailed to Épargne Placements Québec at the address indicated in these presents, or to such

other address notified by mail. Notice is deemed to have been given to the Trustee on the actual date of receipt of the notice by Épargne Placements Québec. Any notice, statement or receipt addressed to the annuitant is considered to have been validly given if it is handed to him in person or sent by mail to the last address indicated in the register kept by Épargne Placements Québec. Such notice, statement or receipt is deemed to have been given at the time of its delivery to the annuitant if delivered in person or, if mailed, the date it is mailed.

g) **Applicable laws.** The Fund is governed by the laws of the Province of Québec, as well as by the tax legislation and is interpreted in accordance with those laws.

Conv\_FRR 2023-09

## GENERAL INFORMATION

### Protection and use of personal or confidential information

Épargne Placements Québec has implemented a Privacy Policy in accordance with the requirements of the *Act to modernize legislative provisions as regards the protection of personal information* (2021, c 25).

This policy sets out the various rules and measures concerning the collection, use, retention and disclosure of personal information as part of Épargne Placements Québec's activities. It is available at the following address: <https://epg.gouv.qc.ca>.

Épargne Placements Québec restricts the collection of personal information to that which is necessary to provide quality service to its clients, while respecting its commitment regarding privacy and information security. Much of this information is essential to the processing of your request and the transactions you will subsequently carry out with Épargne Placements Québec. Épargne Placements Québec uses this information for the administration of the account registration system and the sale of savings products, to open a participant account allowing you access to online transactions, to offer you savings products and to send you information about them. To this end, Épargne Placements Québec must obtain your consent.

Your consent is also required so that Épargne Placements Québec can inform you of product promotions and notify you when consultations are taking place to obtain your opinion on its services and products or to find out about your expectations. You can give your consent through our transactional website, by email or by calling one of our agents directly. You may withdraw your consent to the use of your personal information for promotional offers and consultations at any time.

### The book based system

Épargne Placements Québec products are fully guaranteed by the Québec government and the book based system administered by Épargne Placements Québec.

Registration in this system confirms ownership, in the participant's name, of the products booked in his securities portfolio. Épargne Placements Québec

sends the participant, or the person authorized to act in his name, a quarterly statement of his securities portfolio and, when required, a statement confirming certain transactions carried out in the book based system. Épargne Placements Québec's transactional Web site allows participants to consult information on their product portfolio and access all their transaction statements, such as portfolio statements, transaction confirmations and tax slips.

Participation in the book based system is reserved for the persons or groups of persons domiciled in Québec or groups of property set out in the Regulation respecting savings products (CQLR chapter A-6.001, r. 9), hereinafter the Regulation . To participate, an application form must be completed and the required documents must be supplied, upon opening an initial account.

### Transactions

Transaction requests can be made in the book based system using any appropriate transmission method, with the exception of transfer of ownership of a security, which must be made exclusively using the form supplied by Épargne Placements Québec and in the cases provided for in the Regulation. A participant who is no longer domiciled in Québec may no longer, in any manner whatsoever, make a purchase transaction.

Savings products can be acquired on Épargne Placements Québec's transactional website or by telephone.

Épargne Placements Québec must be advised of any error or irregularity detected in a statement within 30 business days of the date of such statement.

Otherwise, the Québec government assumes no liability for the harm that may result from such error or irregularity.

### Security of transactions

Épargne Placements Québec has set rules and procedures that satisfy the highest standards regarding security of transactions. Accordingly, a participant wishing to carry out a transaction by phone must identify himself to Épargne Placements Québec by means of the personal information in his file. For a transaction carried out on Épargne Placements Québec's transactional website, the participant must identify themselves using their username and password.

Épargne Placements Québec records telephone conversations relating to transaction requests.

### Banking information

The banking information of a transactions account at the financial institution of the participant enable Épargne Placements Québec to pay amounts due to the participant (interest and redemptions) directly into this account within a maximum of two business days. It also allows Épargne Placements Québec to debit the same account for any amount payable on the purchase of a savings product or for an overpayment. A payment is deemed to be made on the date stipulated in the electronic funds transfer instructions given to the financial institution.

By providing Épargne Placements Québec with your banking information, you authorize both Épargne Placements Québec and the designated financial institution (or any other financial institution you may subsequently authorize) to debit your bank account, in accordance with instructions received by any appropriate means of transmission, for a one-time amount for the purchase of a savings product or for recurring amounts by bank or payroll deductions (if applicable). This authorization remains in effect for the duration of the account registration with Épargne Placements Québec.

### Periodic savings

Changes to the amount and frequency of withdrawals (pre-authorized debits) for bank withdrawals are authorized in accordance with the terms and conditions of the products held. Withdrawals may also be cancelled at any time.

Pre-authorized debits If a debit does not agree with the instructions given to Épargne Placements Québec, you have a right of recourse. For example, you are entitled to receive a reimbursement of a debit that is unauthorized or incompatible with your transaction instructions.

To change or cancel instalments drawn from your bank account or to obtain more information on your right of recourse, contact Épargne Placements Québec.

For more information on the rules governing pre-authorized debits, you can also visit [www.cdnpay.ca](http://www.cdnpay.ca).

\* Épargne Placements Québec is an entity of the Ministère des Finances of Québec and the name "Épargne Placements Québec" is an official trademark owned by the Québec government.