

TRUST AGREEMENT

QUÉBEC LIFE INCOME FUND (LIF)

1. DEFINITIONS

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

- a) **Act:** the Supplemental Pension Plans Act (Québec), as it may be amended from time to time.
- b) **Application:** the Québec Life Income Fund participation application form, being an integral part of these presents, completed and signed by the purchaser.
- c) **Assets in the Fund:** all the investments or property of any nature whatsoever that constitute 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.
- d) **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 purchaser’s death, pursuant to the applicable laws, such as the surviving spouse of the purchaser, his succession, his designated beneficiary or a legal representative within the meaning of the Income Tax Act (Canada).
- e) **Épargne Placements Québec:** an administrative unit of the Ministère des Finances of Québec and mandatary of the Trustee for the purposes of this Fund.
- f) **Fiscal period:** in relation to the Fund, a calendar year ending December 31 and that may not exceed 12 months.
- g) **Fund:** the Québec Life Income Fund offered by Épargne Placements Québec and established by the Trustee for the benefit of the purchaser in accordance with the terms and conditions appearing in the Application and in this trust agreement and establishing a LIF that will hold locked-in sums of money that are transferred to the Fund.
- h) **LIF:** a life income fund that is a RIF and satisfies the requirements mentioned in section 18 of the Regulation.
- i) **LIRA:** a locked-in retirement account that is an RSP and satisfies the requirements of section 29 of the Regulation concerning locked-in retirement accounts.
- j) **Maximum pensionable earnings:** has the meaning attributed to this expression in the Act respecting the Québec Pension Plan (Québec).
- k) **Member:** has the meaning attributed to this term under the Supplemental Pension Plans Act (Québec).
- l) **Minimum amount:** minimum annual amount that may be paid to a RIF during a year in compliance with subsection 146.3(1) of the Income Tax Act (Canada).
- m) **Purchaser:** the participant whose name is shown as such on the attached Application.
- n) **Regulation:** the Regulation respecting supplemental pension plans (Québec), adopted under the Act, as it may be amended from time to time.
- o) **RIF:** a retirement income fund, within the meaning of the Income Tax Act (Canada) and that is certified under that statute.
- p) **RSP:** a retirement savings plan within the meaning of the Income Tax Act (Canada) and that is certified under that statute.
- q) **Savings Product:** any bond or other security issued by the Québec government under the book based system managed by Épargne Placements Québec (the “system”).
- r) **Spouse:** has the meaning attributed to this term under the Supplemental Pension Plans Act (Québec), but does not include a person who is not recognized as spouse or de factor spouse for the purposes of any provision of the Income Tax Act (Canada) concerning a RIF.
- s) **Tax legislation:** the Income Tax Act (Canada) and the Taxation Act (Québec) and the regulations adopted pursuant to those statutes.
- t) **Trust agreement:** this trust agreement establishing the Québec Life Income Fund.
- u) **Trustee:** Natcan Trust Company, a trust company duly constituted under the Trust and Loan Companies Act (Canada), having its head office located at 800, St-Jacques Street, Suite 91991, Montreal, Quebec, H3C 1A3.

2. ESTABLISHMENT OF THE FUND

Through the transfer by the purchaser to the Trustee of the assets specified in the Application, the purchaser establishes a Fund, which constitutes a RIF for his benefit, with the Trustee, through which the Trustee undertakes to pay each year to the purchaser 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, but excluding the duties, taxes (including interest and penalties) and expenses charged to this Fund, are used to in order to make payments to the purchaser 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 AND LOCKING-IN OF THE FUND

The Trustee will apply to register the Fund of the purchaser in compliance with the tax legislation, the Act and the Regulation. If any of the authorities concerned rejects the registration, the Application and this trust agreement are cancelled and the sums of money transferred into the Fund by the purchaser are refunded by cheque or by transfer of funds.

Unless authorized by the Act and the Regulation, all sums of money transferred into the Fund, including any investment income thereon and the gains realized on them, but excluding the duties, taxes (including interest and penalties) and expenses charged to this Fund, are used to obtain or ensure an income for the purchaser whose amount may vary each year.

4. ASSETS TRANSFERRED TO THE FUND

The only amounts that may be transferred to the Fund must be drawn, directly or indirectly, from one or more of the accounts listed below:

- a) a pension plan governed by the Act;
- b) a supplemental pension plan governed by a statute of a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
- c) a supplemental pension plan established by a statute of the Parliament of Québec or of another legislative authority;
- d) the locked-in account of a voluntary retirement savings plan subject to the Voluntary Retirement Savings Plans Act;
- e) the locked-in account of an equivalent voluntary retirement savings plan from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his employment;
- f) a LIRA;
- g) an annuity contract mentioned in section 30 of the Regulation;
- h) another LIF.

The sums transferred to a life income fund held by a purchaser under 55 years of age are deemed to come in their entirety from a life income fund or from a supplemental pension plan that offers the variable benefits transferred to in subdivision 3 of Division II.1 of the Regulation, unless the purchaser sends to the Trustee to which the sums are transferred a declaration in conformity with the one provided for in Schedule 0.9.1. of the Regulation. The purchaser acknowledges that he alone is responsible for the obligation to ensure that an amount is transferred into the Fund in accordance with this agreement.

5. INVESTMENTS

The assets in the Fund are invested solely in Savings Products pursuant to the instructions given by the purchaser to Épargne Placements Québec from time to time, in a form considered satisfactory by the Trustee. Investments of sums of money or assets in the Fund must satisfy the rules of the Income Tax Act (Canada) and of the regulations made under that statute governing the investment of sums held in a RIF.

In the absence of instructions from the purchaser concerning the investment of the assets in the Fund 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 purchaser agrees that he is solely responsible for the investment of assets in the Fund and the reinvestment of matured investments, and he is solely responsible for ensuring that the investments made by the Fund are “qualified investments” within the meaning of the tax legislation. In particular, the purchaser must assure himself as to the liquidity of the assets in the Fund 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. The Trustee is not responsible regarding the investment of assets in the Fund, whether made in accordance with the purchaser’s instructions or not.

Where required under this agreement, the value of the Fund or, as the case may be, the balance of the Fund (the “Fund balance”), for the purposes of a transfer of assets in the Fund or in the event of death, is based on the net asset value of the investments, after deducting any applicable taxes, expenses or penalties.

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

6. PAYMENTS

The payments to the purchaser under the terms of these presents are determined under the terms of the Application and must satisfy the following conditions:

- a) **Annual payments:** The amount of the income paid to the Annuitant during a fiscal year or, if the purchaser is 55 years of age or over and so requests it, the amount of the payment of all or part of the balance of the fund in one or more instalments is, subject to the lower limit referred to in Subsection 6 b) herein, set by the purchaser each year. The amount of the income set by a purchaser under 55 years of age for a fiscal year may not exceed the upper limit determined in accordance with Subsection 6 c) herein.
- b) **Minimum payment:** The minimum amount of income paid or of the payment of all or part of the balance of the Fund, in one or more instalments our of the Fund during a fiscal period from the Fund cannot be less than the minimum amount stipulated in subsection 146.3(1) of the Income Tax Act (Canada), determined based on the age of the purchaser or the age of the purchaser’s spouse if the latter is younger than the purchaser. If the amount the purchaser has chosen is less than the minimum amount, the Trustee will nonetheless pay the minimum amount. The amount chosen by the purchaser will then be adjusted to correspond to the minimum amount for such fiscal period.
- c) **Maximum payment:** The amount of income paid out during a Fiscal Year of the Fund to a purchaser under 55 years of age at the time the application for income is filed must not exceed the amount “M” in the following formula: **A + E = M** where “A” represents the maximum temporary income for the Fiscal Year determined according to Subsection 7 b) herein or, if no amount has been determined, zero; “E” represents the maximum life income established according to Subsection 7 d) hereafter.
- d) **Life income limit:** The upper limit of the life income, for a fiscal year of the life income fund of a purchaser under 55 years of age is equal to the amount “E” in the following formula: **F x C - A = E**, where “F” represents the rate prescribed for a year, which is established on the basis of the month-end, nominal interest rate earned on long-term bonds issued by the Government of Canada for the month of November

TRUST AGREEMENT

QUÉBEC LIFE INCOME FUND (LIF)

preceding the beginning of the fiscal year, as compiled monthly by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics, Series V122487 in the CANSIM system, by applying successively to that rate the following adjustments: (1) the conversion of the interest rate, based on interest compounded semi-annually, to an effective annual interest rate; (2) an increase of 2.75% of the effective interest rate; (3) the rounding of the effective interest rate to the nearest multiple of 0.25%. “C” represents the balance of the fund on the date on which the fiscal year begins, increased by any sums transferred to the fund after that date and reduced by any sums originating directly or not during the same fiscal year from a life income fund or from a supplemental pension plan that offers the variable benefits referred to in subdivision 3 of Division II.1 of the Regulation; “A” represents the maximum temporary income for the fiscal year determined in accordance with Subsection 7 b) herein or, if no amount was determined, the figure zero. The amount “E” may not be less than zero.

7. PERSONS YOUNGER THAN 55 YEARS OF AGE - PAYMENT OF TEMPORARY INCOME:

The Annuitant under 55 years of age is entitled to receive, on request to the Trustee, during a fiscal year, all or part of the balance of the fund in the form of a temporary income in monthly instalments.

- a) **Conditions:** None of these monthly instalments may exceed 1/12 of the difference between the following amounts: (1) 50% of the Maximum Pensionable Earnings determined, for the year in which the payment is made, pursuant to the *Act respecting the Québec Pension Plan* and (2) 100% of the Annuitant's income for the 12 months that follow, excluding the income provided for in this subsection, and provided that it meets the following conditions: (i) the Annuitant's income for the 12 months that follow, excluding the income provided for in this Section 7, does not exceed the amount referred to in point (1) above; (ii) the Annuitant submits to the Trustee an application to that effect, accompanied with a declaration that is compliant with Schedule 0.5 of the Regulation and a written undertaking to request a suspension of payments when his income, excluding the income indicated in this Section 7, reaches the amount referred to in point (1) above;

The income indicated in this Section 7 cannot be paid to the Annuitant if he has requested a suspension of payments or after the end of the year in which he reaches 55 years of age.

The Annuitant who is eligible to receive the income referred to in Section 7 and who is a member or spouse who has become entitled to a pension under a pension plan may, for the purposes of replacing such pension by a temporary income, apply once a year for the transfer from the pension plan to the Fund of an amount equal to the lesser of the following amounts: (i) the additional amount required for the balance of the Fund to allow, until the end of the year, the payment of the monthly payments provided for in Subsection 7a); (ii) the value of his benefits under the pension plan.

If an amount is so transferred from a pension plan to the Fund, sections 15.1 to 15.3 of the Regulation apply, with the necessary modifications, with respect to the allocation of benefits and the determination of the residual benefits of the member or spouse in the pension plan.

- b) **Maximum temporary income:** The Trustee determines the maximum temporary income for the Fiscal Year of the Fund (which cannot be less than zero) upon receipt of an application in accordance with Subsection 7 a) herein. This income is equal to the product of multiplying the maximum monthly payment set in accordance with the first paragraph of Subsection 7 a) by the number of months remaining in the year as of the first day of the month of the application or, where the Annuitant is entitled, for that month, to a temporary income by reason of a prior application, as of the first day of the following month. Where necessary, this product is increased by any income provided for under Subsection 7 a) and paid to the Annuitant during the year but prior to payment of the income payable as a consequence of the application and reduced by any income paid to the Annuitant, during the same period, from another LIF or from a supplemental pension plan that offers the variable benefits referred to in Subdivision 3 of Division II.1 of the Regulation.

8. PERSONS OVER 55 YEARS OF AGE – ESTIMATED AMOUNT OF LIFE INCOME, WITHDRAWAL OF ALL OR PART OF THE BALANCE OF THE LIFE INCOME FUND

The Trustee provides, in accordance with Subsection 8 a) herein, an estimate of the amounts of life income that may be provided with the sums held by an Annuitant 55 years of age or over. Despite such estimation of the amounts of life income, the Annuitant of 55 years of age or over may withdraw all or part of the balance of the life income fund in accordance with the conditions set out in the present Subsection 8 b).

- a) **Estimated amount of life income:** This estimated amount of life income is established by the Trustee according to the method it determines or, if it decides otherwise, is equal to “N” of the following formula: $D/T = N$; where “D” represents the balance of the fund on the date of the estimate; “T” represents the commuted value, at the beginning of the fiscal year of the fund, of the annual retirement pension of \$1, payable on 1 January of each year included in the period from the beginning of the fiscal year to 31 December of the year in which the purchaser reaches 95 years of age; that value is determined on the basis of the month-end, nominal interest rate earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the fiscal year, as compiled monthly by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics, Series V122487 in the CANSIM system, by applying successively to that rate the following adjustments: (1) the conversion of the interest rate referred to in element “T”, based on interest compounded semi- annually, to an effective annual interest rate; (2) an increase of 1.10% of the effective interest rate; (3) the rounding of the effective interest rate to the nearest multiple of 0.25%. The amount “N” may not be lower than the lower limit determined in accordance with Subsection 6 b) herein. In addition, for purchasers aged 95 years or over, element “T” is equal to 1. This estimated amount may vary in particular because of withdrawals made and returns on the fund.
- b) **Withdrawals:** On request to the Trustee made at any time of the fiscal year, an Annuitant may withdraw all or part of the balance of the life income fund in one or more instalments, if (1) the Annuitant is 55 years of age or over, (2) the term of the investments has expired. Such payment is made, as applicable, regardless of the amount of the life income or of the payment in one or more instalments determined

or received by the purchaser for the fiscal year.

The remittance must comply with the applicable laws and be made within a reasonable timeframe. The Trustee is not liable for any loss to the Annuitant resulting from a withdrawal under this Section 8.

9. CONVERSION INTO A RETIREMENT ANNUITY

Conversion of all or part of the Fund balance can only be made under the following conditions: a) the insurer guarantees payment of such annuity in equal periodic amounts that cannot be changed unless each amount is increased uniformly according to an index or a rate stipulated in the annuity contract or uniformly changed because of a seizure against the entitlements of the purchaser, of the new establishment of the purchaser's pension, of the division of purchaser's entitlements with his spouse, of the payment of a temporary pension according to the conditions stipulated in section 91.1 of the Act or of the option stipulated in subsection 3 of the first paragraph of section 93 of the Act; b) in the case of the death of the purchaser who is a former Member or a Member, the insurer guarantees his spouse, provided she has not waived it, a life annuity at least equal to 60% of the amount of the purchaser's pension, including, during the duration of the investment, the amount of the temporary pension.

10. AUTHORIZED TRANSFERS

Unless the agreed term of the investments has not expired, the purchaser may transfer all or part of the Fund balance: a) to a pension plan governed by the Act; b) to a supplemental pension plan governed by a statute of a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension; c) to a supplemental pension plan established by a statute of the Parliament of Québec or of another legislative authority; c.1) to a locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act; c.2) to the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment; d) to an LIF; e) to an LIRA; f) to an annuity contract covered by section 30 of the Regulation and that satisfies the relevant provisions of the Income Tax Act (Canada).

The Trustee may deduct from the property that is transferred any amount that must be withheld pursuant to paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the Income Tax Act (Canada), as the case may be, as well as the fees and outlays to which the Trustee is entitled.

At any time, the purchaser may request the Trustee, in a form considered satisfactory by the latter, to make such an authorized transfer. The transfer is made within a reasonable time following reception of the beneficiary's request. Once the transfer is completed in accordance with all the conditions relating to it, the Trustee and the agent are discharged of any responsibility regarding such account to the extent of the transfer.

Despite the preceding provisions, the Trustee is not required to request the early redemption of an investment held by the Fund for the purposes of the transfer, and it is up to Épargne Placements Québec, at its sole discretion, to allow such early redemption or not on the basis of the terms and conditions applicable to such investment.

11. NON-AUTHORIZED TRANSFERS

The annuitant may not transfer the life or temporary income or, as the case may be, the payment of all or part of the balance of the life income fund in one or more instalments, to a pension plan referred to: (1) a registered retirement savings plan; (2) a registered retirement income fund; (3) a not locked-in account of a voluntarily retirement savings plan governed by the Voluntary Retirement Savings Plans Act.

TRUST AGREEMENT

QUÉBEC LIFE INCOME FUND (LIF)

12. PROVISIONS CONCERNING THE PURCHASER

- a) **No benefit.** The purchaser, or a person with whom he is not at arm's length, within the meaning of the tax legislation, may not receive an advantage, payment or benefit other than the benefits authorized pursuant to this trust agreement and the tax legislation.
- b) **Waiver by the spouse.** The spouse of an purchaser who is a former Member or a beneficiary may, by written notice given to the Trustee, waive her entitlement to receive the benefit stipulated in section 12 of these presents or the pension stipulated in section 9 of these presents and may, in the case of the benefit, revoke such waiver by giving the Trustee written notice to that effect before the death of the purchaser and, in the case of a life annuity, before the date of conversion of all or part of the Fund balance.
- c) **Separation and divorce.** The spouse of the purchaser who is a former Member or a Member ceases to be entitled to the pension stipulated in section 9 of these presents upon separation from bed and board, divorce, nullity of marriage, nullity or dissolution of a civil union or, in the case of a spouse who is not married or a civil union spouse, upon cessation of the conjugal relationship, unless the purchaser has transmitted to the Trustee the notice stipulated in section 89 of the Act.
- d) **Seizure for unpaid alimony.** The seizable portion of the Fund balance may be paid in a lump sum in execution of a judgment rendered in favour of purchaser's spouse that gives entitlement to a seizure for unpaid alimony.
- e) **Death of the purchaser.** If the purchaser who is a former Member or a Member dies before the conversion of the entire Fund balance into a life annuity, his spouse or, failing that, his estate is entitled to a benefit of which the amount is equal to such balance.

The Trustee must, after receiving the documents and releases he considers necessary and after deducting all of the applicable taxes, costs of disposition, expenses and other amounts payable under the terms of these presents, remit the Fund balance to the spouse of the purchaser or, failing that, to his estate, if any, in accordance with the first paragraph and subject, in all cases, to the statutes applicable to the opening of an purchaser's succession.

- f) **Declarations and guarantees of the purchaser.** The purchaser declares and guarantees the following to the Trustee: i) the applicable legislation on pension matters that governs the transfer at the time in question is the Act and the Regulation; ii) the amounts transferred under the terms of these presents are locked-in amounts arising, directly or indirectly, from rights to a pension of the purchaser and the purchaser is entitled to make a transfer of his rights under the Act or the Regulation; iii) the provisions of the pension plan do not prohibit the purchaser from entering into this contract and, if such interdiction does in fact exist, the Trustee is not liable for the consequences of the signature of this contract by the purchaser nor of any other measure that the Trustee took in accordance with the provisions of these presents.

13. IRREGULAR PAYMENTS

If the income paid to the purchaser during a fiscal period of the Fund exceeds the maximum amount that may be paid to him in accordance with the provisions of the Regulation or of this contract, the purchaser may, unless such payment is attributable to a false declaration on his part, require that the Trustee pay him, as a penalty, an amount equal to the excess income paid.

14. DOCUMENTS

Épargne Placements Québec maintains a separate account for the Fund. It provides the purchaser, at the beginning of each fiscal period of the Fund, a statement showing the information stipulated in sections 24 to 26 of the Regulation within the time periods stipulated therein. It provides the purchaser 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 and the expenses debited, if any, directly charged against the assets held in the Fund of the purchaser pursuant to the second paragraph of section 17 c), made since the last statement, as well as the balance of the Fund.

Épargne Placements Québec also provides the purchaser or his or her spouse with any information slips, statements or receipts required under the tax legislation.

15. IDENTIFIABLE SECURITIES

Unless stipulated otherwise, if the investments held by the Fund are identifiable and transferrable securities, the Trustee may at its option carry out the transfer mentioned in section 10 of these presents by the remittance of such securities.

16. RESTRICTIONS ON ASSIGNMENT AND HYPOTHEC

The purchaser acknowledges that the assets in the Fund, as well as the rights and benefits resulting from this agreement, cannot be assigned or otherwise alienated. The purchaser further acknowledges that he cannot offer the Fund or the assets of the Fund as security, by means of a hypothec or otherwise.

17. 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 such mandatary 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 purchaser 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 it prescribes from time to time; such fees and expenses are charged in full to Épargne Placements Québec, not to the purchaser.

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, excluding duties, taxes, interest or penalties that may be payable and may be charged directly against the assets in the Fund. The purchaser shall reimburse the Trustee for any shortfall resulting from the payment of such

duties, taxes, interest or penalties within 30 days of the date when the purchaser is so advised. If the purchaser fails to make such reimbursement on time, the Trustee may, without further notice to the purchaser, 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 of such duties, taxes, interest or penalties. 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 purchaser, his spouse, any beneficiary of the proceeds of the assets in the Fund and the estate of the purchaser agree to compensate and release from any liability 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 purchaser 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 purchaser, further to the refusal to follow an instruction of the purchaser 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 may recover directly from the assets in the Fund the total amount of any duties, taxes, interest and penalties that may be imposed on the Trustee under the terms of the provisions of the tax legislation (including, regarding the acquisition, holding or disposition of "non-qualified investments" according to the definition of this expression in the tax legislation).

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 is entitled to follow the written instructions it has received from the purchaser or from any other person designated in writing by the purchaser, 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.

18. MISCELLANEOUS PROVISIONS

- a) **Modifications.** The Trustee shall make no change to this agreement that would result in reducing the entitlements arising from this contract, unless the Trustee grants the purchaser, prior to the date of the change, a right to transfer the Fund balance and gives the purchaser, at least 90 days before the date on which the purchaser may exercise such right, notice indicating the purpose of the change as well as the date as of which the purchaser may exercise such right.

The Trustee may not, other than to satisfy the requirements of the law, make any change other than those stipulated in this section without having first advised the purchaser. However, such change must not disqualify the Fund as a Québec life income fund within the meaning of the tax legislation.

- b) **Proof.** Entry of the purchaser'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 purchaser, 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 purchaser 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 purchaser as well as the successors and estate 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 LIF thereafter.
- e) **Interpretation.** Whenever 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 purchaser 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 purchaser 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.

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.

* 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.