

# DECLARATION OF TRUST

## NATIONAL BANK SAVINGS AND INVESTMENTS INC. SELF-DIRECTED TAX-FREE SAVINGS ACCOUNT

1. **Definitions.** For the purposes hereof, the terms set out below have the following meanings:
  - a) **Account:** The tax-free savings account established between the Trustee and the Holder in accordance with the terms and conditions set out in the Application and herein, as amended from time to time.
  - b) **Agent:** National Bank Savings and Investments Inc., being designated as such under Section 13a) hereof.
  - c) **Application:** The account opening form (request for registration) completed and signed by the Holder.
  - d) **Assets in the Account:** All assets of any nature whatsoever which make up the Account, including the contributions made to the Account as well as the investment earnings generated or realized during the administration of the Account by the Trustee.
  - e) **Beneficiary:** A person who, pursuant to the applicable laws, is legally entitled to receive Assets in the Account or proceeds from the disposition of Assets in the Account in the case of the death of the Holder, such as the Holder's Spouse, estate, designated beneficiary, or legal representative within the meaning of the *Income Tax Act* (Canada).
  - f) **Holder:** The individual (other than a trust) 18 years of age or older whose name is indicated in the Application and, after their death, the Spouse, if they are alive and acquire the rights of the Holder set out in subsection 146.2(1) of the *Income Tax Act* (Canada) (also referred to as the Successor Holder herein).
  - g) **Spouse:** The spouse or common-law partner of the Holder, within the meaning of the *Income Tax Act* (Canada).
  - h) **Tax Legislation:** The *Income Tax Act* (Canada), the corresponding legislation of the province or territory in which the Holder resides as indicated on the Application, and the regulations adopted thereunder.
  - i) **Trustee:** Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).
2. **Establishment of Account.** By means of contributions or the transfer of Assets specified in the Application, the Holder establishes with the Trustee a tax-free savings account. All contributions made to the Account as well as any investment earnings generated or realized by the Account and used and invested pursuant to the terms and conditions provided herein shall be used for the purpose of making distributions to the Holder.

The Account shall constitute a trust for the purposes of the *Income Tax Act* (Canada) only, excluding any other purpose whatsoever.

The Trustee, by accepting the Application, agrees to administer the Account in accordance with the *Income Tax Act* (Canada) and in the manner indicated herein. Subject to registration of the Account under the *Income Tax Act* (Canada), this declaration of trust shall take effect on the date of acceptance of the Application by the Trustee.
3. **Registration.** The Trustee shall file an election to register the qualifying arrangement as a tax-free savings account pursuant to the *Income Tax Act* (Canada). To this end, the Trustee is hereby authorized to rely on the information provided by the Holder in the Application. If any of the authorities concerned refuses to register the Account, the Application and this declaration shall be cancelled, and the Assets in the Account shall be returned to the Holder.
4. **Contributions.** The Holder may make contributions to the Account at any time. The Holder shall be solely responsible for ensuring that such contributions are within the limits prescribed by the *Income Tax Act* (Canada) and the Trustee makes no verification in this respect.
5. **Investments.** The Assets in the Account shall be invested in investments available under the Account in accordance with the instructions given by the Holder in a form deemed satisfactory by the Trustee. The Holder is responsible for ensuring that investments made in or transferred to the Account are and remain qualified investments within the meaning of the *Income Tax Act* (Canada). The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the Account holds a non-qualified investment. The investments shall not be limited to ones authorized by the law for trustees.

The Trustee shall reinvest all distributions of net investment income in investments of the same type unless further instructions are received from the Holder. From time to time, the Trustee may authorize additional investments available for investment by the Account notwithstanding that such investments may not be authorized by law for trustees or may be considered a delegation of the Trustee's investment duties.

Voting rights related to the securities of mutual funds or any other securities distributed by National Bank Savings and Investments Inc. may be exercised by the Holder. For this purpose, the Holder is hereby appointed the Trustee's agent and attorney to execute and deliver proxies and other instruments in accordance with applicable laws.
6. **Conditions and Restrictions.**
  - a) The Account shall be administered for the exclusive benefit of the Holder, and while there is a holder of the Account, no one other than the Holder and the Trustee shall have any rights relating to the amount and timing of distributions and the investing of funds. This provision shall not apply where such application would be inconsistent with the security contemplated in Section 9.
  - b) No one other than the Holder may make contributions to the Account.
  - c) The trust shall not be permitted to borrow money or other property for the purposes of the Account.
7. **Distributions.** Subject to such reasonable requirements as the Trustee may impose, the Holder may withdraw an amount from the Account by making a request in a form deemed satisfactory by the Trustee. Without limiting the generality of the foregoing, distributions may be made, among other things, to reduce the amount of tax otherwise payable by the Holder under section 207.02 or 207.03 of the *Income Tax Act* (Canada). As permitted by the Tax Legislation, the Trustee shall then dispose of all or certain of the Assets in the Account and pay to the Holder an amount equal to the proceeds of disposition of such assets (net of applicable disposition costs), less any charges and taxes (including interest and penalties) that are or may become payable.

If only a portion of the Assets in the Account is withdrawn, the Holder may specify in their request which assets are to be disposed of. Otherwise, the Trustee shall dispose of the assets in its sole discretion.

The Trustee will issue to the Holder the required information returns, as required by applicable laws.
8. **Transfers to Other Accounts.** Subject to the conditions set out in the applicable laws and such reasonable requirements as the Trustee may impose, the Holder may ask the Trustee to transfer to another tax-free savings account of which they are the Holder:
  - a) all or a portion of the Assets in the Account, or
  - b) an amount equal to the proceeds of disposition of all or a portion of the Assets in the Account (net of applicable disposition costs), less any charges and taxes (including interest and penalties) that are or may become payable, as permitted by the Tax Legislation.

Subject to the Tax Legislation, a transfer may also be made to a tax-free savings account whose holder is the Spouse or former Spouse of the Holder in settlement of rights arising out of, or on the breakdown of, the marriage or common-law partnership.

The Trustee shall carry out all transfer requests, except in the event of inconsistency with the security contemplated in Section 9. Such transfer shall take effect within a reasonable period of time after the necessary formalities have been satisfied.

If only a portion of the Assets in the Account is transferred, the Holder may specify in their request which assets are to be transferred or disposed of. Otherwise, the Trustee shall transfer or dispose of the assets in its sole discretion.

The Trustee is not bound to cash in an investment before its maturity for the purpose of a transfer, unless provided otherwise in the applicable laws.
9. **Security.** In its entire discretion, the Trustee may allow the Holder to use their interest or right in the Account as security for a loan or other indebtedness if the following conditions are met:
  - a) The terms and conditions of the indebtedness are terms and conditions that persons dealing at arm's length with each other would have entered into.
  - b) It can reasonably be considered that one of the main purposes of that use is not to enable a person (other than the Holder) or partnership to benefit from the exemption from tax available under Part I of the *Income Tax Act* (Canada) of any amount in respect of the Account.

The security can be established, published and revoked only in accordance with the applicable laws and by means of a written document or instrument dated and signed by the Holder, the form and content of which shall be acceptable to the Trustee and shall identify the Account specifically. The Trustee makes no representation and cannot be held responsible in the event of a total or partial invalidity, non-perfection or unenforceability of such security.
10. **Designation of Successor Holder or of Beneficiary (only in provinces and territories where permitted by law).** If permitted by the applicable laws, the Holder may designate their Spouse as the Successor Holder of the Account after their death in accordance with the *Income Tax Act* (Canada).

If permitted by applicable laws, the Holder may also designate one or more Beneficiaries to receive the proceeds payable under the provisions of the Account.

A designation may only be made, amended or revoked in compliance with the applicable laws by way of a written document or instrument, dated and signed by the Holder, the form and content of which shall be acceptable to the Trustee, and in particular shall specifically identify the Account.

Any designation, amendment or revocation validly made shall come into force on the date it is received by the Trustee. If more than one designation is received, the Trustee shall consider only the designation duly signed by the Holder that has the most recent date.

In certain provinces and territories, this designation may not be revoked or changed automatically by a marriage, new union, divorce or separation, and a new designation may be required. It is the Holder's sole responsibility to get appropriate information regarding this matter and to make the appropriate amendments, as needed.

The Trustee makes no representation and cannot be held responsible, in particular in the event of the invalidity or unenforceability, in whole or in part, of a designation or its amendment or revocation by the Holder.

- 11. Death of Holder.** Unless there is a Successor Holder, the Trustee shall, upon the Holder's death, dispose of the assets in the Account upon receipt of satisfactory evidence of the death, subject to the Tax Legislation. After deducting any applicable tax, costs of such disposition, fees or any other amounts payable hereunder, the Trustee shall pay in a lump sum the net proceeds of such disposition to the Holder's successors or assigns.

Notwithstanding the foregoing, in the cases and under the conditions provided for in the Tax Legislation, the Trustee may instead transfer the Assets in the Account to one or more persons entitled thereto.

No payment or transfer of assets shall be made unless and until the Trustee receives the releases and other documents it may reasonably require.

- 12. Separate Account and Statements.** The Trustee shall maintain a separate account for the Account and shall furnish to the Holder annually or more frequently, a statement showing the information deemed relevant by the Trustee.

The Trustee shall provide the Holder and the competent authorities, as the case may be, with information returns, notices and other documents in accordance with the Tax Legislation.

- 13. Provisions Regarding the Trustee.**

- a) Delegation of Powers.** The Trustee may delegate any of its powers or duties to its agents, namely National Bank Savings and Investments Inc. (the "Agent"). In such a case, the agents may receive all or part of the fees to which the Trustee is entitled under these terms. However, it is understood that the ultimate responsibility for administering the Account remains vested in the Trustee.

- b) Withdrawal of Trustee.** The Trustee may resign from its duties upon at least 30 days' prior notice given to the Holder in the manner set out in subsection 14 f) hereof and provided a replacement issuer has accepted the appointment. Such replacement issuer must be a body corporate resident in Canada duly authorized by the applicable laws to act in such capacity.

- c) Fees and Expenses.** The Trustee is entitled to receive fees and other charges it prescribes from time to time, which may be directly charged against and deducted from the Assets in the Account. These fees and charges may be demanded upon the termination of the Account, the transfer or withdrawal of Assets in the Account or any other event that the Trustee may reasonably determine. These fees are disclosed to the Holder in accordance with the applicable laws.

Similarly, the Trustee is entitled to be reimbursed by the Holder for all fees, out-of-pocket expenses and costs incurred by it or its agents in connection with the administration of the Account or the production of any tax statements or other documents required under the Tax Legislation. The Holder shall reimburse the Trustee for any overdraft resulting from the payment of such fees, out-of-pocket expenses and costs within 30 days of the date the Holder is notified thereof. Should the Holder fail to make such reimbursement on time, the Trustee may, but without being bound to do so, dispose of the Assets in the Account, without any further notice to the Holder and, on such conditions as it may determine, apply the proceeds of such disposition to the payment of sums due.

The reimbursement of any and all taxes, interest or penalties payable may be directly charged against and deducted from the Assets in the Account but only to the extent allowed under the *Income Tax Act* (Canada). The Trustee may, but without being bound to do so, dispose of the Assets in the Account without any further formality and on such conditions as it may determine and apply the proceeds of such disposition to the payment of such taxes, interest or penalties.

The Holder shall be accountable to the Trustee for all fees, expenses and other amounts payable that exceed the Assets in the Account.

- d) Liability and Compensation.** The Holder or his or her assigns or Beneficiaries, shall at all times indemnify the Trustee and the Agent in respect of any and all taxes, interest, penalties, assessments, fees (including legal and attorney fees), costs, expenses, overdrafts, claims and demands made in relation to the Account, as permitted by the Tax Legislation.

The indemnity may be collected from the Assets in the Account unless prohibited by the applicable laws. Otherwise, the indemnity must be paid within 30 days of the date the Trustee or Agent makes the claim.

Unless otherwise specified in applicable laws or herein, and without limiting the scope of the provisions of other agreements and conditions entered into with the Holder, including the NBSI Investment Account Agreement, neither the Trustee nor the Agent shall be liable for any losses incurred or damage suffered by the Account, the Holder, a Beneficiary or any other person, resulting from any of the following:

- i) a loss of value of the Assets in the Account
- ii) the acquisition, retention or disposition (sale) of an investment
- iii) a payment from the Account, the liquidation of the Account, a withdrawal, transfer or distribution of Assets
- iv) the execution or not of instructions given to the Trustee or the Agent unless the losses or damages are caused by bad faith, wilful misconduct, gross negligence or, in Quebec, gross or intentional fault by the Trustee or the Agent.

Moreover, the Trustee and the Agent cannot be held liable for any particular, indirect, punitive, incidental or consequential loss or damages, regardless of the cause.

- e) Instructions.** The Trustee shall be empowered to act on the instructions received from the Holder or any other person designated by the Holder or whom it believes in good faith to have been given by them, whether transmitted in person, by mail, fax or any other electronic means.

- 14. Various Provisions.**

- a) Amendments.** The Trustee may from time to time, in its sole discretion, amend the terms of the Account (i) to comply with a requirement of an applicable law, or (ii) by giving the Holder 30 days' notice in writing. However, such an amendment must not render the Account ineligible as a tax-free savings account within the meaning of *Income Tax Act* (Canada).

- b) Evidence.** The recording of the date of birth of the Holder on the Application shall constitute sufficient certification of such age, subject to any further evidence which may be required thereof.

The Trustee reserves the right to require the Holder or any other person claiming to be a Beneficiary, as applicable, to provide, at the appropriate time and at their own expense, satisfactory evidence of age or of any information that may be relevant to their rights or interests in respect of the Account.

- c) Binding.** The terms and conditions hereof shall be binding upon the Holder's heirs, legal personal representatives and assigns, and upon any successors and assigns of the Trustee. Notwithstanding the foregoing, if the Account or the Assets in the Account are transferred to a replacement issuer, then the terms of such replacement issuer's declaration of trust or agreement shall govern the Account thereafter.

- d) Declaration of Non-Residency.** The Holder must and undertakes to immediately notify the Trustee if they are or become a non-resident of Canada.

- e) Interpretation.** Wherever the context so requires, a word used in the masculine gender shall include the feminine or neuter and the singular shall include the plural, and vice versa.

- f) Notices.** Any notice to the Trustee under these terms is validly given if delivered or mailed to National Bank Savings and Investments Inc., at 800 Saint-Jacques Street, Suite 66031, Montreal, Quebec, H3C 1A3, or to any other address that the Trustee may from time to time specify in writing. The notice takes effect only on the day it is actually delivered to or received by the Trustee. Any instruction, notice or written information given to the Trustee will be considered valid only if its form is deemed satisfactory by the Trustee.

Any notice, statement or receipt given by the Trustee to the Holder or any person authorized to receive notice under the Account shall be validly given if mailed to the address recorded in the books of the Trustee with respect to the Account. Any notice, statement or receipt so mailed shall be deemed to have been given the fifth day after the day of mailing.

- g) Applicable Laws.** The Account shall be governed and construed in accordance with the laws applicable in the province or territory where the Holder resides, as indicated in the Application, including the *Income Tax Act* (Canada).

In Quebec, the Account shall not in any way constitute a trust within the meaning of the *Civil Code of Quebec*. Given the particular nature hereof and the rules created hereby, the rules of Title VII of Book IV of the *Civil Code of Quebec* relating to the administration of the property of others shall not apply to the Trustee.

- 15. Language Clause.** The parties have requested that this declaration of trust and any notices or other documents related hereto be drawn up in the English language. *Les parties confirment leur volonté que la déclaration de fiducie et tout avis ou autre document qui s'y rapporte soient rédigés en langue anglaise.*