

## TERMS AND CONDITIONS OF THE DECLARATION OF TRUST

Beem Credit Union, a credit union incorporated under the laws of British Columbia, having its head office in the City of Kelowna (hereinafter referred to as the "Trustee") hereby agrees to act as Trustee of a Retirement Savings Plan for the applicant (hereinafter referred to as the "Annuitant") upon the following terms and conditions:

### 1. DEFINITIONS

In these terms and conditions

(a) "Annuitant" means the Applicant named in the Application for the Plan and if the Applicant so elects, the Spouse of the Applicant after the death of the Applicant;

(b) "Application" means the duly executed and signed Application form that is attached to and forms part of the Declaration of Trust;

(c) "Income Tax Act" means the *Income Tax Act* (Canada) as amended from time to time;

(d) "Maturity" means the last day of the year in which the Annuitant attains the age limit as defined in the *Income Tax Act* or such earlier date as may be designated by the Annuitant in writing to the Trustee, provided that such earlier date shall not be earlier than the earliest date provided in the *Income Tax Act*;

(e) "Spouse" has the same meaning as recognized under the *Income Tax Act* and includes the term "Common-Law Partner" as is described in subsection 248(1) of the *Income Tax Act*. "Spouse" does not include any person who is not recognized as a Spouse or Common-Law Partner for the purpose of the *Income Tax Act* respecting Registered Retirement Savings Plans;

(f) "Tax Legislation" means the *Income Tax Act* (Canada) and the taxation legislation of the province or territory in which the Annuitant resides;

(g) Unless the context otherwise requires, terms used herein, which are defined in Section 146 of the *Income Tax Act*, shall have the same meaning as in the *Income Tax Act*.

### 2. REGISTRATION

The Trustee shall apply for registration of the Plan as a retirement savings plan pursuant to the Tax Legislation.

### 3. CONTRIBUTIONS

The Trustee shall accept such payments of cash and other transfers of property acceptable to it as may be made by the Annuitant or the Annuitant's Spouse 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.

### 4. REFUND OF CONTRIBUTIONS

The Trustee shall, upon written application by the Annuitant or the Annuitant's Spouse, in a form acceptable to the Trustee, refund to that taxpayer an amount necessary to reduce the amount of tax otherwise payable to the taxpayer under Part X.1 of the *Income Tax Act*. The Trustee shall make such refund from uninvested funds held in the Plan, 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 Annuitant to enable it to make such refund. If the Trustee does not receive such a direction within fifteen (15) days after giving the Annuitant notice of the requirement for such direction, the Trustee may sell or redeem such investments as it in its absolute discretion sees fit to enable it to make such refund.

### 5. INVESTMENTS

The assets of the Plan shall be invested and reinvested by the Trustee, on the direction of the Annuitant, in such investments as are qualified investments for trusts governed by retirement savings plans (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 Annuitant as to the investment of any cash or other property forming part of the assets of the Plan at any time, the Trustee may leave such cash or other property uninvested or may invest the same at its sole discretion (including deposits in an account in a chartered bank, trust company or credit union, including the Trustee). The Trustee shall not be responsible for ascertaining whether any investment contributed in specie or other investment made on the direction of the Annuitant 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 for any loss resulting from the sale or other disposition of any investment forming part of the Plan.

### 6. RETIREMENT INCOME

The assets of the Plan shall be invested, used and applied by the Trustee for the purpose of providing a Retirement Income. The Annuitant may at any time on at least three (3) months' written notice prior to Maturity instruct the Trustee to convert the assets of the Plan to cash and purchase a Retirement Income, which the Trustee shall do in accordance with the terms hereinafter set out. In the event that the Annuitant does not, at least three (3) months prior to Maturity, instruct the Trustee to purchase a Retirement Income, the Trustee shall realize and convert the assets of the Plan to cash and purchase a Retirement Income of such type and containing such terms and conditions as the Trustee in its absolute discretion sees fit. Any Retirement Income purchased under the provisions of the Plan shall comply

with all the provisions of the Tax Legislation respecting Retirement Income and the contract therefore shall

a) provide that any payment thereunder to the Annuitant (or the Annuitant's Spouse if the Annuitant's Spouse becomes entitled to the payment thereunder after the death of the Annuitant) shall be commuted in whole or in part;

b) provide that if a person other than the Annuitant's Spouse becomes entitled to payments thereunder after the death of the Annuitant, such payments shall be commuted upon becoming so payable and shall be paid in one lump sum;

c) not provide for the payment to the Annuitant (or the Annuitant's Spouse if so entitled after the Annuitant's death) of the retirement income except by way of equal, annual or more frequent periodic payments until such time as there is a payment in full or partial commutation of the retirement income and, where such commutation is partial, equal, annual, or more frequent payments thereafter;

d) not provide for periodic payments in a year under an annuity after the death of the Annuitant, the aggregate of which exceeds the aggregate of the payments under the annuity in a year before that death; and

e) provide that no payments of retirement income may be assigned, in whole or in part. Provided that in the event that the proceeds of the Plan are not sufficient to purchase a retirement income, which expressed in terms of monthly rate, would be \$25 or more, the proceeds of the Plan may, at the option of the Trustee, be paid to the Annuitant in cash.

### 7. NO OFFSET ETC.

The Trustee has no right of offset as regards the property held under the Plan in connection with any debt or obligation owing to the Trustee, and the property held under the Plan cannot be pledged, assigned or in any way alienated as security for a loan or for any purpose other than that of purchasing for the Annuitant a Retirement Income in accordance with Article 6.

### 8. NO SUPPLEMENTARY ADVANTAGES

No advantage, other than a benefit or advantage permitted by the *Income Tax Act*, that is conditional in any way on the existence of the Plan may be extended to the Annuitant or to any person with whom the Annuitant is not dealing at arm's length.

### 9. DEATH OF ANNUITANT

If the Annuitant dies before Maturity, the Trustee shall, upon compliance with such reasonable requirements as the Trustee may prescribe, realize and convert into cash all assets of the Plan (unless the person to receive the same requests in specie payment) and after deduction therefrom of any and all taxes payable, its fees and other charges applicable, shall pay the net proceeds thereof in a lump sum to the designated beneficiary duly designated as hereinafter provided, if any, or in the absence of such designation to the legal representative of the Annuitant.

### 10. DESIGNATION OF BENEFICIARY

If the Annuitant is domiciled in a jurisdiction in which a participant in a retirement savings plan may validly designate a beneficiary other than by Will, the Annuitant may, by instrument in writing in form and execution satisfactory to the Trustee and delivered to the Trustee prior to the Annuitant's death, designate a person to be entitled to receive the net amount of the Plan pursuant to Article 9 above. The person so designated by the Annuitant shall be deemed to be the designated beneficiary of the Annuitant for the purposes of Article 9 above unless such person shall predecease the Annuitant or unless the Annuitant shall, by instrument in writing in form and execution satisfactory to the Trustee and delivered to the Trustee prior to the death of the Annuitant, revoke such designation, in which case such designation shall be regarded as null and void.

### 11. FEES AND EXPENSES

The Trustee, unless otherwise paid the following amounts directly by the Annuitant, shall be entitled to receive and be paid out of the assets of the Plan all costs charges and expenses incurred by the Trustee in connection with the administration of the Plan, including without limitation any taxes paid by the Trustee in respect of non-qualified investments or foreign property, 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 Annuitant not less than thirty (30) days written notice of any adjustments or amendments. For the purpose of paying the Trustee in accordance with the foregoing the Trustee may realize and convert the assets of the Plan but only to the extent of such indebtedness. The Annuitant shall be liable to the Trustee for all such costs, charges, expenses and fees to the extent that the realizable value of the assets of the Plan is not sufficient to cover the same.

## TERMS AND CONDITIONS OF THE DECLARATION OF TRUST (CONTINUED)

### 12. ACCOUNTS, STATEMENTS, AND REPORTING

The Trustee shall maintain an account for the Annuitant in which will be recorded all contributions received by the Trustee for the Plan, investments held in the Plan and the income earned from such investments. The Trustee shall forward a statement to the Annuitant from time to time but at least annually showing all contributions, investments and income therefrom since the date of the preceding statement. An official receipt for income tax purposes shall be provided to each person contributing to the Plan, whether the Annuitant or the Annuitant's Spouse, in each year for that person's contributions to the Plan made in respect of the previous taxation year. The Trustee shall comply with all reporting requirements in respect of the Tax Legislation respecting Registered Retirement Savings Plans.

### 13. POWERS OF THE TRUSTEE

Subject to the right of the Annuitant to direct the Trustee as to the investments of the Plan, the Trustee shall have and shall be entitled to exercise from time to time in its sole discretion any and all rights, powers and privileges that could be exercised by a beneficial owner of any of the property and assets of the Plan, and the Trustee may employ or engage 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.

### 14. 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 Annuitant's investment, except due to the Trustee's negligence, wilful misconduct or lack of good faith.

### 15. DISCHARGE OF TRUSTEE

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

### 16. 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 Annuitant, or such shorter period as the Annuitant shall accept as sufficient, and the Annuitant in like manner may terminate the services of the Trustee. In the event of such resignation or termination, the Annuitant shall appoint a successor trustee prior to the resignation of the Trustee taking effect and if the Annuitant fails to appoint such a successor trustee within such period of time the Trustee may appoint a successor trustee. The successor trustee shall be acceptable under the provisions of the Tax Legislation and the Trustee shall transfer the assets of the Plan to the successor trustee together with all records, books, reports, and accounts of the Plan within three (3) months of the Trustee ceasing to be trustee of the Plan.

### 17. TRANSFER

At the direction of the Annuitant, the Trustee shall pay or transfer any of the property held under the Plan to another issuer of a retirement savings plan or carrier of a retirement income fund under which

- the Annuitant is the Annuitant or
- the Spouse or Common-Law Partner or former Spouse or Common-Law Partner of the Annuitant, from whom the Annuitant is living apart, is the Annuitant and the payment or transfer is made pursuant to a decree, order, or judgment of a competent tribunal, or a written separation agreement, relating to a division of property between the Annuitant and the Annuitant's Spouse or Common-Law Partner or former Spouse or Common-Law Partner in settlement of rights arising out of their marriage or common-law partnership.

### 18. WITHDRAWALS

The Trustee shall, upon written application of the Annuitant received by the Trustee at least three (3) months prior to Maturity, pay to the Annuitant prior to Maturity in cash or in specie as the Annuitant shall direct, out of the assets of the Plan or the realization thereof, the amount specified in the Annuitant's written application.

### 19. 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 Plan as a Registered Retirement Savings Plan under the provision of the Tax Legislation. The Trustee will provide the Annuitant 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 Plan will be deemed to have been amended to conform to such changes effective the date such changes come into force.

In the event of changes to the *Income Tax Act* or any pension legislation governing the Plan, the terms of the Plan and any addendum thereto may be amended without notice to the Annuitant to ensure that the Plan continues to comply with all Applicable Tax Legislation.

### 20. NOTICES

Any notice to be given to the Trustee hereunder shall be valid and effective if given in writing and delivered to the Trustee at the address or fax number set forth in this agreement and shall be deemed to have been effectively given on the day on which it is received by the Trustee. Any notice required or permitted to be given to the Holder in connection with this agreement may be given to the Holder by delivering a written notice to the Holder's last known address, at such other address, e-mail address, or fax number given by the Holder to the Trustee, or, except as to confidential financial information specific to the Holder, by posting notice at the Trustee's premises or on the Trustee's website, or by any other means the Trustee, acting reasonably, considers appropriate to bring the notice to the attention of the Holder.

### 21. CONTRIBUTIONS FROM PENSION PLANS

If as a condition of receiving the transfer to the Plan of a pension benefit from a pension or superannuation plan, the Trustee is required to enter into a locking-in addendum or supplementary agreement to the Declaration of Trust with the Annuitant to provide limitation on withdrawals from the Plan, transfer to other issuers and/or the earliest date upon which a retirement income may commence, the rights and responsibilities of the Annuitant and the Trustee shall be modified accordingly.

### 22. ENUREMENT

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

### 23. APPLICABLE LAW

This agreement is governed by the laws of the province of the Account, or if more than 1 Account, then the jurisdiction of incorporation of the Financial Institution and the federal laws of Canada applicable therein, excluding any rules of private international law or the conflict of laws which would lead to the application of any other laws.

### 24. PROCEEDS OF CRIME LEGISLATION

The Annuitant acknowledges that the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and *Regulations* apply to the operation of the Account and that the Financial Institution will from time to time adopt policies and procedures to address the reporting, record-keeping and client identification requirements of that legislation. The Annuitant agrees to abide by and comply with all such laws and procedures.

### 25. REMOTE INSTRUCTIONS

The Annuitant may provide Remote Instructions to any branch of the Financial Institution, as permitted by the Financial Institution, online through the Direct Services web portal, or through the Financial Institution's telephone banking service, if any. The Remote Instructions may concern the Account maintained at that branch, or concern other Transactions and arrangements conducted at or with that branch. The Financial Institution may, but will not be obliged to, act on Remote Instructions received in the name of the Annuitant along with any requisite personal access code and/or personal identification word, if any, to the same extent as if the Remote Instructions were written instructions delivered to the Financial Institution by mail signed by the Annuitant authorized to operate the Account. Any such Remote Instructions are deemed genuine.

The Financial Institution may, in its sole discretion, acting reasonably, delay acting on or refuse to act on any Remote Instruction. A Remote Instruction is deemed received by the Financial Institution only when actually received and brought to the attention of an authorized officer of the Financial Institution capable of acting upon and implementing the Remote Instruction.

Remote Instructions can be transmitted to the Financial Institution at the telephone or fax number or email address provided by the Financial Institution, or at such other telephone or fax number or email address as the Financial Institution may advise the Annuitant by notice in writing, or online through the Direct Services web portal. The Financial Institution, acting reasonably, is entitled to assume that any person identifying himself or herself as the Annuitant is in fact the Annuitant, and can rely upon such, and the Financial Institution may act on the Remote Instructions provided by any such person. All Remote Instructions given to the Financial Institution in the name of the Annuitant will bind the Annuitant.

### 26. ELECTRONIC EXECUTION

This agreement may be executed electronically. Use of the Account shall be deemed to be acceptance of these terms and conditions as of the date of first use, or in the case of a modification of this agreement, acceptance of the modified terms and conditions.

### 27. CHOICE OF LANGUAGE

It is the express wish of the parties that this agreement and any related documents be drawn up and if execution is required, to be executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.