

**CANADIAN WORKER CO-OPERATIVE FEDERATION SELF-DIRECTED
RETIREMENT SAVINGS PLAN DECLARATION OF TRUST**

We, Concentra Trust, declare that we accept the trust created between us and the Annuitant when the application was signed. The following are the terms of this trust:

1. Definitions

The following definitions apply:

"Agent" - Canadian Worker Co-operative Federation

"Annuitant", "you" and "your" - The individual applicant of the Plan and shall have the meaning of the term "annuitant" as set out in subsection 146(1) of the *Income Tax Act*.

"Contributor" - The individual, either you or your Spouse, who made a Contribution to the Plan.

"Contribution" - Any amount paid or Qualified Investment deposited in your Plan.

"Income Tax Act" - The *Income Tax Act* (Canada), and regulations thereto, as amended from time to time.

"Plan" - The Canadian Worker Co-operative Federation Self-Directed Retirement Savings Plan consisting of the Application and this Declaration of Trust and the addendum or addenda thereto, where applicable.

"Plan Maturity" - The date you eventually select for commencement of retirement income from the Plan. (This date must not be later than the maturity date provided in the *Income Tax Act*.)

"Prohibited Investment" - Shall have the meaning of the term "prohibited investment" as set out in subsection 207.01(1) of the *Income Tax Act*.

"Qualified Investment" - Any investment which is a qualified investment for purposes of registered retirement savings plans as set out in the *Income Tax Act*.

"Spouse" - As recognized in the *Income Tax Act* for the purposes of registered retirement savings plans and, where applicable, incorporates the meaning of the term "common-law partner" as set out in subsection 248(1) of the *Income Tax Act*.

"Trustee", "we", "our", and "us" - Concentra Trust

2. Registration

We will apply for registration of your Plan as required by the *Income Tax Act*.

3. Contributions

We will hold all Contributions made to your Plan, and any income earned on these Contributions, as outlined in this Declaration and as required by the *Income Tax Act*. No Contributions may be made after the Plan Maturity.

4. Record Keeping

We will record the details of all Contributions and transactions relating to your Plan. We will supply you with a statement of these details at least annually.

5. Income Tax Receipts

We will provide the Contributor with a receipt or receipts, suitable for income tax filing purposes, for all eligible Contributions.

6. Refund of Contributions

Upon receipt of your written application, and the written application of your Spouse if your Spouse was the Contributor to your Plan, we will refund to the taxpayer the amount determined in accordance with paragraph 146(2)(c.1) of the *Income Tax Act*.

7. Investment

All Contributions and other assets or amounts properly transferred into your Plan will be deposited and invested as directed by you. You shall be permitted to hold those assets and investments which are:

- a. authorized under the *Income Tax Act*; and
- b. acceptable to the Trustee; and
- c. agreed upon from time to time, between the Trustee and Annuitant.

It is your sole responsibility to provide appropriate documents supporting the fair market value of Plan assets not publicly traded on a recognized stock exchange within the meaning of the *Income Tax Act* and other applicable legislation. The Trustee may deem your Plan assets as worthless and remove them from your Plan if you fail to provide documents supporting their fair market valuation as the Trustee may impose.

The Trustee reserves the right to refuse to hold or accept certain investments even though they may be Qualified Investments.

We will not accept investment instructions for the purchase of a non-Qualified Investment. We may request additional documentation from you proving the investment to be purchased is a Qualified Investment.

The Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-Qualified Investment. In the event a Qualified Investment becomes a non-Qualified Investment the Trustee will notify you and the Canada Revenue Agency (the "CRA") of details of that investment and you may be liable for payment of taxes owing under Part XI.01 of the *Income Tax Act*.

If the Plan holds a non-Qualified Investment, the Trustee may, at its sole discretion, withdraw such non-Qualified Investment from the Plan *in specie*, or by way of realization of the investment in cash.

You are responsible for ensuring any investment under the Plan is not and continues to not be a Prohibited Investment. In the event a Qualified Investment or a non-Qualified Investment is deemed to be a Prohibited Investment, you are responsible for reporting details of that Prohibited Investment to the CRA and for the payment of taxes under Part XI.01 of the *Income Tax Act*.

8. Retirement Income

You must advise us in writing, at least 90 days prior to your Plan Maturity, of the type of retirement income you elect to receive from the proceeds of your Plan. You may choose to receive income from any one of, or any combination of, a life annuity, a fixed term annuity providing benefits for a term of years equal to 90 minus the age in whole years of the Annuitant at the maturity of the Plan (or the Annuitant's Spouse if the Spouse is younger and the Annuitant so elects to use the Spouse's age), a registered retirement income fund or other retirement income option that may be provided for in the *Income Tax Act*. If the retirement income you choose to receive is an annuity, it must meet the following conditions:

- a. It must be paid out in a single lump sum if it becomes payable to someone other than your Spouse upon or after your death.
- b. It must be paid in equal annual or more frequent periodic payments until such time as you fully or partially commute this retirement income and, where such commutation is partial, equal annual or more frequent periodic payments thereafter.

- c. It must not provide for any increase in the amount of the periodic payments as a result of your death where payments are to continue to your Spouse following your death.
- d. It may not be assigned in whole or in part.

9. Failure to Select Retirement Income

If you have not advised the Trustee in writing at least 90 days (or such shorter notice as the Trustee may in its sole discretion permit) prior to the maturity date provided in the *Income Tax Act* of your selection of a retirement income, the Trustee will transfer the property under the Plan to a retirement income fund for you trustee by the Trustee prior to the end of December 31st of the year in which your Plan is required to mature, provided that the Plan meets the following criteria (the "RIF Criteria"):

- a. the Plan has a minimum fair market value of \$10,000 (or such greater or lesser amounts as the Trustee may determine in its sole discretion); and
- b. the assets held under the Plan may reasonably be converted to cash to readily pay a cash income stream from a retirement income fund.

In this instance, the Trustee will apply for registration of your retirement income fund under the *Income Tax Act*. For purposes of the retirement income fund you will be:

- a. deemed not to have elected to have your Spouse to continue to receive payments after your death;
- b. deemed not to have made any designation of beneficiary to receive the proceeds of your retirement income fund on your death;
- c. deemed to have elected to use your age for purposes of calculating the minimum amount under the *Income Tax Act*; and
- d. bound by the terms of the Declaration of Trust made under the retirement income fund.

If the Plan does not meet the RIF Criteria, or if the Trustee has been unable to contact you after making reasonable attempts, the Trustee may, in its sole discretion, on or after December 1st of the year in which your Plan is required to mature, but before December 31st of that year, elect to:

- a. sell all the assets within the Plan and pay you the proceeds as a withdrawal from your Plan; and/or
- b. transfer the assets within the Plan *in specie* to you as a withdrawal from the Plan.

The Trustee reserves the right to transfer the property held under the Plan to a retirement income fund in the manner described above if the RIF Criteria has not been met, or if the Annuitant cannot be reasonably located.

10. Beneficiary Designation

You may designate a beneficiary, in those provinces where the law so permits, to receive the proceeds of your Plan in the event of your death prior to your Plan Maturity. Details of our requirements for making, changing or revoking such a designation are available from the office of the Agent. You may make, change or revoke your designation by written notice signed by you in a form acceptable to the Trustee. The Trustee will be fully discharged of any liability under the Declaration of Trust upon payment or transfer of your Plan to your designated beneficiary, notwithstanding any determination that the designation may be found invalid as a testamentary instrument.

11. Death of Annuitant

In the event of your death prior to the Plan Maturity, we will, once we have received the documentation we require, pay or transfer the Plan proceeds as a single payment, less required income tax deductions, to your designated beneficiary and notify your estate representative of any resulting tax liability. Where you have designated a trustee as your beneficiary, upon payment to the

trustee the Trustee is fully discharged from any obligation to see to the due execution of any trust imposed on such trustee. In instances where you have not designated a beneficiary, as explained in Clause 10 of this Declaration, the proceeds of your Plan will be paid or transferred, less required income tax deductions, to your estate. When we have made the payment to your designated beneficiary or to your estate, we will be considered as fully discharged from any further liability with respect to your Plan.

12. Your Responsibilities

It is your responsibility to ensure, that:

- a. the Contributions to the Plan do not exceed the allowable maximum under the *Income Tax Act*;
- b. all assets acquired by your Plan are and continue to be Qualified Investments;
- c. all assets acquired by your Plan are not and continue not to be Prohibited Investments;
- d. you provide your correct residential address and advise the Agent, in writing, immediately upon any change in address or residency;
- e. your birthdate and social insurance number as recorded on your application are accurate;
- f. you will eventually elect, as spelled out by Clause 8 of this Declaration, the type of retirement income you choose to receive.

13. Restriction on Trustee

No advantage, as defined in subsection 207.01(1) of the *Income Tax Act*, that is conditional in any way on the existence of the Plan may be extended to you or to any person with whom you do not deal at arm's length other than those advantages or benefits which may be permitted from time to time under the *Income Tax Act*.

14. Amendments

We may from time to time amend your Plan by giving you notice in writing on such change. Any amendment cannot, however, be contrary to the provisions of the *Income Tax Act*.

In the event of changes to the *Income Tax Act* or any pension legislation governing your Plan, your Plan will be considered to have been amended to conform to such changes effective the date such changes come into force.

15. Notices

Any notices given to us by you under this Plan shall be sufficiently given if mailed, postage prepaid by you, to any of our offices and shall be deemed to have been given on the day that such notice is received by us. Any notices given by us to you shall be sufficiently given if mailed, postage prepaid by us, to you at your last address supplied by you and shall be deemed to have been given on the day of mailing.

16. Limits of Our Liability

The Trustee will not provide any investment advice regarding any of the assets held or acquired by your Plan and shall act solely on your instructions or those of your authorized agent. The Trustee shall not otherwise be liable for the making, retention or sale of any investment or reinvestment as herein provided or for any loss or diminution of the assets comprising the Plan except due to our negligence or wrongful act. You and your heirs, executors and administrators shall at all times indemnify us and save us harmless in respect of any taxes, interest, penalties or charges levied or imposed upon us in respect of the Plan, excluding taxes, interest, penalties or charges imposed against us under the *Income Tax Act*.

17. Withdrawals

You may make withdrawals from your Plan. Withdrawals from the Plan are subject to the following conditions:

- a. we will withhold taxes from any withdrawals in such amounts as required by the *Income Tax Act* from time to time;
- b. withdrawals must be declared by you as income for the taxation year of receipt, as required under the *Income Tax Act*.

18. Transfers

The Plan may be amended to permit the payment or transfer, on your behalf, of any funds as allowed by the *Income Tax Act*. We may, at our discretion, charge a fee for each transfer out of the Plan.

19. Trustee's Financial Conditions

If applicable, we shall provide you with a copy of the fee schedule in effect from time to time. We shall be entitled to such fees and to reimbursement for all expenses reasonably incurred by us in administering the Plan as may be provided for in any fee schedule in effect at that time. The fees payable to us are subject to change provided that you shall be given at least 30 days' notice prior to any change in such fees becoming effective. Notwithstanding any other provision contained herein, we shall be entitled to additional fees for extraordinary services performed by us from time to time commensurate with the time and responsibility involved. We are fully authorized by you to sell investments of the Plan in order to realize sufficient monies for the payment of the above fees and expenses and to withdraw payment from the assets of the Plan without seeking your prior approval or instruction. If there are insufficient assets in the Plan to pay the above fees and expenses, or if the Plan assets are deemed illiquid, in the sole discretion of the Trustee, you hereby authorize us to invoice you directly for the above fees and expenses, which you shall pay to us within 30 days of receipt of an invoice for the above fees and expenses. In the event that you fail to pay the above mentioned fees and expenses, the Trustee may resign as trustee of the Plan as provided for in Clause 21 of this Declaration of Trust.

We shall not be entitled to recover from your Plan penalties, interest and/or taxes imposed under the *Income Tax Act* that are attributable to us.

20. Other Conditions

While this Plan continues to be a Retirement Savings Plan under the provisions of the *Income Tax Act*, it shall constitute an inter vivos trust. Neither the Plan nor the assets of the Plan may be used as security for a loan.

21. Resignation or Removal of Trustee

The Trustee may resign as trustee or the Agent may remove the Trustee as trustee by providing such written notice as may be required under the terms of an agreement entered into between the Trustee and the Agent. If the Trustee resigns or is removed, the Agent, on behalf of the Trustee, will deliver 30 days' written notice to you. In the event of the resignation or removal of the Trustee the Agent shall appoint a successor trustee who shall be acceptable to the Trustee. We shall deliver the property comprised of the investments within the Plan and the records relating thereto, and shall execute such deeds and assurances and so such things as may be requisite in order to ensure the continued and uninterrupted operation of the Plan. We will give the successor trustee all the information necessary for the continued administration of the Plan. If the Agent neglects or refuses to appoint a successor trustee who shall be acceptable to us, we reserve the right to appoint a successor trustee on your behalf, or transfer assets *in specie* to you as a withdrawal from your Plan.

22. Application for Advice and Direction

If there is a disagreement or dispute over entitlement to the Plan proceeds:

- a. on your death;
 - b. upon your relationship breakdown with your Spouse or former Spouse; or
 - c. on the enforcement of any legal demand or claim against the Plan assets,
- the Trustee, where the applicable law permits, reserves the right to, and may at its sole discretion apply to the court for advice and direction or pay the Plan proceeds into court. The Trustee is entitled to recover all of its legal fees and disbursements that it incurs in this regard from the Plan.

23. Ultimate Responsibility

We have entered into an Agency Agreement, with the Agent, for the purpose of administration of this Plan. However, we are ultimately responsible for the administration of the Plan.