

## Declaration of Trust for Retirement Income Fund – GIC

### A. INTRODUCTION & DEFINITIONS

Home Trust Company (“Home Trust”) is a member of the Canada Deposit Insurance Corporation and licensed to issue term deposits across Canada. Deposits in retirement income funds are taken in the form of non-redeemable guaranteed investment certificates (each, a “GIC”). This means that the amount of a GIC is not redeemable and will not become payable until its maturity date. Home Trust is licensed to offer its services as a trustee to the public and offers GICs through your Representative or directly under the brand “Oaken Financial”.

Home Trust agrees to act as trustee for the individual named as the annuitant, as defined in the Act (“you” or “your”) on the application form (the “Application”) for the Home Trust Company Retirement Income Fund (“RIF”). Home Trust is the carrier, as defined in section 146.3 of the Act, of the RIF and in this Declaration of Trust “we”, “us”, or “our” means Home Trust.

You agree to the terms and conditions set out in the Application and in this Declaration of Trust (collectively, the “Terms and Conditions”) that apply to the RIF and the investment of Plan Assets. Each GIC in the RIF is and will be at all material times, a “qualified investment” for a RIF for purposes of the Act. This Declaration of Trust, which is registered with the Canada Revenue Agency, governs the investments of the RIF.

In this Declaration of Trust:

- (i) “Act” means the *Income Tax Act* (Canada);
- (ii) “Annual Minimum Payment” means the minimum amount that must be paid out of the RIF as defined in Applicable Tax Legislation based on your age or if elected, your spouse or common-law partner’s age, except for the first year of the RIF, where the minimum payment is zero;
- (iii) “Applicable Tax Legislation” will be used to collectively refer to the Act, the regulations made under the Act, and applicable provincial or territorial income tax legislation (as they may be amended or replaced from time to time);
- (iv) “Applicable Law” is any securities, pension or investment legislation in the province indicated by your address in the Application;
- (v) “Beneficiary” means the person or persons you designate in writing to receive an amount equal to the Plan Assets in the event of your death;
- (vi) “Broker GIC” means a GIC that you have purchased through a Representative;
- (vii) “Business Day” means any day that Home Trust’s head office is open for business;
- (viii) “Charges” means any fees, expenses or disbursements to which we are entitled, any penalty that we may impose for redemption of your GIC prior to its Investment Maturity Date, income tax required to be withheld under Applicable Tax Legislation, or any other liabilities incurred by us arising out of or with respect to the RIF (including any GICs) or anything done under the Plan Documents;
- (ix) “Confirmation” means a confirmation setting out the terms of a GIC which will be issued at the time of purchase of a GIC;
- (x) “Investment Maturity Date” means the investment maturity date of a GIC;
- (xi) “Oaken GIC” means a GIC that you have purchased directly from us;
- (xii) “Plan Assets” consists of the assets of the RIF and includes the contributions made into the RIF, the GICs, Proceeds and accrued interest, less any withdrawals or Charges;
- (xiii) “Plan Documents” consists of the Application and this Declaration of Trust;
- (xiv) “Proceeds” means the cash received from the sale of the GICs, net of selling costs and commissions;
- (xv) “Representative” means an individual who is duly authorized to act on your behalf, including a broker through which you have purchased a GIC from us, if applicable;
- (xvi) “Retirement Payment” means the amount agreed between us and you to be paid from the RIF each year, subject to the Annual Minimum Payment;
- (xvii) “spouse” and “common-law partner” will have the meanings set out in the Act. If there is a difference in the definition between statutes of the Applicable Tax Legislation, the Act’s definition will prevail; and
- (xviii) “Successor Annuitant” means, after the annuitant’s death, the surviving spouse or common-law partner as provided under the definition of the term “annuitant” under subsection 146.3(1) of the Act.

## Declaration of Trust for Retirement Income Fund – GIC

### B. PRIVACY NOTICE

You consent to the collection of your personal information by us and/or your Representative. You consent to the use, retention and disclosure of your personal information as is reasonably required in connection with the establishment and maintenance of your account, to meet legal and regulatory requirements, for statistical, audit and security purposes, or for determining your eligibility for any other products or services and for any other purpose set out in the Home Trust Company Privacy Code. To receive a copy of the Home Trust Company Privacy Code, visit the Home Trust Company website at [hometrusted.ca](http://hometrusted.ca). If you don't consent, or wish to withdraw your consent, to the use of your information for marketing purposes you may contact us at 1-855-OAKEN-22 (625-3622). You will not be refused any product or service just because you withdraw this consent.

### C. REGISTRATION & ADMINISTRATION

#### 1. Registration

We will apply for registration of the RIF with the relevant taxation authorities pursuant to Applicable Tax Legislation. Your Plan Assets are held for the purpose of providing you with a retirement income.

It is your responsibility to ensure that each GIC is permitted under Applicable Tax Legislation and does not result in any taxes or penalties being imposed. We will not be liable to you or any other person in respect of any tax, penalty, interest, or any loss or damages suffered or incurred by the RIF (except for taxes, penalties or interest that we are liable for under the Act), you or any other person in connection with the RIF as a result of the acquisition, holding, transfer or disposition of any GIC.

#### 2. Personal Information

You or your Representative will furnish proof of any information required by us, including proof of your age and Social Insurance Number and that of your spouse or common-law partner, if applicable. You agree that your Social Insurance Number may be used for administrative purposes. It is your responsibility to keep us advised at all times of any changes to your personal information.

We are required by law to verify your identity, and you agree and consent to such verification and agree to provide, or for your Representative to provide, to us any documentation necessary for us to complete our verification process. You agree and consent to our use of any credit bureaus, credit reporting agencies or similar third parties to verify your identity. You agree to provide any records that may be required for the opening of the RIF and its continued operation under federal and/or provincial law, including but not limited to, those necessary under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* or such other similar legislation. The RIF cannot be opened until we satisfy these requirements.

Account maintenance may involve the disclosure of your personal information to a service provider located in the United States who may be required by a lawful order made in that country to provide this information to the United States government or its agencies.

#### 3. Transfers into the RIF

You may transfer amounts into the RIF from registered retirement savings plans, other registered retirement income funds, and other sources that may be permitted from time to time under Applicable Tax Legislation. We will only accept transfers into the RIF that are in a form acceptable to us, as may be directed by you or on your behalf.

#### 4. Transfers and Payments from the RIF

We will only make transfers and payments from the RIF as allowed under Applicable Tax Legislation.

Starting no later than the first calendar year after the year the RIF was established, we will pay the Retirement Payments to you on the following terms (unless the Applicable Tax Legislation requires otherwise):

- (i) Retirement Payments may not be assigned in whole or in part;
- (ii) the Retirement Payments you receive in each year will be equal to or greater than the Annual Minimum Payment;
- (iii) the amount of any payment will not be more than the value of the Plan Assets immediately before the time of the payment;
- (iv) Retirement Payments will be paid in the amount(s) and at the time(s) you choose from time to time by notice to us in accordance with our administrative policies;

## Declaration of Trust for Retirement Income Fund – GIC

- (v) you will provide written instructions to us and any necessary documents required by us to use the Plan Assets for the payment of Retirement Payments; and
- (vi) payments will be made net of all Charges.

After receiving your written direction in the form and manner approved by us, we will transfer all or a portion of the Plan Assets, or an amount equal to the value of the Plan Assets at the time of the direction, to another registered retirement income fund of yours held with a carrier approved under Applicable Tax Legislation. A transfer may also be made to your former spouse or common-law partner's registered retirement income fund or registered retirement savings plan in accordance with Applicable Tax Legislation. Alternatively, you may direct us to transfer all or a portion of the Plan Assets at the Investment Maturity Date, or an amount equal to its value at the time of the direction, to a registered pension plan or pooled registered pension plan as permitted under Applicable Tax Legislation. In order to accommodate your transfer directions, we may redeem a GIC before its Investment Maturity Date. Any such redemption will be net of all applicable Charges and we will not have any liability to you for any losses that may result.

At all times, where the Annual Minimum Amount has not yet been withdrawn, we will retain a sufficient portion of the Plan Assets to allow us to make a payment sufficient to ensure that the Annual Minimum Amount is paid for the year in accordance with Applicable Tax Legislation. After the transfer is complete, we will have no liability to you with respect to the Plan Assets that were transferred or with respect to any other obligations relating to the transfer.

### 5. Power to Liquidate

To make transfers or payments from the RIF as required by Applicable Law, we may need to withdraw or redeem all or part of one or more of the GICs before the applicable Investment Maturity Date. All such redemptions will be net of all applicable Charges and we will not have any liability to you for any losses that may result. Once the withdrawal or redemption is complete, we will be released and discharged from any obligations we have in connection with the GIC.

We may redeem your GICs before the applicable Investment Maturity Date or may debit any of your accounts, even if doing so may cause the account to become overdrawn, if we need to do so to provide for payment of any outstanding Charges. All such redemptions will be net of all applicable Charges and we will not have any liability to you for any losses that may result.

If you fail to tell us which GICs to liquidate or if any GIC you have chosen cannot be readily redeemed, we may sell the GICs in the RIF as we, in our sole discretion, determine is appropriate. If we are required to exercise our discretion, we may make an additional Charge against the RIF.

### 6. Prohibitions

No advantage (as that term is defined in section 207.01 of the Act) that is conditional in any way on the existence of this RIF may be extended to you or any person with whom you do not deal at arm's length other than those advantages or benefits which may be allowed from time to time under Applicable Tax Legislation. Except where permitted by law, the Plan Assets may not be used to satisfy a judgment against you and cannot be seized or attached.

### 7. Instructions

Instructions concerning an Oaken GIC may be given through online banking, by telephone, at one of our offices or in any other way that we approve. Instructions for Broker GICs should be given through your Representative. Any instructions that you or your Representative give to us by telephone, online banking or other electronic means will be treated as if the instructions are written and signed instructions. A copy of any electronic communication will be admissible in any legal, administrative or other proceedings as if it was an original document in writing. You agree to waive any right to object to the introduction of any copy of electronic communications in evidence. We will not be responsible for any loss you may incur because we acted on instructions that we thought were genuine, or because we didn't act on instructions that we thought were improper, unlawful, fraudulent or mistaken. You agree and confirm that we will rely on instructions from you or any Representative without independent verification.

### 8. Statements, Confirmations and Tax Forms

For each GIC, we will issue you or your Representative a Confirmation setting out the terms of the GIC at the time of purchase. The Confirmation is non-negotiable and may only be assigned by us. If you do not receive a statement or Confirmation, you should contact us and/or your Representative (as applicable). This section applies even if your statement or Confirmation is delayed or never received by you for any reason.

## Declaration of Trust for Retirement Income Fund – GIC

We will make information about an Oaken GIC available through online banking. We will send you or your Representative an annual portfolio statement for the RIF.

You are responsible for reviewing all of your RIF transactions, Confirmations, and statements. You agree to notify us within thirty days of a Confirmation date or statement date if you want to dispute the Confirmation or a transaction or item that was posted or missing from your RIF statement. If you do not notify us within thirty days, then you agree that the Confirmation or statement is accurate and you will no longer be permitted to dispute it. This does not limit our right to debit or credit your RIF or take other steps at any time or to correct any error or omission in a Confirmation or a statement. We will maintain an account in your name showing all transfers into the RIF, payments from the RIF, and all other transactions made at your direction.

We will provide you and/or your spouse or common-law partner (as applicable) with appropriate information slips for income tax purposes each year showing the total of the payments made to you from the RIF during the previous calendar year and any other information regarding the RIF that is required under Applicable Tax Legislation.

### 9. Charges

The Charges applicable to the GICs are outlined in the Fee Schedule available at [oaken.com](http://oaken.com) for Oaken GICs or at [hometrusted.ca](http://hometrusted.ca) for Broker GICs. We may change the Fee Schedule, but we will give you at least thirty days' written notice before we increase any fees or add any new fees that apply to the GICs.

## D. INVESTMENT TERMS AND CONDITIONS

### 10. Investments

You or your Representative will direct the investment of Plan Assets. All GICs will be payable in Canadian Dollars. We may hold any uninvested cash in our own deposit products. Uninvested cash will not earn interest.

You or your Representative must provide us with instructions on how to invest and/or reinvest the funds in the RIF. We may require you to provide certain documents in respect of any GIC or proposed GIC, as we, in our sole discretion, consider necessary. We may act on directions or instructions from your Representative without incurring any liability. We are entitled to act upon any instrument, certificate, notice or other writing that we believe to be genuine and properly signed or presented without conducting any independent verification. We may decline to act on any verbal or electronically transmitted direction if we have any doubt that the direction has been properly authorized or accurately transmitted.

### 11. Maturity of an Investment

On the Investment Maturity Date (or the next business day, if the Investment Maturity Date falls on a weekend or holiday), we promise to pay to you the principal amount of the GIC. We also promise to pay interest on the principal amount, from the date we receive and invest the funds in the GIC on your behalf to the day prior to the Investment Maturity Date. Interest accrues and is paid at the applicable interest rate set out in the Confirmation. The principal amount of the GIC together with all accrued interest are referred to as the "Proceeds" of the GIC.

On the Investment Maturity Date of a GIC held within the RIF, unless you or your Representative have instructed us otherwise (in accordance with section 7) at least twenty days in advance, the Proceeds will be reinvested in a new GIC for the same term as the matured GIC at our then-current prevailing rate of interest for that term, except that any reinvestment may be cancelled if we receive a written request from you to cancel within ten Business Days from the date of reinvestment.

## E. ESTATE MATTERS

### 12. Designation of Successor Annuitant or Beneficiary

If permitted in your province of residence, you may designate your spouse or common-law partner as Successor Annuitant, or one or more Beneficiaries, to receive an amount equal to the Plan Assets after your death, by delivering to us our approved form. The effective date of the notice will be the date received by us or a date specified by the notice, if later. You may also designate one or more Beneficiaries in your will.

If you provide more than one legally valid designation to us, and the designations are inconsistent, then to the extent of the inconsistency, we will make payment only in accordance with the designation bearing the latest execution date and the designation will be determinative of any inconsistency.

If you are subject to the laws of Quebec, you cannot make a beneficiary designation using our approved forms. A beneficiary designation will only be effective if made in a will or other written document that meets the requirements of a testamentary disposition under the laws

## Declaration of Trust for Retirement Income Fund – GIC

of Quebec.

*Caution:* The designation of a beneficiary for the RIF will not be revoked or changed automatically because of any future marriage or common-law relationship or breakdown of marriage or common law relationship. It will be your responsibility to revoke or change the designation, as applicable.

### 13. Death

In the event of your death while the RIF has Plan Assets, we will (a) if your spouse or common-law partner has been designated the Successor Annuitant, continue payments to your spouse or common-law partner in accordance with the Retirement Payment provisions, or (b) redeem your GICs in the RIF and distribute the Plan Assets to your estate or your Beneficiary in a single lump sum, less any Charges required to be withheld. We must receive satisfactory evidence of your death and may require the persons or persons entitled to the Plan Assets to provide documents (including proof of probate), execute a release and/or execute other documents as we may reasonably require, before we process any payments out of the RIF. We will be fully discharged from any further obligations and liability in connection with the RIF upon payment being made in accordance with this provision.

An amount equal to the Plan Assets will be paid to your estate if: (i) no Successor Annuitant or Beneficiary has been designated; (ii) your Successor Annuitant and all Beneficiaries predecease you; (iii) your Successor Annuitant and all Beneficiaries are considered under any Applicable Law to have disclaimed the right to receive a payment under the RIF, or (iv) any circumstance where we are uncertain as to who the correct Beneficiary would be based on the documents provided to us and the then prevailing circumstances.

## F. GENERAL

### 14. Marriage or Common-Law Partnership Breakdown

In the event of a breakdown of marriage or common-law partnership between you and your spouse or common-law partner, any entitlement under the RIF will be subject to the laws of the appropriate province or territory relating to the distribution of property of spouses or common-law partners in these circumstances and subject to Applicable Tax Legislation. If your spouse or common-law partner or former spouse or common-law partner is entitled to an amount under a decree, order or judgment of a competent tribunal or under a written agreement that relates to a division of property in settlement of a breakdown of marriage or common-law partnership, we may transfer that amount directly to a registered retirement savings plan or registered retirement income fund of your spouse or common-law partner or former spouse or common-law partner in accordance with Applicable Tax Legislation. To cover this transfer, we may redeem all or part of one or more of the GICs in the RIF before the applicable Investment Maturity Date. All such redemptions will be net of all applicable Charges and we will not have any liability to you for any losses that may result.

### 15. Fees and Expenses

We are entitled to receive fees and to recover all reasonable expenses for the administration of the RIF. We will disclose the fees associated with the RIF at the time you apply for the RIF. We may change the fees from time to time and we will notify you of any changes in writing at least thirty days before the new fees go into effect. Any fees and expenses and those of any of our agents, as well as any applicable taxes relating to the RIF, may be deducted from the assets of the RIF, except for taxes we are liable for under the Act. Part of the RIF may be held as cash to pay the fees and other expenses relating to the RIF. To cover these fees and expenses, we may redeem all or part of one or more of the GICs in the RIF before the applicable Investment Maturity Date. Any such redemption will be net of all applicable Charges and we will not be liable for any losses that may result.

### 16. Appointment of Agent

We may appoint agents to perform certain administrative, transactional or other duties under these Terms and Conditions. We may engage accountants, lawyers or others and may rely on their advice and services. We may pay to any advisor or agent all or part of the fees received under the provisions of these Terms and Conditions. We may engage one or more Canadian chartered banks or trust companies as a depository to hold some or all of the Plan Assets, except that the depository may not offset against the Plan Assets, any debt or obligation owing to the depository. However, even if we appoint an agent we acknowledge and confirm that the ultimate responsibility for the administration of the RIF remains with us. All protections, limitations of liability and indemnifications given to us under these Terms and Conditions are also given to, and are for the benefit of, the agent.

Where an agent is appointed, the agent may apply for registration of the RIF with the relevant taxation authorities pursuant to Applicable Tax Legislation.



## Declaration of Trust for Retirement Income Fund – GIC

### 17. Amendments

Home Trust may amend the Plan Documents from time to time by obtaining approval under Applicable Tax Legislation, as required. We will give you or your Representative at least thirty days' notice in writing of material changes. No amendment will be made that would have the effect of disqualifying the RIF as a retirement income fund for purposes of the Act. If an amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation, the Plan Documents will be automatically amended without notice to you. You will be considered to have agreed to the amendments made when notice of the amendments is given to you or your Representative.

### 18. Notices

You may send communications or notices to us by mailing us at our head office in Toronto, Ontario or to any other address that we may notify you of, or by any other means that we may allow, such as through online banking or email (there may be restrictions on the use of electronic communications for providing certain original documents like death certificates). We will not be responsible for unauthorized disclosure if you send us confidential or personal information via email or any other method that is not secure. Any notice you provide to us will be considered to have been given and received on the day it is actually received by us, regardless of the method of delivery.

If we send you a notice, statement or receipt by mail, we will consider you to have received it five days after it has been postmarked by the post office and mailed to you at the last address we have in our records. Oaken customers may choose to receive notices electronically.

### 19. Problem Resolution

We are committed to providing the best possible service to all of our customers. Customers with complaints or concerns should review Home Trust Company's Customer Complaint Procedures at [hometrusted.ca/complaint.aspx](http://hometrusted.ca/complaint.aspx) or contact us.

Every attempt will be made to resolve your complaint, but if your concern or complaint remains unresolved, you may bring it to the attention of Home Trust Company's Customer Complaints Appeals Office by writing to Home Trust Company, Attn: Customer Complaints Appeals Office, 145 King Street West, Suite 2500, Toronto, Ontario, M5H 1J8 by e-mail to [ccao@hometrusted.ca](mailto:ccao@hometrusted.ca) or by telephone at 1-877-903-2133 ext. 5008 (in Toronto 416-775-5008). Where your complaint relates to a privacy matter, you may contact Home Trust's Chief Privacy officer at the address listed above, by email to [privacy@hometrusted.ca](mailto:privacy@hometrusted.ca), or by telephone at 1-877-903-2133 ext. 5075.

If you feel that your concern or complaint has not been properly dealt with by us, you may write the Ombudsman for Banking Services and Investments at P.O. Box 896, STN Adelaide, Toronto, Ontario, M5C 2K3, e-mail [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) or call or fax them at 1-888-451-4519 (tel) or 1-888-422-2865 (fax).

When the concern or complaint involves our obligations to consumers under the *Trust and Loan Companies Act* (Canada), you may write to the Financial Consumer Agency of Canada at 427 Laurier Avenue West, 6th Floor, Ottawa, Ontario, K1R 1B9 or through the website at [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca). If your concern involves a privacy issue, you may contact the Office of the Privacy Commissioner of Canada by telephone at 819-994-5444 or 1-800-282-1376, by fax at 819-994-5424 or online at [www.priv.gc.ca](http://www.priv.gc.ca).

### 20. Indemnity

We are not liable or responsible for any losses or damages incurred by the RIF or you, your beneficiary or any other person as a consequence of any investment (including, without limitation thereof, "non-qualified investments", "prohibited investments" and "foreign property" within the meaning of the Act) or reduction in the value of the RIF, unless caused by our own gross negligence, willful misconduct or reckless disregard. We are not liable or responsible for any taxes, interest, penalties or charges imposed on us in respect of the RIF by a governmental authority. We may reimburse ourselves for, or may pay, any taxes, interest, penalties or charges out of the Plan Assets except for taxes, interest, penalties or charges that we are liable for under the Act. You, the Successor Annuitant, and any Beneficiary and you and their respective beneficiaries and Representatives agree to indemnify us and our directors, officers, agents and employees for any costs not satisfied by the assets of the RIF.

Both Home Trust (as carrier of the RIF) and you (as the annuitant of the RIF) must ensure that any investment made on your direction is and remains a "qualified investment" for a registered retirement income fund under the Applicable Tax Legislation. You acknowledge that you will be liable for tax consequences if the RIF does not comply with Applicable Tax Legislation.

### 21. Resignation

We may resign from our duties under the RIF by giving you three months' notice in writing. If we resign, we will (i) at your direction, transfer the balance of the RIF to another retirement income fund held by you; or (ii) appoint a successor trustee that satisfies the requirements under Applicable Tax Legislation.

## Declaration of Trust for Retirement Income Fund – GIC

### **22. Heirs, Executors & Assigns**

The terms of the Plan Documents will be binding upon you and any Successor Annuitant or Beneficiary, and the heirs, executors, administrators and assigns of you, the Successor Annuitant or Beneficiary and upon our successors and assigns.

### **23. Branch of Account**

For purposes of the *Trust and Loan Companies Act (Canada)*, the branch of account for the RIF is the location indicated on your RIF statement. We may change the branch of account by giving written notice to you.

### **24. Governing Law**

The Plan Documents are governed by the laws of the province or territory where you reside and any applicable federal laws of Canada. If any part of the Plan Documents is found invalid or unenforceable, the validity or enforceability of the remaining provisions of the Plan Documents will not be affected. You agree to irrevocably and unconditionally submit to the jurisdiction of the courts of the Province of Ontario to determine all issues related to the Plan Documents.

### **25. Deposit Insurance**

Home Bank and Home Trust are each a member of the Canada Deposit Insurance Corporation (“CDIC”) and licensed to issue term deposits across Canada. The investments are eligible for CDIC coverage, subject to CDIC rules and regulations. Visit [www.cdic.ca](http://www.cdic.ca) or call 1-800-461-2342 for details concerning the eligibility of an investment for CDIC coverage.