

## Manulife Securities Incorporated Self-Directed Retirement Income Fund Declaration of Trust

We, Manulife Trust Company, agree to act as trustee for you, the applicant named in the application on the other side of this declaration (the "Application") for a Manulife Securities Incorporated Self-Directed Retirement Income Fund (the "Fund") as defined in subsection 146.3(1) of the *Income Tax Act* (Canada) (the "Act") offered by Manulife Securities Incorporated (the "Agent") on the terms and conditions set out below. Any reference to applicant, you and your refer to the Annuitant as defined under subsection 146.3(1) of the Act. We, us, our and the Trustee mean Manulife Trust Company.

1. **REGISTRATION:** We will apply to register the Fund under the Act, and any applicable provincial income tax legislation relating to retirement income funds (collectively, Applicable Tax Legislation).
2. **DELEGATION:** You authorize us to appoint, and we have appointed, the Agent to perform administrative duties relating to the operation of the Fund as agreed to by us and our Agent. We and our Agent may employ or engage accountants, brokers, lawyers, and others (the Representatives) and may rely on their advice and services to fulfill any duty or obligation under this Declaration of Trust. We will, however, remain ultimately responsible for the administration of the Fund.
3. **TRANSFERS TO THE FUND:** We will accept for you all payments of cash and other transfers of property to the Fund acceptable to us made by you or your spouse and permitted by Applicable Tax Legislation, and will hold such payments and transfers together with any income or capital gains generated by the investment of the property (collectively, Fund Assets) in trust, provided that such Fund Assets may only be transferred from:
  - a) Either a registered retirement income fund (RRIF) or a registered retirement savings plan (RRSP) under which you are the annuitant within the meaning of the Act; or
  - b) You to the extent only that the amount of consideration was an amount described in subparagraph 60(l)(v) of the Act; or
  - c) Either a RRSP or a RRIF of your spouse or former spouse, within the meaning of the Act, where you and your spouse or former spouse are living separate and apart and the transfer is made under a decree, order or judgment of a competent tribunal, or under a written separation agreement relating to a division of Fund Assets between you and your spouse or former spouse in settlement of rights arising out of, or on the breakdown of, your marriage; or
  - d) A registered pension plan pursuant to subsection 147.1(1) of the Act under which you are a member; or
  - e) A registered pension plan pursuant to subsection 147.3(5) and (7) of the Act;
  - f) A specified pension plan in circumstances to which subsection 146(21) of the Act applies; or
  - g) A pooled registered pension plan in accordance with subsection 147.5(21) of the Act; or
  - h) Any other source permitted by the Act from time to time

4. **INVESTMENTS OF YOUR FUND ASSETS:** We will invest and reinvest your Fund Assets according to your directions in investments that are made available by us for investment by the Fund and permitted by Applicable Tax Legislation and as may be acceptable to us. We may, but need not, require any such direction in writing. We may require you to provide such documentation in respect of any investment or proposed investment as we in our sole discretion deem necessary in the circumstances. We will not be restricted by any laws which limit investments that trustees can make, except for Applicable Tax Legislation.

Without restricting the generality of the foregoing, it shall be your sole responsibility to choose the investments of the Fund; to determine whether any such investment would result in the imposition of any penalty under the Applicable Tax Legislation; to determine whether any investments should be purchased, sold or retained by us as part of the Fund Assets. We and the Agent shall not be responsible for any loss suffered by you or by any beneficiary as a result of the purchase, sale or retention of any investment.

In the absence of a direction from you as to the investment of any cash balances forming part of the Fund from time to time, the Trustee will allow interest on such balances at such rate and will credit interest at such time as we, in our sole discretion, may determine. You acknowledge that such cash balances may be invested and reinvested by us in our guaranteed account. If an investment is or ceases to be a qualified investment for a registered retirement income fund pursuant to Applicable Tax Legislation, we may transfer such investment from the Plan to you.

5. **STATEMENT OF YOUR ACCOUNT:** We will maintain an account in your name showing all transfers to the Fund, purchases and sales of investments we hold for you in the Fund and all payments from the Fund. On at least an annual basis we will send, or arrange to be sent, a statement of account to you.
6. **INCOME TAX INFORMATION:** Each year, as required under the Act we will forward to you, or where applicable to your spouse, the appropriate information slips in prescribed form required to be filed with the applicable income tax authorities for the previous calendar year.
7. **PAYMENTS FROM THE FUND:** We will make payments to you or, if applicable, to your surviving spouse subject to the terms of the Declaration of Trust and Applicable Tax Legislation. We will deduct any applicable sales costs, any and all taxes, penalties, interest and other related fees or charges from the payments.
  - a) In each year commencing not later than the first complete calendar year after the Fund is established, we will make one or more payments the total of which will not be less than the minimum amount set forth below, and not be more than the value of the Fund immediately before any payment. The minimum amount for the year in which the Fund commences shall be nil and for each subsequent calendar year shall be determined by multiplying the value of the Fund at the beginning of a year by a factor prescribed under the Act corresponding to your age, or where you have so elected, the age of your spouse.

- b) You will direct us in writing, prior to 30 days before the payment is due, as to the frequency and amount of payments to be made and which Fund Assets are to be liquidated in order to provide the specified payments providing such payments are permitted under Applicable Tax Legislation. If you do not so direct us as to which Fund Assets are to be liquidated to make the payments, or if the specified Fund Assets are insufficient to cover the payments, we will, in our sole discretion, liquidate any Fund Assets to the extent deemed necessary for the purpose of making the specified payments. If you do not so direct us as to the frequency and amount of payments to be made, we will, in our sole discretion, liquidate any Fund Assets to the extent deemed necessary to provide you with the annual minimum payment required under the Act.
- c) For the purposes of valuing the Fund we will include the Fund Assets at its net asset value.
- d) No payment required to be made in accordance with the provisions of the Fund may be assigned in whole or in part.
- e) We shall be discharged from all further duties and liabilities when the Fund Assets have been fully distributed.
- f) At your direction, and in accordance with paragraph 146.3(2)(e) of the Act, we will transfer all or part of the Fund Assets held in connection with the Fund, minus any applicable fees or charges, together with all information necessary for the continuance of the Fund to any person who has agreed to be a carrier of another registered retirement income fund in your name. We will retain sufficient Fund Assets in order that the minimum payment required by the Act for the year of transfer shall be paid or shall have been paid to you.
- g) Transfers can also be made to an RRSP or a RRIF in the name of your spouse (or former spouse) under a decree, order or judgment from a court or a written separation agreement relating to the breakdown of your marriage as permitted under Applicable Tax Legislation.
- 8. YOUR RESPONSIBILITIES:** It is your responsibility to:
- Ensure that investments made by the Fund are qualified investments within the meaning of Applicable Tax Legislation for the Fund;
  - Ensure that investments made by the Fund are not prohibited investments within the meaning of Applicable Tax Legislation for the Fund; and
  - Ensure that any beneficiary designation made under the Fund is valid.
- It is also your responsibility or, where applicable, your spouse's responsibility to ensure that investments made by the Fund are and remain qualified investments within the meaning of the Applicable Tax Legislation for the Fund; however, the Trustee will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Fund holds a non-qualified investment within the meaning of the Applicable Tax Legislation.
- 9. DEATH OF THE ANNUITANT:** You may designate any person as beneficiary of the Fund, provided you are domiciled in a jurisdiction which by law permits you to validly designate a beneficiary other than by will. If you die, then as long as we receive evidence of your death and a release, both in form satisfactory to us, we will continue payments to your spouse provided he or she is the successor annuitant of the Fund. If your spouse is not the successor annuitant of the Fund, we will pay the proceeds of the Fund to your designated beneficiary or legal representative, as applicable. The payment from the Fund will be subject to the deduction of all sales costs, interest, penalties, income tax and other related charges.
- 10. PAYMENT INTO COURT:** If there is a dispute about who is legally authorized to apply for and accept receipt of the Fund Assets on death of the Annuitant, the Trustee and the Agent are entitled to either apply to the court for directions or pay the Fund Assets into court and, in either case, fully recover any legal costs it incurs in this regard as expenses from the Fund Assets.
- 11. LOCKED-IN FUNDS:** Where Fund Assets have been transferred into the Fund from a pension plan or other locked-in registered plan, you will receive a copy of the locking-in addendum for the applicable pension legislation. The provisions of such locking-in addendum shall be deemed to be part of this Declaration of Trust effective from the time the transfer is received into the Fund. In the event of a conflict, the locking-in provisions of the applicable pension legislation take precedence over any conflicting provisions of this Declaration of Trust or of any beneficiary designation made with respect to the Fund. You acknowledge and expressly agree to be bound by the provisions of the applicable locking-in addendum.
- 12. OWNERSHIP:** The Fund Assets will be held in our name or any other name that we, in our sole discretion, determine. We may generally exercise the power of an owner with respect to all property held by us for the Fund, including the right to vote or to give proxies to vote in respect thereof, and to pay any assessment, taxes or charges in connection therewith or the income or gains derived therefrom.
- 13. COMPENSATION, TAXES AND EXPENSES:** The Trustee and Agent will be entitled to such reasonable fees and other charges as each may establish from time to time for services rendered in connection with the Fund. All such fees and other charges (together with any goods and services tax or other taxes applicable thereto) will, unless first paid directly to the Agent, be charged against and deducted from the Fund Assets in such manner as the Agent determines except any tax, interest or penalties imposed on the Trustee by the Act that are not reimbursable to the Trustee from the Fund Assets under the Act. All expenses incurred and taxes payable shall be paid from the Fund Assets. For greater certainty, in the event of any executions of third party demands or claims against the Fund Assets, both the Trustee and the Agent are entitled to fully recover any expenses incurred by them in this regard as expenses.
- 14. AMENDMENT:** We may, in our sole discretion, amend the terms of the Fund as long as:
- We obtain approval of the authorities administering Applicable Tax Legislation, if required; and
  - The amendment does not disqualify the Fund as a registered retirement income fund within the meaning of Applicable Tax Legislation.
- We will give you 30 days prior written notice of any amendment except if the amendment of the Fund is necessary to ensure compliance with Applicable Tax Legislation, in which case no notice to you is required.
- 15. NOTICE:** You may write to us about the Fund by sending a letter, postage pre-paid or personally delivered, to the Agent at its address noted on the Application or any other address that we designate. We will consider that you have given us the letter on the day the Agent actually receives it. We may give you any notice, statement or receipt by personal delivery or mail, postage prepaid, at the address you gave on your Application or at the most recent address in our records. Any notice, statement or receipt from us will be considered to have been given to you at the time of personal delivery, or if mailed, on the third day after mailing.
- 16. INSTRUCTIONS:** We are entitled to rely on instructions we receive from you, any person you designate to us in writing and any person purporting to be you or the person designated by you. We may decline to act on any verbal or electronically transmitted instruction if we have any doubt that the instruction has been properly authorized or accurately transmitted.
- 17. SELF-DEALING:** The Trustee's services are not exclusive and, subject to the limitations otherwise provided in this Declaration of Trust on the powers of the Trustee, the Trustee may, for any purpose, and is hereby expressly authorized from time to time in its sole discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate, with which it may be directly or indirectly interested or affiliated with, whether on its own account or

on the account of another (in a fiduciary capacity or otherwise), and to profit therefrom, without being liable to account therefor and without being in breach of this Declaration of Trust.

- 18. LIABILITY:** We, our Agent and our respective employees and Representatives shall not be liable for ascertaining whether any investment made upon your instruction is or remains a qualified investment for purposes of a registered retirement income fund; whether any such investment constitutes a prohibited investment for purpose of a registered retirement investment fund; or for any and all taxes, penalties or interest payable in respect of any investment held under the Fund. We, our Agent and our respective employees and Representatives shall not otherwise be liable for the making, retention or sale of any investment or reinvestment; for payments made out of the Fund; for any loss or diminution of the Fund Assets; or for any loss or damage to the Fund resulting from our acting or declining to act on any instruction from you, from any person designated by you, or any person purporting to be you.
- 19. PROOF OF AGE:** The statement of your birth date and, where applicable, your spouse's birth date, on the Application for the Fund is your, or your spouse's, certification of age and undertaking to provide further proof of age if required by us for the purpose of providing payments under the Fund.
- 20. REPLACEMENT OF TRUSTEE:** We may resign from our position as Trustee under the Fund by giving 90 days written notice to the Agent, immediately if the Agent is for any reason incapable of acting in accordance with this Declaration of Trust or any shorter period that is acceptable to the Agent. The Agent may remove us from our position as Trustee of the Fund by giving us at least 60 days written notice or immediately if we are for any reason incapable of acting as trustee, provided that a successor trustee has been appointed by the Agent in writing. If the Agent fails to designate a successor trustee within 30 days after it has received notice of our intended resignation, we may appoint a successor trustee. Such successor trustee shall give written notice of its appointment as trustee of the Fund to you. The appointment of any successor trustee is subject to approval by the Canada Revenue Agency and any other applicable provincial authorities. Subject to the requirements of the Canada Revenue Agency, any corporation resulting in the merger, consolidation or amalgamation to which the Trustee is a party or which purchases all or substantially all of the trust business of the Trustee shall be the successor trustee hereunder without the execution of any other instrument or document except notice to the Agent and to you. On the date our resignation or removal becomes effective, we will sign and deliver to the successor trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the successor trustee.
- 21. ASSIGNMENT BY AGENT:** The Agent may assign its rights and obligations under this Declaration of Trust to any other corporation resident in Canada, approved by the Canada Revenue Agency and any other applicable provincial authorities, and authorized to assume and discharge the obligations of the Agent under the Fund, provided that such corporation shall execute any agreement which is necessary or advisable for the purpose of assuming such rights and obligations and further provided that no such assignment may be made without prior written consent of the Trustee, which consent may not be unreasonably withheld.
- 22. INDEMNITY:** The Annuitant agrees to indemnify the Trustee for all expenses, taxes and compensation incurred or owing in connection with the Fund to the extent that such expenses, taxes or compensation cannot be paid out of the Fund. The foregoing indemnification does not apply to taxes or other amounts that are imposed on the Trustee or Agent under the Act.
- 23. HEIRS, EXECUTORS AND ASSIGNS:** The terms of this Declaration of Trust shall be binding upon your heirs, executor, administrators and assigns and upon the respective successors and assigns of the Trustee and Agent.
- 24. COMMON-LAW PARTNER AND COMMON-LAW PARTNERSHIP:** Any reference to spouse contained in the Declaration of Trust or in the Application means spouse or common-law partner and any reference to marriage contained in the Declaration of Trust or in the Application means marriage or common-law partnership.
- 25. RELEASE OF INFORMATION:** The Trustee and the Agent each are authorized to release any information about the Fund Assets, after the Annuitant's death, to either the Annuitant's estate representative or the designated beneficiary, or both, as the Trustee deems advisable.
- 26. ENGLISH LANGUAGE:** The parties hereto have requested that the Fund be established in English. Les parties ont demandé que le régime soit rédigé en anglais.
- 27. PROPER LAW:** This Declaration of Trust will be governed by and construed in accordance with the laws of Ontario (and with respect to any locking-in addenda to the Fund containing provisions required by the laws of a province, in accordance with the laws of such province), Applicable Tax Legislation and any other laws of Canada which may be applicable.

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