



May 14, 2018

## **Important information regarding your TD Waterhouse Self-Directed Retirement Income Fund (RIF)**

At TD Wealth Financial Planning, we are committed to keeping you informed about matters that affect your account. Please note that the Declaration of Trust (DOT) you received when you opened your Retirement Income Fund (RIF) has been amended.

**These amendments do not affect the value of the investments in your RIF or the nature of your relationship with your Financial Planner.**

With the exception of reviewing the updated DOT enclosed, no action is required on your part. This notification and the updated DOT have been provided for your reference only. The amendments will take effect 30 days from the date of this notification.

A high-level summary of the amendments is set out below.

- Section 5: Investments –
  - Added that the RIF Trustee will be able to take action (withdraw or sell) if an investment becomes a prohibited investment for a registered plan or if there is a material risk of such an event because you have not provided information that the Trustee requests from you.
  - Added that the Trustee can obtain a third party valuation of an investment at your expense if, when requested, you do not provide a valuation of that investment. Or, if you don't provide a valuation upon request, the Trustee can remove the investment from the RIF.
- Section 6: Your Account(s) – Added that you are responsible for any liability or debit balance in the RIF.
- Section 7: Retirement income – added that, if you have requested the minimum amount be paid to you and the only property remaining in the RIF cannot be partially liquidated to fund the payment, the Trustee can make the payment by transfer in-kind of all such remaining property to you or to a non-registered account in your name, regardless of any tax consequences to you.
- Section 8: Payments received outside FUND – added section to say that, if you receive a payment that should have been payable to the RIF, you are required to return it to the RIF.
- Section 12: Fees – clarified that the Trustee and the Trustee's Agent, Financial Planning, can be reimbursed from the RIF for any disbursements or reasonable expenses either may incur. In addition, neither the Trustee nor its Agent is liable for any taxes or similar charges imposed on the RIF except for those for which the Trustee or its Agent is responsible under the tax laws.
- Section 13: Tax Matters and Assessments – added that (i) the Trustee can withhold tax from payments from the RIF, (ii) withdrawals cannot be made from the RIF until all applicable taxes and fees have been paid and (iii) if taxes are payable from the RIF, the Trustee will pay them out of the property in the RIF.
- Section 23 – added section to say that, if there is no property held in the RIF, the Trustee can close it.

As always, we value and appreciate your business and we're here to help. If you have any questions, please contact your Financial Planner.



**TD Waterhouse**  
**Self-Directed Retirement Income Fund**  
**Declaration of Trust**

The Canada Trust Company, a trust company incorporated under the laws of Canada and having its Head Office in the City of Toronto in the Province of Ontario (the "**Trustee**"), in consideration of the transfer of qualified property hereby declares that it accepts the office of administrative trustee and agrees to hold the property and make payments from a Retirement Income Fund (herein the "**FUND**") to the account holder who is also the applicant named on the application (herein called "**you**", "**your**" and "**yours**"), and who is the "annuitant" within the meaning of subsection 146.3(1) of the *Income Tax Act* (Canada) (the "**Act**"), and if you so elect, to your spouse after your death. The Trustee accepts this office on the following terms:

**1. Registration:** The Trustee will apply for registration of the FUND under your Social Insurance Number as a Retirement Income Fund under the provisions of the Act and, if applicable, the provisions of any similar legislation of the Province in which you reside (the Act and such provincial legislation, including the regulations issued thereunder, collectively or individually referred to as the "**Applicable Tax Legislation**").

**2. Administration:** The Trustee may delegate certain administrative duties to an affiliate of the Trustee (such affiliate herein referred to as "**Agent**"). Notwithstanding the duties delegated to the Agent, the ultimate responsibility for the administration of the FUND remains with the Trustee.

**3. Purpose of the FUND:** The Trustee undertakes to hold such property (including cash) in trust and to pay to you and, if you so elect, to your spouse after your death, in each year commencing not later than the first complete calendar year after the year this agreement is entered into, an amount (herein called a "**retirement income**") calculated according to the terms of the Act.

**4. Transfers to the FUND:** No qualified investment will be accepted by the Trustee as consideration for the payment of a retirement income other than property transferred by direct transfers from:

- (a) a Registered Retirement Savings Plan under which you are the annuitant;
- (b) a Registered Retirement Income Fund under which you are the annuitant;
- (c) you to the extent that the property is an amount described in paragraph 60(1)(v) of the Act;
- (d) a Registered Retirement Savings Plan or Registered Retirement Income Fund of you or your spouse or former spouse pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of your marriage on or after the breakdown of your marriage;
- (e) a Registered Pension Plan under which you are a member within the meaning assigned under subsection 147.1(1) of the Act;
- (f) a Registered Pension Plan in accordance with subsections 147.3(5) and (7) of the Act; or
- (g) a specified pension plan in circumstances to which subsection 146(21) of the Act applies.

**5. Investments:**

- (a) The Trustee will, on your written or oral directions, invest the Property of the FUND, provided that the Trustee may in its sole discretion decline to make any particular investment for any reason including, without limitation, if the proposed investment and related documentation do not comply with the trustee's administrative requirements, which may be modified from time to time. You will have the right to designate a person or persons in a satisfactory form as may be determined by the Trustee, as your attorney for the purpose of giving any such directions and the Trustee will be released from any claims of or liability to you in acting pursuant to such directions unless it has received written notice that such person or persons is not or has ceased to be your attorney and the Trustee has acknowledged receipt of such notice in writing.
- (b) The Trustee or the Agent, as defined herein, may require you from time to time to provide such documentation in respect of any investment or proposed investment as the Trustee in its sole discretion deems necessary. The FUND may be invested and reinvested in any eligible securities and/or deposits, including securities issued or managed by or deposits with the Trustee and its affiliates as you may direct from time to time. The Trustee may, at its sole discretion, hold uninvested cash balances in any affiliate of the Trustee.
- (c) Pending the investment of uninvested cash in the FUND, the Trustee or the Agent will hold such cash in a segregated account and pay interest thereon on such terms and at such rate or rates as it may from time to time establish, provided that such cash has been deposited with the Trustee or its Agent. Until the FUND is terminated as provided herein, the Trustee's sole obligation relating to investments of the FUND will be confined to: (i) executing your directions with respect to the investment and reinvestment of monies in the FUND and of the proceeds of any sales of such investments or reinvestments and any income earned thereon; and (ii) maintaining legal ownership and possession of the investments that from time to time form part of the property of the FUND or maintaining such investments in bearer form or in the name of a nominee or in such other name as the Trustee may determine.
- (d) Without restricting the generality of the foregoing, it will be your sole responsibility to choose the investments of the FUND, and to determine whether any investment should be purchased, sold or retained by the Trustee as part of the FUND. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the FUND holds a non-qualified investment. Other than as heretofore stated, it will be your responsibility to determine whether any investment is or remains a qualified investment within the meaning of Applicable Tax Legislation. Neither the Trustee nor the Agent, as defined herein, will be liable to you if: (i) any investment in the FUND results in additional taxes or penalties imposed by Applicable Tax Legislation on you or the FUND, (ii) any such investment produces losses of any nature whatsoever for the FUND whether or not the Trustee or Agent has communicated to you any information the Trustee or Agent may have received, or any judgment the Trustee or Agent may have formed, with respect to the foregoing at any particular time, or (iii) the Trustee takes action because an investment in the FUND is or

has become a non-qualified or prohibited investment for purposes of the Applicable Tax Legislation or there is a material risk thereof including because you have not provided information requested by the Trustee.

- (e) Should the FUND become liable for any taxes, interest or other penalties under Applicable Tax Legislation or for any such taxes, interest and penalties for which the Trustee is jointly liable with the Account to pay or for which the Trustee has paid on behalf of the FUND and is entitled to recover from the FUND as tax, such Taxes shall be paid out of the assets of the FUND and you authorize the Trustee to redeem sufficient securities and/or deposits, as required, in the FUND to pay for such liability. Notwithstanding the above, the Trustee is not entitled to charge against and deduct from the assets in the FUND any charges, taxes or penalties imposed on the Trustee under Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the FUND to pay or for which the Trustee has paid on behalf of the FUND and is entitled to recover from the FUND as tax.

Notwithstanding any of the above, if the Trustee determines, at its sole discretion, that any investment in the FUND is or has become a non-qualified or prohibited investment for purposes of Applicable Tax Legislation or that there is a material risk thereof including because you have not provided information requested by the Trustee, the Trustee may, at its sole discretion, deal with such investment as it in its sole discretion determines including to withdraw such investment from the FUND in-kind, subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment, sell the investment for cash or realize on the investment for cash. You acknowledge that the valuation of an investment shall be determined by the Trustee in its sole discretion, provided that it is your obligation to provide the Trustee with such independent evidence of the value of the investment as the Trustee at any time requests. Should you fail to provide evidence of the value of the investment upon the request of the Trustee, the Trustee, at its sole discretion, may obtain a valuation from a third party selected by the Trustee at its sole discretion. You agree that the FUND shall reimburse the Trustee for the cost incurred by the Trustee for any such valuation by a third party immediately upon the request of the Trustee failing which you shall do so personally forthwith after demand. Notwithstanding, the above, in the event that you do not provide to the Trustee a valuation of an investment upon a request by the Trustee, the Trustee may, at its sole discretion, withdraw such investment from the FUND in-kind, subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment, sell the investment for cash or realize on the investment for cash. You authorize the Trustee to take any such actions and you irrevocably consent to them. You further acknowledge that you are responsible for all consequences (whether foreseeable or not), including tax consequences, of any of the above.

**6. Your Account(s):** The Trustee will send to you statements at least annually, setting forth the particulars of each transaction within your account(s) and the balance then standing to your credit. Notwithstanding anything herein contained, the Trustee is empowered to retain in cash or realize upon such portion of your account(s) as the Trustee may in its discretion deem advisable for the payment of your retirement income or applicable liabilities of the FUND including fees and other amounts described herein and any applicable taxes including amounts in respect of tax assessments described in section 13.

The Trustee may, at its discretion and without notice to you, sell or liquidate assets in the FUND or realize upon such assets as it determines to be appropriate to pay any such liability or debit balance of the FUND and its costs. You acknowledge that the Trustee will not be liable to you regarding any aspect of such liquidation, sale or realization. In addition, you acknowledge that the liquidation, sale or realization of assets in the FUND may have significant financial consequences for you and the FUND, including tax consequences, for which you are solely liable. You are jointly liable with the FUND for the payment of any liability or debit balance owing within the FUND and you are liable for any liability or debit balance remaining after liquidation of assets in the FUND and the application of such liquidation against the liability or debit balance.

**7. Retirement Income:** Commencing not later than the first calendar year after the year in which the FUND is established, the retirement income payable each year will be one or more amounts the aggregate of which is not less than the minimum amount as defined below, but in no event will the retirement income exceed the fair market value of the FUND immediately before the time of payment. If the Trustee agrees, you may elect to receive in any year any amount between the minimum amount and the fair market value of the property in the FUND.

The minimum amount will be the minimum amount as defined in subsection 146.3(1) of the Act. If, at the time that the Trustee is to make payment to you of the minimum amount and the only property remaining in the FUND cannot be partially liquidated to fund such payment, the Trustee may, at its sole discretion, make such payment by transfer in-kind of all such remaining property to you or to a non-registered account in your name, even though such transfer exceeds the amount of the required payment, regardless of any tax consequences to you.

If you elect to have your minimum amount determined using your spouse's age, you must complete the appropriate area on the face of this form before the Trustee makes any payment out of the FUND to you.

At the end of the year in which the last payment is made, an amount equal to the value of the property must be paid out.

No assignment will be made of any amount payable to you or, if applicable, to your spouse, out of or under the FUND.

**8. Payments Received outside FUND:** You agree that, if you receive any amounts in respect of an asset or right belonging to the FUND, you shall forthwith pay over such amount to the FUND.

**9. Your Death:** If you die during the term of the FUND, the Trustee will, unless your spouse has become the annuitant of the FUND under the terms of the agreement or with the consent of the carrier of the FUND and your legal representative, and upon receipt of satisfactory evidence of your death and all other legal documents that it may reasonably require, distribute all the property in your account, after deduction of all proper charges including any applicable income tax, to the person legally entitled thereto pursuant to section 10 hereof.

**10. Designation of Beneficiary:** If permitted by applicable law, you may designate one or more beneficiaries in accordance with this paragraph to receive the proceeds payable under the FUND in the event of your death. A valid beneficiary designation can only be made, changed or revoked by a written instrument that adequately identifies the FUND signed by you in a form reasonably acceptable to the Trustee and received by the Trustee prior to any payment hereunder. If more than one instrument has been so lodged, the Trustee shall make payment only in accordance with the instrument in its possession bearing the latest execution date. An instrument shall be valid for the

purposes of this section even though it does not meet the applicable provincial requirements for a testamentary disposition. An instrument shall not be valid for the purposes of this section when the Trustee has actual notice of a valid Will or codicil that specifically designates a beneficiary which postdates the latest instrument filed with the Trustee. In the event of your death, unless your spouse has become the annuitant of the FUND under the terms hereof or with the consent of the carrier and your legal representative, in which case the Trustee shall continue the payment to your spouse in accordance with the terms hereof, the Trustee will, upon receipt of satisfactory evidence of your death and all other documentation which it may reasonably require, distribute the proceeds of the FUND, after deduction of all proper charges including any applicable income tax, in accordance with the beneficiary designation on the latest valid instrument filed with the Trustee. If there is no valid instrument filed with the Trustee or if all of your beneficiaries predecease you, this amount will be paid to your legal personal representative. On making any such payment, the Trustee shall be released from all further obligations under the FUND.

**11. Income Tax Information Slips:** On or before, the end of February in each year, the Trustee will give you a T4 RIF information slip with respect to retirement income paid to you under the FUND for the preceding taxation year. It is your sole responsibility to ensure that the amount of your retirement income under the FUND is properly reported on your income tax return as required under the Applicable Tax Legislation.

**12. Fees:** The Trustee and the Agent may levy fees that will be disclosed to you when you open your account, and the Agent or the Trustee reserves the right to change the fees at any time subject to 60 days' notice in writing to you and to reimburse itself out of the assets of the FUND for disbursements and expenses reasonably incurred by it in performing its duties hereunder.

Notwithstanding anything herein contained, the Trustee is empowered to retain in cash such portion of the investment earned as the Trustee may, at its sole discretion, deem advisable for the payment of any fee introduced in accordance with section 12 hereof or any other reimbursement hereunder and any liability, including for applicable taxes, all such fees and other charges will, unless paid directly to the Trustee, be charged against and deducted from the assets of the FUND in such manner as the Trustee determines, and the Trustee may realize assets of the FUND in its sole discretion for the purposes of paying such amounts. Any such realization shall be made at such price or prices as the Trustee or the Agent at its sole discretion may determine and neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization.

Neither the Trustee nor the Agent shall be liable for any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the FUND except for those taxes, assessments or other charges for which the Trustee or the Agent is liable on behalf of the FUND in accordance with Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the FUND to pay or for which the Trustee has paid on behalf of the FUND and is entitled to recover from the FUND as tax.

### **13. Tax Matters and Assessments:**

- (a) Withholdings: Where required by Applicable Tax Legislation, the Trustee will withhold tax from payments made from the FUND.
- (b) No payment above the minimum amount shall be made until all applicable liabilities of the FUND, including for applicable taxes of the FUND and for fees and other amounts described herein have been paid or a reasonable amount in the sole discretion of the Trustee has been retained in the FUND to satisfy such amounts.) No such payment shall be made if the Trustee has requested information necessary for it to determine the amount of or potential liability for any applicable liabilities and you have not provided information satisfactory to the Trustee to be able to make a determination that no applicable liability exists. It is your responsibility to ensure that the FUND has sufficient cash to pay any applicable withholding tax associated with such a payment and no such payment shall be made unless and until the FUND has such cash. Neither the Trustee nor the Agent shall be liable for any losses or damages arising from any delay to make such a payment as a result of any of the above.
- (c) If an assessment of taxes is made against the FUND, or the FUND files a return reporting taxes payable, the Trustee shall pay the amount of such taxes out of the assets of the FUND to the applicable governmental authority unless arrangements satisfactory to the Trustee are made with you regarding any objection to such taxes, including arrangements for the payment of fees and expenses to make such objection and arrangements to ensure that the FUND will have the ability to be able to pay such taxes.
- (d) Neither the Trustee nor the Agent will be liable to you or the FUND in respect of any amount paid to any relevant tax authority in compliance with or intended compliance with Applicable Tax Legislation.

**14. Your Certification:** Your statement of your date of birth and, if applicable, your spouse's date of birth contained in your application for the FUND will be deemed to be your certification of your age and, if applicable, your spouse's age upon which the Trustee may rely and your undertaking to provide any further evidence of proof of age that may be required.

**15. Amendments to FUND:** The Trustee may from time to time amend this Declaration of Trust with the concurrence of the Minister of National Revenue, if required, and the concurrence of provincial tax authorities, if applicable:

- (a) (a) without notice to you or without your consent, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation or at its effective date the amendment will not in the Trustee's sole opinion adversely affect your rights under the FUND; and
- (b) in all other cases, by giving 30 days' notice in writing to you, provided that in all cases no such amendment will have the effect of disqualifying the FUND as a registered retirement income fund within the meaning of the Applicable Tax Legislation.

**16. Transfer from FUND:** Subject to the terms and the maturity of the qualified investment(s) you have chosen for the FUND, pursuant to section 5 hereof, the Trustee or the Agent will, within 10 business days of receipt of your written notice, transfer as directed, pursuant to the provisions Applicable Tax Legislation and subject to paragraph 146.3(2)(e) of the Act, all or part of the property of the FUND to another registered retirement income fund after all applicable liabilities of the FUND including for fees and other amounts described herein have been paid together with all applicable taxes.

Where the minimum amount for the year has not yet been withdrawn, the Trustee will retain a sufficient portion of the FUND to allow it to

make a payment sufficient to ensure that the minimum amount is paid to you for the year.

The Trustee accepts no responsibility for the establishment and validity of any new retirement income fund arrangement between you and any other carrier or for the investment or payment of any funds after the payment or transfer provided for herein.

**17. Notices:** Any notice given to the Trustee hereunder will be sufficiently given if delivered to or mailed, postage prepaid, addressed to the Agent or the Trustee at its Head Office in Toronto, Canada and will be considered to have been given on the day that it is received by the Agent or the Trustee. Any notice, statement or receipt given by the Agent or the Trustee to you will be sufficiently given if mailed, postage prepaid, addressed to you at your last address known to the Agent or the Trustee in connection with this FUND and such notice will be deemed to have been given on the third business day following the day of mailing.

**18. Indemnity:** You, your successors, executors and administrators will at all times indemnify and save harmless the Agent and the Trustee in respect of any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the FUND.

The Trustee and the Agent shall be entitled to and shall be fully protected in acting upon any instrument, certificate, notice or other writing believed by the Trustee or the Agent to be genuine and to be signed or presented by the proper person(s). The Trustee and the Agent shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but shall be entitled to accept the same as conclusive evidence of the truth and accuracy of the statement therein contained. When the FUND is terminated and the proceeds thereon are withdrawn, the Trustee and the Agent shall be released and discharged from any further responsibility or obligation in connection herewith. Except as otherwise provided herein, the Trustee shall not be liable for any loss incurred by the FUND, by you or by any beneficiary under the FUND unless due to the negligence, willful misconduct or lack of good faith of the Trustee.

**19. Applicable Law:** This agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to "spouse" contained herein or in the application means "spouse or common-law partner" and any reference to "marriage" herein or in the application means "marriage or common-law partnership."

**20. Successor Trustee:**

- (a) Subject to paragraph (c) the Trustee or any successor trustee of the FUND may resign as trustee by appointing a replacement trustee as provided in paragraph (b) and by giving 30 days prior notice in writing to you advising you of its resignation and the name and address of the replacement trustee to be appointed. The Trustee shall resign at the request of the Agent subject to the appointment of a successor trustee as provided in paragraphs (b) and (c).
- (b) A resigning Trustee may, by writing: appoint another party to be trustee in its place, provided that such party is a corporation licensed or otherwise authorized under the laws of Canada or a province thereof to carry on in Canada the business of offering to the public its services as trustee and is acceptable to the Agent.
- (c) The Trustee or any successor trustee shall not resign as trustee of the FUND
  - (i) unless a replacement trustee described in paragraph (b) is appointed and accepts the appointment to replace the resigning Trustee, or
  - (ii) if the replacement trustee described in paragraph (b) will result in the FUND ceasing to be a registered retirement income fund plan under Applicable Tax Legislation.
- (d) A retiring Trustee shall transfer to the replacement trustee all property of the FUND and all records related to its duties as trustee and shall do all acts and execute all deeds necessary for the proper vesting of the FUND property in the replacement trustee.
- (e) Notwithstanding anything herein before contained, a Trustee shall continue as Trustee of the FUND until such time as a replacement Trustee shall become vested with all the rights and obligations of the retiring Trustee hereunder.
- (f) Any corporation into which the Trustee may be merged, consolidated or amalgamated, or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee is a party, or any corporation succeeding to the trust business of the Trustee or to which substantially all of the trust assets of the Trustee may be transferred shall be the successor trustee of the FUND, provided such corporation is authorized by law to be the trustee of the FUND, without the execution of any further instrument.

**21. Heirs, Executors and Assigns:** The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the respective successors and assigns of the Trustee and the Agent.

**22. Transfer Upon Marriage Breakdown:** To the extent and in the manner permitted by Applicable Tax Legislation, the Trustee will make a transfer out of the FUND on behalf of an individual who is your spouse and who is entitled to the amount of the transfer under a decree, an order or a judgment of a competent tribunal, or under a written agreement, that relates to a division of property between you and the individual in settlement of rights that arise out of, or on a breakdown of, your marriage.

**23.** In the event that, at any time, there are no assets held in the FUND, the Trustee may in its sole discretion close the FUND.