

1. ANNUITY CONTRACT

This Annuity Contract in which Desjardins Financial Security agrees to pay, in consideration for the contributions paid in accordance with the terms and conditions provided for in the contract, a retirement benefit in the form of an annuity. Anywhere the term “Annuity Contract” is used, it can also mean an Endorsement to another contract.

The application, these provisions and any riders that may be attached thereto constitute the Annuity Contract.

2. CURRENCY

All payments made to or by the Company shall be in Canadian currency. **The Company reserves the right to refuse any payments or to impose additional requirements at its discretion.**

3. AMENDMENTS

No provisions of this contract may be cancelled or amended except by a rider duly signed by an authorized officer of the Company.

4. CHANGE OF BENEFICIARY

Subject to legal restrictions, the Owner may substitute one Beneficiary for another, provided written notice to this effect is sent to the Company’s office. The Company assumes no responsibility with respect to the validity of a Beneficiary change.

5. OWNER’S RIGHTS

Subject to section 6, the Owner is entitled to assign or transfer this contract. In accordance with the provisions of this contract, the Owner under Quebec jurisdiction may exercise the following rights without obtaining the consent of the irrevocable Beneficiary: obtain a surrender value or make a transfer to another plan or financial institution.

6. TRANSFER AND ASSIGNMENT

Under the *Income Tax Act* (Canada), a Registered Retirement Savings Plan may not be assigned or transferred. No deposits made under the plan may be assigned or transferred in whole or in part. If it is not considered to be a Registered Retirement Savings Plan

under the *Income Tax Act* (Canada), the contract may be assigned or transferred. The Company must be advised in writing of any assignment or transfer, and assumes no responsibility with respect to the propriety, validity or legality of such assignment or transfer.

7. DEFINITIONS

Annuitant: The Annuitant is the person to whom the annuity is payable under this contract and is designated as such in the Notice of Confirmation.

Beneficiary: The Beneficiary is the person to whom any amount is payable prior to the last guaranteed payment and after the death of the Annuitant or, in the case of a Joint and Last Survivor Annuity, of the Secondary Annuitant. The Beneficiary of this contract is designated as such in the application.

Commuted Value: The Commuted Value is the amount which will be paid to the Owner or Beneficiary by the Company and will be determined by the Company according to the administrative practices. Please refer to section 14 “**Total or Partial Commutation**” for more information on requesting the Commuted Value of this Annuity Contract.

Owner: The Owner is designated as such in the Notice of Confirmation.

Secondary Annuitant: The Secondary Annuitant is the person to whom the Joint and Survivor Annuity is payable, in whole or in part, after the death of the Annuitant and is designated as such in the Notice of Confirmation.

8. EFFECTIVE DATE

The contract takes effect on the date the Company receives the single premium. This date is the one indicated in the Notice of Confirmation.

9. ANNUITY MATURITY DATE

The Owner selects the date on which the annuity benefits commence as well as the date for subsequent payments. The maturity date is indicated in the Notice of Confirmation.

10. ANNUITY

The annuity is payable as shown in the Notice of Confirmation. The last annuity payment is payable on one of the following dates:

- a) for the Term Certain Annuity with a fixed number of years: the date indicated in the Notice of Confirmation as the “date of the last guaranteed payment”;
- b) for the Single Life Annuity with no guaranteed period: the due date of the last annuity payment immediately prior to the death of the Annuitant;
- c) for the Life Annuity with a guaranteed period: the latter of the following two dates:
 - i. the due date of the last annuity payment immediately prior to the death of the Annuitant, or
 - ii. the date indicated in the Notice of Confirmation as the “date of the last guaranteed payment”;
- d) for the Single Life Annuity with a Cash Refund: the due date of the last annuity payment immediately prior to the death of the Annuitant. The difference between the single premium paid to the Company and all annuity payments made until the date of death will be paid as a lump sum to the Beneficiary, provided that the difference is greater than zero;
- e) for the Joint and Last Survivor Annuity with no guaranteed period: the due date of the last annuity payment immediately prior to the death of the Annuitant or Secondary Annuitant, whomever is the second to die;
- f) for the Joint and Last Survivor Annuity with a guaranteed period: the latter of the following two dates:
 - i. the due date of the last annuity payment immediately prior to the death of the Annuitant or Secondary Annuitant, whomever is the second to die, or
 - ii. the date indicated in the Notice of Confirmation as the “date of the last guaranteed payment”;

- g) for the Joint and Last Survivor Annuity with a Cash Refund: the due date of the last annuity payment immediately prior to the death of the Annuitant or Secondary Annuitant, whomever is the second to die. The difference between the single premium paid to the Company and all annuity payments made until the date of the last death will be paid to the Beneficiary, provided that the difference is greater than zero and there was no reduction of payments. This option is not available when a reduction of payments has been chosen.

11. DEATH

In the event of the death of the Annuitant or Secondary Annuitant, where applicable, the Company undertakes to pay the Beneficiary:

- a) if death occurs before the commencement of the first payment: the amount of the single premium paid under the contract, as well as any related interest calculated in accordance with the interest rate for the return premium rate indicated on the application.
- b) if death occurs after the commencement of the first payment but prior to the date of the last guaranteed payment, if any:
- i) Registered contracts
- the annuity, up to the date of the last guaranteed payment, if the Beneficiary is the spouse of the deceased Annuitant.
 - the commuted value of the balance of the annuity guaranteed payments, calculated on the date the application is received. The commuted value is determined in accordance with the administrative practices applicable in the event of death.

- ii) Non-registered contracts
- the annuity up to the date of the last guaranteed payment.
 - Barring notice to the contrary from the Owner, the Beneficiary may obtain the commuted value of the balance of the annuity guaranteed payments, calculated on the date the request is received. The commuted value is determined in accordance with the administrative practices applicable in the event of death.
- iii) Cash Refund contracts
- The difference between the single premium paid to the Company and all annuity payments made until the date of death will be paid to the Beneficiary, provided that the difference is greater than zero.

12. EVIDENCE

At any time, the Company may require satisfactory evidence that the Annuitant and Secondary Annuitant, if any, are alive on the due date of such payment and, in the case of a Life or Joint and Last Survivor Annuity, that the age and sex of the Annuitant and Secondary Annuitant were correctly stated. If a mistake in age or sex is discovered, the annuity payable under this contract shall be what the premium paid would have provided, had the correct age and sex been stated prior to the effective date of the contract. Should an adjustment become necessary concerning annuity payments already made, such adjustment shall be made with interest at a rate set from time to time by the Company.

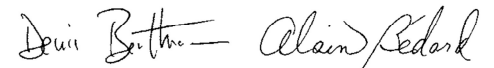
13. REQUEST FOR PAYMENT

Any request for payment under this contract must be submitted in writing and supported by sufficient evidence of the rights of the claimant. In the case of a request for payment of the commuted value submitted in accordance with

provision 11, the Beneficiary or the estate, as the case may be, must also submit this contract to the Company.

14. TOTAL OR PARTIAL COMMUTATION

As of the first contract anniversary, this contract may be subject to a total or partial commutation during the lifetime of the Annuitant or the Secondary Annuitant, if any. The amount of total commutation will be determined according to the administrative practices in place at the time a partial or total commutation is made. The total commutation will result in the cancellation of this contract. A partial commutation of this contract may also be made subject to minimums regarding the amount of the partial commutation and the subsequent annuity payments. The amount of the partial commutation will be deducted from the total commutation as specified in the preceding subparagraph and the Company will determine the new annuity payments to be paid for the remaining length of the contract. For Life Annuities, the Company may, in accordance with practices then in effect, increase the amount of the total commutation upon receipt of satisfactory medical evidence at the Annuitant's own expense. The request for total or partial commutation must be submitted in writing to the Company with this contract. Payment of the total or partial commutation is binding on the Owner and the Company. Notwithstanding the contents of this paragraph, there can be no total or partial commutation of any Annuity Contract prescribed in accordance with the applicable tax legislation.



Denis Berthiaume
President and Chief
Operating Officer

Alain Bédard
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is choosing Desjardins Group, the largest cooperative financial group in Canada whose **financial stability is recognized** by the following credit ratings which are comparable, if not superior to those of the five largest Canadian banks and insurance companies:

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- Moody's Aa2
- Dominion Bond Rating Service AA
- Fitch AA-



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