

1 INFORMATION ON ANNUITANT

Ms. Mr. Mrs.

Indicate account No.

Surname of Annuitant _____

First Name _____

Initials _____

Social Insurance No. _____

Date of Birth (YYYY MM DD) _____

Home Address (may not be a post office box) _____

City _____

Province _____

Postal Code _____

Do you have a spouse (married or common law)?

Yes No

2 INFORMATION ON PLAN

Please clearly tick and initial the plan(s) requested. Also, please read the applicable Declaration of Trust for the retirement savings plan or the retirement income fund, as well as the applicable agreement(s) for the plan(s) requested.

RETIREMENT SAVINGS PLAN

<input type="checkbox"/> RSP	Initials _____	<input type="checkbox"/> MB LIRA	Initials _____
<input type="checkbox"/> Federal Locked-in RSP	_____	<input type="checkbox"/> AB LIRA	_____
<input type="checkbox"/> Federal Restricted Locked-in RSP	_____	<input type="checkbox"/> NB LIRA	_____
<input type="checkbox"/> BC LIRA	_____	<input type="checkbox"/> NS LIRA	_____
<input type="checkbox"/> QC LIRA	_____	<input type="checkbox"/> NF LIRA	_____
<input type="checkbox"/> ON LIRA	_____	<input type="checkbox"/> SK LIRA	_____

RETIREMENT INCOME FUND

<input type="checkbox"/> RIF	Initials _____	<input type="checkbox"/> AB LIF ¹	Initials _____
<input type="checkbox"/> Federal LIF	_____	<input type="checkbox"/> BC LIF ¹	_____
<input type="checkbox"/> Federal Restricted LIF ²	_____	<input type="checkbox"/> NB LIF	_____
<input type="checkbox"/> QC LIF	_____	<input type="checkbox"/> NS LIF ¹	_____
<input type="checkbox"/> ON LIF ¹	_____	<input type="checkbox"/> NF LIF ¹	_____
<input type="checkbox"/> MB LIF ¹	_____	<input type="checkbox"/> NF Locked-In RIF ¹	_____
		<input type="checkbox"/> SK PRIF ¹	_____

¹ In accordance with the regulations that apply to this type of account, your spouse's consent is required to proceed with the opening of the account. Please complete the required form.

For an AB LIF, please specify the source of funds to be transferred: _____

² If you want to transfer 50% of the Restricted LIF assets in an RRSP or a RRIF, please complete, sign and have sworn (by a notary public, commissioner or other person authorized to take affidavits) the required Form 2 and send it to NBDB in the next 60 days. Please note that if the requested transfer is toward an RRSP, you also have to complete, sign and send to NBDB the T2030 Form.

For more information on how to proceed, please contact NBDB's Investor Services.

3 INFORMATION ON TRANSFER OF A REGISTERED ACCOUNT

Would you like to transfer a registered account held at another financial institution? Yes No

If yes, please include the applicable form: F.13945 for an inter-subsiary* RRSP/RRIF account, T2033 for an RRSP/RRIF account from another financial institution including National Bank Financial, T2033 for a locked-in plan from another financial institution or T2151 for the transfer of a pension plan from an employer.

* The term "inter-subsiary" means: National Bank of Canada and its subsidiaries, excluding National Bank Financial.

Would you like to transfer a registered account held at NBDB?

Yes **If yes, please complete the following:** I request the transfer in full of registered account No. _____

Account No. _____

I request the partial transfer of _____ \$ from registered account No. _____

Account No. _____

No **If no, for RRSP, spousal RRSP, LIRA and LRSP existing accounts, NBDB will automatically transfer the balance of such existing account to a new RRIF or LIF, on December 31st of the year on which the client will have reached the age limit.**

4 INFORMATION ON ANNUITANT'S SPOUSE

Please complete this section if choosing a: Spousal RSP or Spousal RIF **AND / OR**

Ms. Mr. Mrs. RIF/LIF/Restricted LIF/Locked-in RIF/PRIF for which the age of the spouse is used to calculate minimum payments

Surname of Spouse _____

First Name _____

Initials _____

Social Insurance No. _____

Date of Birth (YYYY MM DD) _____

5 INSTRUCTIONS FOR RIF/LIF/Restricted LIF/Locked-in RIF/PRIF PAYMENTS

PAYMENT FREQUENCY

Frequency	Initial month of the admissible payment cycle*
<input type="checkbox"/> Monthly	<input type="checkbox"/> January only
<input type="checkbox"/> Quarterly	<input type="checkbox"/> January <input type="checkbox"/> February <input type="checkbox"/> March
<input type="checkbox"/> Biannually	<input type="checkbox"/> January <input type="checkbox"/> February <input type="checkbox"/> March <input type="checkbox"/> April <input type="checkbox"/> May <input type="checkbox"/> June
<input type="checkbox"/> Annually	<input type="checkbox"/> January <input type="checkbox"/> February <input type="checkbox"/> March <input type="checkbox"/> April <input type="checkbox"/> May <input type="checkbox"/> June <input type="checkbox"/> July <input type="checkbox"/> August <input type="checkbox"/> September <input type="checkbox"/> October <input type="checkbox"/> November <input type="checkbox"/> December

PAYMENT DATE

7th of the month 15th of the month 22nd of the month
N.B.: Please take note that payment(s) will begin in the year immediately following the year in which the account is opened. To make any changes, please contact one of our representatives.

METHOD OF PAYMENT

Electronic funds transfer to a bank account
As indicated in the Financial and banking Information section of the Brokerage Account Application form

Transfer to a brokerage account at NBDB (cash only) _____
Account No. _____

AGE USED TO DETERMINE MINIMUM PAYMENT AND DURATION OF PAYMENTS

My age My spouse's age (if younger than Annuitant)

PAYMENT AMOUNT

Minimum required by Tax Legislation¹ Maximum allowed by legislation³
 Gross amount²/frequency _____ \$ Temporary annuity⁴

* The initial month of any payment frequency must allow all payments to be made in the current year.

¹ Applicable the year following the account opening.

² Total gross payments for the year must be higher than the minimum (RIF/PRIF/LIF/Restricted LIF/Locked-in RIF) and lower than the maximum (LIF/Restricted LIF/Locked-in RIF).

³ Applicable to LIF/Restricted LIF/Locked-in RIF only.

⁴ Applicable to Quebec LIF only – please attach F.15179. The request to pay a temporary annuity is only valid for the calendar year in which the request is signed and filed. If the temporary annuity payments need to be extended for a subsequent year, you must complete a new F.15179.

IMPORTANT: If you do not indicate any payment frequency, a lump sum payment for the total amount of the Minimum Instalment will be made on the anniversary date of the Fund, according to the dates available, based on your age.

Fees may apply for the withdrawal of a lump sum (RIF/LIF/Restricted LIF/Locked-in RIF/PRIF). Refer to the Commission and Fee Schedule for more information.

In accordance with section 7 of the Declaration of Trust for the retirement income fund (RIF), NBDB can, at its discretion, convert certain assets held in your Fund into cash **within 10 days following the prescribed date of payment** if you do not have sufficient cash in your Fund to honour the payment. In the case of such a conversion, charges and fees listed in the Commission and General Fee Schedule will apply. If the securities sold include deferred sales charges, you will also be responsible to pay them. For more details, please refer to the "Commission fees" available in the "Pricing" section of the nbdb.ca homepage and prospectus. In order to ensure that there is sufficient cash in your Fund, you can ask NBDB to periodically redeem units of your mutual funds before the payment dates. For more information on how to do this, please contact our NBDB's Investor Services.

6 DESIGNATION OF BENEFICIARY (Not available for RSPs/RIFs in Quebec)

Would you like to name a beneficiary for the proceeds of your Plan/Fund? Yes No If yes, please include the "Designation and change of beneficiary" form (F.12724).

If your Plan is a RIF and you have designated your spouse as your beneficiary, would you like your spouse to become the annuitant at your death? Yes No

7 REQUEST FOR REGISTRATION

To: Natcan Trust Company (the "Trustee")

I, the undersigned, hereby apply to participate in the NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN or in the NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT INCOME FUND (the "Plan/Fund"), as specified above, and I further request that Natcan Trust Company apply for registration of the Plan/Fund as a registered retirement savings plan or a registered retirement income fund, as per the choice indicated, in accordance with the Tax Legislation. I have read the terms and conditions of the Declaration of Trust attached hereto, and I accept the provisions thereof as forming an integral part of this application. All the assets received and income earned by the Plan/Fund will be invested by Natcan Trust Company in accordance with my instructions and pursuant to the Plan/Fund and kept in my account subject to the provisions of the Plan/Fund. I also understand that any retirement income payments made under the Fund or any other payments received under the terms of the Plan/Fund are taxable under the Tax Legislation.

Date (YYYY MM DD)

X

Annuitant's Signature

RESERVED FOR USE OF THE MANDATARY/AGENT ONLY

This application is accepted as a Self-directed Retirement Savings Plan, or a Self-directed Retirement Income Fund, as applicable, by National Bank Direct Brokerage Inc. in its capacity as mandatary/agent of the Trustee.

Authorized agent

NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN DECLARATION OF TRUST (RSP)

1. **Definitions.** For the purposes hereof, the words or terms set out herein below shall have the following meaning:

- a) **Annuitant:** The person whose name is indicated as such in the Application and, after his or her death, the surviving Spouse as provided under the definition of the term "annuitant" under subsection 146(1) of the *Income Tax Act* (Canada).
- b) **Annuity:** has the meaning at Section 9 hereof.
- c) **Application:** The application form for membership in the Plan, included in the Account opening form attached hereof, completed and signed by the Annuitant.
- d) **Assets in the Plan:** All property of any nature whatsoever which makes up the Plan, including the contributions made to the Plan from time to time, as well as any income, capital gains or other gains of any type whatsoever, generated or realized during the administration of the Plan by the Trustee.
- e) **Beneficiary:** means the person who is or would be legally entitled to receive any Assets in the Plan or proceeds from disposition of the Assets in the Plan in the case of the death of the Annuitant, pursuant to the applicable legislation, such as the Annuitant's surviving Spouse, estate, designated beneficiary, or legal representative within the meaning of the *Income Tax Act* (Canada).
- f) **Contributing Spouse:** means the Spouse of the Annuitant whom the Annuitant declares in the Application is the Spouse who will make all the contributions to the Plan (applicable only for spousal RSPs).
- g) **Maturity Date:** has the meaning at Section 4 hereof.
- h) **Plan:** The National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan established by the Trustee for the benefit of the Annuitant in accordance with the terms and conditions contained in the Application and herein, as such Plan may be amended from time to time.
- i) **Spouse:** A spouse or a common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting a RSP.
- j) **Tax Legislation:** The *Income Tax Act* (Canada) and the corresponding legislation of the province in which the Annuitant resides, and the regulations adopted thereunder.
- k) **Trustee:** Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).
- l) **Agent:** National Bank Direct Brokerage Inc. designated as such in paragraph 13a) hereunder.

2. **Establishment of Plan.** By means of the transfer by the Annuitant or the Contributing Spouse, if applicable, of a sum of money or any other property specified in the Application, the Annuitant establishes with the Trustee a retirement savings plan for his or her benefit in order to provide the Annuitant with a retirement income at the Maturity Date. All contributions paid to the Plan, as well as any income, capital gains or other gains of any nature whatsoever, generated or realized by the Plan, and held in the Plan by the Trustee, and invested pursuant to the terms and conditions provided herein, shall be applied to the establishment of a retirement income for the Annuitant.

The Plan shall constitute a trust for the purposes of Tax Legislation only, excluding any other purpose whatsoever.

The Trustee, by inscribing its acceptance on the Application, agrees to administer the Plan in the manner stipulated herein. Subject to registration of the Plan under the Tax Legislation, this declaration of trust shall take effect on the date of acceptance by the Trustee of the Application.

3. **Registration.** The Trustee shall apply for registration of the Plan pursuant to the Tax Legislation. In the course of such registration, the Trustee is hereby authorized to rely exclusively on the information provided by the Annuitant or his or her Spouse, as applicable, in the Application. If any of the authorities concerned refuses such registration, the Application and this declaration of trust shall be cancelled, and the sums or property transferred to the Plan by the Annuitant or the Contributing Spouse, if applicable, shall be reimbursed by cheque.

4. **Maturity Date.** The Plan shall mature on the date determined in writing by the Annuitant, which date may be not later than December 31 in the calendar year during which the Annuitant shall reach the age prescribed under the Tax Legislation ("Maturity Date").

5. **Contributions.** Until the Maturity Date, the Annuitant or the Contributing Spouse, if applicable may at any time make additional contributions to the Plan. The Annuitant and the Contributing Spouse, if applicable, shall be solely responsible for ensuring that such contributions are within the limits prescribed by the Tax Legislation as well as for determining the taxation years for which such contributions may be deducted for income tax purposes.

6. **Excess Contributions.** Within 90 days of receipt by the Trustee of a written request from the Annuitant, or the Contributing Spouse, if applicable, the Trustee shall pay the person who made the contribution the amount set out in such request, constituting all of any excess cumulative contributions paid into the Plan, over and above the limits prescribed by the *Income Tax Act* (Canada), in order to make it possible to reduce the amount of tax applicable to such cumulative excess contributions under Part X.1 of the *Income Tax Act* (Canada).

Unless otherwise instructed by the person making the request within 90 days from the receipt of the written request, the Trustee may dispose of the investments which it may select, in its entire discretion, for the purposes of such payment. The Trustee shall not be liable for any losses incurred by the Plan as a result of such disposition.

7. **Investments.** Until the Maturity Date, the Assets in the Plan are invested in qualified investments for Retirement savings plan within the meaning of the Tax Legislation ("qualified investments"), in accordance with the instructions provided by the Annuitant to the Trustee, in a form deemed satisfactory by the Trustee. The Annuitant is responsible to ensure that investments made by the Plan are qualified investments for the Plan within the meaning of the Tax Legislation.

The Trustee shall reinvest all distributions of net income and net realized capital gains received by the Plan in respect of any particular investment in additional investments of the same type unless otherwise instructed by the Annuitant in a form deemed satisfactory by the Trustee. The Annuitant will not hold the Trustee liable with regard to the investment of the Assets in the Plan, whether or not made pursuant to instructions given by the Annuitant.

The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the Plan holds a non-qualified investment.

From time to time, the Trustee may authorize additional investments available for investment by the Plan notwithstanding that such investments may not be authorized by law for trustees or may be considered a delegation of the Trustee's investment duties.

The voting rights attached to the units or shares of mutual funds or other securities held under the Plan and credited to the Plan may be exercised by the Annuitant and, for this purpose, the Annuitant is hereby appointed as the Trustee's agent and attorney to execute and deliver proxies and/or other instruments in accordance with applicable laws.

8. **Restrictions:**

- a) **Assignment.** The Annuitant acknowledges that this Plan, as well as the rights and benefits arising therefrom, may not be assigned or otherwise transferred.
- b) **Security.** The Annuitant acknowledges that the Plan or the Assets in the Plan may not be given as security by mortgage or otherwise.
- c) **Effect.** Any agreement which purports or attempts to contravene the restrictions contained in this Section 8 shall be null.
- d) **Withdrawal.** The Plan does not provide for any payment before the Maturity Date except a refund of premiums in a lump sum or a payment to the Annuitant.

Subject to such reasonable requirements as the Trustee may impose, the Annuitant may at any time prior to the Maturity Date withdraw an amount from the Plan by making a request in a form deemed satisfactory by the Trustee. The Trustee shall then dispose of all or certain of the Assets in the Plan as indicated by the Annuitant and pay to the Annuitant an amount equal to the proceeds of disposition of such assets (net of applicable disposition costs), less any (i) charges and taxes (including interest and penalties) that are or may become payable by the Trustee or the Plan itself, and (ii) any amount required to be withheld therefrom on account of the Annuitant's own liability for taxes arising on a withdrawal of funds from the Plan. Withdrawals from a Plan with assets held in a locked-in arrangement may only be withdrawn as may be permitted by applicable laws as described in the applicable supplemental agreement.

Upon such payment, the Trustee shall be subject to no further liability or duty to the Annuitant with respect to the Assets in the Plan, or the portion thereof that has been disposed of and paid. The Trustee will issue to the Annuitant such information returns in respect of any withdrawal as required by applicable laws.

If only a portion of the Assets in the Plan is disposed of in accordance with the foregoing paragraph, the Annuitant may specify in his or her notice which assets he or she wishes the Trustee to dispose of, failing which the Trustee shall dispose of such assets as the Trustee, in its sole discretion, may deem appropriate for this purpose. The Trustee shall not be liable for any losses incurred as a result of such disposition.

e) **Transfers to Other Plans.** Subject to such reasonable requirements as the Trustee may impose, the Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee:

- i) transfers all or certain Assets in the Plan, or
- ii) disposes of all or certain of the Assets in the Plan and transfers an amount equal to the proceeds of disposition of such assets (net of applicable disposition costs), less (i) any charges and taxes (including interest and penalties) that are or may become payable by the Trustee or the Plan itself, and (ii) any amount required to be withheld therefrom on account of the Annuitant's own liability for taxes arising on a transfer from the Plan to another registered plan as permitted by applicable laws.

Such transfers shall take effect in accordance with applicable laws and within a reasonable time after all forms required to be completed in respect of such transfer have been completed and forwarded to the Trustee. Upon such transfer, the Trustee shall be subject to no further liability or duty to the Annuitant with respect to the Assets in the Plan, or the portion thereof, so transferred, as the case may be.

If only a portion of the Assets in the Plan is transferred in accordance with the foregoing paragraph, the Annuitant may specify in his or her notice which assets he or she wishes to so transfer or which assets he or she wishes to dispose of in order to effect such transfer, failing which the Trustee shall transfer or dispose of such properties as it, in its sole discretion, may deem appropriate for this purpose. The Trustee shall not be liable for any losses incurred as a result of such disposition or transfer.

9. **Retirement Income.**

a) **Determination of Retirement Income.** On the Maturity Date, the Trustee shall dispose of all the Assets in the Plan, and using the proceeds from such disposition, after having paid any applicable cost of disposition thereof and the charges, taxes and fees payable hereunder, the Trustee covenants to pay the Annuitant a retirement income, in compliance with the Tax Legislation. The Annuitant must select the retirement income from among the types of annuities offered by the Trustee and so inform the Trustee in writing not less than 90 days prior to the Maturity Date (the "Annuity"). The Trustee shall not be liable for any losses incurred as a result of such disposition.

Payments of the Annuity shall comply with the provisions of the Tax Legislation, and in particular, except as otherwise permitted under the Tax Legislation, the Annuity must be in any one or combination of the following forms:

- i) a fixed term annuity, commencing on the Maturity Date, providing benefits for:
 - (a) the Annuitant's life; or
 - (b) the Annuitant's life, and to the Annuitant's Spouse after the Annuitant's death for a term of years equal to 90 minus either (i) the age in whole years of the Annuitant at the Maturity Date, or (ii) where the Annuitant's Spouse is younger than the Annuitant and the Annuitant so elects, the age in whole years of the Spouse at the Maturity Date; or

- ii) a life annuity, commencing on the Maturity Date, with or without a guaranteed term commencing on the Maturity Date, not exceeding the term described in subparagraph i) above, payable (a) for the Annuitant's life, or (b) for the lives, jointly, of the Annuitant and the Annuitant's Spouse, and to the survivor of them for the survivor's life;

and the Annuity will be subject to the following requirements:

- iii) payments under an Annuity will be made in equal annual or more frequent periodic amounts until such time as there is a payment in full or partial commutation of the Annuity and, where such Annuity is partial, equal annual or more frequent periodic payments thereafter;
- iv) any payment in full or partial commutation of an Annuity shall be made to the Annuitant or to his or her Spouse after the Annuitant's death;
- v) the aggregate of the periodic payments in a year under an Annuity after the Annuitant's death shall not exceed the aggregate of the payments under the Annuity in a year before that death;
- vi) any Annuity payable hereunder shall not be assigned in whole or part; and
- vii) in the event of the Annuitant's death, each Annuity must be commuted if it becomes payable to someone other than the Annuitant's Spouse.

b) Election to Transfer to RRIF. Notwithstanding the foregoing, the Annuitant, in the Annuitant's sole discretion may, by way of a written request to the Trustee not less than 90 days prior to the Maturity Date, request that the Assets in the Plan be transferred to a Registered Retirement Income Fund in compliance with the Tax Legislation.

c) Default Transfer to RRIF. Notwithstanding any provision to the contrary, if on the first day of November of the year in which the Annuitant reaches the prescribed age applicable to the most distant Maturity Date contemplated at Section 4 hereof, the Annuitant fails to notify the Trustee in writing in accordance with Paragraphs 9a) or 9b) above, the Maturity Date shall then be deemed to be the first day of December of the same year. In which case, the Trustee shall be deemed to have received instructions from the Annuitant to transfer the Assets in the Plan to a Retirement Income Fund issued by the Trustee in the Annuitant's name in accordance with the Tax Legislation. In such case, the designated beneficiary of such fund shall be the person named as the designated beneficiary hereunder, if any. A written notice of the transfer shall be furnished to the Annuitant.

d) No Advantage. The Annuitant, or a person with whom the Annuitant does not deal at arm's length, within the meaning of Tax Legislation, may not receive any benefit, payment or advantage, other than the benefits authorized under this Plan and the Tax Legislation.

10. Designation of Beneficiary (Not available for RSP in the Province of Quebec). If permitted by applicable legislation, the Annuitant may designate one or more beneficiaries to receive the proceeds payable under the provisions of the Plan; such designation may in particular be made in the Application, and it may be amended or revoked thereafter.

Any designation of beneficiary may be made, amended or revoked only in compliance with the applicable legislation by way of a written document or instrument, dated and signed by the Annuitant, the form and content of which shall be acceptable to the Trustee, and in particular shall specifically identify the Plan. Any designation of beneficiary shall come into force on the date it is received by the Trustee.

11. Death of Annuitant. Should the Annuitant die prior to the Maturity Date and before the Assets in the Plan are commuted into an Annuity or are rolled into a registered retirement income fund, upon receipt of evidence satisfactory to the Trustee thereof, subject to the Tax Legislation, the Trustee shall dispose of the Assets in the Plan, and after deducting any applicable tax, costs of such disposition, fees or any other amounts payable hereunder, the Trustee shall pay in a lump sum the net proceeds of such disposition to the Beneficiaries.

Notwithstanding the foregoing, in cases permitted by the Tax Legislation, the Trustee may transfer the Assets in the Plan to one or more persons entitled thereto.

No such payment or transfer shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.

12. Separate Account and Tax Information. The Trustee shall maintain a separate account for the Plan and shall furnish to the Annuitant annually or more frequently, a statement showing, for each period, the contributions paid to the Plan, their source, the assets and, if applicable, the income realized by the Plan, the fees debited from the account since the last statement, the balance of the account as well as any other information deemed relevant by the Trustee in its sole discretion.

The Trustee shall annually provide the Annuitant or the Contributing Spouse, as applicable, with information returns regarding the contributions paid to the Plan in accordance with the Tax Legislation.

The Annuitant and the Contributing Spouse, as applicable, will be solely responsible for ensuring that any deduction claimed for income tax purposes does not exceed the permitted deductions under the Tax Legislation.

Assets in the Plan held through a locked-in retirement account or other locked-in arrangements will be accounted for separately.

13. Provisions Regarding the Trustee.

a) Delegation of Powers. The Trustee may delegate to its agents, including National Bank Direct Brokerage Inc. (the "Agent"), any of its administrative duties or of its powers to do specific things, and the delegate may receive all or part of the fees to which the Trustee is entitled hereunder, it being understood, however, that ultimate responsibility for administering the Plan shall remain vested in the Trustee.

b) Withdrawal of Trustee. The Trustee may withdraw as the administrator of the Plan upon 90 days' prior notice given to the Annuitant in the manner set out in Section 14.f) hereof and provided a replacement trustee has accepted

the appointment and on condition such replacement is a body corporate resident in Canada duly authorized by the applicable laws to act in such capacity.

c) Fees and Expenses. The Trustee shall be paid the fees and other charges it prescribes from time to time, which may be directly charged against and deducted from the Assets in the Plan. The Trustee shall be entitled to charge fees upon the termination of the Plan, the transfer or withdrawal of Assets in the Plan or any other event which it may reasonably determine. These fees are disclosed to the Annuitant in accordance with the applicable laws. The Trustee shall be reimbursed for all fees, out-of-pocket expenses and costs incurred by it or its agents in connection with the administration of the Plan.

The reimbursement of any and all taxes, interest or penalty payable may be directly charged against and deducted from the Assets in the Plan but only as far as permitted by the applicable laws. The Trustee may then, without further notifying the Annuitant, dispose of Assets in the Plan, in whole or in part, on such conditions as it may determine and apply the proceeds of such disposition to the payment. The Trustee shall not be liable for any losses incurred as a result of such disposition.

d) Liability and Hold-Harmless. The Annuitant or the Beneficiaries will at all times indemnify the Trustee and its nominees, agents and correspondents in respect of any and all taxes, interest, penalties, assessments, fees, costs, overdrafts, expenses, liability, claims and demands resulting from the custody or administration of the Plan and will hold them harmless from all of the foregoing, except in the case of the gross negligence or wilful omission or misconduct of the Trustee. All such payment to the Trustee must be made within 30 days from the date the Annuitant is thereby notified.

Without limiting the scope of any other provision hereof, neither the Trustee nor any of its nominees, agents or correspondents shall be liable for any loss incurred by the Plan, by the Annuitant or any Beneficiary, as a result of the acquisition, disposition or retention of any investment acquired at the direction of the Annuitant, as a result of any payment out of the Plan as requested by the Annuitant, as a result of the refusal to follow instructions that the Trustee, in its sole discretion, views are contrary to any provision hereto or to any applicable legislation, as a result of force majeure or irresistible force.

e) Instructions. The Trustee shall be empowered to follow the written instructions received from the Annuitant or any other person designated in writing by the Annuitant, whether transmitted by mail, facsimile machine or other electronic means.

14. Various Provisions.

a) Amendments. The Trustee may from time to time, in its sole discretion, amend the terms of the Plan (i) to satisfy the requirement of any applicable law, or (ii) by giving 30 days' notice in writing thereof to the Annuitant, provided, however, that any such amendments shall not disqualify the Plan as a registered retirement savings plan within the meaning of the Tax Legislation.

b) Evidence. The recording of the date of birth of the Annuitant and of his or her Spouse on the Application shall constitute sufficient certification of such age, subject to any further evidence which may be required thereof. The Trustee reserves the right to require the Annuitant, the Contributing Spouse or any person claiming to be a Beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, satisfactory proof of age, of the survival or death of the Annuitant or of the Contributing Spouse and of their title or entitlement as a Beneficiary.

c) Cash. All the sums of money payable hereunder shall be payable in money which is legal tender in Canada.

d) Binding. The terms and conditions hereof will be binding upon the Annuitant's heirs and legal personal representatives and upon any successors and assigns of the Trustee. Notwithstanding that, if the Plan or the Assets in the Plan are transferred to a replacement trustee, then the terms of such replacement trustee's declaration of trust will govern thereafter.

e) Interpretation. Wherever the context so requires, a word used in the masculine gender shall include the feminine or neuter and vice versa, and the singular number shall include the plural and vice versa.

f) Notices. Any notice to the Trustee hereunder shall be validly given, if delivered or mailed postage prepaid to the Trustee at the Agent's address indicated in the Application, or to any other address which the Trustee may from time to time specify in writing, and it shall be effective only on the day that such notice was actually delivered or received by the Trustee. Any notice, statement or receipt given by the Trustee to the Annuitant, the Annuitant's Spouse or any person authorized to receive notice under the Plan, shall be validly given if mailed postage prepaid to the address recorded in the books of the Trustee with respect to the Plan, and any notice, statement or receipt so mailed shall be deemed to have been given on the day of mailing. Any written instruction, notice or information communicated to the Trustee will be considered valid only if it is in a form deemed satisfactory by the Trustee.

g) Applicable Legislation. The Plan shall be governed and construed in accordance with the laws of the province in which the Annuitant resides, as shown in the Application and with the Tax Legislation.

The Plan shall not in any way constitute a trust within the meaning of the *Civil Code of Quebec*. Given the special nature hereof and the administrative rules created hereby, the rules of Title VII of Book IV of the *Civil Code of Quebec* relating to the administration of the property of third parties shall not apply to the Trustee.

15. Language Clause applicable to Quebec. The parties have requested that this declaration of trust and any notices or other documents related hereto be drawn up in the English language. *Les parties confirment leur volonté que la déclaration de fiducie et tout avis ou autre document qui s'y rapporte soient rédigés en langue anglaise.*

**LOCKED-IN RETIREMENT SAVINGS PLAN PURSUANT TO THE *PENSION BENEFITS STANDARDS ACT (CANADA)*
(Federal Locked-in RRSP)**

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT SAVINGS PLAN UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT SAVINGS PLAN RECITALS:

- A.** The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the “**Transfer**”);
- B.** The Annuitant has established a National Bank Direct Brokerage Inc. retirement savings plan and wishes same to receive the Transfer;
- C.** The Transfer cannot be made unless the conditions herein are satisfied;
- D.** The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. Definitions:

In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration and as provided under the Act and the Regulation. In addition, the following terms shall have the following meaning:

- a) “Act”** means the *Pension Benefits Standard Act, 1985 (Canada)*, as same may be amended from time to time;
- b) “Account”** refers to the National Bank Direct Brokerage Inc. retirement savings plan established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a locked-in RRSP that will hold the locked-in money that is the subject of the Transfer;
- c) “Declaration”** means the Declaration of Trust of the National Bank Direct Brokerage Inc. retirement savings plan;
- d) “LIF”** means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.1 of the Regulation;
- e) “Restricted LIF”** means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.3 of the Regulation;
- f) “Life Annuity”** means an arrangement that is made to purchase, through a person authorized to carry on a life insurance business in Canada, an “immediate life annuity” or a “deferred life annuity” (as defined in section 2 of the Regulation) that complies with the relevant provisions of the Tax Act and section 21 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;
- g) “Locked-in RRSP”** means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20 of the Regulation;
- h) “Restricted Locked-in RRSP”** means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20.2 of the Regulation;
- i) “Pension benefit credit”** means the aggregate value at a particular time of that Annuitant’s pension benefit and other benefits provided under a pension plan, calculated in the manner prescribed by the Regulation;
- j) “Regulation”** means the *Pension Benefits Standards Regulations, 1985* adopted pursuant to the Act, as same may be amended from time to time;
- k) “Spouse”** shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting a registered retirement savings plan;
- l) “Survivor”**, in relation to an Annuitant, means:
- i) if there is no person described in paragraph ii), the Spouse of the Annuitant at the time of the Annuitant’s death; or
- ii) a person who was the common-law partner of the Annuitant at the time of the Annuitant’s death;
- m) “Tax Act”** means the *Income Tax Act (Canada)* and the regulations adopted thereunder;
- n) “Transfer”** means the transfer referred to in paragraph A of the Recitals hereto.

- 2. Locking-in provisions:** Except as permitted by the Act and the Regulations, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or any previous transfers, be required or permitted by the Act. No money that is not locked-in may be transferred or otherwise held under this Account.

- 3. Value of the Account:** The fair market value of the assets held under the Account as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Account for any particular time, including on the death of the Annuitant or on a transfer of assets from the Account. Any such determination by the Trustee shall be conclusive for all purposes hereof.

- 4. Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided by the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act and the regulation thereunder.

- 5. Permitted transfers:** Money or assets held under this Account, including at the Maturity Date, may not be transferred, in whole or in part, except:

- a)** to another Locked-in RRSP;
- b)** to a registered pension plan under the Act if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with 2 years membership in the plan;
- c)** to purchase a Life Annuity; or
- d)** to a LIF or to a Restricted LIF.

Such transfer shall be effected within a reasonable time from the receipt of written instructions from the Annuitant in a form deemed satisfactory by the Trustee. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer.

Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

- 6. Death of the Annuitant:** Upon receipt of evidence satisfactory to the Trustee in respect of the death of the Annuitant and the right of entitlement of the Survivor, the Trustee shall pay the funds in the Account to the Survivor by:

- a)** transferring the funds to another Locked-in RRSP;
- b)** transferring the funds to a plan, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with 2 years membership in the plan;
- c)** using the funds to purchase a Life Annuity; or
- d)** transferring the funds to a LIF or to a Restricted LIF.

No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.

- 7. Restrictions:** Except as permitted by the law, the funds held under this Account may not be assigned, charged, anticipated or given as security, and any transaction purporting to assign, charge, anticipate or give the funds held under this Account as security is void.

- 8. Sex Discrimination Prohibited:** Where a Pension benefit credit transferred into the Account was not varied according to the sex of the Annuitant, a Life Annuity purchased by the funds accumulated in the Account shall not differentiate as to sex. The Pension benefit credit that was the object of the Transfer herein was not varied according to the sex of the Annuitant, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.

- 9. Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held in the Account is permitted and will be void, except in the following circumstances:

- a) Financial difficulties.** The Annuitant may withdraw from the Account an amount up to the lesser of the amount determined by the following **Formula** and 50% of the Year’s Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph from any locked-in registered retirement savings plan, or under paragraph 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, if the following conditions are met,

- (i) the Annuitant certifies that he has not made a withdrawal in the calendar year under this paragraph from any locked-in registered retirement savings plan, or under paragraph 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, other than within the last 30 days before this certification,

- (ii) in the event that the value of M in the following **Formula** is greater than zero,
- (A) the Annuitant certifies that he expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant’s total expected income for that calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under this paragraph from any locked-in registered retirement savings plan, or under paragraph 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, and
- (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and

- (iii) the Annuitant gives to the Trustee a copy of Form 1 and Form 2 of Schedule V of the Regulation.

Formula: M + N

where

M is the total amount of the expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the following formula:

P - Q

where

P is 50% of the Year’s Maximum Pensionable Earnings, and

Q is two thirds of the Annuitant’s total expected income for the calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under paragraph 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation.

- b) Shortened Life Expectancy.** The Annuitant may withdraw all or part of the money in the Account as a lump sum, upon application by the Annuitant to the Trustee in accordance with section 20(4) of the Regulation where a physician certifies that owing to mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably.

- c) Non-Resident.** The Annuitant may withdraw all or part of the money in the Account as a lump sum, upon application by the Annuitant to the Trustee in accordance with subsections 28.4 of the Regulation, if the following conditions are met:

- i) the Annuitant has ceased to be a resident of Canada for at least two calendar years and has ceased employment with the employer who is a party to the pension plan or ceased membership in a multi-employer pension plan. For this purpose, the Annuitant shall be deemed to have been a resident of Canada throughout a calendar year if the Annuitant has sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more; and

- ii) the Annuitant files with the Trustee written evidence that the Canada Revenue Agency has determined the Annuitant to be a non-resident of Canada for the purposes of the Tax Act.

- 10. Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- a)** That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;

- b)** That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant’s pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;

- c)** That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and

- d)** That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.

- 11. Governing law:** This Agreement shall be governed by the laws of the province of Quebec and Canada.

RESTRICTED LOCKED-IN SAVINGS PLAN PURSUANT TO THE *PENSION BENEFITS STANDARDS ACT (CANADA)*
(Federal Restricted Locked-in RRSP)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A RESTRICTED LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT SAVINGS PLAN

RECITALS:

- A.** The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- B.** The Annuitant has established a National Bank Direct Brokerage Inc. Retirement Savings Plan and wishes same to receive the Transfer;
- C.** The Transfer cannot be made unless the conditions herein are satisfied;
- D.** The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

- 1. Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration and as provided under the Act and the Regulation. In addition, the following terms shall have the following meaning:

- a)** "Act" means the *Pension Benefits Standard Act*, 1985 (Canada), as same may be amended from time to time
- b)** "Account" refers to the National Bank Direct Brokerage Inc. Retirement Savings Plan established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a Restricted Locked-in RRSP that will hold the locked-in money that is the subject of the Transfer;
- c)** "Declaration" means the Declaration of Trust of the National Bank Direct Brokerage Inc. Retirement Savings Plan;
- d)** "LIF" means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.1 of the Regulation;
- e)** "Restricted LIF" means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.3 of the Regulation;
- f)** "Life Annuity" means an arrangement that is made to purchase, through a person authorized to carry on a life insurance business in Canada, an "immediate life Annuity" or a "deferred life annuity" (as defined in section 2 of the Regulation) that complies with the relevant provisions of the Tax Act and section 21 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;
- g)** "Locked-in RRSP" means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20;
- h)** "Restricted Locked-in RRSP" means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20.2;
- i)** "Pension benefit credit" means the aggregate value at a particular time of that Annuitant's pension benefit and other benefits provided under a pension plan, calculated in the manner prescribed by the Regulation;
- j)** "Regulation" means the *Pension Benefits Standards Regulations*, 1985 adopted pursuant to the Act, as same may be amended from time to time;
- k)** "Spouse" shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting a RSP;
- l)** "Survivor", in relation to an Annuitant, means
- i) if there is no person described in paragraph
- ii) the Spouse of the Annuitant at the time of the Annuitant's death; or a person who was the common-law partner of Annuitant at the time of the Annuitant's death;
- m)** "Tax Act" means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- n)** "Transfer" means the transfer referred to in paragraph A of the Recitals hereto.

- 2. Locking-in provisions:** Except as permitted by the Act and the Regulations, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or any previous transfers, be required or permitted by the Act. No money that is not locked-in may be transferred or otherwise held under this Account.

- 3. Value of the Account:** The fair market value of the assets held under the Account as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Account for any particular time, including on the death of the Annuitant or on a transfer of assets from the Account. Any such determination by the Trustee shall be conclusive for all purposes hereof.

- 4. Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided by the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act and the regulation thereunder.

- 5. Permitted transfers:** Money or assets held under this Account, including at the Maturity Date, may not be transferred, in whole or in part, except:

- a)** to another Restricted Locked-in RRSP;
- b)** to a registered pension plan under the Act if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with 2 years membership in the plan;
- c)** to purchase a Life Annuity; or
- d)** to a Restricted LIF.

Such transfer shall be effected within a reasonable time from the receipt of written instructions from the Annuitant in a form deemed satisfactory by the Trustee. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer.

Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

- 6. Death of the Annuitant:** Upon receipt of evidence satisfactory to the Trustee in respect of the death of the Annuitant and the right of entitlement of the Survivor, the Trustee shall pay the funds in the Account to the Survivor by:

- a)** transferring the funds to another Restricted Locked-in RRSP or to a Locked-in RRSP,
- b)** transferring the funds to a registered pension plan under the Act, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the plan
- c)** using the funds to purchase a Life Annuity or

- d)** transferring the funds to a LIF or to a Restricted LIF;

No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.

- 7. Restrictions:** Except as permitted by the law, the funds held under this Account may not be assigned, charged, anticipated or given as security, and any transaction purporting to assign, charge, anticipate or give the funds held under this Account as security is void.

- 8. Sex Discrimination Prohibited:** If a pension benefit credit transferred into the Account was not varied according to the sex of the plan member, a Life Annuity purchased with funds accumulated in the Account shall not differentiate as to sex. The Pension benefit credit that was the object of the Transfer herein was not varied according to the sex of the Annuitant, unless otherwise indicated in writing to the Trustee.

- 9. Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held in the Account is permitted and will be void, except in the following circumstances:

- a) Small Amount starting at 55.** In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the funds in the Account may be paid to the Annuitant in a lump sum if the following conditions are met:

- i) the Annuitant certifies that the total value of all assets in all Locked-in RRSP, LIF, Restricted Locked RRSP and Restricted LIF that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulation is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
- ii) the Annuitant gives to the Trustee a copy of Form 2 and Form 3 of Schedule V of the Regulation;

- b) Financial difficulties.** The Annuitant may withdraw from the Account an amount up to the lesser of the amount determined by the **Formula** set out below and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph from any Restricted Locked-in RRSP or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulation, if the following conditions are met,

- i) the Annuitant certifies that he has not made a withdrawal in the calendar year under this paragraph from any Restricted Locked-in RRSP or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulation other than within the last 30 days before this certification,
- ii) in the event that the value of M of the **Formula** set out below is greater than zero,
- (A) the Annuitant certifies that he expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under this paragraph from any Restricted Locked-in RRSP or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulation, and
- (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
- iii) the Annuitant gives to the Trustee a copy of Form 1 and Form 2 of Schedule V of the Regulation.

Formula: M + N where

M is the total amount of the expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula:

$P - Q$

where

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of the Annuitant's total expected income for the calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under paragraph 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation.

- c) Shortened Life Expectancy.** The Annuitant may withdraw all or part of the money in the Account as a lump sum, upon application by the Annuitant to the Trustee in accordance with section 20.2 (4) of the Regulation where a physician certifies that owing to mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably.

- d) Non-Resident.** The Annuitant may withdraw all or part of the money in the Account as a lump sum, upon application by the Annuitant to the Trustee in accordance with subsections 28.4 of the Regulation, if the following conditions are met:

- i) the Annuitant has ceased to be a resident of Canada for at least two calendar years and has ceased employment with the employer who is a party to the pension plan or ceased membership in a multi-employer pension plan. For this purpose, the Annuitant shall be deemed to have been a resident of Canada throughout a calendar year if the Annuitant has sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more; and
- ii) the Annuitant files with the Trustee written evidence that the Canada Revenue Agency has determined the Annuitant to be a non-resident of Canada for the purposes of the Tax Act.

- 10. Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- a)** That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
- b)** That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
- c)** That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
- d)** That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.

- 11. Governing law:** This Agreement shall be governed by the laws of the province of Quebec and Canada.

LOCKED-IN RETIREMENT ACCOUNT FOR BRITISH COLUMBIA (BC LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED LOCKED-IN RETIREMENT ACCOUNT

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Regulation (the "Transfer");
- B. The Annuitant has established a National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan specimen plan number 525-026 (the "Retirement savings plan") and wishes same to receive the Transfer;
- C. The Transfer cannot be made unless the conditions herein are satisfied;
- D. The parties now wish to supplement the Retirement savings plan with the provisions of this Agreement, including the Locked-In Retirement Account Addendum attached hereto (the "Addendum"), in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Retirement savings plan and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined in this Agreement, in the Act or in the Regulation, shall have the same meaning as in the declaration of trust creating the Retirement savings plan (the "Declaration").

The following terms shall have the following meaning:

- a) "Account" refers to the Retirement savings plan account executed between the Annuitant, National Bank Direct Brokerage Inc. (the "Agent") and the Trustee, as supplemented and modified by this Agreement and the Addendum establishing a Locked-in Retirement Account;
 - b) "Annuitant" means the person identified as such in the Declaration and is also defined as the "owner" of the Account under the Regulation;
 - c) "Tax Act" means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
 - d) "Transfer" means the transfer referred to in paragraph A of the Recitals hereto;
2. **Locking-in provisions:** Except as permitted by the law, all money and asset that are subject of the Transfer, including all investment earnings and interest thereon and gains and losses realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide the Annuitant with a retirement income.
 3. **Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of Retirement Savings Plan money contained in the Tax Act.
 4. **Death of the Annuitant:** No payment pursuant to Part 3 of the Addendum attached shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.
 5. **Transfers and Payments:** The Annuitant may at any time, in a form deemed satisfactory by the Trustee, request a transfer or a payment permitted under Part 2 or under part 4 of the Addendum.

The Trustee may deduct from the property being transferred or payed all amounts to be retained in application of paragraph 146.3(2)(e.1) or 146.3(2)(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

Once the transfer or payment is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer or payment.

Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer or payment and may, at its entire discretion, either (i) delay the requested transfer or payment, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

The Trustee may rely upon the information provided by the Annuitant in any application or forms completed in accordance with the Act and the Regulation and such application or forms shall constitute sufficient authorization to the Trustee to transfer assets of the Account or pay the Annuitant from the Account in accordance thereto.

6. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
 - a) That the pension legislation applicable and governing the Transfer at such time is the Act and the Regulation;
 - b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act and the Regulation; and
 - c) That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
7. **Governing Law:** This Agreement shall be governed by the laws of the Province of British Columbia.

Pension Benefits Standards Regulation Locked-In Retirement Account Addendum

Part 1 — Definitions and Interpretation

1. Definitions and interpretation

- (1) Subject to subsection (3), the following terms, used in this Addendum, have the meanings given to them below, except where the context otherwise requires:

"Act" means the *Pension Benefits Standards Act*, S.B.C. 2012, c. 30;

"annuity" means a non-commutable life annuity contract that is issued or issuable by an insurance company to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder's spouse;

"designated beneficiary" has the same meaning as in the *Wills, Estates and Succession Act*;

"locked-in money" means

- (a) money the withdrawal, surrender or receipt of which is restricted under section 68 of the Act,
- (b) money to which paragraph (a) applies that has been transferred out of a pension plan
 - (i) to this locked-in retirement account or any other locked-in retirement account or life income fund, and any interest on that money, or
 - (ii) to an insurance company to purchase an annuity that is permitted under the Act,
- (c) money in this locked-in retirement account that was deposited into the locked-in retirement account under section 105 (1) of the Regulation or paid to the locked-in retirement account issuer under section 105 (2) or (3) (b) of the Regulation, and

(d) money in a life income fund that was deposited into the life income fund under section 124 (1) of the Regulation or paid to the life income fund issuer under section 124 (2) or (3) (b) of the Regulation;

"locked-in retirement account issuer" means the issuer of this locked-in retirement account;

"member owner" means the owner of this locked-in retirement account if

- (a) the owner was a member of a pension plan, and
- (b) this locked-in retirement account contains locked-in money from that plan;

"owner", in relation to this locked-in retirement account, means

- (a) the member owner of this locked-in retirement account, or
- (b) the spouse owner of this locked-in retirement account;

"Regulation" means the Pension Benefits Standards Regulation enacted under the *Pension Benefits Standards Act*, S.B.C. 2012, c. 30;

"spouse" means a person who is a spouse within the meaning of subsection (2);

"spouse owner" means the owner of this locked-in retirement account if this locked-in retirement account contains locked-in money from a pension plan and the owner is

- (a) the spouse or former spouse of a member of the pension plan or member owner whose entitlement to the locked-in money in this locked-in retirement account arose by virtue of a breakdown of the marriage or marriage-like relationship between the owner and the member or member owner, or
- (b) the surviving spouse of a deceased member of the pension plan or member owner whose entitlement to the locked-in money in this locked-in retirement account arose by virtue of the death of the member or member owner;

"this locked-in retirement account" means the locked-in retirement account to which this Addendum applies.

- (2) Persons are spouses for the purposes of this Addendum on any date on which one of the following applies:

- (a) they
 - (i) are married to each other, and
 - (ii) have not been living separate and apart from each other for a continuous period longer than 2 years;
- (b) they have been living with each other in a marriage-like relationship for a period of at least 2 years immediately preceding the date.

- (3) Terms used in this Addendum that are not defined in subsection (1) but are defined in the Act or the Regulation have the meanings given to them in the Act or the Regulation.

Part 2 — Transfers in and Transfers and Payments out of Locked-In Retirement Account

2. Limitation on deposits to this locked-in retirement account

The only money that may be deposited in this locked-in retirement account is

- (a) locked-in money transferred from a pension plan if
 - (i) this locked-in retirement account is owned by a member owner, or
 - (ii) this locked-in retirement account is owned by a spouse owner, or
- (b) money deposited by the locked-in retirement account issuer under section 105 (1) of the Regulation or paid to the locked-in retirement account issuer for deposit to this locked-in retirement account under section 105 (2) or (3) (b) of the Regulation.

3. Limitation on payments and transfers from this locked-in retirement account

- (1) Money in this locked-in retirement account, including investment earnings, is for use in the provision of retirement income.
- (2) Despite subsection (1), money may be paid or transferred from this locked-in retirement account in the following circumstances:
 - (a) by way of a transfer to another locked-in retirement account on the applicable conditions set out in this Addendum;
 - (b) by way of a transfer to purchase an annuity in accordance with section 6 (3);
 - (c) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;
 - (d) by way of a transfer to a life income fund in accordance with Division 3 of Part 9 of the Regulation;
 - (e) in accordance with Part 4 of this Addendum.
- (3) Without limiting subsections (1) and (2) of this section and in accordance with section 70 of the Act, money in this locked-in retirement account must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.
- (4) The locked-in retirement account issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this locked-in retirement account.

4. General liability for improper payments or transfers

If the locked-in retirement account issuer pays or transfers money from this locked-in retirement account contrary to the Act or the Regulation,

- (a) subject to paragraph (b), the locked-in retirement account issuer must,
 - (i) if less than all of the money in this locked-in retirement account is improperly paid or transferred, deposit into this locked-in retirement account an amount of money equal to the amount of money that was improperly paid or transferred, or
 - (ii) if all of the money in this locked-in retirement account is improperly paid or transferred, establish a new locked-in retirement account for the owner and deposit into that new locked-in retirement account an amount of money equal to the amount of money that was improperly paid or transferred, or
- (b) if
 - (i) the money is transferred out of this locked-in retirement account to an issuer (the "transferee issuer") that is authorized under the Regulation to issue locked-in retirement accounts,
 - (ii) the transfer is contrary to the Act or the Regulation in that the locked-in retirement account issuer failed to advise the transferee issuer that the money is locked-in money, and
 - (iii) the transferee issuer deals with the money in a manner that is contrary to the manner in which locked-in money must be dealt with under the Act or the Regulation, the locked-in retirement account issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subparagraph (iii).

5. Remittance of securities

- (1) If this locked-in retirement account holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to which this is an Addendum, be made, at the option of the locked-in retirement account issuer and with the consent of the owner, by the transfer of those securities.

- (2) There may be transferred to this locked-in retirement account identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an Addendum, if that transfer is approved by the locked-in retirement account issuer and consented to by the owner.

6. Retirement income

- (1) Subject to subsections (2) and (3), this locked-in retirement account may be converted to a life income fund or annuity any time after the owner of the locked-in retirement account reaches 50 years of age, and must be converted to retirement income on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan.
- (2) The money in this locked-in retirement account must not be transferred to a life income fund unless
- (a) the member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", as the case may be, is at least 50 years of age, and
- (b) if the owner is a member owner and the member owner has a spouse, one of the following has been provided to the locked-in retirement account issuer:
- (i) a consent in Form 3 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the transfer;
- (ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.
- (3) The money in this locked-in retirement account must not be transferred to an insurance company to purchase an annuity unless
- (a) payments under the annuity do not begin until the member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", as the case may be, has reached 50 years of age,
- (b) payments under the annuity begin on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan,
- (c) there is no differentiation among the annuitants on the basis of gender, and
- (d) if the owner is a member owner who has a spouse,
- (i) the annuity is in the form of a joint and survivor pension referred to in section 80 (2) of the Act, or
- (ii) one of the following has been provided to the locked-in retirement account issuer:
- (A) a waiver in Form 2 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date that payments are to begin;
- (B) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.
- (4) A transfer under subsection (2) or (3) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the transfer.

Part 3 — Death of Owner

7. Transfer or payment on death of member owner

- (1) Subject to subsection (2), if this locked-in retirement account is owned by a member owner who has died and he or she is survived by a spouse, the locked-in retirement account issuer must transfer the money in the locked-in retirement account to whichever of the following the surviving spouse elects:
- (a) a pension plan, if the plan text document of the plan allows the transfer;
- (b) another locked-in retirement account;
- (c) a life income fund;
- (d) an insurance company to purchase an annuity in accordance with section 6 (3) of this Addendum.
- (2) If this locked-in retirement account is owned by a member owner who has died and
- (a) he or she is not survived by a spouse, or
- (b) he or she is survived by a spouse and one of the following has been provided to the locked-in retirement account issuer:
- (i) a waiver in Form 4 of Schedule 3 of the Regulation signed by the spouse before the member owner's death in the presence of a witness and outside the presence of the member owner;
- (ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies, the locked-in retirement account issuer must pay the money in this locked-in retirement account to the member owner's designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.
- (3) If a waiver or confirmation has been provided under subsection (2) (b) to the locked-in retirement account issuer, the surviving spouse is not entitled to receive money from this locked-in retirement account under subsection (2) (b) (i) as the member owner's designated beneficiary.
- (4) A transfer under subsection (1) or a payment under subsection (2) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the transfer or payment.

8. Payment on death of spouse owner

- (1) If this locked-in retirement account is owned by a spouse owner who has died, the locked-in retirement account issuer must pay the money in this locked-in retirement account to the spouse owner's designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the spouse owner's estate.
- (2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

LOCKED-IN RETIREMENT ACCOUNT FOR QUEBEC (QUEBEC LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT SAVINGS PLAN

RECITALS:

- A.** The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- B.** The Annuitant has established a National Bank Direct Brokerage Inc. Retirement Savings Plan and wishes same to receive the Transfer;
- C.** The Transfer cannot be made unless the conditions herein are satisfied;
- D.** The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

Part 4 — Applications to Unlock All or Part of Locked-In Retirement Account

9. Lump-sum payment of small account balance

- (1) On application by the owner of this locked-in retirement account, the locked-in retirement account issuer will pay to the owner the lump-sum amount referred to in section 69 (2) of the Act and section 107 of the Regulation if, on the date of the application,
- (a) the balance of the locked-in retirement account does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or
- (b) the owner is at least 65 years of age and the balance of this locked-in retirement account does not exceed 40% of the YMPE for the calendar year in which the application is made.
- (2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

10. No splitting of contract

If this locked-in retirement account is not eligible for the lump-sum payment option referred to in section 9 of this Addendum, money in this locked-in retirement account must not be divided and transferred to 2 or more locked-in retirement accounts, life income funds, pension plans or annuities or any combination of them if that transfer would make the money in any one or more of them eligible for a lump-sum payment option under section 9 of this Addendum or section 69 (1) or (2) of the Act.

11. Shortened life

- (1) On application by the owner of this locked-in retirement account, the locked-in retirement account issuer will pay to the owner the payment, or series of payments for a fixed term, referred to in section 69 (4) (a) of the Act of all or part of the money held in this locked-in retirement account if
- (a) a medical practitioner certifies that the owner has an illness or a disability that is terminal or likely to shorten the owner's life considerably, and
- (b) this locked-in retirement account is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the locked-in retirement account issuer:
- (i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;
- (ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.
- (2) A payment under subsection (1) must be made, or a series of payments under subsection (1) must begin, within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment or begin the series of payments.

12. Non-residency for tax purposes

- (1) On application by the owner of this locked-in retirement account, the locked-in retirement account issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (b) of the Act and section 109 of the Regulation if
- (a) the owner includes in the application
- (i) a statement signed by the owner that the owner has been absent from Canada for 2 or more years, and
- (ii) written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and
- (b) this locked-in retirement account is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the locked-in retirement account issuer:
- (i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;
- (ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.
- (2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

13. Financial hardship

- (1) On application by the owner of this locked-in retirement account in accordance with section 110 of the Regulation, the locked-in retirement account issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (c) of the Act, up to the amount prescribed under section 110 (5) of the Regulation, if
- (a) the owner meets the requirements of the financial hardship exception set out in section 110 (4) of the Regulation, and
- (b) this locked-in retirement account is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the locked-in retirement account issuer:
- (i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;
- (ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.
- (2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

- e) **“LIRA”** means a locked-in retirement account, that is an RSP that meets the requirements of section 29 of the Regulation relating to locked-in retirement accounts;
- f) **“Maximum Pensionable Earnings”** has the same meaning as in the *Act respecting the Quebec Pension Plan* (Quebec);
- g) **“Regulation”** means the Regulation respecting *Supplemental Pension Plans* adopted pursuant to the Act, as same may be amended from time to time;
- h) **“RSP”** means a retirement savings plan within the meaning of the Tax Act that is registered under that act;
- i) **“Spouse”** shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RSP;
- j) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- k) **“Transfer”** means the transfer referred to in paragraph A of the Recitals hereto.
2. **Locking-in provisions:** Except as permitted by the Act and the Regulation, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or any previous transfers, be required or permitted by the Act.
3. **Contributions:** The only sums that may be transferred into the Account are the sums originating, directly or indirectly, from the fund of a pension plan governed by the Act or from:
- a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
 - a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
 - the locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
 - the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;
 - a LIRA;
 - a LIF; or
 - an annuity contract referred to in section 30 of the Regulation.
4. **Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act and the regulation thereunder.
5. **Conversion of the Account into a life pension:** With the exception of the cases referred to in sections 6, 10 and 11 hereunder, the balance of the Account may only be converted into a life pension guaranteed by an insurer and established for the duration of the life of the Annuitant alone or for the duration of the life of the Annuitant and the life of his Spouse. The periodic amounts paid under that pension shall be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the contract or uniformly adjusted by reason of a seizure effected on the benefits of the Annuitant, a redetermination of the Annuitant's pension, partition of the Annuitant's benefits with his Spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under paragraph 3 of the first paragraph of section 93 of the Act.
- The Annuitant may require the conversion of the balance of the Account into a life pension at any time, unless the terms agreed to for the investments have not expired. The balance of the Account may not be converted into a pension guaranteed by an insurer unless, at the death of the Annuitant who is a former member or member, a life pension equal to at least 60% of the amount of the Annuitant's pension, including, during the replacement period, the amount of any temporary pension, is granted to his Spouse who has not waived it.
6. **Death of the Annuitant:** On the death of the Annuitant, the balance of the Account will be paid to his Spouse or, failing that, to his successors. No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.
7. **Waiver by Spouse:** The Annuitant's Spouse may, by giving written notice to the Trustee, waive his right to receive the payment provided for in Section 6 hereof or the pension provided for in Section 5 hereof and may revoke such a waiver by transmitting to the Trustee a written notice to that effect before, in the case referred to in Section 6 hereof, the death of the Annuitant or, in the case referred to in Section 5 hereof, the date of conversion, in whole or in part, of the balance of the Account into a life pension.
8. **Separation and divorce:** The Spouse of the Annuitant will cease to be entitled to the benefit provided for in Section 6 or, as the case may be, in Section 5 hereof upon separation from bed and board, divorce, nullity of marriage, dissolution or nullity of civil union or, in the case of a Spouse who is not married or a civil union Spouse, upon cessation of conjugal relationship, unless the Annuitant has transmitted to the Trustee the notice provided for in section 89 of the Act.
9. **Seizure for unpaid alimony:** The seizable portion of the balance of the Account may be paid in a lump sum in execution of a judgment rendered in favour of the Annuitant's Spouse that gives entitlement to a seizure for unpaid alimony.
10. **Permitted transfers:** The Annuitant may, unless the agreed to term of the investments has not expired, transfer in whole or in part, the balance of the Account as follows:
- to a pension plan governed by the Act;
 - to a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
 - to a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
 - to a locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
 - to a locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;
 - to a LIF;
 - to a LIRA; or
 - to an annuity contract referred to in section 30 of the Regulation and that also complies with the relevant provisions of the Tax Act.
- The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer. Such transfers shall take effect in accordance with applicable laws and within a reasonable time after all forms required to be completed in respect of such transfer have been completed and forwarded to the Trustee.
- If only a portion of the Assets in the Plan is transferred in accordance with the foregoing paragraph, the Annuitant may specify in his or her notice which assets he or she wishes to so transfer or which assets he or she wishes to dispose of in order to effect such transfer, failing which the Trustee shall transfer or dispose of such properties as it, in its sole discretion, may deem appropriate for this purpose. The Trustee shall not be liable for any losses incurred as a result of such disposition or transfer.
- Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly.
- Upon such transfer, the Trustee shall be subject to no further liability or duty to the Annuitant with respect to the Assets in the Plan, or the portion thereof, so transferred, as the case may be.
11. **Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held under this Account is permitted and will be void, except in the following circumstances:
- Non-Resident:** Where the Annuitant has not resided in Canada since at least 2 years, the Annuitant may, unless the agreed to term of the investments has not expired, elect to withdraw the money or assets held under this Account by way of a lump sum payment upon application by the Annuitant to the Trustee in accordance with subsection 29(8.1) of the Regulation;
 - Shortened Life Expectancy Withdrawal:** The Annuitant may withdraw all or part of the money in the Account and receive a payment or a series of payments upon application by the Annuitant to the Trustee in accordance with section 29(9) of the Regulation, where a physician certifies that his physical or mental disability reduces his life expectancy;
 - Withdrawal of Small Amount at 65:** The Annuitant may elect to withdraw the money or assets held under this Account by way of a lump sum payment upon application by the Annuitant to the Trustee in accordance with subsection 29(9.1) of the Regulation, if the following conditions are met:
 - The Annuitant provides the Trustee with a declaration in conformity with the one prescribed in schedule 0.2 of the Regulation;
 - The Annuitant was at least 65 years of age at the end of the year preceding the application; and
 - The total of the sums credited to him in the retirement savings instruments mentioned in schedule 0.2 of the Regulation does not exceed 40% of the Maximum Pensionable Earnings, for the year in which the Annuitant applies for payment, pursuant to the *Act respecting the Quebec Pension Plan*. The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 11 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Account in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.
- Such withdrawal shall take effect in accordance with applicable laws and within a reasonable time after all forms required to be completed in respect of such withdrawal have been completed and forwarded to the Trustee.
- If only a portion of the assets in the Account is withdrawn in accordance with the foregoing paragraph, the Annuitant may specify in his or her notice which assets he or she wishes to so withdraw or which assets he or she wishes to dispose of in order to effect such withdrawal. Failing which, the Trustee shall withdraw or dispose of such properties as it, in its sole discretion, may deem appropriate for this purpose. The Trustee shall not be liable for any losses incurred as a result of such disposition or withdrawal.
- Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of withdrawal and may, at its entire discretion, delay the requested withdrawal accordingly.
- Upon such withdrawal, the Trustee shall be subject to no further liability or duty to the Annuitant with respect to the assets in the Account, or the portion thereof, so withdrawn, as the case may be.
12. **Statement:** The Trustee will provide to the Annuitant, at least once a year, a statement indicating the sums deposited into the Account, their source, the accumulated earnings, the fees debited since the last statement and the balance of the Account.
13. **Irregular payments:** Should any sum held under this Account be paid out contrary to the Regulation or this Agreement, the Annuitant may, unless the payment is attributable to a false declaration by the Annuitant, require that the Trustee pay to the Annuitant, as a penalty, a sum equal to the irregular payment.
14. **Amendment to this Agreement:** The Trustee will make no amendment to this Agreement that would entail a reduction of the benefits resulting from this Agreement unless the Trustee entitle the Annuitant, before the date of the amendment, to transfer the balance of the Account and has provided the Annuitant, at least 90 days before the date on which the Annuitant may exercise that entitlement, a notice indicating the subject of the amendment and the date from which the Annuitant may exercise that entitlement.
- The Trustee may not, except to fulfill requirements under law, make any amendment other than that provided for in this section, without having previously notified the Annuitant.
- The Trustee may amend the agreement only to the extent that it remains in conformity with the standard contract amended and registered with Retraite Québec.
15. **Identifiable securities:** Where the investments held under the Account consist of identifiable and transferable securities, the Trustee may effect the transfer referred to in sections 10 and 14 by the remittance of such securities.
16. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
- That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
 - That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation; and
 - That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
17. **Governing Law:** This Agreement shall be governed by the laws of the province of Quebec.

LOCKED-IN RETIREMENT ACCOUNT FOR ONTARIO (ON LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- B. The Annuitant has established a National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan and wishes same to receive the Transfer;
- C. The Transfer cannot be made unless the conditions herein are satisfied;
- D. The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration. In addition, the following terms shall have the following meaning:

- a) "Act" means the *Pension Benefits Act* (Ontario), as same may be amended from time to time;
- b) "Account" refers to the National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan established by the Declaration executed between the Annuitant and the Trustee, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money that is the subject of the Transfer;
- c) "Declaration" means the Declaration of Trust of the National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan attached hereto;
- d) "Declaration about a Spouse" means any of the following documents:
 - i) A statement signed by the Annuitant's Spouse, if any, that the Spouse consents to the withdrawal or transfer from the Account;
 - ii) A statement signed by the Annuitant attesting to the fact that he or she does not have a Spouse; or
 - iii) A statement signed by the Annuitant attesting to the fact that he or she is living separate and apart from his or her Spouse on the date the Annuitant signs the application to make the withdrawal or transfer from the Account.
- e) "LIF" means a prescribed retirement savings arrangement, known as a life income fund, that is a registered retirement income fund within the meaning in the Tax Act, and that meets the conditions set out in Schedule 1 or Schedule 1.1 of the Regulation;
- f) "Life Annuity" means an immediate or deferred life annuity that meets the requirements of the relevant provisions of the Tax Act and of section 22 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;
- g) "LIRA" means a prescribed retirement savings arrangement, known as a locked-in retirement account, that is an RSP that meets the conditions set out in Schedule 3 of the Regulation;
- h) "LRIF" means a prescribed retirement savings arrangement, known as a locked-in registered retirement income fund within the meaning in the Tax Act, and that meets the conditions set out in Schedule 2 of the Regulation;
- i) "Regulation" means *R.R.O. 1990, Regulation 909* adopted pursuant to the Act, as same may be amended from time to time;
- j) "RSP" means a retirement saving plan within the meaning of the Tax Act that is registered under that act;
- k) "Spouse" shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RSP;
- l) "Tax Act" means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- m) "Transfer" means the transfer referred to in paragraph A of the Recitals hereto;
- n) "Fiscal Year" in connection with this Account means a calendar year terminating on December 31, and will not exceed twelve months;
- o) "Superintendent" means the Superintendent of Financial Services appointed under the *Financial Services Commission of Ontario Act, 1997*.

2. **Locking-in provisions:** Except as permitted by the law, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or any previous transfers, be required or permitted by the Act.

The Account must be purchased using all or part of the amount transferred under clause 42 (1)(b) of the Act or under paragraph 2 of subsection 67.3(2) of the Act, or using all or part of the assets in a LIRA. No money that is not locked-in may be transferred or otherwise held under this Account.

3. **Value of the Account:** The value of all assets in the Account owned by the Annuitant when the Annuitant signs the application shall be determined in accordance with the most recent statement about each Account or account given to the Annuitant. Each such statement must be dated within one year of the execution of the application by the Annuitant.

The fair market value of the assets held under the Account as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Account.

The value of the assets in the Account is subject to the division in accordance with the terms of an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract. An order under Part I (Family Property) of the *Family Law Act* (Ontario), a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a Spouse or former Spouse of the Annuitant to the transfer of a lump sum that exceeds 50 per cent of the assets in the Account, determined as of the family law valuation date.

4. **Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through an agent in the manner provided by the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act and the regulation thereunder.

5. **Restrictions:** The money and assets held under this Account may not be assigned, charged, anticipated or given as security, except as required by an order under the Family Law Act, a family arbitration award or a domestic contract. Any transaction purporting to otherwise assign, charge, anticipate or give the money or assets held under this Account as security is void.

6. **Permitted transfers:** The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, the transfer of any or all the assets in the Account:

- a) to the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to a pension plan provided by a government in Canada;
- b) to another LIRA;
- c) to a LIF that is governed by Schedule 1.1 of the Regulation; or
- d) to purchase a Life Annuity that meets the requirements of section 22 of the Regulation;

Such transfer shall be made within a period of 30 days from the receipt of written instructions from the Annuitant in a form deemed satisfactory by the Trustee, or within a reasonable time with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

The Trustee may deduct from the property being transferred all amounts to be retained in application of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the agent shall be released from any liability in connection with this Account to the extent of the transfer.

Notwithstanding the above, the Annuitant agrees that Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities with the consent of the Annuitant.

7. **Conditions for Transfer:** Before transferring money from this Account as mentioned in section 6 hereof, the Trustee shall advise the transferee in writing that the amount transferred must be administered in accordance with the Act and this Regulation, and the transferee must agree to administer such amount transferred in accordance with the Act and the Regulation.

8. **Required Form of Pension:** The annuity described in paragraph 6.d) herein shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted by the Regulation and must not begin before the earlier of:

- a) the earliest date on which the Annuitant is entitled to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred into the LIRA; or
- b) the earliest date on which the Annuitant is entitled to receive pension benefits under any pension plan described in clause 8.a) above as a result of termination of employment or termination of membership in the pension plan;

Payments under a Life Annuity described in paragraph 6 d) are subject to division in accordance with the terms of an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract. An order under Part I (Family Property) of the *Family Law Act* (Ontario), a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a Spouse or former Spouse of the Annuitant to a share that exceeds 50 per cent of the payments under a Life Annuity, determined as of the family law valuation date.

Payments under a Life Annuity must begin no earlier than the date on which the Annuitant reaches 55 years of age, if none of the money in the Account used to purchase the Life Annuity is derived directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

9. **Permitted withdrawals:** All commutation, withdrawal and surrender of asset in the Account in whole or in part, will be void except as permitted by section 49 or 67 of the Act, section 22.2 of the Regulation or this Agreement. For instance, the Trustee is authorized to make a payment or a transfer from the Account when the Annuitant's application meets the following requirements:

- a) **Withdrawal of Small Amount at 55:** Upon application in accordance with section 6 Schedule 3 of the Regulation, the Annuitant may withdraw all of the money in the Account or transfer the assets to an RRSP or RRIF if the following conditions are met when he signs the application:
 - i) the Annuitant is at least 55 years of age;
 - ii) the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant, shall be determined in accordance with the most recent statement about each Account or account given to the Annuitant (each such statement must be dated within one year of the execution of the application by the Annuitant) is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year in which the application is made; and

If assets in the Account consist of identifiable and transferable securities, the Trustee may transfer the securities with the consent of the Annuitant.

- b) **Shortened Life Expectancy Withdrawal:** Upon application in accordance with section 8 of Schedule 3 of the Regulation, the Annuitant may withdraw all or part of the money in the Account if the following conditions are met:

- i) At the time of execution of the application, the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years;
- ii) The application is signed by the Annuitant and accompanied by a statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years.

- c) **Excess Transfers Withdrawal:** Upon application by the Annuitant to the Trustee in accordance with the following conditions and section 22.2 of the Regulation, the Annuitant may withdraw an amount, calculated by the Trustee on the date of withdrawal, not greater than the sum of:

- i) the "Excess Amount", if any, by which the amount transferred under section 42(1)(b) of the Act, directly or indirectly, to this Account from a registered pension plan of which the Annuitant was a member exceeds the amount prescribed for such transfer pursuant to the Tax Act; and
- ii) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the Excess Amount;

Provided that the application is made on a form approved by the Superintendent, signed by the Annuitant, submitted to the Trustee and is accompanied by one of the following documents:

- 1) a written statement from the administrator of the registered pension plan from which the moneys transferred to the Account originated, setting out the Excess Amount that was transferred; or
- 2) a written statement from the Canada Revenue Agency setting out the Excess Amount that was transferred into the Account.

- d) **Financial Hardship Withdrawal:** The Annuitant may, upon application in accordance with the section 8.1, 8.2, 8.3 or 8.4 of Schedule 3 of the Regulation, withdraw all the money in the Account if the following conditions are met:

- i) The Annuitant, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

The application is signed by the Annuitant and accompanied by the following documents:

- 1) A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.
- 2) A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.

Only one application may be made under section 8.1 of Schedule 3 of the Regulation during a calendar year in respect of a particular person. The application must specify the amount to be withdrawn from the Account. The minimum amount that may be withdrawn from the Account with respect to an application is \$500 and the maximum amount is the lesser of "X" and "G" where,

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"G" is the sum of the amount of the person's medical expenses that have been incurred and an estimate of the total amount of the person's medical expenses for the 12 months after the date on which the application is signed.

"dependant" a person who was dependent on the Annuitant or the Annuitant's spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.

"medical expenses" means (a) expenses for goods and services of a medical or dental nature; and (b) expenses incurred or to be incurred for renovations or alterations to the Annuitant or the dependant's principal residence and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the Annuitant, his or her spouse or a dependant.

ii) The Annuitant or his or her spouse has received a written demand and the Annuitant could face eviction if the debt or amount in default described hereunder remains unpaid:

- 1) arrears in the payment of a rent on the Annuitant's principal residence;
- 2) a default on a debt that is secured against the Annuitant's principal residence.

Only one application may be made under section 8.2 of Schedule 3 of the Regulation during a calendar year. The application signed by the Annuitant must be accompanied by a copy of the written demand as the case may be. The application must specify the amount to be withdrawn from the Account. The minimum amount that may be withdrawn from the Account with respect to an application is \$500 and the maximum amount is the lesser of "X" and "H" where,

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"H" is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

"principal residence" means, a premises, including a non-seasonal mobile home, that is occupied by an individual as his or her primary place of residence.

iii) The Annuitant or his or her spouse requires money to pay the first and last months' rent to obtain a principal residence for the Annuitant.

Only one application may be made under section 8.3 of Schedule 3 of the Regulation during a calendar year. The application signed by the Annuitant must be accompanied by a copy of the rental agreement, if available. The application must specify the amount to be withdrawn from the Account. The minimum amount that may be withdrawn from the Account with respect to an application is \$500 and the maximum amount is the lesser of "J" and "K" where,

"J" is 5 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"K" is the amount required for the first and last months' rent.

"principal residence" means a premises, including a non-seasonal mobile home, that is intended to be occupied by an individual as his or her primary place of residence.

iv) The Annuitant's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year's Maximum Pensionable Earnings for the year in which the application is signed.

The application signed by the Annuitant must be accompanied by a statement, signed by the Annuitant, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

Only one application may be made under section 8.4 of Schedule 3 of the Regulation during a calendar year. The application must specify the amount to be withdrawn from the Account. The minimum amount that may be withdrawn from the Account with respect to an application is \$500 and the maximum amount is calculated using the formula "X" - "L" in which:

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"L" is 75 per cent of the Annuitant's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

e) **Non-resident withdrawal:** The Annuitant may, upon application in accordance with the section 7 of Schedule 3 of the Regulation, withdraw all the money in the Account if the following conditions are met:

- i) at the time of execution of the application, the Annuitant is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Tax Act; and

ii) the application is made at least 24 months after the Annuitant's date of departure from Canada;

iii) the application is signed by the Annuitant and accompanied by a written determination from the Canada Revenue Agency that the Annuitant is a non-resident for the purposes of the Tax Act.

10. **Conditions for withdrawal:** All applications described under section 9 herein, to withdraw money or transfer assets from the Account, must be written on a form approved by the Superintendent. The Trustee shall make the payment or transfer within 30 days after receiving the completed application and the accompanying documents required as the case may be.

The Trustee is entitled to rely upon the information provided by the Annuitant in the application to withdraw money or transfer assets from the Account and gives the Annuitant a receipt for all documents received, stating the date on which it was received.

All applications, other than a withdrawal mentioned in paragraph 9 c), must be accompanied by one of the following documents:

- a) a Declaration about a Spouse; or
- b) a statement signed by the Annuitant attesting to the fact that none of the money in the Account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

For all applications made under section 9 d) herein, when a document is required, it is a nullity if signed or dated more than 12 months before the Trustee receives it. All such applications must also be accompanied by a statement, signed by the Annuitant, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

11. **Death of the Annuitant:** On the death of the Annuitant, the Annuitant's spouse or if there is none or if the spouse is otherwise disentitled, the Annuitant's named beneficiary or, if there is none, the Annuitant's estate is entitled to receive a benefit equal to the value of the assets in the Account. The benefit described may be transferred to an RRSP or an RRIIF in accordance with the Tax Act.

The Annuitant's spouse is not entitled to receive the value of the assets in the Account unless the Annuitant was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the Account. The Annuitant's spouse living separate and apart from the Annuitant on the date of the Annuitant's death is not entitled to receive the value of the assets in the Account.

The Annuitant's spouse may waive his or her entitlement to receive the survivor's benefit above mentioned from the Account by delivering to the Trustee a written waiver in a form approved by the Superintendent. The Annuitant's spouse who has delivered a waiver may cancel it by delivering a written and signed notice of cancellation to the Trustee before the date of the death of the Annuitant.

No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.

The value of the assets in the Account includes all accumulated investment earnings, including any unrealized capital gains and losses, of the Account from the date of death until the date of payment.

12. **Amendments:** The Trustee must send a notice in writing to the Annuitant's latest address as set out in the records of the Trustee, indicating the nature of an amendment to this Agreement within 90 days of the effective date of the proposed amendment.

An amendment to this Account may not be made if it would result in a reduction of the Annuitant's rights hereunder, unless such amendment is necessary to conform with any law and the Annuitant is entitled to transfer the assets in the Account under the terms of this Supplemental Agreement existing before the amendment is made. The Annuitant has 90 days after the notice is given to transfer all or part of the assets in the Account.

13. **Statements:** The Trustee shall provide to the Annuitant, at the beginning of each Fiscal Year of the Account, a statement containing the following information:

- a) The sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made out of the Account, the withdrawals taken out of the Account and the fees charged against it during the previous Fiscal Year;
- b) The value of the assets in the Account as of the beginning of the Fiscal Year;
- c) The Minimum Amount and Maximum Amount that must be paid out of the Account the Annuitant during the current Fiscal Year.

If the assets in the Account are transferred pursuant to Section 6 hereof, the Trustee shall provide the information described in this Section 13 determined as of the date of the transfer. Upon the death of the Annuitant, Trustee shall provide to the person entitled to receive the death benefits under Section 11 the information described in this Section 13 determined as of the date of the Annuitant's death.

14. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
- b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
- c) That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
- d) That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.

15. **Governing law:** This Agreement shall be governed by the laws of the province of Ontario.

Locked-in Retirement Account (Manitoba LIRA) Addendum to RRSP Contract

THIS IS AN ADDENDUM TO AN RRSP CONTRACT BETWEEN:

(the "Owner") AND

NATCAN TRUST COMPANY (the "Issuer")

IMPORTANT NOTES:

- A locked-in retirement account (LIRA) is a registered retirement savings plan (RRSP) to which the additional terms and conditions in this addendum apply. Together, this addendum and the RRSP contract to which it is attached form your LIRA contract.
- The money in your LIRA is locked in. The money is to be invested for the purpose of allowing you to purchase a life annuity contract or transfer it to another vehicle that provides you with retirement income, and cannot be withdrawn or transferred except as permitted by the applicable legislation.
- This addendum is prescribed by the *Pension Benefits Regulation*, a regulation under *The Pension Benefits Act* of Manitoba. It is subject to the provisions of the Act and the regulation that apply to LIRAs (the "legislation").
 - If the legislation conflicts with a provision of this addendum, the legislation overrides that provision.
 - If this addendum conflicts with a provision of the RRSP contract, the addendum overrides that provision.
 - The legislation has provisions relating to LIRAs that are not set out in this addendum.

contracts; and

- agrees to take all reasonable steps to ensure that it will remain registered for the duration of this contract.

Annual statement

- 7 Within 60 days after the beginning of each year, the Issuer must provide you with a statement that contains the following information:
- the income and gains, net of losses, earned by the LIRA during the previous year;
 - the amount and nature of any fees charged to the LIRA during the previous year;
 - the LIRA balances at the beginning and at the end of the previous year.

Statement before and after transfer

- 8(1) If an amount has been transferred from the LIRA, or becomes transferable as of a specified date, the Issuer must prepare a statement showing the LIRA balance as of the date of the transfer or the specified date.
- 8(2) The Issuer must provide the statement
- to you, if you are transferring the amount to another vehicle;
 - to you and your spouse, or common-law partner (or former spouse or common-law partner), if the transfer is being made to effect a division of your pension benefit credit because of a breakdown in your relationship;
 - to the person entitled to the death benefit under the LIRA (your surviving spouse or common-law partner, your designated beneficiary or your estate, as the case may be), if the transfer is made because of your death; or
 - to your spouse or common-law partner, if the transfer is to a LIF, life annuity contract, pension plan or VB account.

LIRA TRANSFERS

Permitted transfers to LIRA

- 9 An amount may be transferred to this LIRA only from
- a pension plan under one of the following provisions of the Act:
 - if you are a member-owner, subsection 21(13) (transfer to LIRA after ceasing active membership), or
 - if you are a non-member-owner, subsection 21(26.2) (transfer by surviving spouse or common-law partner on pre-retirement death) or clause 31(4)(b) (transfer by person entitled to division of pension benefit credit);
 - another LIRA, or a LIF or LRIF to which no amount has been transferred or contributed other than Manitoba locked-in money;
 - a VB account; or
 - an RRSP to which no amount has been transferred or contributed other than Manitoba locked-in money.

Permitted transfers to other vehicle

- 10 An amount may be transferred from this LIRA only to
- another LIRA;
 - a pension plan;
 - a VB account;
 - a LIF; or
 - an insurer to purchase a life annuity contract.

Restriction against splitting LIRA

- 11 You may not transfer an amount from this LIRA if, as a result of the transfer, the amount transferred or the amount remaining in the LIRA would be eligible for withdrawal under Division 6 of Part 10 (commutation of small pension and withdrawals of small LIRAs, LIFs and LRIFs).

Issuer's duties when transferring to another vehicle

- 12(1) Before transferring an amount from the LIRA to another vehicle, the Issuer must
- be satisfied that
 - in the case of a transfer to a LIF or another LIRA, the issuer of the LIF or LIRA is registered with the Superintendent of Pensions as an issuer of that type of vehicle,
 - in the case of a transfer to a pension plan, the transfer is permitted by the terms of the plan, or
 - in the case of a transfer to an insurer, the transferred amount will be used only to purchase a life annuity contract;
 - advise the issuer or administrator of the other vehicle that the amount being transferred is Manitoba locked-in money;
 - be satisfied that the issuer has ascertained that receiving financial institution or pension plan administrator will treat the money as Manitoba locked-in money;
 - if you are a member-owner with a spouse or common-law partner, provide to the issuer or administrator of the other vehicle a copy of any consent or waiver provided by your spouse or common-law partner in relation to the LIRA;
 - if you have previously made a one-time transfer under section 21.4 of the Act or Division 3 of Part 10 of the regulation, provide to the issuer or administrator of the other vehicle a copy of any statement from the Superintendent of Pensions received by the Issuer in relation to that transfer;
 - provide you with the statement required by section 8 (statement before and after transfer).
- 12(2) When transferring an amount from the LIRA to another vehicle as permitted by section 10, the Issuer must comply with the applicable provisions of the legislation and the *Income Tax Act* (Canada).

Liability for failure to comply

- 13 If the Issuer transfers an amount out of the LIRA in contravention of the legislation or this addendum, the Issuer may be required by the legislation to provide, or fund the provision of, benefits that could have been provided with the proceeds of the LIRA if the transfer had not occurred.

Transfer of securities

- 14 When an amount is to be transferred from the LIRA to the issuer or administrator of another vehicle, the Issuer may, with your consent, effect the transfer by transferring transferable securities held by the LIRA.

DEATH OF OWNER

Death benefit

- 15(1) Upon your death, the balance in the LIRA is payable as a death benefit to the person entitled to it under this section.
- 15(2) The death benefit is payable to your surviving spouse or common-law partner if
- you are a member-owner; and
 - immediately before your death, you and your spouse or common-law partner were not living separate and apart from each other by reason of a breakdown in your relationship.

I, the Owner, certify that:

- A. The following statements apply to me:
- I ceased to be an active member of a pension plan while in Manitoba.
 - Some or all of the amount transferred or to be transferred to this LIRA is attributable, directly or indirectly, to the pension benefit credit that I earned as a member of the pension plan.
- B. Some or all of the amount transferred or to be transferred to this LIRA is attributable, directly or indirectly, to the pension benefit credit that my current or former spouse or common-law partner earned as a member of a pension plan.

Check box A OR box B above, whichever applies to you. If you checked box A, you must also check box C OR box D below, whichever applies to you.

- C. I have no spouse or common-law partner.
- D. My spouse or common-law partner is identified in the RRSP contract to which this addendum is attached.

We agree that the terms and conditions of this addendum, together with the terms and conditions of the RRSP contract to which this addendum is attached, form the LIRA contract between us.

NATIONAL BANK DIRECT BROKERAGE

Authorized representative of the Issuer

Owner

GENERAL PROVISIONS

Interpretation

- 1(1) The following definitions apply in this addendum, except where the context otherwise requires.
- "Act" means *The Pension Benefits Act* of Manitoba, as from time to time amended.
- "Issuer" means the financial institution named on the first page of this addendum as the Issuer.
- "legislation" means the Act and the regulation.
- "LIRA" means the locked-in retirement account established by the Issuer for your benefit under this contract. ("CRI")
- "regulation" the *Pension Benefits Regulation*, as from time to time amended.
- "RRSP contract" means the RRSP contract to which this addendum is attached.
- "you" means the individual named on the first page of this addendum as the Owner.
- 1(2) This addendum uses other terms that are defined in the legislation. They have the same meaning here as in the legislation.
- 1(3) Unless the context otherwise requires, a reference in this addendum to a page or provision is a reference to that page or provision of this addendum.
- 1(4) You are
- a "member-owner", if you checked Box A; or
 - a "non-member owner", if you checked Box B.

When addendum takes effect

- 2(1) Subject to subsection (2), this addendum takes effect
- when the RRSP contract is signed by you and the Issuer, if the addendum is completed and attached to the contract at the time of signing; or
 - when the addendum is completed and attached to the contract with your written authorization, if it is attached to the contract after the contract is signed.
- 2(2) If you are a member-owner with a spouse or common-law partner, no money may be transferred from your LIRA to a LIF, life annuity contract, pension plan or a VB account until the Issuer receives a copy of a joint pension waiver signed by your spouse or common-law partner.

Manitoba locked-in money

- 3(1) Only Manitoba locked-in money may be transferred to or held in your LIRA.
- 3(2) Money may be transferred or withdrawn from your LIRA only as required or permitted by this addendum or the legislation.
- 3(3) You may not assign this LIRA or any of your rights under this contract to any person, except as required or permitted by this addendum or the legislation.

Protection of retirement income

- 4 No money or investments in this LIRA can be seized, attached or otherwise taken by any creditor, except
- to enforce a maintenance order against you; or
 - if you are a member-owner with a spouse or common-law partner, to enforce a division of your pension benefit credit on a breakdown of your relationship.

LIRA to be registered and administered as an RRSP

- 5(1) The Issuer must register this LIRA as an RRSP, and must ensure that it continues to qualify for registration as an RRSP.
- 5(2) Money in this LIRA is to be invested in accordance with the investment rules applicable to RRSPs and in accordance with the regulation.

Issuer is and will remain registered

- 6 The Issuer
- warrants that it is registered, as required by the regulation, in relation to LIRA

- 15(3) Subsection (2) does not apply if the Issuer has received a death benefit waiver signed by the spouse or common-law partner and the waiver has not been revoked.
- 15(4) For the purpose of subsection (3), “**death benefit waiver**” includes the following:
- a waiver under section 16;
 - a waiver under subsection 21(26.3) of the Act in respect of a pension benefit credit to which the balance in this LIRA is directly or indirectly attributable; and
 - a waiver under section 10.41 of Division 2 of Part 10 of the regulation in respect of a LIF to which the balance in this LIRA is directly or indirectly attributable.
- 15(5) If the death benefit is not payable to your surviving spouse or common-law partner, it is payable to your designated beneficiary or, if you have not designated a beneficiary, to your estate.
- 15(6) Within 90 days after receiving the necessary documentation, the Issuer must pay the death benefit as a lump sum to the person entitled to it. But, if that person is your spouse or common-law partner, he or she may, subject to the *Income Tax Act* (Canada), direct the Issuer to transfer it directly to a vehicle under section 10 (permitted transfers to other vehicles), and the Issuer must transfer it accordingly.

Death benefit waiver

- 16(1) Your spouse or common-law partner may, before or after your death, waive his or her entitlement or potential entitlement to the death benefit in accordance with

section 10.25 of Division 2 of Part 10 of the regulation. Upon request by you or your spouse or common-law partner, the Issuer must provide the information and form required for the waiver.

- 16(2) A death benefit waiver may be revoked by you and your spouse or common-law partner by signing a joint revocation of that waiver and filing it with the Issuer.

LUMP SUM WITHDRAWALS

Overview — when you may withdraw balance

- 17(1) Under the regulation, you might be entitled to withdraw the balance of your LIRA in the following circumstances:
- you are a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) and have had that status for at least two years (see *Division 5 of Part 10 of the regulation*);
 - the total of the Manitoba locked-in money in all your LIFs, LIRAs and LRIFs, plus interest at the prescribed rate to the end of the year in which you turn 65, is less than 40% of the YMPE for the year in which you apply for the withdrawal (see *Division 6 of Part 10 of the regulation*);
 - you have a shortened life expectancy of less than two years (see *Division 7 of Part 10 of the regulation*).
- 17(2) If any of these circumstances apply to you, you may request the Issuer to provide the information and forms necessary for you to apply for a withdrawal. Subject to the regulation, the Issuer must provide you with the relevant information and forms.

LOCKED-IN RETIREMENT ACCOUNT FOR ALBERTA ADDENDUM

SUPPLEMENTARY AGREEMENT ESTABLISHING A NATIONAL BANK DIRECT BROKERAGE INC. LOCKED-IN RETIREMENT ACCOUNT

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Regulation (the “Transfer”);
- B. The Annuitant has established a National Bank Direct Brokerage Inc. Retirement Savings Plan specimen plan number [525-026] (the “Retirement savings plan”) and wishes same to receive the Transfer;
- C. The Transfer cannot be made unless the conditions herein are satisfied;
- D. The parties now wish to supplement the Retirement savings plan with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Retirement savings plan and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined in this Agreement, in the Act or in the Regulation, shall have the same meaning as in the declaration of trust creating the Retirement savings plan (the “**Declaration**”). The following terms shall have the following meaning:

“**Account**” refers to the Retirement savings plan account executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a Locked-in Retirement Account;

“**Annuitant**” means the person identified as such in the Declaration and is also defined as the “owner” of the Account under the Regulation;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations adopted thereunder;

“**Transfer**”, means the transfer referred to in paragraph A of the Recitals hereto.

2. **Locking-in provision:** Except as permitted by the law, all money that is the subject of the Transfer, including all investment earnings and interest thereon and gains and losses realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide the Annuitant with a retirement income.

3. **Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act.

4. **Death of Annuitant:** No payment pursuant to Part 3 of the LIRA Addendum attached shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.

5. **Transfers and Withdrawals:** The Annuitant may at any time, in a form deemed satisfactory by the Trustee, request a transfer permitted under Part 2 or a withdrawal permitted under part 4 of the LIRA Addendum attached.

The Trustee may deduct from the property being transferred or withdrawn all amounts to be retained in the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

Once the transfer or withdrawal is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer or withdrawal.

Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer or withdrawal and may, at its entire discretion, either (i) delay the requested transfer or withdrawal, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

The Trustee may rely upon the information provided by the Annuitant in any application or forms completed in accordance with the Act and the Regulation and such application or forms shall constitute sufficient authorization to the Trustee to transfer assets of the Account or pay the Annuitant from the Account in accordance thereto.

6. **Representations and Warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- That the pension legislation applicable and governing the Transfer at such time is the Act and the Regulation;
- That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant’s pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act and the Regulation; and
- That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.

7. **Governing law:** This Agreement shall be governed by the laws of the Province of Alberta.

Locked-in Retirement Account Addendum

Part 1 Interpretation

Interpretation

- 1(1) The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:

(a) “Act” means the *Employment Pension Plans Act* (SA 2012 cE-8.1);

- “designated beneficiary”, in relation to the owner of this locked-in retirement account, means a beneficiary designated under section 71(2) of the *Wills and Succession Act*;
- “life annuity” means a non-commutable arrangement to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder’s pension partner;
- “locked-in retirement account issuer” means the issuer of this locked-in retirement account;
- “locked-in money” means
 - money in a pension plan the withdrawal, surrender or receipt of which is restricted under section 70 of the Act,
 - money transferred under section 99(1) of the Act, and
 - money to which subclause (i) applies, that has been transferred out of the plan, and any interest on that money, whether or not that money had been transferred to one or more locked-in vehicles after it was transferred from the plan, and includes money that was deposited into this locked-in retirement account under section 116(1)(a) of the Regulation or paid to the locked-in retirement account issuer under section 116(1)(b) or (2) of the Regulation;
- “member owner” means an owner of a locked-in vehicle if
 - the owner was a member of a pension plan, and
 - the locked-in vehicle contains locked-in money from that plan;
- “owner” means a member owner or a pension partner owner;
- “pension partner” means a person who is a pension partner within the meaning of subsection (2);
- “pension partner owner” means an owner of a locked-in vehicle if
 - the owner is a pension partner, former pension partner or surviving pension partner of a pension plan or a member owner,
 - the locked-in vehicle contains locked-in money from that plan, and
 - the pension partner owner’s entitlement to the locked-in money in the locked-in vehicle arose by virtue of
 - the death of the member of a pension plan or a member owner, or
 - a breakdown of the marriage between the pension partner owner and the member of a pension plan, or the pension partner owner and the member owner;
- “Regulation” means the *Employment Pension Plans Regulation*;
- “this locked-in retirement account” means the locked-in retirement account to which this addendum applies.

- (2) Persons are pension partners for the purposes of this addendum on any date on which one of the following applies:

- they
 - are married to each other, and
 - have not been living separate and apart from each other for a continuous period longer than 3 years;
- if clause (a) does not apply, they have been living with each other in a marriage-like relationship
 - for a continuous period of at least 3 years preceding the date, or
 - of some permanence, if there is a child of the relationship by birth or adoption.

- (3) Terms used in this addendum and not defined in subsection (1) but defined generally in the Act or Regulation have the meanings assigned to them in the Act or Regulation, respectively.

Part 2

Transfers In and Transfers and Payments Out of Locked-in Retirement Account

Limitation of deposits to this account

- 2 The only money that may be deposited in this locked-in retirement account is
- locked-in money from a pension plan if
 - this locked-in retirement account is owned by a member owner, or
 - this locked-in retirement account is owned by pension partner owner, and
 - money deposited by the locked-in retirement account issuer under section 116(1)(a) of the Regulation or paid to the locked-in retirement account issuer for deposit to this locked-in retirement account under section 116(1)(b) or (2) of the Regulation.

Limitation on withdrawals from this account

- 3(1) Money in this locked-in retirement account, including investment earnings, is for use in the provision of retirement income.
- (2) Despite subsection (1), money may be withdrawn from this locked-in retirement account in the following limited circumstances:
- by way of a transfer to another locked-in retirement account on the relevant conditions specified in this addendum;
 - to purchase a life annuity in accordance with section 6(3);
 - by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;
 - by way of a transfer to a life income fund in accordance with Division 3 of Part 9 of the Regulation;
 - in accordance with Part 4 of this addendum.

- (3) Without limiting subsections (1) and (2) and in accordance with in section 72 of the Act, money in this locked-in retirement account must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.
- (4) The locked-in retirement account issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this locked-in retirement account.

General liability on improper payments or transfers

- 4 If the locked-in retirement account issuer pays or transfers money from this locked-in retirement account contrary to the Act or the Regulation,
- (a) subject to clause (b), the locked-in retirement account issuer must,
- (i) if less than all of the money in this locked-in retirement account is improperly paid or transferred, deposit into this locked-in retirement account an amount of money equal to the money that had been improperly paid or transferred, or
- (ii) if all of the money in this locked-in retirement account is improperly paid or transferred, establish a new locked-in retirement account for the owner and deposit into that new locked-in retirement account an amount of money equal to the amount of money that had been improperly paid or transferred,
- or
- (b) if
- (i) the money is transferred out of this locked-in retirement account to an issuer that is authorized under the Regulation to issue locked-in retirement accounts,
- (ii) the act or omission that is contrary to the Act or the Regulation is the failure of the locked-in retirement account issuer to advise the transferee issuer that the money is locked-in money, and
- (iii) the transferee issuer deals with the money in a manner that is contrary to the manner in which locked-in money is to be dealt with under the Act or the Regulation,
- the locked-in retirement account issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subclause (iii).

Remittance of securities

- 5(1) If this locked-in retirement account holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to which this is an addendum, be effected, at the option of the locked-in retirement account issuer and with the consent of the owner, by the transfer of any such securities.
- (2) Subject to section 2, there may be transferred to this locked-in retirement account identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the locked-in retirement account issuer and consented to by the owner.

Retirement income

- 6(1) This locked-in retirement account may be converted to retirement income, whether in the form of a life income fund or a life annuity, at any time after the owner of the locked-in retirement account reaches 50 years of age, and must be converted to retirement income on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan.
- (2) The money in this locked-in retirement account must not be transferred to a life income fund unless
- (a) payments under the life income fund cannot commence before the owner of the locked-in retirement account reaches 50 years of age,
- (b) subject to clause (c)(ii), the owner has made an election for unlocking under section 71(5)(b) of the Act that meets the conditions set out in Schedule 3 and the amount unlocked, if any, has been paid to the owner, and
- (c) if the owner is a member owner who has a pension partner,
- (i) a waiver in Form 10 has been signed by the owner's pension partner and provided to the locked-in retirement account issuer, and
- (ii) if the owner has elected the unlocking option, a waiver in Form 14 has been signed by the owner's pension partner and provided to the locked-in retirement account issuer.
- (3) The money in this locked-in retirement account must not be transferred to an insurance company for the purchase a life annuity
- (a) payments under the annuity will not commence before the owner of the locked-in retirement account reaches 50 years of age,
- (b) payments under the annuity commence on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan,
- (c) there is no differentiation amongst the annuitants on the basis of gender, and
- (d) if the owner is a member owner and if the member owner has a pension partner,
- (i) the life annuity is in the form of a joint and survivor pension as described in section 90(2) of the Act, or
- (ii) in the case of a life annuity that is in a form that is different from the form of pension described in subclause (i), a waiver in Form 11 signed by the member owner's pension partner has been provided to the locked-in retirement account issuer not more than 90 days before the transfer.
- (4) A transfer under subsection (2) or (3) must be made within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer.

Part 3 Death of Owner

Transfers on death of member owner

- 7(1) Subject to subsections (2) and (3), if a member owner dies and he or she is survived by a pension partner, the locked-in retirement account issuer must transfer any money that remains in this locked-in retirement account, within

60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer, to whichever of the following the surviving pension partner elects:

- (a) a pension plan if the plan text document of the plan allows the transfer;
- (b) another locked-in retirement account;
- (c) a life income fund in accordance with section 6(2);
- (d) an insurance company to purchase a life annuity in accordance with section 6(3).
- (2) If the surviving pension partner is a non-resident, any money that remains in the locked-in retirement account must be paid to the surviving pension partner in a lump sum.
- (3) If a member owner of a locked-in retirement account dies and
- (a) he or she is not survived by a pension partner, or
- (b) he or she has a surviving pension partner and a waiver in Form 12 signed by the surviving pension partner is provided to the locked-in retirement account issuer
- the locked-in retirement account issuer must pay any money that remains in the locked-in retirement account, within 60 days after the delivery to the issuer of the documents required to effect the payment, to the designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.
- (4) Where a waiver in Form 12 is signed by the surviving pension partner and provided to the locked-in retirement account issuer, that pension partner is not entitled to receive money in the locked-in retirement account under subsection (3) as the member owner's designated beneficiary.

Transfers on death of pension partner owner

- 8 If a pension partner owner dies, the locked-in retirement account issuer must pay any money that remains in this locked-in retirement account, within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer,
- (a) to the pension partner owner's designated beneficiary, or
- (b) if there is no living designated beneficiary, to the personal representative of the to the pension partner owner's estate.

Part 4 Withdrawal, Commutation and Surrender

YMPE based lump sum payment

- 9 The locked-in retirement account issuer will, on application, provide to the owner of the locked-in retirement account the lump sum amount referred to in section 71(2) of the Act if, at the time of the application,
- (a) the balance of the locked-in retirement account does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or
- (b) the owner is at least 65 years of age and the balance of the locked-in retirement account does not exceed 40% of the YMPE for the calendar year in which the application is made.

Splitting of contract

- 10 If this locked-in retirement account is not eligible for a lump sum payment option referred to in section 9, assets in the locked-in retirement account must not be divided and transferred to 2 or more locked-in retirement accounts, life income funds, pension plans or annuities or any combination of them if that transfer would make the money in any one or more of those vehicles eligible to be paid out by way of a lump sum payment under section 71(1) or (2) of the Act.

Shortened life payments

- 11 On application by the owner of this locked-in retirement account referred to in section 71(4)(a) of the Act, the locked-in retirement account issuer will pay, to the owner, a payment, or series of payments for a fixed term, of all or part of the money held in the locked-in retirement account if
- (a) a medical practitioner certifies that the owner has a disability or illness that is terminal or to likely shorten the owner's life considerably, and
- (b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 13 signed by the pension partner has been provided to the locked-in retirement account issuer,

Non residency for tax purposes

- 12 The locked-in retirement account issuer will, on application, provide to the owner of the locked-in retirement account the lump sum amount referred to in section 71(4)(b) of the Act if,
- (a) the owner includes in the application written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and
- (b) at the time of the application, a waiver in Form 13 signed by the pension partner has been provided to the locked-in retirement account issuer.

Financial hardship

- 13 The locked-in retirement account issuer will, on application made in accordance with section 121(3) of the Regulation, provide to the owner of the locked-in retirement account a lump sum amount, up to the amount prescribed under section 121(5) of the Regulation, if, at the time of the application, the owner meets the requirements of the financial hardship exception set out in section 121(4) of the Regulation.

Maximum 50% unlocking

- 14 The locked-in retirement account issuer will, on a transfer to a life income fund, provide to the owner of the locked-in retirement account a lump sum amount equal to a maximum of 50% of the value of the locked-in retirement account, if, at the time of the transfer,
- (a) the owner meets the requirements for the 50% unlocking set out in Schedule 3 of the Regulation, and
- (b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 14 signed by the pension partner has been provided to the locked-in retirement account issuer not more than 90 days before the transfer.

LOCKED-IN RETIREMENT ACCOUNT NEW BRUNSWICK (NB LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- B. The Annuitant has established a National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan and wishes same to receive the Transfer;
- C. The Annuitant has duly completed and signed **Form 3.2** in Part I under the "Owner Transfer Information" section **AND** the pension plan administrator or financial

- institution effecting the Transfer has duly completed and signed **Form 3.2** in Part II under the "Transferor Information and Agreement" section;
- D. The Transfer cannot be made unless the conditions herein are satisfied;
- E. The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration. In addition, the following terms shall have the following meaning:
 - a) **"Act"** means the *Pension Benefits Act* (New Brunswick), as same may be amended from time to time;
 - b) **"Account"** refers to the National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money that is the subject of the Transfer;
 - c) **"Declaration"** means the Declaration of Trust of the National Bank Direct Brokerage Inc. Self-Directed Retirement Savings Plan;
 - d) **"LIF"** means a life income fund, that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in section 22 of the Regulation;
 - e) **"Life Annuity"** means a life or deferred life annuity contract that conforms with section 23 of the Regulations, the Act and paragraph 146(1) of the Tax Act;
 - f) **"LIRA"** means a locked-in retirement account, that is a RSP that meets the requirements of subsection 21 of the Regulation relating to locked-in retirement accounts;
 - g) **"Regulation"** means *Regulation 91-195* adopted pursuant to the Act, as same may be amended from time to time;
 - h) **"RSP"** means a retirement saving plan within the meaning of the Tax Act that is registered under that act;
 - i) **"Spouse"** shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RSP;
 - j) **"Tax Act"** means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
 - k) **"Transfer"** means the transfer referred to in paragraph A of the Recitals hereto.
 2. **Locking-in provisions:** Except as permitted by the Act and the Regulation, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or for any previous transfers, be required or permitted by the Act. No money that is not locked-in may be transferred or otherwise held under this Account.
 3. **Value of the Account:** The fair market value of the assets held under the Account as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Account for any particular time, including on the death of the Annuitant or on a transfer of assets from the Account. Any such determination by the Trustee shall be conclusive for all purposes hereof.
The commuted value of the Annuitant's benefits provided under this Account shall be determined in accordance with the Act and this Regulation if it is divided under section 44 of the Act;
 4. **Investments:** The money and assets held under this Account shall be invested by the Trustee in the manner provided in the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act.
 5. **Restrictions:** No money transferred, including interest, shall be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under section 44 of the Act or subsection 57(6) of the Act.
No money transferred, including interest, shall be commuted or surrendered during the Annuitant's lifetime except under paragraph 9a) and 9b) of this contract, under section 44 or subsection 57(6) of the Act.
A transaction in contravention of this Section 5 is void.
 6. **Contributions:** The only money that may be transferred to the Account are the sums originating, directly or indirectly, from:
 - a) the fund of a pension plan that conforms with the Act and the Regulation or with similar legislation in another jurisdiction, if the money is being transferred under section 36 of the Act or under a similar provision in legislation in another jurisdiction, and the Tax Act;
 - b) another LIRA;
 - c) a LIF; or
 - d) a Life Annuity.
 7. **Required Form of Pension:** Except as provided for elsewhere in the Regulation, the balance of the money in the Account, in whole or in part, may be converted at any time only into a Life or deferred life annuity contract that conforms to section 23 of the Regulations.
No money, including interest, transferred to this Account shall subsequently be used to purchase a Life Annuity that differentiates on the basis of the Annuitant's sex, unless the commuted value of the deferred pension transferred from the plan into the Account was determined on transfer in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of the sex of the Annuitant.
In the case of an Annuitant with a Spouse at the time the pension payments begin, the pension provided shall be a joint pension in the form prescribed under section 41 of the Act unless a spousal waiver has been completed by the Spouse in the form and manner prescribed under the Act.
 8. **Death of the Annuitant:** If the Annuitant dies before purchasing a Life Annuity pursuant to Section 7 hereof, the balance of the money in the Account shall be paid:
 - a) to the Annuitant's Spouse or common-law partner, unless the Spouse or common-law partner waives on Form 3.02 all rights that he or she may have in the Account under the Act, this Regulation or this agreement;
 - b) if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner, to a beneficiary on death designated by the Annuitant; or
 - c) if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner and if the Annuitant has not designated a beneficiary on death designated by the Annuitant, to the estate of the Annuitant.
 No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.
 9. **Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held under this Account is permitted and will be void, except in the following circumstances:
 - a) **Shortened Life Expectancy Withdrawal.** The Annuitant may withdraw, in whole or in part, the balance of the money in the Account, upon application by the Annuitant to the Trustee in accordance with paragraph 21(2)(d) of the Regulation and if the following conditions are met:
 - i) a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy; and
 - ii) if the Annuitant has a Spouse or common-law partner, the Annuitant delivers to the Trustee a completed spousal or common-law partner waiver on Form 3.01.
 - b) **Excess Amount.** The Annuitant may withdraw an amount from the Account, upon application by the Annuitant to the Trustee in accordance with paragraph 21(2)(e) of the Regulation and if the following conditions are met:
 - i) the amount is withdrawn to reduce the amount of tax that would otherwise be payable pursuant to Part X.1 of the Tax Act by the Annuitant; and
 - ii) the Trustee, notwithstanding section 20 of the Regulation, establishes a sub-account, that is not a RSP, of the LIRA, and the Annuitant deposits the amount withdrawn, less any amount required to be withheld by the Trustee under the Tax Act, into the sub-account.
 - c) **Small Benefit.** The Annuitant may withdraw the balance of the Account, upon application by the Annuitant to the Trustee in accordance with subsections 21(15) and 21(16) of the Regulation and if the following conditions are met:
 - i) the Annuitant requests that the balance be withdrawn by delivering a completed Form 3.6, and a completed Form 3.7 where applicable, to the Trustee;
 - ii) the total assets held by the Annuitant in all LIRAs, LIFs, and Life Annuities would be commutable upon termination of employment if they were held in a pension fund under a pension plan that permitted payment of the commuted value of the pension benefit in accordance with section 34 of the Act;
 - iii) the total of the pension adjustments reported to the Annuitant by the Canada Revenue Agency for the 2 taxation years immediately preceding the request for withdrawal is zero; and
 - iv) the Trustee is satisfied, based upon the information provided in Forms 3.6 and 3.7 and any other information that has been requested by the financial institution, that the reported present distribution of assets transferred from pension funds connected with employment in the Province is consistent with the amounts reported to have been transferred from such pension funds, and the requested withdrawal is permitted under the Regulation.
 - d) **Non-resident.** the Annuitant may withdraw the balance of the money in the account if:
 - i) the Annuitant and his or her Spouse or common-law partner, if any, are not Canadian citizens;
 - ii) the Annuitant and his or her Spouse or common-law partner, if any, are not resident in Canada for the purposes of the Tax Act; and
 - iii) the Annuitant's Spouse or common-law partner, if any, waives, on Form 3.5, any rights that he or she may have in the account under the Act, this Regulation or this contract.
- The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 9 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Account in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.
10. **Permitted transfers:** No transfer of all or any part of the money or assets held under this Account, and after the Maturity Date, is permitted unless the balance of the money in the Account, in whole or in part, is transferred to one of the following:
 - a) before a conversion under Section 7 hereof, to the fund of a pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act, where permitted by the terms of such pension plan. However, the Annuitant shall not be entitled to make a transfer to a pension plan that is not registered in the Province unless the pension plan is registered for persons employed in a designated jurisdiction, and the Annuitant is employed in that jurisdiction by an employer who is making contributions on behalf of the Annuitant to the pension fund that is to receive the amount to be transferred;
 - b) before a conversion under Section 7 hereof, to another LIRA;
 - c) before a conversion under Section 7 hereof, to a LIF; or
 - d) to convert the balance of the money in the Account, to purchase a Life Annuity.
 The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer. Subsections 21(8.1) to 21(11) of the Regulation shall apply to any transfer hereunder, with necessary modifications, including any necessary modification to Form 3.2.
The transfer pursuant to paragraphs 10.a), 10.b), 10.c) and 12.a) shall be effected within 30 days from the Annuitant's application for transfer. A transfer pursuant to paragraph 10.d) shall be effected within a reasonable time. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer.
Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly. A transfer pursuant to paragraphs 10.a), 10.b), 10.c) and 12.a) may, at the option of the Trustee, be effected by the remittance to the Annuitant of the investment securities respecting the Account.
 11. **Marriage Breakdown:** Sections 27 to 33 of the Regulation apply with the necessary modifications to the division of the money in the Account on the breakdown of a marriage or common-law partnership.
 12. **Amendments:** an amendment to this Agreement shall not be made:
 - a) that would result in a reduction of the benefits arising from the Account unless the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the money in the Account in accordance with Section 10 hereof and, unless a notice is delivered to the Annuitant at least 90 days before the effective date, describing the amendment and the date on which the Annuitant may exercise the entitlement to transfer;
 - b) unless the Agreement as amended remains in conformity with the Act and this Regulation; or
 - c) except to bring this Agreement into conformity with requirements under an Act of the Legislature or other legislation in another jurisdiction.
 13. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
 - a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
 - b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
 - c) That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
 - d) That the commuted value of the pension benefits that were transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated on Form 3.2.
 14. **Governing law:** This Agreement shall be governed by the laws of the Province of New Brunswick.

LOCKED-IN RETIREMENT ACCOUNT FOR NOVA SCOTIA (N-S LIRA)

SUPPLEMENTARY AGREEMENT ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

- A. The Annuitant is entitled, pursuant to Pension Benefits Act (Nova Scotia) and the Pension Benefits Regulations (Nova Scotia), to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under the Income Tax Act (Canada) (the "Transfer");
- B. the Annuitant has established a National Bank Direct Brokerage Inc. Self-Directed retirement savings plan with the Trustee and wishes same to receive the Transfer;
- C. the Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;
- D. the parties now wish to supplement the retirement savings plan in order to comply with the requisite locking-in conditions.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. Definitions:

In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Schedule 3 or as in the Declaration. In addition, the following terms shall have the meaning indicated below:

- 1.1 "Account" refers to the National Bank Direct Brokerage Inc. Self-Directed retirement savings plan executed between the Annuitant and the Trustee, as supplemented and modified by this Agreement establishing a LIRA;
 - 1.2 "Declaration" means the Declaration of Trust of the National Bank Direct Brokerage Inc. Self-Directed Retirement savings plan executed between the Annuitant and the Trustee;
 - 1.3 "Excess amount" means the portion of the amount transferable under clause 61(1)(b) of the Act into a LIRA, or the amount transferable under clause 67(1)(b) of the Act into a registered retirement savings arrangement; that is greater than the amount prescribed for the Transfer under the Federal Income Tax Regulations.
 - 1.4 "Locked-in retirement account" or "LIRA" means a RSP that meets the conditions set out in the Schedule 3, and in the Act and the Regulations;
 - 1.5 "LIF" or "life income fund" means a registered retirement income fund that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 205 to 210 and Schedule 4: Nova Scotia LIF Addendum;
 - 1.6 "Annuitant" has the same meaning as in the Declaration and is also referred to as the "Owner" in Schedule 3.
 - 1.7 "LIRA" or "locked-in retirement account" means a registered retirement savings plan that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 200 to 204 and Schedule 3, and includes a registered retirement savings plan established under a contract made before January 1, 2003, for the purposes of a transfer under the former Act;
 - 1.8 "RIF" means a retirement income fund within the meaning of the Federal Income Tax Act, that is registered under that act;
 - 1.9 "RSP" means a retirement saving plan within the meaning of the Federal Income Tax Act, that is registered under that act;
 - 1.10 "Schedule 3" means the Pension Benefits Regulations (Nova Scotia)'s Schedule 3: Nova Scotia LIRA Addendum included herein after, as same may be amended from time to time;
 - 1.11 "Transfer" means the transfer referred to in paragraph A of the Recitals hereto.
 - 1.12 "Trustee" means Natcan Trust Company, 600 De La Gauchetière West, 28th floor, Montreal, Quebec, H3B 4L2.
2. **Locking-in provisions:** The Annuitant shall not be allowed to make any contribution, and no money which is not locked-in may be transferred or otherwise held under this Account. The only money permitted to be transferred to this Account must be all or part of the following:
 - (a) an amount transferred under clause 61(l)(b) of the Act;
 - (b) an amount transferred as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;
 - (c) assets in a LIRA;
 - (d) assets in a LIF.
 3. **Value of the Account:** The fair market value of the assets held under the Account as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Account for any particular time, including on the death of the Annuitant or on a transfer of assets from the Account. Any such determination by the Trustee shall be conclusive for all purposes hereof.
 4. **Permitted transfers and withdrawals:** No transfer or withdrawal of the money or assets held under this Account is permitted unless such transfer is permitted under Schedule 3, the Act and the Regulations:

Such transfer or withdrawals shall be made after receipt by the Trustee of written instructions from the Annuitant to that effect, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at section 5 hereof are fulfilled. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee shall be released from any liability in connection with this Account to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer accordingly, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.
 5. **Conditions for transfer:** Before transferring any money from this Account to another financial institution, the Trustee shall advise the transferee financial institution in writing that the amount transferred must be administered in accordance with the Act and the Regulations. The transferee financial institution must also agree to administer the amount transferred in accordance with the Act and the Regulations.
 6. **Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through an agent, in the manner provided in the Declaration of Trust creating the retirement savings plan. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Federal Income Tax Act and the Regulations thereunder.
 7. **Criteria of commuted value transferred:** The commute value of the pension benefits transferred into this Account is not determined in a manner that differentiates on the basis of sex, unless the commute value of all the pension benefits transferred hereto where also determined on a basis that differentiates so.
 8. **Compulsory transfer:** The moneys and assets held under this Account shall be affected to a permitted transfer as provided at section 3 hereof before the end of the calendar year in which the Annuitant attains the age limit set in the Federal Income Tax Act, at the choice of the Annuitant as specified in writing.

However, if the Trustee has not received from the Annuitant the necessary documentation to start a pension or effect such transfer, within 90 days prior to the end of the calendar year in which the Annuitant attains the age the age limit set in the Federal Income Tax Act, the Trustee shall, at his entire discretion, either purchase a

life annuity for the Annuitant, in compliance with Schedule 3 hereof, or transfer the balance of this Account to a Life Income Fund selected by the Trustee for the Annuitant.

9. **Death of the Annuitant:** Upon the Annuitant's death, the money and assets held under this Account shall be payable in accordance with the Regulations. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.
10. **Statement:** The Trustee agrees to provide the information described in Section 4 of Schedule 3 to the persons indicated in that Section.
11. **Amendment:** The Trustee agrees not to amend this Account except as provided in Schedule 3 and the Regulations. A 90 days prior written notice must be given by the Trustee to the Annuitant of any proposed amendment to the Account, except if any of the following conditions are met:
 - a) the Trustee is required by law to make the amendment;
 - b) the Annuitant is entitled to transfer the assets of the Account under the terms of the contract as they exist before the amendment takes effect.
12. **Representation and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
 - 12.1 that an entitlement to receive a pension under a pension plan governed by the Act is vested in him/her;
 - 12.2 that he/she is entitled to effect a transfer of his/her pension entitlements pursuant to the Act;
 - 12.3 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and
 - 12.4 that the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
 - 12.5 that the Trustee is entitled to rely upon the information provided by the Annuitant in order to purchase this locked-in retirement Account.
 - 12.6 That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.
13. **Governing terms:** The money which is the object of the transfer shall be held by the Trustee in accordance with the terms of the retirement savings plan and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the retirement savings plan on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.
14. **Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Schedule 3: Nova Scotia LIRA Addendum (Pension Benefits Regulations)

Note: This document is Schedule 3 to the Pension Benefits Regulations (Nova Scotia). It forms part of the Regulations and must be read, construed and interpreted in conjunction with the Pension Benefits Act and its Regulations.

Definitions for this Schedule

- 1 In this Schedule,
 - 1.1 "Act" means the Pension Benefits Act (Nova Scotia);
 - 1.2 "Domestic contract", as defined in Section 2 of the Regulations, means a written agreement referred to in, and for the purpose of, Section 74 of the Act that provides for a division between Spouses of any pension benefit, deferred pension or pension, and includes a marriage contract as defined in the *Matrimonial Property Act*;
 - 1.3 "Federal Income Tax Act", as defined in Section 2 of the Regulations, means the *Income Tax Act (Canada)* and, unless specified otherwise, includes the Regulations made under that Act;
 - 1.4 "Owner", also referred to as the "Annuitant", means any of the following persons, as set out in subsection 200(2) of the Regulations, who has purchased a LIRA:
 - (i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,
 - (ii) a Spouse of a person who was a member, and who is entitled to make transfer under clause 61(l)(b) of the Act,
 - (iii) a person who has previously transferred an amount under clause 61(l)(b) of the Act into a LIRA or LIF,
 - (iv) a person who has previously transferred an amount into a LIRA as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
 - (v) a Spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;
 - 1.5 "Regulations" means the Pension Benefits Regulations made under the Act;
 - 1.6 "Spouse", as defined in the Act, means either of 2 persons who
 - (i) are married to each other,
 - (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
 - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement,
 - (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or
 - (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
 - (A) 3 years, if either of them is married, or
 - (B) 1 year, if neither of them is married.
 - 1.7 "Superintendent" means the Superintendent of Pensions, as defined in the Act;

Note Re Requirements of the Pension Benefits Act and Regulations

Prohibitions on transactions from Section 91 of Act

Under Section 91 of the Act, money held in a LIRA must not be commuted or surrendered in whole or in part except as permitted by this Addendum and the Regulations including, without limiting the generality of the foregoing, the following Sections of the Regulations:

- Sections 211 through 230, respecting withdrawal in circumstances of financial hardship;
- Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy;

- Section 232, respecting withdrawal in circumstances of non-residency;
- Section 233, respecting withdrawal of small amounts at age 65;
- Section 198, respecting the transfer of an excess amount, as defined in that Section.

Pursuant to subsection 91(2) of the Act, any transaction that contravenes Section 91 of the Act is void.

Value of assets in LIRA subject to division

The value of the assets in a LIRA is subject to division in accordance with all of the following:

- an order of the Supreme Court of Nova Scotia that provides for a division of a pension benefit, a deferred pension or a pension under Section 74 of the Act;
- a Domestic contract that provides for the division of any pension benefit under Section 74 of the Act;
- the Regulations.

Money held in LIRA

The following requirements are set out in the Pension Benefits Act and are applicable to LIRAs governed by this Addendum:

- Money held in a LIRA must not be assigned, charged, or given as security except as permitted by subsection 88(3) of the Act or Section 90 of the Act, and any transaction purporting to assign, charge, anticipate or give the money in the LIRA as security is void.
- Money held in a LIRA is exempt from execution, seizure or attachment except for the purpose of enforcing a maintenance order as permitted by Section 90 of the Act.

2. Transferring assets from LIRAs

- (1) An Owner of a LIRA may transfer all or part of the assets in the LIRA to any of the following:
 - (a) the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to the pension fund of a pension plan provided by a government in Canada;
 - (b) a LIRA held by another financial institution;
 - (c) a LIF;
 - (d) a life annuity.
- (2) The date of a transfer under subsection (1) must not be later than 30 days after the Owner requests it, unless any of the following apply:
 - (a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;
 - (b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period.
- (3) If assets in a LIRA consist of identifiable and transferable securities, the financial institution providing the LIRA may transfer the securities with the consent of the Owner of the LIRA.
- (4) A financial institution providing a LIRA must advise the financial institution to which the assets of the LIRA are transferred
 - (a) that the assets were held in a LIRA in the current year; and
 - (b) whether the assets were determined in a manner that differentiated on the basis of sex.

3. Information to be provided by financial institution on transfers of assets of LIRAs

If the assets in a LIRA are transferred, the financial institution providing the LIRA must give the Owner the information required by Section 4 below, determined as of the date of the transfer.

4. Information to be provided annually by financial institution

At the beginning of each fiscal year of a LIRA, a financial institution providing the LIRA must provide all of the following information to the Owner about their LIRA as of the end of the previous fiscal year:

- (a) with respect to the previous fiscal year,
 - (i) the sums deposited,
 - (ii) any accumulated investment earnings, including any unrealized capital gains or losses,
 - (iii) the payments made out of the LIRA,
 - (iv) any withdrawals from the LIRA,
 - (v) the fees charged against the LIRA;
- (b) the value of the assets in the LIRA at the beginning of the fiscal year of the LIRA.

5. Death benefits

- (1) If the Owner of a LIRA dies, the following are entitled to receive a benefit equal to the value of the assets in the LIRA, subject to subsections (4) and (5):
 - (a) the Owner's Spouse;
 - (b) if there is no Spouse or if the Spouse is disentitled under subsection (4) or (5), the Owner's named beneficiary;
 - (c) if there is no named beneficiary, the personal representative of the Owner's estate.
- (2) For the purposes of subsection (1), a determination as to whether an Owner of a LIRA has a Spouse must be made as of the date the Owner dies.
- (3) For the purposes of subsection (1), the value of the assets in a LIRA includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIRA from the date of death until the date of payment.
- (4) A Spouse is not entitled to receive the value of the assets in a LIRA under clause (1)(a) if the Owner of the LIRA was not a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA.
- (5) A Spouse who is living separate and apart from the Owner of a LIRA without a reasonable prospect of resuming cohabitation on the date the Owner dies is not entitled to receive the value of the assets in the LIRA under clause (1)(a) if any of the following conditions apply:
 - (a) the Spouse delivered a written waiver to the financial institution in accordance with Section 6 below;
 - (b) the Spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with the terms of a Domestic contract that provides for the division of any pension benefit, deferred pension or pension under Section 74 of the Act;
 - (c) the Spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with a court order respecting a division of a pension benefit, deferred pension or pension under Section 74 of the Act.
- (6) The benefit described in subsection (1) may be transferred to a registered retirement savings arrangement in accordance with the Federal Income Tax Act.

6. Waiver of entitlement to death benefits by Spouse

- (1) A Spouse of an Owner of a LIRA may waive their entitlement to receive a benefit described in Section 5 above from the LIRA, by delivering, any time before the death of the Owner, a written waiver in an approved form to the financial institution providing the LIRA.
- (2) A Spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the Owner of the LIRA dies.

7. Information to be provided by financial institution on death of Owner

If the Owner of LIRA dies, the financial institution providing the LIRA must give the information required by Section 4 above, determined as of the date of the Owner's death, to any person who is entitled to receive the assets in the LIRA under subsection 5(1) of the above.

LOCKED-IN RETIREMENT ACCOUNT FOR NEWFOUNDLAND AND LABRADOR (NF LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT SAVINGS PLAN

RECITALS:

- The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived from, directly or indirectly from, a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- The Annuitant has established a National Bank Direct Brokerage Inc. Retirement Savings Plan and wishes same to receive the Transfer;
- The Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;
- The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

- Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration. In addition, the following terms shall have the following meaning:

- "Act" means the *Pension Benefits Act, 1997* (Newfoundland and Labrador), as same may be amended from time to time;
- "Account" refers to the National Bank Direct Brokerage Inc. Retirement Savings Plan established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money that is the subject of the Transfer;
- "Declaration" means the Declaration of Trust of the National Bank Direct Brokerage Inc. Retirement Savings Plan;
- "Directive" means Directive no. 4 entitled "Locked-in Retirement Account Requirements", issued under the Act, effective December 13, 2001;
- "LIF" means a life income fund that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in Directive no. 5 and the Regulation;
- "Life Annuity Contract" means a life annuity that complies with the relevant provisions of the Tax Act and is an agreement that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act under an insurance contract that meets the requirements of Directive no. 4 and Directive No. 6, commencing not before the person who is to receive the pension benefit obtains the earlier of:
 - (i) age of 55 years; or
 - (ii) the earliest date on which the former member is entitled to receive a pension benefit under a pension plan from which the money was transferred to the LIRA as a result of termination of employment or termination of the plan.

- "LIRA" means a locked-in retirement account, that is an RSP that meets the requirements set out in the Directive and the Regulation;
- "LRIF" means a locked-in retirement income fund that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in Directive no. 17 and the Regulation;
- "Regulation" means *Newfoundland and Labrador Regulation 114/96* adopted pursuant to the Act, as same may be amended from time to time;
- "RSP" means a retirement saving plan within the meaning of the Tax Act that is registered under that act;
- "Spouse" shall have the meaning of "principal beneficiary" assigned to such term under the Directive, but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RSP;
- "Tax Act" means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- "Transfer" means the transfer referred to in paragraph A of the Recitals hereto.

- Locking-in provisions:** Except as permitted by the Act and the Regulation, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or for any previous transfers, be required or permitted by the Act. No money that is not locked-in may be transferred or otherwise held under this Account.
- Value of the Account:** The fair market value of the assets held under the Account as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Account for any particular time, including on the death of the Annuitant or on a transfer of assets from the Account. Any such determination by the Trustee shall be conclusive for all purposes hereof.
- Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration, and will not be invested directly or indirectly in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant or the Spouse of any of those persons. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act.
- Permitted transfers:** All money that is the subject of the Transfer and held under this Account, including all investment earnings, shall be used to provide a pension benefit and shall not be withdrawn except:
 - (a) before maturity, to transfer the money to the pension fund of a registered pension plan;
 - (b) before maturity, to transfer the money to another LIRA;
 - (c) to purchase a Life Annuity Contract;
 - (d) to transfer the money to a LIF; or
 - (e) to transfer to a LRIF.

The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee affect such a permitted transfer, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at Section 6 hereof are fulfilled.

The transfer shall be affected within a reasonable time from the confirmation by the Trustee that the conditions for the transfer have been met. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer accordingly, or (ii) where such investments consist of identifiable and transferable securities, affect the transfer by the remittance of such securities.

6. **Conditions for Transfer:** The Trustee will advise any subsequent transferee in writing that the amount transferred must be administered as a pension benefit under the Act and Regulation and will not permit any subsequent transfer of any amount held under this Account unless:
 - a) the transfer would be permitted under the Act and Regulation; and
 - b) the subsequent transferee agrees to administer the amount transferred as a pension benefit in accordance with the Act and Regulation.
7. **Restrictions:** Money in the Account will not be assigned, charged, anticipated or given as security except as permitted by section 37 of the Regulation and any transaction purporting to assign, charge, anticipate or give the money in the Account as security will be void.
8. **Irregular Payments:** If money is paid out contrary to the Act or the Directive, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the money not been paid out.
9. **Pension Benefits:** The pension benefit payable to an Annuitant who has a Spouse at the date the pension commences shall be a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of either unless the Spouse waives the entitlement in a form and manner set out in a form provided by the Superintendent.
10. **Death of the Annuitant:** On the death of the Annuitant who was a former member who has a Spouse, the surviving Spouse, or where there is no surviving Spouse or the surviving Spouse had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant is entitled to receive a lump sum payment of the full value of the contract. Where the Annuitant is not a former member, the full value of the contract shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the owner's estate. Such payment is subject to paragraph 60(l) of the Tax Act.
11. **Marriage Breakdown.** This Agreement is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.
12. **Permitted Withdrawals:** Except as provided in Part VI of the Act, no withdrawal, commutation or surrender of money, in whole or in part, held under this Account is permitted and will be void, except in the following circumstances:
 - a) **Shortened Life Expectancy Withdrawal.** The Annuitant may withdraw all or part of the money in the Account as a lump-sum or series of payments, in accordance with section 3 of the Directive, if the following conditions are met:
 - i) if a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably; and

- ii) if the Annuitant is a former member of a pension plan such payment may only be made if the Spouse of the Annuitant has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent.

- b) **Withdrawal of Small Amount.** The Annuitant may withdraw in a lump sum payment equal to the value of the entire Account, upon application by the Annuitant to the Trustee in accordance with sections 4 and 5 of the Directive, if the following conditions are met:
 - i) the value of all assets in all LIFs, LIRIFs and LIRAs owned by the Annuitant and governed by Newfoundland pension benefits legislation is less than 10% of the year's maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; or
 - ii) the Annuitant has reached the earlier of age 55 or the earliest date on which the Annuitant would have been entitled to receive a pension benefit under the plan from which money was transferred, and the value of the Annuitant's assets in all LIFs, LIRIFs and LIRAs governed by Newfoundland pension benefits legislation is less than 40% of the year's maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; and
 - iii) the application shall be made on a form approved by the Superintendent; and
 - iv) if the Annuitant is a former member of a pension plan, such application shall be accompanied by waiver by Spouse of the Annuitant of the joint and survivor pension entitlement in the form and manner required by the Superintendent.

The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 12 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Account in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.

13. **Differentiation Based on Sex:** Where the commuted value of a pension benefit which was transferred to the Account was determined in a manner that did not differentiate on the basis of sex, the Life Annuity Contract purchased with the funds in the Account shall not differentiate on the basis of the sex of the recipient. The commuted value of the pension benefit that was the subject of the Transfer was differentiated on the basis of sex of the Annuitant, unless otherwise indicated in writing to the Trustee.
14. **Representations and Warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
 - a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
 - b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
 - c) That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
 - d) That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.
15. **Governing law:** This Agreement shall be governed by the laws of the Province of Newfoundland and Labrador.

LOCKED-IN RETIREMENT SAVINGS PLAN FOR SASKATCHEWAN (SK LIRA)

SUPPLEMENTARY AGREEMENT ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE RETIREMENT SAVINGS PLAN

RECITALS:

- A. The Annuitant is entitled under the Act and the Regulation to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under the *Income Tax Act* (Canada) (the "Transfer");
- B. The Annuitant has established a Natcan Trust Company Retirement Savings Plan specimen Plan number 525-026 and Annuitant's Account number _____ (the "Retirement Savings Plan") and wishes same to receive the Transfer;
- C. The Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;
- D. The parties now wish to supplement the Retirement Savings Plan in order to comply with the requisite locking-in conditions.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. DEFINITIONS:

In this Agreement, all terms not otherwise defined herein shall have the same meaning as in the Retirement Savings Plan, and as in the Act and the Regulation. In addition, the following terms shall have the meaning indicated below:

- 1.1 "Act" means *The Pension Benefits Act 1992 (Saskatchewan)*, as same may be amended from time to time;
- 1.2 "financial institution" means the underwriter, depository or issuer of a Prescribed RIF or LIRA;
- 1.3 "Account" refers to the Retirement Savings Plan executed between the Annuitant, and the Trustee, as supplemented and modified by this Agreement establishing a LIRA;
- 1.4 "Life annuity contract" means a contract with an insurance business under which the insurance business guarantees the payment of a pension that is not commutable to the owner of a contract who attains at least:
 - (i) the age of 55 years; or
 - (ii) where that owner provides evidence to the satisfaction of the issuer of the contract that the plan or any of the plans from which the money was transferred provides for payment of the pension at an earlier age, that earlier age; and that, subject to subsection 29(6) of the Regulation, does not take into account the sex of the person and the co-annuitant, if any, in determining the amount of the pension;
- 1.5 "Locked-in retirement account" or "LIRA" means a registered RSP contract issued to hold locked-in money that is subject to a transfer and that meets the conditions set out in section 29 of the Regulation;
- 1.6 "Prescribed RIF" means a registered RIF contract issued to hold locked-in money that is subject to a transfer and that meets the conditions set out in section 29.1 of the Regulation;
- 1.7 "Regulation" means *The Pension Benefits Regulation, 1993 (Saskatchewan)* adopted pursuant to the Act, as same may be amended from time to time;

- 1.8 "RIF" means a retirement income fund within the meaning of the *Income Tax Act* (Canada) that is registered under that act;
- 1.9 "RSP" means a retirement saving plan within the meaning of the *Income Tax Act* (Canada) that is registered under that act;
- 1.10 "Spouse" shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a Spouse or common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting RSP;
- 1.11 "Transfer" means the transfer referred to in paragraph A of the Recitals hereto;
- 1.12 "Trustee" means Natcan Trust Company.

2. **Locking-in provisions:** Subject to section 3 herein, all money that is the subject of the Transfer, including all investment earnings, interest or gain thereon but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or any previous transfers, be required or permitted by the Act.

3. **Permitted transfers and withdrawals:** No transfer of all or any part of the money or assets held under this Account is permitted unless such transfer is made to one of the following:

- 3.1 to another LIRA as defined in section 29 of the Regulation;
- 3.2 to purchase a Life annuity contract;
- 3.3 to purchase a RIF as defined in section 29.1 of the Regulation; or
- 3.4 to a plan on the conditions referred to in Section 32(2) (a) of the Act.

Such transfer shall be made after receipt by the Trustee or the Agent of written instructions from the Annuitant to that effect, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at section 5 hereof are fulfilled. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer. Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer accordingly, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

No withdrawal, commutation or surrender of money held under this Account is permitted, except in compliance with the *Income Tax Act* (Canada), the Act and the Regulation:

- (i) where a physician certifies that, due to mental or physical disability, the life expectancy of the Annuitant is shortened considerably, in which event the Annuitant may elect to withdraw the money held under this Account either by way of a lump sum or a series of payments, as the Annuitant will specify in writing;
- (ii) the Annuitant may withdraw as a lump sum the assets in the Account if that balance of the assets in the LIRA do not exceed an amount mentioned in subsection 29(8.1) of the Regulation. The Trustee shall not permit a withdrawal pursuant to this paragraph unless the Trustee is satisfied that the Annuitant has no other locked-in assets.

- (iii) the Annuitant may withdraw as a lump sum the assets in the Account if the Annuitant:
- is a non-resident of Canada as determined for the purposes of the *Income Tax Act* (Canada);
 - has not resided in Canada for at least two consecutive years;
 - provides the issuer with written evidence that the Canada Revenue Agency has determined that the Annuitant is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and
 - completes and files with the issuer a certificate of non residency in Form 4; and
- If the Annuitant has a Spouse, the Annuitant obtains the Spouse's consent to withdrawal and waiver of entitlements in Form 5 and files a copy of the completed form with the Trustee.
- Improper payments:** Should any money or assets held under this Account be paid out contrary to the Act or the Regulation, the Trustee will provide or ensure the provision of a pension in the amount of the pension that would have been provided had the money not been paid out.
 - Conditions for transfer:** Before transferring out the locked-in money pursuant to section 3 herein, the Trustee shall advise the transferee financial institution in writing of the locked-in status of the money shall make acceptance of the transfer subject to the conditions provided for in subsection 29(4)(f) of the Regulation. If the Trustee does not comply with the above condition, and the transferee financial institution fails to pay the money transferred in the form of a pension or in the manner required by the Regulation, the Trustee shall provide or ensure the provision of a pension in an amount that would have been provided had the money not been paid out or transferred contrary to the provisions of the Act or the Regulation.
 - Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration of Trust creating the Retirement Savings Plan. All investments of money or assets held under this Account must comply with the rules for the investment of registered RSP pursuant to the *Income Tax Act* (Canada).
 - Exemption from seizure:** The money and assets held under this Account may not be assigned, charged, alienated or anticipated and shall be exempted from execution, seizure or attachment, except to the extent provided by law. Any transaction purporting to assign, charge, alienate or anticipate the money or assets held under this Account is void.
 - Requirement form of pension:** The pension to be provided to the Annuitant who i) was a member of the plan from which the assets in the Account were transferred and ii) has a Spouse at the date when the pension commences; must comply with section 34 of the Act, unless the Spouse of the Annuitant waives his or her entitlement in the manner prescribed by the Act and the Regulation and satisfactory evidence thereof is given to the Trustee. The pension to be provided to the Annuitant must be established in a manner that does not differentiate on the basis of the Annuitant's sex, unless the Annuitant can provide to the Trustee satisfactory evidence that such differentiation would be allowed in the circumstances
 - Compulsory transfer:** The moneys and assets held under this Account shall be affected to a permitted transfer as provided at section 3 hereof before the end of the calendar year in which the Annuitant attains the maximum age prescribed under the *Income Tax Act* (Canada), at the choice of the Annuitant as specified in writing. However, if the Trustee has not received from the Annuitant the necessary documentation to start a pension or effect such transfer, within 90 days prior to the end of the calendar year in which the Annuitant attains the maximum age prescribed under the *Income Tax Act* (Canada), the Trustee shall, at its entire discretion, either purchase an immediate Life annuity contract for the Annuitant, in compliance with subsection 3.2 hereof, or transfer the balance of this Account to a RIF for the Annuitant, as defined in section 29.1 of the Regulation.
 - Death of the Annuitant:** On the death of the Annuitant who was a member of the plan from which the money was transferred:

- the surviving Spouse is entitled to the locked-in money in the Account. In that case, the surviving Spouse may, within 180 days following the day on which proof of death of the Annuitant is provided to the Trustee, elect:
 - to transfer the locked-in money in the Account in accordance with subsection 32(2) of the Act; or
 - to receive a lump sum payment equal to the locked-in money in the Account.
- if there is no surviving Spouse, the designated beneficiary of the Annuitant is entitled to the locked-in money in the Account, as a lumps sum payment;
- if there is no surviving Spouse or designated beneficiary of the Annuitant, the estate of the Annuitant is entitled to the locked-in money in the Account, as a lumps sum payment; and

The locked-in money in the Account will be transferred to the surviving spouse, the designated beneficiary or the estate of the owner in accordance with this Agreement and with subsections (4.1) to (4.5) of the Regulation. Such transfer shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the assets in the Account.

- Spousal relationship Breakdown:** Notwithstanding any contrary provision of this Agreement, the Account is subject, with any necessary modification, to the division on spousal relationship breakdown provisions in Part IV of the Act.
- Enforcement of Maintenance Orders:** Notwithstanding any contrary provision of this Agreement, the Account is subject to attachment for purpose of enforcing a maintenance order as defined in the Enforcement of Maintenance Orders Act. Where an amount has been attached, the Trustee shall deduct from the locked-in money in the contract:
 - an amount, not to exceed \$250, that reasonably represents the cost to the Trustee of complying with the attachment;
 - the total amount of taxes, if any, that are required to be deducted or withheld as a result of the attachment; and
 - the lesser of (A) the amount attached; and (B) the remainder of the locked-in money in the contract.

The Annuitant has then no further claim or entitlement to any pension respecting the amount attached and the Trustee is not liable to any person by reason of having made payment pursuant to an attachment.
- Representation and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
 - that an entitlement to receive a pension under a pension plan governed by the Act is vested in him(her);
 - that he/she is entitled to effect a transfer of his(her) pension entitlements pursuant to the Act;
 - that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and
 - that the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
- Governing terms:** The money which is the object of the Transfer shall be held by the Trustee in accordance with the terms of the retirement savings plan and the provisions of this Agreement provided that in the event of any conflict between the provisions of the retirement income fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.
- Governing law:** This Agreement shall be governed by the laws of the province of Saskatchewan.
- Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT INCOME FUND DECLARATION OF TRUST (RIF)

- Definitions.** For the purposes hereof, the words and expressions set out below shall have the following meanings:
 - Annuitant:** The person whose name is indicated as such in the Application and, after his or her death, the surviving Spouse as provided under the definition of the term "annuitant" under subsection 146.3(1) of the *Income Tax Act* (Canada) (such surviving Spouse referred to as the "**Successor Annuitant**").
 - Application:** The application form for membership in the Fund, included in the Account opening form attached hereof, completed and signed by the Annuitant.
 - Assets of the Fund:** All property of any nature whatsoever which makes up the Fund, including assets transferred to the Fund in accordance with the provisions of Section 4 hereof, as well as any income or gains of any type whatsoever, generated or realized during the administration of the Fund by the Trustee.
 - Beneficiary:** means the person who is or would be legally entitled to receive any Assets of the Fund or proceeds from the disposition of the Assets of the Fund in the case of the death of the Annuitant, pursuant to the applicable legislation, such as the Annuitant's surviving Spouse, estate, designated beneficiary, or legal representative within the meaning of the Tax Act.
 - Fund:** The National Bank Direct Brokerage Inc. Retirement Income Fund established by the Trustee for the benefit of the Annuitant, in accordance with the terms and conditions set forth in the Application and herein, as such Fund may be amended from time to time.
 - Spouse:** A spouse or a common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting a RIF.
 - RRIF:** means a registered retirement income fund, as defined in the Tax Act.
 - RRSP:** means a registered retirement savings plan, as defined in the Tax Act.
 - Tax Act:** The *Income Tax Act* (Canada) and the regulations adopted thereunder.
 - Tax Legislation:** The Tax Act and the corresponding statutes in the Province in which the Annuitant resides, and the regulations adopted thereunder.
 - Trustee:** Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).
 - Agent:** National Bank Direct Brokerage Inc. designated as such in paragraph 12a) hereunder.
- Establishment of the Fund.** By means of the transfer to the Trustee by the Annuitant of the assets set out in the Application, in accordance with Section 4 hereof, the Annuitant establishes with the Trustee a retirement income fund for his or her benefit, whereby the Trustee undertakes to pay the Annuitant amounts each year in accordance herewith. All assets paid into the Fund, as well as any income, capital gain or other gain of whatever nature, generated or realized by the Fund and held in the Fund by the Trustee and invested in accordance with the provisions hereof, shall be used in such manner as to make payments to the Annuitant in accordance herewith.

The Fund constitutes a trust for the purposes of the Tax Legislation only, excluding any other purpose whatsoever.

The Trustee, by accepting the Application, agrees to administer the Fund in accordance with the Tax Legislation and in the manner set out herein. Subject to the registration of the Fund pursuant to the Tax Legislation, this Declaration of Trust takes effect from the date of acceptance of the Application by the Trustee.

- Registration.** The Trustee shall request the registration of the Fund under the Tax Legislation. In the course of such registration, the Trustee is hereby authorized to rely exclusively on the information provided by the Annuitant or his or her Spouse, as applicable, in the Application. If any of the authorities' concerned refuses such registration, the Application and this declaration of trust shall be cancelled, and the sums or property transferred to the Fund by the Annuitant, if applicable, shall be reimbursed by cheque.
- Assets Transferred to the Fund.** Subject to the minimum amount of consideration that may be set by the Trustee at its sole discretion, The Trustee may only accept in the Fund, as consideration thereunder, those assets which are transferred from:
 - a RRSP of which the Annuitant is the beneficiary;
 - another RRIF of which the Annuitant is the beneficiary;
 - the Annuitant, to the extent that the consideration is an amount referred to in subparagraph 60(l)(v) of the Tax Act and, if applicable, any equivalent provisions in the Tax Legislation, and in particular of any amount paid as reimbursement of premiums pursuant to the death of a Spouse, originating with a RRSP of which the Spouse of the Annuitant was the beneficiary;
 - a RRSP or a RRIF of which the Spouse or former Spouse of the Annuitant is the beneficiary, in accordance with an order, or judgment of a court having jurisdiction or with a written separation agreement, relating to a division of property between the Annuitant and his or her Spouse or former Spouse in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership;
 - a registered pension plan of which the Annuitant is a member (as defined in subsection 147.1(1) of the Tax Act);
 - a registered pension plan in accordance with subsection 147.3(5) or (7) of the Tax Act;
 - a specified pension plan in circumstances to which subsection 146(21) of the Tax Act applies (such as the Saskatchewan Pension Plan); or
 - otherwise, in accordance with the provisions of the Tax Legislation.
- Investments.** The Assets in the Plan are invested in qualified investments for Retirement income funds within the meaning of the Tax Legislation ("**qualified investments**"), in accordance with the instructions provided by the Annuitant to the Trustee, in a form deemed satisfactory by the Trustee. The Annuitant is responsible

to ensure that investments made by the Fund are qualified investments for the Fund within the meaning of the Tax Legislation.

The Trustee shall reinvest all distributions of net income and net realized capital gains received by the Fund in respect of any particular investment in additional investments of the same type unless otherwise instructed by the Annuitant in a form deemed satisfactory by the Trustee.

The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the Fund holds a non-qualified investment.

From time to time, the Trustee may authorize additional investments available for investment by the Fund notwithstanding that such investments may not be authorized by law for trustees or may be considered a delegation of the Trustee's investment duties. The Annuitant will not hold the Trustee liable with regard to the investment of the Assets of the Fund, whether or not made pursuant to instructions given by the Annuitant.

The voting rights attached to the units, shares or other securities held under the Fund, as applicable, may be exercised by the Annuitant and, for this purpose, the Annuitant is hereby appointed as the Trustee's agent and attorney to execute and deliver proxies and/or other instruments in accordance with applicable laws.

6. Restrictions.

- a) **Assignment.** The Annuitant acknowledges that this Fund, as well as the rights and benefits arising therefrom, may not be assigned or otherwise transferred.
- b) **Security.** The Fund or the Assets of the Fund may not be given as collateral, by mortgage or otherwise, and may not be used for any purpose other than to provide for the payment of retirement income.
- c) **Payments.** Notwithstanding any provision to the contrary, the Trustee shall make only those payments described in paragraphs 146.3(2)(d) and 146.3(2)(e), subsection 146.3(14), and the definition of "retirement income fund" at subsection 146.3(1) of the Tax Act.
- d) **Effect.** Any agreement which purports or attempts to contravene the restrictions contained in this Section 6 shall be null.

7. Payments.

In accordance with the Tax Legislation, the Trustee shall make payments to the Annuitant or the Successor Annuitant in accordance with Section 9 hereof. Each year and no later than in the year immediately following the year in which the Application was accepted by the Trustee, the Trustee shall make payments from the Fund for the benefit of the Annuitant. However, subject to any contrary provisions contained in Section 9 hereof and unless the Trustee shall be otherwise authorized pursuant to the Tax Legislation, such payments may only be paid in accordance with the following conditions and the Tax Legislation:

- a) **Annual Payments.** The total payments to the Annuitant out of the Fund for each year shall correspond to the amount selected by the Annuitant on the Application (such amount being no lower than the minimum amount and no higher than the maximum amount). The Annuitant may change the amount of the payment selected, upon written notice to the Trustee in a form deemed satisfactory by the Trustee, no later than January 1 of the year in which the change is to come into effect.

The new payment amount will be effective until another change is duly notified to the Trustee. If the amount selected by the Annuitant is lower than the minimum amount, the Trustee will nevertheless pay the minimum amount required under the Tax Legislation. If the amount selected by the Annuitant is higher than the maximum amount, the Trustee will nevertheless pay the maximum amount allowed under the Tax Legislation.

The amount selected by the Annuitant will then be amended to correspond to the minimum amount or maximum amount, as applicable, with respect to such year.

- b) **Minimum Amount.** In the year of the establishment of the Fund the "minimum amount" that is required to be withdrawn from the Fund is nil. For any other year, the "minimum amount" will be calculated in accordance with the Tax legislation. The Annuitant may elect to base the minimum amount on his age or his Spouse's age. The Annuitant may not make or change any such election after the first payment has been made under the Fund.
- c) **Maximum Amount.** The "maximum amount" that may be withdrawn from the Fund is the value of the Fund immediately prior to the payment date. In the case of a locked-in fund, the maximum amount specifically provided under the applicable laws may be lower.
- d) **Frequency.** The frequency of the payments shall correspond to the frequency selected by the Annuitant on the Application (not be less than one payment per calendar year or greater than one payment per calendar month), which the Annuitant may change from time to time upon written notice to the Trustee in a form deemed satisfactory by the Trustee.
- e) **Cash Payment Only.** The payments paid to the Annuitant will be in cash only. It is the Annuitant's sole responsibility to ensure that there is sufficient cash in the Fund to make the payments in accordance with this Section 7. Nevertheless, if the Trustee, in its view, does not consider that the cash available in the Fund will be sufficient to make the payments in accordance with this Section 7, the Trustee may dispose of the investments which it may select, in its entire discretion, for the purposes of such payment, unless the Annuitant instructs the Trustee no later than 30 days prior to the payment date as to the specific investment the Annuitant wishes to be sold for cash to make the payment. The Trustee shall not be liable for any losses incurred by the Fund as a result of such disposition.
- f) **Receipt of Payments.** Payments to the Annuitant shall be deemed to have been made by effecting a direct money transfer to the bank account indicated on the Application or by the mailing of a cheque payable to the Annuitant in a postage prepaid envelope addressed to the Annuitant at the address indicated in the Application, or at such other address or bank account as may be furnished to the Trustee in writing.
- g) **Withholding.** The Trustee may deduct from payments any amount in respect of tax, interest, penalties, fees and expenses that are payable hereunder, under the Tax Legislation or other applicable laws.
- h) **No Advantage.** The Annuitant, or a person with whom the Annuitant does not deal at arm's length, within the meaning of Tax Legislation, may not receive any benefit, payment or advantage, other than the benefits authorized under this Fund and the Tax Legislation.

8. Designation of Beneficiary (Not available for RIF in the Province of Quebec).

If permitted by applicable legislation, the Annuitant may designate one or more beneficiaries to receive the proceeds payable under the provisions of the Fund; such designation may in particular be made in the Application, and it may be amended or revoked thereafter.

Any designation of beneficiary may be made, amended or revoked only in compliance with the applicable legislation by way of a written document or instrument, dated and

signed by the Annuitant, the form and content of which shall be acceptable to the Trustee, and in particular shall specifically identify the Fund. Any designation of beneficiary shall come into force on the date it is received by the Trustee.

9. Death of Annuitant.

- a) **Successor Annuitant.** The Annuitant may elect in accordance with the Tax Act that, upon his or her death, the Successor Annuitant become the new annuitant of the Fund and continue to receive the further payments provided for herein.

At the death of the Successor Annuitant, the payments provided for herein shall cease to be paid as soon as the Trustee receives notice of the Successor Annuitant's death. Upon receipt of evidence satisfactory to the Trustee in respect of the right of entitlement of the Beneficiary, the Trustee shall dispose of the Assets of the Fund, and subject to the Tax Legislation and after deducting any applicable tax, costs of such disposition, fees or any other amounts payable hereunder, the Trustee shall pay in a lump sum the net proceeds of such disposition to the Beneficiary. No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.

- b) **Beneficiary of Lump Sum.** If, at the death of the Annuitant, a Successor Annuitant is not designated, the payments provided for herein shall cease to be paid as soon as the Trustee receives notice of the Annuitant's death. Upon receipt of evidence satisfactory to the Trustee in respect of the right of entitlement of the Beneficiary, the Trustee shall dispose of the Assets of the Fund, and subject to the Tax Legislation and after deducting any applicable tax, costs of such disposition, fees or any other amounts payable hereunder, the Trustee shall pay in a lump sum the net proceeds of such disposition to the Beneficiary. No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.

10. Separate Account and Tax Information.

The Trustee shall maintain a separate account for the Fund and shall furnish to the Annuitant annually or more frequently, a statement showing, for each period, the payments made to the Annuitant, the Assets of the Fund, the value of the Fund, any income realized by the Fund, the fees debited from the account since the last statement, the balance of the account as well as any other information deemed relevant by the Trustee in its sole discretion.

The Trustee shall annually provide the Annuitant with information returns regarding the payments made to the Annuitant out of the Fund in accordance with the Tax Legislation.

The Annuitant will be solely responsible for ensuring that any deduction claimed for income tax purposes does not exceed the permitted deductions under the Tax Legislation.

Assets of the Fund held through a locked-in retirement income fund, a life income fund or other locked-in arrangements will be accounted for separately.

11. Assets Transferred.

Upon receipt of written instructions from the Annuitant in a form deemed satisfactory by the Trustee, the Trustee shall transfer, in the manner prescribed by the Tax Legislation, all or part of the Assets of the Fund or an amount equivalent to the value of such assets at that time, as well as all information necessary for the continuance of the Fund, to any person legally authorized to become an issuer under another RRIF of which the Annuitant may be the beneficiary, after deducting all amounts to be retained in application of paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

Under a written separation agreement or according to an order or a decision handed down by a competent tribunal concerning the division of property, in the event of the breakdown of the Annuitant's marriage or common-law partnership, the Annuitant may request the transfer of property from the Fund to a RRIF or to a RRSP of which his or her Spouse or former Spouse is the annuitant.

Such transfers shall take effect in accordance with applicable laws and within a reasonable time after all forms required to be completed in respect of such transfer have been completed and forwarded to the Trustee. Upon such transfer, the Trustee shall be subject to no further liability or duty to the Annuitant with respect to the Assets of the Fund, or the portion thereof, so transferred, as the case may be. It is however understood that the Trustee shall never be obligated to cash in any investment before its term, prior to completing its transfer.

12. Provisions Regarding the Trustee.

- a) **Delegation of Powers.** The Trustee may delegate to its agents, including National Bank Direct Brokerage Inc. (the "Agent"), any of its administrative duties or of its powers to do specific things, and the delegate may receive all or part of the fees to which the Trustee is entitled hereunder, it being understood, however, that ultimate responsibility for administering the Fund shall remain vested in the Trustee.

- b) **Withdrawal of Trustee.** The Trustee may withdraw as the administrator of the Fund upon 90 days' prior notice given to the Annuitant in the manner set out in Section 13.f) hereof and provided a replacement trustee has accepted the appointment and on condition such replacement is a body corporate resident in Canada duly authorized by the applicable laws to act in such capacity.

- c) **Fees and Expenses.** The Trustee shall be paid the fees and other charges it prescribes from time to time, which may be directly charged against and deducted from the Assets of the Fund.

The Trustee shall be entitled to charge fees upon the termination of the Fund, the transfer or withdrawal of Assets of the Fund or any other event which it may reasonably determine. These fees are disclosed to the Annuitant in accordance with the applicable laws. The Trustee shall be reimbursed for all fees, out-of-pocket expenses and costs incurred by it or its agents in connection with the administration of the Fund.

The reimbursement of any and all taxes, interest or penalty payable may be directly charged against and deducted from the Assets of the Fund but only as far as permitted by the applicable laws. Trustee may then, without further notifying the Annuitant, dispose of Assets of the Fund, in whole or in part, on such conditions as it may determine and apply the proceeds of such disposition to the payment. The Trustee shall not be liable for any losses incurred as a result of such disposition.

- d) **Liability and Hold-Harmless.** The Annuitant or the beneficiaries will at all times indemnify the Trustee and its nominees, agents and correspondents in respect of all taxes, interest, penalties, assessments, fees, costs, overdrafts, expenses, liability, claims and demands resulting from the custody or administration of the Fund and will hold them harmless from all of the foregoing, except in the case of the gross negligence or wilful omission or misconduct of the Trustee. All such payment must be made within 30 days from the date the Annuitant is thereby notified.

Without limiting the scope of any other provision hereof, neither the Trustee nor any of its nominees, agents or correspondents shall be liable for any loss incurred by the Fund, by the Annuitant or by any Beneficiary, as a result of the acquisition, disposition or retention of any investment acquired at the direction of the Annuitant, as a result of any payment out of the Fund as requested by the Annuitant, as a result of the refusal to follow instructions that the Trustee, in its sole discretion, views as contrary to any provision hereto or to any applicable legislation, as a result of force majeure or irresistible force.

e) **Instructions.** The Trustee shall be empowered to follow the written instructions received from the Annuitant or any other person designated in writing by the Annuitant, whether transmitted by mail, facsimile machine or other electronic means.

13. Various Provisions.

a) **Amendments.** The Trustee may from time to time, in its sole discretion, amend the terms of the Fund (i) to satisfy the requirement of any applicable law, or (ii) by giving thirty (30) days' notice in writing thereof to the Annuitant, provided, however, that any such amendments shall not disqualify the Fund as a RRIF within the meaning of the Tax Legislation.

b) **Evidence.** The recording of the date of birth of the Annuitant or of his or Spouse on the Application shall constitute sufficient certification of such age, subject to any further evidence which may be required thereof. The Trustee reserves the right to require the Annuitant, the Successor Annuitant or any person claiming to be a Beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, satisfactory proof of age, of the survival or death of the Annuitant or of the Successor Annuitant and of their title or entitlement as a Beneficiary.

c) **Cash.** All the sums of money payable hereunder shall be payable in money which is legal tender in Canada.

d) **Binding.** The terms and conditions hereof will be binding upon the Annuitant's heirs and legal personal representatives and upon any successors and assigns of the Trustee. Notwithstanding that, if the Fund or the Assets of the Fund are transferred to a replacement trustee, then the terms of such replacement trustee's Declaration of Trust will govern thereafter.

e) **Interpretation.** Wherever the context so requires, a word used in the masculine gender shall include the feminine or neuter and vice versa, and the singular number shall include the plural and vice versa.

f) **Notices.** Any notice to the Trustee hereunder shall be validly given, if delivered or mailed postage prepaid to the Trustee at the Agent's address indicated in the Application, or to any other address which the Trustee may from time to time specify in writing, and it shall be effective only on the day that such notice was actually delivered or received by the Trustee. Any notice, statement or receipt given by the Trustee to the Annuitant, the Annuitant's Spouse or any person authorized to receive notice under the Fund, shall be validly given if mailed postage prepaid to the Manager at the address recorded in the books of the Trustee with respect to the Fund, and any notice, statement or receipt so mailed shall be deemed to have been given on the day of mailing. Any written instruction, notice or information communicated to the Trustee will be considered valid only if it is in a form deemed satisfactory by the Trustee.

g) **Applicable Legislation.** The Fund shall be governed and construed in accordance with the laws of the province in which the Annuitant resides, as shown in the Application and with the Tax Legislation.

The Fund shall not in any way constitute a trust within the meaning of the *Civil Code of Quebec*. Given the special nature hereof and the administrative rules created hereby, the rules of Title VII of Book IV of the *Civil Code of Quebec* relating to the administration of the property of third parties shall not apply to the Trustee.

14. **Language Clause Applicable to Quebec.** The parties have requested that this Declaration of Trust and any notices or other documents related hereto be drawn up in the English language. *Les parties confirment leur volonté que la déclaration de fiducie et tout avis ou autre document qui s'y rapporte soient rédigés en langue anglaise.*

LIFE INCOME FUND PURSUANT TO THE *PENSION BENEFITS STANDARDS ACT (CANADA)* (Federal LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");

B. The Annuitant has established a National Bank Direct Brokerage Inc. retirement income fund and wishes same to receive the Transfer;

C. The Transfer cannot be made unless the conditions herein are satisfied;

D. The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration and as provided under the Act and the Regulation. In addition, the following terms shall have the following meaning:

a) "**Act**" means the *Pension Benefits Standard Act, 1985 (Canada)*, as same may be amended from time to time;

b) "**Declaration**" means the Declaration of Trust of the National Bank Direct Brokerage Inc. retirement income fund;

c) "**Fiscal Year**" in connection with this Fund means a calendar year terminating on December 31, and will not exceed twelve months;

d) "**Fund**" refers to the National Bank Direct Brokerage Inc. retirement income fund established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIF that will hold the locked-in money that is the subject of the Transfer;

e) "**LIF**" means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.1 of the Regulation;

f) "**Restricted LIF**" means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.3 of the Regulation;

g) "**Life Annuity**" means an arrangement that is made to purchase, through a person authorized to carry on a life insurance business in Canada, an "immediate life annuity or a "deferred life annuity" (as defined in section 2 of the Regulation) that complies with the relevant provisions of the Tax Act and section 21 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;

h) "**Locked-in RRSP**" means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20;

i) "**Restricted Locked-in RRSP**" means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20.2;

j) "**Minimum Amount**" means the minimum amount that is required to be paid out of the Fund as determined under section 7 of the Declaration;

k) "**Maximum Amount**" means the maximum amount referred to in Section 5 hereof;

l) "**Pension benefit credit**" means the aggregate value at a particular time of that Annuitant's pension benefit and other benefits provided under a pension plan, calculated in the manner prescribed by the Regulation;

m) "**Regulation**" means the *Pension Benefits Standards Regulations, 1985* adopted pursuant to the Act, as same may be amended from time to time;

n) "**RRIF**" means a retirement income fund within the meaning of the Tax Act that is registered under that act;

o) "**Spouse**" shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting a RRIF;

p) "**Survivor**", in relation to an Annuitant, means
i) if there is no person described in paragraph ii), the Spouse of the Annuitant at the time of the Annuitant's death; or
ii) a person who was the common-law partner of Annuitant at the time of the Annuitant's death;

q) "**Tax Act**" means the *Income Tax Act (Canada)* and the regulations adopted thereunder;

r) "**Transfer**" means the transfer referred to in paragraph A of the Recitals hereto.

2. **Purpose of the Fund:** Except as permitted by the Act and the Regulations, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments. No money that is not locked-in may be transferred or otherwise held under this Fund.

3. **Value of the Fund:** The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death of the Annuitant or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.

4. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided by the Declaration. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act and the regulation thereunder.

5. **Payments:** Except as permitted by the law, payments to the Annuitant hereunder shall be determined under the Declaration and shall comply with the following conditions:

a) **Annual Payments:** The Annuitant must notify the Trustee of the amount (such amount being no lower than the Minimum Amount and no higher than the Maximum Amount) to be paid out of the Fund each year no later than January 1 of the year to which it relates. Such notice expires on December 31 of the year to which it relates. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year;

b) **Maximum Amount:** For any calendar year before the calendar year in which the Annuitant reaches 90 years of age, the amount of income paid out of the Fund shall not exceed the maximum amount permitted under the Act and the Regulation as calculated in accordance with the following formula:

C/F;

where

"**C**" is the balance in the life income fund:

i) at the beginning of the calendar year; or

ii) if the amount determined in subparagraph i) above is zero, at the date when the initial amount was transferred into the LIF; and

"**F**" is the value, as at the beginning of the calendar year, of a pension benefit whose annual payment is \$1, payable on January 1 of each year between the beginning of that calendar year and December 31 of the year in which the Annuitant reaches 90 years of age, established using an interest rate that:

i) for the first 15 years after January 1 of the year in which the life income fund is valued, is less than or equal to the monthly average yield on Government of Canada marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the second month before the beginning of the calendar year, and

ii) for any subsequent year, is not more than 6%;

c) **Maximum Amount for Short First Fiscal Year:** For the calendar year in which the Agreement was entered into, the amount determined under Paragraph 5.b) or f) shall be multiplied by the number of months remaining in that year divided by 12, with any part of an incomplete month counting as one month;

d) **Maximum Amount on Transfer from LIF:** if, at the time the LIF was established, part of the LIF was composed of funds that had been held in another LIF of the Annuitant earlier in the calendar year in which the Fund was established, the amount determined under Paragraph 5.b) or f) is deemed to be zero in respect of that part of the LIF for that calendar year;

e) **Minimum Amount:** The aggregate amounts paid during a year hereunder must be not less than the Minimum Amount. If the Minimum Amount is greater than the Maximum Amount determined in this Section 5, the Minimum Amount shall be paid out of the LIF during the Fiscal Year.

f) **Maximum Amount starting at 90:** for the calendar year in which the Annuitant reaches 90 years of age and for all subsequent calendar years, the amount of income paid out of the life income fund shall not exceed the value of the funds held in the fund immediately before the time of the payment;

6. **Permitted Transfers Prior to Conversion:** Subject to Section 7 hereof, the Annuitant may only transfer funds in the LIF hereof:

a) to another LIF or to a Restricted LIF;

b) to a Locked-in RRSP; or

c) to purchase a Life Annuity.

The Trustee may deduct from the property being transferred all amounts to be retained in application of paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

Such transfer shall be effected within a reasonable time from the receipt of written instructions from the Annuitant in a form deemed satisfactory by the Trustee. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer; or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

7. **Death of the Annuitant:** On the death of the Annuitant, the funds in the LIF shall be paid to the survivor of the Annuitant by:

- a) transferring the funds to another LIF or to a Restricted LIF;
- b) using the funds to purchase an Life Annuity; or
- c) transferring the funds to a Locked-In RRSP.

No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.

8. **Restrictions:** Subject to subsection 25(4) of the Act, the funds in the LIF shall not be assigned, charged, anticipated or given as security and that any transaction purporting to assign, charge, anticipate or give the funds as security is void.

9. **Sex Discrimination Prohibited:** Where a Pension benefit credit transferred into the Fund was not varied according to the sex of the Annuitant, a Life Annuity purchased by the funds accumulated in the Fund shall not differentiate as to sex. The Pension benefit credit that was the object of the Transfer herein was not varied according to the sex of the Annuitant, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.

10. **Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held in the Fund is permitted and will be void, except in the following circumstances:

- a) **Small Amount starting at 55.** In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the assets in the Fund may be paid to the Annuitant in a lump sum if
 - i) the Annuitant certifies that the total value of all assets in all Locked-in RRSP, LIF, Restricted Locked-in RRSP and Restricted LIF that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by these Regulations is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
 - ii) the Annuitant gives a copy of Form 2 and Form 3 of Schedule V of the Regulation to the Trustee.
- b) **Financial difficulties.** The Annuitant may withdraw an amount from the Fund up to the lesser of the amount determined by the **Formula** set out below and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph from any LIF or under paragraph 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulation if the following conditions are met,
 - i) the Annuitant certifies that he has not made a withdrawal in the calendar year under this paragraph from any LIF or under paragraph 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulation, other than within the last 30 days before this certification,
 - ii) in the event that the value of M of the **Formula** set out below is greater than zero,
 - (A) the Annuitant certifies that he expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under this paragraph from any LIF or under paragraph 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulation, and
 - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
 - iii) the Annuitant gives a copy of Form 1 and Form 2 of Schedule V to the Trustee.

Formula: M + N

where

M is the total amount of the expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula:

P - Q

where

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of the Annuitant's total expected income for the calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under paragraph 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation.

c) **Shortened Life Expectancy.** The Annuitant may withdraw all or part of the money in the Fund as a lump sum, upon application by the Annuitant to the Trustee in accordance with section 20.1 (3) of the Regulation where a physician certifies that owing to mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably.

d) **Non-Resident.** The Annuitant may withdraw all or part of the money in the Fund as a lump sum, upon application by the Annuitant to the Trustee in accordance with subsections 28.4 of the Regulation, if the following conditions are met:

- i) the Annuitant has ceased to be a resident of Canada for at least two calendar years and has ceased employment with the employer who is a party to the pension plan or ceased membership in a multi-employer pension plan. For this purpose, the Annuitant shall be deemed to have been a resident of Canada throughout a calendar year if the Annuitant has sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more; and
- ii) the Annuitant files with the Trustee written evidence that the Canada Revenue Agency has determined the Annuitant to be a non-resident of Canada for the purposes of the Tax Act.

11. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
- b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
- c) That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
- d) That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.

12. **Governing law:** This Agreement shall be governed by the laws of the province of Québec and Canada.

RESTRICTED LIFE INCOME FUND PURSUANT TO THE *PENSION BENEFITS STANDARDS ACT (CANADA)* (Federal Restricted LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A RESTRICTED LIFE INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "**Transfer**");

B. The Annuitant has established a National Bank Direct Brokerage Inc. retirement income fund and wishes same to receive the Transfer;

C. The Transfer cannot be made unless the conditions herein are satisfied;

D. The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration and as provided under the Act and the Regulation. In addition, the following terms shall have the following meaning:

- a) "**Act**" means the *Pension Benefits Standard Act, 1985 (Canada)*, as same may be amended from time to time;
- b) "**Declaration**" means the Declaration of Trust of the National Bank Direct Brokerage Inc. retirement income fund;
- c) "**Fiscal Year**" in connection with this Fund means a calendar year terminating on December 31, and will not exceed twelve months;
- d) "**Fund**" refers to the National Bank Direct Brokerage Inc. retirement income Fund established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a Restricted LIF that will hold the locked-in money that is the subject of the Transfer;
- e) "**LIF**" means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.1 of the Regulation;
- f) "**Restricted LIF**" means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.3 of the Regulation;
- g) "**Life Annuity**" means an arrangement that is made to purchase, through a person authorized to carry on a life insurance business in Canada, an "immediate life annuity" or a "deferred life annuity" (as defined in section 2 of the Regulation) that complies with the relevant provisions of the Tax Act and section 21 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;
- h) "**Locked-in RRSP**" means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20;
- i) "**Restricted Locked-in RRSP**" means a registered retirement savings plan, as defined in subsection 146(1) of the Tax Act, that meets the requirements set out in section 20.2;
- j) "**Minimum Amount**" means the minimum amount that is required to be paid out of the Fund as determined by the Declaration;
- k) "**Maximum Amount**" means the maximum amount referred to in Section 5 hereof;
- l) "**Pension benefit credit**" means the aggregate value at a particular time of that Annuitant's pension benefit and other benefits provided under a pension plan, calculated in the manner prescribed by the Regulation;

m) "**Regulation**" means the *Pension Benefits Standards Regulations, 1985* adopted pursuant to the Act, as same may be amended from time to time;

n) "**RIF**" means a retirement income fund within the meaning of the Tax Act that is registered under that act;

o) "**Spouse**" shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting a RIF;

p) "**Survivor**", in relation to an Annuitant, means

- i) if there is no person described in paragraph ii), the Spouse of the Annuitant at the time of the Annuitant's death; or
- ii) a person who was the common-law partner of Annuitant at the time of the Annuitant's death;

q) "**Tax Act**" means the *Income Tax Act (Canada)* and the regulations adopted thereunder;

r) "**Transfer**" means the transfer referred to in paragraph A of the Recitals hereto;

2. **Purpose of the Fund:** Except as permitted by the Act and the Regulations, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments. No money that is not locked-in may be transferred or otherwise held under this Fund.

3. **Value of the Fund:** The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death of the Annuitant or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.

4. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided by the Declaration. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act and the regulation thereunder.

5. **Payments:** Except as permitted by the law, payments to the Annuitant hereunder shall be determined under the Declaration and shall comply with the following conditions:

a) **Annual Payments:** The Annuitant must notify the Trustee of the amount (such amount being no lower than the Minimum Amount and no higher than the Maximum Amount) to be paid out of the Fund each year no later than January 1 of the year to which it relates. Such notice expires on December 31 of the year to which it relates. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year;

b) **Maximum Amount:** For any calendar year before the calendar year in which the Annuitant reaches 90 years of age, the amount of income paid out of Fund shall not exceed the amount determined by the formula:

C/F;

where

"C" is the balance in the Fund

- i) at the beginning of the calendar year; or
- ii) if the amount determined in subparagraph i) above is zero, at the date when the initial amount was transferred into the Fund; and

"F" is the value, as at the beginning of the calendar year, of a pension benefit whose annual payment is \$1, payable on January 1 of each year between the beginning of that calendar year and December 31 of the year in which the Annuitant reaches 90 years of age, established using an interest rate that,

- i) for the first 15 years after January 1 of the year in which the Fund is valued, is less than or equal to the monthly average yield on Government of Canada

marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the second month before the beginning of the calendar year, and

- ii) for any subsequent year, is not more than 6%;
- c) **Maximum Amount for Short First Fiscal Year:** for the calendar year in which the Agreement was entered into, the amount determined under the Paragraph 5.b) or f) hereof shall be multiplied by the number of months remaining in that year divided by 12, with any part of an incomplete month counting as one month;
- d) **Maximum Amount on Transfer from Restricted LIF:** if, at the time the Fund was established, part of the Fund was composed of funds that had been held in another Restricted LIF of the Annuitant earlier in the calendar year in which the Fund was established, the amount determined under Paragraph 5.b) or f) hereof is deemed to be zero in respect of that part of the Fund for that calendar year;
- e) **Minimum Amount:** the aggregate amounts paid during a year hereunder must be not less than the Minimum Amount. If the Minimum Amount is greater than the Maximum Amount determined in this Section 5, the Minimum Amount shall be paid out of the Fund during the Fiscal Year.
- f) **Maximum Amount starting at 90:** for the calendar year in which the Annuitant reaches 90 years of age and for all subsequent calendar years, the amount of income paid out of the Fund shall not exceed the value of the funds held in the Fund immediately before the time of the payment;
6. **Permitted Transfers Prior to Conversion:** Subject to Section 7 hereof, the Annuitant may only transfer funds in the LIF hereof:

- a) to another Restricted LIF;
- b) to a Restricted Locked-in RRSP; or
- c) to purchase a Life Annuity.

The Trustee may deduct from the property being transferred all amounts to be retained in application of paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

Such transfer shall be effected within a reasonable time from the receipt of written instructions from the Annuitant in a form deemed satisfactory by the Trustee. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer; or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

7. **Death of the Annuitant:** On the death of the Annuitant, the funds in the Fund shall be paid to the survivor of the Annuitant by:

- a) transferring the funds to another Restricted LIF or to a LIF,
- b) transferring the funds to a Locked-in RRSP or to a Restricted Locked-in RRSP, or
- c) using the funds to purchase a Life Annuity.

No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.

8. **Restrictions:** Subject to subsection 25(4) of the Act, the funds in the Fund shall not be assigned, charged, anticipated or given as security, and any transaction purporting to assign, charge, anticipate or give the funds as security is void.

9. **Sex Discrimination Prohibited:** Where a pension benefit credit transferred into the Fund was not varied according to the sex of the plan member, a Life Annuity purchased with funds accumulated in the Fund shall not differentiate as to sex. The Pension benefit credit that was the object of the Transfer herein was not varied according to the sex of the Annuitant, unless otherwise indicated in writing to the Trustee.

10. **Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held in the Fund is permitted and will be void, except in the following circumstances:

- a) **Transfer of 50%.** If the Fund is established in the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the Annuitant may transfer 50% of the funds in the Fund to a registered retirement savings plan or a registered retirement income fund within 60 days after the establishment of Fund if

- i) the Fund was created as the result of the transfer of a pension benefit credit under section 26 of the Act or a transfer from a Locked-in RRSP or a LIF, and
- ii) if the Annuitant gives a copy of Form 2 of Schedule V of the Regulation to the Trustee.

- b) **Small Amount starting at 55.** In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the funds in the Fund may be paid to the Annuitant in a lump sum if:

- i) the Annuitant certifies that the total value of all assets in all Locked-in RRSP, LIF, Restricted Locked-in RRSP and Restricted LIF that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by these Regulations is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and

- ii) the Annuitant gives a copy of Form 2 and Form 3 of Schedule V of the Regulation to the Trustee;

- c) **Financial difficulties.** The Annuitant may withdraw an amount from the Fund up to the lesser of the amount determined by the **Formula** set out below and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph from any Restricted LIF or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e) of the Regulation if the following conditions are met,

- i) the Annuitant certifies that he has not made a withdrawal in the calendar year under this paragraph from any Restricted LIF or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e) of the Regulation other than within the last 30 days before this certification,

- ii) in the event that the value of M of the **Formula** set out below is greater than zero,

- A) the Annuitant certifies that he expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the Income Tax Act, excluding withdrawals in the calendar year under this paragraph from any Restricted LIF or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e) of the Regulation, and
- B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and

- iii) if the Annuitant gives a copy of Form 1 and Form 2 of Schedule V of the Regulation to the Trustee.

Formula: M + N

where

M is the total amount of the expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula:

$P - Q$

where

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of the Annuitant's total expected income for the calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under paragraph 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation.

- d) **Shortened Life Expectancy.** The Annuitant may withdraw all or part of the money in the Fund as a lump sum, upon application by the Annuitant to the Trustee in accordance with section 20.3(3) of the Regulation where a physician certifies that owing to mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably.

- e) **Non-Resident.** The Annuitant may withdraw all or part of the money in the Fund as a lump sum, upon application by the Annuitant to the Trustee in accordance with subsections 28.4 of the Regulation, if the following conditions are met:

- i) the Annuitant has ceased to be a resident of Canada for at least two calendar years and has ceased employment with the employer who is a party to the pension plan or ceased membership in a multi-employer pension plan. For this purpose, the Annuitant shall be deemed to have been a resident of Canada throughout a calendar year if the Annuitant has sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more; and
- ii) the Annuitant files with the Trustee written evidence that the Canada Revenue Agency has determined the Annuitant to be a non-resident of Canada for the purposes of the Tax Act.

11. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;

- b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;

- c) That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and

- d) That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.

12. **Governing law:** This Agreement shall be governed by the laws of the province of Québec and Canada.

LIFE INCOME FUND FOR QUEBEC (QUEBEC LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT INCOME FUND

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "**Transfer**");

- B. The Annuitant has established a National Bank Direct Brokerage Inc. Retirement Income Fund and wishes same to receive the Transfer;

- C. The Transfer cannot be made unless the conditions herein are satisfied;

- D. The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration. In addition, the following terms shall have the following meaning:

- a) "**Act**" means the *Supplemental Pension Plans Act of Quebec*, as same may be amended from time to time;

- b) "**Declaration**" means the Declaration of Trust of the National Bank Direct Brokerage Inc. Retirement Income Fund;

- c) "**Fiscal year**" in connection with this Fund means a calendar year terminating on December 31, and will not exceed 12 months;

- d) "**Trustee**" Natcan Trust Company, having its head office located at 600, De La Gauchetière Street West, 28th floor, Montreal, Quebec H3B 4L2;

- e) "**Fund**" refers to the National Bank Direct Brokerage Inc. Retirement Income Fund established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIF that will hold the locked-in money that is the subject of the Transfer;

- f) "**LIF**" means a life income fund, that is a RIF and that meets the conditions set out in section 18 and following of the Regulation;

- g) "**LIRA**" means a locked-in retirement account, that is a registered retirement savings plan (within the meaning in the Tax Act) that meets the requirements of section 29 of the Regulation relating to locked-in retirement accounts;

- h) "**Maximum Pensionable Earnings**" has the same meaning as in the *Act respecting the Quebec Pension Plan (Quebec)*;

- i) "**Reference rate**" means the greater of:

- i) the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the Fiscal year, as compiled monthly by Statistics Canada and published in the *Bank of Canada Banking and Financial Statistics*, Series V122487 in the CANSIM system, by applying successively to that rate the following adjustments:

- (1) an increase of 0.5%;
- (2) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest;
- (3) the rounding of the effective interest rate to the nearest multiple of 0.5%; and

- ii) a rate of 6%;

- j) "**Regulation**" means the *Regulation respecting Supplemental Pension Plans* adopted pursuant to the Act, as same may be amended from time to time;

- k) "**RIF**" means a retirement income fund within the meaning of the Tax Act that is registered under that act;

- l) "**Spouse**" shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RIF;

- m) "**Tax Act**" means the *Income Tax Act (Canada)* and the regulations adopted thereunder;

- n) "**Transfer**" means the transfer referred to in paragraph A of the Recitals hereto.

2. **Purpose of Fund:** Except as permitted by the Act and the Regulation, all money or other assets that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with an income of which the amount may vary annually.

3. **Contributions:** The only amounts that may be transferred into the Fund are amounts coming, directly or initially, from:

- the fund of a pension plan subject to the Act;
- a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
- a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
- a locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
- a locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his employment;
- a LIRA;
- another LIF; or
- an annuity contract referred to in section 30 of the Regulation.

The sums that are the object of the Transfer to the Fund are deemed to come in their entirety from a LIF of the Annuitant or from the locked-in account of his voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1) and offering variable payments, unless the Annuitant notifies the Trustee a declaration in conformity with the one prescribed in schedule 0.9 or 0.9.1, as the situation requires.

4. **Payments:** Except as permitted by the law, payments to the Annuitant hereunder shall be determined under the Declaration and shall comply with the following conditions:

a) **Annual Payments:** The amount of the income paid to the Annuitant during a Fiscal year must (subject to the upper limits referred to in Paragraph 4.c) below and the lower limit referred to in Paragraph 4.b) below) be set by the Annuitant each year by notifying the Trustee of the amount no later than January 1 of such Fiscal year. Such notice expires on December 31 of such Fiscal year. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year. For greater certainty, the Trustee does not agree to any interval of more than a year.

b) **Minimum Payment:** The amount of income paid during a Fiscal year of the Fund may not be less than the minimum amount prescribed by the Tax Act, determined on the basis of the Annuitant's age or on the basis of the age of the Annuitant's Spouse where the Spouse is younger than the Annuitant.

c) **Maximum Payment:** The amount of income paid during a Fiscal year of the Fund may not exceed the amount "M" in the following formula:

$$A + E = M$$

where

"A" represents the maximum temporary income for the Fiscal year determined in accordance with Paragraphs 5.b) or 6.c) hereof or, if no amount was determined, the figure zero;

"E" represents the maximum life income determined in accordance with Paragraph 4.d) below.

d) **Maximum Life Income:** The maximum amount of the life income for a Fiscal year of the Fund is equal to the amount "E" (which may not be less than zero) in the following formula:

$$F \times C - \frac{A}{D} = E$$

where

"F" represents the factor provided for in schedule 0.6 of the Regulation with respect to the Reference rate for the year covered by the Fiscal year and the Annuitant's age at the end of the preceding year;

"C" represents the balance of the Fund at the beginning of the Fiscal year, increased by any sums transferred to the Fund after that date and reduced by any sums originating directly or not during the same year from a LIF or the locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1) and offering variable payments of the Annuitant;

"A" represents the maximum temporary income for the Fiscal year determined in accordance with Paragraphs 5.b) or 6.c) below, or, if no amount was determined, the figure zero;

"D" represents the factor provided for in schedule 0.7 of the Regulation with respect to the Annuitant's age at the end of the year preceding the one covered by the Fiscal year.

5. **Temporary Income Payments (age 54-64):**

a) **Entitlement:** The Annuitant is entitled to the payment of a temporary income that the Annuitant determines if the following requirements are met:

- The Annuitant makes an application to the Trustee to that effect, accompanied with a declaration in conformity with the one prescribed in schedule 0.4 of the Regulation;
- The Annuitant is at least 54 years of age but under 65 years at the end of the year preceding the application.

If the payment of a portion of the income is made in the form of a transfer to a retirement savings instrument of which the balance is not to be converted to a life annuity, such portion may not exceed the upper limit referred to in Paragraph 4.d) hereof, determined by assuming that the Annuitant is not entitled to payment of a temporary pension. In addition, the temporary income may not be paid after the end of the year in which the Annuitant reaches 65 years of age.

b) **Maximum Temporary Income:** An Annuitant who is entitled to payment of the temporary income referred to in this Paragraph 5.a) hereof may determine, for each Fiscal year of the Fund, a maximum temporary income that may not exceed the lesser of the following amounts:

- the reference temporary income determined in accordance with Paragraph 6.b) hereof;
- the amount "X" in the following formula:

$$G - T = X$$

where

"G" is equal to 40% of the Maximum Pensionable Earnings determined, for the year covered by the Fiscal year, pursuant to the *Act respecting the Quebec Pension plan*;

"T" represents the sum of the following amounts:

- the total temporary income that the Annuitant must receive during the year covered by the Fiscal year under a pension plan subject to or established by law or under a contract creating a pension of which the capital comes directly or not from such a plan;
- the total of the amounts that the Annuitant has determined or that the Annuitant must determine for his other LIF, in the form of a maximum temporary income for the current Fiscal year.

However, in the event that the reference temporary income determined in accordance with Paragraph 6.b) hereof is less than the amount "X" referred to above, where the Annuitant provides to the Trustee a declaration in conformity

with the one prescribed in schedule 0.8 of the Regulation, the Annuitant may determine, as the maximum temporary income, an amount that does not exceed the lesser of the following amounts:

- the amount "X" referred to above;
- the balance of the Fund at the beginning of the Fiscal year, increased by any sums transferred to the Fund and any income earned by the Fund after that date and reduced by any sums originating directly or not during the same year from a LIF of the Annuitant or the locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1) and offering variable payments.

The Annuitant may, at any time before the end of the Fiscal year, determine a new, increased, maximum temporary income for the Fiscal year. In such event, the Annuitant shall send to the Trustee declarations in conformity with the ones prescribed in schedules 0.4 and 0.8 of the Regulation.

6. **Temporary Income Payments (prior to age 54)**

a) **Entitlement:** The Annuitant may, during a Fiscal year of the Fund, receive upon application by the Annuitant to the Trustee, the balance of the Fund, in whole or in part, in the form of a temporary income payable in monthly payments, none of which may exceed 1/12 of the difference between the following amounts:

- 40% of the Maximum Pensionable Earnings determined, for the year in which the payment is made, pursuant to the *Act respecting the Quebec Pension Plan*;
- 75% of the Annuitant's income for the 12 months that follow, excluding the income provided for in this paragraph.

provided that the following conditions are met:

- the income of the Annuitant for the 12 months that follow, excluding the income provided for in this Paragraph 6, does not exceed 40% of the Maximum Pensionable Earnings determined, for the year in which the payment is made, pursuant to the *Act respecting the Quebec Pension Plan*;
- the Annuitant makes an application to the Trustee to that effect, accompanied by a declaration in conformity with the one prescribed in schedule 0.5 of the Regulation and his written undertaking to request a suspension of payments as soon as his income, excluding the income provided for in this Paragraph 6, reaches 40% of the Maximum Pensionable Earnings determined, for the year in which the payment is made, pursuant to the *Act respecting the Quebec Pension Plan*;
- the Annuitant was less than 54 years of age at the end of the year that precedes his application.

The income provided for in this Paragraph 6 may not be paid to the Annuitant where the Annuitant has requested a suspension of payments nor after the end of the year in which the Annuitant reaches 54 years of age.

The Annuitant who is entitled to receive income referred to in this Paragraph 6 and who is a member or a Spouse who has become entitled to a pension under a pension plan, may, for the purposes of replacing such pension by a temporary income, apply once a year for the transfer from the pension plan to the Fund of an amount equal to the lesser of the following amounts:

- the additional amount required for the balance of the Fund to allow, until the end of the year, the payment of the monthly payments provided for in the first paragraph of this Paragraph 6;
- the value of his benefits under the plan.

Where a sum is so transferred from a pension plan to the Fund, sections 15.1 to 15.3 of the Regulation shall apply, adapted as required, with respect to the allocation of benefits and the determination of the residual benefits of the member or Spouse in the pension plan.

b) **Reference Temporary Income:** Where the Annuitant requesting the payment of a temporary income was at least 54 years of age but less than 65 years of age at the end of the year preceding the one covered by a fiscal year of the fund, the Trustee will establish a reference temporary income the amount of which shall be equal to the lesser of the following amounts:

- 40% of the Maximum Pensionable Earnings determined, for the year covered by the Fiscal year, pursuant to the *Act respecting the Quebec Pension Plan*;
- the amount "R" in the following formula:

$$F \times C \times D = R$$

where

"F" represents the factor provided for in schedule 0.6 of the Regulation with respect to the Reference rate for the year covered by the Fiscal year and the Annuitant's age at the end of the preceding year;

"C" represents the balance of the Fund at the beginning of the Fiscal year, increased by any sums transferred to the Fund after that date and reduced by any sums originating directly or not during the same year from a LIF of the Annuitant;

"D" represents the factor provided for in schedule 0.7 of the Regulation with respect to the Annuitant's age at the end of the year preceding the one covered by the Fiscal year.

c) **Maximum Temporary Income:** The Trustee shall determine the maximum temporary income for the Fiscal year of the Fund (which may not be less than zero) following presentation of an application in accordance with Paragraph 6a) hereof. The said income shall be equal to the product of multiplying the maximum monthly payment set in accordance with the first part of paragraph 6a) hereof by the number of months remaining in the year as of the first day of the month of the application or, where the Annuitant is entitled, for that month, to a temporary income by reason of a prior application, as of the first day of the following month; the product is increased where necessary by any income provided for in Paragraph 6a) hereof and paid to the Annuitant during the year but prior to payment of the income payable as a consequence of the application and reduced by any income paid to the Annuitant, during the same period, from another LIF.

7. **Death of the Annuitant:** Where the Annuitant who is a former member or a member dies before conversion of the total balance of the Fund into a life pension, his Spouse or, failing that, his successors, are entitled to a benefit of which the amount is equal to the balance.

8. **Waiver by Spouse:** The Spouse of the Annuitant who is a former member or beneficiary may, by giving written notice to the Trustee, waive his entitlement to receive the pension benefit provided for in Section 7 hereof or the life pension provided for in Paragraph 18.b) hereof and may, in the case of the pension benefit, revoke such a waiver by transmitting to the Trustee a written notice to that effect before the death of the Annuitant and, in the case of the life pension, before the date of conversion, in whole or in part, of the Fund.

9. **Separation and divorce:** The Spouse of the Annuitant who is a former member or a member ceases to be entitled to the pension benefit provided for in Paragraph 18.b) hereof upon separation from bed and board, divorce, nullity of marriage, nullity or dissolution of a civil union or, in the case of a Spouse who is not married or civil union Spouse, upon cessation of conjugal relationship, unless the Annuitant has transmitted to the Trustee the notice provided for in section 89 of the Act.

10. **Seizure for unpaid alimony:** The seizable portion of the balance of the Fund may be paid in a lump sum in execution of a judgment rendered in favour of the Annuitant's Spouse that gives entitlement to a seizure for unpaid alimony.

11. **Permitted withdrawals:** Withdrawal, commutation or surrender of money, in whole or in part, held under this Fund is not permitted and such will be void, except in the following circumstances:

a) **Withdrawal of small amount at 65:** The entire balance of the Fund may be paid in a lump-sum to the Annuitant upon an application to the Trustee accompanied

with a declaration in conformity with the one prescribed in schedule 0.2 of the Regulation under the following conditions:

- i) the Annuitant is at least 65 years of age at the end of the year preceding the application;
 - ii) the total sums credited to his account in the retirement savings instrument referred to in schedule 0.2 of the Regulation do not exceed 40% of the Maximum Pensionable Earnings in accordance with the *Act respecting the Quebec Pension plan* (chapter R-9) for the year in which the Annuitant applies for the payment.
- b) **Non-Resident:** Unless the agreed to term of the investments has not expired, where the Annuitant has not resided in Canada for at least two years, the Annuitant may require that the total balance of the Fund be paid to the Annuitant in a lump sum by presenting a written request to the Trustee in accordance with the Regulation.

The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 11 hereof and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Fund in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.

Such withdrawal shall take effect in accordance with applicable laws and within a reasonable time after all forms required to be completed in respect of such withdrawal have been completed and forwarded to the Trustee.

If only a portion of the assets in the Fund is withdrawn, the Annuitant may specify in his notice which assets he wishes to so withdraw or which assets he wishes to dispose of in order to effect such withdrawal. Failing which, the Trustee shall withdraw or dispose of such properties as it, in its sole discretion, may deem appropriate for this purpose. The Trustee shall not be liable for any losses incurred as a result of such disposition or withdrawal.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of withdrawal and may, at its entire discretion, delay the requested withdrawal accordingly.

Upon such withdrawal, the Trustee shall be subject to no further liability or duty to the Annuitant with respect to the assets in the Fund, or the portion thereof, so withdrawn, as the case may be.

12. **Permitted transfers:** Provided the agreed to term of the investments has not expired, the Annuitant may transfer, in whole or in part, the balance of the Fund to:
- a) a pension plan governed by the Act;
 - b) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
 - c) a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
 - d) a locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
 - e) a locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his employment;
 - f) a LIF;
 - g) a LIRA; or
 - h) an annuity contract referred to in section 30 of the Regulation.

The Trustee may deduct from the property being transferred all amounts to be retained in application of paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer.

The transfer shall be effected within a reasonable time from the confirmation by the transferee of such. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

If only a portion of the Assets in the Fund is transferred, the Annuitant may specify in his notice which assets he wishes to so transfer or which assets he wishes to dispose of in order to effect such transfer. Failing which, the Trustee shall transfer or dispose of such properties as it, in its sole discretion, may deem appropriate for this purpose. The Trustee shall not be liable for any losses incurred as a result of such disposition or transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the

investments held under the Fund for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly.

13. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration. All investments of money or assets held under this Fund will be invested in a manner that complies with the rules for the investment of RIF money contained in the Tax Act and the Regulation thereunder.
14. **Value of the Fund:** The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death of the Annuitant or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.
15. **Irregular payments:** Should the income paid to the Annuitant during a Fiscal year of the Fund exceed the maximum amount that may be paid to the Annuitant in accordance with the provisions of the Regulation or this Agreement, the Annuitant may, unless the payment is attributable to a false declaration by the Annuitant, require that the Trustee pay the Annuitant, as a penalty, a sum equal to the surplus income paid.
16. **Amendment to this Agreement:** The Trustee will make no amendment to this Agreement that would have the effect of reducing benefits resulting from this Agreement unless the Trustee entitle the Annuitant, before the date of the amendment, to transfer the balance of the Fund and has provided to the Annuitant, at least 90 days before the date on which the Annuitant may exercise that entitlement, a notice indicating the subject of the amendment and the date from which the Annuitant may exercise that entitlement.
- The Trustee may not, except to fulfill requirements under law, make any amendment other than that provided for in this section, without having previously notified the Annuitant.
- The Trustee may amend the agreement only to the extent that it remains in conformity with the standard contract amended and registered with Retraite Québec.
17. **Identifiable securities:** Where the investments held under the Fund consist of identifiable and transferable securities, the Trustee may effect the transfer referred to in sections 12 and 16 by the remittance of such securities.
18. **Conversion of the balance of the Fund:** All or part of the balance of the Fund may be converted into a life pension fund only upon the following conditions:
- a) the insurer guarantees payments of that pension in periodic, equal amounts that may not vary unless each of them is uniformly increased in accordance with an index or a rate provided for in the annuity contract or uniformly adjusted by reason of a seizure effected on the benefits of the Annuitant, a redetermination of the Annuitant's pension, a partition of the Annuitant's benefits in favour of his Spouse, the payment of a temporary pension in accordance with the conditions provided for in section 91.1 of the Act or the option provided for in subparagraph 3 of the first paragraph of section 93 of the Act;
 - b) in the event of the death of an Annuitant who is a former member or a member, the insurer guarantees to the Annuitant's Spouse who has not waived it, a life pension equal to at least 60% of the amount of Annuitant's pension, including, during the replacement period, the amount of any temporary pension.
19. **Statement:** The Trustee shall provide the Annuitant with the statements prescribed in sections 24 to 26 of the Regulation at the times determined therein.
20. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
- a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
 - b) That the amounts transferred herein are locked-in amounts resulting, directly or indirectly, from the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
 - c) That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
21. **Governing Law:** This Agreement shall be governed by the laws of the province of Quebec.

LIFE INCOME FUND FOR ONTARIO (ON LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A LIFE INCOME FUND UNDER A RETIREMENT INCOME FUND (SCHEDULE 1.1 OF THE REGULATION)

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- B. Prior to the Transfer the Annuitant has obtained the written consent of his or her Spouse, if not separated from the Annuitant, and if the money to be transferred herein is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant;
- C. The Annuitant has established a Retirement Income Fund with Natcan Trust Company, 600 De La Gauchetière W, 28th floor, Montreal (QC) H3B 4L2 (the "Trustee") and wishes same to receive the Transfer;
- D. The Transfer cannot be made unless the conditions herein are satisfied;
- E. The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration. In addition, the following terms shall have the following meaning:

- a) **"Act"** means the *Pension Benefits Act* (Ontario), as same may be amended from time to time;
- b) **"Declaration"** means the Declaration of Trust of the Retirement Income Fund established with the Trustee attached;
- c) **"Declaration about a Spouse"** means any of the following documents:
 - i) A statement signed by the Annuitant's Spouse, if any, that the Spouse consents to the withdrawal or transfer;
 - ii) A statement signed by the Annuitant attesting to the fact that he or she does not have a Spouse; or
 - iii) A statement signed by the Annuitant attesting to the fact that he or she is living separate and apart from his or her Spouse on the date the Annuitant signs the application to make the withdrawal or transfer.
- d) **"Fiscal Year"** in connection with this Fund means a calendar year terminating on December 31, and will not exceed twelve months;

- e) **"Fund"** refers to the Retirement Income Fund established by the Declaration as supplemented and modified by this Agreement establishing a LIF;
- f) **"LIF"** means a prescribed retirement savings arrangement, known as a life income fund, that is a RIF that meets the conditions set out in Schedule 1 or in Schedule 1.1 of the Regulation;
- g) **"Life Annuity"** means an insurance contract under which an annuity will be provided to the Annuitant or his Spouse that complies with the relevant provisions of the Tax Act and section 22 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;
- h) **"LIRA"** means a prescribed retirement savings arrangement, known as a locked-in retirement account, that is a registered retirement savings plan, within the meaning in the Tax Act, that meets the conditions set out in Schedule 3 of subsection of the Regulation;
- i) **"LRIF"** means a prescribed retirement savings arrangement, known as a locked-in retirement income fund, that is a RIF that meets the conditions set out in Schedule 2 of the Regulation;
- j) **"Minimum Amount"** means the minimum amount that is required to be paid out of the Fund as determined under the Declaration, which must not be less than the minimum amount prescribed for an RIF under the Tax Act;
- k) **"Maximum Amount"** means the maximum amount referred to in Section 6 hereof;
- l) **"Regulation"** means *R.R.O. 1990, Regulation 909* adopted pursuant to the Act, as same may be amended from time to time;
- m) **"RIF"** means a retirement income fund within the meaning of the Tax Act that is registered under that act;
- n) **"Spouse"** shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting a RIF;
- o) **"Tax Act"** means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- p) **"Transfer"** means the transfer referred to in paragraph A of the Recitals hereto.

2. Purpose of the Fund: The Fund must be purchased using all or part of the amount under clause 42(1)(b) of the Act or under paragraph 2 of subsection 67.3 (2) of the Act, or using all or part of the assets in a LIF, LIRA or LRIF. Except as permitted by the law, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments.

3. Value of the Fund: The value of all assets in the Fund owned by the Annuitant when the Annuitant signs the application shall be determined in accordance with the most recent statement about each fund or account given to the Annuitant. Each such statement must be dated within one year of the execution of the application by the Annuitant.

The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund.

The value of the assets in the Fund is subject to the division in accordance with the terms of an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract. An order under Part I (Family Property) of the *Family Law Act* (Ontario), a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a Spouse or former Spouse of the Annuitant to the transfer of a lump sum that exceeds 50 per cent of the assets in the Fund, determined as of the family law valuation date.

4. Investments: The money and assets held under this Fund shall be invested by the Trustee, either directly or through an Agent, in the manner provided in the Declaration. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act.

5. Restrictions: The Annuitant agrees not to assign, charge, anticipate or give as security money payable hereunder except as required by an order under the *Family Law Act* (Ontario), a family arbitration award or by a domestic contract.

6. Payments: Except as permitted by the law, payments to the Annuitant hereunder shall be determined under the Declaration and shall comply with the following conditions:

a) Commencement of Payments: Payments out of the Fund must begin:

i) no earlier than the earliest date on which the Annuitant is entitled to receive a pension under any pension plan from which money was transferred into the Fund directly or indirectly.

ii) despite subsection i), Payments must begin no earlier than the date on which the Annuitant reaches 55 years of age, if none of the money in the Fund is derived directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant; and

iii) no later than the end of the second Fiscal Year of the Fund.

b) Annual Payments: The Annuitant must notify the Trustee of the amount (such amount being no lower than the Minimum Amount and no higher than the Maximum Amount) to be paid out of the Fund each year no later than January 1 of the year to which it relates. Such notice expires on December 31 of the year to which it relates. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year.

c) Maximum Amount: The amounts of income paid during a Fiscal Year out of the Fund must not exceed the greatest of the following amounts:

1) The investment earnings, including any unrealized capital gains or losses, of the Fund in the previous Fiscal Year.

2) If the money in the Fund is derived from money transferred directly from another LIF or LRIF, and if the income is being paid out of the Fund in the Fiscal Year following the Fiscal Year in which the Fund is established, the sum of,

- i) the investment earnings, including any unrealized capital gains or losses, of the transferring LIF or LRIF in the previous Fiscal Year, and
- ii) the investment earnings, including any unrealized capital gains or losses, of the Fund in the previous Fiscal Year.

3) The amount calculated in accordance with the following formula: $C/F = \text{Maximum Amount}$ where "C" = is the value of the assets in the Fund at the beginning of the Fiscal Year; and

"F" = is the present value, at the beginning of the Fiscal Year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the Fiscal Year and ending on December 31 of the year in which the Annuitant reaches 90 years of age.

The following interest rate assumptions are to be used to determine the amount "F":

i) The interest rate for each of the first 15 Fiscal Years of the period referred to in the definition of "F" is the greater of 6% and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the Fiscal Year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada; and

ii) For the 16th and each subsequent Fiscal Year of the period referred to in the definition of "F", the interest rate is 6%.

d) Maximum Amount on Transfer from LIF or LRIF: Despite paragraph 6.c) above, if any money in the Fund is derived from money transferred directly or indirectly from another LIF or LRIF the Maximum Amount that may be paid out of the Fund in the Fiscal Year in which the money is transferred into the Fund is zero;

e) Maximum Amount for Short First Fiscal Year: If the first Fiscal Year of the Fund is not 12 months long, the Maximum Amount determined under 6.c) above shall be adjusted in proportion to the number of months in that Fiscal Year divided by 12, with any part of an incomplete month counting as one month;

f) Minimum Amount: The amount of income paid out of the Fund during a Fiscal Year must not be less than the Minimum Amount. If the Minimum Amount is greater than the Maximum Amount determined in this Section 6, the Minimum Amount shall be paid out of the Fund during the Fiscal Year.

7. Permitted Transfers Prior to Conversion: The Annuitant may transfer all or part of the assets held in the Fund either to:

a) another LIF governed by Schedule 1.1 of the Regulation;

b) purchase an immediate Life Annuity;

The Trustee may deduct from the property being transferred all amounts to be retained in application of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

Such transfer shall be made within a period of 30 days from the receipt of written instructions from the Annuitant in a form deemed satisfactory by the Trustee, or within a reasonable time with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Annuitant agrees that Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

8. Conditions for Transfer: Before transferring money from this Fund as mentioned in section 7 hereof, the Trustee shall advise the transferee in writing that the amount transferred must be administered in accordance with the Act and this Regulation, and the transferee must agree to administer such amount transferred in accordance with the Act and the Regulation.

9. Purchase of a Life Annuity: The Trustee shall use any assets in the Fund to purchase an immediate Life Annuity, in accordance with the written instructions from the Annuitant in a form deemed satisfactory by the Trustee.

For the purpose of the Life Annuity purchased hereunder, a determination as to whether the Annuitant has a Spouse is to be made on the date the annuity is purchased.

Payments under a Life Annuity are subject to division in accordance with the terms of an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract. An order under Part I (Family Property) of the *Family Law Act* (Ontario), a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a Spouse or former Spouse of the Annuitant to a share that exceeds 50 per cent of the payments under a Life Annuity, determined as of the family law valuation date.

10. Permitted withdrawals: Except as permitted by section 49 or 67 of the Act, section 22.2 of the Regulation or Schedule 1.1 of the Regulation, no withdrawal, commutation or surrender of money, in whole or in part, held in the Fund is permitted and will be void, except in the following circumstances:

a) Withdrawal within 60 days of a transfer: In relation to a transfer of assets made on or after January 1, 2010, if assets are transferred in the Fund from a pension fund, a LIRA, a LRIF or another LIF, the Annuitant may either withdraw from the Fund or transfer from it to an RRSP or RRIF, an amount representing up to 50 per cent of the total market value of the assets transferred into the Fund (calculated on the day of the transfer).

The application for the withdrawal of transfer must be in accordance with section 8 of the Regulation's Schedule 1.1, and must be given by the Annuitant within 60 days after the assets are transferred into the Fund. If such assets fund consist of identifiable and transferable securities, the Trustee may transfer the securities with the consent of the Annuitant.

Despite the above, if the assets are transferred into the Fund from another LIF governed by Schedule 1.1 of the Regulation or from a LRIF, the Annuitant cannot make a withdrawal or transfer described in the present paragraph 10a) unless the transfer into the Fund was made in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

b) Withdrawal of Small Amount at 55: The Annuitant may withdraw all of the money in the Fund or transfer the assets to an RRSP or RRIF, upon application by the Annuitant in accordance with section 9 of Schedule 1.1 of the Regulation and if the following conditions are met at the time of execution of the application:

i) the Annuitant has attained the age of 55 years of age; and

ii) the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant determined using the most recent statement about each fund or account given to the Annuitant (Each such statement being dated within one year before the Annuitant signs the application) is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year in which the application is made; and

If assets in the Fund consist of identifiable and transferable securities, the Trustee may transfer the securities with the consent of the Annuitant.

c) Shortened Life Expectancy Withdrawal: The Annuitant may withdraw all or part of the money in the Fund, upon application by the Annuitant in accordance with section 11 of Schedule 1.1 of the Regulation and if the following conditions are met:

i) at the time of execution of the application, the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years;

ii) the application, signed by the Annuitant and accompanied by a statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years; and

d) Non-resident withdrawal: Subject to the term of the investment held in de Fund, the Annuitant may withdraw all the money in the Fund, upon application by the Annuitant in accordance with section 10 of Schedule 1.1 of the Regulation if the following conditions are met:

i) at the time of execution of the application, the Annuitant is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Tax Act; and

ii) the application is made at least 24 months after the Annuitant's date of departure from Canada;

iii) the application is signed by the Annuitant and accompanied by a written determination from the Canada Revenue Agency that the Annuitant is a non-resident for the purposes of the Tax Act;

e) Financial Hardship Withdrawal: The Annuitant may, upon application in accordance with the section 11.1, 11.2, 11.3 or 11.4 of Schedule 3 of the Regulation, withdraw all the money in the Fund if the following conditions are met:

i) The Annuitant, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

The application is signed by the Annuitant and accompanied by the following documents:

1) A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.

2) A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.

Only one application may be made under section 11.1 of Schedule 3 of the Regulation during a calendar year in respect of a particular person. The application must specify the amount to be withdrawn from the Fund. The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is the lesser of "X" and "G" where,

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"G" is the sum of the amount of the person's medical expenses that have been incurred and an estimate of the total amount of the person's medical expenses for the 12 months after the date on which the application is signed.

“dependant” a person who was dependent on the Annuitant or the Annuitant’s spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.

“medical expenses” means (a) expenses for goods and services of a medical or dental nature; and (b) expenses incurred or to be incurred for renovations or alterations to the Annuitant or the dependant’s principal residence and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the Annuitant, his or her spouse or a dependant.

ii) The Annuitant or his or her spouse has received a written demand and the Annuitant could face eviction if the debt or amount in default described hereunder remains unpaid:

- 1) arrears in the payment of a rent on the Annuitant’s principal residence;
- 2) a default on a debt that is secured against the Annuitant’s principal residence.

Only one application may be made under section 11.2 of Schedule 3 of the Regulation during a calendar year. The application signed by the Annuitant must be accompanied by a copy of the written demand as the case may be. The application must specify the amount to be withdrawn from the Fund. The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is the lesser of “X” and “H” where,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“H” is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

“principal residence” means, a premises, including a non-seasonal mobile home, that is occupied by an individual as his or her primary place of residence.

iii) The Annuitant or his or her spouse requires money to pay the first and last months’ rent to obtain a principal residence for the Annuitant.

Only one application may be made under section 11.3 of Schedule 3 of the Regulation during a calendar year. The application signed by the Annuitant must be accompanied by a copy of the rental agreement, if available. The application must specify the amount to be withdrawn from the Fund. The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is the lesser of “J” and “K” where,

“J” is 5 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“K” is the amount required for the first and last months’ rent.

“principal residence” means a premises, including a non-seasonal mobile home, that is intended to be occupied by an individual as his or her primary place of residence.

iv) The Annuitant’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year’s Maximum Pensionable Earnings for the year in which the application is signed.

The application signed by the Annuitant must be accompanied by a statement, signed by the Annuitant, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

Only one application may be made under section 11.4 of Schedule 3 of the Regulation during a calendar year. The application must specify the amount to be withdrawn from the Fund. The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is calculated using the formula “X” – “L” in which:

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“L” is 75 per cent of the Annuitant’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

11. **Conditions for withdrawal:** All applications described under section 10 herein, to withdraw money or transfer assets from the Fund, must be written on a form approved by the Superintendent. The Trustee shall make the payment or transfer within 30 days after receiving the completed application and the accompanying documents required as the case may be.

The Trustee is entitled to rely upon the information provided by the Annuitant in the application to withdraw money or transfer assets from the Fund and gives the Annuitant a receipt for all documents received, stating the date on which it was received.

All applications, other than a withdrawal mentioned in paragraph 10 c), must be accompanied by one of the following documents:

- a) a Declaration about a Spouse; or
- b) a statement signed by the Annuitant attesting to the fact that none of the money in the Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

For all applications made under section 10d) hereof, when a document is required, it is a nullity if signed or dated more than 12 months before the Trustee receives it. All such applications must also be accompanied by a statement, signed by the Annuitant, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

12. **Death of the Annuitant:** On the death of the Annuitant, the Annuitant’s spouse or if there is none or if the spouse is otherwise disentitled, the Annuitant’s named beneficiary or, if there is none, the Annuitant’s estate is entitled to receive a benefit equal to the value of the assets in the Fund. The benefit described may be transferred to an RRSP or an RRIF in accordance with the Tax Act.

The Annuitant’s spouse is not entitled to receive the value of the assets in the Fund unless the Annuitant was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the Fund. The Annuitant’s spouse living separate and apart from the Annuitant on the date of the Annuitant’s death is not entitled to receive the value of the assets in the Fund.

The Annuitant’s spouse may waive his or her entitlement to receive the survivor’s benefit above mentioned from the Fund by delivering to the Trustee a written waiver in a form approved by the Superintendent. The Annuitant’s spouse who has delivered a waiver may cancel it by delivering a written and signed notice of cancellation to the Trustee before the date of the death of the Annuitant.

No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.

For the purposes of this section, the value of the assets in the Fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of the Fund from the date of death until the date of payment.

13. **Amendments:** The Trustee must send a notice in writing to the Annuitant’s latest address as set out in the records of the Trustee, indicating the nature of an amendment to this Agreement within 90 days of the effective date of the proposed amendment.

An amendment to this Fund may not be made if it would result in a reduction of the Annuitant’s rights hereunder, unless such amendment is necessary to conform with any law and the Annuitant is entitled to transfer the assets in the Fund under the terms of this Supplemental Agreement existing before the amendment is made. The Annuitant has 90 days after the notice is given to transfer all or part of the assets in the Fund.

14. **Statements:** The Trustee shall provide to the Annuitant, at the beginning of each Fiscal Year of the Fund, a statement containing the following information:

- a) The sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made out of the Fund, the withdrawals taken out of the Fund and the fees charged against it during the previous Fiscal Year;
- b) The value of the assets in the Fund as of the beginning of the Fiscal Year;
- c) The Minimum Amount and Maximum Amount that must be paid out of the Fund to the Annuitant during the current Fiscal Year.

If the assets in the Fund are transferred pursuant to Section 7 hereof, the Trustee shall provide the information described in this Section 14 determined as of the date of the transfer. Upon the death of the Annuitant, Trustee shall provide to the person entitled to receive the death benefits under Section 12 the information described in this Section 14 determined as of the date of the Annuitant’s death.

15. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
- b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant’s pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
- c) That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
- d) That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.

16. **Governing law:** This Agreement shall be governed by the laws of the province of Ontario.

Life Income Fund (Manitoba LIF) Addendum to RRIF Contract

THIS IS AN ADDENDUM TO A RRIF CONTRACT BETWEEN:

(the “Owner”) AND

NATCAN TRUST COMPANY (the “Issuer”)

IMPORTANT NOTES:

- A life income fund (LIF) is a registered retirement income fund (RRIF) to which the additional terms and conditions in this addendum apply. Together, this addendum and the RRIF contract to which it is attached form your LIF contract.
- The money in your LIF is locked in, and may be used only to provide you with retirement income. As owner, you may set your annual income from the LIF, but it cannot be less than the minimum required by the *Income Tax Act* (Canada), and it cannot be more than the maximum determined by a formula in this addendum.
- This addendum is prescribed by the Pension Benefits Regulation, a regulation under *The Pension Benefits Act* of Manitoba. It is subject to the provisions of the Act and the regulation that apply to LIFs (the “legislation”).
 - If the legislation conflicts with a provision of this addendum, the legislation overrides that provision.
 - If this addendum conflicts with a provision of the RRIF contract, the addendum overrides that provision.
 - The legislation has provisions relating to LIFs that are not set out in this addendum.

I, the Owner, certify that:

- A. The following statements apply to me:
- I ceased to be an active member of a pension plan while in Manitoba.
 - Some of all of the amount transferred or to be transferred to this LIF is

attributable, directly or indirectly, to the pension benefit credit that I earned as a member of the pension plan.

- B. Some or all of the amount transferred or to be transferred to this LIF is attributable, directly or indirectly, to the pension benefit credit that my current or former spouse or common-law partner earned as a member of a pension plan.

Check box A OR box B above, whichever applies to you. If you checked box A, you must also check box C OR box D below, whichever applies to you.

- C. I have no spouse or common-law partner.

- D. My spouse or common-law partner is identified in the RRIF contract to which this addendum is attached.

We agree that the terms and conditions of this addendum, together with the terms and conditions of the RRIF contract to which this addendum is attached, form the LIF contract between us.

NATIONAL BANK DIRECT BROKERAGE

Authorized representative of the Issuer

Owner

GENERAL PROVISIONS

Interpretation

- 1(1)** The following definitions apply in this addendum, except where the context otherwise requires.
- “**Act**” means *The Pension Benefits Act* of Manitoba, as from time to time amended.
- “**Issuer**” means the financial institution named on the first page of this addendum as the Issuer.
- “**legislation**” means the Act and the regulation.
- “**LIF**” means the life income fund established by the Issuer for your benefit under this contract.
- “**regulation**” the *Pension Benefits Regulation*, as from time to time amended.
- “**RRIF contract**” means the RRIF contract to which this addendum is attached.
- “**transfer**” does not include payments to you as income under the LIF.
- “**you**” means the individual named on the first page of this addendum as the Owner.
- 1(2)** This addendum uses other terms that are defined in the legislation. They have the same meaning here as in the legislation.
- 1(3)** Unless the context otherwise requires, a reference in this addendum to a page or provision is a reference to that page or provision of this addendum.
- 1(4)** You are
- a “**member-owner**”, if you checked Box A; or
 - a “**non-member owner**”, if you checked Box B.

When addendum takes effect

- 2(1)** Subject to subsection (2), this addendum takes effect
- when the RRIF contract is signed by you and the Issuer, if the addendum is completed and attached to the contract at the time of signing; or
 - when the addendum is completed and attached to the contract with your written authorization, if it is attached to the contract after the contract is signed.
- 2(2)** If you are a member-owner with a spouse or common-law partner, this addendum does not take effect, and no money may be transferred to your LIF, until the Issuer receives a copy of a joint pension waiver signed by your spouse or common-law partner.

Manitoba locked-in money

- 3(1)** Only Manitoba locked-in money may be transferred to or held in your LIF.
- 3(2)** Money may be transferred or withdrawn from your LIF only as required or permitted by this addendum or the legislation.
- 3(3)** You may not assign this LIF or any of your rights under this contract to any person, except as required or permitted by this addendum or the legislation.

Protection of retirement income

- 4** No money or investments in this LIF can be seized, attached or otherwise taken by any creditor, except
- to enforce a maintenance order against you; or
 - if you are a member-owner with a spouse or common-law partner, to enforce a division of your pension benefit credit on a breakdown of your relationship.

LIF to be registered and administered as a RRIF

- 5(1)** The Issuer must register this LIF as a RRIF, and must ensure that it continues to qualify for registration as a RRIF.
- 5(2)** Money in this LIF is to be invested in accordance with the investment rules applicable to RRIFs and in accordance with the regulation.

Issuer is and will remain registered

- 6** The Issuer
- warrants that it is registered, as required by the regulation, in relation to LIF contracts; and
 - agrees to take all reasonable steps to ensure that it will remain registered for the duration of this contract.

Fiscal year

- 7** The fiscal year for this LIF is the calendar year.

Annual statement

- 8** Within 60 days after the beginning of each year, the Issuer must provide you with a statement that contains the following information:
- the amounts of any transfers to, or transfers from, the LIF during the previous year;
 - the income and gains, net of losses, earned by the LIF during the previous year;
 - the amounts paid to you out of the LIF in the previous year;
 - the amount and nature of any fees charged to the LIF during the previous year;
 - the LIF account balances at the beginning and at the end of the previous year;
 - the minimum amount that must be paid to you out of the LIF during the current year;
 - the maximum amount that may be paid to you out of the LIF during the current year, which is determined according to sections 18.2 or 18.3
 - instructions for you to notify the Issuer about how much to pay you out of the LIF during the current year, and when to pay it.

Statement before and after transfer

- 9(1)** If an amount has been transferred from the LIF, or becomes transferable as of a specified date, the Issuer must prepare a statement showing the LIF account balance as of the date of the transfer or the specified date.
- 9(2)** The Issuer must provide the statement
- to you, if you are transferring the amount to another vehicle;
 - to you and your spouse or common-law partner (or former spouse or common-law partner), if the transfer is being made to effect a division of your pension benefit credit because of a breakdown in your relationship; or
 - to the person entitled to the death benefit under the LIF (your surviving spouse or common-law partner, your designated beneficiary or your estate, as the case may be), if the transfer is made because of your death.

LIF TRANSFERS

Permitted transfers to LIF

- 10** An amount may be transferred to this LIF only from
- a pension plan under one of the following provisions of the Act:
 - if you are a member-owner, subsection 21(13.1) (transfer to LIF after ceasing active membership), or
 - if you are a non-member-owner, subsection 21(26.2) (transfer by surviving spouse or common-law partner on pre-retirement death) or clause 31(4)(b) (transfer by person entitled to division of pension benefit credit);
 - another LIF, or a LIRA or LRIF to which no amount has been transferred or contributed other than Manitoba locked-in money;
 - a VB account; or
 - an RRSP to which no amount has been transferred or contributed other than Manitoba locked-in money.

Permitted transfers to other vehicle

- 11** An amount may be transferred from this LIF only to
- another LIF;
 - a pension plan;
 - a VB account;

- a LIRA;
- a prescribed RRIF; or
- an insurer to purchase a life annuity contract.

Restriction against splitting LIF

- 12** You may not transfer an amount from this LIF if, as a result of the transfer, the amount transferred or the amount remaining in the LIF would be eligible for withdrawal under Division 6 of Part 10 (commutation of small pension and withdrawals of small LIRAs, LIFs and LRIFs).

Issuer's duties when transferring to another vehicle

- 13(1)** Before transferring an amount from the LIF to another vehicle, the Issuer must
- be satisfied that
 - in the case of a transfer to a LIRA or another LIF, the issuer of the LIRA or LIF is registered with the Superintendent of Pensions as an issuer of that type of vehicle,
 - in the case of a transfer to a pension plan, the transfer is permitted by the terms of the plan, or
 - in the case of a transfer to an insurer, the transferred amount will be used only to purchase a life annuity contract;
 - advise the issuer or administrator of the other vehicle that the amount being transferred is Manitoba locked-in money,
 - be satisfied that the issuer has ascertained that receiving financial institution or pension plan administrator will treat the money as Manitoba locked-in money,
 - if you are a member-owner with a spouse or common-law partner, provide to the issuer or administrator of the other vehicle a copy of any consent or waiver provided by your spouse or common-law partner in relation to the LIF;
 - if you have previously made a one-time transfer under section 21.4 of the Act or Division 4 of Part 10 of the regulation, provide to the issuer or administrator of the other vehicle a copy of any statement from the Superintendent of Pensions received by the Issuer in relation to that transfer; and
 - provide you with the statement required by section 9 (statement before and after transfer).
- 13(2)** When transferring an amount from the LIF to another vehicle as permitted by section 11, the Issuer must comply with the applicable provisions of the legislation and the *Income Tax Act* (Canada).

Liability for failure to comply

- 14** If the Issuer transfers an amount out of the LIF in contravention of the legislation or this addendum, the Issuer may be required by the legislation to provide, or fund the provision of, benefits that could have been provided under the LIF if the transfer had not occurred.

Transfer of securities

- 15** When an amount is to be transferred from the LIF to the issuer or administrator of another vehicle, the Issuer may, with your consent, effect the transfer by transferring transferable securities held by the LIF.

YOUR INCOME FROM THE LIF

When do your income payments begin?

- 16** The Issuer must begin making payments to you out of the LIF no later than December 31 of the year following the year in which the LIF was established.

You set your annual income from the LIF

- 17(1)** Within 60 days after the beginning of each year, you will receive the annual statement described in section 8. Within 60 days after receiving that statement, you must notify the Issuer in writing of the total amount to be paid to you out of the LIF for the year.
- 17(2)** If the Issuer guarantees a rate of return for the LIF for a period longer than a year, your notice for the first year of the period must specify the total amount to be paid in each year that ends at or before the end of the period for which the rate of return is guaranteed.
- 17(3)** The amount that you set as your income from the LIF for the year must be
- not less than the minimum amount that the *Income Tax Act* (Canada) requires you to be paid; and
 - subject to that minimum, not more than the maximum amount determined for the year under section 18.

Subject to those minimum and maximum amounts (which will be set out in your latest annual statement), you may revise the amount at any time during the year by written notice to the Issuer.

- 17(4)** If you fail to specify the amount to be paid for the year, the Issuer will pay you the minimum amount before the end of the year.
- 17(5)** In the first year of this contract, you are not required to receive a minimum amount unless the amount transferred to this contract was transferred from another LIF. In that case, in the year of the transfer you will continue to be paid amounts that you were being paid for that year under the other LIF.

Your maximum annual income from the LIF

- 18(1)** Subsection (2) applies when the rate of return for the LIF is not guaranteed beyond the end of the year. If the LIF's rate of return is guaranteed for a multi-year period, subsection (2) applies to the first year of the period, and subsection (3) applies to each year of the period after the first year.
- 18(2)** The total of the amounts to be paid to you out of the LIF for a fiscal year must not exceed the amount determined by clause (a) or the amount determined by (b), whichever is greater:
- the amount determined by the following formula:
Maximum amount = F × (B + T)
In this formula,
F is the factor (from the table at the end of this addendum) that corresponds to the reference rate for the year and your age at the end of the immediately preceding year,
B is the balance of the LIF at the beginning of the year,
T is the total of all amounts transferred to the LIF in the year, other than amounts transferred directly or indirectly from another LIF, an LRIF or a VB account;
 - the total of
 - the income and gains, net of losses, earned in the LIF in the immediately preceding year, and
 - 6% of all amounts transferred to the LIF during the current year, other than amounts transferred directly or indirectly from another LIF, an LRIF or a VB account.

- 18(3)** The total of the amounts to be paid to you out of the LIF for the second or subsequent fiscal year of a multi-year period for which the LIF's rate of return is guaranteed must not exceed the maximum determined by the following formula:

$$\text{Maximum amount} = M \times B_1/B_2$$

In this formula,

M is the maximum amount payable to you for the first year of the multi-year period (which is determined under subsection 18(2));

B₁ is the LIF balance at the beginning of year;

B₂ is the reference balance as at the beginning of the year, calculated as

- the reference balance as at the beginning of the previous year, minus M, plus
- the amount determined under clause (a) multiplied by the reference rate for the year, if it is one of the first 16 fiscal years of the LIF, or by 6% in any other case.

- For the purpose of clause (a), in determining the maximum payable in the second year of the multi-year period, the reference balance as at the beginning of the previous year is the LIF balance at the beginning of the period.
- 18(4)** If the maximum determined under subsection (2) or (3) is less than the minimum amount that the *Income Tax Act* (Canada) requires you to receive from the LIF, you must be paid the minimum.
- 18(5)** For the purpose of subsections (2) and (3), “reference rate” for a year means the greater of 6% and the percentage determined for the year by
- adding 0.5% to the average yield as at November 30 of the immediately preceding year, as published by the Bank of Canada in the *Bank of Canada Review* and expressed as a percentage, for Government of Canada long-term bonds identified as CANSIM Series V 122487; and
 - converting the rate determined under clause (a), based on semi-annual compounding of interest, to an effective annual rate of interest, and rounding it to the nearest multiple of 0.5%.

DEATH OF OWNER

Death benefit

- 19(1)** Upon your death, the balance in the LIF is payable as a death benefit to the person entitled to it under this section.
- 19(2)** The death benefit is payable to your surviving spouse or common-law partner if
- you are a member-owner;
 - immediately before your death, you and your spouse or common-law partner were not living separate and apart from each other by reason of a breakdown in your relationship; and
 - the Issuer has not received a death benefit waiver signed by the spouse or common-law partner that has not been revoked.
- 19(3)** For the purpose of clause (2)(c), “death benefit waiver” includes the following:
- a waiver under section 20;
 - a waiver under subsection 21(26.3) of the Act in respect of a pension benefit credit to which the balance in this LIF is directly or indirectly attributable; and
 - a waiver under section 10.25 of Division 2 of Part 10 of the regulation in respect of a LIRA to which the balance in this LIF is directly or indirectly attributable.
- 19(4)** If the death benefit is not payable to your surviving spouse or common-law partner, it is payable to your designated beneficiary or, if you have not designated a beneficiary, to your estate.

- 19(5)** Within 90 days after receiving the necessary documentation, the Issuer must pay the death benefit as a lump sum to the person entitled to it. But, if that person is your spouse or common-law partner, he or she may, subject to the *Income Tax Act* (Canada), direct the Issuer to transfer it directly to an RRSP or RRIF, and the Issuer must transfer it accordingly.

Death benefit waiver

- 20(1)** Your spouse or common-law partner may, before or after your death, waive his or her entitlement or potential entitlement to the death benefit in accordance with section 10.41 of Division 2 of Part 10 of the regulation (death benefit under LIF). Upon request by you or your spouse or common-law partner, the Issuer must provide the information and form required for the waiver.
- 20(2)** A death benefit waiver may be revoked by you and your spouse or common-law partner by signing a joint revocation of that waiver and filing it with the Issuer.

LUMP SUM WITHDRAWALS

Overview — when you may withdraw balance

- 21(1)** Under the regulation, you might be entitled to withdraw the balance of your LIF in the following circumstances:
- you are a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) and have had that status for at least two years (see *Division 5 of Part 10 of the regulation*);
 - the total of the Manitoba locked-in money in all your LIFs, LIRAs and LRIFs, plus interest at the prescribed rate to the end of the year in which you turn 65, is less than 40% of the YMPE for the year in which you apply for the withdrawal (see *Division 6 of Part 10 of the regulation*);
 - you have a shortened life expectancy of less than two years (see *Division 7 of Part 10 of the regulation*);
 - you are 55 or older and you make a request for a once in a lifetime withdrawal of up to 50% of the balance in your LIFs and pension plan, if the plan permits (see *Division 4 of Part 10 of the regulation*).
- 21(2)** If any of these circumstances apply to you, you may request the Issuer to provide the information and forms necessary for you to apply for a withdrawal. Subject to the regulation, the Issuer must provide you with the relevant information and forms.

TABLE

SCHEDULE TO LIF ADDENDUM

This table is used to determine the factor (F) in the formula in subsection 18(2). The column heading is the “reference rate” as defined in subsection 18(5).

Age	6.00 %	6.50 %	7.00 %	7.50 %	8.00 %	8.50 %	9.00 %	9.50 %	10.00 %	10.50 %	11.00 %	11.50 %	12.00 %	12.50 %	13.00 %	13.50 %
under 55	0.061	0.063	0.066	0.069	0.072	0.075	0.078	0.081	0.084	0.087	0.090	0.093	0.097	0.100	0.103	0.107
55	0.064	0.067	0.070	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.101	0.104	0.107	0.111
56	0.065	0.067	0.070	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.095	0.098	0.101	0.104	0.108	0.111
57	0.065	0.068	0.071	0.074	0.077	0.080	0.083	0.086	0.089	0.092	0.095	0.098	0.102	0.105	0.108	0.112
58	0.066	0.069	0.071	0.074	0.077	0.080	0.083	0.086	0.090	0.093	0.096	0.099	0.102	0.106	0.109	0.112
59	0.067	0.069	0.072	0.075	0.078	0.081	0.084	0.087	0.090	0.093	0.097	0.100	0.103	0.106	0.110	0.113
60	0.067	0.070	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.101	0.104	0.107	0.110	0.114
61	0.068	0.071	0.074	0.077	0.079	0.082	0.086	0.089	0.092	0.095	0.098	0.101	0.105	0.108	0.111	0.115
62	0.069	0.072	0.074	0.077	0.080	0.083	0.086	0.089	0.093	0.096	0.099	0.102	0.105	0.109	0.112	0.115
63	0.070	0.073	0.075	0.078	0.081	0.084	0.087	0.090	0.094	0.097	0.100	0.103	0.106	0.110	0.113	0.116
64	0.071	0.074	0.076	0.079	0.082	0.085	0.088	0.091	0.095	0.098	0.101	0.104	0.107	0.111	0.114	0.117
65	0.072	0.075	0.077	0.080	0.083	0.086	0.089	0.093	0.096	0.099	0.102	0.105	0.108	0.112	0.115	0.118
66	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.100	0.103	0.106	0.110	0.113	0.116	0.119
67	0.074	0.077	0.080	0.083	0.086	0.089	0.092	0.095	0.098	0.101	0.104	0.108	0.111	0.114	0.117	0.121
68	0.076	0.078	0.081	0.084	0.087	0.090	0.093	0.096	0.100	0.103	0.106	0.109	0.112	0.115	0.119	0.122
69	0.077	0.080	0.083	0.086	0.089	0.092	0.095	0.098	0.101	0.104	0.107	0.111	0.114	0.117	0.120	0.123
70	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.100	0.103	0.106	0.109	0.112	0.115	0.119	0.122	0.125
71	0.081	0.084	0.087	0.089	0.092	0.095	0.098	0.102	0.105	0.108	0.111	0.114	0.117	0.120	0.123	0.127
72	0.083	0.086	0.089	0.092	0.095	0.098	0.101	0.104	0.107	0.110	0.113	0.116	0.119	0.122	0.125	0.129
73	0.085	0.088	0.091	0.094	0.097	0.100	0.103	0.106	0.109	0.112	0.115	0.118	0.121	0.124	0.127	0.131
74	0.088	0.091	0.094	0.097	0.099	0.102	0.105	0.108	0.111	0.114	0.117	0.120	0.124	0.127	0.130	0.133
75	0.091	0.094	0.097	0.100	0.102	0.105	0.108	0.111	0.114	0.117	0.120	0.123	0.126	0.129	0.132	0.135
76	0.094	0.097	0.100	0.103	0.106	0.109	0.112	0.114	0.117	0.120	0.123	0.126	0.129	0.132	0.135	0.138
77	0.098	0.101	0.104	0.107	0.110	0.112	0.115	0.118	0.121	0.124	0.127	0.130	0.133	0.136	0.139	0.142
78	0.103	0.106	0.109	0.111	0.114	0.117	0.120	0.123	0.126	0.128	0.131	0.134	0.137	0.140	0.143	0.146
79	0.108	0.111	0.114	0.117	0.119	0.122	0.125	0.128	0.131	0.134	0.137	0.139	0.142	0.145	0.148	0.151
80	0.115	0.117	0.120	0.123	0.125	0.128	0.131	0.133	0.136	0.139	0.142	0.144	0.147	0.150	0.153	0.155
81	0.121	0.124	0.127	0.129	0.132	0.135	0.137	0.140	0.143	0.145	0.148	0.151	0.153	0.156	0.159	0.161
82	0.129	0.132	0.134	0.137	0.139	0.142	0.145	0.147	0.150	0.153	0.155	0.158	0.161	0.163	0.166	0.169
83	0.138	0.140	0.143	0.146	0.148	0.151	0.154	0.156	0.159	0.161	0.164	0.167	0.169	0.172	0.175	0.177
84	0.148	0.151	0.153	0.156	0.159	0.161	0.164	0.167	0.169	0.172	0.174	0.177	0.180	0.182	0.185	0.187
85	0.160	0.163	0.165	0.168	0.171	0.173	0.176	0.179	0.181	0.184	0.187	0.189	0.192	0.194	0.197	0.200
86	0.173	0.176	0.179	0.182	0.184	0.187	0.190	0.193	0.195	0.198	0.200	0.200	0.200	0.200	0.200	0.200
87	0.189	0.191	0.194	0.197	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
88 or over	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200

LIFE INCOME FUND FOR ALBERTA ADDENDUM

SUPPLEMENTARY AGREEMENT ESTABLISHING A NATIONAL BANK DIRECT BROKERAGE INC. LIFE INCOME FUND

RECITALS:

- The Annuitant is entitled pursuant to the Act and Regulation to effect a transfer to the Fund of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Regulation (the “Transfer”);
- The Annuitant has established a National Bank Direct Brokerage Inc. retirement income fund specimen plan number RIF-632 (the “Retirement income fund”) and wishes same to receive the Transfer;
- The Transfer cannot be made unless the conditions herein are satisfied;
- The parties now wish to supplement the Retirement income fund with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Retirement income fund and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

- Definitions:** In this Agreement, all capitalized terms not otherwise defined in this Agreement, in the Act or in the Regulation, shall have the same meaning as in the declaration of trust creating the Retirement income fund (the “Declaration”). The following terms shall have the following meaning:
 - “**Annuitant**”, means the person identified as such in the Declaration and is also defined as the “owner” of the Fund under the Regulation;
 - “**Fund**”, refers to the Retirement income fund established by the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a life income fund;
 - “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations adopted thereunder;

- “**Transfer**”, means the transfer referred to in paragraph A of the Recitals hereto.
- Locking-in provision:** Except as permitted by the law, all money in the Funds, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with a retirement income.
- Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act.
- Death of Annuitant.** No payment pursuant to Part 3 of the LIF Addendum attached shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.
- Transfers and Withdrawals.** The Annuitant may at any time, in a form deemed satisfactory by the Trustee, request a transfer permitted under Part 2 or a withdrawal permitted under part 4 of the LIF Addendum attached. The Trustee may deduct from the property being transferred or withdrawn all amounts to be retained in the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled. Once the transfer or withdrawal is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer or withdrawal. Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer or withdrawal and may, at its entire discretion, either (i) delay the requested transfer or withdrawal, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

The Trustee may rely upon the information provided by the Annuitant in any application or forms completed in accordance with the Act and the Regulation and such application or forms shall constitute sufficient authorization to the Trustee to transfer assets of the Fund or pay the Annuitant from the Fund in accordance thereto.

6. Representations and Warranties of the Annuitant: The Annuitant represents and warrants to the Trustee the following:

- a) That the pension legislation applicable and governing the Transfer at such time is the Act and the Regulation;
- b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act and the Regulation; and
- c) That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.

7. Governing law: This Agreement shall be governed by the laws of the Province of Alberta.

Life Income Fund Addendum

Part 1 Interpretation

Interpretation

1(1) The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:

- (a) "Act" means the *Employment Pension Plans Act* (SA 2012 cE-8.1);
- (b) "designated beneficiary", in relation to the owner of this life income fund, means a beneficiary designated under section 71(2) of the *Wills and Succession Act*;
- (c) "life annuity" means a non commutable arrangement to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder's pension partner;
- (d) "life income fund issuer" means the issuer of this life income fund;
- (e) "life income fund maximum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the greatest of
 - (i) the life income fund minimum amount for that year,
 - (ii) the preceding year's life income fund investment returns, and
 - (iii) the amount determined by the following formula:

life income fund balance

withdrawal factor

where

"CANSIM rate", in relation to a period of not more than 12 months for which interest is payable, means the rate of interest on long term bonds issued by the Government of Canada for the month of November preceding the year in relation to which the withdrawal factor is being calculated, determined by reference to the Canadian Socio Economic Information Management System (CANSIM) Series V 122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada;

"life income fund balance", in relation to a life income fund, means

- (i) in the calendar year in which the fund is established, the balance of the fund as at the date on which the fund is established, and
 - (ii) in every subsequent calendar year, the balance of the fund as at January 1 of the calendar year in which the calculation is made;
- "withdrawal factor" means the actuarial present value, on January 1 of the year in which the calculation is made, of an annuity of \$1 payable at the beginning of each year between that date and December 31 of the year during which the owner reaches the age of 90 years and calculated by using
- (i) for the first 15 years in relation to which the actuarial present value is determined, the greater of the following:
 - (A) 6% per year;
 - (B) the CANSIM rate;
 - (ii) for each year after the first 15 years, 6% per year;
- (f) "life income fund minimum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the minimum amount of income that, under the *Income Tax Regulations* (Canada), is required to be paid out of the member's life income fund in that year;

(g) "locked-in money" means

- (i) money in a pension plan the withdrawal, surrender or receipt of which is restricted under section 70 of the Act,
- (ii) money transferred under section 99(1) of the Act, and
- (iii) money to which clause (a), applies, that has been transferred out of the plan, and any interest on that money, whether or not that money had been transferred to one or more locked-in vehicles after it was transferred from the plan,

and includes money that was deposited into this life income fund under section 135(1)(a) of the Regulation or paid to the life income fund issuer under section 135(1)(b) or (2) of the Regulation;

(h) "member owner" means an owner of a locked-in vehicle if

- (i) the owner was a member of a pension plan, and
 - (ii) the locked-in vehicle contains locked-in money from that plan;
- (i) "owner" means a member owner or a pension partner owner;
- (j) "pension partner" means a person who is a pension partner within the meaning of subsection (2);
- (k) "pension partner owner" means an owner of a locked-in vehicle if
- (i) the locked-in vehicle contains locked-in money from that plan, and
 - (ii) the pension partner owner's entitlement to the locked-in money in the locked-in vehicle arose by virtue of
 - (A) the death of the member of a pension plan or a member owner, or
 - (B) a break down of the marriage between the pension partner owner and the member of a pension plan, or the pension partner owner and the member owner;
- (l) "Regulation" means the *Employment Pension Plans Regulation*;
- (m) "this life income fund" means the life income fund to which this addendum applies.

(2) Persons are pension partners for the purposes of this addendum on any date on which one of the following applies:

- (a) they
 - (i) are married to each other, and
 - (ii) have not been living separate and apart from each other for a continuous period longer than 3 years;
- (b) if clause (a) does not apply, they have been living with each other in a marriage-like relationship
 - (i) for a continuous period of at least 3 years preceding the date, or

(ii) of some permanence, if there is a child of the relationship by birth or adoption.

(3) Terms used in this addendum and not defined in subsection (1) but defined generally in the Act or Regulation have the meanings assigned to them in the Act or Regulation.

Part 2

Transfers In and Transfers and Payments Out of Life Income Fund

Limitation of deposits to this account

- 2(1)** Subject to subsection (2), the only money that may be deposited in this life income fund is
- (a) locked-in money from a pension plan if
 - (i) this life income fund is owned by a member owner, or
 - (ii) this life income fund is owned by a pension partner owner
 - (b) money deposited by the life income fund issuer under section 135(1)(a) of the Regulation or paid to by the life income fund issuer for deposit to this life income fund under section 135(1)(b) or (2) of the Regulation, or
 - (c) money deposited by the life income fund issuer from a locked-in retirement account under section 114(2) of the Regulation or from another life income fund under section 132(1) of the Regulation.
- (2)** The issuer of the life income fund must not accept a transfer to the life income fund of locked-in money unless the original or a certified copy of the signed waiver form in Form 7, 10, 14 or 15, as applicable, has been provided to the life income fund issuer.

Payments out

- 3(1)** The owner of this life income fund must, at the beginning of each calendar year, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).
- (2)** Subject to subsection (3), the owner of this life income fund may, at any time that money is transferred to this life income fund, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).
- (3)** The additional payment in subsection (2) may not be made if the money that transferred into this life income fund was previously in another life income fund or a life income type benefits account.
- (4)** The owner of this life income fund may, at any time during a calendar year, change the amount of income that is to be paid out of the life income fund during that year to a different amount that accords with subsection (5).
- (5)** There must be paid from a life income fund in each calendar year an amount of income that accords with the following:
 - (a) not less than the life income fund minimum amount applicable to the owner for that year;
 - (b) not more than the life income fund maximum amount applicable to the owner for that year.

Limitation on withdrawals from this account

- 4(1)** Money in this life income fund, including investment earnings, is for use in the provision of retirement income.
- (2)** Despite subsection (1), money may be withdrawn from this life income fund in the following limited circumstances:
 - (a) by way of a transfer to another life income fund on the relevant conditions specified in this addendum;
 - (b) to purchase a life annuity in accordance with section 7(1);
 - (c) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;
 - (d) in accordance with Part 4 of this addendum.
- (3)** Without limiting subsections (1) and (2) and in accordance with in section 72 of the Act, money in this life income fund must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.
- (4)** The life income fund issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this life income fund.

General liability on improper payments or transfers

- 5** If the life income fund issuer pays or transfers money from this life income fund contrary to the Act or the Regulation,
- (a) subject to clause (b), the life income fund issuer must,
 - (i) if less than all of the money in this life income fund is improperly paid or transferred, deposit into this life income fund an amount of money equal to the money that had been improperly paid or transferred, or
 - (ii) if all of the money in this life income fund is improperly paid or transferred, establish a new life income fund for the owner and deposit into that new life income fund an amount of money equal to the amount of money that had been improperly paid or transferred,
 - (b) if
 - (i) the money is transferred out of this life income fund to an issuer that is authorized under the Regulation to issue life income funds,
 - (ii) the act or omission that is contrary to the Act or the Regulation is the failure of the life income fund issuer to advise the transferee issuer that the money is locked-in money, and
 - (iii) the transferee issuer deals with the money in a manner that is contrary to the manner in which locked-in money is to be dealt with under the Act or the Regulation,
- the life income fund issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subclause (iii).

Remittance of securities

- 6(1)** If this life income fund holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to which this is an addendum, be effected, at the option of the life income fund issuer and with the consent of the owner, by the transfer of any such securities.
- (2)** Subject to section 2, there may be transferred to this life income fund identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the life income fund issuer and consented to by the owner.

Restrictions on transfers

- 7(1)** The money in this life income fund must not be transferred to an insurance company for the purchase of a life annuity unless
- (a) there is no differentiation amongst the annuitants on the basis of gender, and
 - (b) if the member owner has a pension partner,
 - (i) the life annuity is in the form of a joint and survivor pension as described in section 90(2) of the Act, or
 - (ii) in the case of a life annuity that is different from the form of pension described in subclause (i), a waiver in Form 11 signed by the member owner's pension partner and provided to the life income fund issuer not more than 90 days before the transfer.
- (2)** The money in this life income fund must not be transferred to a locked-in retirement account.

Part 3 Death of Owner

Transfers on death of owner who was a pension plan member

- 8(1)** If a member owner of a life income fund dies, the life income fund issuer must pay, by way of a lump sum payment, the money in the life income fund:

- (a) to the deceased member owner's surviving pension partner;
 - (b) if the deceased member owner has no pension partner at the time of death, or if the deceased member owner has a surviving pension partner and a waiver in Form 16, signed by the surviving pension partner has been provided to the life income fund issuer
 - (i) to the deceased member owner's designated beneficiary, or
 - (ii) if there is no living designated beneficiary, to the personal representative of the deceased member owner's estate.
- (2) A payment under subsection (1) must be made within 60 days after the delivery to the issuer of the documents required to effect the payment.

Transfers on death of pension partner owner

- 9(1) If a pension partner owner of a life income fund dies, the life income fund issuer must pay, by way of a lump sum payment, the money in the life income fund,
- (a) to the pension partner owner's designated beneficiary, or
 - (b) if there is no living designated beneficiary, to the personal representative of the pension partner owner's estate.
- (2) A payment under subsection (1) must be made within 60 days after the delivery to the issuer of the documents required to effect the payment.

Part 4 Withdrawal, Commutation and Surrender

YMPE based lump sum payment

- 10 The life income fund issuer will, on application, provide to the owner of the life income fund the lump sum amount referred to in section 71(2) of the Act if, at the time of the application,
- (a) the balance of the life income fund does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or
 - (b) the owner is at least 65 years of age and the balance of the life income fund does not exceed 40% of the YMPE for the calendar year in which the application is made.

Splitting of contract

LIFE INCOME FUND FOR BRITISH COLUMBIA (BC LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED LIFE INCOME FUND

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Account of amounts derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Regulation (the "Transfer");
- B. The Annuitant has established a National Bank Direct Brokerage Self-Directed Retirement Income Fund specimen plan number 525-026 (the "Retirement Income Fund") and wishes same to receive the Transfer;
- C. The Transfer cannot be made unless the conditions herein are satisfied;
- D. The parties now wish to supplement the Retirement Income Fund with the provisions of this Agreement, including the Life Income Fund Addendum attached hereto (the "Addendum"), in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Retirement Income Fund and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined in this Agreement, in the Act or in the Regulation, shall have the same meaning as in the declaration of trust creating the Retirement Income Fund (the "Declaration").

The following terms shall have the following meaning.

- a) **"Fund"** refers to the Retirement Income Fund executed between the Annuitant, National Bank Direct Brokerage (the "Agent") and the Trustee, as supplemented and modified by this Agreement and the Addendum establishing a Life Income Fund;
 - b) **"Annuitant"** means the person identified as such in the Declaration and is also defined as the "owner" of the Fund under the Regulation;
 - c) **"Tax Act"** means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
 - d) **"Transfer"** means the transfer referred to in paragraph A of the Recitals hereto;
2. **Locking-in provisions:** Except as permitted by the law, all money and asset that are subject of the Transfer, including all investment earnings and interest thereon and gains and losses realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with a retirement income.
3. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of Retirement Income Fund money contained in the Tax Act.
4. **Death of Annuitant:** No payment pursuant to Part 3 of the Addendum attached shall be made unless and until the Trustee receives releases and other documents as it may reasonably require.
5. **Transfers and Payments:** The Annuitant may at any time, in a form deemed satisfactory by the Trustee, request a transfer or a payment permitted under Part 2 or under part 4 of the Addendum.
- The Trustee may deduct from the property being transferred or payed all amounts to be retained in application of paragraph 146.3(2)(e.1) or 146.3(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.
- Once the transfer or payment is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer or payment.
- Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer or payment and may, at its entire discretion, either (i) delay the requested transfer or payment, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.
- The Trustee may rely upon the information provided by the Annuitant in any application or forms completed in accordance with the Act and the Regulation and such application or forms shall constitute sufficient authorization to the Trustee to transfer assets of the Fund or pay the Annuitant from the Fund in accordance thereto.
6. **Representations and Warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
- a) That the pension legislation applicable and governing the Transfer at such time is the Act and the Regulation;
 - b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act and the Regulation; and
 - c) That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
7. **Governing Law:** This Agreement shall be governed by the laws of the Province of British Columbia.

- 11 If this life income fund is not eligible for a lump sum payment option referred to in section 10, assets in the life income fund must not be divided and transferred to 2 or more, life income funds, pension plans or annuities or any combination of them if that transfer would make any one or more of those vehicles eligible for a lump sum payment under section 71(1) or (2) of the Act.

Shortened life payments

- 12 On application by the owner of this life income fund referred to in section 71(4)(a) of the Act, the life income fund issuer will pay, to the owner, a payment, or series of payments for a fixed term, of all or part of the assets held in the life income fund if
- (a) a medical practitioner certifies that the owner has a disability or illness that is terminal or to likely shorten the owner's life considerably, and
 - (b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 13 signed by the pension partner has been provided to the life income fund issuer.

Non residency for tax purposes

- 13 The life income fund issuer will, on application, provide to the owner of the life income fund the lump sum amount referred to in section 71(4)(b) of the Act if,
- (a) the owner includes in the application written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), or
 - (b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 13 signed by the pension partner has been provided to the life income fund issuer.

Financial hardship

- 14 The life income fund issuer will, on application made in accordance with section 140(3) of the Regulation, provide to the owner of the life income fund a lump sum amount, up to the amount prescribed under section 140(5) of the Regulation, if, at the time of the application, the owner meets the requirements of the financial hardship exception set out in section 140(4) of the Regulation.

Pension Benefits Standards Regulation Life Income Fund Addendum

Part 1 — Definitions and Interpretation

1. Definitions and interpretation

- (1) Subject to subsection (3), the following terms, used in this addendum, have the meanings given to them below, except where the context otherwise requires:

"Act" means the *Pension Benefits Standards Act*, S.B.C. 2012, c. 30;

"annuity" means a non-commutable life annuity contract that is issued or issuable by an insurance company to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder's spouse;

"designated beneficiary" has the same meaning as in the *Wills, Estates and Succession Act*;

"life income fund issuer" means the issuer of this life income fund;

"life income fund maximum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the greatest of

- (a) the investment returns for the most recently completed calendar year for the owner's life income fund,
- (b) the minimum amount of income that, under the *Income Tax Act* (Canada) or the *Income Tax Regulations* (Canada), is required to be paid out of the owner's life income fund that year, and
- (c) the amount determined by dividing the life income fund balance by the withdrawal factor

where

"CANSIM rate", in relation to a period of not more than 12 months for which interest is payable, means the rate of interest on long-term bonds issued by the government of Canada for the month of November preceding the calendar year in relation to which the withdrawal factor is being calculated, determined by reference to the Canadian Socio-Economic Information Management System (CANSIM) Series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada;

"life income fund balance", in relation to a life income fund, means

- (a) in the calendar year in which the fund is established, the balance of the owner's life income fund as at the date on which the fund is established, and
- (b) in every subsequent calendar year, the balance of the owner's life income fund as at January 1 of the calendar year in which the calculation is made;

"withdrawal factor" means the actuarial present value on January 1 of the calendar year in which the calculation is made of an annuity of \$1, payable at the beginning of each calendar year between that date and December 31 of the calendar year during which the owner reaches the age of 90 years, and calculated by using,

- (a) for the first 15 calendar years in relation to which the actuarial present value is determined, the greater of the following:
 - (i) 6% per year;
 - (ii) the CANSIM rate, and
- (b) for each calendar year after the first 15 calendar years, 6% per year;

"locked-in money" means

- (a) money the withdrawal, surrender or receipt of which is restricted under section 68 of the Act,
- (b) money to which paragraph (a) applies that has been transferred out of a pension plan
 - (i) to one or more locked-in retirement accounts or life income funds, and any interest on that money, or
 - (ii) to an insurance company to purchase an annuity that is permitted under the Act,
- (c) money in a locked-in retirement account that was deposited into the locked-in retirement account under section 105 (1) of the Regulation or paid to the locked-in retirement account issuer under section 105 (2) or (3) (b) of the Regulation, and
- (d) money in a life income fund that was deposited into the life income fund under section 124 (1) of the Regulation or paid to the life income fund issuer under section 124 (2) or (3) (b) of the Regulation;

"member owner" means the owner of this life income fund if

- (a) the owner was a member of a pension plan, and
- (b) this life income fund contains locked-in money from that plan;

"owner", in relation to this life income fund, means

- (a) the member owner of this life income fund, or
- (b) the spouse owner of this life income fund;

"Regulation" means the Pension Benefits Standards Regulation enacted under the *Pension Benefits Standards Act*, S.B.C. 2012, c. 30;

"spouse" means a person who is a spouse within the meaning of subsection (2);

"spouse owner" means the owner of this life income fund if this life income fund contains locked-in money from a pension plan and the owner is

(a) the spouse or former spouse of a member of the pension plan or member owner whose entitlement to the locked-in money in this life income fund arose by virtue of a breakdown of the marriage or marriage-like relationship between the owner and the member or member owner, or

(b) the surviving spouse of a deceased member of the pension plan or member owner whose entitlement to the locked-in money in this life income fund arose by virtue of the death of the member or member owner;

"this life income fund" means the life income fund to which this addendum applies.

(2) Persons are spouses for the purposes of this addendum on any date on which one of the following applies:

(a) they

- are married to each other, and
- have not been living separate and apart from each other for a continuous period longer than 2 years;

(b) they have been living with each other in a marriage-like relationship for a period of at least 2 years immediately preceding the date.

(3) Terms used in this addendum that are not defined in subsection (1) but are defined in the Act or the Regulation have the meanings given to them in the Act or the Regulation.

Part 2 — Transfers in and Transfers and Payments out of Life Income Fund

2. Limitation on deposits to this life income fund

(1) Subject to subsection (2), the only money that may be deposited in this life income fund is

(a) locked-in money transferred from a pension plan if

- this life income fund is owned by a member owner, or
- this life income fund is owned by a spouse owner, or

(b) money deposited by the life income fund issuer under section 124 (1) of the Regulation or paid to the life income fund issuer for deposit to this life income fund under section 124 (2) or (3) (b) of the Regulation.

(2) The life income fund issuer must not accept a transfer of locked-in money to this life income fund unless

(a) a copy of the consent required by section 103 (2) (c) or confirmation required by section 121 (1) (b) (ii) of the Regulation has been provided to the issuer, and

(b) if the locked-in money is coming from a pension plan by way of a transfer by a member of the plan or from a locked-in retirement account by way of a transfer by the owner of the account, the member or member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", is at least 50 years of age.

(3) For the purpose of subsection (2) (a), the spouse's consent or confirmation is valid for each successive transfer of money in this life income fund to another life income fund or a life income type benefits account in a pension plan.

3. Payment of retirement income

(1) The owner of this life income fund must, at the beginning of each calendar year, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).

(2) If the owner of this life income fund fails to notify the life income fund issuer in accordance with subsection (1) in any calendar year, the life income fund issuer must, subject to subsection (4), pay to the owner, in that year, the minimum amount of income that, under the *Income Tax Act* (Canada) or the Income Tax Regulations (Canada), is required to be paid out of the owner's life income fund in that year.

(3) The owner of this life income fund must, at any time that money is transferred to this life income fund, other than from another life income fund or a life income type benefits account in a pension plan, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).

(4) The owner of this life income fund may, at any time during a calendar year, change the amount of income that is to be paid out of this life income fund during that year to a different amount that accords with subsection (5).

(5) There must be paid from a life income fund in each calendar year an amount of income that is

(a) not less than the minimum amount of income that, under the *Income Tax Act* (Canada) or the Income Tax Regulations (Canada), is required to be paid out of the owner's life income fund in that year, and

(b) not more than the life income fund maximum amount applicable to the owner's life income fund for that year.

4. Limitation on payments and transfers from this life income fund

(1) Money in this life income fund, including investment earnings, is for use in the provision of retirement income.

(2) Despite subsection (1), money may be paid or transferred from this life income fund in the following circumstances:

(a) by way of a transfer to another life income fund on the applicable conditions set out in this addendum;

(b) by way of a transfer to a locked-in retirement account;

(c) by way of a transfer to an insurance company to purchase an annuity in accordance with section 7;

(d) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;

(e) in accordance with Part 4 of this addendum.

(3) Without limiting subsections (1) and (2) of this section and in accordance with section 70 of the Act, money in this life income fund must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.

(4) The life income fund issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this life income fund.

5. General liability for improper payments or transfers

If the life income fund issuer pays or transfers money from this life income fund contrary to the Act or the Regulation,

(a) subject to paragraph (b), the life income fund issuer must,

(i) if less than all of the money in this life income fund is improperly paid or transferred, deposit into this life income fund an amount of money equal to the amount of money that was improperly paid or transferred, or

(ii) if all of the money in this life income fund is improperly paid or transferred, establish a new life income fund for the owner and deposit into that new life income fund an amount of money equal to the amount of money that was improperly paid or transferred, or

(b) if

(i) the money is transferred out of this life income fund to an issuer (the "transferee issuer") that is authorized under the Regulation to issue life income funds,

(ii) the transfer is contrary to the Act or the Regulation in that the life income fund issuer failed to advise the transferee issuer that the money is locked-in money, and

(iii) the life income fund issuer deals with the money in a manner that is contrary to the manner in which locked-in money must be dealt with under the Act or the Regulation, the life income fund issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subparagraph (iii).

6. Remittance of securities

(1) If this life income fund holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to which this is an addendum, be made, at the option of the life income fund issuer and with the consent of the owner, by the transfer of those securities.

(2) There may be transferred to this life income fund identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the life income fund issuer and consented to by the owner.

7. Retirement income from annuity

(1) The money in this life income fund must not be transferred to an insurance company to purchase an annuity unless

(a) payments under the annuity do not begin until the member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", as the case may be, has reached 50 years of age,

(b) payments under the annuity begin on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to begin receiving a pension from a registered pension plan,

(c) there is no differentiation among the annuitants on the basis of gender, and

(d) if the owner is a member owner who has a spouse,

(i) the annuity is in the form of a joint and survivor pension referred to in section 80 (2) of the Act, or

(ii) one of the following has been provided to the life income fund issuer:

(A) a waiver in Form 2 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member not more than 90 days before the date that payments are to begin;

(B) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.

(2) A transfer under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the transfer.

Part 3 — Death of Owner

8. Payment on death of member owner

(1) Subject to subsection (2), if this life income fund is owned by a member owner who has died and he or she is survived by a spouse, the life income fund issuer must pay the money in this life income fund to the surviving spouse.

(2) If this life income fund is owned by a member owner who has died and

(a) he or she is not survived by a spouse, or

(b) he or she is survived by a spouse and one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 4 of Schedule 3 of the Regulation signed by the spouse before the member owner's death in the presence of a witness and outside the presence of the member owner;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies, the life income fund issuer must pay the money in this life income fund to the member owner's designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.

(3) A payment under subsection (1) or (2) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

9. Payment on death of spouse owner

(1) If this life income fund is owned by a spouse owner who has died, the life income fund issuer must pay the money in this life income fund to the spouse owner's designated beneficiary, or, if there is no living designated beneficiary, to the personal representative of the spouse owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

Part 4 — Applications to Unlock All or Part of Life Income Fund

10. Lump-sum payment of small account balance

(1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (2) of the Act and section 126 of the Regulation if, on the date of the application,

(a) the balance of this life income fund does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or

(b) the owner is at least 65 years of age and the balance of this life income fund does not exceed 40% of the YMPE for the calendar year in which the application is made.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

11. No splitting of contract

If this life income fund is not eligible for the lump-sum payment option referred to in section 10 of this addendum, the money in this life income fund must not be divided and transferred to 2 or more locked-in retirement accounts, life income funds, pension plans or annuities or any combination of them if that transfer would make the money in any one or more of them eligible for a lump-sum payment option under section 10 of this addendum or section 69 (1) or (2) of the Act.

12. Shortened life

(1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the payment, or series of payments for a fixed term, referred to in section 69 (4) (a) of the Act of all or part of the money held in this life income fund if

- (a) a medical practitioner certifies that the owner has an illness or a disability that is terminal or likely to shorten the owner's life considerably, and
 - (b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:
 - (i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;
 - (ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.
- (2) A payment under subsection (1) must be made, or a series of payments under subsection (1) must begin, within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment or begin the series of payments.

13. Non-residency for tax purposes

- (1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (b) of the Act and section 128 of the Regulation if
- (a) the owner includes in the application
 - (i) a statement signed by the owner that the owner has been absent from Canada for 2 or more years, and
 - (ii) written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and
 - (b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:

- (i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;
- (ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.

14. Financial hardship

- (1) On application by the owner of this life income fund in accordance with section 129 of the Regulation, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (c) of the Act, up to the amount prescribed under section 129 (5) of the Regulation, if
- (a) the owner meets the requirements of the financial hardship exception set out in section 129 (4) of the Regulation, and
 - (b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:
 - (i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;
 - (ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.
- (2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

LIFE INCOME FUND FOR NEW-BRUNSWICK (NB LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

- A.** The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived from, directly or indirectly from, a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "**Transfer**");
- B.** The Annuitant has established a National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund and wishes same to receive the Transfer;
- C.** The Annuitant has duly completed and signed **Form 3.2** in Part I under the "Owner Transfer Information" section **AND** the pension plan administrator or financial institution effecting the Transfer has duly completed and signed **Form 3.2** in Part II under the "Transferor Information and Agreement" section;
- D.** The Transfer cannot be made unless the conditions herein are satisfied;
- E.** The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

- 1. Definitions.** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration. In addition, the following terms shall have the following meaning:
- a) "Act"** means the *Pension Benefits Act* (New Brunswick), as same may be amended from time to time;
 - b) "Declaration"** means the Declaration of Trust of the National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund;
 - c) "Fiscal Year"** in connection with this Fund means a calendar year terminating at midnight on December 31, and will not exceed 12 months;
 - d) "Fund"** refers to the National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIF that will hold the locked-in money that is the subject of the Transfer;
 - e) "LIF"** means a life income fund, being an RIF that meets the requirements set out in section 22 of the Regulation;
 - f) "Life Annuity"** means a life or deferred life annuity contract that conforms with section 23 of the Regulations, the Act and paragraph 60(l) of the Tax Act;
 - g) "LIRA"** means a locked-in retirement account, being a registered retirement savings plan (within the meaning in the Tax Act) that meets the requirements set out in section 21 of the Regulation;
 - h) "Minimum Amount"** means the amount referred to in 6.c), but shall not be lower than the amount that is required to be paid out of the Fund under the Tax Act as determined in the Declaration;
 - i) "Maximum Amount"** means the amount referred to in 6.c);
 - j) "Regulation"** means *Regulation 91-195* adopted pursuant to the Act, as same may be amended from time to time;
 - k) "RIF"** means a retirement income fund within the meaning of the Tax Act that is registered under that act;
 - l) "Spouse"** shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RIF;
 - m) "Tax Act"** means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
 - n) "Transfer"** means the transfer referred to in paragraph A of the Recitals hereto.
- 2. Purpose of the Fund:** Except as permitted by the Act and the Regulation, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to pay the Annuitant an income, the amount of which may vary annually, until the day on which the entire balance of the money in the Fund is converted into a Life Annuity. No money that is not locked-in may be transferred or otherwise held under this Fund.
- 3. Value of the Fund:** The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death of the Annuitant or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.
- The commuted value of the Annuitant's benefits provided under this Fund shall be determined in accordance with the Act and this Regulation if it is divided under section 44 of the Act;
- 4. Investments:** The money and assets held under this Fund shall be invested by the Trustee in the manner provided in the Declaration. All investments of money or

assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act.

- 5. Restrictions:** No money transferred, including interest, shall be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under section 44 of the Act or subsection 57(6) of the Act;
- No money transferred, including interest, shall be commuted or surrendered during the Annuitant's lifetime except under paragraph 9a) and 9b) of this contract, under section 44 or subsection 57(6) of the Act.
- A transaction in contravention of this Section 5 is void.

- 6. Payments:** Payments to the Annuitant until the day on which the entire balance of the money in the Fund is converted into a Life Annuity shall be determined in the Declaration and shall comply with the following conditions:

- a) Commencement of payments.** Payments shall commence not later than the last day of the second Fiscal Year of the Fund;
- b) Annual Payments.** The amount of the income (which must be between the Minimum Amount and the Maximum Amount) paid to the Annuitant during a Fiscal Year must be set by the Annuitant each year by notifying the Trustee of the amount no later than January 1 of such Fiscal year. Such notice expires on December 31 of such Fiscal year. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year. For greater certainty, the Trustee does not agree to any interval of more than a year;
- c) Maximum and Minimum Amount.** Subject to 6.d) and 6.e) below, the amount of income paid during a Fiscal Year of the LIF will not be more than "M" ("**Minimum Amount**") or less than "m" ("**Maximum Amount**"), where "M" and "m" are calculated using the following formulas:

$$M = \frac{C}{F}$$

and

$$m = \frac{C}{H}$$

and where

- C = the balance of the money in the Fund on the first day of the Fiscal Year;
- F = the value, on the first day of the Fiscal Year, of a guaranteed pension, the annual payment of which is \$1 payable on the first day of each Fiscal Year between the 1st day of the Fiscal Year and the 31st day of December, inclusive, of the year in which the Annuitant attains the age of 90 years; and
- H = the number of years between the 1st day of January of the year in which the calculation is made and the 31st day of December of the year in which the Annuitant attains the age of 90 years, inclusive.

The value of "F" shall be established at the beginning of each Fiscal Year using:

- i)** an interest rate of not more than 6% per year; or
 - ii)** for the first 15 years after the date of the valuation of the Fund, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the government of Canada for the month of November preceding the calendar year in which the calculation is made, as published in the Bank of Canada Review as CANSIM Series B14013 and using an interest rate not exceeding 6% in subsequent years.
- d) Maximum Amount for First Fiscal Year.** In calculating "m" for the first Fiscal Year, "m" shall be equal to zero;
 - e) Maximum Amount on Transfer from another LIF.** If the money in the Fund is derived from money transferred directly or indirectly during the first Fiscal Year of the Fund from another LIF of the Annuitant, "M" shall be equal to zero.
- 7. Permitted transfers:** Prior to using the balance of the Fund to purchase an immediate Life Annuity, the Annuitant may transfer all or part of the balance of the LIF:
- a)** to the fund of a pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act, where permitted by the terms of such pension plan. However, the Annuitant shall not be entitled to make a transfer to a pension plan that is not registered in the Province unless the pension plan is registered for persons employed in a designated jurisdiction, and the Annuitant is employed in that jurisdiction by an employer who is making contributions on behalf of the Annuitant to the pension fund that is to receive the amount to be transferred;
 - b)** to another LIRA;
 - c)** to a LIF, provided that the minimum amount as defined under subsection 146.3(1) of the Tax Act is retained before transferring the balance of the LIF in accordance with paragraph 146.3(2)(e) of the Tax Act;
 - d)** to purchase a Life Annuity;

- e) to a registered RIF (that is not a LIF), provided that the Trustee receives the consent of the Superintendent pursuant to subsection 22(6.1) of the Regulation (upon application of the Annuitant to the Superintendent in accordance with the Act and the Regulation). Such approval may be obtained by filing with the Superintendent documentation in the form and manner prescribed by the Regulations, and the Superintendent shall approve the transfer if:
- an amount has never previously been transferred under this paragraph or under subsection 22(6.1) of the Regulations on behalf of the Annuitant; and
 - the amount to be transferred is not greater than the lesser of:
 - 3 times the Maximum Amount; and
 - 25% of the balance in the Fund on the first day of the Fiscal Year in which the transfer hereunder is to be made.

The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer. Subsections 21(8.1) to 21(11) of the Regulation shall apply to any transfer hereunder, with necessary modifications, including any necessary modification to Form 3.2.

The Trustee may deduct from the property being transferred all amounts to be retained in application of paragraph 146.3(2)(e.1) or 146.3(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

The transfer pursuant to paragraphs 10.a), 7.b) and 10.c) shall be effected within 30 days from the Annuitant's application for transfer. A transfer pursuant to paragraph 10.d) shall be effected within a reasonable time. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly. A transfer pursuant to paragraphs 10.a), 7.b) and 10.c) may, at the option of the Trustee, be effected by the remittance to the Annuitant of the investment securities respecting the Fund.

8. Permitted withdrawals: No withdrawal, commutation or surrender of money, in whole or in part, held under this Fund is permitted and will be void, except in the following circumstances:

- Shortened Life Expectancy Withdrawal.** The Annuitant may replace in whole or in part the deferred pension under an annuity by a payment or a series of payments and the amount of the payment or the present value of the series of payments, as the case may be, shall not be less than the present value of the deferred pension if the following conditions are met before the commencement of payments under the annuity:
 - a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy; and
 - if the Annuitant has a Spouse or Common-law partner, the Annuitant delivers to the Trustee a completed spousal waiver on Form 3.01.
- Non-resident.** The Annuitant may withdraw the balance of the money in the Fund if:
 - the Annuitant and his or her Spouse or Common-law partner, if any, are not Canadian citizens;
 - the Annuitant and his or her Spouse or Common-law partner, if any, are not resident in Canada for the purposes of the Tax Act; and
 - the Annuitant's Spouse or Common-law partner, if any, waives, on Form 3.5, any rights that he or she may have in the Fund under the Act, this Regulation or the contract.

The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 8 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Fund in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.

9. Statements

- The Trustee undertakes to provide the Annuitant, at the beginning of each Fiscal Year, until the date on which all the money in the Fund is converted into a Life Annuity or transferred to a LIRA or LIF that conforms to the Act and the Regulations, or to similar legislation in another jurisdiction, a statement indicating the following information:
 - the amount of money deposited, its source, the accumulated earnings of the Fund and the withdrawals from the Fund during the immediately preceding Fiscal Year;
 - any fees deducted since the preparation of the previous such statement and the balance of money in the Fund at the beginning of each Fiscal Year;

- the Maximum Amount; and
- the Minimum Amount.

- If the Annuitant dies before the purchase of a Life Annuity, the Trustee shall provide to the Annuitant's Spouse, common-law partner, beneficiary, administrator or executor, as the case may be, a statement containing the information listed in subparagraphs 9.a)i) and 9.a)ii) hereof, determined as of the date of the Annuitant's death.
- If the balance of the money in the Fund is converted to a Life Annuity or transferred to another LIF or LIRA that conforms to the Act and the Regulations or to similar legislation in another jurisdiction, the Trustee shall provide to the Annuitant a statement containing the information listed in subparagraphs 9.a)i) and 9.a)ii) hereof, as of the date of the conversion or transfer.

10. Differentiation Based on Sex

- No money, including interest, in the Fund shall be used to purchase a life or deferred Life Annuity that differentiates on the basis of sex unless the commuted value of the deferred pension transferred from the plan into the Fund was determined on transfer in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of the sex.
- If the information provided on the prescribed transfer form indicates that the commuted value of the Benefits transferred into the Fund was determined in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of sex, only money that is differentiated on the same basis may subsequently be transferred into the Fund.

11. Marriage Breakdown: Sections 27 to 33 of the Regulation apply with the necessary modifications to the division of the money in the Fund on the breakdown of a marriage or common-law partnership

12. Death of the Annuitant: If the Annuitant dies before purchasing a Life Annuity, the balance of the money in the Fund shall be paid:

- to the Annuitant's Spouse or common-law partner, unless the Spouse or common-law partner waives on Form 3.02 all rights that he or she may have in the Account under the Act, this Regulation or this agreement;
- if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner, to a beneficiary on death designated by the Annuitant; or
- if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner and if the Annuitant has not designated a beneficiary on death designated by the Annuitant, to the estate of the Annuitant.

No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.

13. Amendments: an amendment to this Agreement shall not be made:

- that would result in a reduction of the benefits arising from the Fund unless the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the money in the Fund in accordance with Section 7 hereof and, unless a notice is delivered to the Annuitant at least 90 days before the effective date, describing the amendment and the date on which the Annuitant may exercise the entitlement to transfer;
- unless the Agreement as amended remains in conformity with the Act and this Regulation; or
- except to bring this Agreement into conformity with requirements under an Act of the Legislature or other legislation in another jurisdiction.

14. Representations and warranties of the Annuitant: The Annuitant represents and warrants to the Trustee the following:

- That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
- That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
- That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
- That the commuted value of the pension benefits that were transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated on Form 3.2.

15. Governing law: This Agreement shall be governed by the laws of the Province of New Brunswick.

LIFE INCOME FUND FOR NOVA SCOTIA (N-S LIF)

SUPPLEMENTARY AGREEMENT ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

- The Annuitant is entitled, pursuant to Pension Benefits Act (Nova Scotia) and the Pension Benefits Regulations (Nova Scotia), to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under the *Income Tax Act* (Canada) (the "Transfer");
- the Annuitant has established a National Bank Direct Brokerage Inc. Self-Directed retirement income fund with the Trustee and wishes same to receive the Transfer;
- the Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;
- the parties now wish to supplement the retirement income fund in order to comply with the requisite locking-in conditions.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. Definitions:

In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Schedule 4 or as in the Declaration. In addition, the following terms shall have the meaning indicated below:

- "Fund"** refers to the National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund executed between the Annuitant and the Trustee, as supplemented and modified by this Agreement establishing a LIF;
- "Declaration"** means the Declaration of Trust of the National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund executed between the Annuitant and the Trustee;
- "Excess amount"** means the portion of the amount transferable under clause 61(1)(b) of the Act into a LIF, or the amount transferable under clause 67(1)(b) of the Act into a registered retirement savings arrangement; that is greater than the amount prescribed for the Transfer under the *Federal Income Tax Regulations*.
- "LIF" or "life income fund"** means a registered retirement income fund that is a registered retirement savings arrangement as defined in clause 2(as) of the

Act and meets the requirements in Sections 205 to 210 and Schedule 4: Nova Scotia LIF Addendum;

- "Annuitant"** has the same meaning as in the Declaration and is also referred to as the "owner" in Schedule 4.
- "LIRA" or "locked-in retirement account"** means a registered retirement savings plan that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 200 to 204 and Schedule 3, and includes a registered retirement savings plan established under a contract made before January 1, 2003, for the purposes of a transfer under the former Act;
- "RIF"** means a retirement income fund within the meaning of the *Federal Income Tax Act*, that is registered under that act;
- "RSP"** means a retirement savings plan within the meaning of the *Federal Income Tax Act*, that is registered under that act;
- "Schedule 4"** means the *Pension Benefits Regulations* (Nova Scotia)'s Schedule 4: Nova Scotia LIF Addendum included herein after, as same may be amended from time to time;
- "Transfer"** means the transfer referred to in paragraph A of the Recitals hereto.
- "Trustee"** means Natcan Trust Company, 600 De La Gauchetière West, 28th floor, Montreal, Quebec, H3B 4L2.

2. Locking-in provisions: The Annuitant shall not be allowed to make any contribution, and no money which is not locked-in may be transferred or otherwise held under this Fund. The only money permitted to be transferred to this Fund must be all or part of the following:

- an amount transferred under clause 61(l)(b) of the Act;
- an amount transferred as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;
- assets in a LIRA;
- assets in a LIF.

3. Value of the Fund: The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death

of the Annuitant or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.

4. Permitted transfers and withdrawals: No transfer or withdrawal of the money or assets held under this Fund is permitted unless such transfer is permitted under Schedule 4, the Act and the Regulations:

Such transfer or withdrawals shall be made after receipt by the Trustee of written instructions from the Annuitant to that effect, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at section 5 hereof are fulfilled. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer accordingly, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

5. Conditions for transfer: Before transferring any money from this Fund to another financial institution, the Trustee shall advise the transferee financial institution in writing that the amount transferred must be administered in accordance with the Act and the Regulations. The transferee financial institution must also agree to administer the amount transferred in accordance with the Act and the Regulations.

6. Investments: The money and assets held under this Fund shall be invested by the Trustee, either directly or through an agent, in the manner provided in the Declaration of Trust creating the Retirement Income Fund. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the *Federal Income Tax Act* and the *Regulations* thereunder.

7. Criteria of commuted value transferred: The commute value of the pension benefits transferred into this Fund is not determined in a manner that differentiates on the basis of sex, unless the commute value of all the pension benefits transferred hereto where also determined on a basis that differentiates so.

8. Death of the Annuitant: Upon the Annuitant's death, the money and assets held under this Fund shall be payable in accordance with the Regulations. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.

9. Statement: The Trustee agrees to provide the information described in Section 14 of Schedule 4 to the persons indicated in that Section.

10. Amendment: The Trustee agrees not to amend this Fund except as provided in Schedule 4 and the Regulations. A 90 days prior written notice must be given by the Trustee to the Annuitant of any proposed amendment to the Fund, except if any of the following conditions are met:

- a) the Trustee is required by law to make the amendment;
- b) the Annuitant is entitled to transfer the assets of the Fund under the terms of the contract as they exist before the amendment takes effect.

11. Representation and warranties of the Annuitant: The Annuitant represents and warrants to the Trustee the following:

- 11.1 that an entitlement to receive a pension under a pension plan governed by the Act is vested in him(her);
- 11.2 that he/she is entitled to effect a transfer of his/her pension entitlements pursuant to the Act;
- 11.3 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and
- 11.4 that the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
- 11.5 that he/she have the written consent of his/her spouse, in an approved form, to purchase a LIF, or is exempted from having this written consent according to the Regulations;
- 11.6 that the Trustee is entitled to rely upon the information provided by the Annuitant in order to purchase this retirement income Fund.
- 11.7 That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.

12. Governing terms: The money which is the object of the transfer shall be held by the Trustee in accordance with the terms of the retirement income fund and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the retirement income fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.

13. Assigns: This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**Schedule 4: Nova Scotia LIF Addendum
(Pension Benefits Regulations)**

Note: This document is Schedule 4 to the *Pension Benefits Regulations* (Nova Scotia). It forms part of the regulations and must be read, construed and interpreted in conjunction with the *Pension Benefits Act* and its regulations.

1. Definitions for this Schedule

In this Schedule,

- 1.1 "Act" means the *Pension Benefits Act*;
- 1.2 "domestic contract", as defined in Section 2 of the regulations, means a written agreement referred to in, and for the purpose of Section 74 of the Act that provides for a division between spouses of any pension benefit, deferred pension or pension and includes a marriage contract as defined in the *Matrimonial Property Act*;
- 1.3 "federal *Income Tax Act*", as defined in Section 2 of the regulations, means the *Income Tax Act* (Canada) and, unless specified otherwise, includes the regulations made under that Act;
- 1.4 "owner" means any of the following persons, as set out in subsection 205(2) of the regulations, who has purchased a LIF:
 - (i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,
 - (ii) a spouse of a person who was a member, and who is entitled to make a transfer under clause 61(1)(b) of the Act,
 - (iii) a person who has previously transferred an amount under clause 61(1)(b) of the Act into a LIRA or LIF,
 - (iv) a person who has previously transferred an amount into a LIF as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
 - (v) a spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;
- 1.5 "regulations" means the *Pension Benefits Regulations* made under the Act;

- 1.6 "spouse", as defined in the Act, means either of 2 persons who
 - (i) are married to each other,
 - (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
 - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement, and
 - (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or
 - (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
 - A) 3 years, if either of them is married, or
 - B) 1 year, if neither of them is married;
- 1.7 "temporary income" means income payments from a LIF that, in accordance with Section 9 of this Schedule, are paid to an owner before they turn 65 years old;
- 1.8 "Superintendent" means the Superintendent of Pensions, as defined in the Act.

2. Fiscal year of LIFs

- (1) In this Schedule, "fiscal year" means the fiscal year of a LIF.
- (2) A fiscal year must end on December 31 and must not be longer than 12 months.

3. Reference rate criteria

A reference rate in this Schedule for a fiscal year must meet all of the following criteria:

- (a) it must be based on the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for November of the year immediately before the beginning of the fiscal year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series V122487, with the following adjustments applied successively to that nominal rate:
 - (i) an increase of 0.5%,
 - (ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest,
 - (iii) the rounding of the effective interest rate to the nearest multiple of 0.5%;
- (b) it must not be less than 6%.

Note Re Requirements of the *Pension Benefits Act* and *Regulations*

Prohibitions on transactions from Section 91 of Act

Under Section 91 of the Act, money held in a LIF must not be commuted or surrendered in whole or in part except as permitted by this Schedule and the regulations including, without limiting the generality of the foregoing, the following Sections of the regulations:

- Sections 211 through 230, respecting withdrawal in circumstances of financial hardship;
- Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy;
- Section 232, respecting withdrawal in circumstances of non-residency;
- Section 233, respecting withdrawal of small amounts at age 65;
- Section 198, respecting the transfer of an excess amount, as defined in that Section.

Pursuant to subsection 91(2) of the Act, any transaction that contravenes Section 91 of the Act is void.

Values of assets in LIFs subject to division

The value of the assets in a LIF is subject to division in accordance with all of the following:

- an order of the Supreme Court of Nova Scotia that provides for the division of any pension benefits under Section 74 of the Act;
- a domestic contract that provides for the division of any pension benefit, deferred pension or pension under Section 74 of the Act;
- the regulations.

Money held in LIFs

The following requirements are set out in the *Pension Benefits Act* and are applicable to LIFs governed by this Schedule:

- Money held in a LIF must not be assigned, charged, or given as security except as permitted by subsection 88(3) of the Act or Section 90 of the Act, and any transaction purporting to assign, charge, anticipate or give the money in the LIF as security is void.
- Money held in a LIF is exempt from execution, seizure or attachment except for the purpose of enforcing a maintenance order as permitted by Section 90 of the Act.

4. Periodic payments of income out of LIFs

- (1) An owner must be paid an income from their LIF, the amount of which may vary, annually.
- (2) Income payments from a LIF must begin no earlier than
 - (a) the earliest date that the owner would have been entitled to receive a pension under any pension plan from which the money was transferred; or
 - (b) if all of the money in a LIF is derived from sources other than a pension benefit provided in respect of any employment of the owner, the date the owner turns 55 years old.
- (3) Income payments from a LIF must begin no later than the end of a LIF's 2nd fiscal year.

5. Amount of income payments from LIFs

- (1) Subject to the minimum amount in Section 6 of this Schedule, an owner of a LIF must establish the amount of income to be paid during each fiscal year at the beginning of the fiscal year and after they have received the information required by Section 14 of this Schedule.
- (2) Except as provided in subsection (5), an owner of a LIF must notify the financial institution providing the LIF of the amount to be paid out of the LIF each year and any owner who does not do so is deemed to have selected the minimum amount determined under Section 6 of this Schedule.
- (3) The owner's notice required by subsection (2) must be given either
 - (a) except as provided in subsection (5), at the beginning of the fiscal year;
 - (b) at a time agreed to by the financial institution providing the LIF.
- (4) The owner's notice required by subsection (2) expires at the end of the fiscal year to which it relates.
- (5) If a financial institution providing a LIF guarantees the rate of return of the LIF over a period that is greater than 1 year, the period must end at the end of a fiscal year and the owner may establish the amount of income to be paid during the period at the beginning of the period.

6. Minimum annual LIF withdrawal

- (1) The amount of income that is paid out of a LIF during a fiscal year must not be less than the minimum amount prescribed for a registered retirement income fund by the federal *Income Tax Act*, determined on the basis of the owner's age or the age of the owner's spouse if the spouse is younger than the owner.

(2) Despite Sections 7, 8, 10, 11 and 12 of this Schedule, if the minimum amount specified by subsection (1) is greater than the maximum amount determined under those Sections for a fiscal year, then the minimum amount under subsection (1) must be paid out of the LIF during the fiscal year.

7. Pro-rating amount of withdrawal if initial fiscal year less than 12 months

If the initial fiscal year is less than 12 months long, the maximum amount determined under Sections 8, 10, 11 and 12 of this Schedule must be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as 1 month.

8. Maximum annual life income from LIF that does not provide for temporary income

The maximum annual amount of life income to be paid each year from a LIF from which no temporary income is paid is determined by the following formula:

$$\text{maximum payable} = F \times B$$

in which

F = is the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner's age at the end of the previous year.

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year.

9. Withdrawal of temporary income from LIFs

(1) A LIF may provide that the owner is entitled to temporary income in accordance with this Section and Sections 10 and 11 of this Schedule.

(2) An owner of a LIF from which temporary income may be paid who is at least 54 years old but under 65 years old at the end of the calendar year before the date they apply, may apply in an approved form to the financial institution that provides a LIF for payment of temporary income from the LIF.

(3) Temporary income must not be paid under a LIF

- (a) before the owner is 55 years old; and
- (b) after the end of the year in which the owner turns 65 years old.

(4) Temporary income is not payable if any portion of a payment out of a LIF is transferred to an registered retirement savings plan or a registered retirement income fund.

10. Maximum temporary income for fiscal year

(1) Except as provided in subsection (2), the maximum temporary income that may be paid during a fiscal year out of a LIF from which temporary income may be paid must be the lesser of the following amounts:

- (a) the amount calculated by the following formula:

$$(50\% \text{ of the YMPE}) - T$$

in which

YMPE = the Year's Maximum Pensionable Earnings for the fiscal year

T = the total of temporary income for the owner from a pension plan or from other LIFs of the owner for that fiscal year;

- (b) the amount calculated by the following formula:

$$F \times B \times D$$

in which

F = is the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner's age at the end of the previous year.

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year

D = the factor in Schedule 6: Life Income Fund—Temporary Income Factor D that corresponds to the owner's age at the end of the previous fiscal year.

(2) If the amount determined under clause (1)(b) is less than 50% of the Year's Maximum Pensionable Earnings, then the maximum temporary income paid out of a LIF during a fiscal year must be the lesser of the following amounts:

- (a) the amount calculated under clause (1)(a);
- (b) the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF to the LIF in the same year.

11. Maximum life income withdrawal from LIFs

The maximum life income to be paid from a LIF from which a temporary income is paid is determined by the following formula, provided that the maximum must not be less than zero:

$$\text{maximum payable} = (F \times B) - (Y \div D)$$

in which

F = the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner's age at the end of the previous year

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year

Y = the maximum annual temporary income determined under Section 10 of this Schedule

D = the factor in Schedule 6: Life Income Fund—Temporary Income Factor D that corresponds to the owner's age at the end of the previous year.

12. Maximum annual income payable if financial institution guarantees rate of return of LIFs

(1) If a financial institution that provides a LIF guarantees the rate of return of the LIF over a period greater than 1 year and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years during the period must be determined at the beginning of each fiscal year in the period in accordance with this Section.

(2) For each year after the initial fiscal year, the maximum income to be paid for the fiscal year under a LIF described in subsection (1) is equal to the lesser of the following amounts:

- (a) the balance of the LIF at the time of payment in that year;
- (b) the amount determined by the following formula:

$$\text{maximum income} = (I \times B) \div RB$$

in which

I = the maximum income determined for the initial fiscal year under Section 11 of this Schedule

B = the balance of the LIF at the beginning of the fiscal year

RB = the reference balance determined at January 1 of the year as calculated under subsection (3).

(3) For the formula in clause (2)(b), the reference balance ("RB") must be calculated by the following formula:

$$RB = (PRB - I) + ((PRB - I) \times RR/100)$$

in which

PRB = the reference balance

- (i) at the beginning of the previous year, or
- (ii) for the 2nd year of the period, the LIF balance at the beginning of the 1st year of the period

I = the maximum income determined for the initial fiscal year

RR = the reference rate for the year, if the fiscal year is one of the first 16 fiscal years of the LIF, or by 6% for any other year.

13. Income in excess of maximum

If income paid to an owner under a LIF during a fiscal year exceeds the maximum that may be paid, the balance of the LIF must not be reduced by the excess unless the payment is attributable to incorrect information provided by the owner.

14. Information to be provided annually by financial institution

At the beginning of each fiscal year, a financial institution providing a LIF must provide all of the following information to an owner about their LIF:

- (a) with respect to the previous fiscal year:
 - (i) the sums deposited,
 - (ii) any accumulated investment earnings including any unrealized capital gains or losses,
 - (iii) the payments made out of the LIF,
 - (iv) any withdrawals from the LIF made under the following circumstances, in accordance with Sections 211 to 230 of the regulations:
 - (A) a mortgage default circumstance, as defined in clause 212(1)(a) of the regulations,
 - (B) a medical expense circumstance, as defined in clause 212(1)(b) of the regulations,
 - (C) a rental default circumstance, as defined in clause 212(1)(c) of the regulations,
 - (D) a reduced income circumstance, as defined in clause 212(1)(d) of the regulations,
 - (v) any transfers made out of the LIF,
 - (vi) the fees charged against the LIF;
- (b) the value of the assets in the LIF at the beginning of the fiscal year;
- (c) the minimum amount that must be paid out as income to the owner during the current fiscal year;
- (d) the maximum amount that may be paid out as income to the owner during the current fiscal year;
- (e) for a LIF that provides for temporary income, and the owner was at least 54 years old but under 65 years old at the end of the previous year,
 - (i) how the owner may apply for temporary income to be paid to them after they turn 55 years old, and
 - (ii) a statement that payment of temporary income will reduce the income that would otherwise be paid to the owner after age 65;
- (f) a statement that the maximum amount of income that may be paid to the owner during the fiscal year will not be increased if assets held in another LIF during the year are transferred to the LIF;
- (g) if the beginning of the fiscal year is later than the beginning of the calendar year, a statement as to whether any sums deposited were held in another LIF during the year, and the amount of those deposits;
- (h) a statement that if the owner wishes to transfer the balance of the LIF, in whole or in part, and still receive the income determined for the fiscal year from the LIF, then an amount must be retained in the LIF that is at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year;
- (i) a statement that if the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under Section 15 of this Schedule, then the financial institution must provide the owner's spouse or beneficiary or the personal representative of their estate with the information in clauses (a) and (b), determined as of the date the owner died;
- (j) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must provide the owner the information in clauses (a) and (b), determined as of the date of the transfer or annuity purchase;
- (k) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must comply with Section 209 of the regulations, in accordance with subsection 15(6) of this Schedule.

15. Transferring assets from LIFs

- (1) An owner of a LIF may transfer all or part of the assets in the LIF as follows:
 - (a) to either of the following:
 - (i) another LIF,
 - (ii) a LIRA held by another financial institution, if permitted under the federal *Income Tax Act*; or
 - (b) to purchase an immediate life annuity;
- (2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:
 - (a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;
 - (b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period, in which case the 30-day period begins to run from the date the term of investment expires.
- (3) If assets in a LIF consist of identifiable and transferable securities, the financial institution providing the LIF may transfer the securities with the consent of the owner.
- (4) If assets held in a LIF are transferred to another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner of the LIF must not be increased.
- (5) A financial institution providing a LIF must advise the financial institution to which the assets of the LIF are transferred
 - (a) that the assets were held in a LIF in the current year; and
 - (b) whether the assets were determined in a manner that differentiated on the basis of sex.
- (6) If the balance of a LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution providing the LIF must comply with Section 209 of the regulations.

16. Information to be provided by financial institution on transfer of balance of LIFs

If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution making the transfer must provide the owner with all of the information required to be provided annually under clauses 14(a) to (h) of this Schedule, determined as of the date of the transfer or annuity purchase.

17. Information to be provided upon transfer of additional amounts to LIFs

No later than 30 days after the date that money in locked-in funds that has not been held in a LIF at any time in the current year is transferred to a LIF, the financial institution providing the LIF must provide the owner with all of the following information:

- (a) the information required to be provided annually under clauses 14(a) to (f) of this Schedule, determined as of the date of the transfer;
- (b) the balance of the LIF used to determine the maximum amount that may be paid to the owner as income during the fiscal year.

18. Death benefits

- (1) If the owner of a LIF dies, the following are entitled to receive a benefit equal to the value of the assets in the LIF, subject to subsections (4) and (5):
 - (a) the owner's spouse;
 - (b) if there is no spouse or if the spouse is otherwise disentitled under subsection (4) or (5), the owner's named beneficiary;
 - (c) if there is no named beneficiary, the personal representative of the owner's estate.
- (2) For the purposes of subsection (1), a determination as to whether an owner of a LIF has a spouse must be made as of the date the owner dies.
- (3) For the purposes of subsection (1), the value of the assets in a LIF includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIF from the date of death until the date of payment.
- (4) A spouse is not entitled to receive the value of the assets in the LIF under clause (1)(a) if the owner of the LIF was not a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF.
- (5) A spouse who is living separate and apart from the owner of a LIF without a reasonable prospect of resuming cohabitation on the date the owner dies is not

entitled to receive the value of the assets in the LIF under clause (1)(a) if any of the following conditions apply:

- (a) the spouse delivered a written waiver to the financial institution in accordance with Section 19 of this Schedule;
 - (b) the spouse is not entitled to receive any amount in respect of the assets in the LIF in accordance with the terms of a domestic contract that provides for the division of any pension benefit, deferred pension or pension under Section 74 of the Act;
 - (c) the spouse is not entitled to receive any amount in respect of the assets in the LIF, by court order, in accordance with a court order respecting a division of a pension benefit, deferred pension or pension under Section 74 of the Act.
- (6) The benefit described in subsection (1) may be transferred to an RRSP or a RRIF in accordance with the federal *Income Tax Act*.

19. Waiver of entitlement to death benefits by spouse

- (1) A spouse of an owner of a LIF may waive their entitlement to receive a benefit described in Section 18 of this Schedule from the LIF, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIF.
- (2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIF dies.

20. Information to be provided by financial institution on death of owner

If the owner of a LIF dies before the balance in the LIF is transferred or used to purchase a life annuity contract, the financial institution providing the LIF must give the information required to be provided annually under clauses 14(a) to (g) of this Schedule, determined as of the date of the owner's death, to any person entitled to receive the assets in the LIF under subsection 18(1) of this Schedule.

LIFE INCOME FUND FOR NEWFOUNDLAND AND LABRADOR (NF LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. RETIREMENT INCOME FUND

RECITALS:

- A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived from, directly or indirectly from, a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- B. The Annuitant has established a National Bank Direct Brokerage Inc. Retirement Income Fund and wishes same to receive the Transfer;
- C. The Annuitant has obtained the written consent of his or her Spouse prior to the Transfer, if the Annuitant was a member or former member of the pension plan;
- D. The Transfer cannot be made unless the conditions herein are satisfied;
- E. The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions.** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration, the Act, the Regulation and the Directive. In addition, the following terms shall have the following meaning:

- a) "Act" means the *Pension Benefits Act, 1997* (Newfoundland and Labrador), as same may be amended from time to time;
- b) "Declaration" means the Declaration of Trust of the National Bank Direct Brokerage Inc. Retirement Income Fund;
- c) "Directive" means Directive no. 5 entitled "*Life Income Fund Requirements*", issued under the Act, effective December 13, 2001;
- d) "Fiscal Year" in connection with this Fund means a calendar year terminating at midnight on December 31st, and will not exceed 12 months;
- e) "Fund" refers to the National Bank Direct Brokerage Inc. Retirement Income Fund established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIF that will hold the locked-in money that is the subject of the Transfer;
- f) "LIF" means a life income fund, being a RIF that meets the requirements set out in the Directive and the Regulation;
- g) "Life Annuity Contract" means a life annuity that complies with the relevant provisions of the Tax Act and is an arrangement made to purchase through a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act, a non-commutable pension, in accordance with Directive No. 6, that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the Trustee that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;
- h) "LIRA" means a locked-in retirement account, being a registered retirement savings plan (within the meaning in the Tax Act) that meets the requirements set out in set out in Directive no. 4 and the Regulation;
- i) "LRIF" means a locked-in retirement income fund, being an RIF that meets the requirements set out in Directive no. 17 and the Regulation;
- j) "Minimum Amount" means the amount referred to 6.c);
- k) "Maximum Amount" means the amount referred to in 6;
- l) "Regulation" means *Newfoundland and Labrador Regulation 114/96* adopted pursuant to the Act, as same may be amended from time to time;
- m) "RIF" means a retirement income fund within the meaning of the Tax Act that is registered under that act;
- n) "Spouse" shall have the meaning of "principal beneficiary" assigned to such term under the Directive, but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RIF;
- o) "Tax Act" means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- p) "Transfer" means the transfer referred to in paragraph A of the Recitals hereto.

2. **Purpose of the Fund:** Except as permitted by the law, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to pay the Annuitant an income, the amount of which may vary annually, until the day on which the entire balance of the money in the Fund is converted into a Life Annuity. No money that is not locked-in may be transferred or otherwise held under this Fund.

3. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration, and will not be invested directly or indirectly in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant or the Spouse of any of those persons. All investments of money or

assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act.

4. **Restrictions:** Money in the Fund will not be assigned, charged, anticipated or given as security except as permitted by section 37 of the Regulation and any transaction purporting to assign, charge, anticipate or give the money in the Fund as security will be void.
5. **Value of the Fund:** The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death of the Annuitant, on the establishment of a Life Annuity Contract or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.
6. **Payments:** Payments to the Annuitant until the day on which the entire balance of the money in the Fund is converted into a Life Annuity Contract shall be determined under the Declaration and shall comply with the following conditions:
 - a) **Commencement of payments.** Payment out of the Fund must not begin before the earlier of age 55 or the earliest date on which Annuitant could receive a pension benefit under the Act or the originating pension plan from which money was transferred and not later than the last day of the second fiscal year;
 - b) **Annual Payments.** The amount of the income (which must be between the Minimum Amount and the Maximum Amount) paid to the Annuitant during a Fiscal Year must be decided by the Annuitant each year by notifying the Trustee of the amount no later than January 1st of such Fiscal year. Such notice expires on December 31st of such Fiscal year. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year. For greater certainty, the Trustee does not agree to any interval of more than a year;
 - c) **Minimum Amount.** The aggregate amounts paid during a year hereunder must be not less than the Minimum Amount which shall not be lower than the amount that is required to be paid out of the Fund under the Tax Act as determined under the Declaration;
 - d) **Maximum Amount.** Subject to Paragraphs 6.e) and 6.e) below, the aggregate amounts paid during a Fiscal Year must not exceed the maximum amount permitted under the Directive in respect of a LIF, being calculated in accordance with the following formula:
"Maximum Amount" = C/F
in which
"C" = the balance in the Fund at the beginning of the Fiscal Year; and
"F" = the value, at the beginning of the Fiscal Year, of a pension of which the annuity payment is \$1 payable at the beginning of each Fiscal Year between that date and the 31st day of December of the year in which the purchaser reaches 90 years of age.
The value "F" calculated as follows:
 - i) the amount "F" must be established at the beginning of each Fiscal Year of the Fund using an interest rate of not more than 6%;
 - ii) for the 15 years after the date of the valuation, the value of the pension may be determined by using a percentage that is greater than 6%, and less than or equal to the percentage obtained on long-term bonds issued by the Government of Canada for the month of November preceding the date of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review under identification number B-14013 in the CANSIM System.

- e) **Maximum Amount for First Fiscal Year.** For the initial Fiscal Year of the Fund, the Maximum Amount determined in Paragraphs 6.d) and 7 shall be adjusted in proportion to the number of months in that Fiscal Year divided by 12, with any part of an incomplete month counting as one month;
- f) **Maximum Amount on Transfer from another LIF or LRIF.** If a part of the Fund purchased at the beginning of a Fiscal Year corresponds to sums transferred directly or indirectly during the same year from another LIF or LRIF of the Annuitant, the Maximum Amount determined Paragraphs 6.d) and 7 shall be deemed to be zero.

7. Additional Temporary Income:

- a) **Entitlement.** An Annuitant is entitled to receive additional temporary income where:
 - i) the total pension income received by the Annuitant for the calendar year in which the application is made, calculated as "B" hereunder, is less than 40% of the year's maximum pensionable earnings ("YMPE") under the *Canada Pension Plan* ("CPP") for the calendar year in which the application is made; and
 - ii) the Annuitant has not reached his or her 65th birthday at the beginning of the Fiscal Year in which the Annuitant makes application for additional temporary income.

b) **Maximum Temporary Income.** The amount of the additional temporary income paid out of the Fund in a Fiscal Year must not exceed the "Maximum Temporary Income" in the following formula:

Maximum Temporary Income = A-B

in which

"A" = 40% of the YMPE under the CPP for the calendar year in which an application is made; and

"B" = the total pension income to be received by the Annuitant for the calendar year in which the application is made from all LIFs, LRIFs, Life Annuity Contracts and pension plans governed by Newfoundland pension benefits legislation or established by or governed by an Act of Canada or a Province, except income from a pension under the Canada Pension Plan.

c) **Application form.** An application for additional temporary income shall be:

- on a form approved by the Superintendent;
- where the Annuitant is a former member of a pension plan, accompanied by the written consent of the Spouse of the Annuitant; and
- submitted to the Trustee at the beginning of the Fiscal Year of the Fund, unless otherwise permitted by the Trustee.

8. **Permitted Withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held under this Fund is permitted and will be void, except in the following circumstances:

a) **Shortened Life Expectancy Withdrawal.** The Annuitant may withdraw all or part of the money in the Fund as a lump-sum or series of payments, in accordance with section 9 of the Directive, if the following conditions are met:

- if a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably; and
- if the Annuitant is a former member of a pension plan such payment may only be made if the Spouse of the Annuitant has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent.

b) **Withdrawal of Small Amount.** The Annuitant may withdraw in a lump sum payment equal to the value of the entire Fund, upon application by the Annuitant to the Trustee in accordance with sections 10 and 11 of the Directive, if the following conditions are met:

- the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant and governed by Newfoundland pension benefits legislation is less than 10% of the year's maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; or
- the Annuitant has reached the earlier of age 55 or the earliest date on which the Annuitant would have been entitled to receive a pension benefit under the plan from which money was transferred, and the value of the Annuitant's assets in all LIFs, LRIFs and LIRAs governed by Newfoundland pension benefits legislation is less than 40% of the year's maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; and
- in either case, such application shall be made on a form approved by the Superintendent, and if the Annuitant is a former member of a pension plan, such application shall be accompanied by waiver by Spouse of the Annuitant of the joint and survivor pension entitlement in the form and manner required by the Superintendent.

The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 12 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Fund in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.

9. **Permitted transfers:** The Annuitant may transfer all or part of the balance of the LIF:

- to another LIF;
- to a LRIF;
- to purchase an immediate Life Annuity Contract that meets the requirements of the Superintendent; or
- before December 31st in the year in which the purchaser reaches the age prescribed by the Tax Act, to a LIRA.

The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer.

The Trustee may deduct from the property being transferred all amounts to be retained in application of paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.

The transfer pursuant to this Section 9 shall be affected within 30 days from the Annuitant's application for transfer. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly. A transfer pursuant to this Section 9 may, at the option of the Trustee, be affected by the remittance to the

Annuitant of the investment securities respecting the Fund with the consent of the Annuitant.

10. **Conversion of Balance of the Fund:** The Annuitant shall use any assets remaining in the Fund on the 31st day of December in the year in which the Annuitant reaches 80 years of age to purchase an immediate Life Annuity Contract that meets the requirements of the Superintendent. If the Annuitant does not purchase the Life Annuity Contract on or before the 31st day of March in the year after the year in which the Annuitant reaches 80 years of age, the Trustee shall issue or arrange for the issuance of a Life Annuity Contract.

11. **Marriage Breakdown:** This Agreement is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.

12. **Death of the Annuitant:** On the death of the Annuitant who was a former member who has a Spouse, the surviving Spouse, or where there is no surviving Spouse or the surviving Spouse had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant is entitled to receive a lump sum payment of the full value of the contract. Where the Annuitant is not a former member, the full value of the contract shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the owner's estate. Such payment is subject to paragraph 60(l) of the Tax Act.

13. **Amendment:** The Trustee shall not amend this Agreement except where the Trustee has given the Annuitant at least 90 days notice of a proposed amendment. When making an amendment, the Trustee shall, notify the Annuitant of the nature of the amendment; and allow the Annuitant at least 90 days after the notice is given to transfer all or part of the balance in the Fund. Notices hereunder shall be sent by registered mail to the Annuitant's address as set out in the records of the Trustee. An amendment that would result in a reduction in the Annuitant's benefits under this Agreement is permitted only where:

- the Trustee is required by law to make the amendment; and
- the Annuitant is entitled to transfer the balance in the LIF under the terms of this Agreement that existed before the amendment is made.

14. **Statements**

- At the beginning of each Fiscal Year, the following information must be provided to the Annuitant:
 - the sums deposited, the accumulated earnings, the payments made out of the Fund and the fees charged against it during the previous Fiscal Year;
 - the balance in the Fund;
 - the Minimum Amount that must be paid out of the Fund to the Annuitant during the current Fiscal Year; and
 - the Maximum Amount that may be paid out of the Fund to the Annuitant during the current Fiscal Year.
- If the balance of the Fund is transferred as described in Section 9 hereof, the Annuitant must be given the information described in 14.a) determined as of the date of the transfer;
- If the Annuitant dies before the balance in the Fund is used to purchase an immediate Life Annuity Contract, the person entitled to receive the balance must be given the information described in section 14.a), determined as of the date of the Annuitant's death.

15. **Differentiation Based on Sex:** Where the commuted value of a pension benefit which was transferred to the Fund was determined in a manner that did not differentiate on the basis of sex, the Life Annuity Contract purchased with the money in the Fund shall not differentiate on the basis of the sex of the recipient. The commuted value of the pension benefit that was the subject of the Transfer was differentiated on the basis of sex of the Annuitant, unless otherwise indicated in writing to the Trustee.

16. **Representations and Warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
- That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
- That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
- That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.

17. **Governing law:** This Agreement shall be governed by the laws of the Province of Newfoundland and Labrador.

LOCKED-IN RETIREMENT INCOME FUND FOR NEWFOUNDLAND AND LABRADOR (NF LRIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LIFE INCOME FUND UNDER NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED.

RECITALS:

- The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived from, directly or indirectly from, a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the "Transfer");
- The Annuitant has established a National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund and wishes same to receive the Transfer;
- The Annuitant has obtained the written consent of his or her Spouse prior to the Transfer, if the Annuitant was a member or former member of the pension plan;
- The Transfer cannot be made unless the conditions herein are satisfied;
- The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement shall prevail.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Definitions.** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration, the Act, the Regulation and the Directive. In addition, the following terms shall have the following meaning:

- "Act" means the *Pension Benefits Act, 1997* (Newfoundland and Labrador), as same may be amended from time to time;
- "Declaration" means the Declaration of National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund;

- "Directive" means Directive no. 17 entitled "Locked-In Retirement Income Fund Requirements", issued under the Act, as same may be amended from time to time;
- "Fiscal Year" in connection with this Fund means a calendar year terminating at midnight on December 31st, and will not exceed 12 months;
- "Fund" refers to the National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund established by the Declaration executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LRIF that will hold the locked-in money that is the subject of the Transfer;
- "LIF" means a life income fund, being a RIF that meets the requirements set out in Directive no. 5 and the Regulation;
- "Life Annuity Contract" means a life annuity that complies with the relevant provisions of the Tax Act and is an agreement made to purchase through a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act, a non-commutable pension, in accordance with Directive no. 6, that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the Trustee that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;
- "LIRA" means a locked-in retirement account, being a registered retirement savings plan (within the meaning in the Tax Act) that meets the requirements set out in Directive no. 4 and the Regulation;

- i) **“LRIF”** means a locked-in retirement income fund, being an RIF that meets the requirements set out in the Directive and the Regulation;
- j) **“Minimum Amount”** means the amount referred to 6.c);
- k) **“Maximum Amount”** means the amount referred to in 6;
- l) **“Regulation”** means *Newfoundland and Labrador Regulation 114/96* adopted pursuant to the Act, as same may be amended from time to time;
- m) **“RIF”** means a retirement income fund within the meaning of the Tax Act that is registered under that act;
- n) **“Spouse”** shall have the meaning of “principal beneficiary” assigned to such term under the Directive, but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RIF;
- o) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- p) **“Transfer”** means the transfer referred to in paragraph A of the Recitals hereto.
2. **Purpose of the Fund:** Except as permitted by the law, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to pay the Annuitant an income, the amount of which may vary annually, until the day on which the entire balance of the money in the Fund is converted into a Life Annuity. No money that is not locked-in may be transferred or otherwise held under this Fund.
3. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided the Declaration, and will not be invested directly or indirectly in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant or the Spouse of any of those persons. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act.
4. **Restrictions:** Money in the Fund will not be assigned, charged, anticipated or given as security except as permitted by section 37 of the Regulation and any transaction purporting to assign, charge, anticipate or give the money in the Fund as security will be void.
5. **Value of the Fund:** The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death of the Annuitant, on the establishment of a Life Annuity Contract or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.
6. **Payments:** Payments to the Annuitant until the day on which the entire balance of the money in the Fund is converted into a Life Annuity Contract shall be determined under the Declaration and shall comply with the following conditions:
- a) **Commencement of payments.** Payment out of the Fund must not begin before the earlier of age 55 or the earliest date on which Annuitant could receive a pension benefit under the Act or the originating pension plan from which money was transferred and not later than the last day of the second fiscal year;
- b) **Annual Payments.** The amount of the income (which must be between the Minimum Amount and the Maximum Amount) paid to the Annuitant during a Fiscal Year must be decided by the Annuitant each year by notifying the Trustee of the amount no later than January 1st of such Fiscal year. Such notice expires on December 31st of such Fiscal year. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year. For greater certainty, the Trustee does not agree to any interval of more than a year;
- c) **Minimum Amount.** The aggregate amounts paid during a year hereunder must be not less than the Minimum Amount which shall not be lower than the amount that is required to be paid out of the Fund under the Tax Act as determined under the Declaration;
- d) **Maximum Amount.** The aggregate amount of income paid out of the Fund during a Fiscal Year must not exceed “maximum” (the **“Maximum Amount”**), being the greatest of:
- the income, gains and losses earned from the time the Fund was established to the end of the most recently completed Fiscal Year and, with respect to any money in the Fund that is derived directly from money transferred from a LIF, the income, gains and losses earned in the final complete Fiscal Year of the LIF under the LIF, less the sum of all income paid to the Annuitant from the Fund;
 - the income, gains and losses earned in the immediately previous Fiscal Year; and
 - if the payment is being made in the Fiscal Year in which the Fund was established or in the Fiscal Year immediately following its establishment, 6% of the fair market value of the Fund at the beginning of that Fiscal Year.
- e) **Maximum Amount for First Fiscal Year.** For the initial Fiscal Year of the Fund, the Maximum Amount determined in Paragraphs 6.d) and 7 shall be adjusted in proportion to the number of months in that Fiscal Year divided by 12, with any part of an incomplete month counting as one month;
- f) **Maximum Amount on Transfer from another LRIF or LIF.** If a part of the Fund purchased at the beginning of a Fiscal Year corresponds to sums transferred directly or indirectly during the same year from another LRIF or LIF of the Annuitant, the Maximum Amount determined Paragraphs 6.d) and 7 shall be deemed to be zero.
7. **Additional Temporary Income:**
- a) **Entitlement.** An Annuitant is entitled to receive additional temporary income where:
- the total pension income received by the Annuitant for the calendar year in which the application is made, calculated as “B” hereunder, is less than 40% of the year’s maximum pensionable earnings (“YMPE”) under the *Canada Pension Plan* (“CPP”) for the calendar year in which the application is made; and;
 - the Annuitant has not reached his or her 65th birthday at the beginning of the Fiscal Year in which the Annuitant makes application for additional temporary income.
- b) **Maximum Temporary Income.** The amount of the additional temporary income paid out of the Fund in a Fiscal Year must not exceed the “Maximum Temporary Income” in the following formula:
Maximum Temporary Income = A - B
in which
“A” = 40% of the YMPE under the CPP for the calendar year in which an application is made; and
“B” = the total pension income to be received by the Annuitant for the calendar year in which the application is made from all LIFs, LRIFs, Life Annuity Contracts and pension plans governed by Newfoundland pension benefits legislation or established by or governed by an Act of Canada or a Province, except income from a pension under the Canada Pension Plan.
- c) **Application form.** An application for additional temporary income shall be:
- on a form approved by the Superintendent;
 - where the Annuitant is a former member of a pension plan, accompanied by the written consent of the Spouse of the Annuitant; and
 - submitted to the Trustee at the beginning of the Fiscal Year of the Fund, unless otherwise permitted by the Trustee.
8. **Permitted Withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held under this Fund is permitted and will be void, except in the following circumstances:
- a) **Shortened Life Expectancy Withdrawal.** The Annuitant may withdraw all or part of the money in the Fund as a lump-sum or series of payments, in accordance with section 9 of the Directive, if the following conditions are met:
- if a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably; and
 - if the Annuitant is a former member of a pension plan such payment may only be made if the Spouse of the Annuitant has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent.
- b) **Withdrawal of Small Amount.** The Annuitant may withdraw in a lump sum payment equal to the value of the entire Fund, upon application by the Annuitant to the Trustee in accordance with sections 10 and 11 of the Directive, if the following conditions are met:
- the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant and governed by Newfoundland pension benefits legislation is less than 10% of the year’s maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; or
 - the Annuitant has reached the earlier of age 55 or the earliest date on which the Annuitant would have been entitled to receive a pension benefit under the plan from which money was transferred, and the value of the Annuitant’s assets in all LIFs, LRIFs and LIRAs governed by Newfoundland pension benefits legislation is less than 40% of the year’s maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; and
 - in either case, such application shall be made on a form approved by the Superintendent, and if the Annuitant is a former member of a pension plan, such application shall be accompanied by waiver by Spouse of the Annuitant of the joint and survivor pension entitlement in the form and manner required by the Superintendent.
- The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 8 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Fund in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.
9. **Permitted transfers:** The Annuitant may transfer all or part of the balance of the LRIF:
- to a LIF;
 - to another LRIF;
 - to purchase an immediate Life Annuity Contract that meets the requirements of the Superintendent; or;
 - before December 31st in the year in which the purchaser reaches the maximum age prescribed under the Tax Act, to a LIRA.
- The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer.
- The Trustee may deduct from the property being transferred all amounts to be retained in application of paragraphs 146.3(2)(e.1) or 146.3(2)(e.2) of the Tax Act, as applicable, as well as any fees and disbursements to which the Trustee is entitled.
- The transfer pursuant to this Section 9 shall be effected within 30 days from the Annuitant’s application for transfer. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.
- Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly. A transfer pursuant to this Section 9 may, at the option of the Trustee, be effected by the remittance to the Annuitant of the investment securities respecting the Fund with the consent of the Annuitant.
10. **Marriage Breakdown:** This Agreement is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.
11. **Death of the Annuitant:** On the death of the Annuitant who was a former member who has a Spouse, the surviving Spouse, or where there is no surviving Spouse or the surviving Spouse had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant is entitled to receive a lump sum payment of the full value of the contract. Where the Annuitant is not a former member, the full value of the contract shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the owner’s estate. Such payment is subject to paragraph 60(l) of the Tax Act.
12. **Amendment:** The Trustee shall not amend this Agreement except where the Trustee has given the Annuitant at least 90 days notice of a proposed amendment. When making an amendment, the Trustee shall, notify the Annuitant of the nature of the amendment; and allow the Annuitant at least 90 days after the notice is given to transfer all or part of the balance in the Fund. Notices hereunder shall be sent by registered mail to the Annuitant’s address as set out in the records of the Trustee. An amendment that would result in a reduction in the Annuitant’s benefits under this Agreement is permitted only where:
- the Trustee is required by law to make the amendment; and
 - the Annuitant is entitled to transfer the balance in the LRIF under the terms of this Agreement that existed before the amendment is made.
13. **Statements:**
- At the beginning of each Fiscal Year, the following information must be provided to the Annuitant:
 - the sums deposited, the accumulated earnings, the payments made out of the Fund and the fees charged against it during the previous Fiscal Year;
 - the balance in the Fund;
 - the Minimum Amount that must be paid out of the Fund to the Annuitant during the current Fiscal Year; and
 - the Maximum Amount that may be paid out of the Fund to the Annuitant during the current Fiscal Year.
 - If the balance of the Fund is transferred as described in Section 9 hereof, the Annuitant must be given the information described in section 13.a) determined as of the date of the transfer;
 - If the Annuitant dies, the person entitled to receive the balance must be given the information described in section 13.a), determined as of the date of the Annuitant’s death.

14. **Differentiation Based on Sex:** Where the commuted value of a pension benefit which was transferred to the Fund was determined in a manner that did not differentiate on the basis of sex, the Life Annuity Contract purchased with the money in the Fund shall not differentiate on the basis of the sex of the recipient. The commuted value of the pension benefit that was the subject of the Transfer was differentiated on the basis of sex of the Annuitant, unless otherwise indicated in writing to the Trustee.
15. **Representations and Warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
- That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
 - That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
- c) That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
- d) That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.
- 16 **Governing law:** This Agreement shall be governed by the laws of the Province of Newfoundland and Labrador.

PRESCRIBED RETIREMENT INCOME FUND FOR SASKATCHEWAN (SK PRIF)

SUPPLEMENTARY AGREEMENT ESTABLISHING A PRESCRIBED RETIREMENT INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

- The Annuitant is entitled under the Act and the Regulation to transfer the commuted value of pension entitlements accumulated under a pension plan governed by the provisions of the Act and the Regulation (a "Plan") to a RIF, as defined in section 29.1.
- The annuitant has established a National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund and wishes same to receive the Transfer.
- The Transfer cannot be made unless the conditions herein are satisfied.
- The parties now wish to supplement the National Bank Direct Brokerage Inc. Self-Directed Retirement Income Fund in order to comply with the requisite conditions for such Transfer.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. Definitions:

In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Retirement Income Fund. In addition, the following terms shall have the meaning indicated:

- "Act"** means the Pension Benefits Act, 1992 (Saskatchewan), as same may be amended from time to time;
 - "Financial institution"** means the underwriter, depository or issuer of a LIRA or RIF;
 - "Fiscal year"** in connection with this Fund means a calendar year terminating on December 31;
 - "Fund"** refers to the Retirement Income Fund executed between the Annuitant, National Bank Direct Brokerage Inc. and the Trustee, as supplemented and modified by this Agreement establishing a Prescribed RIF;
 - "Life annuity contract"** means an arrangement that (i) complies with the relevant provisions of the *Income Tax Act* (Canada), (ii) does not take into account the sex of the person or the co-annuitant, if any, in determining the amount of the pension, (iii) is made with an insurance business, and (iv) under which the insurance business guarantees the payment of a non-commutable pension not later than the end of the calendar year in which the person who is to receive the pension attains the maximum age prescribed under the *Income Tax Act* (Canada) where money is being transferred from a LIRA and, being a pension that will not commence before that person attains 55 years of age or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provide for payment of the pension at an earlier age, that earlier age;
 - "Locked-in retirement account"** or **"LIRA"** means an RSP that meets the prescribed conditions of the Act and the Regulation;
 - "Prescribed RIF"** means a retirement income arrangement that is a RIF and that meets the conditions set out in section 29.1 of the Regulation;
 - "Regulation"** means all regulations adopted pursuant to the Act, as same may be amended from time to time;
 - "RIF"** means a retirement income fund within the meaning of the *Income Tax Act* (Canada) that is registered under that act;
 - "RSP"** means a retirement saving plan within the meaning of the *Income Tax Act* (Canada) that is registered under that act;
 - "Spouse"** shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a Spouse or common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting RIF;
 - "Transfer"** means the transfer referred to in paragraph A of the Recitals hereto;
 - "Value of the Fund"** for purposes of calculating the balance of the money and assets held under this Fund, shall mean the fair market value of the assets held under the Fund as determined by the Trustee in good faith.
2. **Purpose of the Fund:** Subject to section 5 herein, all money that is the subject of the Transfer, including all investment earnings thereon but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments the amount of which may vary annually and the amount to be paid in a year may not be less than the minimum amount prescribed under subsection 146.3(1) of the *Income Tax Act* (Canada).
The Annuitant shall not be allowed to make any additional contribution, and no money which is not locked-in may be transferred or otherwise held under this Fund.
3. **Assets transferred to the Fund:** The Trustee may not accept any transfer of assets to this Fund which do not originate from one of the following:
- a locked-in retirement account as defined in section 29;
 - a life income fund that was entered into before the repeal of section 30;
 - a locked-in retirement income fund that was entered into before the repeal of section 31;
 - another RIF as defined in section 29.1;
 - a plan, as a transfer pursuant to section 32 of the Act;
 - the Saskatchewan Pension Plan established by The Saskatchewan Pension Plan Act.
4. **Commencement of payments:** All periodic payments to be made to the Annuitant under this Fund shall commence not earlier than the date at which the Annuitant reaches 55 years of age, or an earlier age if any Plans from which the funds herein were transferred allowed for a pension to begin at that earlier age.

5. **Permitted transfers:** The money and assets held under this Fund may be transferred in whole or in part (see note at article 11 of Federal LIF) to one of the following:

- to another RIF on the conditions set out in section 29.1 of the Regulation;
- to purchase a Life annuity contract, as stipulated at paragraph 60(I) of the *Income Tax Act* (Canada) and that meets the requirements of section 34 of the Act;
- to an acknowledged LIRA on the conditions set out in section 29 of the Regulation.

Such transfer shall be made after the receipt by the Trustee or the Agent of written instructions from the Annuitant to that effect, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at section 6 hereof are fulfilled. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer accordingly, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

6. **Conditions for transfer:** Before transferring any money from this Fund to another Financial institution, the Trustee shall advise the transferee Financial institution in writing of the status of the money being the object of the transfer and shall make the transfer subject to the compliance with the conditions set forth in section 29.1 of the Regulation.

Where the Trustee does not comply with any one of the above conditions, if the transferee Financial institution fails to pay the money transferred in the form of a pension or in the manner required or permitted by the Act or the Regulation, the Trustee shall provide or ensure the provision to the Annuitant of a pension in an amount that would have been provided had the money not been paid out or transferred contrary to the provisions of the Act or the Regulation.

7. **Improper payments:** Should the balance of the money held under this Fund be paid out contrary to the Act or the Regulation, the Trustee will provide or ensure the provision to the Annuitant of a pension in an amount that would have been provided had the balance of money not been so paid out.

8. **Spousal relationship Breakdown:** Notwithstanding any contrary provision of this Agreement, this Account shall be subject, mutadis mutandis, to the Provisions of Part IV of the Act relating to marriage breakdown.

9. **Exemption from seizure:** The money and assets held under this Fund may not be assigned, charged, alienated or anticipated and shall be exempted from execution, seizure or attachment, except to the extent provided by law. Any transaction purporting to assign, charge, alienate or anticipate the money or assets held under this Fund is void.

10. **Death of the Annuitant:** Should the Annuitant die before the transfer or the withdrawal of the whole of this Fund, notwithstanding any other provision of this Agreement, the money and assets held under this Fund shall be payable by way of lump sum to (i) the Annuitant's Spouse, if any, where the Annuitant was a member of the plan from which the money was transferred either directly or indirectly and the Spouse survives the Annuitant for 30 days or more, unless a spouse's waiver in Form 2 of the Appendix has been signed by the spouse and filed with the issuer; or (ii) in all other cases, to any beneficiary lawfully designated to receive same or, in the absence of such designation, to the estate of the Annuitant. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.

11. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:

- that an entitlement to receive a pension under a Plan is vested in him(her);
- that he/she is entitled to effect a transfer of his/her pension entitlements pursuant to the Act; and
- that the funds transferred herein were locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation;
- that the provisions of the Plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof;
- where the Annuitant has a Spouse, the Spouse has consented to the Transfer in the manner prescribed by the Act and the Regulation.

12. **Representations and warranties of the Trustee:** The Trustee represents and warrants to the Annuitant that a specimen certified copy of the Retirement Income Fund and this Agreement, including any amendments thereto, has been filed with the Superintendent of Pensions for Saskatchewan, that same was approved by the Superintendent and that such approval has not been revoked.

13. **Governing terms:** The money which is the object of the transfer shall be held by the Trustee in accordance with the terms of the Retirement Income Fund and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the Retirement Income Fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.

14. **Governing law:** This Agreement shall be governed by the laws of the province of Saskatchewan.

15. **Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.