

# What you need to know

## about your relationship with Quadrus

**Important information for you to review and keep**

**QUADRUS**

Quadrus Investment Services Ltd.



Quadrus Investment Services Ltd.

## Welcome to Quadrus,

Your investment representative works in partnership with Quadrus, your mutual fund dealer, to help make sure you have what you need to be an informed investor.

Together, we take this responsibility seriously and appreciate the trust you've put in us.

This guide provides you with information about Quadrus and your investment representative.

For more information, visit [quadrusinvestmentservices.com](http://quadrusinvestmentservices.com). There, you can also visit the **Knowledge** page to learn how investing can help you live the life you want.

This guide has information that may be helpful for you in the future. Store it with the rest of your important financial documents. If you have questions, your investment representative is ready to help.

**Thank you for your business,**

A handwritten signature in black ink, appearing to read "James McKay".

**James McKay**

President and Chief Executive Officer  
Quadrus Investment Services Ltd.

A handwritten signature in black ink, appearing to read "Paula Goncalves".

**Paula Goncalves**

Director, Quadrus Administration  
Quadrus Investment Services Ltd.

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## Relationship disclosure

### Quadrus's relationship with our clients

Through our investment representatives, our business is assisting clients in meeting their financial security goals by providing service and advice relating to mutual funds and other investments. In addition to delivering basic services required to maintain your investment account, we (Quadrus Investment Services Ltd. (Quadrus) and your investment representative) will ensure that you are provided with the information you need to make informed investment decisions. Our network of investment representatives functions as our primary point of contact with our clients. Based on your personal and financial circumstances, your investment representative will provide you with recommendations as to how to go about meeting your financial security objectives. However, you alone have the final say on any of your investment decisions.

Provincial securities legislation and other regulatory rules require our firm and all of our investment representatives to deal with you in an ethical and professional way. Among other things, this includes:

- Keeping personal information confidential
- Having written procedures to ensure that you receive a proper level of service
- Properly supervising employees and investment representatives

We will advise you of any material changes to our business that may have an effect on the nature of our relationship with you.

### The products we offer

We are registered under provincial securities legislation to sell mutual funds and certain other similar investment type funds to investors. A mutual fund is a pool of savings contributed by many investors and invested on their behalf by a professional money manager. The money invested by you and the other investors in the fund is reinvested in a portfolio of stocks, bonds or other securities, depending on the mutual fund's investment objectives. In return, you receive securities issued by the fund (units or shares) representing your holdings in the mutual fund. We offer funds that invest in a wide variety of different securities.

We are also permitted to sell certain other types of products. These include:

- Labour-sponsored investment funds (LSIFs)
- Under limited distribution we offer guaranteed investment certificates (GICs) and hedge funds

Quadrus is responsible for the assessment and approval of the funds we offer, based on our standards of compliance. We will monitor these funds for significant material changes that have the potential to affect a fund's performance.

Significant changes may include but are not limited to:

- Changes in risk level
- Fee changes
- Liquidity changes
- Fund mandate changes

Through Quadrus Investment Services Ltd., your investment representative can offer non-exclusive, third party mutual funds, and our exclusive Canada Life Mutual Funds™ and Canada Life Pathways™ funds.

### Canada Life Mutual Funds and Canada Life Pathways funds

Quadrus Investment Services Ltd. is the exclusive distributor of Canada Life Mutual Funds and Canada Life Pathways funds. This means that these funds cannot be sold by representatives other than representatives of Quadrus Investment Services Ltd. These mutual funds may be transferred to another dealer in certain circumstances. You may request a transfer of your Canada Life Mutual Funds and Canada Life Pathways funds provided a limited distribution agreement is in place between the new dealer and the investment fund manager of the Canada Life Mutual Funds and Canada Life Pathways funds. Clients who hold Canada Life Mutual Funds and Canada Life Pathways funds at a dealer other than Quadrus, will be restricted to redemptions only. No new accounts may be opened, or additional investments made in such funds.

For transfers to another mutual fund dealer, where a distribution agreement is not in place between the dealer and the investment fund manager of the Canada Life Mutual Funds and Canada Life Pathways funds, you will be required to redeem these funds. Redemption fees may apply.

No new sales of mutual funds with deferred sales charge (DSC) or low-load sales charge fee structures are permitted. If you have purchased these funds on a deferred sales charge load or low-load sales charge option prior to January 1, 2021, you may be subject to redemption charges. Selling your investments may also result in income tax consequences.

### Risks of investing

There are many types of risks you take on when you invest. Because markets rise and fall, there is a general market risk that you could lose some or all of your principal investment, or that you could earn less return from the investment than you expected. There are also specific risks with different types of investments. For example:

- Inflation risk is the risk that the value of an investment will be eroded by inflation. The cost of goods increases as inflation rises, which reduces the purchasing power of money invested and the interest it is earning.
- Interest-rate risk is the risk that the value of an investment will decline as interest rates rise. Interest rates have an impact on a whole range of investments. For example, treasury bills and bonds tend to fall when interest rates go up.
- Credit risk is the risk that an obligation to pay a debt will not be met.
- Liquidity risk refers to the risk that the fund will not be able to buy or sell an investment quickly because buying and selling opportunities are limited. Most securities owned by funds can be sold promptly at an acceptable price, but some may be difficult to sell due to the nature of the investment itself, settlement terms or other reasons. Difficulty in selling securities may result in a loss or may be costly to a fund.
- Currency risk is the risk that an investment denominated in a foreign currency will lose value due to fluctuations in the exchange rate.
- Specialization risk relates to mutual funds that specialize in investments in a particular kind of industry or in a particular part of the world. If the industry or geographic area has an economic slump, the mutual fund will suffer because there are relatively few other investments in the portfolio to offset the decline.

Mutual funds and other types of investment funds have a wide range of risk profiles and it is important to find out which type of risks a fund may be exposed to before you invest. The level of risk of a particular mutual fund depends a great deal on the types of investments made by the fund

and the extent to which those investments are diversified. A mutual fund containing only equity securities in a single industry sector generally is higher risk. A bond mutual fund generally is lower risk than an equity mutual fund. The number of mutual funds that should be held in a diversified portfolio will depend on the diversification of the individual mutual funds and the extent to which the various mutual funds move in the same direction or in different directions.

### **Fund Facts**

The Fund Facts document is designed to give investors key information about mutual funds in plain language that is easy to understand. It provides useful information such as fund holdings, asset mix, historical performance and the costs associated with buying, owning and selling a mutual fund. Your investment representative will provide you with a copy of the Fund Facts document prior to your purchase. Fund Facts are available on the mutual fund's website and are posted at [www.sedar.com](http://www.sedar.com).

### **Investment suitability**

Securities legislation and Mutual Fund Dealers Association (MFDA) rules require that each recommendation made by an investment representative of Quadrus must be suitable for you in relation to your investment needs and objectives, risk profile and other personal and financial circumstances.

Your investment representative can help you determine your risk profile, the types and level of risk that would be appropriate for your portfolio. Your investment representative has an obligation to make recommendations that are in your best interest, considering the concentration, liquidity, and impact of costs on your returns. Your representative must also consider a reasonable range of alternatives when providing you with a recommendation.

If you choose to place an order we have not recommended, we must also determine whether the transaction you propose is suitable and in keeping with your investment objectives; and advise you of our assessment before we execute the trade.

In addition, we will make assessments regarding suitability of the investments held in your account at the following times:

- When we place a trade on the account
- When we become aware of a material change in your personal circumstances
- When you transfer securities into the account
- When the issuer of a security advises us of a change in risk ranking of the security
- When your account(s) are transferred to a new Quadrus investment representative

As a caution, you should be aware that we will not be in a position to review the suitability of your investments with respect to any transactions that are processed directly with fund companies. Direct trades such as these are not processed through our systems and cannot be monitored in the same way as trades placed through your investment representative. To ensure that we are able to properly service your account, you should contact your investment representative regarding any intended transactions rather than approaching fund companies directly.

### **Benchmark - Helping you decide if a fund is suitable for you**

There are several factors you should take into account when deciding if a fund is suitable for you. To help you assess a fund before you invest in it, your investment representative will give you a Fund Facts sheet to review. The Fund Facts sheet tells you about the composition, performance and risks of a fund, and includes a chart showing how the fund has performed over the past 10 years (or over the number of years that have elapsed since the fund's start date, if the fund is less than 10 years old). Consideration of the fund benchmark may be another factor to consider in determining if a fund or other investment is suitable for your needs and objectives. A fund benchmark is a standard – such as a stock or bond index – against which the performance of a mutual fund can be compared. Each fund company publishes a fund benchmark or market index as a basis of comparison in their Management Reports of Fund Performance which are available on their public websites. Keep in mind, however, that past performance is not necessarily an indication of how a fund will perform in the future.

### **How our products and services will help you meet your investment objectives**

We offer a variety of mutual funds so that we can service the needs of many different types of investors. The types of investments we will recommend to you will depend on your objectives, your tolerance for risk and other factors. We will work with you to help you decide how much of your portfolio should be invested in low risk, medium risk and high risk products.

- Low risk investments generally display less volatility and will typically generate smaller, more predictable returns.
- With medium risk investment funds, volatility will likely increase, along with the possibility of higher returns.
- High risk investments are typically the most volatile, with the highest potential for both gains and losses.

In general, a portfolio that is heavily weighted in low risk securities is appropriate for a person who prefers to invest in products that are more likely to maintain their value and is willing to forego potentially higher returns in exchange for security of his or her investment capital. A higher concentration of high risk investments may be appropriate for a person who is more comfortable with the possibility of investment losses that may happen in the short term, but is willing to accept this risk because of the possibility of greater returns on the investment in the long term.

You should also note that other factors apart from the risk profile of a product must be considered when determining if a particular investment may be appropriate to achieve your investment objectives or is otherwise suitable for you, bearing in mind your personal financial situation.

### **Account fees and service charges**

A disclosure of transaction fees and charges that you pay for services we provide (or may provide) on your account is set out in the accompanying disclosure document on transaction fees and charges. We will provide you with a 60 day notice prior to an increase to any of these fees.

### **Costs of purchasing and holding investments**

#### **Management expense ratio (MER)**

Generally, all mutual funds have management expenses. These expenses are deducted from the fund and you are not billed directly. The management fee pays for such things as the mutual fund company's investment management, marketing and administrative costs. Each fund also pays its own operating costs such as brokerage fees on securities trading, audit fees and unitholder communications. Management fees and operating costs are charged whether the value of the mutual fund goes up or down. The fund reports the management fee and operating costs it pays each year as a management expense ratio (MER), which is expressed as a percentage of your total investment. These annual costs, which on average range between two and three per cent, are deducted before the fund's performance returns are calculated. For example, if

your fund made 10 per cent and the MER was two per cent, the reported return for the year would be eight per cent. Detailed information on the MER for a fund can be found in the Fund Facts. Sales fees are paid to us and our investment representatives as compensation for selling funds on behalf of a mutual fund company. There are two types: Commissions and trailer fees. Mutual funds may carry both.

### **Commissions**

Commissions are paid to us at the time of sale, or shortly after. These are shared with your investment representative. If the fund purchase is made with sales charge purchase option (front-end load), Quadrus receives the commission directly from you, the client. If the purchase is made with either the low-load (LL) purchase option or the redemption charge (back-end load) purchase option, Quadrus is paid a commission by the mutual fund management company. Information on commission paid can be found in the Fund Facts.

Please refer to the accompanying disclosure on transaction fees and charges for further details on the sales purchase options.

### **Trailing commissions/fees**

Trailing commissions/fees are also referred to as trailer fees, or trailers. These are ongoing commissions paid by the fund company to us. Each year we get an amount that equals a certain percentage of your account's value, with your investment representative receiving a portion of these payments. The amount paid to us can vary depending on the purchase option selected. You do not pay trailer fees directly. Trailer fees are paid by the mutual fund company from the management fee. Information on trailer fees paid can be found in the Fund Facts.

### **Reporting you will receive from us**

We as a mutual fund dealer (or the individual fund company with which you invest, depending on the type of account you hold) will provide you with written confirmation of all mutual fund transactions that take place in your account other than automatic purchases and withdrawals. You will receive this confirmation notice within five business days of your transaction date. This confirmation will give details regarding the securities involved in the transaction and other information required by regulators.

We will also provide you with quarterly statements and an annual statement at the end of the year. With the quarterly and annual statement you will receive your investment performance report, and with the annual statement you will also receive a charges and compensation report.

### **Important policies you should know about**

- We are authorized to sell only the products described in The products we offer section above and we are not responsible for any other type of business that you may conduct with your investment representative.
- Your investment representative is licensed in a limited capacity and cannot provide advice on securities that we are not authorized to sell.
- Your investment representative is required to ask you to appoint a trusted contact person(s) (TCP), obtain written consent to contact the TCP and keep this information up to date. Your appointed TCP(s) may be contacted if your investment representative or Quadrus:
  - suspects that you are experiencing financial exploitation or mistreatment;
  - becomes concerned about your ability to understand your financial situation, make financial decisions in your own interests or understand the consequences of a financial decision that you made or want to make;
  - has concerns and is seeking your current contact information or the contact information of your legal representative (if any).
- A temporary hold may be placed on a transaction(s) if we believe that you are a vulnerable client, and that you have been or are being financial exploited or if we believe financial exploitation is being attempted. A temporary hold may also be placed if there are concerns about your diminished mental capacity to make decisions involving financial matters. You will be notified and advised of the reasons for the temporary hold as soon as possible if such a hold is placed. A temporary hold on transactions may be placed for the time that is necessary to address the situation and concerns about you. You will be provided with updates every 30 days until the hold is revoked or the concerns are addressed.
- We do not accept cash for business you are conducting with us. All payments for purchases should be by cheque made payable to Quadrus Investment Services Ltd. or Quadrus. Cheques should never be made payable directly to your investment representative.
- We do not allow investment representatives to borrow or lend money from/to clients. If you have any questions on how these policies apply to you, please let us know. Our contact information is provided below.

### **Payment of interest on client cash held in trust**

Effective January 1<sup>st</sup>, 2013, Quadrus Investment Services Ltd. will not pay interest earned on client cash held in trust.

### **What you should do as a client**

- Provide a full and accurate description of your financial situation, investment objectives and risk tolerance to your investment representative to assist him or her in meeting your investment goals.
- Promptly inform your investment representative regarding any material changes to this information or financial or life circumstances. This will help you assess whether changes to your investment strategy are necessary. A "material change" would be a change to any information that could reasonably result in changes to the types of investments appropriate for you, such as income level, investment objectives, risk tolerance, time horizon or net worth. Examples of such changes would include changes in employment, changes to marital status, a birth in the family, changes in retirement plans.
- Carefully review all account documentation, sales literature and other documents provided by your investment representative.
- Make sure you understand all fees and costs.
- Review the Fund Facts prior to the transaction to ensure that you are aware of the possible risks and returns on your investments.
- Make sure your relationship with us and your investment representative is clear to you.
- Communicate regularly with your investment representative and proactively ask questions or request information you may need to resolve any questions you have about your account, specific transactions or investments; or on your relationship with us or with your investment representative.
- Contact the branch manager if unsatisfied with the answers or explanations you receive from your investment representative.
- Make sure that payment for securities purchases is made by the date required by the fund company, known as the settlement date. Review all transaction confirmations and account statements or reports carefully and promptly. Report any errors or questions to your investment representative immediately.
- Review your portfolio holdings on a regular basis. You may want to make changes based on your investments' performance and your current objectives.
- Consult the appropriate professional such as a lawyer or accountant for tax and/or legal advice.

## Conflicts of interest

### What is a conflict of interest?

A conflict of interest includes any circumstance where:

- the interests of different parties, such as your interests, and those of an investment representative or Quadrus, are inconsistent or different,
- an investment representative may be influenced to put their interests ahead of your interests, or
- monetary or non-monetary benefits available to an investment representative or Quadrus, or potential detriments to which an investment representative or Quadrus may be subject, and how these may compromise the trust that you have in your investment representative or Quadrus.

Some conflicts of interest will arise when you do business with Quadrus. Some other conflicts of interest will only arise in certain circumstances. For all conflicts, it is both Quadrus' and your investment representative's responsibility to identify and address material conflicts of interest in your best interest. Quadrus and your investment representative must avoid material conflicts of interest that are not resolved in your best interest. Your investment representative cannot engage in activity that results in a material conflict of interest, unless that conflict is resolved in your best interest, and is approved by Quadrus.

Conflicts of interest that arise by doing business with Quadrus are disclosed and explained below in the Business conflicts section. Some other conflicts may only arise in certain circumstances, and those are explained in the Specific conflicts section. In the event that a specific conflict of interest or a new conflict arises that is not discussed below, Quadrus will disclose that specific or new conflict to you in writing before the opening of an account or, in the case of a single transaction, before the transaction takes place. The specific or new disclosure will specify the nature and extent of the conflict, identify the potential impact and risk that it may pose to you, and indicate how the conflict has been or will be addressed.

### Material conflicts arising from being a member of the PFC Group

Quadrus is a majority owned indirect subsidiary of Power Financial Corporation (PFC), a public company with common shares listed on the Toronto Stock Exchange. Our relationship to PFC and its other financial services subsidiaries (collectively, the PFC Group) creates conflicts of interest when we provide products and services to you that are sourced from or provided by other members of the PFC Group.

PFC and its various financial services subsidiaries, including Quadrus, are commercial businesses and seek to maximize profits while providing fair, honest, and appropriate services to clients. This means that we may encourage you to do more business with us and the other members of the PFC Group, and we may engage affiliates to provide us with products and services for your account, but will always do so in a way that we consider in your best interests. We will only enter into transactions or arrangements where we are permitted under applicable securities laws and where we believe they are in your best interests.

Although Quadrus is under common ownership with the other members of the PFC Group and may from time to time have directors and officers in common with these other firms, Quadrus is a separate and distinct corporate entity. Any relationships that a Quadrus director or officer might have with another PFC Group entity do not raise material conflicts as none of the individuals is in a position to personally influence clients of Quadrus to invest in any of the investment products of the PFC Group, nor are they compensated by any of the PFC Group entities on a commission or other basis that could result in decisions being made or influence being exerted, against the interests of any of our customers.

In addition to applicable regulatory provisions and contractual provisions respecting any business arrangements that may exist between Quadrus and the other PFC Group entities, the directors, officers and employees of each of the firms are subject to a code of conduct governing their actions. These codes of conduct are supplemented by our internal compliance policies and procedures. Quadrus generally carries on its activities independently from the other firms that form part of the PFC Group. However, from time to time there may be certain cooperative business arrangements between it and other firms, such as arrangements relating to introduction of clients, distribution of products, advisory relationships or administrative support.

The conflicts described in this section may raise perceptions that Quadrus will favour the business interests of the various members of the PFC Group rather than your interests. These conflicts and how Quadrus manages them to ensure that it acts in your best interests are described below.

### Related service providers to Quadrus

The following PFC Group entities may provide services to you and/or Quadrus.

- Companies including Counsel Portfolio Services Inc., Mackenzie Financial Corporation, and Canada Life Investment Management Ltd. may manage investment funds which Quadrus representatives may recommend as investment options for your accounts with Quadrus
- Companies including Canada Life Asset Management Limited, Irish Life Investment Managers Limited, Mackenzie Investments Corporation, Mackenzie Financial Corporation, Setanta Asset Management Limited, The Putnam Advisory Company LLC may be the portfolio manager of certain investment funds, which Quadrus representatives may recommend.
- Quadrus investment representatives may be licenced as insurance agents with The Canada Life Assurance Company (Canada Life) and may recommend you acquire insurance and insurance products, such as segregated funds, provided by Canada Life.

In all cases, Quadrus monitors the securities services and products provided and ensures that that the services and products, as applicable, are provided to you at market rates and are suitable for your account and appropriate for you

Where Quadrus:

- provides you with advice in respect to the purchase or sale of securities, the disclosure must be made before we provide you with the advice. This document provides you with the required disclosure; or
- buys or sells securities for your account, the disclosure must be given prior to the purchase or sale. We will provide this disclosure in the trade confirmation and monthly account statement provided to you.

## Business conflicts that apply to you

Conflict of Interest (COI) and its potential impact on you	How the conflict is addressed in your best interest
<p><b>Compensation</b></p> <p>When you do business with Quadrus, Quadrus and your investment representative receive compensation from the company that manages the products you have invested in. Different types of accounts and products provide different types and amounts of compensation. Your investment representative may also receive bonuses and/or non-monetary benefits from Quadrus related to the sale of investment products. Sometimes compensation rates increase as sales increase. Both investment representatives and supervisors may have sales targets. Investment representatives may also receive non-monetary benefits from third parties.</p> <p>The Canada Life Assurance Company (Canada Life) may provide investment representatives with non-monetary benefits and business entertainment, including sporting events. These benefits are provided to investment representatives' in their capacity as agents of Canada Life and their sale of Canada Life insurance products.</p> <p>Quadrus may also organize, and pay the cost of business entertainment events, including sporting events for invited representatives, in respect of their services to Quadrus and our clients.</p>	<p>Quadrus has a robust compliance program to ensure it knows relevant information about its clients and that all client recommendations are suitable. Investment representatives put your interests first when making recommendations.</p> <p>Quadrus does not provide incentives to your investment representative to promote the sale of one mutual fund over another. The commissions paid directly to Quadrus may vary; however, commission rate percentages paid to your investment representative will be constant regardless of the individual mutual fund or product sold. Only Quadrus can pay commissions to your investment representative and they can only accept commissions directly from Quadrus.</p> <p>Prior to you making any investment, your investment representative discloses and explains information on account types, fee amounts, and choices available to you. Prior to entering into transactions, your investment representative discloses any commission or other compensation they will receive in respect of the transaction.</p> <p>Quadrus has policies and procedures in place that monitor client accounts to prevent a fee-based account from holding products with embedded compensation.</p> <p>Your investment representative evaluates on an ongoing basis whether a fee-based client account is in the client's best interest. Quadrus has controls in place to confirm clients are receiving services consistent with the terms of client accounts or agreements.</p> <p>Your investment representative must not accept gifts, gratuities, or favours of any kind from any person or business where these would, or might reasonably appear to, improperly influence them in the fulfillment of their obligations. These types of non-monetary benefits are limited in type and amount. To ensure investment representatives are not receiving excessive non-monetary benefits from any fund manager, Quadrus has imposed annual limits, and monitors the benefits provided.</p> <p>Although Quadrus is not responsible for the sales of other products by your investment representative, Quadrus monitors non-monetary benefits provided by Canada Life to your representative, and tracks a portion of certain of those benefits to address any conflict of interest.</p>
<p><b>Some of the mutual funds offered at Quadrus are exclusive to Quadrus, while some of the mutual funds are managed by companies connected to Quadrus.</b></p> <p>Some of the mutual funds that Quadrus offers are exclusive to Quadrus – these funds are managed by companies related to Quadrus and are only available for purchase at Quadrus.</p> <p>Additionally, some of the products Quadrus offers that are not exclusive to Quadrus are managed by companies that are related or connected to Quadrus. This relationship is the result of common ownership interests.</p>	<p>Quadrus does not provide incentives to your investment representative in order to promote the sale of one mutual fund over another.</p> <p>All products that Quadrus offers, including Quadrus' exclusive products, or products managed by related companies, are subject to the same review process, which includes review by Quadrus' Product Review Committee. All products Quadrus offers are aligned with client interests by providing a broad range of asset classes and fund managers. All products Quadrus makes available to clients are easy to access by investment representatives and clients.</p> <p>If you invest in Quadrus' exclusive funds or funds of related or connected issuers, your investment representative will disclose this to you.</p> <p>Quadrus has a robust compliance program to ensure it knows relevant information about its clients and that all client recommendations are suitable. Your investment representative puts your interests first when making recommendations.</p>
<p><b>Your investment representative is also a licensed insurance agent.</b></p> <p>Because your investment representative is licensed to sell both mutual funds (through Quadrus) and insurance products (through The Canada Life Assurance Company and potentially also through other insurance companies), various products with different compensation structures are available to you through your investment representative.</p>	<p>Quadrus approves and monitors this insurance activity as it relates to Quadrus' business. Quadrus does not generally foresee any conflict of interest arising from your investment representative being licensed as a life insurance representative for insurance products and as a mutual fund representative for investment products.</p> <p>Securities and insurance products may provide different types and amounts of compensation. Quadrus has a robust program with respect to securities products to ensure it knows relevant information about its clients and that all client recommendations as to securities products are suitable. Your investment representative puts your interests first when making these recommendations.</p>



## Specific conflicts that may arise

Conflict of Interest (COI) and its potential impact on you	How the conflict is addressed in your best interest
<p><b>Personal and financial dealings</b>            Certain dealings may arise between you and Quadrus or your investment representative that may result in a conflict of interest, including your investment representative having control or authority over your financial affairs (for example, by acting as your power of attorney, executor or trustee), or lending or borrowing money from your investment representative or Quadrus, or your investment representative or Quadrus purchasing assets from you.</p>	<p>Quadrus does not allow your investment representative to act as power of attorney, executor, or trustee for you, and does not allow your investment representative to borrow from or lend money to you.</p> <p>Quadrus also prohibits private investment schemes or clubs.</p> <p>The buying or selling of assets from, to or with a client can affect your investment representative's or Quadrus' dealings with you. If this situation arises, Quadrus approval is required and certain parameters may be imposed.</p>
<p><b>Other activities of your investment representative</b>            Some investment representatives may engage in activities outside of Quadrus. Those activities can either be paid employment or business activities, or they may result in your investment representative being in a position of influence (e.g. member of board of directors, roles with charitable, social or religious organizations).</p>	<p>Quadrus must approve any other activity before your investment representative may engage in the activity.</p> <p>If Quadrus determines that the other activity presents a material conflict of interest that cannot be resolved in your best interest, your investment representative will not be permitted to engage in the activity.</p> <p>If Quadrus determines that the other activity does not result in a conflict, or that the conflict can be resolved in your best interest, your investment representative will provide you with an Outside Activity Disclosure Document before the activity commences. This document will inform you of the details of the activity. Quadrus also has policies and procedures in place to continually supervise and monitor the activity.</p>
<p><b>Referral arrangements</b>            Your investment representative may refer you to a person or company for products or services, or you may be referred to Quadrus for products or services. A referral fee may be paid or received for referrals.</p>	<p>Quadrus must pre-approve all paid referral arrangements.</p> <p>Quadrus has entered into referral arrangements for certain products and services that Quadrus does not offer and has performed required diligence on the referral company prior to allowing any referrals to that company. This includes confirming the other party is appropriately registered, and an assessment of the qualifications of the other party, including determining if the party has been the subject of any civil actions, regulatory or professional disciplinary matters, or client complaints relating to the relevant professional activities.</p> <p>Quadrus continually monitors and supervises all referral arrangements.</p> <p>If you are referred to another company by your investment representative, you will be provided with a disclosure document describing the important terms of that referral arrangement prior to any transaction taking place.</p>
<p><b>Investment representative financial interests</b>            Your investment representative may have a financial interest in investments that you own.</p>	<p>If your investment representative has a financial interest in investments that you own or that are recommended to you, you will receive and will sign a specific disclosure describing the relevant conflict of interest in advance of making any investment.</p> <p>Quadrus has a robust compliance program to ensure it knows relevant information about its clients and that all client recommendations are suitable. Your investment representative puts your interests first when making recommendations.</p>

### If you have questions, please contact:

Chief Compliance Officer  
 Quadrus Investment Services Ltd.  
 255 Dufferin Ave., T-370  
 London, ON N6A 4K1

## Risk of borrowing to invest

### Here are some risks and factors that you should consider before borrowing to invest:

Is it right for you?

- Borrowing money to invest is risky. You should only consider borrowing to invest if:
  - You are comfortable with taking risk.
  - You are comfortable taking on debt to buy investments that may go up or down in value.
  - You are investing for the long-term.
  - You have a stable income.
- You should **not** borrow to invest if:
  - You have a low tolerance for risk.
  - You are investing for a short period of time.
  - You intend to rely on income from the investments to pay living expenses.
  - You intend to rely on income from the investments to repay the loan. If this income stops or decreases you may not be able to pay back the loan.

### You can end up losing money

- If the investments go down in value and you have borrowed money, your losses would be larger than if you had invested using your own money.
- Whether your investments make money or not, you will still have to pay back the loan plus interest. You may have to sell other assets or use money you had set aside for other purposes to pay back the loan.
- If you used your home as security for the loan, you may lose your home.
- If the investments go up in value, you may still not make enough money to cover the costs of borrowing.

### Tax considerations

- You should not borrow to invest just to receive a tax deduction.
- Interest costs are not always tax deductible. You may not be entitled to a tax deduction and may be reassessed for past deductions. You may want to consult a tax professional to determine whether your interest costs will be deductible before borrowing to invest.

Your investment representative should discuss with you the risks of borrowing to invest.

### Quadrus business interests

Your investment representative is authorized to provide the following services through Quadrus:

- Sale of investment products that could include mutual funds, labour-sponsored investment funds, and guaranteed investment certificates
- Financial security planning\*

Your investment representative's services will take into consideration your financial needs.

\* In Quebec, investment representatives must be registered in the financial planning sector to offer this to their clients.

### Responsibility and liability

Activities related to the sale of life insurance by your investment representative do not involve Quadrus, and Quadrus is not responsible in any way for them. Quadrus assumes responsibility and liability for Quadrus business interests only. Your mutual fund investments are held in trust for you by a custodian and will not be co-mingled with assets of Quadrus or any other company. All business activities undertaken by your investment representative that are not specifically designated as Quadrus business interests are not the responsibility of Quadrus, nor does Quadrus assume any liability for such activity.

### Confidential client information

Quadrus has strict confidentiality guidelines. All information obtained by your investment representative or Quadrus relating to you or your business and affairs shall be maintained in confidence within our organizations. No such information shall be made available for use by any other individual associated with your representative's outside business interests or by your representative in association with his/ her outside business interests without your express, written consent obtained prior to any such usage.

### Transaction fees and charges disclosure

Your dealer Quadrus Investment Services Ltd. (Quadrus) and your investment representative want to inform you of any direct fees or charges that are deducted from either the amount to be invested by you, or the proceeds to be received by you. This is a complete listing of all potential transaction fees and charges; you will only be charged those that apply to any specific transaction. To help you in deciding whether to carry out a particular transaction, we are obligated to provide you with a reasonable idea of the amount of fees or charges you will incur. Details of direct fees and/or charges are disclosed on the applicable form and will appear on the trade confirmation you receive.

### Purchase option fees

Fee type	Front-end load (FEL) sales charge purchase option	Back-end load (deferred sales charge or DSC) redemption charge purchase option	Low-load (LL) redemption charge purchase option
<b>Description</b>	Mutual fund purchases under the sales charge purchase option may result in the payment of an upfront sales charge (from 0 to 6% of the amount to be invested).  The fee, which may be negotiated with your Quadrus investment representative, is payable to Quadrus at the time of the purchase and reduces the actual amount of mutual funds purchased.  Information on the sales charge purchase option can be found in the simplified prospectus.	No new sales of mutual funds with deferred sales charge fee structures are permitted. Mutual funds purchased under the redemption charge purchase option, prior to January 1, 2021, may be subject to a charge if the mutual funds are redeemed within a certain time period (usually up to eight years).  The redemption charge is based on and deducted from the price of the mutual funds on the trade date and subtracted from the amount paid out. The redemption amount charged is based on the remaining DSC schedule (see * <b>Sample DSC schedule</b> following this chart).  The DSC option allows for the redemption of 10% of the mutual funds purchased each calendar year without a redemption charge. If not exercised on a yearly basis, this option is not cumulative. See the simplified prospectus for more information.	No new sales of mutual funds with low-load redemption charge fee structures are permitted. Mutual funds purchased under the low-load purchase option, prior to January 1, 2021, may be subject to a charge if the mutual funds are redeemed within a certain time period (usually up to four years).  The redemption charge is based on and deducted from the price of the mutual funds on the trade date and subtracted from the amount paid out.  Unlike the redemption charge purchase option, there is no allowance for an annual 10% free redemption amount without paying a redemption fee.  Information on the low-load purchase option can be found in the simplified prospectus.

Fee type	Front-end load (FEL) sales charge purchase option	Back-end load (deferred sales charge or DSC) redemption charge purchase option	Low-load (LL) redemption charge purchase option
Fee applicable at time of purchase	Yes	No	No
Fee applicable at time of redemption	No	Yes	Yes
Fee applicable at time of switch	No	No	No

**\* Sample DSC schedule**

Period after purchase	First year	Second year	Third year	Fourth year	Fifth year	Sixth year	Seventh year	Thereafter
Redemption charge rate	5.5%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	Nil

Fee type	Management and administration services fees (MAS fees)
<b>Description</b>	<p>MAS fees are a negotiated fee between you and your investment representative. To be eligible to participate, investment and asset minimums must be met:</p> <ul style="list-style-type: none"> <li>• Minimum of \$100,000 total assets with</li> <li>• \$25,000 invested in MAS fee eligible funds (per client, across all nominee plans and any number of funds)</li> </ul> <p>To determine if a fund is MAS fee (wrap fee) eligible, you can refer to the Fund Facts document, prospectus, or contact the fund company directly.</p> <p>Annual negotiable fee may not be set below 0.50% and may not exceed an annual rate of 1.25%. Fees are charged monthly plus applicable taxes. The fee is calculated at the plan level and redeemed from one fund or from the plan's cash account.</p> <p>Quadrus permits thousands of wrap fee eligible funds, including Canada Life Mutual Funds F and FW series, to be held in a self-directed/nominee plan. Quadrus can collect fees on F series/dealer fee-based funds. Canada Life Mutual Funds F and FW series or other third-party wrap fee eligible funds (such as F class, E class, and PF class) charge a reduced management fee. The reductions result from the elimination of the investment representative's compensation portion of the management fee. To compensate the investment representative, a visible fee is charged separately to the client.</p>

**Short-term and excessive trading fees**

Fee type	Short-term trading fee	Excessive trading fee
<b>Description</b>	A fee of up to 2%, paid to the applicable fund(s), may be assessed on inappropriate short-term trades. These are defined as a combination of a purchase and redemption, including switches between funds, that occurs within 30 days and that a fund company believes is detrimental to other fund investors. It may take advantage of certain funds with securities priced in other time zones or illiquid securities that trade infrequently. Information on short-term trading fees can be found in the simplified prospectus.	All trades determined to be part of a pattern of excessive short-term trading will be subject to a fee of up to 1%, paid to the applicable fund(s). Excessive trades are considered to be a combination of purchases and redemptions, including switches between funds, that occur with such frequency within a 30-day period that a fund company believes it is detrimental to other fund investors. Information on excessive trading fees can be found in the simplified prospectus.
Fee applicable at time of purchase	No	No
Fee applicable at time of redemption	Yes	Yes
Fee applicable at time of switch	Yes	Yes

**Redemption/transfer fees**

Fee type	Account transfer fees	Withholding taxes	Exit fees	Automatic plans
<b>Description</b>	<p>Charged when redeeming mutual funds in an account at one institution and transferring the cash proceeds to another institution.</p> <p>Redemption charge (described above) may be applicable.</p> <p>Account close-out or transfer fee may also be applied. The other institution can provide details relating to the amount of any fees it will charge.</p>	<p>Lump sum redemptions from tax-sheltered accounts are subject to withholding tax:</p> <ul style="list-style-type: none"> <li>• Up to and including \$5,000 – 10% (5% in Quebec*)</li> <li>• Greater than \$5,000 and up to and including \$15,000 – 20% (10% in Quebec*)</li> <li>• Greater than \$15,000 – 30% (15% in Quebec*)</li> </ul> <p>*(in Quebec, add additional 16% Provincial withholding tax for each category)</p> <p>Multiple withdrawals from an RRSP within a short period of time may be subject to a higher withholding tax rate based on the combined value of the withdrawal request.</p> <p>RRIF payments in excess of minimum required withdrawals are subject to withholding amounts above.</p> <p>Individuals residing outside Canada are also subject to withholding taxes. Canada Revenue Agency, your accountant or tax professional can provide details.</p>	<p>Transfers of holdings, in kind, from Quadrus nominee (self-directed) plans to another dealer or institution will be subject to the following transfer-out fee schedule:</p> <ul style="list-style-type: none"> <li>• Full transfer fee – \$175 plus applicable tax</li> <li>• Partial transfer fee – \$75 plus applicable tax</li> </ul> <p>May be paid by cheque or money order (payable to Quadrus); or by redemption on from the funds, provided Quadrus receives a detailed and specific letter of direction, signed by the client, indicating the fund(s) from which the fee is to be taken.</p>	<p>Fees may be charged when redeeming mutual funds through an automatic withdrawal plan.</p> <p>Depending on load structure, a redemption charge may be applicable.</p>
<b>Fee applicable at time of purchase</b>	No	No	No	No
<b>Fee applicable at time of redemption</b>	Yes	Yes	Yes	Yes
<b>Fee applicable at time of switch</b>	No	No	No	No

**Additional fees**

Fee type	Switch fee	Insufficient funds charge	Miscellaneous fees
<b>Description</b>	<p>Switches between funds within the same fund family or series may result in the payment to the fund company of up to a 2% switch fee.</p> <p>In certain circumstances, this fee may be negotiable with Quadrus Investment Services Ltd.</p> <p>Information on switch fees can be found in the simplified prospectus.</p>	<p>A bank may apply a fee when a cheque is written on an account that does not have sufficient funds to cover the amount of the cheque.</p> <p>The bank where the account is held can provide details about the amount of any charge.</p>	<p>Mutual fund management companies may have special offers, such as charitable giving plans for which extra fees are charged.</p> <p>Certain mutual fund series may have advisor fees attached.</p> <p>Information on these miscellaneous fees can be found in the simplified prospectus.</p>
<b>Fee applicable at time of purchase</b>	No	Yes	Yes
<b>Fee applicable at time of redemption</b>	No	No	Yes
<b>Fee applicable at time of switch</b>	Yes	No	Yes

## Automatic withdrawal plan for nominee accounts

The following Quadrus redemption hierarchy will be applied to Quadrus nominee account AWD allocations if the AWD initial instructions are not clear or missing.

If the fund(s) indicated in your original direction for regular withdrawals or RIF payments become depleted, we will process the first regular withdrawal or RIF payment and all future regular withdrawals or RIF payments from the remaining funds in your account using the following redemption hierarchy:

### Quadrus redemption hierarchy

1. Money market fund with the highest market value FEL
2. Income fund with the highest market value FEL
3. Bond fund with the highest market value FEL
4. Balanced fund with the highest market value FEL
5. Dividend fund with the highest market value FEL
6. Equity fund with the highest market value FEL
7. Money market fund with the highest market value DSC
8. Income fund with the highest market value DSC
9. Bond fund with the highest market value DSC
10. Balanced fund with the highest market value DSC
11. Dividend fund with the highest market value DSC
12. Equity fund with the highest market value DSC

## Client satisfaction process

A process for addressing any concerns about your individual products and services offered through your mutual fund dealer.

Serving clients well is at the heart of our business. We recognize you've entrusted us with something special – your hopes, wants and dreams for the future. We take our responsibilities very seriously and if you ever feel you haven't received the care your investments deserve, you have some options.

Concerns do arise from time to time, and when they do, we take them seriously. This gives us an opportunity to enhance the service we provide for our clients. Our goal is to promptly and fairly address concerns about individual products and services through our client satisfaction process.

### Contact us

Clients wishing to complain to Quadrus may make their complaint to our head office by contacting:

#### By mail:

Manager, Complaints & Investigations  
Quadrus Investment Services Ltd.  
T-370 – 255 Dufferin Ave.  
London, ON N6A 4K1

#### By email:

quadruscomplianceofficer@quadrusinvestment.com

#### By contacting:

Any branch manager across the country

All complaints are forwarded to qualified compliance or supervisory personnel for handling.

We encourage clients to make their complaint in writing, by letter or email, where possible<sup>1</sup>. If a client has difficulty putting a complaint in writing, he or she should advise us so we can provide assistance.

For confidentiality reasons, we'll only deal with the client or another individual who has the client's express written authorization to deal with us.

### How we handle a complaint

Generally, we acknowledge receipt of complaints within five business days.

We review all complaints fairly, taking into account relevant documents and statements obtained from:

- The client
- Our records
- Our investment representative
- Other staff members
- Any other relevant source

Once our review is complete, we provide clients with a written response. Our response may be an offer to resolve the client's complaint, a denial of the complaint with an explanation or another appropriate response.

Where the complaint relates to certain serious allegations<sup>2</sup>, our initial acknowledgment will include copies of this complaint-handling process summary and the client complaint information form (CCIF)<sup>3</sup> – also contained in this document. Our response will summarize the complaint and our findings, and will contain a reminder about client options with the Ombudsman for Banking Services and Investments.

### Response time

Generally, we'll provide our response within 90 days, unless we're waiting for additional information from the client or the case is very unusual or complicated.

After the date of our response, we'll respond to client communications to the extent necessary to implement a resolution, or to address any new issues or information the client provides.

## Settlements

If we offer the client a financial settlement, we may ask the client to sign a release and waiver.

## Contacting Quadrus

Clients may contact us at any time to provide further information or to inquire about the status of their complaint. They should contact the individual handling their complaint or the Manager, Complaints & Investigations.

<sup>1</sup> The security of email communication cannot be guaranteed. Any person wishing to communicate or send information of a private or confidential nature to Quadrus Investment Services Ltd. or a third party is encouraged to do so by other means.

<sup>2</sup> As defined in the policies of the Mutual Fund Dealers Association of Canada (MFDA), of which Quadrus is a member. For more information visit [mfda.ca](http://mfda.ca).

<sup>3</sup> The client complaint information form or CCIF is provided to new clients and clients who complain. Prepared by the MFDA, it provides general information about options for making a complaint.

## MUTUAL FUND DEALERS ASSOCIATION OF CANADA

### Client Complaint Information Form

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with bylaws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada ("MFDA"), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer.

### The MFDA can be contacted:

- By completing the on-line complaint form at [www.mfda.ca](http://www.mfda.ca)
- By telephone in Toronto at: (416) 361-6332  
or toll free at: 1-888-466-6332
- By e-mail at [complaints@mfda.ca](mailto:complaints@mfda.ca)<sup>1</sup>
- In writing by mail to:  
121 King Street West,  
Suite 1000, Toronto, ON M5H 3T9  
or by fax at: (416) 361-9073

<sup>1</sup> You may wish to consider issues of internet security when sending sensitive information by standard e-mail.

## Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments ("OBSI"): You may make a complaint to OBSI after you have complained to the dealer, at either of the following times:
  - If the dealer's Compliance Department has not responded to your complaint within 90 days of the date you complained, or;
  - After the dealer's Compliance Department has responded to your complaint and you are not satisfied with the response. **Please note that you have 180 calendar days to bring your complaint to OBSI after receiving the dealer's response.**
- OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:
  - By telephone in Toronto at: (416) 287-2877 or toll free at: 1-888-451-4519
  - By e-mail at: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
  - Manitoba: [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)
  - New Brunswick: [www.nbsc-cvmb.ca](http://www.nbsc-cvmb.ca)
  - Saskatchewan: [www.sfsc.gov.sk.ca](http://www.sfsc.gov.sk.ca)
- Québec:
  - If you are not satisfied with the outcome or with the examination of a complaint, the Autorité des marchés financiers ("AMF") can examine your complaint and may provide dispute resolution services.
  - If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the Fonds d'indemnisation des services financiers (Financial Services Compensation Fund). An indemnity up to \$200,000 can be payable through monies accumulated in the fund for an eligible claim.
- For more information:
  - Contact the AMF by telephone at: (418) 525-0337 (in Québec), or toll-free at 1-877-525-0337
  - Visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca)

We're committed to addressing concerns about your Quadrus products and services promptly and fairly. If you have any questions about the Quadrus client satisfaction process, you can contact our compliance department.

**By email:**

quadruscomplianceofficer@quadrusinvestment.com

**By mail:**

Quadrus Compliance,  
T-370 - 255 Dufferin Ave.  
London, Ontario N6A 4K1

**If you still have concerns after you receive our final position, you may wish to contact:**

Ombudsman for Banking Services and Investments (OBSI)

401 Bay Street, Suite 1505,

P.O. Box 5. Toronto, ON M5H 2Y4

- Toll-free number – 1-888-451-4519
- Email: ombudsman@obsi.ca
- Website: www.obsi.ca

**Privacy protection notice**

Quadrus Investment Services Ltd. ("Quadrus"), Canada Life Investment Management Ltd., and Mackenzie Financial Corporation, as agent for Quadrus (referred to in this Notice as "we", "us", "our", and "the Promoter") has always been committed to protecting the privacy of personal information that we collect and maintain in the course of carrying on our business. This Notice describes how we collect, hold, use, and disclose your personal information. Please read this Notice and contact us through any of the means listed at the end of the document if you have any questions.

Members of the Quadrus Group of Companies include any affiliates or successor companies of Quadrus whose business relates to a purpose identified in this Notice.

In this Notice, your "Dealer" refers to an individual or entity, other than Quadrus, acting or representing that it acts in connection with your investments as your investment advisor, broker, or dealer, or on behalf of your investment advisor, broker, or dealer. By applying for one of our products or services, you acknowledge and agree that your Dealer is your agent and not our agent. We are entitled to accept and act on any notice, authorization, or other communication that we believe in good faith to be given by you or your Dealer on your behalf. We are under no obligation to verify that your Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.

- 1. Client Record and Personal Information:** We hold the personal information we collect about you (and your spouse and/or beneficiary as applicable) for the purposes identified in this Notice in a record called the "client record". Depending on the investment or service you request, the personal information in your client record may include your name, address, telephone number, social insurance number ("SIN"), birth date, account holdings, and the name, address, and SIN of your spouse and/or beneficiary among other information. For example, if you have established a preauthorized payment plan, your financial institution account number is also held in your client record. Where you provide personal information about another individual, you represent to us that you are authorized to disclose such information to us.
- 2. Providing Your Personal Information to Us:** When you or your Dealer complete an application form or otherwise open an account with the Promoter, you are providing personal information to the Promoter, including, where applicable, personal information concerning your spouse and/or beneficiary, in order to:
  - A. make an investment;
  - B. provide instructions about an investment you have made; or
  - C. receive information related to an investment you have made.The Promoter collects this personal information, holds it in your client record, uses it, and discloses it for the purposes identified in this Notice.
- 3. Collecting, Holding, Using, and Disclosing Personal Information in Your Client Record:** The Promoter may collect, hold, and use the personal information in your client record as well as collect personal information from and disclose personal information to the third parties identified in paragraph 4 for the following purposes:
  - A. identifying you and ensuring the accuracy of information contained in your client record;
  - B. establishing and administering your account, determining, maintaining, recording, and storing account holdings and transaction information in your client record;
  - C. executing transactions with or through the Promoter including transferring funds by electronic or other means;
  - D. providing you and your Dealer with account statements, transaction confirmations, tax receipts, financial statements, proxy mailings, registered plan notices, and other information which you or your Dealer may request as needed to service your account;
  - E. verifying information previously given by you with any other organization when necessary for the purposes provided in this Notice;
  - F. processing pre-authorized debit transactions;
  - G. collecting a debt owed to the Promoter;
  - H. engaging in the financing or sale of all or part of our businesses, reorganizing our businesses, and obtaining and submitting insurance claims; and
  - I. meeting legal and regulatory requirements.
- 4. Third Parties:**
  - A. The Promoter may collect your personal information for the purposes identified in this Notice from third parties such as your Dealer, other companies in the Quadrus Group of Companies, other financial institutions and mutual fund companies, and from third parties who represent that they have the right to disclose the information.
  - B. The Promoter may transfer your personal information for the purposes identified in this Notice to our service providers, such as account statement preparation and mailing companies, courier companies, imaging companies, and document storage companies. When the Promoter transfers personal information to our service providers, we ensure by contractual means that the transferred personal information is used only for the purposes for which the service provider is retained and is protected to the same degree as it is when in

our possession. We may use service providers located outside of Canada, and where we do, personal information may be disclosed in accordance with the laws of the jurisdiction in which the service provider is located, including to the government in that jurisdiction and its agencies.

- C. The Promoter may disclose your personal information to third parties where permitted or required by law, such as disclosure for tax purposes to the Canada Revenue Agency.
  - D. The Promoter may disclose your personal information for the purposes identified in this Notice to third parties such as your Dealer, third party service providers, data-processing firms, other companies in the Quadrus Group of Companies, other financial institutions and mutual fund companies, and group plan administrators. If you wish to withdraw consent to the continuation of this type of information sharing or discuss the implications of such withdrawal, please contact us. Your decision to withdraw consent may prevent the Promoter from providing or continuing to provide products and services to you because the disclosure to third parties is a necessary part of making the product or service available to you.
5. **Using Your SIN:** By law, the Promoter is required to use your SIN when submitting tax reports to the Canada Revenue Agency. We may use your SIN as an identifier for reasons such as consolidating your holdings so that fees associated with your account are reduced or are not charged more than once, or that your mailings are delivered in one envelope or are not duplicated. Also, we may share your SIN as a unique identifier for the purposes identified in this Notice to third parties such as your Dealer, group plan sponsor, and third party service providers. If you have any questions or concerns about the use of your SIN please contact us.
  6. **Location of Your Client Record:** Your client record is kept in electronic, microfilm, or paper format primarily in Toronto, but it may also be kept in other Canadian locations. To request access to your client record, please contact us.
  7. **Changes to Your Personal Information:** Please inform the Promoter promptly of any change in the personal information that you have provided.
  8. **Right to Access and Rectify Personal Information:** You are entitled to access, through a written request, the personal information contained in your client record, subject to limited exceptions set out in law. You may verify this personal information and request that any inaccurate information be corrected. To access and correct your personal information, please contact us.
  9. **Resolving Your Questions and Concerns:** If your concerns about access to and/or the correction of your personal information have not been resolved to your satisfaction, or if you have any questions or other concerns about our management of your personal information, you can contact the Quadrus Compliance Officer, Quadrus Investment Services Ltd., 255 Dufferin Avenue, London, Ontario, N6A 4K1. You may also send an email to [quadruscomplianceofficer@quadrusinvestment.com](mailto:quadruscomplianceofficer@quadrusinvestment.com). If after contacting the Quadrus Compliance Officer your question or concern has not been resolved, we can direct you to the appropriate federal or provincial Privacy Commissioner.  
Quadrus Investment Services Ltd. Telephone: 1-888-532-3322

Revised: August 2012

## Know your client (KYC) definitions

### What is your risk profile?

The lower of your willingness to financially accept risk and your ability to withstand declines in the value of your investment.

- **Low:** Low risk investments demonstrate low volatility and are suited for investors who have a very limited financial capacity to take on risk, and/or are willing to accept lower returns for greater safety of capital. Investments may include savings bonds, guaranteed investment certificates (GICs) and money market mutual funds.
- **Low/Medium:** Low to medium risk investments demonstrate low to medium volatility and are suited for investors who have a relatively low financial capacity to take on risk and/or a higher volatility tolerance than investors described as low risk. Investments may include bonds or balanced funds.
- **Medium:** Medium risk investments demonstrate medium volatility and are suited for investors who have a moderate financial capacity to take on risk and/or are looking for moderate growth over the medium to long term. Investments may include Canadian dividend, Canadian equity, U.S. equity and certain international equity funds.
- **Medium/High:** Medium to high-risk investments demonstrate medium to high volatility and are suited for investors who have a relatively high financial capacity to take on risk and/or are looking for medium to long term growth. Investments may include funds that invest in smaller companies, specific market sectors and/or geographic areas.
- **High:** High risk investments demonstrate high volatility and are suited for investors with a growth objective who are willing to and/or can financially accept significant short term fluctuations in portfolio value in exchange for potentially higher long-term returns. Investments may include labour-sponsored venture capital funds or funds that invest in specific market sectors or geographic areas such as emerging markets, science and technology; or funds that engage in speculative trading strategies including hedge funds that invest in derivatives, short sell or use leverage.
- **Note: You can only hold a maximum of 10 per cent of the value of your plan in investments that have a higher risk rating than your stated risk tolerance.**

### What is your time horizon?

The timeframe in which you anticipate redeeming all or a significant portion of the plan.

### What are your investment needs and objectives?

This is the result you desire from investing and should relate to the type of investments that you will purchase.

- **Preservation:** Your objective is to preserve capital for security. Investments consist primarily of money market mutual funds and guaranteed investments.
- **100% Fixed Income:** Your objective is to generate current income from your investments and you are less concerned with capital appreciation. The plan would typically include only fixed income investments such as funds that invest solely in bonds.
- **Income:** Your objective is to maximize current income from your investments and maintain potential for some capital appreciation. The plan would typically include at least 70 per cent fixed income investments such as funds that invest in bond or money market instruments.
- **Income & Growth:** Your objective is a combination of income and capital appreciation. The plan would typically include at least 40 per cent in fixed income investments and no more than 60 per cent in equity mutual funds.
- **Growth:** Your objective is capital appreciation and current income from investments is not a requirement. This may lead you to hold a relatively high proportion of funds that invest in equities if you also have a higher risk tolerance and a medium to long term time horizon.



- **Note: You can only hold a maximum of 10 per cent of the value of your plan in investments with a higher objective than your stated investment objective.**

### What is your investment knowledge?

This reflects your understanding of investing, investment products and their associated risks.

- **None:** You are unfamiliar with investments and the financial markets and have little or no investment experience.
- **Limited:** You have some investment experience but do not follow the financial markets; and have little understanding of the basic characteristics of the various types of investments and associated degree of risk.
- **Good:** You follow the financial markets; have either traded in or have some knowledge of both fixed income products and equities including mutual funds; and have an understanding of the associated risks and potential rewards.
- **Excellent:** You follow the financial markets closely; are aware of and understand a wide variety of investment products and strategies; and have an excellent grasp on the associated risks and potential rewards of investing.

### Debit Terms and Conditions

- **By signing the application, you hereby waive any pre-notification requirements as specified by sections 15(a) and (b) of the Payments Canada Rule H1 with respect to pre-authorized debits.**
- You authorize Quadrus (nominee) or the Fund Management Company/Companies (client-held) indicated in this agreement to debit the bank account provided for the amount(s) and in the frequencies instructed. If additional space is required a separate sheet may be attached.
- If this is for your own personal investment, your debit will be considered a Personal Pre-authorized Debit (PAD) by Payments Canada definition. If this is for business purposes, it will be considered a Business PAD. Monies transferred between Payments Canada members will be considered a Funds Transfer PAD where the payor and the payee are the same.
- You have certain recourse rights if a debit does not comply with this agreement.  
For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this pre-authorized debit agreement. To obtain more information on your recourse rights, you may contact your financial institution or visit [www.payments.ca](http://www.payments.ca).
- You confirm that all persons whose signatures are required to authorize transactions in the bank account provided have signed this agreement.
- You may change these instructions or cancel this plan at any time, provided that Quadrus/Fund Management Companies receives at least 10 business days notice by phone or by mail. Please consult Quadrus/Fund Management Companies to see if this may be reduced or waived. Contact information for Quadrus/Fund Management Companies may be found at [www.fundserv.com/tools-and-training/code-registry/](http://www.fundserv.com/tools-and-training/code-registry/). To obtain a copy of a cancellation form or for more information regarding your right to cancel a pre-authorized debit agreement, please consult with your financial institution or visit the Payments Canada website at [www.payments.ca](http://www.payments.ca). You agree to release Quadrus/Fund Management Companies of all liability if the revocation is not respected, except in the case of gross negligence by Quadrus/Fund Management Companies.
- Quadrus/Fund Management Companies is authorized to accept changes to this agreement from my registered dealer or my financial advisor in accordance with the policies of that company, in accordance with the disclosure and authorization requirements of Payments Canada.
- You agree that the information in the application will be shared with Quadrus/Fund Management Companies, insofar as the disclosure of this information is directly related to and necessary for the proper application of the rules applicable for pre-authorized debits.
- You acknowledge and agree that you are fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which you may be held accountable.
- You authorize Quadrus to change the bank account on this form if we receive instructions from your financial institution confirming that your account number has changed (which can occur for various reasons such as a branch closure, branch merging, and any other reason your financial institution would change your bank account number).
- You have requested this application form and all other documents relating hereto to be in English. Vous avez exigé que ce formulaire et tous les documents y afférant soient rédigés en anglais.

### Direct deposit agreement

Please deposit the requested amount to the account indicated within. I agree to refund any amount that I should not have received and direct my financial institution to return such amount.

### Information for TFSA account holders

#### Account Agreement

Throughout this Agreement, the terms "I", "me" and "my" mean the Quadrus Investment Services Ltd. ("Quadrus") Tax-Free Savings Account holder. In consideration of Quadrus accepting this plan, I agree that:

- I hereby appoint my investment representative as my agent for purposes of passing my instructions with respect to investments held in my account on to Quadrus, my dealer, to be delivered to the appropriate mutual fund management companies.
- Quadrus will be responsible for trade execution, trade settlement, custody of cash and securities, and the issuance of confirmations and statements. Quadrus will be responsible for determining suitability and ensuring appropriate supervision is performed for all trading activity in my account.
- Quadrus has the right to reject any of my instructions, or to sell any securities in my account, for legal, regulatory or eligibility reasons.
- I acknowledge that I am responsible for all trades placed by Quadrus or my investment representative on my behalf, and I must pay for the trade at the time the trade is placed.
- I am responsible for all charges payable in respect of all trades.
- I will pay Quadrus all amounts owing to Quadrus and any fees as outlined in the Application for a Quadrus Tax-Free Savings Account. In addition, Quadrus can sell securities in this account or otherwise deduct from this account all amounts owing to Quadrus in respect of this account or any other plans at Quadrus.
- In the absence of clear initial investment instructions for new deposits, Quadrus will place funds to be invested in a money market fund (or the cash account - for nominee plans only) and my investment representative of Quadrus will contact me for clarification. Once clarification is provided, Quadrus will process the investment instructions promptly, effective as of the date of processing.
- I will notify Quadrus in writing about any errors or omissions within the time limits specified on confirmations, statements or other notices.
- For all accounts, I will provide any additional documentation as reasonably requested by Quadrus.

- j. Quadrus has the right to use banking information to verify my identity.
- k. I will advise Quadrus of any changes to this account in writing.
- l. Quadrus may, from time to time, amend the terms of this Agreement, including introducing a new fee or increasing the fees outlined in the Application for a Quadrus Tax-Free Savings Account, after giving me no less than 60 days notice of the new or increased fee.
- m. All transactions in this account are subject to the rules and regulations of the securities industry, as applicable, and the laws of my province of residence as set out in the application.
- n. In the Application for a Quadrus Tax-Free Savings Account and this Agreement all singular references are deemed to be in the plural, as applicable.

### Quadrus Tax-Free Savings Account Declaration of Trust

We, B2B Trustco, are a trust company continued under the laws of Canada with our head office located at 199 Bay Street, Suite 600, PO Box 279, STN Commerce Court, Toronto, Ontario M5L 0A2. You are the accountable, the holder as defined in the *Income Tax Act*, named in the Application for a Quadrus Tax-Free Savings Account (the "Application"). We will act as the trustee of a Quadrus Tax-Free Savings Account (the "Arrangement") for you on the following terms and conditions. You acknowledge that we have retained the Fund Management Company (the "Administrator") as our agent to perform on our behalf certain of our duties and responsibilities under this declaration.

1. **Acceptance and Registration:** If we agree to act as trustee of your Arrangement, we will file with the Minister of National Revenue, in the form and manner and within the time prescribed, an election to register the Arrangement as a Tax-Free Savings Account (TFSA) under the *Income Tax Act* (Canada) (such Act and the Regulations thereto, as amended from time to time, being hereinafter referred to as the Tax Act). We will also apply to register the Arrangement under any applicable income tax legislation in the province or territory of residence indicated by you in the Application. The Arrangement will comply with, and you will be bound by, the terms and conditions from time to time imposed on your Arrangement by the Tax Act and any other applicable legislation. If we decline to act as trustee, you or a Dealer (as defined below) will be notified and any amounts received by us as contributions will be returned.
2. **Purpose and Use:** The Arrangement will be maintained for the exclusive benefit of the holder (as defined below), disregarding any right of a person to receive a payment out of or under the Arrangement only on or after the death of the holder. Contributions accepted by us for your Arrangement will be used, invested and applied for the purpose of the making by us of distributions (as defined below) under the Arrangement to the holder in accordance with the Tax Act. While there is a holder of the Arrangement, no person other than us and the holder shall have any rights under the Arrangement relating to the amount and timing of distributions and the investing of funds. In this declaration: holder means, until your death, you, and at and after your death, your validly designated successor holder (as described in Section 12 hereof), if any; and distribution means any payment made under the Arrangement in full or partial satisfaction of the holder's interest in the Arrangement that is considered a distribution from a TFSA for purposes of the Tax Act.
3. **Minimum Age:** At the time of entering into the Arrangement, you represent that you have attained the minimum age as specified in the Tax Act for entering into a TFSA.
4. **Dealer:** In this declaration, a Dealer refers to an individual or entity acting (or representing that it acts) in connection with your Arrangement as your investment advisor, broker or dealer, or on behalf of your investment advisor, broker or dealer. You acknowledge that a Dealer is your agent and when acting (or representing that it acts) as a Dealer is not our agent. We are entitled to accept and act on any notice, authorization or other communication that we believe in good faith to be given by you or a Dealer on your behalf. We are under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
5. **Your Responsibility:** You are responsible for:
  - (a) selecting investments for your Arrangement and assessing the merits of those investments, obtaining appropriate advice in respect of these matters or authorizing a Dealer to do these things on your behalf;
  - (b) ensuring that contributions to your Arrangement do not exceed the maximum contribution limits permitted by the Tax Act and that you do not make contributions to your Arrangement while you are a non-resident of Canada;
  - (c) ensuring that the investments held in your Arrangement are at all times qualified investments, and are not prohibited investments, for your Arrangement under the Tax Act; and
  - (d) providing us with information relevant to whether an investment held is a non-qualified investment under the Tax Act;
 You acknowledge and accept responsibility for these matters and undertake to act in the best interest of your Arrangement. You confirm that we are not responsible for your failure to comply with any of these matters or for any related loss in the value of your Arrangement. You confirm that we are not responsible for any related taxes, interest or penalties imposed on you or your Arrangement, except for those taxes, interest and penalties, if any, imposed on us by the Tax Act that are not reimbursable to us from your Arrangement under the Tax Act. You acknowledge that a Dealer or any other person from whom you obtain investment, tax or other advice is your agent and when acting (or representing that it acts) as a Dealer or your advisor is not our agent or the agent of any of our affiliates. You will take all necessary measures to immediately liquidate any non-qualified investment under the Tax Act, and in the alternative, hereby authorize us to liquidate, or to give instructions to any other party to liquidate, any non-qualified investments under the Tax Act, but in no event shall we be obligated to liquidate or to give instructions to liquidate except as specifically authorized by you in writing.
6. **Our Responsibility:** We are ultimately responsible for the administration of your Arrangement. We are not authorized to select investments for your Arrangement and will not assess the merits of any investment selected by you or a Dealer. We are not responsible for providing any investment, tax or other advice to you or a Dealer; nor are we responsible for any advice that you obtain from a Dealer or any other source. Except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Arrangement under the Tax Act, if any, and notwithstanding any other provision of this declaration we shall not be liable for any taxes, interest and penalties suffered as a result of any act done by us in reliance on your authority, the authority of a Dealer or the authority of your agent or legal representatives. Notwithstanding any other provision of this declaration, we shall not be liable for any loss suffered as a result of any act done by us in reliance on your authority, the authority of a Dealer or the authority of your agent or legal representatives. We are under no obligation to verify that any person is properly authorized to act as your Dealer, agent or legal representative or is otherwise authorized to act on your behalf.
7. **Contributions to Your Arrangement:** You may make contributions to your Arrangement. We will also accept a transfer to your Arrangement from any source permitted by the Tax Act from time to time, including a transfer to the Arrangement from another TFSA held by you or from a TFSA of your spouse or former spouse where the transfer relates to a division of property arising on the breakdown of your marriage or common-law partnership, in accordance with the Tax Act. We may accept or for any reason refuse to accept all or any portion of a contribution or transfer of cash, securities or other assets to your Arrangement. No person other than the holder may make contributions under the Arrangement.

8. **Investments:** We may accept and act on any investment instructions that we believe in good faith to be given by you or a Dealer on your behalf. The assets of your Arrangement will be invested and reinvested from time to time according to your investment instructions or those of a Dealer in investments permitted by the Administrator. We are not authorized to select investments for your Arrangement and will not assess the merits of the investments selected by you or a Dealer. Subject to such investments being permitted by the Administrator, in selecting investments for your Arrangement you will not be limited to those investments authorized by legislation governing the investment of property held in trust. However, you may be limited by policies and requirements imposed by us from time to time, such as the requirement to provide documentation and the requirement to comply with those policies and procedures currently imposed in connection with securities held in your Arrangement and the requirement to provide information concerning whether an investment held is a non-qualified investment under the Tax Act. Notwithstanding any other provision in this declaration, we may for any reason refuse to act on any investment instruction and we will not be liable for any resulting loss. In the absence of satisfactory investment instructions, cash received by us in connection with your Arrangement will be converted into the currency denomination of your Arrangement and, at our option, invested in units of a money market fund (or the cash account - for nominee plans only). If it is necessary for cash or other assets held in your Arrangement to be converted to another currency, we, our affiliates, our agent or a person engaged by us may act as principal on our or its own behalf and not on your behalf to convert the currency at the rate established by us or it for the relevant conversion date. In addition to commissions that may be charged for this service, any revenue earned by us or other service provider based on the difference between the applicable bid/ask rates and the cost of currency will be for our account or the account of the other service provider.
9. **Distributions:** Following receipt of satisfactory instructions from you or a Dealer, we will pay distributions from your Arrangement to you for any purpose. Without limiting the generality of the foregoing, following receipt of satisfactory instructions from you or a Dealer, we will pay distributions to reduce the amount of tax otherwise payable by the holder in respect of contributions made while a non-resident of Canada or contributions in excess of the maximum contribution limits for TFSAs permitted by the Tax Act or under Part XI.01 of the Tax Act. To the extent permitted under applicable laws, we hereby authorize you to execute or initiate debit transactions against deposit accounts offered by us or any of our affiliates and held in your Arrangement from time to time. You acknowledge that any such debit transaction shall be treated as a distribution from this Arrangement to you. If the value of your Arrangement is less than \$500, we may make a distribution to you from your Arrangement equal to the value of your Arrangement. We may transfer or realize any investment of your Arrangement selected by us for the purpose of making a distribution to you and will not be liable for any resulting loss. Distributions will be made net of all proper charges. If your Arrangement does not have sufficient cash to pay these charges, we will be entitled to require you to pay these charges.
10. **Transfers from Your Arrangement:** Following receipt of satisfactory instructions from you or a Dealer, we will transfer all or any part of the assets held in connection with your Arrangement (less all proper charges) to the issuer or agent of the issuer of another TFSA held by you or of a TFSA of your spouse or former spouse where the transfer relates to a division of property arising on the breakdown of your marriage or common-law partnership, in accordance with the Tax Act. If we receive instructions to transfer some of the assets of your Arrangement, we may request instructions to transfer all the assets of your Arrangement and we may delay the transfer until after we receive the requested instructions. If we have not received the requested instructions within 30 days of our request or if the issuer of the recipient TFSA refuses to accept the transfer of any assets of your Arrangement, the assets that have not been transferred may, at our option, be transferred or paid to you (less any proper charges). In the absence of satisfactory instructions, we may sell or transfer any assets of your Arrangement selected by us to effect the transfer and will not be liable for any resulting loss or foregone gains. The transfer of assets will be made subject to any restrictions under the Tax Act or the terms and conditions of the investments of your Arrangement.
11. **Successor Holder and Beneficiary Designation:** If you are domiciled in a jurisdiction which by law permits you to validly designate a successor holder or a beneficiary for your Arrangement other than by Will, you may designate:
- (a) your spouse as successor holder of your Arrangement; or
  - (b) a beneficiary to receive the proceeds of your Arrangement in the event of your death. You may make, change or revoke your designation by written notice to us signed by you in a form acceptable to us or by validly executed Will. Any designation, amended designation or revoked designation will be valid on the day following its receipt by us or, in the case of a validly executed Will, as of the day of execution of the Will. We will not accept beneficiary designations that are irrevocable.
12. **Death:** Upon receipt of satisfactory evidence of your death, we will continue to hold the assets of your Arrangement for your surviving spouse, provided he or she is the successor holder of your Arrangement. If your spouse becomes the successor holder of your Arrangement, he or she will acquire all of your obligations and rights as holder of the Arrangement (including the unconditional right to revoke any beneficiary designation or similar direction made or imposed by you under the Arrangement or relating to property held in connection with the Arrangement), and references herein to you will be deemed to refer to him or her. Notwithstanding the foregoing, a successor holder may not designate a subsequent spouse to hold the Arrangement after his or her death pursuant to paragraph (a) of Section 11 hereof. If your spouse is not the successor holder, we will hold the assets of your Arrangement for payment in a lump sum to your designated beneficiary if that person was living on the date of your death. If you have not designated a beneficiary or if your designated beneficiary predeceases you, the assets of your Arrangement will be paid to your legal representatives. The lump sum payment will be paid subject to the deduction of all proper charges after we receive all releases and other documents that we request.
13. **Use as Security for a Loan:** You may not use your interest or, for civil law, right in the Arrangement as security for a loan or other indebtedness unless agreed by us in writing. If agreed to, then
- (a) the terms and conditions of the indebtedness must be those which persons dealing at arm's length with each other would have entered into;
  - (b) it must be reasonable to conclude that none of the main purposes for such use is to enable a person (other than the holder) or a partnership to benefit from the exemption from tax provided by the Arrangement; and
  - (c) to the extent that the provisions of the first and third sentences of Section 2 hereof or the provisions of Section 10 hereof regarding a transfer to another TFSA held by you are inconsistent with using an interest or right in the Arrangement as security for a loan or other indebtedness, they will not apply.
14. **No Borrowing:** The trust governed by the Arrangement is prohibited from borrowing money or other property for the purposes of the Arrangement.
15. **Prohibition:** Except as specifically permitted under the Tax Act, no benefit, loan or indebtedness that is conditional in any way on the existence of your Arrangement or other advantage within the meaning of the Tax Act may be extended to you or a person with whom you do not deal at arm's length. You may not engage in any transaction, investment, payment or transfer which is or may be an advantage or a swap transaction under Part XI.01 of the Tax Act. Your interest or right in your Arrangement may not be used as security for a loan or other

indebtedness except as provided in Section 13 hereof. We will not make any payments from your Arrangement except those specifically permitted under the provisions of this declaration or the Tax Act or required by law. We reserve the right to prohibit any transaction, investment, payment or transfer, whether an advantage or a swap transaction under the Tax Act, or such other payment or transfer which is or may be prohibited or penalized under the Tax Act.

16. **Date of Birth and Social Insurance Number:** The statement of your birth date and social insurance number on your Application is deemed to be a certification of its truth and your undertaking to provide proof if requested by us.
17. **Accounting and Reporting:** We will maintain an account of your Arrangement reflecting, with appropriate dates: (a) contributions to your Arrangement; (b) the name, number and cost of investments purchased or sold by your Arrangement; (c) income and other amounts received by your Arrangement; (d) cash; (e) distributions, transfers and expenses paid from your Arrangement; and (f) the balance of your account. We will send you a statement of your account at least once a year. Within the time prescribed by the Tax Act, we will provide any applicable tax reporting.
18. **Fees and Expenses:** We may charge you or your Arrangement fees as published by us or the Administrator from time to time. We will give you at least 30 days notice of any change in our account fees. In addition, we are entitled to charge your Arrangement fees for out-of-the-ordinary services requested by you or a Dealer in connection with your Arrangement and we are entitled to reimbursement from your Arrangement for all disbursements, expenses and liabilities incurred by us in connection with your Arrangement except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Arrangement under the Tax Act. Without limiting the generality of the foregoing, these fees, disbursements, expenses and liabilities may include: brokerage fees and commissions, custodian fees, administration fees and redemption fees incurred in connection with investments held in your Arrangement; investment advisory fees paid to a Dealer; legal and accounting fees; fees in connection with financial arrangements made to facilitate the conversion of currency; and taxes, interest and penalties imposed on your Arrangement except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Arrangement under the Tax Act. We are entitled to deduct the unpaid fees, disbursements, expenses and liabilities from the assets of your Arrangement or, except where prohibited by the Tax Act, any other account held by you with us or any of our affiliates and for this purpose we are authorized, but not obliged, to realize sufficient assets of your Arrangement or such other account selected by us. We will not be responsible for any resulting loss. Except where prohibited by the Tax Act and notwithstanding any other provision of this declaration, we are entitled to deduct from any other account held by you with us or any of our affiliates those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Arrangement under the Tax Act.
19. **Tax Imposed on You or Your Arrangement:** If your Arrangement becomes liable for tax, interest or penalties under the Tax Act or provincial legislation, we may sell any investment of your Arrangement to pay the liability. We may, but are not obliged to, sell or otherwise dispose of any investment of your Arrangement to avoid or minimize the imposition of tax, interest or penalties on you or your Arrangement. Except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Arrangement under the Tax Act, if any, we will not be liable for any tax, interest or penalty imposed on you or your Arrangement. We will not be liable for any loss resulting from the disposition or failure to dispose of any investment held by your Arrangement.
20. **Delegation of Duties:** We may appoint agents (including our affiliates) and may delegate to our agents the performance of any of our duties or responsibilities under this declaration including but not limited to administrative duties such as accepting contributions to your Arrangement, executing investment instructions, safekeeping the assets of your Arrangement, account and record keeping, preparing and issuing statements and tax forms, communicating with you, a Dealer or legal representatives and responding to your or their concerns. We may also employ or engage accountants, brokers, lawyers or others and may rely on their advice and services. We will not be liable for the acts or omissions of any of our agents, advisors or service providers and will not be liable for the acts or omissions of a Dealer or any of your other agents, advisors or service providers. We may pay to any agent, advisor, service provider or Dealer and the Administrator may pay to us all or part of the fees received by us under the provisions of this declaration and/or a fee calculated by reference to currency converted in your Arrangement.
21. **Indemnity:** None of us, our officers, employees, the Administrator and other agents will be liable for and are indemnified by you and your Arrangement from and against all expenses, liabilities, claims, losses and demands of any nature arising out of the holding of the assets of your Arrangement; the dealing with the assets of your Arrangement in accordance with instructions which we, our officers, employees or agents believe in good faith to be given by you or a Dealer or other agent; making financial arrangements to settle trades; and the sale, transfer or release of assets of your Arrangement in accordance with this declaration.
22. **Amendments:** From time to time, we may amend this declaration with the approval of the appropriate revenue authorities provided that the amendment does not disqualify your Arrangement as a TFSA under the Tax Act or other legislation. Any amendment to ensure that your Arrangement continues to comply with the Tax Act or other legislation will be effective without notice. Any other amendment will be effective not less than 30 days after notice has been provided to you.
23. **Successor Trustee:** We may resign and be discharged from all duties and liabilities under this declaration by giving written notice to the Administrator. The Administrator is initially nominated to appoint a successor trustee. If the Administrator is unable to appoint a successor trustee of your Arrangement within 30 days of being appointed, then we may nominate you to appoint a successor trustee by providing notice to you. Upon acceptance of the office of trustee of your Arrangement, the successor trustee will be trustee of your Arrangement as if it had been the original declarant of your Arrangement and your Arrangement continues in full force and effect with the successor trustee. At the time of the appointment of the successor trustee, we will be relieved of all duties and liabilities under this declaration. If you are unable to appoint a successor trustee who accepts the office of trustee of your Arrangement within 60 days of you being nominated to appoint a successor trustee, the assets of your Arrangement net of all proper charges will be withdrawn from your Arrangement and transferred to you and we will be relieved of all duties and liabilities under this declaration.
24. **Notice to You:** Any notice, request or other communication required or permitted to be given to you by us must be in writing and will be sufficiently given if it is sent by pre-paid mail, telecopier, electronic mail or other form of electronic transmission addressed to you at the address provided on your Application or subsequently provided by you or a Dealer in a notice to us. For greater certainty, we are not responsible for verifying the accuracy or currency of any address provided to us. Any notice, request or other communication will be deemed to have been given to you and received by you on the day of mailing or transmission.
25. **Notice to Us:** Except as otherwise provided in this declaration, any notice, request or other communication required or permitted to be given to us by you or a Dealer must be in writing and will be sufficiently given if it is in a form satisfactory to us and is received by the Administrator by pre-paid mail, courier or telecopier addressed to us or the Administrator at the address for the Administrator last provided to you. We are permitted but not obliged to accept and act on a notice, request or other communication given to us by you or a Dealer by internet, electronic

transmission or telephone. We may for any reason refuse to act on any notice, request or other communication given to us by you or a Dealer and we will not be responsible for any resulting loss. Any notice, request or other communication given to us will be deemed to have been given to us and received by us at the time of actual receipt by the Administrator.

26. **Language:** You have requested that your Application, this declaration and all ancillary documents be provided to you in English. Vous avez exigé que votre demande, la présente déclaration et tous les documents accessoires vous soient fournis en anglais.
27. **Governing Laws:** This declaration will be governed, construed and enforced in accordance with the laws of Ontario and Canada except that the word spouse as used in this declaration refers to a person recognized as your spouse or common-law partner for the purposes of the Tax Act.
28. **Specimen Plan:** TFSA 04170023.

Date: April 2, 2012

## Deposit Terms and Conditions

B2B Bank, and/or any of its affiliates (including their respective successors and assigns) accepts deposits including, but not limited to, Guaranteed Investment Certificates (the "Term Deposit(s)"), and Money Maximizer, Mackenzie Tax-Free Savings Account High Interest Cash Builder, Counsel Premium Cash Account, and Quadrus TFSA High Yield Savings Account, (the "Non-Term Deposit(s)"). Term Deposit(s) and Non-Term Deposit(s) are collectively referred to as your "Deposit" and the reference "Deposit" includes any other Deposit that may be accepted by B2B Bank or any of its affiliates (including their respective successors and assigns) from time to time, such as cash balances (the "Cash Deposit(s)") held by B2B Trustco for registered and non-registered tax deferred accounts. Each of B2B Bank, B2B Trustco and/or any of their affiliates (including their respective successors and assigns) that accept Deposits is a member institution of the Canada Deposit Insurance Corporation (CDIC). Go to [www.b2bbank.com](http://www.b2bbank.com) for a current list of our Deposits, information on our complaint resolution process, our code of confidentiality, and interest rates. Go to [www.mackenziefinancial.com](http://www.mackenziefinancial.com), [www.counselservices.com](http://www.counselservices.com) and/or [www.canadalife.com](http://www.canadalife.com) for a current list of our Deposits, information on complaint resolution process, privacy protection notice and interest rates and minimum threshold information.

The following terms and conditions (the "Terms and Conditions") apply to all Deposits.

Throughout these Terms and Conditions, "you" and "your" means you as the depositor and/or co-depositor(s) and "we", "us" and "our" means B2B Bank and/or any of its affiliates (including their respective successors or assigns). "Dealer" means an individual or entity acting (or representing that it acts) in connection with your Deposit as your investment advisor, broker or dealer, or on behalf of your investment advisor, broker or dealer. "Application" means the account application form to which these Terms and Conditions are attached.

- (a) **Deposits:** The principal amount of the Deposit shall be held or invested by B2B Bank and/or any of its affiliates (including their respective successor and assigns).
- (b) **Interest Calculation and Payment**
- (i) **Cash Deposit(s) and Non-Term Deposit(s):** We agree to pay you interest monthly on the day following and for the period which has elapsed since and including the date on which interest was last paid (in the case of a Cash Deposit(s), provided that any interest is payable according to the applicable Deposit rates posted on our websites). Interest is calculated daily and is based upon the daily closing balance of your Cash Deposit(s) and Non-Term Deposit(s) at a rate of interest as set by us from time to time. All interest payable shall be deposited into the same Cash Deposit(s) and Non-Term Deposit(s) in respect of which the interest was earned and shall thereafter be considered as principal.
- (ii) **Term Deposit(s):** The interest rate of your Term Deposit(s) depends on the term and interest paying option selected by you. The interest rate applicable to your Term Deposit(s) is the posted rate on the day we receive your completed Application and money. Interest is calculated on the principal balance of your Term Deposit(s) for the number of days in the term on the basis of a year of 365 days. Interest on your Term Deposit(s) of less than two years is paid at maturity and interest on your Term Deposit(s) of two years or more is either paid annually, semi-annually, quarterly, monthly or compounded annually and paid at maturity, as selected by you. Interest ceases at maturity.
- (c) **Guaranteed Repayment:** We guarantee you the repayment of all principal sums of your Deposit, together with any interest that is due and payable, subject to section (d). In consideration of our guarantee and by way of remuneration for administering the Deposit, we shall be entitled to retain for our own use the interest and profits resulting from any investment of the principal in excess of the amount of any interest payable to you.
- (d) **Access to your Deposit**
- (i) **Deposits:** You may deposit to (purchase in the case of a Term Deposit) your Deposit with notice to us.
- (ii) **Hold on Funds:** We reserve the right to hold moneys from any cheque or other payment instrument including pre-authorized debits credited to your Deposit for the purpose of verifying that sufficient funds are available to pay the item and for any other purpose permitted by law.
- (iii) **Withdrawals:** You may withdraw your Deposit (except in the case of a Term Deposit) with notice to us. For withdrawals above certain dollar thresholds determined by us from time to time, your signature on your withdrawal request must be guaranteed by one of a bank, trust company, member of a recognized stock exchange or any other organization satisfactory to us. Transactions including withdrawals may be limited in dollar amounts or frequency, or otherwise as may be determined by us, and such limits may be changed in our sole discretion without notice to you. Term Deposits may be withdrawn only at maturity. The principal balance of your Term Deposit will be repaid at maturity and may not be withdrawn by you.
- (e) **Commission and Fees:** We may pay your Dealer a commission on your Deposits. This is a trailing commission for Non-Term Deposit(s) based on the daily closing balance of your Non-Term Deposit(s), and an upfront commission paid on the principal balance of a Term Deposit at the time of purchase. For a Cash Deposit(s), we may pay your account administrator a fee no greater than the amount which is the difference in the interest rate between our prime rate of interest (which is variable, subject to fluctuation and posted on [www.b2bbank.com](http://www.b2bbank.com) and the effective rate of interest (if any) applicable to your Cash Deposit(s), calculated on the balance of your Cash Deposit(s) on a daily basis. The maximum commissions and fees referenced above may change from time to time on notice to you.
- (f) **Eligible Plans or Accounts:** Your Deposit must be held within such plans or accounts that we, in our sole discretion, may permit from time to time ("Eligible Deposits").
- (g) **Joint and Several:** All of you are jointly and severally liable to us for any debts, liabilities and obligations arising in connection with the Deposit if held jointly or by tenants in common (if available).
- (h) **Complaints:** Should you have a complaint concerning your Deposit, please contact our client service department by calling 1-800-263-



8349. Further information detailing the steps for making and escalating a complaint are set out in our Problem Resolution Process which is available online at [www.b2bbank.com](http://www.b2bbank.com).

- (i) **Protecting your Personal Information - for personal Deposits only:** By making a Deposit with us, you consent to the collection, use and disclosure of your personal and financial information in accordance with our Code of Confidentiality as amended from time to time. The Code of Confidentiality forms part of these Terms and Conditions and your agreement to the Terms and Conditions indicates that you agree to the terms of the Code of Confidentiality. Our Code of Confidentiality is available on request and on our website at [www.b2bbank.com](http://www.b2bbank.com).
- (j) **Notice:** References to giving notice in these Terms and Conditions shall mean notice in the form and manner as provided in this section (j). We may provide any notice or other communication required or permitted to be given by post, telephone, email, fax, website posting or any other physical or electronic means, or by means of any press release, advertisement or other media notices. Unless specified otherwise, you or a Dealer may provide us with notice by post, fax or telephone, or through any other physical or electronic means as stipulated by us from time to time at the following address:  
B2B Bank  
199 Bay St., Suite 600  
PO Box 279 STN Commerce Court  
Toronto, Ontario M5L 0A2  
Toll free: 1-800-263-8349  
Fax: 1-866-941-7711  
Any notice, request or other communication given to us will be deemed to have been given to us and received by us at the time of actual receipt by us. Unless specified otherwise, if notice is provided by post, you will be deemed to have received the notice on the date that is five (5) business days following the date on which the notice was mailed. In all other cases, you will be deemed to have received the notice on the date the notice was sent.
- (k) **Changes to Depositor Record:** You agree to notify us promptly in writing of any changes to your mailing address or other information regarding the Depositor record.
- (l) **Deposit Statements and Confirmations:** You must promptly notify us of any errors, irregularities, omissions or unauthorized activity in your Deposit as soon as you discover them. If notice is not received from you within 30 days of the date of any statement or confirmation indicating activity or balances of your Deposit, you shall be deemed to accept the statement as valid and correct and you release us from all claims with respect to any and every item on the statement or confirmation and from any other claim for negligence, conversion, breach of trust, breach of fiduciary duty or otherwise. We retain the right to recover from you or debit your Deposit if there is an erroneous credit or an omission of a debit.
- (m) **Receiving Statements:** If held jointly or by tenants in common (if available) or in trust, all statements or other notices from us will be sent to you. All such notices will then be considered to have been mailed to all of you.
- (n) **Documentation Requirements:** If held jointly or by tenants in common (if available), on the death of any one of you, the remaining Depositor(s) agrees to immediately advise us and to provide such documentation as may reasonably be requested. We reserve the right to restrict access to monies held in the Deposit, as deemed necessary in order to comply with any present or future law.
- (o) **Joint and Several with Estate:** If held jointly or by tenants in common (if available), the deceased's estate and the surviving Depositor(s) continue to be jointly and severally liable for debts, liabilities and obligations resulting from transactions initiated prior to us receiving written notice of death, or incurred in liquidating the account or adjusting the interests of the surviving Depositor(s).
- (p) **Obligation to Observe Trust Terms:** If the Deposit is held in trust, we have no obligation to observe the terms of any trust and you or all of you are solely responsible for ensuring compliance with the terms of any applicable trust agreement or applicable law.
- (q) **Documentation Requirements of Survivor:** If the Deposit is held in trust, on the death of you or any one of you, the remaining Depositor(s) agrees to immediately notify us, and to provide such documentation as may reasonably be requested. We reserve the right to restrict access to monies held in the Deposit, as deemed necessary in order to comply with any present or future law.
- (r) **Liability for Damages Limited:** Without limiting any other provision of these Terms and Conditions, we will not be liable for, and you agree to indemnify and save us harmless from, any losses, costs, fees, claims, liabilities, delays, damages, expenses or inconvenience of any kind whatsoever, incurred by you or any third party, directly or indirectly (including special, indirect or consequential damages) in connection with the following:
- Any failure, error, malfunction or inaccessibility of any systems or equipment, or for errors, delays or failures in performance or non-completion of a transaction or service;
  - Any damages resulting from our negligence or the negligence of our employees, agents or representatives, even if we knew that damage was likely;
  - Honouring any instructions (including an instruction to revoke a PAD agreement) from you, including any that we receive from any person claiming to be you or to be acting on your behalf including a Dealer; or
  - Exercising our discretion not to act on an incomplete, illegible or ambiguous transaction or a transaction which we suspect is fraudulent.
- In the case of our gross negligence or willful misconduct, our liability will be no greater than the lesser of the amount of the item and the direct damages you have suffered.
- (s) **Dealer:** You acknowledge that a Dealer is your agent and when acting (or representing that it acts) as a Dealer is not our agent. We are entitled to accept and act on any notice, authorization or other communication that we believe in good faith to be given by you or a Dealer on your behalf. We are under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
- (t) **Returning Principal to You:** We reserve the right both to reject any deposit made by you and to withdraw any and all amounts from your Deposit for the purpose of returning such amounts to you.
- (u) **Assignments and Transfers:** Deposits are not negotiable, transferable or assignable by you to any person in any respect except to us or as we agree in writing.
- (v) **Changes to this Agreement**

- (i) If permitted by applicable law and subject to (ii) below, we may unilaterally change any part of the Deposit Terms and Conditions (except for sections (a), (b) and (c) if the change pertains to a Term Deposit), if we provide you with notice of the change at least 60 days before the effective date of the change.
- (ii) You may, within 60 days of receipt of Notice, withdraw your Deposit without any cost or penalty to you if we unilaterally increase your obligations to us or decrease our obligations to you under these Terms and Conditions.
- (w) **Charges for Costs and Legal Fees:** You agree to pay us on demand any costs to recover amounts that you owe us. These costs include legal fees on a solicitor and client basis, as well as those reasonable counsel fees charged by our legal department. If we incur any expenses in responding to any legal notices or seizures attaching to any moneys in your Deposit, we may charge such expenses to your Deposit, as well as a fee for complying with the order. If you fail to pay our costs, they may be charged against any account you have with us.
- (x) **Set-off:** We reserve the right to use any money at any time in your Deposit(s) to pay any debts or other obligations (including any contingent obligations) you owe us whether in the same or other currency in relation to any other matter between you and us and we are not required to provide notice except as required by law.
- (y) **Language:** The parties have expressly requested that this Agreement and all other related documents and notices be drawn up in English only. Les parties ont expressément exigé que ce contrat ainsi que tous les documents et avis émis en vertu des présentes ou s'y rattachant soient rédigés en anglais.

### **Plan agreement for savings and income planholders**

Throughout this Agreement, the terms "I", "me", "my", "we", "us", and "our" mean the Quadrus Investment Services Ltd. ("Quadrus") planholder(s). In consideration of Quadrus accepting this plan, I agree that:

- a. I hereby appoint my investment representative as my agent for purposes of passing my instructions with respect to investments held in my plan on to Quadrus, my dealer, to be delivered to the appropriate mutual fund management companies.
- b. Quadrus will be responsible for trade execution, trade settlement, custody of cash and securities, and the issuance of confirmations and statements. Quadrus will be responsible for determining suitability and ensuring appropriate supervision is performed for all trading activity in my plan.
- c. Quadrus has the right to reject any of my instructions, or to sell any securities in my plan, for legal, regulatory or eligibility reasons.
- d. I acknowledge that I am responsible for all trades placed by Quadrus or my investment representative on my behalf, and I must pay for the trade at the time the trade is placed.
- e. I am responsible for all charges payable in respect of all trades.
- f. I will pay Quadrus all amounts owing to Quadrus and any fees as outlined in the Application for a savings or income plan. In addition, Quadrus can sell securities in this plan or otherwise deduct from this plan all amounts owing to Quadrus in respect of this plan or any other plans at Quadrus. For its annual fee, Quadrus provides various administrative services, including custody of securities, maintenance of accounting records, collecting and remitting income and issuing statements.
- g. In the absence of clear initial investment instructions for new deposits, Quadrus will place funds to be invested in a money market fund (or the cash account - for nominee plans only) and my investment representative of Quadrus will contact me for clarification. Once clarification is provided, Quadrus will process the investment instructions promptly, effective as of the date of processing.
- h. I will notify Quadrus in writing about any errors or omissions within the time limits specified on confirmations, statements or other notices.
- i. For all plans, including corporate, estate and formal trusts, I will provide any additional documentation as reasonably requested by Quadrus.
- j. Quadrus has the right to use banking information to verify my identity.
- k. I will advise Quadrus of any changes to this account in writing.
- l. Quadrus may, from time to time, amend the terms of this Agreement, including introducing a new fee or increasing the fees outlined in the Application for a savings or income plan after giving me no less than 60 days notice of the new or increased fee.
- m. All transactions in this account are subject to the rules and regulations of the securities industry, as applicable, and the laws of my province of residence as set out in the application.
- n. In the Application for a savings or income plan and this Agreement, all singular references are deemed to be in the plural, as applicable.
- o. Quadrus may charge a transfer out fee for nominee "in kind" transfers to other dealers. Quadrus will retain this fee.
- p. Quadrus has no obligation to observe the terms of any formal or informal trust and I am solely responsible for ensuring compliance with the terms of any applicable trust agreement, or applicable law.

### **The following additional terms apply only to accounts held jointly or as tenants in common:**

- q. The account is owned jointly by those persons signing the Quadrus Application for a savings plan and that ownership is in equal portions, unless otherwise specified, if held as tenants in common.
- r. All of us are jointly and severally liable to Quadrus for any debts, liabilities and obligations arising in connection with the plan.
- s. Quadrus may, without consulting any of the other planholder(s), act on orders for the plan submitted by any one of us, including authorization to receive confirmations, statements or other information and to buy, sell, deposit, withdraw, transfer, deliver and/or receive any and all plan eligible securities and/or funds.
- t. The transfer, delivery or payment of securities and/or funds may be made to any one of us, or a plan for any one of us, without any liability to Quadrus.
- u. All confirmations, statements, or other notices from Quadrus will be mailed to my address (primary planholder) or to the mailing address if one is provided. All such correspondence will then be considered to have been mailed to all of the planholders.
- v. On the death of any one of us, the deceased's portion of the plan proceeds will be disposed of to the remaining planholder(s), if the account is held with rights of survivorship; or to the executor or administrator of the deceased's estate if it is held as tenants in common.
- w. On the death of any one of us, the remaining planholder(s) agree(s) to immediately advise Quadrus, and to provide such documentation as may reasonably be requested. Quadrus reserves the right to restrict the plan, as deemed necessary, for tax, liability or legal reasons, under any present or future law.
- x. The deceased's estate and the surviving planholder(s) continue to be jointly and severally liable for debts, liabilities and obligations resulting from transactions initiated prior to Quadrus receiving written notice of death, or incurred in liquidating the account or adjusting the interests of the surviving planholder(s).

## Information for Savings planholders

### Quadrus retirement savings plan Declaration of Trust

We, B2B Trustco, are a trust company continued under the laws of Canada with our head office located at 199 Bay Street, Suite 600, PO Box 279, STN Commerce Court, Toronto, Ontario M5L 0A2. You are the planholder named in the Multi-plan Application (“your Application”). If you have selected an RSP, LRSP, LIRA or RLSP as a type of account on your Application, we will act as the trustee of a Quadrus Retirement Savings Plan (“your Plan”) for you, the annuitant of your Plan, on the following terms and conditions.

1. **Acceptance and Registration:** If we agree to act as trustee of your Plan, we will apply to register your Plan under the *Income Tax Act* (Canada) (the “Tax Act”) as a registered retirement savings plan (“RRSP”). You will be bound by the terms and conditions imposed on your Plan by all applicable legislation. If we decline to act as trustee, you or a Dealer (as defined below) will be notified and any amounts received by us as contributions will be returned.
1. **Purpose:** We will hold contributions accepted by us for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purpose of providing you with a retirement income in accordance with the Tax Act.
2. **Dealer:** In this declaration, a “Dealer” refers to an individual or entity acting (or representing that it acts) in connection with your Plan as your investment representative, broker or dealer, or on behalf of your investment representative, broker or dealer. You acknowledge that a Dealer is your agent and when acting (or representing that it acts) as a Dealer is not our agent or the agent of any of our affiliates. We are entitled to accept and act on any notice, authorization or other communication that we believe in good faith to be given by you or a Dealer on your behalf. We are under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
3. **Your Responsibility:** You are responsible for:
  - (a) selecting investments for your Plan and assessing the merits of those investments, obtaining appropriate advice in respect of these matters or authorizing a Dealer to do these things on your behalf;
  - (b) ensuring that contributions to your Plan do not exceed the maximum contribution limits permitted by the Tax Act;
  - (c) ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Tax Act and immediately notifying us if an investment held in your Plan is or becomes a non-qualified investment for your Plan under the Tax Act;
  - (d) providing us with information relevant to whether an investment held is a non-qualified investment under the Tax Act; and
  - (e) providing us, upon request, with the current fair market value of any investment held in your Plan for which there is no published market price.You acknowledge and accept responsibility for these matters and undertake to act in the best interest of your Plan. You confirm that we are not responsible for your failure to comply with any of these matters or for any related loss in the value of your Plan. You confirm that we are not responsible for any related taxes, interest or penalties imposed on you or your Plan, except for those taxes, interest and penalties, if any, imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act. You acknowledge that a Dealer or any other person from whom you obtain investment, tax or other advice is your agent and when acting (or representing that it acts) as a Dealer or your advisor is not our agent or the agent of any of our affiliates. You will take all necessary measures to immediately liquidate any non-qualified investment under the Tax Act, and in the alternative, hereby authorize us to liquidate, or to give instructions to any other party to liquidate, any non-qualified investments under the Tax Act, but in no event shall we be obligated to liquidate or to give instructions to liquidate except as specifically authorized by you in writing.
5. **Our Responsibility:** We are ultimately responsible for the administration of your Plan. We are not authorized to select investments for your Plan and will not assess the merits of any investment selected by you or a Dealer. We are not responsible for providing any investment, tax or other advice to you or a Dealer; nor are we responsible for any advice that you obtain from a Dealer or any other source. Except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act, if any, and notwithstanding any other provision of this declaration, we shall not be liable for any taxes, interest and penalties suffered as a result of any act done by us in reliance on your authority, the authority of a Dealer or the authority of your agent or legal representatives. Notwithstanding any other provision of this declaration, we shall not be liable for any loss suffered as a result of any act done by us in reliance on your authority, the authority of a Dealer or the authority of your agent or legal representatives. We are under no obligation to verify that any person is properly authorized to act as your Dealer, agent or legal representative or is otherwise authorized to act on your behalf.
6. **Contributions to your Plan:** You or, where applicable, your spouse may make contributions to your Plan. We will also accept contributions by way of a transfer to your Plan from any source permitted by the Tax Act from time to time. We may accept or for any reason refuse to accept all or any portion of a contribution or transfer of cash, securities or other investments to your Plan. No contribution or transfer will be accepted after December 31 of the year in which you reach the maximum age for maturity specified by the Tax Act.
7. **Investments:**
  - (a) We may accept and act on any investment instructions that we believe in good faith to be given by you or a Dealer on your behalf.
  - (b) The assets of your Plan will be invested and reinvested from time to time according to your investment instructions or those of a Dealer unless the proposed investment does not comply with policies and requirements imposed by the Trustee from time to time.
  - (c) We are not authorized to select investments for your Plan and will not assess the merits of the investments selected by you or a Dealer.
  - (d) In selecting investments for your Plan, you will not be limited to those investments authorized by legislation governing the investment of property held in trust. However, you may be limited by policies and requirements imposed by us from time to time, such as the requirement to provide documentation and the requirement to comply with those policies and procedures currently imposed in connection with securities held in your Plan and the requirement to provide information concerning whether an investment held is a non-qualified investment under the Tax Act.
  - (e) Notwithstanding any other provision in this declaration, we may for any reason refuse to act on any investment instruction, in which case you or a Dealer will be notified, and we will not be liable for any resulting loss.
  - (f) Unless we refuse to act on your investment instructions, we will execute any purchase or sale of an investment after receiving your investment instructions together with all other properly completed documentation requested by us, at the market or sale price in effect on the day the transaction is executed. Any loss or gain resulting from errors made by us, our officers, employees or agents in the execution of investment instructions for your Plan will be for our account.
  - (g) We are authorized to make any financial arrangements that are required, necessary or appropriate to enable us to settle trades for your Plan according to your investment instructions or those of a Dealer.



- (h) In the absence of satisfactory investment instructions, cash received by us in connection with your Plan will be converted into the currency denomination of your Plan and will be invested in an interest-bearing cash deposit as part of our guaranteed funds, unless the investments in your Plan consist exclusively of mutual fund securities, in which case cash will be invested in units of a money market fund (or the cash account - for nominee plans only). If cash is invested in an interest-bearing deposit, we will credit your Plan with interest, calculated by us, at the rate published by us from time to time for such deposits. Any interest in excess of the published rate will be for our account and we may pay a portion of this excess to any agent that we appoint to provide services in connection with your Plan. Interest will not be paid to your Plan unless interest earned on such deposits is more than the specified minimums published by us or Quadrus Investment Services Ltd. (the "Administrator") from time to time.
- (i) If it is necessary for cash or other assets held in your Plan to be converted to another currency, we, our affiliate, our agent or a person engaged by us may act as principal on our or its own behalf and not on your behalf to convert the currency at the rate established by us or it for the relevant conversion date. In addition to commissions that may be charged for this service, any revenue earned by us or other service provider based on the difference between the applicable bid/ask rates and the cost of currency will be for our account or the account of the other service provider.
8. **Withdrawals and Refunds:** Following receipt of satisfactory instructions from you or a Dealer, we will make a payment from your Plan to: (a) you or your spouse, as applicable, to reduce taxes otherwise payable under Part X.1 of the Tax Act in respect of over-contributions to RRSPPs or under Part XI.01 of the Tax Act; or (b) you. If the value of your Plan is less than \$500 or substantially all of the assets in your Plan are illiquid (as determined by us), we may make a payment to you from your Plan equal to the value of your Plan or transfer the illiquid assets to you from your Plan. We may transfer or realize any investment of your Plan selected by us for the purpose of making a payment to you or your spouse and will not be liable for any resulting loss. Payments will be made net of all proper charges including tax required to be withheld. If your Plan does not have sufficient cash to pay these charges, we will be entitled to require you to pay these charges.
9. **Transfers from your Plan:** Following receipt of satisfactory instructions from you or a Dealer, we will transfer all or part of the assets of your Plan (less all proper charges) to the issuer or agent of the issuer of an RRSP or a registered retirement income fund ("RRIF"), as instructed. If we receive instructions to transfer some of the assets of your Plan, we may request instructions to transfer all the assets of your Plan and we may delay the transfer until after we receive the requested instructions. If we have not received the requested instructions within 30 days of our request or if the issuer of the recipient plan refuses to accept the transfer of any assets of your Plan, the assets that have not been transferred may, at our option, be transferred or paid to you (less taxes required to be withheld and any other proper charges). We will make an effort to provide the issuer of any recipient plan with all relevant information in our possession. We will make an effort to sell or transfer specific investments of your Plan to effect the transfer as instructed. In the absence of satisfactory instructions, we may sell or transfer any investments of your Plan selected by us to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Tax Act or the terms and conditions of the investments of your Plan.
10. **Maturity:** On or before December 31 of the year in which you reach the maximum age for maturity specified by the Tax Act, the assets of your Plan must be transferred to a RRIF or liquidated and the proceeds (less all proper charges) used to acquire an annuity that conforms with the Tax Act. If you or a Dealer do not provide us with satisfactory instructions by September 30 of that year, you will be deemed to have instructed us to transfer the assets of your Plan on or before December 31 of that year to a RRIF. We will act as your attorney to execute documents and make elections necessary to establish the RRIF. However, if the issuer of the RRIF does not accept the transfer, the assets of your Plan will be paid or transferred to you (less taxes required to be withheld and any other proper charges).
11. **Annuity:** An annuity purchased with the assets of your Plan must conform to the requirements of the Tax Act which, among other things, requires the annuity to provide equal annual or more frequent periodic payments to you, or to you until your death and then to your spouse, until there is a payment in full or partial commutation of the annuity and where the commutation is partial, equal annual or more frequent periodic payments afterwards except for adjustments permitted by the Tax Act. Payments may not exceed a term of years equal to 90 minus either your age (in whole years) or, if your spouse is younger than you, your spouse's age (in whole years) at the time the annuity is established. Payments to your spouse in any year after your death may not be greater than payments made in a year before your death. If the annuity becomes payable to a person other than you or your spouse, the value of payments must be commuted.
12. **Beneficiary Designation:** If you are domiciled in a jurisdiction which by law permits you to validly designate a beneficiary other than by Will, you may designate a beneficiary to receive the proceeds of your Plan in the event of your death before the maturity of your Plan. You may make, change or revoke your designation by written notice to us signed by you in a form acceptable to us. Any designation, amended designation or revoked designation will be valid on the day following its receipt by us.
13. **Death:** Upon receipt of satisfactory evidence of your death, we will hold the assets of your Plan for payment in a lump sum to your designated beneficiary if that person was living on the date of your death. If you have not designated a beneficiary or if your designated beneficiary predeceases you, the assets of your Plan will be paid to your legal representatives. The lump sum payment will be paid subject to the deduction of all proper charges after we receive all releases and other documents that we request.
14. **Prohibition:** Except as specifically permitted under the Tax Act, no advantage that is conditional in any way on the existence of your Plan may be extended to you or a person with whom you do not deal at arm's length. You may not engage in any transaction, investment, payment or transfer which is or may be an advantage, an RRSP strip or a swap transaction under Part XI.01 of the Tax Act. Retirement income under your Plan may not be assigned in whole or in part. The assets of your Plan may not be used as security for a loan except as permitted by us. We will not make any payments from your Plan except those specifically permitted under the provisions of this declaration or the Tax Act or required by law. We reserve the right to prohibit any transaction, investment, payment or transfer, whether an advantage, an RRSP strip or a swap transaction under the Tax Act, or such other payment or transfer which is or may be prohibited or penalized under the Tax Act.
15. **Date of Birth and Social Insurance Number:** The statement of your and, if applicable, your spouse's birth date and social insurance number on your Application is deemed to be a certification of its truth and your undertaking to provide proof if requested by us.
16. **Accounting and Reporting:** We will maintain an account of your Plan reflecting, with appropriate dates: (a) contributions to your Plan; (b) the name, number and cost of investments purchased or sold by your Plan; (c) dividends, interest and other distributions received by your Plan; (d) cash; (e) withdrawals, transfers and expenses paid from your Plan; and (f) the balance of your account. We will send you a statement of your account at least once a year. Before April of each year, we will provide any applicable tax reporting required to be filed with your or your spouse's personal income tax return for the previous year.
17. **Fees and Expenses:** We may charge you or your Plan fees as published by us or the Administrator from time to time. We will give you at least 30 days notice of any change in our account fees. In addition, we are entitled to charge your Plan fees for out-of-the-ordinary services requested by you or a Dealer in connection with your Plan and we are entitled to reimbursement from your Plan for all

disbursements, expenses and liabilities incurred by us in connection with your Plan except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act. Without limiting the generality of the foregoing, these fees, disbursements, expenses and liabilities may include: brokerage fees and commissions, custodian fees, administration fees and redemption fees incurred in connection with investments held in your Plan; investment advisory fees paid to a Dealer; legal and accounting fees; fees in connection with financial arrangements made to facilitate the conversion of currency; and taxes, interest and penalties imposed on your Plan except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act. We are entitled to deduct the unpaid fees, disbursements, expenses and liabilities from the assets of your Plan or, except where prohibited by the Tax Act, any other account held by you with us or any of our affiliates and for this purpose we are authorized, but not obliged, to realize sufficient assets of your Plan or such other account selected by us. We will not be responsible for any resulting loss. Except where prohibited by the Tax Act and notwithstanding any other provision of this declaration, we are entitled to deduct from any other account held by you with us or any of our affiliates those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act.

18. **Tax imposed on you or your Plan:** If your Plan becomes liable for tax, interest or penalties under the Tax Act or provincial legislation, we may sell any investment of your Plan to pay the liability. We may, but are not obliged to, sell or otherwise dispose of any investment of your Plan to avoid or minimize the imposition of tax, interest or penalties on you or your Plan. Except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act, if any, we will not be liable for any tax, interest or penalty imposed on you or your Plan. We will not be liable for any loss resulting from the disposition or failure to dispose of any investment held by your Plan.
19. **Delegation of Duties:** Without detracting in any way from our responsibility, we may appoint agents (including our affiliates) and may delegate to our agents the performance of any of our duties or responsibilities under this declaration including but not limited to administrative duties such as accepting contributions to your Plan, executing investment instructions, safekeeping the assets of your Plan, account and record keeping, preparing and issuing statements and tax receipts, calculating, recording and crediting interest on cash balances held in your Plan, communicating with you, a Dealer or legal representatives and responding to your or their concerns. We may also employ or engage accountants, brokers, lawyers or others and may rely on their advice and services. We will not be liable for the acts or omissions of any of our agents, advisors or service providers and will not be liable for the acts or omissions of a Dealer or any of your other agents, advisors or service providers. We may pay to any agent, advisor, service provider or Dealer all or part of the fees received by us under the provisions of this declaration and/or a fee calculated by reference to the amount of cash held in your Plan and/or currency converted in your Plan.
20. **Execution of Trades:** When executing trades for your Plan, we may engage the services of: (a) brokers or investment dealers registered under applicable securities laws; (b) ourself to the extent we are by law authorized to engage in all or any part of the trading activity; and (c) an affiliate (as defined in the *Business Corporations Act* (Ontario)) to the extent that the affiliate is by law authorized to engage in all or part of the trading activity.
21. **Custodian:** We may engage one or more Canadian chartered banks, Canadian or provincial trust companies, registered brokers or investment dealers as a depository to hold some or all of the investments of your Plan, provided that: (a) the depository may not offset any debt or obligation owing to the depository against assets of your Plan, (b) the assets of your Plan may not be pledged, assigned or otherwise encumbered, and (c) if the depository is a broker or investment dealer, the terms and conditions of the engagement will comply with the published requirements of applicable regulatory authorities. We may arrange for the deposit and delivery of any investments of your Plan with The Canadian Depository for Securities Limited, the Depository Trust Company or any other properly authorized domestic or foreign depository.
22. **Indemnity:** None of us, our officers, employees and agents will be liable for and are indemnified by you and your Plan from and against all expenses, liabilities, claims, losses and demands of any nature arising out of the holding of the assets of your Plan; the dealing with the assets of your Plan in accordance with instructions which we, our officers, employees or agents believe in good faith to be given by you or a Dealer or other agent; making financial arrangements to settle trades; and the sale, transfer or release of assets of your Plan in accordance with this declaration, unless caused by or resulting from our dishonesty, bad faith, willful misconduct or gross negligence.
23. **Amendments:** From time to time, we may amend this declaration with the approval of the Canada Revenue Agency provided that the amendment does not disqualify your Plan as an RRSP under the Tax Act or other legislation. Any amendment to ensure that your Plan continues to comply with the Tax Act or other legislation will be effective without notice. Any other amendment will be effective not less than 30 days after notice has been provided to you.
24. **Successor Trustee:** We may resign and be discharged from all duties and liabilities under this declaration by giving written notice to the Administrator. The Administrator is initially nominated to appoint a company as successor trustee. If the company appointed by the Administrator does not accept the office of trustee of your Plan within 30 days of being appointed, then we may nominate you to appoint a successor trustee by providing notice to you. Upon acceptance of the office of trustee of your Plan, the successor trustee will be trustee of your Plan as if it had been the original declarant of your Plan and your Plan continues in full force and effect with the successor trustee. At the time of the appointment of the successor trustee, we will be relieved of all duties and liabilities under this declaration. If you are unable to appoint a successor trustee who accepts the office of trustee of your Plan within 60 days of you being nominated to appoint a successor trustee, the assets of your Plan net of all proper charges will be withdrawn from your Plan and transferred to you and we will be relieved of all duties and liabilities under this declaration.
25. **Notice to you:** Any notice, request or other communication required or permitted to be given to you by us must be in writing and will be sufficiently given if it is sent by pre-paid mail, telecopier, electronic mail or other form of electronic transmission addressed to you at the address provided on your Application or subsequently provided by you or a Dealer in a notice to us. For greater certainty, we are not responsible for verifying the accuracy or currency of any address provided to us. Any notice, request or other communication will be deemed to have been given to you and received by you on the day of mailing or transmission.
26. **Notice to us:** Except as otherwise provided in this declaration, any notice, request or other communication required or permitted to be given to us by you or a Dealer must be in writing and will be sufficiently given if it is in a form satisfactory to us and is received by the Administrator by pre-paid mail, courier or telecopier addressed to us or the Administrator at the address for the Administrator last provided to you. We are permitted but not obliged to accept and act on a notice, request or other communication given to us by you or a Dealer by internet, electronic transmission or telephone. We may for any reason refuse to act on any notice, request or other communication given to us by you or a Dealer

and we will not be responsible for any resulting loss. Any notice, request or other communication given to us will be deemed to have been given to us and received by us at the time of actual receipt by the Administrator.

27. **Locked-in Plans:** If “locked-in” assets are transferred to your Plan in accordance with applicable pension legislation, this declaration will include the additional provisions contained in the attached “Locking-in Supplement for a LIRA or Locked-in RSP or RLSP.” In the event of any inconsistency between the provisions of the supplement and the provisions of this declaration, the provisions of the supplement apply.
28. **Language:** You have requested that your Application, this declaration and all ancillary documents be provided to you in English. Vous avez exigé que votre demande, la présente déclaration et tous les documents accessoires vous soient fournis en anglais.
29. **Governing Laws:** This declaration will be governed, construed and enforced in accordance with the laws of Ontario and Canada except that the word “spouse” as used in this declaration refers to a person recognized as your spouse or common law partner for the purposes of the Tax Act.
30. **Specimen Plan:** RSP 417-025 (formerly RSP 540-001).

Revised: April 2, 2012

## Locking-in supplement for a LIRA or Locked-in RSP or RLSP

1. **Definitions:** In this Locking-in Supplement:
  - (a) unless otherwise defined, terms defined in the Declaration have the same meaning in this Locking-in Supplement;
  - (b) Declaration: means the declaration of trust creating your Quadrus Retirement Savings Plan;
  - (c) LIF: means a “LIF” or “life income fund” as defined in pension legislation, other than a RLIF;
  - (d) life annuity: means a “life annuity”, “life annuity contract”, “annuity contract”, “life pension”, “immediate life annuity” and “deferred life annuity”, as defined in pension legislation, that conforms with the Tax Act and pension legislation;
  - (e) LIRA /Locked-in RSP: means a “LIRA”, “locked-in retirement account” or “locked-in retirement account contract” as defined in pension legislation and where those terms are not defined, means an RRSP that satisfies the conditions under pension legislation for receiving funds that originate from an RPP or PRPP, other than a RLSP;
  - (f) Locked-in Retirement Account (Alberta LIRA) Addendum: means Form 1 in Schedule 1 of the regulations to the Alberta pension legislation, as amended from time to time;
  - (g) LRIF: means a “LRIF” or “locked-in retirement income fund” as defined in pension legislation;
  - (h) pension: means a “pension”, “pension benefit” or “retirement pension” as defined in pension legislation and used in the context of a LIRA /Locked-in RSP or RLSP;
  - (i) pension legislation: means one of the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Standards Act* (British Columbia), the *Pension Benefits Standards Act, 1985* (Canada), the *Pension Benefits Act* (Manitoba), the *Pension Benefits Act* (New Brunswick), the *Pension Benefits Act, 1997* (Newfoundland and Labrador), the *Pension Benefits Act* (Nova Scotia), the *Pension Benefits Act* (Ontario), the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Act, 1992* (Saskatchewan), or the *Pooled Registered Pension Plans Act* (Canada) whichever governs locked-in assets transferred or to be transferred to your Plan directly or indirectly from an RPP or PRPP and for greater certainty, the term pension legislation includes regulations made under that statute;
  - (j) PRPP: means a “Pooled Registered Pension Plan” as defined in Federal pension legislation;
  - (k) PRRIF: means a “prescribed RRIF” as defined in Manitoba pension legislation or a “registered retirement income fund contract” that meets the requirements of Saskatchewan pension legislation;
  - (l) RLIF: means a “restricted life income fund” as defined in Federal pension legislation;
  - (m) RLSP: means a “restricted locked-in savings plan” as defined in Federal pension legislation;
  - (n) RPP: means a pension plan or a supplemental pension plan governed by pension legislation or established by other legislative authority and registered under the Tax Act;
  - (o) spouse: means a person recognized as your spouse or, where contemplated by pension legislation, your cohabiting partner, common-law partner or pension partner for the purposes of pension legislation in context of a LIRA/Locked-in RSP or RLSP provided however that where the context requires, a spouse refers only to a person recognized as a spouse or common-law partner for the purposes of the Tax Act; and
  - (p) YMPE: means the “Year’s Maximum Pensionable Earnings” as defined in the Canada Pension Plan unless Quebec pension legislation governs your Plan, then it means the maximum pensionable earnings under the Act respecting the Quebec Pension Plan.
2. **Conflict and Compliance:** The provisions of this Locking-in Supplement form part of the Declaration if your Plan is an RRSP and locked-in assets are transferred or will be transferred to your Plan directly or indirectly from an RPP or a PRPP. If your Plan is an Alberta LIRA, a British Columbia LIRA, a Nova Scotia LIRA or a Manitoba LIRA, the Alberta LIRA Addendum, the British Columbia LIRA Addendum, the Nova Scotia LIRA Addendum, or the Manitoba LIRA Addendum, as applicable, is incorporated by reference into this Locking-in Supplement and all the provisions of that Addendum form part of this Locking-in Supplement. If there is any inconsistency between the provisions of this Locking-in Supplement and the other provisions of the Declaration, the provisions of this Locking-in Supplement will apply. If there is any inconsistency between the provisions of the Alberta LIRA Addendum, the British Columbia LIRA Addendum, the Nova Scotia LIRA Addendum, or the Manitoba LIRA Addendum, as applicable, and the other provisions of this Locking-in Supplement, the provisions of the Alberta LIRA Addendum, the British Columbia LIRA Addendum, the Nova Scotia LIRA Addendum, or the Manitoba LIRA Addendum, as applicable, apply. We will comply with all relevant provisions of pension legislation.
3. **Purpose:** We will hold contributions accepted by us for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purposes of providing you with a pension in accordance with the Tax Act and pension legislation.
4. **Contributions to your Plan:** The only assets that may be contributed to your Plan are locked-in assets transferred directly or indirectly from an RPP or a PRPP; if permitted by pension legislation a LIRA / Locked-in RSP, RLSP, LIF, RLIF, PRRIF or LRIF; a life annuity the capital of which originated from an RPP, a PRPP; or another source permitted by the Tax Act and pension legislation from time to time. We will not accept any amount contributed to your Plan from a source or in circumstances not permitted by the Tax Act and pension legislation. **Locked-in assets governed by pension legislation of one jurisdiction may not be commingled in your Plan with non-locked-in assets or locked-in assets governed by pension legislation of another jurisdiction.** Federal RPP and Federal PRPP contributions cannot be commingled. Where New Brunswick pension legislation governs your Plan, if the amount transferred to your Plan was determined in a way that differentiated based on your gender, amounts subsequently transferred to your Plan must have been differentiated on the same basis. Where Ontario

- pension legislation governs your Plan, the indication in your application as to whether the commuted value of the pension benefit transferred to your plan was determined in a manner that differentiated on the basis of sex is incorporated into this Locking-in Supplement by reference.
5. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Tax Act for an RRSP. Where Manitoba or Newfoundland and Labrador pension legislation governs your Plan, your Plan may not directly or indirectly hold any mortgage if you or your spouse is the mortgagor or if the mortgagor is your parent, sibling or child or the spouse of any of those people. You are responsible for selecting investments for your plan, assessing the merits of these investments, obtaining advice in respect of such matters and directing investment of the assets in your Plan.
  6. **Withdrawals:** The assets of your Plan may only be withdrawn, transferred or surrendered in the manner contemplated by this Locking-in Supplement and where:
    - (a) a payment is made to reduce taxes otherwise payable under Part X.1 of the Tax Act;
    - (b) you withdraw all of the assets of your Plan in circumstances permitted by pension legislation;
    - (c) you are subject to a disability or terminal illness that considerably reduces your life expectancy;
    - (d) a payment is made to effect a division of assets upon relationship breakdown or in satisfaction of an order for support or maintenance;
    - (e) the assets of your Plan are transferred (subject to applicable pension legislation) to an RPP, PRPP, variable benefit account (Ontario), LIRA/Locked-in RSP, RLSP, LIF, RLIF, PRRIF or LRIF or are used to establish a life annuity;
    - (f) a payment is made after your death; or
    - (g) otherwise permitted by the Tax Act and pension legislation from time to time.Any transaction that is contrary to this paragraph is void. We will endeavour to make any requested payment or transfer within 30 days after receiving satisfactory instructions and any other documentation that we consider necessary.
  7. **Refunds:** We will make payments pursuant to paragraph 8 [Withdrawals and Refunds] of the Declaration to reduce taxes otherwise payable under Part X.1 of the Tax Act. Where New Brunswick pension legislation governs your Plan, the payment (less taxes required to be withheld) will be deposited into a sub-account of your Plan. The sub-account will not be an RRSP.
  8. **Collapsing a Small LIRA/Locked-in RSP or RLSP:** If the total value of your Plan and such locked-in assets in such other plans as prescribed by pension legislation does not exceed 50% of the YMPE for the year (or a lesser amount specified by pension legislation) and you have reached age 65 (or a lesser age specified by pension legislation), we will make a lump-sum payment from your Plan equal to the value of your Plan after receiving your request, signed declaration or attestation in the form and manner required by pension legislation and satisfactory evidence that all the necessary conditions stipulated by pension legislation are satisfied.
  9. **Collapsing your Plan after you become a Non-resident:** Where Federal, New Brunswick, Ontario, Saskatchewan, Quebec or Newfoundland and Labrador pension legislation governs your Plan, we will make a lump-sum payment to you from your Plan equal to the value of your Plan after receiving: (a) your request; (b) any document or information required by pension legislation; (c) satisfactory written evidence that the Canada Revenue Agency has determined that you (and where New Brunswick pension legislation governs your Plan, your spouse) are a non-resident of Canada for the purposes of the Tax Act; (d) where New Brunswick pension legislation governs your Plan, satisfactory written evidence that you and your spouse, if any, are not Canadian citizens; and (e) where New Brunswick, Ontario, Saskatchewan or Newfoundland and Labrador pension legislation governs your Plan, a waiver from your spouse in the form required by pension legislation. Where Federal, Ontario, Saskatchewan, Quebec or Newfoundland and Labrador pension legislation governs your Plan, we will not make the payment until you have been absent from Canada for at least two years.
  10. **Shortened Life Expectancy:** We will make a lump-sum or series of payments to you from your Plan, but only to the extent and in the manner permitted by pension legislation, after receiving: (a) a request; (b) a medical certificate signed by a physician certifying that you are subject to a physical disability or, where contemplated by pension legislation, a terminal illness or mental disability, that considerably reduces your life expectancy; (c) where Ontario pension legislation governs your Plan, the medical certificate certifies that your illness or physical disability is likely to reduce your life expectancy to less than 2 years; (d) where Manitoba, New Brunswick, Newfoundland and Labrador, Ontario or Saskatchewan pension legislation governs your Plan, a waiver from your spouse in the form and manner required by pension legislation; and (e) any other document or information required by pension legislation.
  11. **Low Income/Medical-Related Financial Hardship:** If Federal pension legislation governs your Plan, you may withdraw an amount from your Plan up to the lesser of the amount determined by the formula set out in the applicable Federal pension legislation and 50% of the YMPE minus any amount withdrawn in the calendar year under this paragraph – from any LIRA /Locked-in RSP or RLSP (as the case may be) – or under the corresponding federal hardship provisions of your LIRA/Locked-in RSP, LIF, RLSP or RLIF (where applicable) if
    - (a) you certify that you have not made a withdrawal in the calendar year under this paragraph – from any LIRA /Locked-in RSP or RLSP (as the case may be) – or under the corresponding financial hardship provisions of your LIRA / Locked-in RSP, LIF, RLSP or RLIF (where applicable) other than within the last 30 days before such certification,
    - (b) you attest to us, in writing, as to the basis for the financial hardship withdrawal and as to the existence of a spouse (and the spouse's consent, where required), in the forms and manner required by Federal pension legislation; and
    - (c) you provide us with such other certifications as required by the Federal pension legislation.
  12. **Financial Hardship (Ontario, Saskatchewan, or Newfoundland and Labrador):** If Ontario, Saskatchewan, or Newfoundland and Labrador pension legislation governs your Plan, you may withdraw, upon an application to us in the prescribed form and manner together with all other documents as required by Ontario, Saskatchewan, or Newfoundland and Labrador pension legislation, an amount from your Plan for reasons of financial hardship relating to medical expenses, incurred or will incur and not paid by or subject to reimbursement from any other source (Saskatchewan) disability-related expenses (only available for Newfoundland and Labrador), rental or mortgage arrears relating to your principal residence, where you can face eviction (Saskatchewan), payment of first months' rent and security deposit of your principal residence (Newfoundland and Labrador), payment of first and last months' rent of your principal residence (Ontario), funds to secure new principal rental residence in the form of first month's rent, security deposit or pet damage deposit (Saskatchewan), low income or such other financial hardship circumstances as may be provided by Ontario, Saskatchewan, or Newfoundland and Labrador pension legislation. The amount to be withdrawn is subject to a minimum amount and a maximum amount prescribed by Ontario, Saskatchewan, or Newfoundland and Labrador pension legislation. An application that meets all the applicable requirements of that jurisdiction's pension legislation constitutes authorization to us to make the payment or transfer from your Plan pursuant to the application.
  13. **Spousal Payments after Relationship Breakdown:** The assets of your Plan may be subject to division under family law and pension law. After receiving satisfactory evidence of entitlement and confirmation that a payment is not prohibited by pension law, a payment or payments will be made out of your Plan but only to the extent and in the manner permitted by law: (a) to effect a division of assets provided the payment

is made pursuant to applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance. Within the limits permitted by pension legislation, we may deduct from your Plan our cost of complying with an order for support or maintenance.

14. **Spousal Entitlement after Relationship Breakdown:** Your spouse's entitlement to survivor benefits under your Plan will end upon divorce or annulment unless: (a) your spouse is named as a beneficiary of your Plan; or (b) Quebec legislation governs your Plan and you have notified us that the payment of a life annuity to your spouse will continue despite the relationship breakdown. Your spouse's entitlement to survivor benefits under your Plan may end upon separation.
15. **Transfers from your Plan:** Subject to any restrictions imposed by the Tax Act or pension legislation, all or any part of the assets of your Plan may be transferred to the issuer of an RPP or life annuity, if permitted by pension legislation, a LIRA /Locked-in RSP, RLSP, LIF, RLIF, PRRIF or LRIF, or transferred to a PRPP if the assets were derived from a PRPP. Before transferring assets from your Plan, we will: (a) confirm that the transfer is permitted under pension legislation and the Tax Act; (b) confirm that the issuer of the recipient plan is on the list of acknowledged financial institutions and the recipient plan is on the list of LIRAs/Locked-in RSPs, RLSPs, LIFs, RLIFs or LRIFs if such a list is maintained by the Superintendent of Pensions; (c) notify the issuer of the recipient plan of the locked-in status of the assets being transferred and the pension legislation that governs the assets; and (d) obtain the commitment of the issuer of the recipient plan to administer the transferred assets according to pension legislation. We will comply with any other requirement imposed by pension legislation.
16. **Maturity:** Any assets held in your Plan on December 31 of the year in which you reach the maximum age for maturity specified by the Tax Act or an earlier age if specified by pension legislation must be used to establish a life annuity that conforms with the Tax Act and pension legislation. If we do not receive satisfactory instructions by September 30 of that year, you will be deemed to have instructed us to transfer the assets of your Plan on or before December 31 of that year to a LIF, LRIF or life annuity selected by us and we will not be liable for any resulting loss.
17. **Life Annuity:** A life annuity established with the assets of your Plan must comply with pension legislation in addition to the rules imposed by the Tax Act. A life annuity established with the assets of your Plan must be established for your life. However, if you have a spouse on the date payments under the life annuity begin, the life annuity must be established for the life of the survivor of you and your spouse unless a spousal waiver has been provided in the form and manner required by pension legislation and has not been revoked. Your spouse's right to a life annuity as your survivor may be waived (and the waiver may be revoked) in the form and manner stipulated by pension legislation. Payments under the life annuity may not begin before the earliest date permitted by pension legislation. If your spouse is entitled to payments under the life annuity after your death, those payments must be at least 60 percent (or where Manitoba pension legislation governs your Plan, 66 2/3 percent) of the amount to which you were entitled before your death. The life annuity may not differentiate based on your gender except to the extent permitted by pension legislation. Where Quebec pension legislation governs your Plan, the equal periodic payments under the life annuity may be uniformly increased because of an index or a rate provided for in the contract and that conforms with the adjustments permitted by the Tax Act or may be uniformly adjusted because of (a) a seizure of the assets of your Plan; (b) a redetermination of your pension; (c) the division of assets of your Plan with your spouse after relationship breakdown; (d) the payment of a temporary pension as provided for in section 91.1 of pension legislation; or (e) an election under subsection 93(3) of pension legislation relating to payments after your death.
18. **Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of pension legislation. Your spouse's right to be the beneficiary of your Plan may be waived (and the waiver may be revoked) in the form and manner stipulated by pension legislation.
19. **Death:** Following your death, the assets of your Plan will be paid to the person who was your spouse on the date of your death or will be used to provide that person with a pension unless that person is not entitled to survivor benefits under pension legislation. If pension legislation permits or requires that person to receive survivor benefits in a form other than a lump-sum payment, that person may instruct us to transfer the assets of your Plan to the issuer of an RRSP, LIRA / Locked-in RSP, RLSP, RRIF, LIF, RLIF, PRRIF, LRIF, life annuity, or to a PRPP if the assets were derived from a PRPP as permitted by pension legislation and the Tax Act. If you did not have a spouse on the relevant date or if your spouse is not entitled to survivor benefits under pension legislation, the assets of your Plan will be paid to your designated beneficiary, if that person was living at the date of your death and if not, to your legal representatives. The assets of your Plan will be paid out of your Plan within 60 days after we receive all releases and other documents that we request. If we have not received satisfactory instructions by that date, we may transfer the assets of your Plan as permitted or required by pension legislation and we will not be liable for any resulting loss.
20. **Other Payments and Transfers:** We will make a lump sum or series of payments or transfers from your Plan not otherwise provided for in this Locking-in Supplement but only in the manner and to the extent specifically permitted by pension legislation and only after receiving your request and any documents and information required by us and pension legislation.
21. **Valuation:** If your Plan is governed by Federal or Ontario pension legislation, on any given day, the value of your Plan will be determined based on the value of the assets owned by your Plan at the close of business on that day net of any fees or expenses properly chargeable to your Plan.
22. **Payments or Transfers made Contrary to Pension Legislation:** Where Manitoba, Newfoundland and Labrador or Saskatchewan pension legislation governs your Plan, if assets are paid out of your Plan contrary to pension legislation or are transferred out of your Plan contrary to paragraph 14 [Transfers from your Plan] of this Locking-in Supplement, we will ensure that you receive a pension in an amount and if required by pension legislation, in a manner that would have been provided if the assets had not been transferred or paid out of your Plan. Where Quebec pension legislation governs your Plan, if assets are paid out of your Plan contrary to the Declaration or pension legislation, upon receipt of your request, we will pay to you an amount equal to the irregular payment unless the irregular payment was attributable to a false statement made by you.
23. **Assignment and Seizure:** The assets of your Plan may not be assigned, charged, alienated, anticipated, given as security or subjected to execution, seizure or attachment except as permitted by the Tax Act and pension law. A transaction that is contrary to this paragraph is void.
24. **Fiscal Year:** The fiscal year of your plan will end on December 31 of each year and may not exceed 12 months.
25. **Statements and Other Information:** If Ontario pension legislation governs your plan, you will be sent a statement of your account together with any additional information required by the pension legislation: (a) following the end of each fiscal year of your plan; (b) as of the date of a transfer of assets out of your plan; (c) any other time required by pension legislation; and (d) following receipt of your request. Your spouse, designated beneficiary or legal representatives, as applicable, will be given a statement of your account as of the date of your death. You will be provided with such other information as required by Ontario pension legislation within the timeframes required by Ontario pension legislation.

26. **Amendments:** From time to time we may amend the Declaration (including this Locking-in Supplement) provided that if the amendment does not disqualify your Plan as a LIRA /Locked-in RSP or RLSP and, if required by law, the amendment is approved by the authorities administering the Tax Act and pension legislation. Amendments that do not reduce your benefits but are required to ensure that your Plan continues to comply with the law will be effective without notice. Any other amendment will be effective not less than 30 days (or 90 days where required by pension legislation) after notice has been provided to you. Where required by pension legislation, you will also be provided with notice of your entitlement to transfer assets out of your Plan. Where Ontario pension legislation governs your Plan, notice must be in writing and sent to you at your address as set in our records.

Locking-in Supplement Revised: October 1, 2021

## LOCKED-IN RETIREMENT ACCOUNT (ALBERTA LIRA) ADDENDUM

### Part 1

#### 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 locked-in retirement account, 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) "locked-in retirement account issuer" means the issuer of this locked-in retirement account;
- (e) "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 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;
- (f) "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;
- (g) "owner" means a member owner or a pension partner owner;
- (h) "pension partner" means a person who is a pension partner within the meaning of subsection (2);
- (i) "pension partner owner" means an owner of a locked-in vehicle if
  - (i) the owner is a pension partner, former pension partner or surviving pension partner of a pension plan or a member owner,
  - (ii) the locked-in vehicle contains locked-in money from that plan, and
  - (iii) 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 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;
- (j) "Regulation" means the Employment Pension Plans Regulation;
- (k) "this locked-in retirement account" means the locked-in retirement account to which this addendum applies.

**1(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.

**1(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

- (a) locked-in money 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 pension partner owner, and
- (b) 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.

**3(2)** Despite subsection (1), money may be withdrawn from this locked-in retirement account in the following limited circumstances:

- (a) by way of a transfer to another locked-in retirement account on the relevant conditions specified in this addendum;
- (b) to purchase a life 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(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.

**3(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.

**5(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.

**6(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.

**6(3)** The money in this locked-in retirement account must not be transferred to an insurance company for the purchase a life annuity unless

- (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.

**6(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).

**7(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.

**7(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.

**7(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.

**MANITOBA LOCKED-IN RETIREMENT ACCOUNT (LIRA) ADDENDUM TO RRSP CONTRACT**

THIS IS AN ADDENDUM TO AN RRSP CONTRACT BETWEEN:

\_\_\_\_\_ (the "Owner")

AND  
B2B Trustco

\_\_\_\_\_ (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.

I, the Owner, certify that:

**A.** The following statements apply to me:

- While in Manitoba, I ceased to be an active member of a pension plan or member of a pooled registered pension plan.



- Some or all of the amount transferred or to be transferred to this LIRA is attributable, directly or indirectly, to a pension benefit credit that I earned as a member of a pension plan or to funds in a PRPP account that I earned as a member of a pooled registered pension plan.

**B.** Some or all of the amount transferred or to be transferred to this LIRA is attributable, directly or indirectly, to a pension benefit credit or funds in a PRPP account that my current or former spouse or common-law partner earned as a member of a pension plan or a member of a pooled registered 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.



\_\_\_\_\_  
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.

“pooled registered pension plan” means a pooled registered pension plan as defined in *The Pooled Registered Pension Plans (Manitoba) Act*.

“PRPP account” means a PRPP account as defined in *The Pooled Registered Pension Plans (Manitoba) Act*.

“regulation” means 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) a “member-owner”, if you checked Box A on page 1; or
- (b) a “non-member owner”, if you checked Box B on page 1.

### When addendum takes effect

**2(1)** Subject to subsection (2), this addendum takes effect

- (a) 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
- (b) 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, pooled registered 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

- (a) to enforce a maintenance order against you; or
- (b) 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

- (a) warrants that it is registered, as required by the regulation, in relation to LIRA contracts; and
- (b) 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:

- (a) the income and gains, net of losses, earned by the LIRA during the previous year;
- (b) the amount and nature of any fees charged to the LIRA during the previous year;
- (c) 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

- (a) to you, if you are transferring the amount to another vehicle;
- (b) 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;
- (c) 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
- (d) to your spouse or common-law partner, if the transfer is to a LIF, life annuity contract, pension plan, pooled registered pension plan or VB account.

## **LIRA TRANSFERS**

### **Permitted transfers to LIRA**

**9** An amount may be transferred to this LIRA only from

- (a) a pension plan under one of the following provisions of the Act:
  - (i) if you are a member-owner, subsection 21(13) (transfer to LIRA after ceasing active membership), or
  - (ii) 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);
- (b) another LIRA or LIF to which no amount has been transferred or contributed other than Manitoba locked-in money;
- (c) a VB account;
- (d) an RRSP to which no amount has been transferred or contributed other than Manitoba locked-in money; or
- (e) a pooled registered pension plan.

### **Permitted transfers to other vehicle**

**10** An amount may be transferred from this LIRA only to

- (f) another LIRA;
- (g) a pension plan;
- (h) a VB account;
- (i) a LIF;
- (j) an insurer to purchase a life annuity contract; or
- (k) a pooled registered pension plan.

### **Restriction against splitting LIRA**

**11** You may not transfer an amount from this LIRA if

- (a) as a result of the transfer, the amount transferred or the amount remaining in this LIRA would be eligible for withdrawal under Division 6 of Part 10 (commutation of small pension and withdrawals from small LIRAs and LIFs); or
- (b) in the same calendar year, you have made one or more withdrawals from this LIRA under Division 12 of Part 10 (withdrawals from prescribed plan due to financial hardship).

### **Issuer's duties when transferring to another vehicle**

**12(1)** Before transferring an amount from the LIRA to another vehicle, the Issuer must

- (a) be satisfied that
  - (i) 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,
  - (ii) in the case of a transfer to a pension plan, or pooled registered pension plan the transfer is permitted by the terms of the plan, or
  - (iii) in the case of a transfer to an insurer, the transferred amount will be used only to purchase a life annuity contract;
- (b) advise the issuer or administrator of the other vehicle that the amount being transferred is Manitoba locked-in money;
- (c) be satisfied that the issuer has ascertained that the receiving financial institution, pension plan administrator or pooled registered pension plan administrator will treat the money as Manitoba locked-in money;
- (d) 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;
- (e) 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;
- (f) 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

- (a) you are a member-owner; and
- (b) 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.

**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) a waiver under section 16;
- (b) 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
- (c) 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 all or part of the balance of your LIRA in the following circumstances:

- (a) 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);
- (b) the total of the Manitoba locked-in money in all your LIFs and LIRAs, 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);
- (c) you have a shortened life expectancy of less than two years (see Division 7 of Part 10 of the regulation);
- (d) you have reached the age of 65 years and make an application to withdraw the full balance of your LIRA (see Division 11 of Part 10 of the regulation);
- (e) you are eligible to make a withdrawal based on financial hardship (see Division 12 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 (Manitoba LIRA) Addendum, October 2021

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

#### **Effective immediately**

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,

“Act” means the *Pension Benefits Act*;

“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*;

“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;

“owner” 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(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 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;

“regulations” means the Pension Benefits Regulations made under the Act;

“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.

“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 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.

#### **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 Schedule:

- 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.

#### **Transferring assets from LIRAs**

**2(1)** An owner of a LIRA may transfer all or part of the assets in the LIRA to any of the following:

- 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;
- a LIRA held by another financial institution;
- a LIF;
- a life annuity.

**2(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:

- 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;
- the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period.

**2(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.

**2(4)** A financial institution providing a LIRA must advise the financial institution to which the assets of the LIRA are transferred

- that the assets were held in a LIRA in the current year; and
- whether the assets were determined in a manner that differentiated on the basis of sex.

#### **Information to be provided by financial institution on transfers of assets of LIRAs**

**3** If the assets in a LIRA are transferred, the financial institution providing the LIRA must give the owner the information required by Section 4 of this Schedule, determined as of the date of the transfer.

#### **Information to be provided annually by financial institution**

**4** 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:

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

#### **Death benefits**

**5(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):

- the owner's spouse;
- 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.

**5(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.

**5(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.

**5(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(5)** A spouse who as of the date the owner of a LIRA dies, is living separate and apart from the owner without a reasonable prospect of resuming cohabitation, is not entitled to receive the value of the assets in the LIRA under clause (1)(a) if any of the following conditions apply:

- the spouse delivered a written waiver to the financial institution in accordance with Section 6 of this Schedule;
- the terms of a written agreement respecting the division of the LIRA that was entered into before the date of the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIRA;
- the terms of a court order issued before the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIRA.

**5(6)** The benefit described in subsection (1) may be transferred to a registered retirement savings arrangement in accordance with the federal Income Tax Act.

### **Waiver of entitlement to death benefits by spouse**

**6(1)** A spouse of an owner of a LIRA may waive their entitlement to receive a benefit described in Section 5 of this Schedule 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.

**6(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.

### **Information to be provided by financial institution on death of owner**

**7** If the owner of LIRA dies, the financial institution providing the LIRA must give the information required by Section 4 of this Schedule, 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 this Schedule.

## **British Columbia Locked-in Retirement Account Addendum**

### **SCHEDULE 1**

#### **(section 99)**

## **PENSION BENEFITS STANDARDS REGULATION LOCKED-IN RETIREMENT ACCOUNT ADDENDUM**

### **PART 1 - DEFINITIONS AND INTERPRETATION**

#### **Definitions and interpretation**

**1(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 (I) 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 (I) 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.

**1(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.

**1(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**

#### **Limitation on deposits to this locked-in retirement account**

**2** 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 (I) 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.

#### **Limitation on payments and transfers from this locked-in retirement account**

**3(1)** Money in this locked-in retirement account, including investment earnings, is for use in the provision of retirement income.

**3(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(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.

**3(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 for 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 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).

#### **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 made, at the option of the locked-in retirement account issuer and with the consent of the owner, by the transfer of those securities.

**5(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)** 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.

**6(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.

**6(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 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.

**6(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**

#### **Transfer or payment on death of member owner**

**7(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.

**7(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. If, if there is no living designated beneficiary, to the personal representative of the member owner's estate.

**7(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.

**7(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.

#### **Payment on death of spouse owner**

**8(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.

**8(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.

### **PART 4 – APPLICATIONS TO UNLOCK ALL OR PART OF LOCKED-IN RETIREMENT ACCOUNT**

#### **Lump-sum payment of small account balance**

**9(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.

**9(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.

#### **No splitting of contract**

**10** 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 anyone 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.

#### **Shortened life**

**11(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.

**11(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.

#### **Non-residency for tax purposes**

**12(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.

**12(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.

#### **Financial hardship**

**13(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 I 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.

**13(2)** A payment under subsection (I) 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.

## Information for Income planholders

### Quadrus Retirement Income Fund Declaration of Trust

We, B2B Trustco, are a trust company continued under the laws of Canada with our head office located at 199 Bay Street, Suite 600, PO Box 279, STN Commerce Court, Toronto Ontario, M5L 0A2. You are the planholder named in the Income Application (“your Application”). If you have selected a RIF, spousal RIF, LIF, RLIF, PRRIF or LRIF as a type of account on your Application, we will act as the trustee of a Quadrus Retirement Income Fund (“your Plan”) for you, the annuitant of your Plan, on the following terms and conditions.

1. **Acceptance and Registration:** If we agree to act as trustee of your Plan, we will apply to register your Plan under the *Income Tax Act* (Canada) (the “Tax Act”) as a registered retirement income fund (“RRIF”). You will be bound by the terms and conditions imposed on your Plan by all applicable legislation. If we decline to act as trustee, you or a Dealer (as defined below) will be notified and any amounts received by us as contributions will be returned.
2. **Purpose:** We will hold transfers accepted by us for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purpose of providing you with a retirement income in accordance with the Tax Act.
3. **Dealer:** In this declaration, a “Dealer” refers to an individual or entity acting (or representing that it acts) in connection with your Plan as your investment representative, broker or dealer, or on behalf of your investment representative, broker or dealer. You acknowledge that a Dealer is your agent and when acting (or representing that it acts) as a Dealer is not our agent or the agent of any of our affiliates. We are entitled to accept and act on any notice, authorization or other communication that we believe in good faith to be given by you or a Dealer on your behalf. We are under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
4. **Your Responsibility:** You are responsible for:
  - (a) selecting investments for your Plan and assessing the merits of those investments, obtaining appropriate advice in respect of these matters or authorizing a Dealer to do these things on your behalf;
  - (b) ensuring that each transfer to your Plan is permitted by the Tax Act;
  - (c) ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Tax Act and immediately notifying us if an investment held in your Plan is or becomes a non-qualified investment for your Plan under the Tax Act;
  - (d) providing us with information relevant to whether an investment held is a non-qualified investment under the Tax Act; and
  - (e) providing us, upon request, with the current fair market value of any investment held in your Plan for which there is no published market price.You acknowledge and accept responsibility for these matters and undertake to act in the best interest of your Plan. You confirm that we are not responsible for your failure to comply with any of these matters or for any related loss in the value of your Plan. You confirm that we are not responsible for any related taxes, interest or penalties imposed on you or your Plan, except for those taxes, interest and penalties, if any, imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act. You acknowledge that a Dealer or any other person from whom you obtain investment, tax or other advice is your agent and when acting (or representing that it acts) as a Dealer or your advisor is not our agent or the agent of any of our affiliates. You will take all necessary measures to immediately liquidate any non-qualified investment under the Tax Act, and in the alternative, hereby authorize us to liquidate, or to give instructions to any other party to liquidate, any non-qualified investments under the Tax Act, but in no event shall we be obligated to liquidate or to give instructions to liquidate except as specifically authorized by you in writing.
5. **Our Responsibility:** We are ultimately responsible for the administration of your Plan. We are not authorized to select investments for your Plan and will not assess the merits of any investment selected by you or a Dealer. We are not responsible for providing any investment, tax or other advice to you or a Dealer; nor are we responsible for any advice that you obtain from a Dealer or any other source. Except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act, if any, and notwithstanding any other provision of this declaration, we shall not be liable for any taxes, interest and penalties suffered as a result of any act done by us in reliance on your authority, the authority of a Dealer or the authority of your agent or legal representatives. Notwithstanding any other provision of this declaration, we shall not be liable for any loss suffered as a result of any act done by us in reliance on your authority, the authority of a Dealer or the authority of your agent or legal representatives. We are under no obligation to verify that any person is properly authorized to act as your Dealer, agent or legal representative or is otherwise authorized to act on your behalf.
6. **Transfers to your Plan:** We will accept transfers to your Plan from: (a) your registered retirement savings plan (“RRSP”) or RRIF; (b) you, if the amount transferred is described in subparagraph 60(l)(v) of the Tax Act; (c) your spouse’s or former spouse’s RRSP or RRIF in circumstances described in subparagraph 146.3(2)(f)(iv) of the Tax Act; or (d) any other source permitted by the Tax Act from time to time. We may accept or for any reason refuse to accept all or any portion of a transfer of cash, securities or other investments to your Plan.
7. **Investments:**
  - (a) We may accept and act on any investment instructions that we believe in good faith to be given by you or a Dealer on your behalf.
  - (b) The assets of your Plan will be invested and reinvested from time to time according to your investment instructions or those of a Dealer in investments we may permit from time to time.
  - (c) We are not authorized to select investments for your Plan and will not assess the merits of the investments selected by you or a Dealer.
  - (d) In selecting investments for your Plan, you will not be limited to those investments authorized by legislation governing the investment of property held in trust. However, you may be limited by policies and requirements imposed by us from time to time, such as the requirement to provide documentation and the requirement to comply with those policies and procedures currently imposed in connection with securities held in your Plan and the requirement to provide information concerning whether an investment held is a non-qualified investment under the Tax Act.
  - (e) Notwithstanding any other provision in this declaration, we may for any reason refuse to act on any investment instruction, in which case you or a Dealer will be notified, and we will not be liable for any resulting loss.
  - (f) In the absence of satisfactory investment instructions, cash received by us in connection with your Plan may be converted into the



- currency denomination of your Plan and invested in units of a money market fund (or the cash account - for nominee plans only).
- (g) If it is necessary for cash or other assets held in your Plan to be converted to another currency, we, our affiliate, our agent or a person engaged by us may act as principal on our or its own behalf and not on your behalf to convert the currency at the rate established by us or it for the relevant conversion date. In addition to commissions that may be charged for this service, any revenue earned by us or other service provider based on the difference between the applicable bid/ask rates and the cost of currency will be for our account or the account of the other service provider.
8. **Retirement Income:** The assets of your Plan will be used to provide you with an income that will begin on or before December 31 of the second calendar year of your Plan. In each calendar year, the total amount of payments to you from your Plan will not be less than the minimum amount (the "Minimum Amount") required to be paid under the Tax Act. The amount of any payment from your Plan will not exceed the value of the property of your Plan immediately before the time of the payment. If the value of your Plan is less than \$500, we may make a payment to you from your Plan equal to the value of your Plan. Otherwise, you may specify in writing in a form satisfactory to us, the amount and frequency of the payments to be made during any year. You may change the amount and frequency of the payments or request additional payments by instructing us in writing in a form satisfactory to us. If you do not specify the amount and frequency of payments to be made in a year or the amount that you specify is less than the Minimum Amount for a year, we will make a payment or payments as necessary, to ensure that the Minimum Amount for that year is paid to you. We may transfer or realize any investment of your Plan selected by us, for the purpose of making a payment to you and will not be liable for any resulting loss. Payments will be made net of all proper charges including tax required to be withheld. If your Plan does not have sufficient cash to pay these charges, we will be entitled to require you to pay these charges. We may impose any other requirements and conditions in respect of the foregoing. A payment to you will be deemed to have been made when:
- (a) a cheque payable to you is mailed in a postage pre-paid envelope addressed to you at the address provided on your Application or subsequently provided by you or a Dealer in a notice to us; or (b) an amount is electronically transferred to the credit of a bank account designated by you.
9. **Calculation of the Minimum Amount:** The Minimum Amount will be zero in the first calendar year of your Plan and for each subsequent year will be calculated in accordance with the provisions of the Tax Act. You may elect to base the Minimum Amount on your age or your spouse's age. This election is binding and cannot be changed, revoked or amended under any circumstances.
10. **Transfers from your Plan:** Following receipt of satisfactory instructions from you or a Dealer, we will transfer all or part of the assets of your Plan (less all proper charges and any amount that we are required by the Tax Act to retain to ensure the payment of the Minimum Amount) to the issuer or agent of the issuer of an RRSP, RRIF or life annuity that conforms with the Tax Act, as instructed. We will not transfer the assets of your Plan to an RRSP after December 31 of the year you reach the maximum age for maturity under an RRSP specified by the Tax Act. If we receive instructions to transfer some of the assets of your Plan, we may request instructions to transfer all the assets of your Plan and we may delay the transfer until after we receive the requested instructions. If we have not received the requested instructions within 30 days of our request or if the issuer of the recipient plan refuses to accept the transfer of any assets of your Plan, the assets that have not been transferred may, at our option, be transferred or paid to you (less taxes required to be withheld and any other proper charges). We will make an effort to provide the issuer of any recipient plan with all relevant information in our possession. We will make an effort to sell or transfer specific investments of your Plan to effect the transfer as instructed. In the absence of satisfactory instructions, we may sell or transfer any investments of your Plan selected by us to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Tax Act or the terms and conditions of the investments of your Plan.
11. **Successor Annuitant:** You may designate your spouse as successor annuitant of your Plan to receive the retirement income payments described in section 8 in the event of your death. The successor annuitant will be deemed to be the annuitant of your Plan, with the same rights as if he or she had been the original annuitant. You may make, change or revoke your designation by written notice to us signed by you in a form acceptable to us. Any designation, amended designation or revoked designation will be valid on the day following its receipt by us.
12. **Beneficiary Designation (Not applicable where Quebec law applies):** You may designate a beneficiary to receive the proceeds of your Plan in the event of your death. Such beneficiary will only receive the proceeds of your Plan if there is no living successor annuitant or if the successor annuitant is not your spouse at the time of your death. You may make, change or revoke your designation by written notice to us signed by you in a form acceptable to us. Any designation, amended designation or revoked designation will be valid on the day following its receipt by us.
13. **Death:** Upon receipt of satisfactory evidence of your death, we will continue payments to your spouse if he or she was living on the date of your death, provided he or she is the successor annuitant of your Plan. If your spouse is not the successor annuitant or predeceases you, we will pay the value of your Plan on the date we process the transaction in a lump sum to your designated beneficiary if that person was living on the date of your death. If you have not designated a beneficiary or if your designated beneficiary predeceases you, we will pay the value of your Plan on the date we process the transaction to your legal representatives. Any lump sum payment will be paid subject to the deduction of all proper charges after we receive all releases and other documents that we request.
14. **Prohibition:** Except as specifically permitted under the Tax Act, no advantage that is conditional in any way on the existence of your Plan may be extended to you or a person with whom you do not deal at arm's length. You may not engage in any transaction, investment, payment or transfer which is or may be an advantage, an RRSP strip or a swap transaction under Part XI.01 of the Tax Act. Retirement income under your Plan may not be assigned in whole or in part. The assets of your Plan may not be used as security for a loan except as permitted by us. We will not make any payments from your Plan except those specifically permitted under the provisions of this declaration or the Tax Act or required by law. We reserve the right to prohibit any transaction, investment, payment or transfer, whether an advantage, an RRSP strip or a swap transaction under the Tax Act, or such other payment or transfer which is or may be prohibited or penalized under the Tax Act.
15. **Date of Birth and Social Insurance Number:** The statement of your and, if applicable, your spouse's birth date and social insurance number on your Application is deemed to be a certification of its truth and your undertaking to provide proof if requested by us.
16. **Accounting and Reporting:** We will maintain an account of your Plan reflecting, with appropriate dates: (a) transfers to your Plan; (b) the name, number and cost of investments purchased or sold by your Plan; (c) distributions received by your Plan; (d) cash; (e) withdrawals, transfers and expenses paid from your Plan; (f) the balance of your account; and (g) the minimum and maximum amount that may be paid out of your Plan. We will send you a statement of your account at least once a year. Before April of each year, we will provide any applicable tax reporting required to be filed with your personal income tax return for the previous year.
17. **Fees and Expenses:** We may charge you or your Plan fees as published by us or the Administrator from time to time. We will give you at least 30 days notice of any change in our account fees. In addition, we are entitled to charge your Plan fees for out-of-the-ordinary services

requested by you or a Dealer in connection with your Plan and we are entitled to reimbursement from your Plan for all disbursements, expenses and liabilities incurred by us in connection with your Plan except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act. Without limiting the generality of the foregoing, these fees, disbursements, expenses and liabilities may include: brokerage fees and commissions, custodian fees, administration fees and redemption fees incurred in connection with investments held in your Plan; investment advisory fees paid to a Dealer; legal and accounting fees; fees in connection with financial arrangements made to facilitate the conversion of currency; and taxes, interest and penalties imposed on your Plan except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act. We are entitled to deduct the unpaid fees, disbursements, expenses and liabilities from the assets of your Plan or, except where prohibited by the Tax Act, any other account held by you with us or any of our affiliates and for this purpose we are authorized, but not obliged, to realize sufficient assets of your Plan or such other account selected by us. We will not be responsible for any resulting loss. Except where prohibited by the Tax Act and notwithstanding any other provision of this declaration, we are entitled to deduct from any other account held by you with us or any of our affiliates those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act.

18. **Tax imposed on you or your Plan:** If your Plan becomes liable for tax, interest or penalties under the Tax Act or provincial legislation, we may sell any investment of your Plan to pay the liability. We may, but are not obliged to, sell or otherwise dispose of any investment of your Plan to avoid or minimize the imposition of tax, interest or penalties on you or your Plan. Except for those taxes, interest and penalties imposed on us by the Tax Act that are not reimbursable to us from your Plan under the Tax Act, if any, we will not be liable for any tax, interest or penalty imposed on you or your Plan. We will not be liable for any loss resulting from the disposition or failure to dispose of any investment held by your Plan.
19. **Delegation of Duties:** Without detracting in any way from our responsibility, we may appoint agents (including our affiliates) and may delegate to our agents the performance of any of our duties or responsibilities under this declaration including but not limited to administrative duties such as accepting contributions to your Plan, executing investment instructions, safekeeping the assets of your Plan, account and record keeping, preparing and issuing statements and tax receipts, communicating with you, a Dealer or legal representatives and responding to your or their concerns. We may also employ or engage accountants, brokers, lawyers or others and may rely on their advice and services. We will not be liable for the acts or omissions of any of our agents, advisors, or service providers and will not be liable for the acts or omissions of a Dealer or any of your other agents, advisors or service providers. We may pay to any agent, advisor, service provider or Dealer all or part of the fees received by us under the provisions of this declaration and/or a fee calculated by reference to the amount of cash held in your Plan and/or currency converted in your Plan.
20. **Indemnity:** None of us, our officers, employees and agents will be liable for and are indemnified by you and your Plan from and against all expenses, liabilities, claims, losses and demands of any nature arising out of the holding of the assets of your Plan; the dealing with the assets of your Plan in accordance with instructions which we, our officers, employees or agents believe in good faith to be given by you or a Dealer; or other agent; making financial arrangements to settle trades; and the sale, transfer or release of assets of your Plan in accordance with this declaration, unless caused by or resulting from our dishonesty, bad faith, willful misconduct or gross negligence.
21. **Amendments:** From time to time, we may amend this declaration with the approval of the Canada Revenue Agency provided that the amendment does not disqualify your Plan as a RRIF under the Tax Act or other legislation. Any amendment to ensure that your Plan continues to comply with the Tax Act or other legislation will be effective without notice. Any other amendment will be effective not less than 30 days' after notice has been provided to you.
22. **Successor Trustee:** We may resign and be discharged from all duties and liabilities under this declaration by giving written notice to the Administrator. The Administrator is initially nominated to appoint a company as successor trustee. If the company appointed by the Administrator does not accept the office of trustee of your Plan within 30 days' of being appointed, then we may nominate you to appoint a successor trustee by providing notice to you. Upon acceptance of the office of trustee of your Plan, the successor trustee will be trustee of your Plan as if it had been the original declarant of your Plan and your Plan continues in full force and effect with the successor trustee. At the time of the appointment of the successor trustee, we will be relieved of all duties and liabilities under this declaration. If you are unable to appoint a successor trustee who accepts the office of trustee of your Plan within 60 days' of you being nominated to appoint a successor trustee, the assets of your Plan net of all proper charges will be withdrawn from your Plan and transferred to you and we will be relieved of all duties and liabilities under this declaration.
23. **Notice to you:** Any notice, request or other communication required or permitted to be given to you by us must be in writing and will be sufficiently given if it is sent by pre-paid mail, telecopier, electronic mail or other form of electronic transmission addressed to you at the address provided on your Application or subsequently provided by you or a Dealer in a notice to us. For greater certainty, we are not responsible for verifying the accuracy or currency of any address provided to us. Any notice, request or other communication will be deemed to have been given to you and received by you on the day of mailing or transmission.
24. **Notice to us:** Except as otherwise provided in this declaration, any notice, request or other communication required or permitted to be given to us by you or a Dealer must be in writing and will be sufficiently given if it is in a form satisfactory to us and is received by the Administrator by pre-paid mail, courier or telecopier, addressed to us or the Administrator at the address for the Administrator last provided to you. We are permitted but not obliged to accept and act on a notice, request or other communication given to us by you or a Dealer by internet, electronic transmission or telephone. We may for any reason refuse to act on any notice, request or other communication given to us by you or a Dealer and we will not be responsible for any resulting loss. Any notice, request or other communication given to us will be deemed to have been given to us and received by us at the time of actual receipt by the Administrator.
25. **Locked-in Plans:** If locked-in assets are transferred to your Plan in accordance with applicable pension legislation, additional provisions are contained in the attached "Locking-in Supplement for a LIF, RLIF, PRRIF or LRIF". In the event of any inconsistency between the provisions of the supplement and the provisions of this declaration, the provisions of the supplement apply.
26. **Language:** You have requested that your Application, this declaration and all ancillary documents be provided to you in English. Vous avez exigé que votre demande, la présente déclaration et tous les documents accessoires vous soient fournis en anglais.
27. **Governing Laws:** This declaration will be governed, construed and enforced in accordance with the laws of Ontario and Canada except that the word "spouse" as used in this declaration refers to a person recognized as your spouse or common law partner for the purposes of the Tax Act.
28. **Specimen Plan:** RIF 305.

## Locking-in Supplement for a LIF, RLIF, PRRIF or LRIF

### 1. **Definitions: In this Locking-in Supplement:**

- (a) unless otherwise defined, terms defined in the declaration have the same meaning in this Locking-in Supplement;
- (b) Declaration: means the declaration of trust creating your Quadrus Retirement Income Fund;
- (c) LIF: means a "LIF", "life income fund" or "life income fund" contract as defined in pension legislation, other than a RLIF;
- (d) life annuity: means a "life annuity", "life annuity contract", "annuity contract", "life pension", "immediate life annuity" and "deferred life annuity", as defined in pension legislation, that conforms with the Tax Act and pension legislation;
- (e) Life Income Fund (Alberta) Addendum: means Form 2 in Schedule 1 of the regulations to the Alberta pension legislation, as amended from time to time;
- (f) LIRA/Locked-in RSP: means a "LIRA", "locked-in retirement account" or "locked-in retirement account" contract as defined in pension legislation and where those terms are not defined, means an RRSP that satisfies the conditions under pension legislation for receiving funds that originate from an RPP or PRPP, other than a RLSP;
- (g) LRIF: means a "LRIF", "locked-in retirement income fund" or "locked-in retirement income fund" contract as defined in pension legislation;
- (h) Maximum Amount: means the maximum amount permitted by pension legislation to be paid to you from your Plan during a calendar year which for a PRRIF is the maximum amount permitted by the Tax Act and for a LIF, RLIF or LRIF is more fully described in this Locking-in Supplement;
- (i) Minimum Amount: means the minimum amount required by the Tax Act to be paid to you from your Plan during a calendar year;
- (j) Nova Scotia LIF Schedule: means the Nova Scotia LIF Addendum in Schedule IV of the regulations to Nova Scotia pension legislation, as amended from time to time;
- (k) pension: means a "pension", "pension benefit" or "retirement pension" as defined in pension legislation and used in the context of a LIF, RLIF or LRIF, as applicable, and in the case of a PRRIF means "retirement income" as defined in the Tax Act;
- (l) pension legislation: means one of the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Standards Act* (British Columbia), the *Pension Benefits Standards Act, 1985* (Canada), the *Pension Benefits Act* (Manitoba), the *Pension Benefits Act* (New Brunswick), the *Pension Benefits Act, 1997* (Newfoundland and Labrador), the *Pension Benefits Act* (Nova Scotia), the *Pension Benefits Act* (Ontario), the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Act, 1992* (Saskatchewan), or the *Pooled Registered Pension Plans Act* (Canada), whichever governs assets transferred or to be transferred to your Plan directly or indirectly from an RPP or PRPP and for greater certainty, the term pension legislation includes regulations made under that statute and if your Plan is an Ontario LIF, Schedule 1.1 to the pension legislation that governs your Plan;
- (m) PRPP: means a "Pooled Registered Pension Plan" as defined in Federal pension legislation;
- (n) PRRIF: means a "prescribed RRIF" as defined in Manitoba pension legislation or a "registered retirement income fund contract" that meets the requirements of Saskatchewan pension legislation;
- (o) RLIF: means a "restricted life income fund" as defined in Federal pension legislation;
- (p) RLSP: means a "restricted locked-in savings plan" as defined in Federal pension legislation;
- (q) RPP: means a pension plan or a supplemental pension plan governed by pension legislation or established by other legislative authority and registered under the Tax Act;
- (r) spouse: means a person recognized as your spouse or, where contemplated by pension legislation, your cohabiting partner, common-law partner or pension partner for the purposes of pension legislation in context of a LIF, RLIF, PRRIF or LRIF, as applicable, provided however that where the context requires, a spouse refers only to a person recognized as a spouse or common-law partner for the purposes of the Tax Act; and
- (s) YMPE: means the Year's Maximum Pensionable Earnings as defined in the Canada Pension Plan unless Quebec pension legislation governs your Plan, then it means the maximum pensionable earnings under the Act respecting the Quebec Pension Plan.

2. **Conflict and Compliance:** The provisions of this Locking-in Supplement form part of the Declaration if your Plan is: (a) a PRRIF; or (b) a RRIF and locked-in assets are transferred or will be transferred to your Plan directly or indirectly from an RPP or a PRPP. If your Plan is an Alberta, British Columbia, Nova Scotia or Manitoba LIF, the Life Income Fund (Alberta) Addendum, British Columbia LIF Addendum, Nova Scotia LIF Schedule, or Life Income Fund (Manitoba) Addendum as applicable, is incorporated by reference into this Locking-in Supplement and all the provisions of the Life Income Fund (Alberta) Addendum, British Columbia LIF Addendum, Nova Scotia LIF Schedule or Life Income Fund (Manitoba) Addendum, as applicable, form part of this Locking-in Supplement. If there is any inconsistency between the provisions of this Locking-in Supplement and the other provisions of the Declaration, the provisions of this Locking-in Supplement apply. If there is any inconsistency between the provisions of the Life Income Fund (Alberta) Addendum, British Columbia LIF Addendum, Nova Scotia LIF Schedule or Life Income Fund (Manitoba) Addendum and the other provisions of this Locking-in Supplement, the provisions of the Life Income Fund (Alberta) Addendum, British Columbia LIF Addendum, Nova Scotia LIF Schedule or Life Income Fund (Manitoba) Addendum, as applicable, apply. We will comply with all relevant provisions of pension legislation.

3. **Purpose:** We will hold transfers accepted by us for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purposes of providing you with a pension in accordance with the Tax Act and pension legislation. The assets of your Plan may not be withdrawn, commuted or surrendered except as permitted by the Tax Act and pension law.

4. **Transfers to your Plan:** The only assets that may be transferred to your Plan are assets transferred directly or indirectly from an RPP, PRPP, a LIRA/Locked-in RSP, a RLSP, a variable benefit account (Ontario); if permitted by pension legislation, a LIF, RLIF, PRRIF or LRIF; or another source permitted by the Tax Act and pension legislation from time to time. We will not accept any amount transferred to your Plan: (a) from a source or in circumstances not permitted by the Tax Act and pension legislation; or (b) in circumstances that would require us to begin making payments from your Plan contrary to pension legislation. For example, where Saskatchewan pension legislation governs your Plan, we will not accept any amount transferred to your Plan unless: (a) you are at least 55 years of age or if you are younger, you have provided evidence satisfactory to us that any RPP from which assets were directly or indirectly transferred provided for retirement at your age; and (b) your spouse has provided consent in the form and manner required by pension legislation. Locked-in assets governed by pension legislation of one jurisdiction may not be commingled in your Plan with non-locked-in assets or locked-in assets governed by pension legislation of another jurisdiction. Federal RPP and Federal PRPP contributions cannot be commingled. Where New Brunswick pension legislation governs your Plan, if the amount transferred to your Plan was determined in a way that differentiated based on your gender, amounts subsequently transferred to your Plan must have been differentiated on the same basis. Where the Ontario pension legislation governs your Plan, the indication in your application as to whether the commuted value of the pension benefit transferred to your plan was determined in a manner

that differentiated on the basis of sex is incorporated into this Locking-in supplement by way of reference.

5. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Tax Act for a RRIF. Where your Plan is a LIF governed by Manitoba pension legislation, your Plan may not directly or indirectly hold any mortgage if you or your spouse is the mortgagor or if the mortgagor is your parent, sibling or child or the spouse of any of those people.
6. **Retirement Income:** The assets of your Plan will be used to provide you with an income that will begin on or before December 31 of the second fiscal year of your Plan. In each calendar year, the total amount of payments to you from your Plan (including any direct transfers to the issuer of your RRSP, RRIF or life annuity as described by paragraph 15 [Transfers from your LIF, RLIF or LRIF to a Non-locked-in Plan] of this Locking-in Supplement), may not be less than the Minimum Amount or more than the Maximum Amount, except as otherwise permitted by this Locking-in Supplement. For the first fiscal year of your Plan, the Minimum Amount is zero. For each calendar year you must complete the forms and declarations that we provide and indicate on those forms the amount and frequency of payments to be made during the year, including any portion of the payment to be made in accordance with paragraph 8 [Increasing the Maximum Amount paid to a Young Annuitant] of this Locking-in Supplement. The amount that you specify may vary from year to year.
7. **Calculation of Maximum Amount under a LIF, RLIF or LRIF:** If your Plan is a LIF, RLIF or LRIF, the Maximum Amount for a year will not be less than the Minimum Amount and will be calculated as at the beginning of each year according to the formula and other rules in pension legislation and may be recalculated from time to time during the year if permitted by pension legislation. For example:
  - (a) if your Plan is a Federal LIF, RLIF or a Newfoundland and Labrador LIF, the Maximum Amount for a year will be calculated by dividing the value of the assets of your Plan at the beginning of that year by the value of a pension that makes a \$1.00 annual payment at the beginning of each fiscal year up to and including the year in which you reach age 90 and the amount of the investment earnings, including any unrealized capital gains or losses, of the LIF in the immediately previous fiscal year. The value of the \$1.00 annual payment will be established at the beginning of the fiscal year for a Newfoundland and Labrador LIF and on January 1 of the fiscal year in which the calculation is made for a Federal LIF or a RLIF. For a Newfoundland and Labrador LIF, the value of the \$1.00 annual payment will be established (i) for the first 15 years after the date of the valuation, the greater of 6% per year and 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 V122487 in the CANSIM System; and (ii) for the sixteenth and each subsequent year, a rate of 6% per year. For a Federal LIF or a RLIF, the value of the \$1.00 annual payment will be established using an interest rate (iii) for the first fifteen years after January 1 of the year in which the Federal LIF or the RLIF (as the case may be) is valued, that 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 (iv) for any subsequent year, that is not more than 6%. The Maximum Amount under a Federal LIF or a RLIF for a year including or after the year you reach age 90 will be the value of the assets of your Plan immediately before a payment is made.
  - (b) if your Plan is a Newfoundland and Labrador LRIF, the Maximum Amount for a year will be the greatest of: (i) the income, gains and losses earned from the time your Plan was established to the end of its last completed fiscal year and with respect to any portion of your Plan that was directly derived from a LIF, the income, gains and losses earned by the LIF in its last complete fiscal year, less all income paid to you from your Plan; (ii) the income, gains and losses earned during the immediately previous fiscal year; and (iii) in the first or second fiscal year of your Plan, 6% of the fair market value of your Plan at the beginning of that fiscal year. If permitted or required by pension legislation: (a) the Maximum Amount for the first fiscal year of your Plan will be pro-rated over the number of months remaining in the year, with a part month counting as a full month; (b) if the assets of your Plan are derived from assets transferred directly or indirectly from another LIF, RLIF or LRIF (as the case may be) of yours, then subject to the requirement to pay the Minimum Amount, the Maximum Amount will be zero for the first fiscal year of your Plan or the fiscal year of transfer or the first fiscal year following that transfer, as required by pension legislation; and (c) the Maximum Amount for a year will be increased if you transfer assets to your Plan during that year that have never before been held in a LIF or LRIF provided the increase is not more than the Maximum Amount that would have applied if the assets had been transferred to a newly established LIF or LRIF.
8. **Increasing the Maximum Amount paid to a Young Annuitant:** Where Newfoundland and Labrador or Quebec pension legislation governs your Plan, we will make payments to you from your Plan which, in total, are greater than the Maximum Amount for a year after receiving your written application, in the form required by pension legislation, stipulating the number and amount of payments that you would like to receive if: (a) you were under 65 years of age at the beginning of the year in which the application is made; and (b) the amount requested is not greater than the maximum amount permitted by pension legislation. Your entitlement under this paragraph will be zero for a year if you were less than 54 years of age or more than 64 years of age at the beginning of the year unless Quebec pension legislation governs your Plan, in which case, we will make monthly payments if: (a) you provide us with a declaration, in the form required by pension legislation, declaring your expected income (excluding payments from your Plan) for the next 12 months; (b) your expected income, as stated in your declaration, is not greater than 40% of the YMPE; (c) none of the monthly payments exceed one-twelfth of the difference between 40% of the YMPE and three-quarters of your expected income as stated in your declaration; (d) you undertake to promptly request us to suspend the payments as soon as your income equals 40% of the YMPE; and (e) you have not previously requested a suspension of monthly payments. Where Newfoundland and Labrador pension legislation governs your Plan, we will make the payments if: (a) your application stipulates the maximum amount of income the owner is entitled to receive from LIFs, LRIFs, life annuities and RPPs (other than Canada Pension Plan income) during the calendar year in which your application is made; (b) your expected pension income, as stated in your application, is less than 40% of the YMPE for the year; (c) your spouse has provided a waiver in the form and manner required by pension legislation; and (d) in the first fiscal year of your Plan, the maximum amount that may be paid under this paragraph is pro-rated over the number of months remaining in the year, with a part month counting as a full month.
9. **Collapsing a Small LIF, RLIF or LRIF:** If the total value of your Plan and such locked-in assets in such other plans as prescribed by pension legislation does not exceed 50% of the YMPE for the year (or a lesser amount specified by pension legislation) and you have reached age 65 (or a lesser age specified by pension legislation), and where Newfoundland and Labrador pension legislation governs your plan and the owner has not, within the same fiscal year, elected to receive additional temporary income under paragraph 19 or, where a part of the LIF corresponds to amounts transferred directly or indirectly from another LIF or LRIF, elected to receive additional temporary income from that LIF or LRIF, we will make a lump-sum payment from your Plan equal to the value of your Plan after receiving your request, signed declaration or attestation in the form and manner required by pension legislation and satisfactory evidence that all the necessary conditions stipulated by pension legislation are satisfied. We will endeavour to make the payment within 30 days after receiving satisfactory instructions and any other documentation that we consider necessary.

10. **Collapsing your LIF, RLIF or LRIF after you become a Non-resident:** Where Federal, New Brunswick, Ontario, Quebec or Newfoundland and Labrador pension legislation governs your Plan, we will make a lump-sum payment to you from your Plan equal to the value of your Plan after receiving: (a) your request; (b) any document or information required by pension legislation; (c) satisfactory written evidence that the Canada Revenue Agency has determined that you (and where New Brunswick pension legislation governs your Plan, your spouse) are a non-resident of Canada for the purposes of the Tax Act; (d) where New Brunswick pension legislation governs your Plan, satisfactory written evidence that you and your spouse, if any, are not Canadian citizens; and (e) where New Brunswick, Ontario or Newfoundland and Labrador pension legislation governs your Plan, a waiver from your spouse in the form required by pension legislation. Where Federal, Ontario, Quebec or Newfoundland and Labrador pension legislation governs your Plan, we will not make the payment until you have been absent from Canada for at least two years.
11. **Shortened Life Expectancy:** Unless your Plan is a Quebec LIF, we will make a lump-sum or series of payments to you from your Plan which, in total, may be greater than the Maximum Amount for the years in which payments are made, but only to the extent and in the manner permitted by pension legislation, after receiving: (a) a request; (b) a medical certificate signed by a physician certifying that you are subject to a physical disability or, where contemplated by pension legislation, a terminal illness or mental disability, that considerably reduces your life expectancy; (c) where Ontario pension legislation governs your Plan, the medical certificate certifies that your illness or physical disability is likely to reduce your life expectancy to less than 2 years; (d) where Manitoba, New Brunswick, Newfoundland and Labrador or Ontario pension legislation governs your Plan, a waiver from your spouse in the form and manner required by pension legislation; and (e) any other document or information required by pension legislation. We will endeavour to make a payment within 30 days after receiving satisfactory instructions and any other documentation that we consider necessary.
12. **Low Income/Medical-Related Financial Hardship:** If Federal pension legislation governs your Plan, you may withdraw an amount from your Plan up to the lesser of the amount determined by the formula set out in the Federal pension legislation and 50% of the YMPE minus any amount withdrawn in the calendar year under this paragraph - from any LIF or RLIF (as the case may be) - or under the corresponding financial hardship provisions of your LIF, LIRA/Locked-in RSP, RLSP or RLIF (where applicable), if
  - (a) you certify that you have not made a withdrawal in the calendar year under this paragraph - from any LIF or RLIF (as the case may be) - or under the corresponding financial hardship provisions of your LIF, LIRA/Locked-in RSP, RLSP or RLIF (where applicable) other than within the last 30 days before such certification,
  - (b) you attest to us, in writing, as to the basis of the financial withdrawal and as to the existence of a spouse (and the spouse's consent, where required), in the forms and manner required by Federal pension legislation; and
  - (c) you provide us with such other certifications as required by the Federal pension legislation.
13. **Financial Hardship (Ontario, Newfoundland and Labrador):** If Ontario or Newfoundland and Labrador pension legislation governs your Plan, you may withdraw, upon an application to us in the prescribed form and manner together with all other documents as required by Ontario or Newfoundland and Labrador pension legislation, an amount from your Plan for reasons of financial hardship relating to medical expenses, disability-related expenses (only for Newfoundland and Labrador), rental or mortgage arrears relating to your principal residence, payment of first months' rent of your principal residence (only for Newfoundland and Labrador), payment of first and last months' rent of your principal residence (all as described in Ontario pension legislation), low income or such other financial hardship circumstances as may be provided by Ontario or Newfoundland and Labrador pension legislation. The amount to be withdrawn is subject to a minimum amount and a maximum amount prescribed by Ontario or Newfoundland and Labrador pension legislation. An application that meets all the applicable requirements of Ontario or Newfoundland and Labrador pension legislation constitutes authorization to us to make the payment or transfer from your Plan pursuant to the application and in accordance with Ontario or Newfoundland and Labrador pension legislation.
14. **Spousal Payments after Relationship Breakdown:** The assets of your Plan and any life annuity established with the assets of your Plan may be subject to division under family law and pension law. After receiving satisfactory evidence of entitlement and confirmation that a payment is not prohibited by pension law, a payment or payments will be made out of your Plan but only to the extent and in the manner permitted by law: (a) to effect a division of assets provided the payment is made pursuant to applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance. Within the limits permitted by pension legislation, we may deduct from your Plan our cost of complying with an order for support or maintenance.
15. **Spousal Entitlement after Relationship Breakdown:** Your spouse's entitlement to survivor benefits under your Plan will end upon divorce or annulment unless: (a) your spouse is named as a beneficiary of your Plan; or (b) Quebec legislation governs your Plan and you have notified us that the payment of a life annuity to your spouse will continue despite the relationship breakdown. Your spouse's entitlement to survivor benefits under your Plan may end upon separation.
16. **Transfers from your LIF, RLIF or LRIF to a Non-locked-in Plan:** If your Plan is a LIF or LRIF, the maximum amount that may be transferred in any fiscal year from your Plan to the issuer of your RRSP, RRIF or life annuity that conforms with the Tax Act but does not conform with pension legislation, is the Maximum Amount for the fiscal year, except that where New Brunswick pension legislation governs your Plan, on one occasion during your lifetime, you may transfer an amount (in addition to and separate from the Maximum Amount) from your Plan or another LIF of yours to your RRIF if: (a) you obtain the written approval of the New Brunswick Superintendent of Pensions; and (b) the amount is no more than the lesser of: (i) 3 times the Maximum Amount for the fiscal year; and (ii) 25 percent of the value of your Plan on the first day of the fiscal year. Where Quebec pension legislation governs your Plan, the Maximum Amount will be calculated on the assumption that you are not entitled to an additional amount by virtue of being at least 54 years of age but under 65 years of age. If your Plan is a RLIF and it is established in the calendar year in which you reach 55 years of age or in any subsequent calendar year, you may transfer 50% of the assets in your Plan to a RRSP or a RRIF within 60 days after the establishment of your Plan if (a) your Plan was created as the result of the transfer of a pension benefit credit from an RPP or a transfer from a LIRA/Locked-in RSP or a LIF, governed by Federal pension legislation; and (b) if you attest to us, in writing, as to the existence of a spouse (and the spouse's consent, where required), in the form and manner required by the Federal pension legislation.
17. **Other Transfers from your Plan:** Subject to any restrictions imposed by the Tax Act or pension legislation, all or any part of the assets of your Plan may be transferred to the issuer of an RPP, PRPP, LIRA/Locked-in RSP, RLSP, LIF, RLIF, PRRIF, LRIF or life annuity. Before transferring assets from your Plan, we will: (a) confirm that the transfer is permitted under pension legislation and the Tax Act; (b) confirm that the issuer of the recipient plan is on the list of acknowledged financial institutions and the recipient plan is on the list of LIRAs/Locked-in RSPs, RLSPs, LIFs, RLIFs or LRIFs if such a list is maintained by the Superintendent of Pensions; (c) notify the issuer of the recipient plan of the locked-in (or, for a transfer to a PRRIF, the non-locked-in) status of the assets being transferred and the pension legislation that governs the assets; and (d) obtain the commitment of the issuer of the recipient plan to administer the transferred assets according to pension legislation. We will

comply with any other requirement imposed by pension legislation.

18. **Life Annuity:** Except for the life annuity referred to in paragraph 15 [Transfers from your LIF, RLIF or LRIF to a Non-locked-in Plan] of this Locking-in Supplement, a life annuity established with the assets of your Plan must comply with pension legislation in addition to the rules imposed by the Tax Act. A life annuity established with the assets of your Plan must be established for your life. However, if you have a spouse on the date contemplated by pension legislation and the Tax Act, the life annuity must be established for the life of the survivor of you and your spouse unless your spouse is not entitled by virtue of a breakdown of your relationship or a spousal waiver has been provided in the form and manner required by pension legislation and has not been revoked. Your spouse's right to a life annuity as your survivor may be waived in the form and manner stipulated by pension legislation before payments under the life annuity begin. The waiver may be revoked in accordance with pension legislation. Where required by pension legislation, an insurer must guarantee payments under the life annuity but not for a period longer than 90 years minus the age of you or your spouse at the time the life annuity was acquired. Where Quebec pension legislation governs your Plan, the guarantee period of a life annuity established with assets of your Plan may not be longer than the day before you would reach age 90. If your spouse is entitled to payments under the life annuity after your death, those payments must be at least 60 percent (or where Manitoba pension legislation governs your Plan, 66 2/3 percent) of the amount to which you were entitled before your death. The life annuity may not differentiate based on your gender except to the extent permitted by pension legislation. Where Quebec pension legislation governs your Plan, the equal periodic payments under the life annuity may be uniformly increased because of an index or a rate provided for in the contract and that conforms with the adjustments permitted by the Tax Act or may be uniformly adjusted because of (a) a seizure of the assets of your Plan; (b) a redetermination of your pension; (c) the division of assets of your Plan with your spouse after relationship breakdown; (d) the payment of a temporary pension as provided for in section 91.1 of pension legislation; or (e) an election under subsection 93(3) of pension legislation relating to payments after your death.
19. **Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of pension legislation. Your spouse's right to be the beneficiary of your Plan may be waived (and the waiver may be revoked) in the form and manner stipulated by pension legislation.
20. **Death:** Following your death, the assets of your Plan will be paid to the person who was your spouse on the date of your death or will be used to provide that person with a pension unless that person is not entitled to survivor benefits under pension legislation. If pension legislation permits or requires that person to receive survivor benefits in a form other than a lump-sum payment, that person may instruct us to: (a) continue the payments referred to in paragraph 6 [Retirement Income] of this Locking-in Supplement to him or her provided that person is the successor annuitant of your Plan; or (b) transfer the assets of your Plan to the issuer of an RRSP, LIRA/Locked-in RSP, RLSP, RRIF, LIF, RLIF, LRIF or life annuity as permitted by pension legislation and the Tax Act. If you did not have a spouse on the relevant date or if your spouse is not entitled to survivor benefits under pension legislation, the assets of your Plan will be paid to your designated beneficiary, if that person was living at the date of your death and if not, to your legal representatives. The assets of your Plan will be paid out of your Plan within 60 days after we receive all releases and other documents that we request. If we have not received satisfactory instructions by that date, we may transfer the assets of your Plan as permitted or required by pension legislation and we will not be liable for any resulting loss.
21. **Other Payments or Transfers:** We will make a lump sum or series of payments or transfers from your Plan not otherwise provided for in this Locking-in Supplement but only in the manner and to the extent specifically permitted by pension legislation and only after receiving your request and any documents and information required by us and pension legislation. For example, if Ontario pension legislation governs your plan, you are entitled to a one-time withdrawal or transfer to your RRSP or RRIF of an amount up to 25% or 50% (as prescribed by Ontario pension legislation) of the total market value of the assets of your Plan within the timeframes and in the manner prescribed by Ontario pension legislation, except in situations where the assets are transferred to your Plan from a variable benefit account.
22. **Payments or Transfers made Contrary to Pension Legislation:** Where Manitoba or Saskatchewan pension legislation governs your Plan, if assets are paid out of your Plan contrary to pension legislation or are transferred out of your Plan contrary to paragraph 16 [Other Transfers from your Plan] of this Locking-in Supplement, we will ensure that you receive a pension in an amount and if required by pension legislation, in a manner that would have been provided if the assets had not been transferred or paid out of your Plan. Where Quebec pension legislation governs your Plan, if the total payments made to you during a fiscal year of your Plan are more than the amounts permitted to be paid under your Plan or pension legislation, upon receipt of your request, we will pay to your Plan an amount equal to the surplus payment unless the surplus payment is attributable to a false statement made by you.
23. **Fiscal Year:** The fiscal year of your Plan will end on December 31 of each year and may not exceed 12 months.
24. **Valuation:** On any given day, the value of your Plan will be determined based on the value of the assets owned by your Plan at the close of business on that day net of any fees or expenses properly chargeable to your Plan.
25. **Statements And Other Information:** You will be sent a statement of your account together with any additional information required by pension legislation: (a) following the end of each fiscal year of your Plan; (b) as of the date of a transfer of assets out of your Plan; (c) any other time required by pension legislation; and (d) following receipt of your request. Your spouse, designated beneficiary or legal representatives, as applicable, will be given a statement of your account as of the date of your death. You will be provided with such other information as required by pension legislation within the time frames prescribed by pension legislation.
26. **Assignment and Seizure:** The assets of your Plan and payments from your Plan may not be assigned, charged, alienated, anticipated, given as security or subjected to execution, seizure or attachment except as permitted by the Tax Act and pension law. A transaction that is contrary to this paragraph is void.
27. **Amendments:** From time to time we may amend the Declaration (including this Locking-in Supplement) provided that the amendment does not disqualify your Plan as a LIF, RLIF, PRRIF or LRIF, as applicable, and, if required by law, the amendment is approved by the authorities administering the Tax Act and pension legislation. Where New Brunswick, Newfoundland and Labrador, Nova Scotia or Ontario pension legislation governs your Plan, no amendment will be made that will reduce your benefits under your Plan unless the amendment is required to cause your Plan to comply with the law. Amendments that do not reduce your benefits but are required to ensure that your Plan continues to comply with the law will be effective without notice, unless Newfoundland and Labrador or Nova Scotia pension legislation governs your Plan. Any other amendment will be effective not less than 30 days' (or 90 days' where required by pension legislation) after notice has been provided to you. Where required by pension legislation, you will also be provided with notice of your entitlement to transfer assets out of your Plan. Where Newfoundland and Labrador pension legislation governs your Plan, notice will be sent by registered mail. Where Ontario pension legislation governs your Plan, notice must be in writing and sent to you at your address as set out in our records.

Locking-in Supplement Revised: October 1, 2021

**Life Income Fund (Alberta LIF) Addendum  
Part 1**

**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 cE8.1);
- (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;
- (f) "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;
- (g) "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;
- (h) "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;
- (i) "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;
- (j) "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;
- (k) "owner" means a member owner or a pension partner owner;
- (l) "pension partner" means a person who is a pension partner within the meaning of subsection (2);
- (m) "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;
- (n) "Regulation" means the Employment Pension Plans Regulation;
- (o) "this life income fund" means the life income fund to which this addendum applies.

**1(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 marriagelike 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.

**1(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(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).

**3(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(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.

**3(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).

**3(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.

**4(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.

**4(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(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, or
- 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.

**6(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.

**7(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.

**8(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.

**9(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**

**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 nonresident 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.

Life Income Fund (Alberta LIF) Addendum, Revised January 2015

**Manitoba Life Income Fund (LIF) Addendum to RRIF Contract**

THIS IS AN ADDENDUM TO A RRIF CONTRACT BETWEEN:

\_\_\_\_\_ (the "Owner")

AND  
B2B Trustco

\_\_\_\_\_ (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:

- While in Manitoba, I ceased to be an active member of a pension plan or member of a pooled registered pension plan.
- Some or all of the amount transferred or to be transferred to this LIF is attributable, directly or indirectly, to a pension benefit credit that I earned as a member of a pension plan or to funds in a PRPP account that I earned as a member of a pooled registered pension plan.

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



\_\_\_\_\_  
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.

“pooled registered pension plan” means a pooled registered pension plan as defined in *The Pooled Registered Pension Plans (Manitoba) Act*.

“PRPP account” means a PRPP account as defined in *The Pooled Registered Pension Plans (Manitoba) Act*.

“regulation” means 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) a “member-owner”, if you checked Box A on page 1; or

(b) a “non-member owner”, if you checked Box B on page 1.

### When addendum takes effect

**2(1)** Subject to subsection (2), this addendum takes effect

(a) 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

(b) 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

(a) to enforce a maintenance order against you; or

(b) 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

(a) warrants that it is registered, as required by the regulation, in relation to LIF contracts; and

(b) 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:

(a) the amounts of any transfers to, or transfers from, the LIF during the previous year;

(b) the income and gains, net of losses, earned by the LIF during the previous year;

(c) the amounts paid to you out of the LIF in the previous year;

- (d) the amount and nature of any fees charged to the LIF during the previous year;
- (e) the LIF account balances at the beginning and at the end of the previous year;
- (f) the minimum amount that must be paid to you out of the LIF during the current year;
- (g) 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;
- (h) 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

- (a) to you, if you are transferring the amount to another vehicle;
- (b) 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
- (c) 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) a pension plan under one of the following provisions of the Act:
  - (i) if you are a member-owner, subsection 21(13.1) (transfer to LIF after ceasing active membership), or
  - (ii) 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);
- (b) another LIF or a LIRA to which no amount has been transferred or contributed other than Manitoba locked-in money;
- (c) a VB account;
- (d) an RRSP to which no amount has been transferred or contributed other than Manitoba locked-in money; or
- (e) a pooled registered pension plan.

**Permitted transfers to other vehicle**

**11** An amount may be transferred from this LIF only to

- (a) another LIF;
- (b) a pension plan;
- (c) a VB account;
- (d) a LIRA;
- (e) a prescribed RRIF;
- (f) an insurer to purchase a life annuity contract; or
- (g) a pooled registered pension plan.

**Restriction against splitting LIF**

**12** You may not transfer an amount from this LIF if

- (a) as a result of the transfer, the amount transferred or the amount remaining in this LIF would be eligible for withdrawal under Division 6 of Part 10 (commutation of small pension and withdrawals from small LIRAs and LIFs); or
- (b) in the same calendar year, you have made one or more withdrawals from this LIF under Division 12 of Part 10 (withdrawals from prescribed plan due to financial hardship).

**Issuer's duties when transferring to another vehicle**

**13(1)** Before transferring an amount from the LIF to another vehicle, the Issuer must

- (a) be satisfied that
  - (i) 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,
  - (ii) in the case of a transfer to a pension plan or pooled registered pension plan, the transfer is permitted by the terms of the plan, or
  - (iii) in the case of a transfer to an insurer, the transferred amount will be used only to purchase a life annuity contract;
- (b) advise the issuer or administrator of the other vehicle that the amount being transferred is Manitoba locked-in money,
- (c) be satisfied that the issuer has ascertained that receiving financial institution, pension plan administrator or pooled registered pension plan administrator will treat the money as Manitoba locked-in money,
- (d) 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;
- (e) 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
- (f) 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 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

- (a) not less than the minimum amount that the *Income Tax Act* (Canada) requires you to be paid; and
- (b) 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 or VB account. 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 or VB account.

### 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:

- (a) the amount determined by the following formula:

$$\text{Maximum amount} = F \times (B + T)$$

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, a PRPP account or a VB account;

- (b) the total of

- (i) the income and gains, net of losses, earned in the LIF in the immediately preceding year, and

- (ii) 6% of all amounts transferred to the LIF during the current year, other than amounts transferred directly or indirectly from another LIF, a PRPP account 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);

B<sub>1</sub> is the LIF balance at the beginning of year;

B<sub>2</sub> is the reference balance as at the beginning of the year, calculated as

- (a) the reference balance as at the beginning of the previous year, minus M, plus

- (b) 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

- (a) 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
- (b) 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

- (a) you are a member-owner;
- (b) 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
- (c) the Issuer has not received a death benefit waiver signed 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) a waiver under section 20;

- (b) 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
- (c) 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 all or part of the balance of your LIF in the following circumstances:

- (a) 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);
- (b) the total of the Manitoba locked-in money in all your LIFs and LIRAs, 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);
- (c) you have a shortened life expectancy of less than two years (see Division 7 of Part 10 of the regulation);
- (d) 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);
- (e) you have reached the age of 65 years and make an application to withdraw the full balance of your LIF (see Division 11 of Part 10 of the regulation);
- (f) you are eligible to make a withdrawal based on financial hardship (see Division 12 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.

Life Income Fund (Manitoba LIF) Addendum, October 2021

**TABLE  
SCHEDULE TO MANITOBA 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%
<b>under 55</b>	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
<b>55</b>	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
<b>56</b>	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
<b>57</b>	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
<b>58</b>	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
<b>59</b>	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
<b>60</b>	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
<b>61</b>	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
<b>62</b>	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
<b>63</b>	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
<b>64</b>	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
<b>65</b>	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
<b>66</b>	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
<b>67</b>	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
<b>68</b>	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
<b>69</b>	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
<b>70</b>	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
<b>71</b>	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
<b>72</b>	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
<b>73</b>	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
<b>74</b>	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
<b>75</b>	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
<b>76</b>	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
<b>77</b>	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
<b>78</b>	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

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%
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

**Nova Scotia LIF Addendum to the Trust Agreement Retirement Income Fund**  
**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.

**Definitions for this Schedule**

**1** In this Schedule,

“Act” means the *Pension Benefits Act*;

“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*;

“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;

“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;

“regulations” means the Pension Benefits Regulations made under the Act;

“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;

“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;

“Superintendent” means the Superintendent of Pensions, as defined in the Act.

**Fiscal year of LIFs**

**2(1)** In this Schedule, “fiscal year” means the fiscal year of a LIF.

**2(2)** A fiscal year must end on December 31 and must not be longer than 12 months.

**Reference rate criteria**

**3** 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.

**Periodic payments of income out of LIFs**

**4(1)** An owner must be paid an income from their LIF, the amount of which may vary, annually.

**4(2)** Income payments from a LIF must begin no earlier than

- 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
- 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.

**4(3)** Income payments from a LIF must begin no later than the end of a LIF's 2nd fiscal year.

**Amount of income payments from LIFs**

**5(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.

**5(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.

**5(3)** The owner's notice required by subsection (2) must be given either

- except as provided in subsection (5), at the beginning of the fiscal year;
- at a time agreed to by the financial institution providing the LIF.

**5(4)** The owner's notice required by subsection (2) expires at the end of the fiscal year to which it relates.

**5(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.

**Minimum annual LIF withdrawal**

**6(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.

**6(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.

**Pro-rating amount of withdrawal if initial fiscal year less than 12 months**

**7** 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.

**Maximum annual life income from LIF that does not provide for temporary income**

**8** 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:

$$\text{maximum payable} = F * B$$

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.

**Withdrawal of temporary income from LIFs**

**9(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.

**9(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.

**9(3)** Temporary income must not be paid under a LIF

- before the owner is 55 years old; and
- after the end of the year in which the owner turns 65 years old.

**9(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.

**Maximum temporary income for fiscal year**

**10(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:

- 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 bridging benefits and other periodic income paid to the owner from a pension plan or annuity or from temporary income from other LIFs for that fiscal year;

- (b) the amount calculated by the following formula:

$F * B * D$  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.

**10(2)** If the amount determined under clause (l)(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 (l)(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.

#### **Maximum life income withdrawal from LIFs**

**11** 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:

maximum payable =  $(F * B) - (Y \div D)$

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.

#### **Maximum annual income payable if financial institution guarantees rate of return of LIFs**

**12(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.

**12(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:

maximum income =  $(I * B) \div RB$

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).

**12(3)** For the formula in clause (2)(b), the reference balance ("RB") must be calculated by the following formula:

$RB = (PRB - I) + ((PRB - I) * RR/100)$

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.

#### **Income in excess of maximum**

**13** 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.

#### **Information to be provided annually by financial institution**

**14** 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.

#### **Transferring assets from LIFs**

**15(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, if permitted under the federal *Income Tax Act*; or
- (b) to purchase an immediate life annuity;

**15(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.

**15(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.

**15(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.

**15(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.

**15(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.

#### **Information to be provided by financial institution on transfer of balance of LIFs**

**16** 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.

#### **Information to be provided upon transfer of additional amounts to LIFs**

**17** 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.

#### **Death benefits**

**18(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.

**18(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.

**18(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.

**18(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.

**18(5)** A spouse who, as of the date the owner of the LIF dies, is living separate and apart from the owner without a reasonable prospect of resuming cohabitation 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 terms of a written agreement respecting the division of the LIF entered into before the date of the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIF;
- (c) the terms of a court order issued before the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIF.

**18(6)** The benefit described in subsection (1) may be transferred to an RRSP or a RRIF in accordance with the federal *Income Tax Act*.

#### **Waiver of entitlement to death benefits by spouse**

**19(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.  
**19(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.

**Information to be provided by financial institution on death of owner**

**20** 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(l) of this Schedule.

**Schedule 5: Life Income Fund - Factor F  
(Pension Benefits Regulations)**

Note: This document is Schedule 5 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.

This table is used to determine the factor (F) in the formulas in Sections 8, 10 and 11 of Schedule 4: Nova Scotia LIF Addendum. The reference rate in the column heading is as defined in Section 3 of Schedule 4: Nova Scotia LIF Addendum.

<b>Under 55</b>	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
<b>55</b>	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
<b>56</b>	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
<b>57</b>	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
<b>58</b>	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
<b>59</b>	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
<b>60</b>	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
<b>61</b>	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
<b>62</b>	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
<b>63</b>	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
<b>64</b>	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
<b>65</b>	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
<b>66</b>	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
<b>67</b>	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
<b>68</b>	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
<b>69</b>	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
<b>70</b>	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
<b>71</b>	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
<b>72</b>	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
<b>73</b>	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
<b>74</b>	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
<b>75</b>	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
<b>76</b>	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
<b>77</b>	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
<b>78</b>	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
<b>79</b>	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
<b>80</b>	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
<b>81</b>	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
<b>82</b>	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
<b>83</b>	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
<b>84</b>	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
<b>85</b>	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
<b>86</b>	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
<b>87</b>	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
<b>88 or over</b>	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

**Schedule 6: Life Income Fund - Temporary Income Factor D  
(Pension Benefits Regulations)**

Note: This document is Schedule 6 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.

This table is used to determine the temporary income factor (D) in the formula in Sections 10 and 11 of Schedule 4: Nova Scotia LIF Addendum.

<b>Age</b>	<b>Temporary Income Factor D</b>
<b>Under 54</b>	1
<b>54</b>	1.691
<b>55</b>	1.706
<b>56</b>	1.804
<b>57</b>	1.953
<b>58</b>	2.151
<b>59</b>	2.379
<b>60</b>	2.705
<b>61</b>	3.202
<b>62</b>	4.090
<b>63</b>	5.811
<b>64</b>	10.989
<b>65 or over</b>	1

**British Columbia Life Income Fund Addendum**

**SCHEDULE 2**

**(section 116)**

**PENSION BENEFITS STANDARDS REGULATION LIFE INCOME FUND ADDENDUM**

**PART 1 - DEFINITIONS AND INTERPRETATION**

**Definitions and interpretation**

**1(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,

(c) and 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 VI22487 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
- (c) 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.

**1(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.

**1(3)** Terms used in this addendum that are not defined in subsection 1(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**

### **Limitation on deposits to this life income fund**

**2(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
  - (i) this life income fund is owned by a member owner, or
  - (ii) 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(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.

**2(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.

### **Payment of retirement income**

**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).

**3(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(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).

**3(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).

**3(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.

### **Limitation on payments and transfers from this life income fund**

**4(1)** Money in this life income fund, including investment earnings, is for use in the provision of retirement income.

**4(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.

**4(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(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 for 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 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).

### **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 made, at the option of the life income fund issuer and with the consent of the owner, by the transfer of those securities.

**6(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.

### **Retirement income from annuity**

**7(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.

**7(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**

### **Payment on death of member owner**

**8(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.

**8(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.

**8(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.

### **Payment on death of spouse owner**

**9(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.

**9(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**

### **Lump-sum payment of small account balance**

**10(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.

**10(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.

### **No splitting of contract**

**11** 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 anyone 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.

### **Shortened life**

**12(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.

**12(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.

### **Non-residency for tax purposes**

**13(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.

**13(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.

### **Financial hardship**

**14(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.

**14(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.

## **Information for Education savings plan subscribers**

### **Plan agreement**

Throughout this agreement, the terms "I", "me", "my", "we", "us", and "our" mean the Canada Life Mutual Funds and Canada Life Pathways funds education savings plan subscriber(s). In consideration of Quadrus accepting this plan, I agree that:

- (a) I hereby appoint my investment representative as my agent for purposes of passing my instructions with respect to investments held in my plan on to Quadrus, my dealer, to be delivered to the appropriate mutual fund management companies.
- (b) Quadrus will be responsible for trade execution, trade settlement, custody of cash and securities, and the issuance of confirmations and statements. Quadrus will be responsible for determining suitability and ensuring appropriate supervision is performed for all trading activity in my plan.
- (c) Quadrus has the right to reject any of my instructions, or to sell any securities in my plan, for legal, regulatory or eligibility reasons.
- (d) I acknowledge that I am responsible for all trades placed by Quadrus or my investment representative on my behalf, and I must pay for the trade at the time the trade is placed.
- (e) I am responsible for all charges payable in respect of all trades.
- (f) I will pay Quadrus all amounts owing to Quadrus and any fees as outlined in the Canada Life Mutual Funds and Canada Life Pathways funds education savings plan application. In addition, Quadrus can sell securities in this plan or otherwise deduct from this plan all amounts owing to Quadrus in respect of this plan or any other of my plans at Quadrus.
- (g) In the absence of clear initial investment instructions for new deposits, Quadrus will place funds to be invested into a money market fund and my investment representative of Quadrus will contact me for clarification. Once clarification is provided, Quadrus will process the investment instructions promptly, effective as of the date of processing.
- (h) I will notify Quadrus in writing about any errors or omissions within the time limits specified on confirmations, statements or other notices.
- (i) For all plans, I will provide any additional documentation as reasonably requested by Quadrus.
- (j) Quadrus has the right to use banking information to verify my identity.
- (k) I will advise Quadrus of any changes to this plan in writing.
- (l) Quadrus may, from time to time, amend the terms of this Agreement, including introducing a new fee or increasing the fees outlined in the

- Quadrus education savings plan application, after giving me no less than 60 days notice of the new or increased fee.
- (m) All transactions in this plan are subject to the rules and regulations of the securities industry, as applicable, and the laws of my province of residence as set out in the application.
  - (n) In the Canada Life Mutual Funds and Canada Life Pathways funds education savings plan application and agreement, all singular references are deemed to be in the plural, as applicable.

**The following additional terms apply only to accounts held jointly:**

- (o) The account is owned jointly by those persons signing the Canada Life Mutual Funds and Canada Life Pathways funds education savings plan application.
- (p) We are jointly and severally liable to Quadrus for any debts, liabilities and obligations arising in connection with the plan.
- (q) Quadrus may, without consulting any of the other plan subscriber(s), act on orders for the plan submitted by any one of us, including authorization to receive confirmations, statements or other information and to buy, sell, deposit, withdraw, transfer, deliver and/or receive any and all plan eligible securities and/or funds.
- (r) All confirmations, statements, or other notices from Quadrus will be mailed to the primary subscriber's address or to the mailing address if one is provided. All such correspondence will then be considered to have been mailed to both plan subscribers.
- (s) On the death of either one of us, the remaining plan subscriber agrees to immediately advise Quadrus, and to provide such documentation as may reasonably be requested. Quadrus reserves the right to restrict the plan, as deemed necessary, for tax, liability or legal reasons, under any present or future law.
- (t) The deceased's estate and the surviving plan subscriber continue to be jointly and severally liable for debts, liabilities and obligations resulting from transactions initiated prior to Quadrus receiving written notice of death, or incurred in liquidating the account or adjusting the interests of the surviving plan subscriber.

**Canada Life Mutual Funds™ and Canada Life Pathways™ funds Individual Education Savings Plan Terms and Conditions**

Quadrus Investment Services Ltd. ("Quadrus" and the "Promoter") who is incorporated under the laws of Canada, B2B Trustco (the "Trustee") who is incorporated under the laws of Canada (the Promoter and the Trustee are collectively referred to in this contract as "we" and "us", both of which are authorized to carry on business in Canada) and you, the person named as subscriber in the attached application form (the "Application") or the two individuals so named as joint subscribers if you are spouses or common law partners of each other as recognized by the *Income Tax Act* (Canada) (the "Tax Act"), agree to establish a Canada Life Mutual Funds and Canada Life Pathways funds Individual Education Savings Plan (the "Plan") on the following terms and conditions.

**1. Other Defined Terms.** In this contract

- (a) "Accumulated Income Payment" means any amount paid from the Plan to the extent that the amount exceeds the fair market value of any Contributions to the Plan but does not include an Educational Assistance Payment, a refund of Contributions, a Grant repayment or related amounts, a payment to or to a trust in favour of a Designated Educational Institution or a transfer to another RESP.
- (b) "Beneficiary" means the individual validly designated by you as the beneficiary under the Plan entitled to receive payments from the Plan to further his or her education at the post-secondary school level.
- (c) "CESA" means the *Canada Education Savings Act* and the regulations thereunder, as amended.
- (d) "Contribution" to an education savings plan does not include an amount paid into the plan under or because of
  - (i) the *Canada Education Savings Act* or a designated provincial program, or
  - (ii) any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by the province (other than an amount paid by a public primary caregiver in its capacity as subscriber under the plan).
- (e) "CRA" means the Canada Revenue Agency.
- (f) "Dealer" means an individual or entity acting (or representing that it acts) in connection with the Plan as your investment advisor, broker or dealer, or on behalf of your investment advisor, broker or dealer.
- (g) "Designated Educational Institution" means an educational institution in Canada that is a university, college or other educational institution designated by the Lieutenant Governor in Council of a province as a specified educational institution under the *Canada Student Loans Act*, designated by an appropriate authority under the *Canada Student Financial Assistance Act*, or designated by the Minister of Education of the Province of Quebec for the purposes of An Act respecting financial assistance for education expenses.
- (h) "Disability" means a severe and prolonged disability of the Beneficiary, certification of which has been or will be provided to the CRA as required under the Tax Act in respect of the calendar year that ends in the 31st year following the year in which the Plan was established or deemed to be established.
- (i) "Educational Assistance Payments" means any amount, other than a refund of Contributions, paid from the Plan to or for the Beneficiary to assist the Beneficiary to further his or her education at the post-secondary school level.
- (j) "Grant" means an amount paid or payable to the Plan under: (i) the CESA, (ii) a provincial program administered under the CESA, (iii) a designated provincial program, as defined under the Tax Act, or (iv) Part III.1 of the *Department of Human Resources Development Act* (Canada) as it read immediately before the coming into force of the CESA.
- (k) "Post-Secondary Educational Institution" means:
  - (i) an educational institution in Canada that is:
    - 1. a Designated Educational Institution; or
    - 2. certified by the Minister of Employment and Social Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person's skills in an occupation, or
  - (ii) an educational institution outside Canada that provides courses at a post-secondary school level and that is:
    - 1. a university, college or other educational institution at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks, or
    - 2. a university at which a beneficiary was enrolled on a full-time basis in a course of not less than 3 consecutive weeks
- (l) "Promoter" means Quadrus Investment Services Ltd. or any successor Promoter. Quadrus has appointed Mackenzie Financial Corporation as its agent, pursuant to section 25 of these Terms and Conditions, for the purposes of carrying out all administrative and other duties of the promoter on its behalf. Canada Life Investment Management Ltd. is the provider of the mutual funds – Canada Life Mutual Funds and Canada Life Pathways funds – available under this Plan.

- (m) "Public Primary Caregiver" of a Beneficiary in respect of whom a special allowance is payable under the *Children's Special Allowances Act*, means the department, agency or institution that maintains the Beneficiary or the public trustee or public curator of the province or territory in which the Beneficiary resides.
  - (n) "Qualifying Educational Program" means a program at a post-secondary school level of not less than three consecutive weeks in duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program.
  - (o) "RDSP" or "Registered Disability Savings Plan" is a disability savings plan that satisfies the conditions in subsection 146.4(2) of the Tax Act, but does not include one to which subsection 146.4(3) or (10) applies.
  - (p) "RESP" means an education savings plan that has been and, at the relevant time is, registered under the Tax Act.
  - (q) "Specified Educational Program" means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student taking the program to spend not less than 12 hours per month on courses in the program.
  - (r) "Subscriber" at any time means:
    - (i) each individual or the public primary caregiver with whom the promoter of the plan enters into the plan,
    - (ii) another individual or another public primary caregiver who has before that time, under a written agreement, acquired a public primary caregiver's rights as a subscriber under the plan,
    - (iii) an individual who has before that time acquired a subscriber's rights under the plan pursuant to a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between the individual and a subscriber under the plan in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership, or
    - (iv) after the death of an individual described in any of paragraphs (i) to (iii), any other person (including the estate of the deceased individual) who acquires the individual's rights as a subscriber under the plan or who makes contributions into the plan in respect of a beneficiary but who does not include an individual or a public primary caregiver whose rights as a subscriber under the plan had, before that time, been acquired by an individual or public primary caregiver in the circumstances described in paragraph (ii) or (iii).
  - (s) "Trustee" means B2B Trustco or any successor Trustee appointed pursuant to section 30.
2. **Acceptance and Registration.** If the Trustee agrees to act as trustee of the Plan, the Promoter will apply to register the Plan under the Tax Act as an RESP after you have provided the Promoter with all information required by the Tax Act including, if applicable, the social insurance number of the Beneficiary. You will be bound by the terms and conditions imposed on the Plan by all applicable legislation. If the Trustee declines to act as trustee, you or a Dealer will be notified and any amounts received by the Trustee as a Contribution, transfer or Grant will be returned.
  3. **Purpose.** The Trustee will irrevocably hold all Contributions, transfers and Grants accepted by us for the Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the primary purpose of paying Educational Assistance Payments to the Beneficiary and for one or more of the following secondary purposes: paying Accumulated Income Payments; refunding Contributions; repaying Grants and paying amounts related to those repayments; paying to or to a trust in favour of a Designated Educational Institution; and transferring to another RESP.
  4. **Dealer.** You acknowledge that a Dealer is your agent and, when acting (or representing that it acts) as a Dealer, is not our agent. We are entitled to accept and act on any notice, authorization or other communication that we believe in good faith to be given by you or a Dealer. We are under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
  5. **Your Responsibility.** You are responsible for:
    - (a) selecting investments for the Plan and assessing the merits of those investments, obtaining appropriate advice in respect of these matters or authorizing a Dealer to do these things on your behalf;
    - (b) ensuring that Contributions to the Plan do not exceed the maximum Contribution limits permitted by the Tax Act;
    - (c) the truth and accuracy of the information provided by you or a Dealer to us and for notifying us of any change in the information provided;
    - (d) providing the information and documentation required to apply for and administer the Grants;
    - (e) ensuring that the investments held in the Plan are at all times qualified investments for the Plan under the Tax Act and immediately notifying us if an investment held in the Plan is or becomes a non-qualified investment for the Plan under the Tax Act except to the extent the Promoter will exercise care, diligence and skill of reasonably prudent person to minimize the possibility the RESP holds a non-qualified investment as outlined in section 6(k). Other than as stated here and in section 6(k) it will be your responsibility to determine whether any investment is or remains as a qualified investment within the meaning the Tax Act ; and
    - (f) paying any tax on excess Contributions to the Plan and requesting a refund of any excess Contributions.
 You acknowledge and accept sole responsibility for these matters (except to the extent described in section 5(e) and section 6(k)) and undertake to act in the best interest of the Plan. You confirm that we are not responsible for any of these matters or for any loss in the value of the Plan. You acknowledge that a Dealer or any other person from whom you obtain investment, tax or other advice is your agent and when acting (or representing that it acts) as a Dealer or your advisor is not our agent or the agent of any of our affiliates.
  6. **Promoter's Responsibilities.** The Promoter will:
    - (a) apply to register the Plan as an RESP under the Tax Act;
    - (b) receive Contributions to the Plan;
    - (c) apply for Grants as agent of the Trustee on behalf of the Plan;
    - (d) invest and reinvest the assets of the Plan according to your instructions;
    - (e) provide you with the statements of the account;
    - (f) provide you and any Beneficiary with information or notice as required by the CESA or other applicable legislation;
    - (g) receive from you any change in a Beneficiary, a Designated Educational Institution or any other matter which requires notification by you to the Promoter or the Trustee according to the provisions of this contract;
    - (h) make payments from the Plan pursuant to the provisions of this contract;
    - (i) to the extent required, deal with the appropriate taxation authorities in connection with the Plan or any amendment of the provisions of this contract;
    - (j) ensure compliance with all relevant provisions of the CESA and other applicable legislation relating to Grants; and
    - (k) exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the account holds a non-qualified investment (as defined under the Tax Act) for a RESP. The Trustee will notify the Planholder in accordance with the Act if an investment that is a non-qualified investment has been acquired or disposed of by the Plan or if an existing investment of the Plan has become or ceased to be a non-qualified investment. However, if the account acquires an investment that is a non-qualified investment or becomes a



non-qualified investment for a RESP it is the responsibility of the Subscriber to file an income tax return and pay the applicable tax under Part XI.01 of the Act; and

(l) perform such other duties as the Promoter and the Trustee from time to time considers appropriate.

Pursuant to administrative requirements of the CRA, Quadrus is ultimately responsible for the administration of the Plan. Pursuant to this contract, as between the Promoter and you, you acknowledge that the foregoing does not detract from your duties and responsibilities under the Plan. This means, for example, that we are not authorized to select investments for the Plan and will not assess the merits of any investment selected by you or a Dealer. We are not responsible for providing any investment, tax or other advice to you or a Dealer; nor are we responsible for any advice that you obtain from a Dealer or any other source. Notwithstanding any other provision of this contract, we will not be liable for any loss or penalty suffered as a result of any act done by us in reliance of your authority, the authority of a Dealer or the authority of your agent or legal representatives. We are under no obligation to verify that any person is properly authorized to act as your Dealer, agent or legal representative or is otherwise authorized to act on your behalf.

7. **Beneficiary Designation.** The individual designated on the Application as the beneficiary under the Plan will be the initial Beneficiary if he or she is a Canadian resident for the purposes of the Tax Act or, where no Contribution will be made to the Plan other than a transfer from another RESP, the individual was the beneficiary under the other RESP immediately before the transfer. There must be one Beneficiary at all times and there may not be more than one Beneficiary at any time. You may change the designation of the beneficiary under the Plan by providing notice to the Promoter provided that:

- (a) the individual being designated as the new Beneficiary is a Canadian resident for the purposes of the Tax Act;
- (b) if the individual being designated as the new Beneficiary has a Disability, the designation is made before the end of the 35<sup>th</sup> year following the year in which the Plan was established or deemed to be established; and
- (c) you have provided the Promoter with all information and documentation relating to you, the individual and the individual's parents or guardians as may reasonably be requested by the Promoter in connection with the administration of the Plan and the application for a Grant on behalf of the Plan, which information will include but may not be limited to:
  - (i) the gender, birth date, social insurance number and residential address of the individual designated as Beneficiary;
  - (ii) the relationship of the individual to you;
  - (iii) whether the individual has a Disability; and
  - (iv) if the individual is under 19 years of age and ordinarily lives with a parent (as defined in the Tax Act) or is maintained by a Public Primary Caregiver, the name and residential address of the parent or Public Primary Caregiver.

Within 90 days after an individual becomes the Beneficiary, the Promoter will notify the individual of the existence of the Plan, your name and your address, unless the Beneficiary is under 19 years of age and ordinarily lives with a parent or is maintained by a Public Primary Caregiver, in which case notice will be provided to the parent or Public Primary Caregiver, as applicable.

8. **Designation of Educational Institution.** You may designate a Designated Educational Institution as the institution entitled to receive payments from the Plan. You may make, change or revoke the Designated Educational Institution by providing notice to the Promoter.

9. **Contributions and Transfers to the Plan.** You or a person on your behalf may make Contributions to the Plan in respect of the Beneficiary, provided that:

- (a) the Beneficiary is a Canadian resident for the purposes of the Tax Act;
- (b) the Promoter has been provided with the social insurance number of the Beneficiary at the time of or before the Contribution is made;
- (c) the amount of the Contribution is not less than the minimum limit established by the Promoter from time to time and does not cause the RESP lifetime limit under the Tax Act to be exceeded;
- (d) the Contribution is not made after the 31<sup>st</sup> year following the year in which the Plan was established or deemed to be established unless the Beneficiary has a Disability and the Plan is a specified plan, as defined under the Act, in which case the Contribution is made before the end of the 35<sup>th</sup> year following the year in which the Plan was established or deemed to be established; and
- (e) the Contribution is not prohibited by this contract or the Tax Act.

Any Contribution to the Plan made in respect of a former beneficiary under the Plan will be considered to have been made in respect of the current Beneficiary. Any amount may be transferred to the Plan from another RESP that has never made an Accumulated Income Payment. Contributions transferred to the Plan shall be considered to have been made on your behalf in respect of the Beneficiary. If the other RESP was established before the Plan, the Plan will be deemed to be established on the day the other RESP was established or deemed to be established. Grants received by the Plan, whether directly from a government or by way of transfer from another RESP, shall not be considered to be a Contribution to the Plan.

10. **Grants.** The Promoter will apply for a Grant for the benefit of the Beneficiary at any time the Beneficiary is eligible for the Grant and the Promoter is eligible to apply for the Grant, after the Promoter receives:

- (a) your instructions to apply for the Grant;
- (b) satisfactory evidence that the Beneficiary is eligible for the Grant; and
- (c) any information or document that the Promoter or a government authority may require in connection with the Grant application. A payment will be made from the Plan as a Grant repayment in circumstances required by the CESA or other applicable legislation. The Plan will comply with all relevant conditions and limitations imposed on it by the CESA or other applicable legislation in connection with the Grants.

11. **Investments.** We may accept and act on any investment instructions that we believe in good faith to be given by you or a Dealer. The assets of the Plan will be invested and reinvested from time to time according to your investment instructions or those of a Dealer in securities of the Canada Life Mutual Funds and Canada Life Pathways funds. We are not authorized to select investments for the Plan and will not assess the merits of the investments selected by you or a Dealer. In the absence of satisfactory investment instructions, cash received by us in connection with the Plan will be converted into the currency denomination of the Plan and invested in units of a money market fund. If it is necessary for cash or other assets held in the Plan to be converted to another currency, the Trustee, its affiliate, its agent or a person engaged by it may act as principal on the Trustee's or its own behalf and not on your behalf to convert the currency at the rate established by the Trustee for the relevant conversion date. In addition to commissions that may be charged for this service, any revenue earned by the Trustee or other service provider based on the difference between the applicable bid/ask rates and the cost of currency will be for the account of the Trustee or the account of the other service provider.

12. **Borrowing.** The Plan may not borrow money, unless: (a) the money is borrowed for a term of 90 days or less; (b) the money is not borrowed as part of a series of loans or other transactions and repayments; (c) no assets of the Plan are used as security for the borrowed money; and (d) we consent to the borrowing.

13. **Transfers from the Plan.** All or part of the assets of the Plan will be transferred (less all proper charges) from the Plan to the issuer or agent of the issuer of another RESP provided that:
- the Promoter received satisfactory instructions from you or a Dealer;
  - no Accumulated Income Payment has been made to you or on your behalf from the Plan; and
  - sufficient assets of the Plan may be withheld until the Promoter determines the portion, if any, of the Grants received by the Plan that must be repaid to a governmental authority.
- If the Promoter receives instructions to transfer less than all of the assets of the Plan, it may request instructions to transfer all the assets of the Plan and may delay the transfer until after it receives the requested instructions. If the requested instructions are not received within 30 days of request or if the issuer of the recipient RESP refuses to accept the transfer of any assets of the Plan, the Plan may, at the option of the Promoter, be terminated. We will make an effort to provide the issuer of the other RESP with all relevant information in our possession. The Promoter will make an effort to sell or transfer specific investments of the Plan to effect the transfer as instructed by you or a Dealer. In the absence of satisfactory instructions, the Promoter may sell or transfer any investments of the Plan selected by it to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Tax Act, the CESA, other applicable legislation and the terms and conditions of the investments of the Plan.
14. **Educational Assistance Payments.** One or more payments will be made (less all proper charges) from the Plan to or for the Beneficiary as an Educational Assistance Payment, provided that the Promoter received satisfactory instructions from you or a Dealer and at the time a payment is made:
- the Beneficiary is enrolled as a student in a Qualifying Educational Program at a Post-Secondary Educational Institution and, either: (i) was so enrolled for at least 13 consecutive weeks in the immediately previous 12-month period, or (ii) the total of the payment plus all other educational assistance payments made to or for the Beneficiary during the immediately previous 12-month period from RESPs administered by the Promoter do not exceed \$5,000 (or a greater amount that the authority administering the CESA approves in writing with respect to the Beneficiary); or
  - the Beneficiary is at least 16 years old and is enrolled as a student in a Specified Educational Program at a Post Secondary Educational Institution and the total of the payment plus all other educational assistance payments made to or for the Beneficiary during the immediately previous 13-week period from RESPs administered by the Promoter do not exceed \$2,500 (or a greater amount that the authority administering the CESA approves in writing with respect to the Beneficiary).
- In addition, payments will be made to or for the Beneficiary as an Educational Assistance Payment during the six month period following the time when the Beneficiary ceased to be enrolled as a student in a Qualifying Educational Program or a Specified Educational Program provided that the Promoter received satisfactory instructions from you or a Dealer and the other requirements of this paragraph would have been satisfied had the payment been made immediately before the Beneficiary ceased to be so enrolled. Unless otherwise instructed by you or a Dealer, a payment will be made, first, out of the net accumulated income (including capital appreciation) of the Plan and, to the extent permitted or required by the CESA or other applicable legislation, Grants received by the Plan and, second, as a refund of Contributions. The amount and frequency of the payments will be subject to the limitations imposed by the Tax Act, the CESA and other applicable legislation.
15. **Refund of Contributions.** One or more payments will be made (less all proper charges) from the Plan to you or a person designated by you as a refund of Contributions provided that:
- the Promoter received satisfactory instructions from you or a Dealer;
  - the amount of the payment together with any previous refund of Contributions does not exceed the total amount of Contributions made by you or on your behalf to the Plan; and
  - the assets remaining in the Plan have a value equal to or greater than any Grant received by the Plan that has not previously been paid from the RESP and any expenses of the Plan (including any expenses that would be incurred upon liquidation of the investment of the Plan and repayment of any Grant).
16. **Accumulated Income Payments.** One or more payments will be made (less all proper charges) from the Plan to you or on your behalf as Accumulated Income Payments provided that:
- the Promoter received satisfactory instructions from you or a Dealer;
  - you are a Canadian resident for the purposes of the Tax Act;
  - the payment is not made jointly to, or on behalf of, more than one subscriber under the Plan;
  - any one of the following:
    - unless the CRA has waived the application of this condition in respect of the Plan, the payment is made after the 9<sup>th</sup> year following the year in which the Plan was established or deemed to be established and each individual who is or was a Beneficiary is at least 21 years old and is not entitled to an Educational Assistance Payment or is deceased;
    - the payment is made in the year the Plan must be terminated; or
    - each individual who was a Beneficiary is deceased.
- The Plan will be terminated before March of the year following the first Accumulated Income Payment.
17. **Payments to Designated Educational Institution.** One or more payments will be made (less all proper charges) from the Plan to or to a trust in favour of the Designated Educational Institution designated by you but only to the extent permitted by the Tax Act, the CESA and other applicable legislation and provided that the Promoter received satisfactory instructions from you or a Dealer and the Beneficiary is deceased or ineligible to receive Educational Assistance Payments.
18. **Accumulated income payments to the Beneficiary's RDSP.** The subscriber and the holder of an RDSP for the Beneficiary may jointly elect in writing to have an Accumulated Income Payment under the RESP be made to the Beneficiary's RDSP, but only if, at the time the election is made the election contains the information prescribed by the Tax Act and:
- the Beneficiary has a severe and prolonged mental impairment that prevents or can reasonably be expected to prevent, the Beneficiary from enrolling in a Qualifying Educational Program at a Post-Secondary Educational Institution; or
  - the payment is made after the 9<sup>th</sup> year that follows the year in which the Plan was entered into and each current or former Beneficiary under the Plan has attained 21 years of age before the payment is made and is not, when the payment is made, eligible to receive an Educational Assistance Payment; or
  - the payment is made in the year of the Plan Termination Date.
19. **Payments from the Plan.** Before each payment is made from the Plan, you may be required to provide information and evidence satisfactory to the Promoter confirming that the payment is permitted under this contract, the Tax Act, the CESA and other applicable legislation. The

decision of the Promoter as to whether a payment is permitted will be final and binding on you and the Beneficiary. In the absence of satisfactory instructions from you or a Dealer, the Promoter may sell or transfer investments of the Plan selected by it for the purpose of making a payment from the Plan and will not be liable for any resulting loss. Payments from the Plan will be made net of all proper charges including tax required to be withheld and expenses incurred by the Plan upon the sale or transfer of investments. If the Plan does not have sufficient cash to pay these charges, we will be entitled to require you to pay these charges. We may impose any other reasonable requirements and conditions in respect of payments from the Plan. A payment from the Plan will be deemed to have been made when: (a) a cheque payable to the recipient is mailed in a postage pre-paid envelope addressed to the recipient at the last known address for the recipient; or (b) an amount is electronically transferred to the credit of a bank account for the recipient.

20. **Termination of the Plan.** All of the assets of the Plan must be paid from the Plan in accordance with this contract on or before December 31 of the 35<sup>th</sup> year following the year in which the Plan was established or deemed to be established unless the Beneficiary has a Disability and the Plan is a specified plan, as defined under the Act, in which case the assets of the Plan must be paid from the Plan in accordance with this contract on or before December 31 of the 40<sup>th</sup> year following the year in which the Plan was established or deemed to be established. If the value of the Plan is less than \$500, we may terminate the Plan. Unless we receive satisfactory instructions from you before the termination of the Plan, the maximum amount permitted by the Tax Act and the CESA will be paid to you less all proper charges. Any assets remaining in the Plan will be paid to the Designated Educational Institution last designated by you or in the absence of a designation, to a Designated Educational Institution selected by Quadrus.
21. **Truth of Information and Undertaking.** You warrant that all information on the Application or subsequently provided by you, a Dealer or other person to the Promoter (whether it relates to you, a Beneficiary, a Beneficiary's parents or guardians, or another) is true and accurate and undertake to provide proof thereof if requested by us. You acknowledge that we are relying on the truth and accuracy of the information provided by you, a Dealer or other person. You undertake to provide all information and documentation relating to you, the Beneficiary and the Beneficiary's parents or guardians as may reasonably be requested by the Promoter in connection with the administration of the Plan and the application for a Grant on behalf of the Plan. You undertake to notify the Promoter of any change in the information provided by you, a Dealer or other person.
22. **Prohibition.** Except as specifically permitted under the Tax Act, no benefit, loan or indebtedness, that is conditional in any way on the existence of your Plan or other advantage within the meaning of the Tax Act may be extended to you or a person with whom you do not deal at arm's length. You may not engage in any transaction, investment (including prohibited investments), payment or transfer which is or may be an advantage, an registered plan strip or a swap transaction under Part XI.01 of the Tax Act. We will not make any payments from your Plan except those specifically permitted under the provisions of this declaration or the Tax Act or required by law. We reserve the right to prohibit any transaction, investment, payment or transfer, whether an advantage or a registered plan strip or a swap transaction under the Tax Act, or such other payment or transfer which is or may be prohibited or penalized under the Tax Act.
23. **Account and Statements.** The Promoter will maintain an account of the Plan reflecting, with appropriate dates, Contributions and transfers to the Plan; Grants received by the Plan; the description, number and cost of the investments acquired or disposed of by the Plan; and expenses, transfers, Grant repayments and other payments from the Plan. The Promoter will provide you with a statement of the account at least annually.
24. **Fees and Expenses.** The Promoter may charge you or the Plan fees as published by it from time to time. The Promoter will give you at least 30 days' notice of any change in its account fees. In addition, the Promoter is entitled to charge the Plan fees for out-of-the-ordinary services requested by you or a Dealer in connection with the Plan and is entitled to reimbursement from the Plan for all disbursements, expenses and liabilities incurred by either of us in connection with the Plan. Without limiting the generality of the foregoing, these fees, disbursements, expenses and liabilities may include: brokerage fees and commissions, custodian fees, administration fees and redemption fees incurred in connection with investments held in the Plan; investment advisory fees paid to a Dealer; legal and accounting fees; fees in connection with financial arrangements made to facilitate the conversion of currency; and taxes, interest and penalties imposed on the Plan. The Promoter is entitled to deduct the unpaid fees, disbursements, expenses and liabilities from the assets of the Plan or any other account held by you with us or any of our affiliates and for this purpose we are authorized but not obliged to realize sufficient assets of the Plan selected by the Promoter. We are not responsible for any resulting loss.
25. **Tax Imposed on you or the Plan.** If the Plan becomes liable for tax, interest or penalties under the Tax Act or provincial legislation, the Trustee may sell any investment of the Plan to pay the liability. The Trustee may, but is not obliged to, sell or otherwise dispose of any investment of the Plan to avoid or minimize the imposition of tax, interest or penalties on you or the Plan. We will not be liable for any tax, interest or penalty imposed on you or the Plan or for any loss resulting from the disposition or failure to dispose of any investment held by the Plan.
26. **Delegation of Duties.** Each of us may appoint agents (including our affiliates) and may delegate to our agents the performance of any of our duties or responsibilities under this contract including but not limited to administrative duties such as accepting Contributions to the Plan, executing investment instructions, safekeeping the assets of the Plan, account and record keeping, preparing and issuing statements and tax receipts, communicating with you, a Dealer or legal representatives and responding to your or their concerns. Each of us may employ or engage accountants, brokers, lawyers or others and we may rely on their advice and services. We will not be liable for the acts or omissions of any of our agents, advisors or service providers and will not be liable for the acts or omissions of a Dealer or any of your other agents, advisors or service providers. The Promoter may pay to the Trustee, any agent, advisor, service provider or Dealer all or part of the fees received by it under the provisions of this contract and/or a fee calculated by reference to currency converted in the Plan.
27. **Indemnity.** None of us, our officers, employees and agents will be liable for and are indemnified by you and the Plan from and against all expenses, liabilities, claims, losses, demands, taxes, interest and penalties of any nature, in respect of the Plan ("Liabilities"), including without limitations, Liabilities arising out of the holding of the assets of the Plan; the dealing with the assets of the Plan in accordance with instructions which we, our officers, employees or agents believe in good faith to be given by you or a Dealer or other agent; making financial arrangements to settle trades; and the sale, transfer or release of assets of the Plan in accordance with this contract, unless caused by or resulting from our dishonesty, bad faith, willful misconduct or gross negligence.
28. **Amendments.** From time to time, Quadrus may amend this contract with the approval of the Trustee and the CRA provided that the amendment does not disqualify the Plan as an RESP under the Tax Act. Any amendment to ensure that the Plan continues to comply with the Tax Act or other legislation will be effective without notice. Any other amendment will be effective not less than 30 days' after notice has been provided to you.
29. **Assignment by Subscriber.** If you are a Public Primary Caregiver, you may assign your interest in this contract to an individual or another

Public Primary Caregiver who has agreed in writing to acquire your interest. If you are an individual, you may assign your interest in this contract to your spouse, common law partner, former spouse or former common law partner (as recognized by the Tax Act) following a relationship breakdown to effect a division of property pursuant to marital property legislation. An assignment will not be effective until an executed copy of the assignment has been delivered to the Promoter. The assignor will have no rights or entitlements as subscriber under the Plan after the effective date of the assignment.

30. **Assignment by Quadrus.** Quadrus may assign its rights and obligations under this contract to any corporation resident in Canada, provided that the assignee corporation executes any agreement which is necessary or advisable for the purposes of assuming the rights and obligations under this contract and further provided that an assignment of this contract may not be made without prior written consent of the Trustee, which consent may not be unreasonably withheld.
31. **Successor Trustee.** The Trustee may resign and be discharged from all duties and liabilities under this contract by giving written notice to the Promoter who is initially nominated to appoint a company as successor trustee. If the company appointed by the Promoter does not accept the office of trustee under the Plan within 30 days' of being appointed, then the Promoter may nominate you to appoint a successor trustee by providing notice to you. Upon acceptance of the office of trustee of the Plan, the successor trustee will be trustee of the Plan as if it had been the original declarant of the Plan and the Plan continues in full force and effect with the successor trustee. At the time of the appointment of the successor trustee, the Trustee will be relieved of all duties and liabilities under this contract. If you are unable to appoint a successor trustee who accepts the office of trustee under the Plan within 60 days of you being nominated to appoint a successor trustee, the Plan will be terminated.
32. **Notice to you.** Any notice, request or other communication required or permitted to be given to a person by us must be in writing and will be sufficiently given if it is sent by pre-paid mail, telecopier, electronic mail or other form of electronic transmission addressed to the person at the address provided for that person on the Application or subsequently provided by you or a Dealer in a notice to us. For greater certainty, we are not responsible for verifying the accuracy or currency of any address provided to us. Any notice, request or other communication will be deemed to have been given to and received by the person on the day of mailing or transmission.
33. **Notice to us.** Except as otherwise provided in this contract, any notice, request or other communication required or permitted to be given to us by you or a Dealer must be in writing and will be sufficiently given if it is in a form satisfactory to us and is received by Quadrus by pre-paid mail, courier, or telecopier addressed to "Quadrus Investment Services Ltd." at the address for Quadrus last provided to you. We are permitted but not obliged to accept and act on any notice, request or other communication given to us by you or a Dealer by internet, electronic transmission or telephone. We may for any reason refuse to act on any notice, request or other communication given to us by you or a Dealer and we will not be responsible for any resulting loss. Any notice, request or other communication given to us will be deemed to have been given to us and received by us at the time of actual receipt by Quadrus.
34. **Heirs, Executors and Assigns.** The terms of this contract and the trust established by this contract will be binding on your heirs, executors, administrators, permitted assigns and any person who makes Contributions to the Plan in respect of the Beneficiary following your death. The terms of this contract and the trust established by this contract will be binding on our successors and assigns.
35. **Interpretation.** Words importing the singular include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders. This contract will be constructed, administered and enforced in accordance with the laws of Canada and Ontario.
36. **Individual Specimen Plan:** 1184002

Revised: January 2020

## Canada Life Mutual Funds™ and Canada Life Pathways™ funds Family Education Savings Plan Terms and Conditions

Quadrus Investment Services Ltd. ("Quadrus" and the "Promoter") who is incorporated under the laws of Canada, B2B Trustco (the "Trustee") who is incorporated under the laws of Canada (the Promoter and the Trustee are collectively referred to in this contract as "we" and "us", both of which are authorized to carry on business in Canada) and you, the person named as subscriber in the attached application form (the "Application") or the two individuals so named as joint subscribers if you are spouses or common law partners of each other as recognized by the *Income Tax Act* (Canada) (the "Tax Act"), agree to establish a Canada Life Mutual Funds and Canada Life Pathways funds Family Education Savings Plan (the "Plan") on the following terms and conditions.

1. **Other Defined Terms.** In this contract
  - (a) "Accumulated Income Payment" means any amount paid from the Plan to the extent that the amount exceeds the fair market value of any Contributions to the Plan but does not include an Educational Assistance Payment, a refund of Contributions, a Grant repayment or related amounts, a payment to or to a trust in favour of a Designated Educational Institution or a transfer to another RESP.
  - (b) "Beneficiary" means an individual validly designated by you as a beneficiary under the Plan entitled to receive payments from the Plan to further his or her education at the post-secondary school level.
  - (c) "CESA" means the *Canada Education Savings Act* and the regulations thereunder, as amended.
  - (d) "Contribution" to an education savings plan does not include an amount paid into the plan under or because of
    - (i) the *Canada Education Savings Act* or a designated provincial program, or
    - (ii) any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by the province (other than an amount paid by a public primary caregiver in its capacity as subscriber under the Plan).
  - (e) "CRA" means the Canada Revenue Agency.
  - (f) "Dealer" means an individual or entity acting (or representing that it acts) in connection with the Plan as your investment advisor, broker or dealer, or on behalf of your investment advisor, broker or dealer.
  - (g) "Designated Educational Institution" means an educational institution in Canada that is a university, college or other educational institution designated by the Lieutenant Governor in Council of a province as a specified educational institution under the *Canada Student Loans Act*, designated by an appropriate authority under the *Canada Student Financial Assistance Act*, or designated by the Minister of Education of the Province of Quebec for the purposes of An Act respecting financial assistance for education expenses.
  - (h) "Educational Assistance Payments" means any amount, other than a refund of Contributions, paid from the Plan to or for a Beneficiary to assist the Beneficiary to further his or her education at the post-secondary school level.
  - (i) "Grant" means an amount paid or payable to the Plan under: (i) the CESA, (ii) a provincial program administered under the CESA, (iii) a designated provincial program, as defined under the Tax Act, or (iv) Part III.1 of the *Department of Human Resources Development Act* (Canada) as it read immediately before the coming into force of the CESA.

- (j) "Post-Secondary Educational Institution" means:
    - (i) an educational institution in Canada that is:
      - 1. a Designated Educational Institution; or
      - 2. certified by the Minister of Employment and Social Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person's skills in an occupation, or
    - (ii) an educational institution outside Canada that provides courses at a post-secondary school level and that is:
      - 1. a university, college or other educational institution at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks, or
      - 2. a university at which a beneficiary was enrolled on a full-time basis in a course of not less than 3 consecutive weeks
  - (k) "Promoter" means Quadrus Investment Services Ltd. or any successor Promoter. Quadrus has appointed Mackenzie Financial Corporation as its agent, pursuant to section 25 of these Terms and Conditions, for the purposes of carrying out all administrative and other duties of the promoter on its behalf. Canada Life Investment Management Ltd. is the provider of the mutual funds – Canada Life Mutual Funds and Canada Life Pathways funds – available under this Plan.
  - (l) "Public Primary Caregiver" of a Beneficiary in respect of whom a special allowance is payable under the *Children's Special Allowances Act*, means the department, agency or institution that maintains the Beneficiary or the public trustee or public curator of the province or territory in which the Beneficiary resides.
  - (m) "Qualifying Educational Program" means a program at a post-secondary school level of not less than three consecutive weeks in duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program.
  - (n) "RDSP" or "Registered Disability Savings Plan" is a disability savings plan that satisfies the conditions in subsection 146.4(2) of the Tax Act, but does not include one to which subsection 146.4(3) or (10) applies.
  - (o) "RESP" means an education savings plan that has been and, at the relevant time is, registered under the Tax Act.
  - (p) "Specified Educational Program" means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student taking the program to spend not less than 12 hours per month on courses in the program.
  - (q) "Subscriber" at any time means:
    - (i) each individual or the public primary caregiver with whom the promoter of the plan enters into the plan,
    - (ii) another individual or another public primary caregiver who has before that time, under a written agreement, acquired a public primary caregiver's rights as a subscriber under the plan,
    - (iii) an individual who has before that time acquired a subscriber's rights under the plan pursuant to a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between the individual and a subscriber under the plan in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership, or
    - (iv) after the death of an individual described in any of paragraphs (i) to (iii), any other person (including the estate of the deceased individual) who acquires the individual's rights as a subscriber under the plan or who makes contributions into the plan in respect of a beneficiary but who does not include an individual or a public primary caregiver whose rights as a subscriber under the plan had, before that time, been acquired by an individual or public primary caregiver in the circumstances described in paragraph (ii) or (iii).
  - (r) "Trustee" means B2B Trustco or any successor Trustee appointed pursuant to section 30.
2. **Acceptance and Registration.** If the Trustee agrees to act as trustee of the Plan, the Promoter will apply to register the Plan under the Tax Act as an RESP after you have provided the Promoter with all information required by the Tax Act including, if applicable, the social insurance number of each Beneficiary. You will be bound by the terms and conditions imposed on the Plan by all applicable legislation. If the Trustee declines to act as trustee, you or a Dealer will be notified and any amounts received by the Trustee as a Contribution, transfer or Grant will be returned.
  3. **Purpose.** The Trustee will irrevocably hold all Contributions, transfers and Grants accepted by us for the Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the primary purpose of paying Educational Assistance Payments to one or more Beneficiaries and for one or more of the following secondary purposes: paying Accumulated Income Payments; refunding Contributions; repaying Grants and paying amounts related to those repayments; paying to or to a trust in favour of a Designated Educational Institution; and transferring to another RESP.
  4. **Dealer.** You acknowledge that a Dealer is your agent and, when acting (or representing that it acts) as a Dealer, is not our agent. We are entitled to accept and act on any notice, authorization or other communication that we believe in good faith to be given by you or a Dealer. We are under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
  5. **Your Responsibility.** You are responsible for:
    - (a) selecting investments for the Plan and assessing the merits of those investments, obtaining appropriate advice in respect of these matters or authorizing a Dealer to do these things on your behalf;
    - (b) ensuring that Contributions to the Plan do not exceed the maximum Contribution limits permitted by the Tax Act;
    - (c) the truth and accuracy of the information provided by you or a Dealer to us and for notifying us of any change in the information provided;
    - (d) providing the information and documentation required to apply for and administer the Grants;
    - (e) ensuring that the investments held in the Plan are at all times qualified investments for the Plan under the Tax Act and immediately notifying us if an investment held in the Plan is or becomes a non-qualified investment for the Plan under the Tax Act except to the extent the Promoter will exercise care, diligence and skill of reasonably prudent person to minimize the possibility the RESP holds a non-qualified investment as outlined in section 6(k). Other than as stated here and in section 6(k) it will be your responsibility to determine whether any investment is or remains as a qualified investment within the meaning the Tax Act; and
    - (f) paying any tax on excess Contributions to the Plan and requesting a refund of any excess Contributions.
 You acknowledge and accept sole responsibility for these matters (except to the extent described in section 5(e) and section 6(k)) and undertake to act in the best interest of the Plan. You confirm that we are not responsible for any of these matters or for any loss in the value of the Plan. You acknowledge that a Dealer or any other person from whom you obtain investment, tax or other advice is your agent and when acting (or representing that it acts) as a Dealer or your advisor is not our agent or the agent of any of our affiliates.
  6. **Promoter's Responsibilities.** The Promoter will:
    - (a) apply to register the Plan as an RESP under the Tax Act;
    - (b) receive Contributions to the Plan;
    - (c) apply for Grants as agent of the Trustee on behalf of the Plan;

- (d) invest and reinvest the assets of the Plan according to your instructions;
- (e) provide you with the statements of the account;
- (f) provide you and any Beneficiary with information or notice as required by the CESA or other applicable legislation;
- (g) receive from you any change in a Beneficiary, a Designated Educational Institution or any other matter which requires notification by you to the Promoter or the Trustee according to the provisions of this contract;
- (h) make payments from the Plan pursuant to the provisions of this contract;
- (i) to the extent required, deal with the appropriate taxation authorities in connection with the Plan or any amendment of the provisions of this contract;
- (j) ensure compliance with all relevant provisions of the CESA and other applicable legislation relating to Grants;
- (k) exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the account holds a non-qualified investment (as defined under the Tax Act) for a RESP. The Trustee will notify the Planholder in accordance with the Act if an investment that is a non-qualified investment has been acquired or disposed of by the Plan or if an existing investment of the Plan has become or ceased to be a non-qualified investment. However, if the account acquires an investment that is a non-qualified investment or becomes a non-qualified investment for a RESP it is the responsibility of the Subscriber to file an income tax return and pay the applicable tax under Part XI.01 of the Act; and
- (l) perform such other duties as the Promoter and the Trustee from time to time considers appropriate.

Pursuant to administrative requirements of the CRA, Quadrus is ultimately responsible for the administration of the Plan. Pursuant to this contract, as between the Promoter and you, you acknowledge that the foregoing does not detract from your duties and responsibilities under the Plan. This means, for example, that we are not authorized to select investments for the Plan and will not assess the merits of any investment selected by you or a Dealer. We are not responsible for providing any investment, tax or other advice to you or a Dealer; nor are we responsible for any advice that you obtain from a Dealer or any other source. Notwithstanding any other provision of this contract, we will not be liable for any loss or penalty suffered as a result of any act done by us in reliance of your authority, the authority of a Dealer or the authority of your agent or legal representatives. We are under no obligation to verify that any person is properly authorized to act as your Dealer, agent or legal representative or is otherwise authorized to act on your behalf.

**7. Beneficiary Designation.** Each individual designated on the Application as a beneficiary under the Plan will be an initial Beneficiary if he or she is:

- (a) connected to you (or in the case of joint subscribers, both of you) by blood or adoption, as those relationships are recognized for the purposes of the Tax Act;
- (b) less than 21 years of age or immediately before the relevant time was a beneficiary under another RESP that allows more than one beneficiary at any one time; and
- (c) a Canadian resident for the purposes of the Tax Act or, where no Contribution will be made to the Plan other than a transfer from another RESP, was the beneficiary under the other RESP immediately before the transfer. There must be at least one Beneficiary at all times.

You may not designate yourself, your spouse or your common law partner (as recognized by the Tax Act) as a Beneficiary. You may make, change or revoke the designation of a beneficiary under the Plan by providing notice to the Promoter provided that:

- (d) there is at least one Beneficiary at all times;
- (e) the individual designated as a Beneficiary is a person described above in (a), (b) and (c) of this paragraph 7; and
- (f) you have provided the Promoter with all information and documentation relating to you, the individual and the individual's parents or guardians as may reasonably be requested by the Promoter in connection with the administration of the Plan and the application for a Grant on behalf of the Plan, which information will include but may not be limited to:
  - (i) the gender, birth date, social insurance number and residential address of the individual designated as Beneficiary;
  - (ii) the relationship of the individual to you; and
  - (iii) whether the individual has a Disability; and
  - (iv) if the individual is under 19 years of age and ordinarily lives with a parent (as defined in the Tax Act) or is maintained by a Public Primary Caregiver, the name and residential address of the parent or Public Primary Caregiver.

Within 90 days after an individual becomes the Beneficiary, the Promoter will notify the individual of the existence of the Plan, your name and your address, unless the Beneficiary is under 19 years of age and ordinarily lives with a parent or is maintained by a Public Primary Caregiver, in which case notice will be provided to the parent or Public Primary Caregiver, as applicable.

**8. Designation of Educational Institution.** You may designate a Designated Educational Institution as the institution entitled to receive payments from the Plan. You may make, change or revoke the Designated Educational Institution by providing notice to the Promoter.

**9. Contributions and Transfers to the Plan.** You or a person on your behalf may make Contributions to the Plan in respect of the Beneficiary, provided that:

- (a) the Beneficiary is a Canadian resident for the purposes of the Tax Act and has not attained 31 years of age before the time the Contribution is made;
- (b) the Promoter has been provided with the social insurance number of the Beneficiary at the time of or before the Contribution is made;
- (c) the amount of the Contribution is not less than the minimum limit established by the Promoter from time to time and does not cause the RESP lifetime limit under the Tax Act to be exceeded;
- (d) the Contribution is not made after the 31st year following the year in which the Plan was established or deemed to be established; and
- (e) the Contribution is not prohibited by this contract or the Tax Act.

Contributions to the Plan will be considered to have been made pro rata in respect of each Beneficiary unless otherwise stipulated by you or a Dealer. Any Contribution to the Plan made in respect of a former beneficiary under the Plan will be considered to have been made pro rata in respect of each current Beneficiary unless otherwise stipulated by you or a Dealer. Any amount may be transferred to the Plan from another RESP that allows more than one Beneficiary at a time provided that other RESP has never made an Accumulated Income Payment. Contributions transferred to the Plan shall be considered to have been made on your behalf pro rata in respect of each Beneficiary unless otherwise stipulated by you or a Dealer. If the other RESP was established before the Plan, the Plan will be deemed to be established on the day the other RESP was established or deemed to be established. Grants received by the Plan, whether directly from a government or by way of transfer from another RESP, shall not be considered to be a Contribution to the Plan.

**10. Grants.** The Promoter will apply for a Grant for the benefit of a Beneficiary at any time the Beneficiary is eligible for the Grant and the Promoter is eligible to apply for the Grant, after the Promoter receives: (a) your instructions to apply for the Grant; (b) satisfactory evidence

that the Beneficiary is eligible for the Grant; and (c) any information or document that the Promoter or a government authority may require in connection with the Grant application. A payment will be made from the Plan as a Grant repayment in circumstances required by the CESA or other applicable legislation. The Plan will comply with all relevant conditions and limitations imposed on it by the CESA or other applicable legislation in connection with the Grants.

11. **Investments.** We may accept and act on any investment instructions that we believe in good faith to be given by you or a Dealer. The assets of the Plan will be invested and reinvested from time to time according to your investment instructions or those of a Dealer in securities of the Canada Life Mutual Funds and Canada Life Pathways funds. We are not authorized to select investments for the Plan and will not assess the merits of the investments selected by you or a Dealer. In the absence of satisfactory investment instructions, cash received by us in connection with the Plan will be converted into the currency denomination of the Plan and invested in units of a money market fund. If it is necessary for cash or other assets held in the Plan to be converted to another currency, the Trustee, its affiliate, its agent or a person engaged by it may act as principal on the Trustee's or its own behalf and not on your behalf to convert the currency at the rate established by the Trustee for the relevant conversion date. In addition to commissions that may be charged for this service, any revenue earned by the Trustee or other service provider based on the difference between the applicable bid/ask rates and the cost of currency will be for the account of the Trustee or the account of the other service provider.
12. **Borrowing.** The Plan may not borrow money, unless: (a) the money is borrowed for a term of 90 days or less; (b) the money is not borrowed as part of a series of loans or other transactions and repayments; (c) no assets of the Plan are used as security for the borrowed money; and (d) we consent to the borrowing.
13. **Transfers from the Plan.** All or part of the assets of the Plan will be transferred (less all proper charges) from the Plan to the issuer or agent of the issuer of another RESP provided that:
  - (a) the Promoter received satisfactory instructions from you or a Dealer;
  - (b) no Accumulated Income Payment has been made to you or on your behalf from the Plan; and Canada Life Mutual Funds and Canada Life Pathways funds Family Education Savings Plan Terms and Conditions
  - (c) sufficient assets of the Plan may be withheld until the Promoter determines the portion, if any, of the Grants received by the Plan that must be repaid to a governmental authority.If the Promoter receives instructions to transfer less than all of the assets of the Plan, it may request instructions to transfer all the assets of the Plan and may delay the transfer until after it receives the requested instructions. If the requested instructions are not received within 30 days of request or if the issuer of the recipient RESP refuses to accept the transfer of any assets of the Plan, the Plan may, at the option of the Promoter, be terminated. We will make an effort to provide the issuer of the other RESP with all relevant information in our possession. The Promoter will make an effort to sell or transfer specific investments of the Plan to effect the transfer as instructed by you or a Dealer. In the absence of satisfactory instructions, the Promoter may sell or transfer any investments of the Plan selected by it to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Tax Act, the CESA, other applicable legislation and the terms and conditions of the investments of the Plan.
14. **Educational Assistance Payments.** One or more payments will be made (less all proper charges) from the Plan to or for a Beneficiary as an Educational Assistance Payment provided that the Promoter received satisfactory instructions from you or a Dealer and at the time a payment is made:
  - (a) the Beneficiary is enrolled as a student in a Qualifying Educational Program at a Post-Secondary Educational Institution and, either: (i) was so enrolled for at least 13 consecutive weeks in the immediately previous 12-month period, or (ii) the total of the payment plus all other educational assistance payments made to or for the Beneficiary during the immediately previous 12-month period from RESPs administered by the Promoter do not exceed \$5,000 (or a greater amount that the authority administering the CESA approves in writing with respect to the Beneficiary); or
  - (b) the Beneficiary is at least 16 years old and is enrolled as a student in a Specified Educational Program at a Post-Secondary Educational Institution and the total of the payment plus all other educational assistance payments made to or for the Beneficiary during the immediately previous 13-week period from RESPs administered by the Promoter do not exceed \$2,500 (or a greater amount that the authority administering the CESA approves in writing with respect to the Beneficiary).In addition, payments will be made to or for the Beneficiary as an Educational Assistance Payment during the six month period following the time when the Beneficiary ceased to be enrolled as a student in a Qualifying Educational Program or a Specified Educational Program provided that the Promoter received satisfactory instructions from you or a Dealer and the other requirements of this paragraph would have been satisfied had the payment been made immediately before the Beneficiary ceased to be so enrolled. Unless otherwise instructed by you or a Dealer, a payment will be made, first, out of the net accumulated income (including capital appreciation) of the Plan and, to the extent permitted or required by the CESA or other applicable legislation, Grants received by the Plan and, second, as a refund of Contributions. The amount and frequency of the payments will be subject to the limitations imposed by the Tax Act, the CESA and other applicable legislation.
15. **Refund of Contributions.** One or more payments will be made (less all proper charges) from the Plan to you or a person designated by you as a refund of Contributions provided that:
  - (a) the Promoter received satisfactory instructions from you or a Dealer;
  - (b) the amount of the payment together with any previous refund of Contributions does not exceed the total amount of Contributions made by you or on your behalf to the Plan; and
  - (c) the assets remaining in the Plan have a value equal to or greater than any Grant received by the Plan that has not previously been paid from the RESP and any expenses of the Plan (including any expenses that would be incurred upon liquidation of the investment of the Plan and repayment of any Grant).
16. **Accumulated Income Payments.** One or more payments will be made (less all proper charges) from the Plan to you or on your behalf as Accumulated Income Payments provided that:
  - (a) the Promoter received satisfactory instructions from you or a Dealer;
  - (b) you are a Canadian resident for the purposes of the Tax Act;
  - (c) the payment is not made jointly to, or on behalf of, more than one subscriber under the Plan;
  - (d) any one of the following:
    - (i) unless the CRA has waived the application of this condition in respect of the Plan, the payment is made after the 9<sup>th</sup> year following the year in which the Plan was established or deemed to be established and each individual who is or was a Beneficiary is at least 21 years old and is not entitled to an Educational Assistance Payment or is deceased;



- (ii) the payment is made in the year the Plan must be terminated; or
- (iii) each individual who was a Beneficiary is deceased.

The Plan will be terminated before March of the year following the first Accumulated Income Payment.

17. **Accumulated income payments to the Beneficiary's RDSP.** The Subscriber and the holder of an RDSP for the Beneficiary may jointly elect in writing to have an Accumulated Income Payment under the RESP be made to the Beneficiary's RDSP, but only if, at the time the election is made the election contains the information prescribed by the Tax Act and:
- (a) the Beneficiary has a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a Qualifying Educational Program at a Post-Secondary Educational Institution; or
  - (b) the payment is made after the 9<sup>th</sup> year that follows the year in which the Plan was entered into and each current or former Beneficiary under the Plan has attained 21 years of age before the payment is made and is not, when the payment is made, eligible to receive an Educational Assistance Payment; or
  - (c) the payment is made in the year of the Plan Termination Date.
18. **Payments to Designated Educational Institution.** One or more payments will be made (less all proper charges) from the Plan to or to a trust in favour of the Designated Educational Institution designated by you but only to the extent permitted by the Tax Act, the CESA and other applicable legislation and provided that the Promoter received satisfactory instructions from you or a Dealer and all Beneficiaries are deceased or ineligible to receive Educational Assistance Payments.
19. **Payments from the Plan.** Before each payment is made from the Plan, you may be required to provide information and evidence satisfactory to the Promoter confirming that the payment is permitted under this contract, the Tax Act, the CESA and other applicable legislation. The decision of the Promoter as to whether a payment is permitted will be final and binding on you and the Beneficiaries. In the absence of satisfactory instructions from you or a Dealer, the Promoter may sell or transfer investments of the Plan selected by it for the purpose of making a payment from the Plan and will not be liable for any resulting loss. Payments from the Plan will be made net of all proper charges including tax required to be withheld and expenses incurred by the Plan upon the sale or transfer of investments. If the Plan does not have sufficient cash to pay these charges, we will be entitled to require you to pay these charges. We may impose any other reasonable requirements and conditions in respect of payments from the Plan. A payment from the Plan will be deemed to have been made when: (a) a cheque payable to the recipient is mailed in a postage pre-paid envelope addressed to the recipient at the last known address for the recipient; or (b) an amount is electronically transferred to the credit of a bank account for the recipient.
20. **Termination of the Plan.** All of the assets of the Plan must be paid from the Plan in accordance with this contract on or before December 31 of the 35<sup>th</sup> year following the year in which the Plan was established or deemed to be established. If the value of the Plan is less than \$500, we may terminate the Plan. Unless we receive satisfactory instructions from you before the termination of the Plan, the maximum amount permitted by the Tax Act, and the CESA will be paid to you less all proper charges. Any assets remaining in the Plan will be paid to the Designated Educational Institution last designated by you or in the absence of a designation, to a Designated Educational Institution selected by Quadrus.
21. **Truth of Information and Undertaking.** You warrant that all information on the Application or subsequently provided by you, a Dealer or other person to the Promoter (whether it relates to you, a Beneficiary, a Beneficiary's parents or guardians, or another) is true and accurate and undertake to provide proof thereof if requested by us. You acknowledge that we are relying on the truth and accuracy of the information provided by you, a Dealer or other person. You undertake to provide all information and documentation relating to you, the Beneficiaries and the Beneficiaries' parents or guardians as may reasonably be requested by the Promoter in connection with the administration of the Plan and the application for a Grant on behalf of the Plan. You undertake to notify the Promoter of any change in the information provided by you, a Dealer or other person.
22. **Prohibition.** Except as specifically permitted under the Tax Act, no benefit, loan or indebtedness, that is conditional in any way on the existence of your Plan or other advantage within the meaning of the Tax Act may be extended to you or a person with whom you do not deal at arm's length. You may not engage in any transaction, investment (including prohibited investments), payment or transfer which is or may be an advantage, an registered plan strip or a swap transaction under Part XI.01 of the Tax Act. We will not make any payments from your Plan except those specifically permitted under the provisions of this declaration or the Tax Act or required by law. We reserve the right to prohibit any transaction, investment, payment or transfer, whether an advantage or a registered plan strip or a swap transaction under the Tax Act, or such other payment or transfer which is or may be prohibited or penalized under the Tax Act.
23. **Account and Statements.** The Promoter will maintain an account of the Plan reflecting, with appropriate dates, Contributions and transfers to the Plan; Grants received by the Plan; the description, number and cost of the investments acquired or disposed of by the Plan; and expenses, transfers, Grant repayments and other payments from the Plan. The Promoter will provide you with a statement of the account at least annually.
24. **Fees and Expenses.** The Promoter may charge you or the Plan fees as published by it from time to time. The Promoter will give you at least 30 days' notice of any change in its account fees. In addition, the Promoter is entitled to charge the Plan fees for out-of-the-ordinary services requested by you or a Dealer in connection with the Plan and is entitled to reimbursement from the Plan for all disbursements, expenses and liabilities incurred by either of us in connection with the Plan. Without limiting the generality of the foregoing, these fees, disbursements, expenses and liabilities may include: brokerage fees and commissions, custodian fees, administration fees and redemption fees incurred in connection with investments held in the Plan; investment advisory fees paid to a Dealer; legal and accounting fees; fees in connection with financial arrangements made to facilitate the conversion of currency; and taxes, interest and penalties imposed on the Plan. The Promoter is entitled to deduct the unpaid fees, disbursements, expenses and liabilities from the assets of the Plan or any other account held by you with us or any of our affiliates and for this purpose we are authorized but not obliged to realize sufficient assets of the Plan selected by the Promoter. We are not responsible for any resulting loss.
25. **Tax Imposed on you or the Plan.** If the Plan becomes liable for tax, interest or penalties under the Tax Act or provincial legislation, the Trustee may sell any investment of the Plan to pay the liability. The Trustee may, but is not obliged to, sell or otherwise dispose of any investment of the Plan to avoid or minimize the imposition of tax, interest or penalties on you or the Plan. We will not be liable for any tax, interest or penalty imposed on you or the Plan or for any loss resulting from the disposition or failure to dispose of any investment held by the Plan.
26. **Delegation of Duties.** Each of us may appoint agents (including our affiliates) and may delegate to our agents the performance of any of our duties or responsibilities under this contract including but not limited to administrative duties such as accepting Contributions to the Plan, executing investment instructions, safekeeping the assets of the Plan, account and record keeping, preparing and issuing statements and



tax receipts, communicating with you, a Dealer or legal representatives and responding to your or their concerns. Each of us may employ or engage accountants, brokers, lawyers or others and we may rely on their advice and services. We will not be liable for the actions or omissions of any of our agents, advisors or service providers. The Promoter may pay to the Trustee, any agent, advisor, services provider or Dealer all or part of the fees received by it under the provisions of this contract and/or a fee calculated by reference to currency converted in the Plan.

27. **Indemnity.** None of us, our officers, employees and agents will be liable for and are indemnified by you and the Plan from and against all expenses, liabilities, claims, losses, demands, taxes, interest and penalties of any nature, in respect of the Plan ("Liabilities"), including without limitations, Liabilities arising out of the holding of the assets of the Plan; the dealing with the assets of the Plan in accordance with instructions which we, our officers, employees or agents believe in good faith to be given by you or a Dealer or other agent; making financial arrangements to settle trades; and the sale, transfer or release of assets of the Plan in accordance with this contract, unless caused by or resulting from our dishonesty, bad faith, willful misconduct or gross negligence.
28. **Amendments.** From time to time, Quadrus may amend this contract with the approval of the Trustee and the CRA provided that the amendment does not disqualify the Plan as an RESP under the Tax Act. Any amendment to ensure that the Plan continues to comply with the Tax Act or other legislation will be effective without notice. Any other amendment will be effective not less than 30 days' after notice has been provided to you.
29. **Assignment by Subscriber.** If you are a Public Primary Caregiver, you may assign your interest in this contract to an individual or another Public Primary Caregiver who has agreed in writing to acquire your interest. If you are an individual, you may assign your interest in this contract to your spouse, common law partner, former spouse or former common law partner (as recognized by the Tax Act) following a relationship breakdown to effect a division of property pursuant to marital property legislation. An assignment will not be effective until an executed copy of the assignment has been delivered to the Promoter. The assignor will have no rights or entitlements as subscriber under the Plan after the effective date of the assignment.
30. **Assignment by Quadrus.** Quadrus may assign its rights and obligations under this contract to any corporation resident in Canada, provided that the assignee corporation executes any agreement which is necessary or advisable for the purposes of assuming the rights and obligations under this contract and further provided that an assignment of this contract may not be made without prior written consent of the Trustee, which consent may not be unreasonably withheld.
31. **Successor Trustee.** The Trustee may resign and be discharged from all duties and liabilities under this contract by giving written notice to the Promoter who is initially nominated to appoint a company as successor trustee. If the company appointed by the Promoter does not accept the office of trustee under the Plan within 30 days' of being appointed, then the Promoter may nominate you to appoint a successor trustee by providing notice to you. Upon acceptance of the office of trustee of the Plan, the successor trustee will be trustee of the Plan as if it had been the original declarant of the Plan and the Plan continues in full force and effect with the successor trustee. At the time of the appointment of the successor trustee, the Trustee will be relieved of all duties and liabilities under this contract. If you are unable to appoint a successor trustee who accepts the office of trustee under the Plan within 60 days' of you being nominated to appoint a successor trustee, the Plan will be terminated.
32. **Notice to you.** Any notice, request or other communication required or permitted to be given to a person by us must be in writing and will be sufficiently given if it is sent by pre-paid mail, telecopier, electronic mail or other form of electronic transmission addressed to the person at the address provided for that person on the Application or subsequently provided by you or a Dealer in a notice to us. For greater certainty, we are not responsible for verifying the accuracy or currency of any address provided to us. Any notice, request or other communication will be deemed to have been given to and received by the person on the day of mailing or transmission.
33. **Notice to us.** Except as otherwise provided in this contract, any notice, request or other communication required or permitted to be given to us by you or a Dealer must be in writing and will be sufficiently given if it is in a form satisfactory to us and is received by Quadrus by pre-paid mail, courier, or telecopier addressed to "Quadrus Investment Services Ltd." at the address for Quadrus last provided to you. We are permitted but not obliged to accept and act on any notice, request or other communication given to us by you or a Dealer by internet, electronic transmission or telephone. We may for any reason refuse to act on any notice, request or other communication given to us by you or a Dealer and we will not be responsible for any resulting loss. Any notice, request or other communication given to us will be deemed to have been given to us and received by us at the time of actual receipt by Quadrus.
34. **Heirs, Executors and Assigns.** The terms of this contract and the trust established by this contract will be binding on your heirs, executors, administrators, permitted assigns and any person who makes Contributions to the Plan in respect of a Beneficiary following your death. The terms of this contract and the trust established by this contract will be binding on our successors and assigns.
35. **Interpretation.** Words importing the singular include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders. This contract will be constructed, administered and enforced in accordance with the laws of Canada and Ontario.
36. **Family Specimen Plan:** 1184001

Revised: January 2020

### **Leveraging risk disclosure**

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

### **Information available upon request statement**

Quadrus Investment Services Ltd.'s Statement of Financial Condition as of our most recent financial year end and a list of our directors and senior officers is available upon request. You are entitled to certain additional information about us, including information about commissions and fees that we charge, and about any administrative proceedings that may relate to our company or our staff.

**Contact Quadrus Investment Services at 1-888-532-3322 if you require additional information.**

# QUADRUS

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