

(Quebec LIRA)

LOCKED-IN RETIREMENT ACCOUNT FOR QUEBEC

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

RECITALS:

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

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

- 1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration. In addition, the following terms shall have the following meaning:
  - a) “**Account**” refers to the National Bank Securities Inc. Mutual Funds Retirement Savings Plan executed between the Annuitant, National Bank Securities Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money that is the subject of the Transfer;
  - b) “**Act**” means the *Supplemental Pension Plans Act* (Quebec), as same may be amended from time to time;
  - c) “**Annuitant**” means the person whose name is indicated as such in the Application and that is a member or former member who has made a transfer under section 33, 34(5) or 58 of the Act to the Account and includes the Spouse or former Spouse of a member who is entitled to a pension benefit as a result of:
    - i) the death of the member or former member; or
    - ii) a marriage breakdown.
  - d) “**Declaration**” means the Declaration of Trust of the National Bank Securities Inc. Mutual Funds Retirement Savings Plan;
  - e) “**LIF**” means a life income fund, that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in section 18 of the Regulation;

- f) “**LIRA**” means a locked-in retirement account, that is an RSP that meets the requirements of section 29 of the Regulation relating to locked-in retirement accounts;
  - g) “**Maximum Pensionable Earnings**” has the same meaning as in the *Act respecting the Quebec Pension Plan* (Quebec);
  - h) “**Regulation**” means the *Regulation respecting Supplemental Pension Plans* adopted pursuant to the Act, as same may be amended from time to time;
  - i) “**RSP**” means a retirement savings plan within the meaning of the Tax Act that is registered under that act;
  - j) “**Spouse**” shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting RSP;
  - k) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
  - l) “**Transfer**” means the transfer referred to in paragraph A of the Recitals hereto.
2. **Locking-in provisions:** Except as permitted by the Act and the Regulation, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Account, shall be used to provide or ensure a pension that would, but for the Transfer or any previous transfers, be required or permitted by the Act.
3. **Contributions [29(1)]:** The only sums that may be transferred into the Account are the sums originating, directly or indirectly, from the fund of a pension plan governed by the Act or from:
- a) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
  - b) a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
  - c) a LIF; or
  - d) an annuity contract referred to in section 30 of the Regulation.
4. **Investments:** The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided at section 7 of the Declaration. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Tax Act and the regulation thereunder.
5. **Conversion of the Account into a life pension [29(2)]:** With the exception of the cases referred to in sections 4, 6 and 10, the balance of the Account may only be converted into a life pension guaranteed by an insurer and established for the duration of the life of the Annuitant alone or for the duration of the life of the Annuitant and the life of his Spouse. The periodic amounts paid under that pension shall be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the contract or

uniformly adjusted by reason of a seizure effected on the benefits of the Annuitant, a redetermination of the Annuitant's pension, partition of the Annuitant's benefits with his Spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under paragraph 3 of the first paragraph of section 93 of the Act.

The Annuitant may require the conversion of the balance of the Account into a life pension at any time, unless the terms agreed to for the investments have not expired. **[29(4)]**

The balance of the Account may not be converted into a pension guaranteed by an insurer unless, at the death of the Annuitant who is a former member or member, a life pension equal to at least 60% of the amount of the Annuitant's pension, including, during the replacement period, the amount of any temporary pension, is granted to his Spouse who has not waived it. **[29(5)]**

6. **Death of the Annuitant [29(3)]:** On the death of the former Annuitant, the balance of the Account will be paid to his Spouse or, failing that, to his successors. No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.
7. **Waiver by Spouse [29(6)]:** The Annuitant's Spouse may, by giving written notice to the Trustee, waive his right to receive the payment provided for in Section 6 hereof or the pension provided for in Section 5 hereof and may revoke such a waiver by transmitting to the Trustee a written notice to that effect before, in the case referred to in Section 6 hereof, the death of the Annuitant or, in the case referred to in Section 5 hereof, the date of conversion, in whole or in part, of the balance of the Account into a life pension.
8. **Separation and divorce [29(7)]:** The Spouse of the Annuitant will cease to be entitled to the benefit provided for in Section 6 or, as the case may be, in Section 5 hereof upon separation from bed and board, divorce, annulment of marriage or, in the case of an unmarried Spouse, upon cessation of conjugal relationship, unless the Annuitant has transmitted to the Trustee the notice provided for in section 89 of the Act.
9. **Seizure for unpaid alimony [29(7.1)]:** The seizable portion of the balance of the Account may be paid in a lump sum in execution of a judgment rendered in favour of the Annuitant's Spouse that gives entitlement to a seizure for unpaid alimony.
10. **Permitted transfers [29(8)]:** Provided the agreed-to term of the investments has not expired, money or assets held under this Account, including at the Maturity Date, may not be withdrawn, commuted or surrendered, in whole or in part, except:
  - a) to transfer the money or assets to a pension plan governed by the Act;
  - b) to a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
  - c) to a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
  - d) to a LIF;

- e) to a LIRA; or
- f) to an annuity contract referred to in section 30 of the Regulation and that also complies with the relevant provisions of the Tax Act.

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

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

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

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

- a) **Non-Resident [29(8.1)]:** Provided that the agreed-to term of the investments has not expired, where the Annuitant has not resided in Canada for at least 2 years, the Annuitant may elect to withdraw the money or assets held under this Account by way of a lump sum payment upon application by the Annuitant to the Trustee in accordance with section 29(8.1) of the Regulation;
- b) **Shortened Life Expectancy Withdrawal [29(9)]:** The Annuitant may withdraw all or part of the money in the Account and receive a payment or a series of payments upon application by the Annuitant to the Trustee in accordance with section 29(9) of the Regulation, where a physician certifies that his physical or mental disability reduces his life expectancy;
- c) **Withdrawal of Small Amount at 65 [29(9.1)]:** The Annuitant may withdraw all of the money in the Account, upon application by the Annuitant to the Trustee in accordance with subsection 29(9.1) of the Regulation, if the following conditions are met:
  - i) The Annuitant provides the Trustee with a declaration in conformity with the one prescribed in schedule 0.2 of the Regulation;
  - ii) The Annuitant was at least 65 years of age at the end of the year preceding the application; and
  - iii) The total of the sums credited to him in the retirement savings instruments mentioned in schedule 0.2 of the Regulation does not exceed 40% of the Maximum Pensionable Earnings, for the year in which the Annuitant applies for payment, pursuant to the *Act respecting the Quebec Pension Plan*.

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

12. **Statement [29(10)]:** The Trustee will provide to the Annuitant, at least once a year, a statement indicating the sums deposited into the Account, their source, the accumulated earnings, the fees debited since the last statement and the balance of the Account.
13. **Irregular payments [29(10.1)]:** Should any sum held under this Account be paid out contrary to the Regulation or this Agreement, the Annuitant may, unless the payment is attributable to a false declaration by the Annuitant, require that the Trustee pay to the Annuitant, as a penalty, a sum equal to the irregular payment.
14. **Amendment to this Agreement [29(11)]:** The Trustee will make no amendment to this Agreement that would entail a reduction of the benefits resulting from this Agreement unless the Trustee entitle the Annuitant, before the date of the amendment, to transfer the balance of the Account and has provided the Annuitant, at least 90 days before the date on which the Annuitant may exercise that entitlement, a notice indicating the subject of the amendment and the date from which the Annuitant may exercise that entitlement.

The Trustee may not, except to fulfill requirements under law, make any amendment other than that provided for in this section, without having previously notified the Annuitant. **[29(13)]**

The Trustee may amend the agreement only to the extent that it remains in conformity with the standard contract amended and registered with the Régie des rentes du Québec. **[29(14)]**

15. **Identifiable securities [29(12)]:** Where the investments held under the Account consist of identifiable and transferable securities, the Trustee may effect the transfer referred to in sections 4 and 14 by the remittance of such securities.
16. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
  - a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
  - b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation; and
  - c) That the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
17. **Governing Law:** This Agreement shall be governed by the laws of the province of Quebec.