

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

## RECITALS:

- A. The Annuitant is entitled to transfer to the Account assets derived, directly or indirectly, from a retirement 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 retirement savings plan with the Trustee Natcan Trust Company through the Agent National Bank of Canada (the “**Retirement Savings Plan**”) and wishes same to receive the Transfer;
- C. The parties now wish to supplement the Declaration of Trust 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 of Trust and this Agreement, the provisions of this Agreement will 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:** All terms not defined in this Agreement have the same meaning as in the Declaration of Trust, the Act or the Regulation. The terms below have the following meaning:
  - a) “**Account**” refers to the Retirement Savings Plan established by the Declaration of Trust, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in amounts and assets subject to the Transfer;
  - b) “**Act**” means the *Supplemental Pension Plans Act* (Québec);
  - c) “**Declaration of Trust**” means the declaration of trust governing the Retirement Savings Plan;
  - d) “**LIF**” refers to a life income fund that is a registered retirement income fund, within the meaning of the Tax Act, that meets the requirements set out in sections 18 and following of the Regulation;
  - e) “**LIRA**” refers to a locked-in retirement account that is an RSP that meets the requirements set out in section 29 of the Regulation;
  - f) “**Maximum Pensionable Earnings**” has the meaning ascribed to it in the *Act respecting the Québec Pension Plan*;
  - g) “**Regulation**” means the *Regulation respecting supplemental pension plans* adopted under the Act;
  - h) “**RSP**” means a retirement savings plan within the meaning of the Tax Act that is registered under that Act;
  - i) “**Spouse**” has 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 the provisions of the Tax Act concerning RSP;
  - j) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
  - k) “**Transfer**” means the transfer referred to in paragraph A of the Recitals hereto.
2. **Locked-in assets:** Subject to the Act and the Regulation, all assets that are the subject of the Transfer, including investment earnings thereon and gains realized thereof, but excluding fees, charges, expenses and taxes charged to the Account, are locked in.
3. **Contributions:** The only assets that may be transferred into the Account are those originating, directly or initially, from the following sources:
  - a) a pension plan governed by the Act;
  - b) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
  - c) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
  - d) the locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act*;
  - e) the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;
    - f) another LIRA;
    - g) a LIF; or
    - h) an annuity contract referred to in section 30 of the Regulation.
4. **Investments:** The assets held in the Account will be invested by the Trustee in the manner provided in the Declaration of Trust. All investments must comply with the rules set out in the Tax Act regarding investments in an RSP.
5. **Conversion of the Account to a life annuity:** With the exception of the cases referred to in sections 6, 10 and 11 below, the balance of the Account may only be converted into a life pension guaranteed by an insurer and established for the Annuitant’s lifetime alone or for the lifetime of the Annuitant and his or her Spouse. The periodic amounts paid under that pension must be equal, unless each amount to be paid is uniformly increased according to an index or rate provided for in the contract or uniformly adjusted by reason of a seizure effected on the Annuitant’s benefits, the redetermination of the Annuitant’s pension, the partition of the Annuitant’s benefits with his or her Spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for in subsection 3 of the first paragraph in section 93 of the Act.

The Annuitant may convert the balance of the Account into a life annuity at any time, unless the term agreed to for the investments has not expired.

The balance of the Account may not be converted into a pension guaranteed by an insurer unless, at the death of the Annuitant who was a former member or a member, a life pension equal to at least 60% of the Annuitant’s pension amount, including, if applicable, during the replacement period, the amount of any temporary pension, is granted to his or her Spouse who has not waived it.
6. **Death of the Annuitant:** Where the Annuitant who is a former member or a member dies before the conversion of the balance of the Account into a pension, that balance is paid to his or her Spouse or, if there is no Spouse, his or her successors. No such payment or transfer will be made unless and until the Trustee receives releases and/or other documents as it may reasonably require.
7. **Spouse’s waiver:** The Annuitant’s Spouse may, by giving written notice to the Trustee, waive his or her right to receive the pension or the payment provided for in sections 5 and 6 herein and may revoke such a waiver by submitting a written notice to that effect to the Trustee before, in the case referred to in section 5, the date of conversion, in whole or in part, of the balance of the Account into a life pension or, in the case referred to in section 6, the Annuitant’s death.
8. **Separation and divorce:** The Annuitant’s Spouse ceases to be entitled to the benefit provided for in section 5 or, as the case may be, in section 6 upon separation from bed and board, divorce, marriage annulment, dissolution or annulment of civil union or, if he or she is not bound by a marriage or civil union, upon cessation of conjugal relationship, unless the Annuitant submits the notice provided for in subsection 7 of the second paragraph in section 89 of the Act to the Trustee.

**9. Seizure for unpaid alimony:** The seizeable 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. Authorized Transfers:** Unless the agreed to term of the investments has not expired, the Annuitant may transfer, in whole or in part, the balance of the Account to:

- a) a pension plan governed by the Act;
- b) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
- c) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
- d) a locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act*;
- e) a locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;
- f) another LIRA;
- g) a LIF, or
- h) an annuity contract referred to in section 30 of the Regulation and that complies with the relevant provisions of the Tax Act.

The Annuitant's transfer request must be in a form deemed satisfactory by the Trustee. The transfer must comply with the applicable laws and be made within a reasonable timeframe once all forms have been completed for the purpose of this type of transfer and have been submitted to the Trustee.

If only a portion of the balance of the Account is transferred, the Annuitant can specify in the notice which assets he would like the Trustee to transfer or dispose of in order to carry out such a transfer. Failing such specification, the Trustee may transfer or dispose of such assets as it, in its sole discretion, may deem appropriate. The Trustee is not liable for the transferred assets or for any losses incurred as a result of the transfer or disposition.

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

**11. Authorized withdrawals:** A withdrawal, conversion or surrender of all or part of the assets held in the Account is not permitted and will be void, except in the following circumstances:

- a) **Non-resident withdrawal:** Unless the agreed to term of the investments has not expired, the Annuitant may require that the total balance of the Account be paid to him or her in a lump sum if he or she has not resided in Canada since at least two years;
- b) **Withdrawal justified by reduced life expectancy:** The Annuitant may withdraw all or part of the balance of the Account and receive a payment or a series of payments if a physician certifies that his or her physical or mental disability reduces his or her life expectancy;
- c) **Withdrawal of small amount at 65:** The Annuitant may, upon application to the Trustee, withdraw the entire balance of the Account in a lump-sum, if the following conditions are met:
  - i. the Annuitant provides the Trustee with a declaration in accordance with 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 assets credited to him or her in the retirement savings instruments mentioned in schedule 0.2 of the Regulation does not exceed 40% of the Maximum

Pensionable Earnings pursuant to the *Act respecting the Québec Pension Plan* for the year in which the Annuitant applies for payment.

The Trustee can rely on the information provided by the Annuitant in an application submitted according to this section and such application constitutes sufficient authorization to withdraw assets from the Account.

The withdrawal must comply with the applicable laws and be made within a reasonable timeframe once all the necessary forms have been completed and submitted to the Trustee.

If only a portion of the balance of the Account is withdrawn, the Annuitant can specify in the notice which assets he would like the Trustee to withdraw or dispose of in order to carry out such a withdrawal. Failing such specification, the Trustee may withdraw or dispose of such assets as it, in its sole discretion, may deem appropriate. The Trustee is not liable for the withdrawn assets or for any losses incurred as a result of the withdrawal or disposition.

**12. Statements:** The Trustee must provide the Annuitant, at least once per year, a statement indicating all assets deposited to the Account, their source, the accumulated earnings, the fees debited since the last statement and the balance of the Account.

**13. Irregular payments:** If an amount is paid from the Account contrary to the provisions of the Regulation or this Agreement, the Annuitant may, unless the payment is attributable to a false declaration on his or her part, require that the Trustee pay him or her, as a penalty, an amount equal to the irregular payment.

**14. Amendments to this Agreement:** The Trustee will make no amendments to this Agreement that would have the effect of reducing benefits resulting therefrom unless it grants the Annuitant, before the date of the amendment, the right to transfer the balance of the Account and gives the Annuitant, at least 90 days before the date on which he or she can exercise this right, notice indicating the nature of the amendment as well as the date from which he or she may exercise such right.

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

The Trustee may amend this Agreement only to the extent that it remains in conformity with the standard contract amended and registered with Retraite Québec and with section 146 of the Tax Act.

**15. Identifiable securities:** Where investments held in the Account consist of identifiable and transferable securities, the Trustee may, unless otherwise stipulated, carry out the transfer referred to in sections 10 and 14 herein by the remittance of these securities.

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

- a) The assets transferred herein pursuant to the Act and the Regulation are locked-in assets resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements; and
- b) The provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee is not liable for the consequences to the Annuitant of executing this Agreement nor for anything done in accordance with the provisions hereof.

**17. Governing law:** This Agreement is to be governed by and construed in accordance with the laws applicable in the Province of Québec.

**18. Effective date:** This Agreement takes effect on the date of transfer of assets into the Account.

Natcan Trust Company  
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