

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

- A. The Annuitant is entitled to effect a transfer to the Account of assets 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 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 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 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 capitalized terms not defined in this Agreement have the same meaning as in the Declaration, the Act or the Regulation. The terms below have the following meaning:
 - a) “**Account**” refers to the Retirement Savings Plan established by the Declaration, as supplemented and modified by this Agreement establishing a Locked-in RRSP that will hold the locked-in money and assets that are the subject of the Transfer;
 - b) “**Act**” means the *Pension Benefits Standard Act, 1985* (Canada);
 - c) “**Declaration**” means the declaration of trust governing the Retirement Savings Plan;
 - d) “**LIF**” means a life income fund that is a RIF that meets the requirements set out in section 20.1 of the Regulation;
 - e) “**Life Annuity**” means an arrangement that is made to purchase, through a person authorized to carry on a life insurance business in Canada, an immediate life annuity or a deferred life annuity (as defined in section 2 of the Regulation) that complies with the relevant provisions of the Tax Act and section 21 of the Regulation, provided that the annuity does not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;
 - f) “**Locked-in RRSP**” means a registered retirement savings plan, as defined in the Tax Act, that meets the requirements set out in section 20 of the Regulation;
 - g) “**Pension benefit credit**” means the value at a particular time of the Annuitant’s pension benefit and other benefits provided under a pension plan, calculated in the manner prescribed by the Regulation;
 - h) “**Regulation**” means the *Pension Benefits Standards Regulations, 1985* adopted pursuant to the Act;
 - i) “**Restricted LIF**” means a life income fund that is a RIF that meets the requirements set out in section 20.3 of the Regulation;
 - j) “**Restricted Locked-in RRSP**” means a registered retirement savings plan, as defined in the Tax Act, that meets the requirements set out in section 20.2 of the Regulation;
 - k) “**RIF**” means a retirement income fund, as defined in the Tax Act, that is registered under that Act;
 - l) “**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 registered retirement savings plans;
 - m) “**Survivor**” means
 - i) if there is no person described in paragraph ii), the spouse of the Annuitant at the time of the Annuitant’s death; or
 - ii) a person who was the common-law partner of the Annuitant at the time of the Annuitant’s death;
 - n) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
 - o) “**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. No assets that are not locked-in may be transferred to or otherwise held under the Account.
3. **Value of the Account:** The fair market value of the assets held under the Account, as determined by the Trustee in good faith, will be used to establish the balance of the assets in the Account at any particular time, including on the death of the Annuitant or on a transfer of assets from the Account. Any such determination by the Trustee will be conclusive for all purposes hereof.
4. **Investments:** The assets held under the Account will be invested by the Trustee in the manner provided by the Declaration. All investments must comply with the rules set out in the Tax Act regarding investments in a registered retirement savings plan.
5. **Permitted Transfers:** The Annuitant may only transfer assets in the Account:
 - a) to another Locked-in RRSP;
 - b) to a pension plan, including any pension plan referred to in subsection 26(5) of the Act, if the plan permits such a transfer and if it administers the benefit attributed to the transferred assets as if the benefit were that of a plan member with two years of membership in the plan;
 - c) to purchase a Life Annuity; or
 - d) to a LIF or to a Restricted LIF.

The Trustee may deduct from the assets being transferred all amounts to be retained pursuant to the Tax Act, as well as any fees and disbursements to which it is entitled.

Such transfer will be effected within a reasonable time from the receipt of instructions from the Annuitant in a form deemed satisfactory by the Trustee. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee is released from any liability in connection therewith.
6. **Death of the Annuitant:** On the death of the Annuitant, the assets in the Account will be paid to the Survivor by:
 - a) transferring the assets to another Locked-in RRSP;
 - b) transferring the assets to a pension plan, including any pension plan referred to in subsection 26(5) of the Act, if the plan permits such a transfer and if it administers the benefit attributed to the transferred assets as if the benefit were that of a plan member with two years of membership in the plan;
 - c) using the assets to purchase a Life Annuity; or
 - d) transferring the assets to a LIF or to a Restricted LIF.

No such payment will be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to subsection 60(l) of the Tax Act.
7. **Restrictions:** Except as provided in subsection 25(4) of the Act, the assets in the Account must not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give the assets as security is void.

The Annuitant agrees that, unless otherwise provided by law, the Trustee may never be obliged to refund in advance the investments held under the Account for purposes of transfer, payment or withdrawal and may, at its entire discretion, either (i) delay the requested transfer, payment or withdrawal; or (ii) where investments consist of identifiable and transferable securities, effect the transfer, payment or withdrawal by the remittance of such securities.
8. **Sex Discrimination Prohibited:** Where a Pension benefit credit transferred into the Account was not varied according to the sex of the Annuitant, a Life Annuity purchased with the assets accumulated in the Account must not differentiate as to sex. The Pension benefit credit that was the object of the Transfer herein was not varied according to the sex of the Annuitant, unless otherwise indicated in writing to the Trustee.
9. **Permitted Withdrawals:** A withdrawal, commutation or surrender of assets, in whole or in part, held in the Account is not permitted and will be void, except in the following circumstances:
 - a) **Small Amount Starting at 55.** In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the assets in the Account may be paid to the Annuitant in a lump sum if
 - (i) the Annuitant certifies that the total value of all assets in all Locked-in RRSPs, LIFs, Restricted Locked-in RRSPs and Restricted LIFs that were created as a result of a transfer of pension benefit credits under section 16.4 or 26 of the Act, a transfer under the Regulation or a transfer under section 50, 53 or 54 of the *Pooled Registered Pension Plans Act* or the *Pooled Registered Pension Plans Regulations*, is less than or equal to 50% of the Year’s Maximum Pensionable Earnings, and
 - (ii) the Annuitant gives a copy of Form 2 and Form 3 of Schedule V of the Regulation to the Trustee.
 - b) **Financial Difficulties.** The Annuitant may withdraw an amount from the Account up to the lesser of the amount determined by the **Formula** set out below and 50% of the Year’s Maximum Pensionable Earnings minus any amount withdrawn in the calendar year from any Locked-in RRSP under this paragraph or paragraph 20.1(1)m), 20.2(1)e) or 20.3(1)m) of the Regulation if the following conditions are met:
 - (i) the Annuitant certifies that he or she has not made a withdrawal in the calendar year from any Locked-in RRSP under this paragraph or paragraph 20.1(1)m), 20.2(1)e) or 20.3(1)m) of the Regulation, other than within the last 30 days before this certification,
 - (ii) in the event that the value of M in the **Formula** set out below is greater than zero,
 - (A) the Annuitant certifies that he or she expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant’s total expected income for that calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year from any Locked-in RRSP under this paragraph or paragraph 20.1(1)m), 20.2(1)e) or 20.3(1)m) of the Regulation, and
 - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
 - (iii) the Annuitant gives a copy of Form 1 and Form 2 of Schedule V of the Regulation to the Trustee.

Formula: M + N

where

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

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

P - Q

where

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

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

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

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

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

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

10. Amendments: The Trustee may not amend this Agreement without first notifying the Annuitant, unless the amendment is intended to satisfy the requirements of any applicable law or does not have the effect of reducing the benefits payable under this Agreement. The amended Agreement must remain compliant with the Act and the Regulation as well as with the Tax Act.

11. 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 benefit credit;
- 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; and
- c) The commuted value of the Pension benefit credit that was transferred herein was not determined in a way that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.

12. Governing Law: This Agreement is to be governed by and construed in accordance with the laws applicable in the province of residence of the Annuitant.

13. Effective Date: This Agreement takes effect on the date of transfer of assets into the Account.