COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION

National Bank Direct Brokerage, a division of National Bank Financial Inc., and the other members and divisions of the National Bank of Canada group (individually or collectively in this section, the "**Bank**") collect, use and disclose my personal information, in particular to:

- Verify my identity and my creditworthiness;
- Establish and administer my account: for these purposes, certain personal information will be disclosed to the tax authorities if my account is registered and may need to be disclosed to other authorities, persons or entities, such as issuers or intermediaries (Canadian or foreign) or to an estate representative or beneficiary in the event of death;
- Understand my financial needs, to select products and services that suit me and to improve my interactions with the Bank, unless I refuse;
- Prevent fraud, manage risks and comply with laws;
- Enable the Bank to improve and develop its products and services and better understand its customers;
- Enable the Bank to present offers and other promotional communications or those of its business partners, unless I refuse;
- For any other purpose set out in the Bank's *Privacy Policy* available on nbdb.ca.

My personal information will be kept for a reasonable period of time following the end of the business relationship in order for the Bank to comply with legal obligations.

The Policy describes among others:

- What information the Bank collects, to whom it discloses it and how it uses and stores it;
- My options and rights;
- How to manage my consents.

If you have any questions, you may contact a representative of National Bank Direct Brokerage or the Bank's Chief Privacy Officer at confidentiality@nbc.ca.

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REGULATION RESPECTING COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER - EXPLANATIONS

Based on your instructions, the securities in your account with National Bank Direct Brokerage, a division of National Bank Financial Inc. (hereinafter the "Broker"), are not registered in your name but in the name of the Broker or the name of another person or company holding your securities on behalf of the Broker. The issuers of the securities in your account may not know the identity of the beneficial owner of these securities. Under securities legislation, the Broker is required to obtain your instructions concerning various matters relating to the securities held in your account.

Disclosure of information

Securities legislation permits reporting issuers and other persons or companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the reporting issuer's securities if the beneficial owner consents to having information about him disclosed to the reporting issuer or other persons or companies. The "Disclosure of Information" section allows you to inform the Broker that you DO NOT CONSENT to it disclosing to the reporting issuer or other persons or companies your beneficial ownership information, consisting of your name, mailing address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

If you CONSENT to the disclosure of your beneficial ownership information, please tick the "Yes" box in the "Disclosure of Information" section. By doing so, you will not be charged any costs associated with sending securityholder materials to you. If you DO NOT CONSENT to the disclosure of your beneficial ownership information, please tick the "No" box in this same section. By doing so, all materials to be delivered to you as beneficial owner of securities will be sent by the Broker, at your expense.

Receipt of securityholder materials

For securities held in your account, you are entitled to receive proxy-related materials sent by reporting issuers to the registered holders of their securities in connection with meetings of such securityholders. Among other things, this enables you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a meeting of securityholders.

In addition, reporting issuers may choose to send other securityholder materials to beneficial owners, even though they are not required to do so. Securities legislation allows you to decline to receive the following three types of securityholder materials:

a) proxy-related materials, including annual reports and financial statements, that are sent in connection with a securityholder meeting;

b) annual reports and financial statements that are not part of proxy-related materials; and

c) materials that a reporting issuer or other person or company sends to securityholders that are not required by corporate or securities legislation to be sent to registered securityholders.

The "Receipt of securityholder materials" section allows you to receive all materials sent to beneficial owners of securities, to receive only proxy-related materials in connection with securityholder meetings, or to decline to receive the materials intended for securityholders.

If you consent to receive ALL materials that are sent to beneficial owners of securities, please indicate your choice by ticking the "All materials intended for securityholders" box. If you would like only proxy-related materials in connection with securityholder meetings and not the other materials mentioned above, please tick the second box. Lastly, if you do not wish to receive materials intended for securityholders, please indicate your choice by ticking the third box.

Note: Even if you do not consent to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to you, at their expense. These materials would be delivered to you by way of the Broker if you did not consent to the disclosure of your beneficial ownership information to reporting issuers.

Communication of information and receipt of documents by shareholders of European or foreign companies

As required by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement and the related Commission Implementation Regulation (EU) 2018/1212 and national laws implementing those requirements (together, "SRDII"), a company with registered office(s) in the European Union which is admitted to trading on a European stock exchange (a "European Issuer") could request the Dealer to disclose information about its shareholders. If you hold securities of a European Issuer (the "European Securities"), we may therefore be required to disclose to such European Issuer information about you such as your name, address(es) and details of the European Securities you hold with it. The Dealer may also disclose information to a foreign issuer if required to do so by applicable laws.

In addition, and in accordance with what is indicated in the Communication with beneficial shareholders section of your account opening form, the Dealer may provide you with information relating to shareholders' meetings of European Issuers in order to enable you to exercise the rights flowing from your European Securities.

To the extent a voting confirmation or voting receipt is made available in connection with an exercise of shareholder rights for the European Securities held in your account, you nominate the Dealer to receive such confirmation and/or receipt on your behalf. The Dealer will provide such confirmation and/or receipt to you upon request.

For the avoidance of doubt, the Dealer will have no liability to you for actions taken, or not taken, by the Dealer or its agents in good faith and intended to comply with any provision of SRDII.

Language of communication

This section allows you to inform the Broker of your preferred language of communication (English or French). You will receive materials in your preferred language of communication if they are available in that language.

CONTACT

If you have any questions or want to change your instructions in the future, please contact the Broker's Customer Service.

CONSENT TO THE ELECTRONIC DELIVERY OF DOCUMENTS

1. The Client consents to the electronic transmission of documents, communications, or notices that the Broker chooses to transmit electronically, to an electronic address, or through the Broker's secure site.

2. The Client certifies that he/she has the technical resources (computer, telephone line, software and any other necessary equipment) to receive and read documents, communications or notices sent by the Broker through its secure site and/or to the e-mail address indicated in the "Information on Applicant", section 1 of the Brokerage Account Application.

3. The Client acknowledges that delivery by electronic means is neither sure nor confidential, that information that is confidential, exclusive or of a sensitive nature sent by electronic means can be read or copied by unauthorized persons, and that it is the Client's responsibility to verify that the documents sent by the Broker do not contain computer viruses or any other destructive element.

4. The Client acknowledges that it is his/her sole responsibility to inform the Broker of any changes with respect to the e-mail address where the materials are sent by the Broker as indicated in the "Information on Applicant", section 1 of the Brokerage Account Application.

5. The Client acknowledges that he/she is solely liable and that the Broker can in no way be held liable for any equipment failure, disruption of any electronic delivery, disruption of Internet service or any other means of electronic delivery, or any damages, loss or expenses that the Client or a third party may sustain or incur following instructions given by the Client to deliver the materials by electronic means.

6. The client acknowledges that a hard copy of any document transmitted by electronic means may be sent by mail, according to the applicable pricing, if such a request is submitted to the Broker by telephone, regular mail, or email.

7. The Client understands that the Broker will provide the Client with a hard copy of any document transmitted electronically if the electronic transmission fails.

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ACCOUNT TERMS AND CONDITIONS

CASH ACCOUNT AGREEMENT

(Also applicable to registered accounts, margin accounts, margin short accounts and options trading accounts.)

In consideration of the Broker agreeing to open and maintain an Account in the name of the Client, the latter consents and undertakes to comply with the following terms and conditions:

1. APPLICATION

The Agreement shall apply to the Client's Account.

2. DEFINITIONS

In the Agreement, the terms below have the following meanings:

2.1 Client: The applicant identified in the Brokerage Account Application. If an account is opened in the name of an applicant and co-applicant, they shall constitute the "Client" and shall be jointly and severally (solidarily in Quebec) responsible for the obligations stipulated in the Agreement.

2.2 Account: The account of the Client, which is opened with the Broker and is the subject of this Agreement, and all other accounts held by the Client with the Broker.

2.3 Agreement: This Cash Account Agreement.

2.4 Suitability: The fitness of a Transaction in relation to the financial condition of the Client, as well as his investor profile and investment knowledge.

2.5 Broker: National Bank Direct Brokerage, a division of National Bank Financial Inc. National Bank Direct Brokerage offers order execution only services; that is trade without advice on any product type (shares, options, fixed income securities or investment funds). Such services offered shall not include checking the suitability of any transaction.

2.6 Authorized Representatives: Each of the persons designated as such in the "Identification Form" attached hereto to form an integral part hereof, as well as any other representative who may be designated from time to time to fill this function.

2.7 Reporting insider: means an insider of a reporting issuer if the insider is:

a) the CEO, CFO or COO of the reporting issuer, of a significant shareholder* of the reporting issuer or of a major subsidiary of the reporting issuer;

b) a director of the reporting issuer, of a significant shareholder* of the reporting issuer or of a major subsidiary of the reporting issuer;

c) a person or company responsible for a principal business unit, division or function of the reporting issuer;

d) a significant shareholder* of the reporting issuer;

e) a significant shareholder* based on post-conversion beneficial ownership of the reporting issuer's securities and the CEO, CFO, COO and every director of the significant shareholder* based on post-conversion beneficial ownership;

f) a management company that provides significant management or administrative services to the reporting issuer or a major subsidiary of the reporting issuer, every director of the management company, every CEO, CFO and COO of the management company, and every significant shareholder* of the management company;

g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);

h) the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or

i) any other insider that

I) in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed; and

II) directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer.

* "significant shareholder" means a person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution.

2.8 Transaction Order: The instructions of the Client or any other person duly authorized by the Client regarding a Transaction or the use of credit balances.

2.9 Security: Any security or securities recognized as such in the securities industry, including in particular but not limited to stocks, bonds, debentures, instalment receipts, notes, warrants, rights, derivative instruments similar to debt securities, structured notes, asset-backed instruments, investment certificates, investment fund units, options and any other type of investment that may be traded from time to time by the Broker.

2.10 Transaction: A purchase, sale or any other financial operation with respect to a Security.

3. INFORMATION ON CLIENT

3.1. Legal Capacity: The Client acknowledges that he has the legal capacity to be a party hereto.

3.2. Insider: The Client undertakes to notify the Broker promptly should the Client, or any of his Authorized Representatives or their spouses, if any, become an insider of a reporting issuer or should any of them acquire, directly or indirectly, a controlling interest in the capital stock of the same.

3.3. Employee of an Investment Dealer: The Client undertakes to notify the Broker promptly should the Client, or any of his Authorized Representatives or their spouses, if any, become a partner, director or employee of an investment dealer, whether or not such dealer is a member of an exchange or self-regulatory agency.

3.4. Complete and Continuous Information: The Client acknowledges that all the information provided in the Brokerage Account Application is complete and accurate. The Client further undertakes to notify the Broker promptly of any change in such information, including in particular any information concerning his financial condition.

4. ROLE OF THE BROKER

4.1. Role: The role of the Broker shall be limited to acting as a discount broker in executing the Transaction Orders placed by the Client, for which no recommendation and advice shall be provided by the Broker or whose Suitability shall not be checked.

4.2. Rights Attached to Securities: The Broker shall not have any obligation or liability regarding voting, subscription or conversion rights or any other right attached to the Securities and shall not provide any advice in regard thereto.

4.3. Liability: The Broker shall not be liable for any errors or omissions with respect to a Transaction Order, the execution thereof or any fact related thereto, and consequently, it shall not be bound to compensate for any loss, repair any damage or reimburse any expenses arising therefrom, unless the error or omission was caused by its negligence.

5. ROLE OF THE CLIENT

5.1. Role: The Client acknowledges that he has the required knowledge, necessary experience and sufficient financial capacity to make investment decisions without advice from the Broker.

5.2. Liability: The Broker shall not assume any liability for the Client's investment decisions. The Client acknowledges, consequently, that he is solely liable for the financial consequences of his investment decisions.

6. JOINT ACCOUNT

6.1. Joint Account

Each of the Clients acting alone shall be authorized and empowered to deal in general with the Broker, with the same

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authority as if he were the sole party with interests in the Account, without the Broker having to notify the other Client. Without limiting the generality of the foregoing, either of the Clients may individually:

I) perform all trading in the Account, including, without limiting the scope of the foregoing, buy, sell, accept, receive, assign, deliver, endorse, transfer, convey or otherwise trade all the securities registered in the name of either of the clients, which are currently assigned to them or which may be assigned to them, and use any free credit balance deposited and registered in the Account;

II) without any restrictions as to the beneficiary, sign, draw, issue, accept, authorize and endorse any cheque, promissory note, letter of exchange, money order, bank draft, payment order, transfer, electronic funds transfer or other instrument, as well as deposit any amount of money into the Account or make any withdrawal therefrom;

III) have forwarded to the Broker and receive from the same any request, notice, confirmation, statement of account or communication of any kind with respect to the Account;

IV) sign, ratify, amend and rescind any agreement regarding the administration of the Account.

If a payment or delivery in favour of either of the clients is made further to the request of one of the clients, the Broker shall not be bound to inquire about the purpose of such request, nor its relevance, and the Broker may not be held liable for the consequences arising therefrom.

In the event of the death of a Client, the surviving Client shall notify the Broker forthwith in writing. The death of a Client shall affect the rights and obligations of the other because such rights and obligations are subject to the legislation applicable to each of the provinces in Canada where the Broker carries on its business. The Broker may, before or after the receipt of such notice, take the appropriate measures to protect its interests.

In the event of the death of a Client, the Broker may, where applicable, proceed to close the Account. The free credit balances and the Securities held in the Account shall then be remitted, transferred or delivered to either of the Clients or to the estate of the deceased Client.

6.2. Joint Account with Right of Survivorship (except Quebec)

Each of the clients acting alone shall be authorized and empowered to deal in general with the Broker, with the same authority as if he were the sole party with interests in the Account, without the Broker having to notify the other Client. Without limiting the generality of the foregoing, either of the clients may individually:

I) perform all trading in the Account, including, without limiting the scope of the foregoing, buy, sell, accept, receive, assign, deliver, endorse, transfer, convey or otherwise trade all the securities registered in the name of either of the Clients, which are currently assigned to them or which may be assigned to them and use any free credit balance deposited and registered in the Account;

II) without any restrictions as to the beneficiary, sign, draw, issue, accept, authorize and endorse any cheque, promissory note, letter of exchange, money order, bank draft, payment order, transfer, electronic funds transfer or other instrument, as well as deposit any amount of money into the Account or make any withdrawal therefrom;

III) have forwarded to the Broker, and receive from the same any request, notice, confirmation, statement of account or communication of any kind with respect to the Account;

IV) sign, ratify, amend and rescind any agreement regarding the administration of the Account.

If a payment or delivery in favour of either of the clients is made further to the request of one of the clients, the Broker shall not be bound to inquire about the purpose of such request, nor its relevance, and the Broker may not be held liable for the consequences arising therefrom.

In the event of the death of a Client, the surviving Client shall notify the Broker forthwith in writing. It is the express intention of each of the clients to operate the Joint Account as joint holders with right of survivorship and not as owners in common. Each of the clients shall therefore enjoy a right of survivorship with respect to the Securities and free credit balances deposited in the Joint Account.

The death of a Client shall not prevent the surviving Client from giving Transaction Orders.

In the event of the death of a Client, the entire participation in the Account shall be assigned in favour of the surviving Client pursuant to the existing terms and conditions. The Account shall then become the exclusive property of the surviving spouse, and the estate of the deceased spouse shall not be entitled to assert any claims against the Broker regarding such assets.

7. CHECKING SUITABILITY

The Client acknowledges that he has not received any assistance from the Broker or its representatives to determine his investment needs and to establish his investment objectives.

The Client acknowledges and understands that the Broker shall not provide any investment advice or any recommendation and that the Broker shall not check the Suitability of the Transaction Orders placed by the Client. The Broker shall not assume any liability for the appropriateness of the Client's investment decisions or transactions. The Client acknowledges that he shall be liable for his investment decisions and, consequently, for any possible financial consequences resulting therefrom.

The Client acknowledges that the Broker shall have the discretionary right to review, reject, change or cancel any transaction before transmitting it to the market concerned.

Notwithstanding the foregoing, the Broker reserves the right to check, at any time, the Suitability of any Transaction Order placed by the Client, and to do so without prior notice. Furthermore, the Broker reserves the right to check the following transactions:

I) Buy transactions for a stock priced lower than the minimum trading price deemed acceptable by the Broker;

II) Transactions for an amount higher than the amount estimated as being the norm deemed to be acceptable by the Broker;

III) The transmission, on a day-to-day basis, of a higher number of transactions than the norm deemed acceptable by the Broker;

IV) Transactions failing to comply with the Broker's credit rules in force.

8. INSTRUCTIONS

8.1. Instructions: The Broker shall be authorized to act on the basis of any instruction or Transaction Order given by the Client or by any duly authorized person. The instructions and Transaction Orders transmitted and received by an automated transaction execution system, including telephone systems, personal computers and the Internet, shall be deemed to be accurate, and the Broker may not be held liable for having acted pursuant thereto. The Client undertakes to indemnify and hold harmless the Broker from and against any losses, damages and expenses that it may incur pursuant to the execution of such instructions or Transaction Orders.

8.2. Recording of Telephone Conversations: The Client agrees to the recording of all telephone conversations between him and the Broker. The Client agrees that the contents of such recording may be used for the purposes of evidence.

8.3. Use of the Internet: The Client using the Internet for trading agrees that the communications between him and the Broker may be made via the Internet, where applicable.

9. SECURITIES CERTIFICATES

9.1. Registration: The Client's Securities may, at the Broker's discretion, be registered in the name of the Broker or of an agent or representative designated by the Broker. The Client acknowledges that the Securities may be represented by certificates or documents other than those which evidenced the same when the Securities were acquired.

9.2. Custody of Securities: The Broker shall be the custodian of the Securities of the Client. The Broker may not use, in the course of its business operations, the Securities whose purchase price was paid in full and which are the exclusive property of the Client.

9.3. Custody of Securities Entrusted to a Third Party: The Client authorizes the Broker to entrust the custody of his Securities and of any income generated thereby and all proceeds from the disposition thereof to any investment dealer or financial institution deemed acceptable by the Broker, to The Canadian Depository for Securities Limited or to any other custodian carrying out similar functions.

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10. INCOME AND CREDIT BALANCES

10.1. Income: Any interest, dividend, net proceeds from disposition and any other amount received for the Securities of the Client shall be credited by the Broker to the Client's Account.

10.2. Credit Balances: Any credit balance in the Account shall bear interest at the rate then in effect at the Broker.

10.3. Free Credit Balances: Any free credit balance in the Account shall be payable on demand. It shall be recorded in the books of the Broker on a regular basis, shall not be segregated and may be used by the Broker in the course of its business operations within the limits prescribed by regulatory authorities.

11. CONFIRMATION AND STATEMENT OF ACCOUNT

11.1. Transaction Confirmation: Whenever the Broker sends a Transaction Confirmation to the Client, the latter undertakes to verify the accuracy thereof and to notify the Broker of any error or omission in the contents within three (3) days of the receipt thereof, at the end of which the Client shall have agreed to and definitively approved the contents of the Transaction Confirmation, which shall then be considered accurate and may no longer be subject to any dispute.

11.2. Statement of Account: Whenever the Broker sends a statement of account to the Client, the latter undertakes to verify the accuracy thereof and to notify the Broker of any error or omission in the contents within thirty (30) days of the receipt thereof. Except with regard to the contents of Transaction Confirmations approved by the Client under this Agreement, the Client shall agree to and definitively approve, at the expiry of the period of thirty (30) days, the contents of the statement of account, which shall then be considered accurate and may no longer be subject to any dispute.

11.3. Expiry of Time Periods: At the expiry of the time periods mentioned in Sections 11.1 and 11.2, the Client acknowledges that he may no longer exercise against the Broker or any other custodian of the Securities any recourse directly or indirectly in connection with the subject matter of the Transaction Confirmation and the statement of account.

12. SHORT SALES

Except in a margin account specifically opened for such purpose, the Client undertakes to refrain from giving any order to sell a Security that he does not own or that he cannot deliver in an acceptable and negotiable form by the settlement date.

13. LIQUIDITY OF SECURITIES

The Client warrants that any Securities delivered by him or for his account may be sold freely and may be transferred to the books of the issuer without any need to obtain any authorization whatsoever or any order to file a declaration or to give notice.

14. SETTLEMENT OF TRANSACTIONS

The Client shall pay the Broker for all Securities purchased on his behalf and to deliver to the Broker all Securities sold on his behalf which are not already in the custody of the Broker or any other custodian, no later than on the scheduled settlement date of the Transaction.

If the Client fails to make payment or to deliver the Securities, the Broker may, at its discretion and without prior notice to the Client, finalize the Transaction as it may deem appropriate, including (1) by selling the Securities held in another account of the Client; (2) by purchasing or borrowing all the Securities causing the Account to be short; (3) by cancelling or amending any outstanding Transaction Order; or (4) by exercising any other right or recourse provided for in the Agreement or by taking any other measure deemed necessary to protect its interests.

The Client shall then pay to the Broker any and all damages, costs and expenses incurred by the Broker to finalize the Transaction. The net proceeds from such Transactions shall be applied to the payment of any amount due by the Client to the Broker without however lessening the liability of the Client to repay any remaining amount.

15. PRINCIPAL TRANSACTIONS

The Broker may act as principal in executing Transaction Orders for the Client. The Client agrees to approve any Transaction in which the Broker has acted as principal and to pay the resulting transaction fees.

16. COMMISSIONS AND OTHER GENERAL FEES

16.1. Commissions and Other General Fees: The Client shall pay to the Broker brokerage commissions for executing Transactions as well as all the general fees incurred while administering his Account, pursuant to the fee schedule and terms and conditions of the Broker then in effect. The Client acknowledges having been informed of the fee rates (commissions and general fees) set out in detail in the fee schedule as well as of the terms and conditions of the Broker currently in force.

16.2. Disclosure of Charges Before the Transaction: The charges and fees specified in the Commission and General Fee Schedule apply to the transactions made in your account. These transactions include:

- The sale or purchase of securities,
- The liquidation or closure of a position made by the Broker, such as when your margin account is subject to a margin call,
- Exercising an option contract,
- The liquidation of securities to make a payment from your RRIF account in the case that sufficient cash is not available,
- The handling of an estate account when securities are to be liquidated.

If the liquidated securities include deferred sales charges, you will also have to pay these charges. For more details on these charges and fees, please refer to the "Pricing" section of our website nbdb.ca and prospectus.

16.3. Currency Conversion: A currency conversion is required for, among others, the following operations: (i) the Client makes a Transaction involving a security denominated in a currency other than that of the account in which the operation is settled; (ii) the Client transfers funds between accounts denominated in different currencies; or (iii) the Client receives an amount (such as dividends, interest, or a deposit) in a currency other than that of the account in which it is paid. Each time a currency conversion is required, the Broker acts as principal with the Client in converting the currency and is remunerated on the basis of the difference between the price paid by the Client for the currency and the price obtained by the Broker or parties related to the Broker for that same currency (the "**Spread**").

The exchange rate applicable to the operation (the "**Applicable Rate**") is established by the Broker or persons related to the Broker as follows:

a) Market Transaction: The Applicable Rate for a market Transaction corresponds to the interbank exchange rate in effect at the time the Client places his or her Transaction Order, plus the Spread applicable to the operation. The Applicable Rate appears on the order summary, trade confirmation and statement of account.

b) Transfer of funds: The Applicable Rate for a transfer of funds between accounts denominated in different currencies corresponds to the interbank exchange rate in effect at the time the Client places his or her transfer order, plus the Spread applicable to the operation. The Applicable Rate appears on the order summary and statement of account.

c) Any other operation: For any operation other than a market Transaction or a transfer of funds, the Applicate Rate corresponds to the interbank exchange rate in effect at the time the operation is settled, plus the Spread applicable to the operation. The Applicable Rate appears on the trade confirmation and statement of account.

In each case, the Applicable Rate and the interbank exchange rate vary according to a number of factors, including market fluctuations, the amount, the date and the nature of the operation. The Spread applicable to the operation also varies according to the amount of the operation. The Applicable Rate, the interbank exchange rate and the Spread are subject to change without notice. Up-to-date information on the applicable Spread can be obtained by visiting the "Pricing" section of our website at nbdb.ca/pricing.html or by contacting one of our representatives by phone. Any currency conversion takes place at the time when the operation is settled.

16.4. Fixed Income Fees: The Broker may act as principal or agent in fixed income transactions. The Broker or parties related to the Broker may earn revenue on the spread between the bid and ask prices.

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17. AMOUNTS OWED BY THE CLIENT

17.1. Amounts Owed: All amounts owed by the Client to the Broker under the Agreement as a result of the Transaction Orders executed by the Broker, expenses or otherwise shall be payable to the Broker on demand.

17.2. Interest Rates: All amounts owed to the Broker shall bear interest commencing on the due date thereof or, in the case of a payment or an advance made by the Broker, as of the date of payment or the date of the advance.

17.3. Computation of Interest Payable: The interest payable shall be computed daily and compounded monthly according to the rates in effect with the Broker. For more details, please refer to the "Pricing" section of the nbdb.ca homepage.

18. CROSS GUARANTEE AND COMPENSATION

Any amount owed by the Client to the Broker, and the interest thereon, may be debited from his Account. In the event the Client has several accounts with the Broker, the Client authorizes the Broker to transfer any credit balance from one account to any other account of the Client with a debit balance. The Broker shall be authorized to apply the proceeds from any sale and any other amount held by the Broker in the Client's name against any amount owed by the Client to the Broker.

Similarly, the Client irrevocably authorizes the Broker to take all the necessary steps to cash any Securities held or registered in any account of the Client, and consents to a compensation between the amounts owed and the proceeds from the disposition of any Securities. The Broker shall decide how to apply such proceeds.

The Broker may exercise the rights conferred under this section without publication, notice or demand to the Client or any other third party.

19. HYPOTHEC (APPLICABLE IN QUEBEC) AND SECURITY INTEREST

19.1. Creation of Collateral: In order to secure payment of all the amounts owed by the Client (and by each co-applicant individually, for joint accounts) as well as to secure performance of all obligations, present and future, direct and indirect, contracted hereunder, the Client (and by each co-applicant individually, for joint accounts whether the sums are owed by the applicant or the co-applicant) assigns and hypothecates, in favour of the Broker, all Securities and credit balances held or registered at any time whatsoever in any of his accounts, including the interest, dividends, any proceeds from the disposition thereof and any other income that could be generated therefrom (collectively called the "Collateral"), which shall be automatically held as security by the Broker and shall be charged by a security interest and a lien in favour of the Broker.

19.2. Holding by a Third Party: For the purpose of the constitution or the validity of this hypothec or in order to set it up against third parties or effect publication thereof, the Client agrees that the Collateral may be held by a third party in the Broker's name. It is furthermore agreed that the Broker may furnish written evidence of this hypothec to all third parties, in particular to those holding the Collateral.

20. RECOURSES IN THE EVENT OF DEFAULT

20.1. Default: The Client shall be in default in each of the following cases:

a) If any of his obligations, present or future, direct or indirect, contracted toward the Broker is not performed when required;

b) If the Client's Account is seized or possession is taken thereof, or it is subject to any other proceeding by a creditor, a receiver or any other person performing similar duties;

c) If the Client becomes insolvent or bankrupt;

d) If any of the declarations made in the Agreement is false;

e) If the Client is subject to dissolution, liquidation or block sale, where applicable;

f) If the Client fails to maintain his registration in force, where applicable.

20.2. Recourses: In the event of default by the Client as described in Section 20.1 and in all other cases where, as dictated by usage, the Broker deems that it is reasonable and necessary to protect its interests, the Broker may, at its entire discretion, sell by mutual agreement or otherwise, all or part of the Collateral at the prices and conditions that the Broker may deem the most appropriate in such circumstances. The Broker may also take the Collateral as payment and exercise any other right under the Agreement or provided by law.

Among other things, the Broker may exercise all the rights and powers attached to the Collateral and act as if it were the owner thereof. The Broker may exercise such recourses without publication, notice or demand, or any other prior notice to the Client or third parties. The recourses of the Broker may be exercised together or separately, and in the order that it may determine at its discretion. The Broker may apply the proceeds from the realization of the Securities to the payment of any expenses incurred by it while exercising its rights and recourses, in particular to the payment of judicial and extrajudicial costs incurred, and to the repayment of any obligation of the Client contracted under the Agreement. The Broker shall decide how to apply such proceeds.

Failure by the Broker to exercise one or more of its rights and recourses under the Agreement may not be deemed to be abandonment or a waiver of the said rights and recourses.

21. POWERS OF THE BROKER

The Broker reserves the right, at its sole discretion, to close the Account and to rescind the Convention, in particular if the former is inactive or holds no assets, without notice.

The Broker may also, without notice, in its sole discretion and for its sole benefit, sell any security or suspend or restrict Account Transactions in order to comply with legal or regulatory requirements or any internal policies, including inappropriate use of its platform or not tolerated by the Broker. Improper or untolerated use could include, but is not limited to, excessive trading volume or frequency, transactions that are contrary to regulation, or the use of other systems or applications (including any automated order production system). The assessment of inapproriate or non-tolerated use remains at the sole discretion of the Broker.

It is the Client's responsibility to use the Account and the trading platform in a manner consistent with the permitted use.

21.1. UNCLAIMED PROPERTY

If the Account or the assets contained therein become unclaimed property within the meaning of any applicable law governing unclaimed property, the Broker may take all necessary steps to comply with such law, including the sale of some or all of the assets in the Account for the purpose of converting them into cash. If applicable, the Client shall apply to the relevant government agency to claim the assets or proceeds of their disposal and to pay, if any, any fees that such agency may claim.

21.2. WORTHLESS SECURITIES

With respect to an account holding only one or more securities that may be considered worthless, you acknowledge and agree that the Broker will have the right, in its sole discretion and acting reasonably, to deem the security to be worthless. In this case, the Broker may, without giving you notice, withdraw the worthless security from your account, at a zero or symbolic value. The Broker will not be liable to you if, in the future, a value is assigned to the worthless security or if distribution are paid in cash or in kind.

Upon the permanent removal of the worthless security from the account, which does not contain any other assets, the Broker may terminate this agreement and close your account. For clarification on reporting a loss arising from a worthless security, if applicable, the Client should consult with their tax professional or accountant.

22. AMENDMENT BY THE BROKER

The Broker may amend the provisions of the Agreement by way of a written notice of thirty (30) days given to the Client. The amendments shall take effect at the end of the period of thirty (30) days following the receipt of the said notice by the Client.

23. AMENDMENT BY THE CLIENT

The Client may not make any amendment, modification, addition or waiver in respect of one or more of the terms and conditions of the Agreement unless the same is evidenced in a document expressly modifying the terms of the Agreement, and such document is signed by the Client and an Authorized Representative from the Compliance Department of the Broker.

24. DEATH OF THE CLIENT

Upon the Client's death, and until receipt of any documentation prescribed by law and required by the Broker as part of the handling of

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the estate, the Broker may execute, upon the instructions of the apparent liquidator or a presumed heir, any Transaction of a conservatory nature.

The Broker may, however, refuse at its discretion to execute any Transaction Order and may not be held liable for any loss or damage, whether direct or indirect, arising from the application of this section.

25. TERMINATION

The Convention can be rescinded without motive by the Broker upon written notice to the Client, barring situations mentioned in paragraph 21 herein that do not require any, or by the Client upon reasonable notice to the Broker.

26. ACCOUNT TRANSFER

If the Client transfers his Account held with the Broker to another institution, the Broker is authorized to limit or suspend the Transactions in the Account and to cancel any open orders once notified of that request by the receiving institution. The Client undertakes that no Transaction Order is to be transmitted to the Broker after having initiated an Account transfer request and that all open orders, which remains unfilled, can be cancelled. The Broker may not be held liable for any loss or damage, whether direct or indirect, arising from the application of this section.

27. CANADIAN INVESTOR PROTECTION FUND AND DEPOSIT INSURANCE

The Securities sold through the Broker and held in the Client's Account, and the free credit balances of the Client, unless otherwise notified, shall benefit from the protection of the Canadian Investor Protection Fund pursuant to the conditions for the application thereof. They shall not, however, be insured in whole or in part by the Canada Deposit Insurance Corporation, the *Autorité des marchés financiers* in Quebec or any other public deposit insurance fund, nor shall they be guaranteed in whole or in part by National Bank of Canada.

28. LIABILITY OF THE BROKER

The Broker shall not be liable for any loss caused directly or indirectly by a delay in the receipt or execution of a Transaction Order, periods of abnormal or unusual activity on the markets, government restrictions, decisions of an exchange or over-the-counter market, trading halts, or any other case of Act of God (wars, strikes and lock-outs, etc.) that cannot be foreseen by the Broker and are beyond its reasonable control.

The Broker shall not be liable for errors or omissions with respect to Transaction Orders, the execution thereof or any fact related thereto and consequently, the Broker shall not be bound to compensate for any loss, repair any damage or reimburse any expenses arising therefrom, unless such error or omission was caused by its negligence.

The Broker shall not be liable and shall not be bound to compensate for any loss, repair any damage, or reimburse any expenses arising out of the exercise of its powers under paragraph 21.

29. APPLICABLE LAW

29.1. Applicable Law: Insofar as the home address or permanent address of the Client, where applicable, is located in Canada, the Agreement shall be interpreted in accordance with the laws of the Client's province of residence at the time of the signing of this Agreement. Otherwise, the Agreement shall be interpreted in accordance with the laws of the Province of Quebec.

29.2. Regulations: The Client acknowledges that all his Transactions shall be subject to the by-laws, regulations, orders, customs and usage of the various exchanges or markets on which such Transactions are executed by the Broker, the self-regulatory agencies of which the Broker is a member and, where applicable, the clearing corporations through which they are processed. These transactions shall further be subject to all applicable laws, regulations and orders of any government or self-regulatory authority.

29.3. Minimum Standards: The by-laws, regulations and orders referred to in Section 29.2 constitute a minimum standard in the Canadian securities industry and the Broker may subject any Transaction to more stringent standards.

29.4. Legislative or Regulatory Amendments: In the event of amendments to the laws, regulations or rules in force, amending the terms and conditions of the Agreement, the corresponding provisions shall be deemed to have been amended accordingly, with the other provisions remaining unchanged.

30. ASSIGNMENT AND SUCCESSORS

The Agreement shall be binding upon the Broker, the Client and their successors and assigns, as applicable. The Agreement shall remain valid notwithstanding any incidental, temporary or intermittent closures, or any reopening or any change in the numbering of the Account. The Client shall not assign this Agreement, nor the rights and obligations arising therefrom.

31. COMMUNICATIONS

31.1. Notice to the Client: Any notice, document and communication sent to the Client may be delivered by hand or sent to the Client by postage-paid to the Client's mailing address, by e-mail to the Client's e-mail address or through the Broker's secure site.

31.2. Regulatory Documents: Unless otherwise instructed by the Client, trade confirmations, account statements as well as prospectuses and other documents may be delivered to the Client through the Broker's secure site.

31.3. Notice to the Broker: Any notice, document or communication intended for the Broker must be sent by e-mail or by postage paid to the following address:

National Bank Direct Brokerage
800 Saint-Jacques Street, Office 16281,
Montreal, Quebec, H3C 1A3.

31.4. Receipt: The Broker and the Client are deemed to have received any notice, document, and communication by the third (3rd) business day following their mailing by postage paid or on the day of their delivery by hand or by courier. The Client is deemed to have received any notice, document, and communication on the same day they are sent by e-mail or through the Broker's secure site.

32. HEADINGS

The headings of the sections of the Agreement are included for convenience of reference only and may not at any time be used to interpret the Agreement.

33. GENDER AND NUMBER

Wherever so required by the context, a word expressing the masculine gender shall include the feminine, and the singular shall include the plural unless otherwise indicated in the context or the context does not lend itself thereto.

34. INVALIDITY OF A PROVISION

If any provision is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the application of the other provisions of the Agreement, which shall remain in full force and effect and shall continue to be complied with as if the invalid or unenforceable provision was not incorporated therein.

35. COMING INTO FORCE AND SCOPE

This Agreement shall come into force and shall become binding upon the Client and the Broker upon the occurrence of one of the following conditions: (1) when the Broker acts according to the Client's instructions for the first time or (2) at the signing of the Agreement by the Client. The Agreement, and the "Identification Form", which are attached thereto, where applicable, to form an integral part thereof, constitute the entire agreement regarding the Account between the Broker and the Client, and such Agreement supersedes any other oral or written agreement made between the Broker and the Client, including any form of communication, representation, agreement or undertaking prior to this Agreement. The provisions of this Agreement are separate provisions in addition to all other provisions contained in the "Margin Agreement" and the "Options Trading Agreement" included herein.

36. NOTICE TO CLIENTS RESIDING IN THE UNITED STATES

NBDB, as a Canadian securities broker relying on certain exemptions from registration in the United States (U.S.), must advise all of its clients residing in the U.S., that their accounts are not regulated under the securities laws of the U.S. and that NBDB is not subject to the broker-dealer regulations of the U.S.

MARGIN ACCOUNT AGREEMENT

In consideration of the Broker agreeing to open and maintain a margin account in the name of the Client, the latter consents and undertakes to comply with the following terms and conditions:

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1. REFERENCES

All the clauses of the Cash Account Agreement shall form an integral part of this Margin Account Agreement, including the necessary adjustments in view of the context of a Margin Account.

2. MARGIN

2.1. Margin (Guarantee): The Client is liable and undertakes to maintain at all times the protective margins required, as established from time to time by the Broker at its entire discretion.

2.2. Additional Guarantees: The Client also undertakes to furnish additional guarantees for any obligation that he has contracted toward the Broker and whenever requested by the Broker.

2.3. Margin Call: When it deems it necessary, the Broker may, at its sole discretion, without having to make any prior request, sell all or part thereof, or purchase any Securities for which an Account is in margin deficiency, in order to meet any commitment of the Client.

3. AMOUNTS OWED BY THE CLIENT

Any debit amount in the Client's Account resulting from a cash advance or a Transaction, shall constitute an amount owing under Section 17 of the Cash Account Agreement, and shall bear interest at the same conditions.

4. HYPOTHEC (IN QUEBEC) AND SECURITY INTEREST

The Securities held for the Client's Account shall, upon being purchased, be hypothecated in favour of the Broker, as stipulated in Section 19 of the Cash Account Agreement.

5. USE OF SECURITIES

As long as the Client's Securities are not fully paid, the Broker may use them as follows:

a) lend them and use them in the day-to-day management of its business;

b) borrow money and pledge them, separately or with its own Securities or those of other persons, for purposes it deems appropriate;

c) deliver said Securities to hedge sales made for the account of another person, without having to keep in its possession or under its control Securities of the same nature and of the same amount;

d) use them to make delivery following a sale by the Broker acting as principal or for an account in which the Broker or one of its directors has a direct or indirect interest.

6. SHORT SALES

Unless the Client has expressly indicated to the Broker beforehand that he is selling short in a margin account opened specifically for this purpose, the Client shall deliver to the Broker all the Securities sold on his behalf and not held by the Broker or an agent or mandatary no later than the scheduled settlement date. The Client shall notify the Broker when issuing a short sale order. All sell orders given by the Client shall be considered to be covered, unless otherwise specified by the Client.

If the Client fails to make delivery pursuant to the foregoing or if the Broker sells the Client's Securities according to his instructions and is unable to deliver the same to the purchaser because the Client is not the owner of the Securities or is not in a position to deliver them to the Broker on the settlement date in an acceptable and negotiable form for delivery, the Broker may, at its discretion, execute the Transaction as it may deem appropriate. The Client shall then be required to pay the Broker for any damages, costs and expenses incurred by the Broker to execute the Transaction.

7. POWERS OF THE BROKER

As often as deemed necessary and without previously notifying the Client thereof, the Broker may, on an exchange or any other market or by private sale:

a) buy or sell any Securities causing the Client's margin account to be short;

b) sell any Securities held for the Client's account;

c) cancel any Transaction Order being executed;

d) take any other measure deemed necessary to protect its interests.

The net proceeds from such Transactions shall be applied to the payment of any amounts owed by the Client to the Broker, without however lessening the Client's responsibility to repay any remaining amount.

8. COLLECTION OF INFORMATION

The Client acknowledges that information on his financial situation and creditworthiness are essential elements for granting and maintaining his margin loan with the Broker. Consequently, the Client authorizes the Broker to make continuous checks in this regard with persons and entities who hold such information and, if necessary, to deliver a copy of this authorization to such persons and entities.

OPTIONS TRADING AGREEMENT

In consideration of the Broker agreeing to act as an investment dealer for any Options Trading Accounts in the Client's name, the Client consents and undertakes to comply with the following terms and conditions:

1. REFERENCES

All the clauses of the Cash Account Agreement and the Margin Account Agreement shall form an integral part of this Options Trading Agreement, including the necessary adjustments in view of the context of an Options Trading Account.

2. OPTIONS

The Broker shall act, from time to time, as a dealer for the purchase, sale or execution of puts and calls that can be traded on a recognized market, or other Options Transactions (hereinafter called the "Options").

3. ROLE OF THE CLIENT

The Client acknowledges that he has the required knowledge, necessary experience and required financial resources to carry out and support any Options trade in which he may participate. The Client agrees to pay to the Broker all fees and commissions applicable to options trading, including any fees that could be charged as a commission, when the Broker acts as market maker or principal for the purchase or sale of options. The Client acknowledges having read and understood the Derivatives Risk Disclosure Statement.

4. REGULATIONS

In addition to the rules imposed by the Broker, Options shall be subject to the provisions of the rules of the various clearing corporations which issue Options, of the exchanges on which the Options are traded, and of any other competent self-regulatory agency. The Client undertakes to comply with position limits, maximum limits on short positions, exercise limits, margin requirements, subsequent transaction requirements, reporting requirements and all other requirements determined at the option of the Broker and the competent self-regulatory agencies concerned. The Broker reserves the right to modify trading and transactions limits or any other restrictions at its sole discretion. The Client undertakes to comply with the requirements currently in force that may be subsequently amended at the option of the Broker or relevant regulatory or self-regulatory authorities. If required by applicable laws or upon request, the Broker may be required to provide regulatory authorities with information and/or reports related to position and exercise limits, as well as reporting of derivative positions and transactions.

5. LIMITS

The Client acknowledges that limits may be set on short positions, and that in the last ten (10) days preceding the expiry of an Option, a cash-only basis may apply for Transactions, which may vary at the option of the Broker and the competent self-regulatory agencies concerned.

6. ASSIGNMENT

The Broker shall assign exercise notices for Options on a random selection basis or otherwise, as it may deem appropriate. For this purpose, the Broker shall maintain a register according to the execution date of the initial sales of Options traded by its clients.

7. INSTRUCTIONS

The Client shall provide instructions to the Broker in a timely manner concerning the sale, close-out or exercise of any Option or any other action to be taken regarding his Options. The Client acknowledges that the Broker shall have no duty or obligation to take any measures with regard to the Options or exercise the Client's Options before their expiry without specific instructions from the Client. The Client may transmit his instructions regarding Options Trading by phone during our business hours or online via our trading platform at any time. An order may be executed during the regular trading hours of the exchange concerned. Notice of the Client's intention to exercise an Option shall be required to be given no later than 4:00 p.m., Montreal time, preceding the expiry date of the Option.

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8. POWERS OF THE BROKER

Any order to trade an Option given by the Client may be refused by the Broker at its entire discretion. Should the Broker deem it necessary or desirable, particularly in the case of insolvency, death, bankruptcy, or any other event that could change the Client's financial condition, the Broker may, without having to first notify the Client, take all the measures required to protect its interests against any losses. Without limiting the generality of the foregoing, the Broker may, in particular, sell any Securities held for the Client's account, purchase any Securities for which the Client's Account is short, or buy or sell any uncovered Options for the Client's account and at his risk. The Broker may also act for other clients who are on the other side of a transaction when it deems it appropriate, subject to the rules of the exchange where the transaction takes place.

9. DELAYS

The Client acknowledges that an exercise notice in respect of an expired option position may reach him several days after trading has ceased on the said Option since listed expiring Options cease to be traded some time before the scheduled hour in order to allow the last exercise notice to be allocated, and that administrative delays and delays in transmission due to failures or the slowness of the information transmission or communication system may occur. The Client further acknowledges that such a delay may cause him to suffer an unexpected loss, for which the Broker is not liable, and that for such purpose, the Broker has specific margin rules for Clients who contract expiring Options.

10. LIABILITY OF THE BROKER

The Broker may not be held liable for errors and omissions affecting an order or the execution thereof regarding the purchase, sale, execution or expiry of Options or any other Options Transaction unless such error or omission is caused by the Broker's negligence. The Broker is entitled, but not required, to correct any mistake in filling an order to buy or sell an option by filling the order at the market price that was in effect when the order should have been filled.

11. ACCURACY AND CHANGE OF INFORMATION

The Client confirms that any information provided concerning the opening of an Options Trading Account is complete and accurate. The Client further undertakes to inform the Broker of any changes affecting his financial condition including, without limiting the scope thereof, any Options trading restriction to which he may be subject.

12. FREE CREDIT BALANCES

In addition to any other recourse it may have, the Broker is authorized to use the credit balances available in the Client's account, in whole or in part, in the course of its activities and within the limits prescribed by CIRO and any applicable law, and as set out in the Cash Account Agreement.

If the Client has debit balances in other accounts with the Broker, the Broker may use the credit balances available in the Client's account to offset these debits.

13. WARRANTY

In order to secure the repayment or all amounts that the Client may owe to the Broker, the Client hereby grants to the Broker a security interest or, in the province of Quebec, a movable hypothec, on all assets, including securities and credit balances held or deposited in the Client's account(s) with the Broker (the "Secured Property"), now and at all times in the future. With respect to the Secured Property subject to the legislation in force in the province of Quebec, since the Quebec Civil Code requires that the amount of the movable hypothec be stated, the hypothec is set at $100,000,000. For these purposes, the Client hereby grants to the Broker control over the Secured Property. This amount does not represent the amount of the Client's obligation to the Broker or the amount of any credit made available to the Client by the Broker. The hypothec therefore has no tangible impact on the Client, unless the Client owes the Broker, at any time, amounts, for any reason whatsoever.

The Broker may hold the Secured Property at any location it sees fit through a third party of its choice, and may provide this Agreement to any third party to prove that it has control over the Secured Property.

In the event that the Client owes any amount, the Broker may use the Secured Property, in whole or in part, without notice and without having to obtain the Client's prior permission, in the course of carrying out its activities, including:

- by pledging, mortgaging or otherwise using them as security for any of the Client's debts;
- by using them for sale, repurchase or any other similar transaction, without notice and without having to respect a grace period or any other specific time limit;
- by lending some or all of it in the course of the day-to-day management of its business, including transferring the Secured Property for any of the Client's accounts to any other account the Client holds with the Broker.

The Broker may also use any financial assets held in or credited to the Client's account for the purpose of delivering them against a sale, whether such sale is made for the Client's account, for another client or for any account in which the Broker may have a direct or indirect interest.

14. MARGIN

Options may be traded on margin. Margin transactions are subject, at all times, to the initial margin and maintenance margin requirements (the "Margin Requirements") established by the Broker, CIRO, or the applicable exchange, whichever is greater.

The Client shall monitor its account so that the account shall contain a sufficient account balance to meet the applicable Margin Requirements, at all times. The Client agrees to pay interest on any credit extended to or maintained for it by the Broker. The Broker may modify such Margin Requirements for any account holder for open and new positions, at any time, at the Broker's sole discretion.

The Broker may, at its discretion and without prior notice to the Client, call for margin whenever the Broker deems it necessary or advisable for its protection and the Client shall immediately deposit additional funds into or close positions in its account to restore margin on deposit to initial margin levels.

DERIVATIVES RISK DISCLOSURE STATEMENT

This risk disclosure statement does not disclose all of the risks and other significant considerations associated with trading in derivatives. In light of the variety of risks involved, you should undertake such transactions only if you understand the nature of the contracts, the contractual relationships into which you are entering and the extent of your exposure to risk. Trading in derivatives is not suitable for everyone and often entails a high level of risk. Trading in derivatives should be made with caution and you should carefully consider whether such transactions are appropriate for you in light of your personal and financial circumstances, investment needs and objectives, investment knowledge, risk profile, investment time horizon, and other relevant circumstances. You should consult with your own business, legal, tax and account advisers before engaging into such transactions.

You may lose more than the amount of funds deposited

A characteristic of many derivatives is that you are only required to deposit funds that correspond to a portion of your total potential obligations and yet your profits or losses are based on changes in the total value of the derivative. This inherent leverage characteristic means that losses incurred can greatly exceed the amount of funds deposited. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit. Your dealer may require you to deposit additional funds on short notice to maintain your positions as the value of the derivative changes. If you fail to deposit these funds, your dealer may close out your position at a loss, without warning and you will be liable for any resulting deficit in your account.

Using borrowed funds carries greater risk

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

Deposited cash and property

You should familiarize yourself with the protections accorded to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules.

Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

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Fluctuations in price or value

The price and value of derivatives can be adversely affected by volatile market conditions and such occurrences may significantly increase your risk exposure. There are a variety of market factors and conditions which can directly or indirectly affect derivatives such as market demand and supply, interest rate, foreign currency exchange rate, indices, commodity prices, equity prices, investor perception and other political or economic factors. Since derivatives are linked to one or multiple underlying interests, the price or value of the derivatives may also be subject to considerable fluctuations due to the risks associated with the underlying interest. The level of sensitivity of an underlying interest with specific market conditions can have wide implications on the value of derivatives linked to that underlying interest. For example, when two or more factors are affecting one or more underlying interests of a derivative, its value may become unpredictable. A small movement in the price of one underlying interest can cause a sudden and large fluctuation in a derivative's value.

Hedging and risk management strategies

Hedging transactions may require constant monitoring. A failure to adjust your hedging transaction in light of changing market conditions may result in the position becoming either under-hedged or over-hedged and losses can ensue.

The placing of certain orders (e.g. "stop-loss" or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

Listed derivatives

Under certain market conditions, you may find it difficult or impossible to liquidate or offset an existing position on a marketplace (e.g. buy-to-close or sell-to-close order). This can occur, for example, when the market reaches a daily price fluctuation limit ("daily price limit" or "circuit breakers").

You should ask your dealer about the terms and conditions of the specific derivatives which you are trading and associated obligations. Under certain circumstances the specifications of outstanding contracts may be modified by the marketplace or clearing house to reflect changes in the underlying interest.

Over-the-counter derivatives

Over-the-counter derivatives (OTC derivatives) trading is not done on a marketplace. Your dealer is your trading counterparty. When you sell, your dealer is the buyer and when you buy, your dealer is the seller. As a result, when you lose money trading, your dealer may be making money on such trades, in addition to any fees, commissions, or spreads it may charge.

An electronic trading platform for trading OTC derivatives such as contracts for difference and foreign exchange contracts is not a marketplace. It is an electronic connection for accessing your dealer. You are accessing that trading platform only to transact with your dealer. You are not trading with any other entities or clients of the dealer by accessing such platform. The availability and operation of any such platform, including the consequences of the unavailability of the trading platform for any reason, is governed only by the terms of your account agreement with the dealer.

You are limited to your dealer to offset or liquidate any trading positions since the transactions are not made on a marketplace. As such, it may be difficult or impossible to liquidate an existing position. The customized nature of certain OTC derivatives may also add to illiquidity.

The terms of OTC derivative contracts are generally not standardized, and the prices and characteristics are often individually negotiated with your dealer. A central source to obtain or compare prices may not exist. It may be difficult to assess the value, to determine a fair price or to assess the exposure to risk. You should ask your dealer about the terms and conditions of the OTC derivative contracts you are trading and understand the related rights and obligations.

TERMS AND CONDITIONS OF USE OF THE ONLINE SERVICES

In this agreement, **NBDB** means National Bank Direct Brokerage, a division of National Bank Financial Inc. (**NBF**), with which You have opened an account. In this document, the terms ''You'', ''Your'', or the ''User'' refer to the account holder and all account holders in a joint account, if applicable. By registering and using NBDB's online services website (the ''**Online Services**''), You agree to comply with the terms and conditions, and any amendments thereto, governing the use of the Online Services, and the services and information accessible through it.

These terms and conditions of use of the Online Services (the ''**Terms and Conditions**'') are accessible at all times through the Online Services.

You are responsible for consulting the Online Services and the Terms and Conditions regularly. NBDB reserves the right to amend the Terms and Conditions at any time without notice, by posting various notices or links to such notices on the Online Services regarding changes, new developments or news pertaining to the Online Services. In the event that You refuse to adhere to, or comply with, the Terms and Conditions, You must cease accessing the Online Services and You have a duty to instruct NBDB to revoke Your access to the Online Services.

1. WARNING

NBDB shall use all reasonable means to ensure that access to, and use of, the Online Services are safe and secure, including the use of a 256 bits data encryption device. You acknowledge, however, that the Internet is, by its very nature, an open and publicly accessible communications network. All messages or transmittals on the Internet or through the Online Services may be read, intercepted or modified by a third party and may become irretrievable. Despite all the precautions taken by NBDB, NBDB cannot guarantee the integrity, reliability or confidentiality of Your communications or transmittals through the Online Services and cannot be held liable for any damage resulting from any communication or transmittal or for any loss of integrity, reliability or confidentiality resulting from the use of the Online Services.

2. AVAILABILITY

The products and services offered through the Online Services are offered only in such jurisdictions as the law will allow.

3. SERVICES

Through the Online Services, NBDB provides its Users with various online services, depending on the account type, including online portfolio services and tools, various information, communications tools, content that cannot be personalized, content that can be personalized, and NBDB products and services available on its services network.

NBDB also offers to Users of the Online Services the Online Documents Service. The Online Documents Service provides access to account documents such as trade confirmations, prospectuses, portfolio statements and tax slips.

Unless otherwise specifically provided, any improvement, modification, new development or revision of one or more existing or new NBDB services will be subject to these Terms and Conditions of Use.

All fees necessary to access the Online Services, i.e. Internet access fees or access fees for a system having or providing access to content provided on the Internet, are Your sole responsibility. Furthermore, it is Your responsibility to procure and maintain in good working order any equipment required to ensure such connection to the network in addition to assuming all costs inherent in or relating to such services. You understand that, depending on the way You access the Online Services (e.g. personal computer, mobile phone, tablet, etc.), You may not have access to the full range of features, functionalities, content and information the Online Services can provide.

4. PROTECTION OF PERSONAL INFORMATION

The Privacy Policy of National Bank of Canada and its subsidiaries applies to the use and disclosure of any information collected, as well as to the manner in which the information is collected. The Policy applies as long as NBDB holds your information, including after the end of our business relationship. You can obtain information regarding the protection of your personal information by consulting your brokerage account application, the Privacy policy and the Digital data policy available at nbdb.ca.

5. ID, USER NAME, PASSWORD AND SECURITY

To access the Online Services, You must provide certain essential information for the purpose of identifying Yourself and, further, to enable NBDB to provide You with personalized services as well as help on the services available to Your account type.

When you register for access to the Online Services, You will be assigned a user name and temporary password. Subsequently, You will have to select a permanent password that will enable you to access and use the Online Services. You agree not to select a password that may be easily associated with You, such as Your first or last name, social insurance number, telephone number, address or date of birth. You are solely responsible for safeguarding the confidentiality of Your user name and password and solely liable for any action taken under your ID and/or with Your password. For this purpose, under no circumstances must You ever disclose Your user name or password to anyone or make it easily accessible to third parties, including keeping a readily discernible inscription thereof. You undertake not to leave any device with which you access the Online Services unattended until communication with it has been terminated.

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You must ensure that the information provided to NBDB is true, accurate and always current. Therefore, it is Your responsibility to inform NBDB forthwith in the event of the unauthorized use of Your user name or password, of any security breach and of any inaccuracies in the information contained in Your file. You must take all available steps to ensure optimum security conditions when using the Online Services.

In the context of Your use of the Online Services, NBDB may receive instructions from You. You must ensure that any instructions provided to NBDB are accurate as any errors due to mistakes contained in an instruction are the responsibility of the User. You acknowledge that any such instructions are deemed to be written instructions. NBDB is authorized to execute the instructions provided via the Online Services and is not obligated to obtain a confirmation of the identity or real authority of the User of the Online Services, although it may from time to time require it. NBDB is not responsible for the unauthorized use of the Online Services by a third party using Your user name and password.

6. INFORMATION CHECK

You acknowledge that the information made available through the Online Services, such as the history and summary of Your portfolio, a breakdown of Your assets, asset performance and distribution, is provided for information purposes only and, in the case of a mistake or a difference between such information and the information in Your NBDB statement of account, the information in the statement of account will prevail. The information made available to You through the Online Services is not provided for legal or accounting purposes and must not be used for such purposes. The only official proof is Your confirmation slip and/or Your statement of account sent to You by mail or to which You may have electronic access if You choose to use the Online Documents Service.

7. FINANCIAL INFORMATION; EXTERNAL SOURCES

From time to time, NBDB may, through the Online Services, provide information or data as well as services, merchandise or products stemming from or linking to external sources and/or third parties (''**External Material**''). Such External Material is provided for information or value-added purposes only. By using the Online Services, You agree not to reproduce, retransmit, disseminate, sell, distribute, publish, issue, broadcast, circulate or commercially exploit the information in any manner whatsoever and not to provide the External Material to any other person without the written consent of NBDB and the provider of the External Material.

NBDB strives to offer reliable and quality External Material. However, NBDB cannot be held liable for the availability of the External Material, and assumes no liability for the accuracy, quality and completeness of the External Material nor can it be held liable for any trade order or investment decision based on the External Material or on any other material available on or from these sites or from external sources, as NBDB does not and cannot exercise any control over them. NBDB cannot be held liable for any actual or alleged loss or damage or harm occurring as a result of, or in connection with, the use of or reliance on External Material or any other material on such sites. You further agree that the provision of, and access to, any External Material constitutes neither an endorsement nor an approval of the External Material or its content.

The stock quotes, indices and all other similar financial information provided in and through the Online Services are for information purposes only. Such information stems from various sources beyond NBDB's control, and it is or may be frequently updated. Consequently, under no circumstances can NBDB be held liable as a result of the inaccuracy of such information or for the damage incurred as a result of the use thereof.

Additional services offered through the Online Services could compel You to adhere to the terms and conditions of new agreements, such as agreements prescribed by various stock exchanges, a copy of which will be accessible through the Online Services.

Furthermore, You acknowledge and agree that the information and data provided by means of the External Material may contain general opinions and recommendations, but that NBDB does not subscribe to such opinions and recommendations and gives no investment, tax, accounting or legal advice, nor does it recommend the purchase and/or sale of any particular security whatsoever through the Online Services. Any correspondence or business relations with merchants or any participation in any promotions organized by merchants through the Online Services, including the payment and delivery of goods or services, if any, or any other term, condition, warranty or statement in connection with such transactions, are directly between You and the merchant. Consequently, under no circumstances can NBDB be held liable for any loss or damage whatsoever resulting from, or in connection with, such relations or, more generally, with the presence of merchants within the Online Services.

8. USE AND RETENTION

NBDB may establish general rules and limits governing the use of the Online Services, including, without limitation, setting a maximum number of days during which Your file may remain inactive and a maximum number of times You may access the Online Services in any given period (as well as the maximum duration of each access).

Furthermore, NBDB cannot be held liable for the Users' customized settings and offers no guarantee concerning the loss of or failure to retain Your data.

9. RESTRICTIONS; OWNERSHIP

Any content and material, including, without limitation, any software, information, data, image, music, photograph, text, application, video, message, sound or any other material included in the Online Services (''**Material**'') are the exclusive property of NBDB or are granted under license to NBDB and may not be reproduced or copied by any process whatsoever and are protected under applicable intellectual property laws and all other applicable laws.

The use or distribution of trademarks owned by NBF or by National Bank of Canada (''NBF Trademarks'') in any way is prohibited without the prior, express, written authorization of NBF. All other product names, logos, and brands are the property of their respective owners.

Furthermore, without the prior, express, written authorization of NBDB, it is prohibited to:

1. forge or copy the letterheads or manipulate in any other way the Material, the NBF Trademarks, or any other material transmitted or made available through the Online Services;
2. download, display, transmit by e-mail or any other way the Material or any other material, file, document or program containing computer viruses, or any other code, file or program designed to interrupt, destroy or restrict the operation of any software, computer, application or telecommunications tool;
3. hinder, disrupt or abuse the Online Services, servers, or networks connected to the Online Services, or refuse to comply with the required conditions, procedures, general rules or regulatory provisions that apply to the networks connected to the Online Services;
4. breach, willfully or otherwise, any local, provincial, national or international law or regulation in force, including, without limitation, the rules set forth by securities commissions or stock exchanges and any other rules having statutory effect;
5. collect and keep personal data pertaining to other Users of the Online Services;
6. sell, resell or exploit for commercial purposes any part of Online Services, any use of the Online Services or any right of access to the Online Services;
7. reverse engineer the design or assembly or in any other way attempt to find the source code (except as provided by law), sell, grant, sub-licence, or transfer in any other way any right in the software or applications contained in the Material or the Online Services;
8. modify in any way the software and applications contained in the Material or the Online Services or use modified versions of the software and applications, including, without limitation, for the purpose of obtaining unauthorized access to the Online Services.

10. PROVISIONS REGARDING THE ELECTRONIC DELIVERY OF DOCUMENTS

If You choose to use the Online Documents Service, which gives You access, according to Your preferences, to certain account documents such as trade confirmations, prospectuses, portfolio statements and tax slips, You will be deemed to have consented the following provisions regarding the electronic delivery of documents.

If You choose to use the Online Documents Service:

1. You understand that once You have selected to receive any document by electronic delivery, no paper copy of the document will be sent to You by mail and You will be deemed to have renounced Your right to receive a paper copy of such document, subject to any provision herein to the contrary, including Your right to revoke Your consent to electronic delivery at any time to revert to delivery in paper format and NBDB's decision to provide You

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with a paper copy of the document for any reason it deems appropriate.

2. You understand that the Online Documents Service is only available to You as a User of the Online Services and that Your access to the documents therefore requires Your continued use of the Online Services and is subject to Your compliance with the Terms and Conditions.
3. You understand that in addition to the documents which are made available at this time through the Online Documents Service, other account documents may also become available through the Online Documents Service.
4. You understand that You will be required to provide Your email address in order to receive notification when a document is made available through the Online Documents Service and that You are responsible to update Your email address if it changes.
5. You understand and agree that it is Your sole responsibility to review on a regular basis the documents which You have chosen to receive by electronic delivery and that NBDB will not be liable for any damages which You may incur as a result of Your failure to access and review such documents.
6. You acknowledge and agree that any document which You have chosen to receive by electronic delivery will be deemed to have been delivered at the time it is made available through the Online Documents Service, and not at the time You first access the document.
7. You acknowledge that the documents made available to You through the Online Documents Service are in Adobe® PDF format and that You must have the appropriate technical resources to access, download or print the documents.
8. You understand that any document delivered to You electronically through the Online Documents Service will remain accessible for download. NBDB will maintain records for a period of seven (7) years.
9. You understand that Your consent to the electronic delivery of documents will remain in force until it is revoked by You or NBDB. You understand that You may revoke Your consent to the electronic delivery of documents at any time and for any category of document to revert to delivery by mail in paper format either by signing in to the Online Services, selecting the Accounts tab, and then the Electronic Delivery option to set Your preferences or by communicating directly with NBDB. You release NBDB from all liability in the event of non-compliance with the revocation, barring negligence on the part of NBDB.
10. You understand that in the event of a failed electronic delivery of a document or for any other reason NBDB deems appropriate, NBDB may provide You with a paper copy of such document, instead of or in addition to the document for which You have requested electronic delivery.
11. You understand that You may at any time request to receive a paper copy of any document You have chosen to receive by electronic delivery by contacting NBDB.

11. WARRANTIES

1. You acknowledge and agree that Online Services are provided ‘‘as is’’ without any warranty or condition of any nature whatsoever. NBDB provides no warranty, whether express or implied, including, without limitation, warranties of merchantability or of fitness for a particular purpose of Online Services.
2. NBDB does not warrant that:
   i. Online Services will be uninterrupted, timely, secure or free of errors;
   ii. The results obtained by using Online Services will be accurate and reliable;
   iii. The quality of any product, service, information or other material purchased or obtained by You through Online Services shall meet Your expectations;
   iv. Any defects in the software and applications, if any, shall be corrected.
3. You will be solely liable for any damage to Your computer or for any loss of data resulting from any downloading of material or use of Online Services.
4. No advice or information, whether oral or written, obtained by You from NBDB or through the use of Online Services shall create any warranties not specifically provided for under these Terms and Conditions of Use.
5. The information and data provided or made available through Online Services are provided ‘‘as is’’ without any warranty or condition of any nature whatsoever, whether express or implied, and more particularly without any warranty of merchantability, fitness for a particular purpose or absence of counterfeit.
6. Online Services may contain inaccuracies or typographical errors.
7. There is no warranty, whether express or implied, with respect to Online Services, including no warranty with respect to the information from the suppliers thereof nor any warranty regarding the timeliness, truth, completeness, accuracy or continuity of the information or data transmitted or made available through Online Services.

12. LIMITATION OF LIABILITY

To the extent permitted by law, NBDB cannot under any circumstances be held liable for any direct or indirect damages, including, without limitation, loss of profits, clients, data or any other loss of corporeal or incorporeal property, even where NBDB was informed of the possibility of such damage occurring as a result of: (i) the use or impossible use of the Online Services; (ii) unauthorized access to the Online Services by a user or any changes to Your transmittal procedures or to Your data bank; (iii) the conduct of a third party while using the Online Services; (iv) any inaccuracy, error, delay, interruption or omission in the information or data; (v) any loss or harm caused in whole or in part by events or situations beyond NBDB’s control with respect to the obtaining, interpretation, compilation, drafting, formatting, presentation or delivery of information, data or other services through Internet service; (vi) technical defects in the equipment or software of any nature whatsoever, unavailable or interrupted network interconnections, or the failed, incomplete, deformed or delayed transmittal of computer data, whether attributable to You, to NBDB or to a third party or to any part of the equipment or programming relating to the Online Services or using the Online Services; or (vii) any decision or measure taken by You based on the information or data obtained through the Online Services.

13. TERMINATION

NBDB may terminate in whole or in part Your right to access the Online Services and even delete Your user name and/or password following a written notice, for any reason, including, without limitation, absence of use thereof or if NBDB has cause to believe that You have breached the Terms and Conditions.

NBDB also has the right to amend, withdraw or transfer any content comprising the Online Services.

Under no circumstances can NBDB be held liable to You or to any third party for any damage or loss resulting from the termination of Your access to the Online Services.

14. MODIFICATIONS

NBDB reserves the right to amend the Terms and Conditions at any time without prior notice. When such amendments are made, NBDB shall notify by electronic means or otherwise the User thereof, and the User shall be responsible for consulting such amendments. By continuing to use the Online Services, You will be deemed to have agreed to the amendments so made.

15. MISCELLANEOUS

The Terms and Conditions of Use of the Online Services constitute the entire agreement between NBDB and You with respect to the use of the Online Services. However, such Terms and Conditions are supplementary to all principal agreements between You and NBDB, which agreements are to take precedence over the Terms and Conditions in the event of a conflict or contradiction, including, without limitation, cash account and margin account agreements. You may also be subject to specific additional conditions of use governing certain third-party services, content and software, which additional conditions will be communicated to You upon access to such services, content or software. NBDB’s failure to exercise its rights under this agreement does not constitute a waiver of any such rights. In the event that any provision of these Terms and Conditions is declared illegal, unenforceable or void by a court decision, the other provisions will remain valid and will continue to apply. Section headings are for information purposes only.

16. APPLICABLE LAW

If You have indicated in Your client file upon opening Your account that You are a resident of a province or territory of Canada, these Terms and Conditions, as well as any applicable additional conditions, are governed by the laws of that province or territory and by any applicable

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federal laws of Canada. If You have indicated that You are not a resident of Canada or if You become a non-resident of Canada, these Terms and Conditions, as well as any applicable additional conditions, are governed by the laws of the jurisdiction of the Province of Quebec.

17. MOST RECENT UPDATE

The Terms and Conditions were last updated on September 5, 2024.

18. ACKNOWLEDGEMENT

You acknowledge having read the Terms and Conditions of Use of the Online Services. If Your account type allows trading, You acknowledge having read the Terms and Conditions of Use of the Online Services – Trading. If You intend to use the Online Services to transfer funds between Your bank and brokerage account, and if Your account type allows it, You acknowledge having read the Pre-authorized debit agreement terms and conditions. If You have opened Your account through an Introducing Broker, You acknowledge having read the Disclaimer regarding accounts opened through an Introducing Broker.

TERMS AND CONDITIONS OF USE OF THE ONLINE SERVICES – TRADING

1. REFERENCES

All the clauses of the Terms and Conditions shall form an integral part of these Terms and Conditions of Use of the Online Services – Trading, including the necessary adjustments in view of the context of an account that allows trading by the User.

2. SOFTWARE

Should NBDB provide software to You for the use of the Online Services, You undertake to use the same for Your personal use only and covenant not to allow access to any unauthorized person. Such software, as well as the technology, information and documents or instruments relating thereto shall belong to NBDB.

You undertake to use the software in accordance with the terms and conditions set out in the user license.

NBDB reserves the right to provide support for only the most recent version of the software. If You fail to accept the software updates, NBDB may terminate all or part of the Online Services without prior notice. NBDB shall not be liable for the use or performance of the software provided.

3. PAYMENTS OF FEES

By using the Online Services, You accept responsibility for any and all costs and fees, including but without limitation, commissions, transaction fees or other applicable fees, as described in the fee schedule in effect.

4. PROCESSING TRADE ORDERS

You hereby authorize NBDB to accept, transact and execute any buy or sell order for stocks, options, mutual funds or other securities transmitted to NBDB, as well as any instruction or directive given through the Online Services (''**Trade Order**'') for the Account. You agree to be solely responsible for the accuracy of any instruction communicated to NBDB using the Online Services. All Trade Orders are subject to the discretionary acceptance of NBDB. In particular, NBDB does not guarantee that Trade Orders placed just prior to the closing of stock exchanges will be forwarded to such stock exchanges on the same day. You agree, among other things, that a Trade Order may only be processed if Your account is in good standing, if sufficient funds are available in Your account to execute the Trade Order, and if the Trade Order is consistent with the applicable legislation and regulations and with trading practices. You agree that the changes to or cancellation of a Trade Order may be executed only if the original Trade Order has not yet been executed.

NBDB may request additional confirmation of the Trade Order from You before execution and You agree that You may be reached at the telephone number specified at the time of the Trade Order.

You shall immediately notify NBDB if (i) a Trade Order has been placed but You have not received back a Trade Order number and accurate confirmation of the Trade Order or its execution, or (ii) You have received inaccurate confirmation of a Trade Order or confirmation of a Trade Order that You did not place or, any similar conflicting or inaccurate communication. If You fail to comply with the foregoing requirements, NBDB shall not be held responsible or liable to You, or to any person whose claim may arise through You, for any claims arising out of any such conditions.

5. RECORDING OF TRADE ORDERS

You acknowledge that, for their mutual protection, NBDB shall record all the instructions regarding Trade Orders.

PRE-AUTHORIZED DEBIT AGREEMENT TERMS AND CONDITIONS

1. In this agreement, “NBF” means National Bank Financial Inc. including its National Bank Financial – Wealth Management and National Bank Direct Brokerage divisions. In this agreement, the words “you”, “your” and “yours” mean the NBF account holder as well as all joint account holders, if applicable.

2. You warrant that the information provided in this agreement is true and accurate.

3. You warrant and agree that all persons whose signatures are required to authorize bank account withdrawals have provided their original signatures to NBF and that they are your authorized signatories and are warranted to conclude this agreement.

4. You acknowledge that this agreement is provided for the benefit of NBF and your processing financial institution in consideration of the agreement provided by your processing financial institution to process debits against your bank account as confirmed by you (the “bank account”) in accordance with the rules of Payments Canada.

5. You acknowledge that this agreement shall become effective immediately upon clicking the checkbox “I acknowledge and agree to the terms and conditions set forth in the Pre-authorized debit agreement” in the “Transfer funds” page of NBF “Online Services”.

6. You agree to inform NBF of any changes concerning your bank account at least thirty (30) business days before the next pre-authorized debit.

7. In accordance with this agreement, you authorize NBF to issue pre-authorized debits (i.e., funds transfer pre-authorized debits as defined under Rule H1 of Payments Canada) against your bank account to credit your account opened at NBF.

8. You may modify this agreement at any time by providing NBF with a written notice, by email or mail, or by contacting NBF by telephone, at least thirty (30) business days before the date you wish the modification to become effective.

9. You may cancel this agreement at any time by providing NBF with a written notice, by email or mail, or by contacting NBF by telephone, thirty (30) business days before the date you wish the present agreement to end. NBF may cease issuing pre-authorized debits in accordance with Rule H1 of Payments Canada. To obtain more information regarding your right to cancel a pre-authorized debit agreement, you can contact us or visit the website payments.ca.

10. The revocation of this agreement does not involve the termination of any other agreement existing between you and NBF. This agreement applies strictly to the method of payment and has no impact on other agreements effective between you and NBF.

11. You acknowledge that this agreement with NBF is deemed to have been given by you to your financial institution. Any means by which the agreement with NBF is transmitted shall constitute its transmission by you.

12. NBF can request that pre-authorized debits be issued in your name at sporadic intervals to your bank account providing that NBF obtain your consent (verbal or written) confirming your authorization for each debit. If you confirm your authorization by means of the NBF “Online Services”, your authorization will be deemed to be transmitted in writing.

13. If you request a one-time pre-authorized debit, only a single pre-authorized debit is permitted. The pre-authorized debit agreement is no longer valid once the payment has been fulfilled. Any subsequent one-time pre-authorized debit request requires you to enter into a new pre-authorized debit agreement.

14. You acknowledge that the processing financial institution is not required to verify that the pre-authorized debit is issued in accordance with the specific provisions of this agreement, including, but not limited to, the amount and purpose of the pre-authorized debit.

15. You have certain recourse rights if any 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 agreement. To obtain more information you may contact NBF or visit the website payments.ca. No recourse is provided by the clearing system of Payments Canada. You must notify and undertake to settle any differences directly with NBF should any pre-authorized debits be debited incorrectly.

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16. You agree that information contained in this agreement may be disclosed to NBF's and National Bank of Canada's agents, as required, in relation to processing a pre-authorized debit. You can obtain further information regarding National Bank of Canada's privacy Policy by visiting the website nbc.ca.

17. NBF and its affiliated divisions, including National Bank of Canada, shall have no liability or responsibility for any loss or damage suffered or incurred by you in connection with this agreement including, without limitation, any loss of interest, penalty under any applicable taxation law or other losses or damages caused by, or resulting from complying with this agreement and any related documents.

18. You understand and accept the terms and conditions of participation under this pre-authorized debit agreement.

ADDITIONAL TERMS AND CONDITIONS FOR U.S. DOLLAR REGISTERED ACCOUNTS

The following terms and conditions are in addition to the terms and conditions included in the Declaration of Trust applicable to your registered account, as well as those that are applicable to your accounts at National Bank Direct Brokerage ("NBDB"), a division of National Bank Financial Inc.

1. Currency Conversion

Any amount in a currency other than the U.S. dollar that is transferred or credited to a U.S. dollar registered account is converted into U.S. dollars. This includes, among other things, dividends, interest and proceeds of the sale of securities.

All foreign currencies are converted on the transaction date, using the rates established or determined by NBDB. In addition, NBDB (or its related parties) may earn income from the conversion of any currency.

2. Conversion of Contribution Receipts

For the purposes of issuing contribution receipts, the value of any U.S. dollar or U.S. securities contributions to a registered account in U.S. dollars are converted into Canadian dollars. In the case of U.S. securities, the conversion is based on the market value of the securities. The exchange rate used for the conversion is the rate in effect on the day the contribution is made.

3. Transfer to a Canadian Dollar Fund

If your registered U.S. dollar account is either a registered retirement savings plan for your spouse or common law partner or a locked-in account, the assets therein can only be transferred to a fund in Canadian dollars. In the event of such a transfer, amounts in your U.S. dollar account are converted into Canadian dollars, using the applicable rate on the date of the transfer.

4. Offset between Canadian and U.S. dollar accounts

If you hold a Canadian dollar registered account and a U.S. dollar registered account of the same nature and one of these accounts has a debit balance, NBDB may, at its discretion, offset the debit balance of that account by transferring, after conversion, funds from the other account.

5. Withholding Tax on Withdrawals

When you withdraw amounts from a U.S. dollar registered account, the amount withdrawn is converted and reported to Canada Revenue Agency in Canadian dollars. The applicable amounts withheld, based on the amount withdrawn, will be calculated in Canadian dollars. The applicable tax deductions and penalties, if any, are calculated in Canadian dollars.

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RELATIONSHIP DISCLOSURE INFORMATION

At National Bank Direct Brokerage (“NBDB”), a division of National Bank Financial Inc. (“NBF”), we offer Canadian investors a complete, accessible and reliable direct brokerage solution, allowing you to negotiate, plan and take control of your investment decisions easily. This is achieved with the support of a team of dedicated specialists, advanced technology and sophisticated tools.

NBDB offers order execution only services. This means that our clients’ orders are accepted and executed without us making any recommendations. Our team does not perform any validation as to the suitability of transactions with respect to the client’s financial situation, investment knowledge, investment objectives and risk profile.

Manage your own portfolio
Our direct brokerage services allow you to carry out all the activities related to the management of your own investments from developing an investment strategy to carrying out your transactions. At NBDB, our trading platform combines flexibility and access to a lot of information and tools. This represents a very attractive solution if you are a self-directed investor.

Simply take control!
By choosing NBDB, you make sure you benefit from one of Canada’s top direct brokerage firms. Whether you are a new or experienced investor, we have everything you need to help you reach your financial goals. We offer you access to all the services you need to independently manage your accounts: unparalleled customer service, investment accounts and investment solutions adapted to different types of investors and powerful investment tools to support you in your investment decisions.

This document contains all the information you need to know about your account and your relationship with us. Take the time to read it, it contains important information for you. We recommend that you keep it for future reference. You can also consult the electronic version at any time on our website in the “Regulatory information” section. Should you have any questions or comments, do not hesitate to contact us. Our opening hours are open from Monday to Friday, 8 a.m. to 6 p.m. (ET).

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Montreal, Quebec, H3C 1A3
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1. ACCOUNT TYPES

NBDB offers different types of accounts designed to cater to your financial needs.

1.1 Non-registered accounts

1.1.1 Cash account

A cash account provides a quick way to manage all your investments. In this type of account, you must maintain or deposit certain amounts to cover your purchases. Account available in Canadian and US dollars.

1.1.2 Margin account

A margin account allows you to borrow against the market value of eligible securities already in your account. The maximum loan amount of an eligible securities is determined by the Canadian Investment Regulatory Organization (CIRO), (we can determine a more restrictive value than this maximum loan amount), and varies depending on the type of investment and the market value of the security. You have to pay a certain amount of money, called the **margin deposit**, in partial settlement of the transaction. Interest charges are to be paid by you on any amount we lend you. Account available in Canadian and US dollars.

1.1.3 Margin account with short selling

This type of account allows you to sell securities that you do not yet own, with the intention of buying them back eventually at a lower price and potentially realizing a capital gain. Because security prices can rise or fall unexpectedly, this type of transaction could result in a loss if you are required to buy back the security at a price above the original selling price. Interest charges are to be paid by you on any amount we lend you. Account available in Canadian and US dollars.

1.1.4 Income account

With an income account, you can have dividends and interest from your investments deposited into a bank account at any branch of National Bank of Canada or another major banking institution. Account available in Canadian and US dollars.

1.2 Registered accounts

1.2.1 Tax-Free Savings Account (TFSA)

The TFSA is a savings method in which your money grow tax-free. The contribution ceiling for the TFSA is set by the federal government without regards to your earned income with the opportunity to catch up your unused contributions for each year since 2009. Investment income (interest, dividends, etc.) and capital gains are not taxable. Account available in Canadian and US dollars.

1.2.2 First Home Savings Account (FHSA)

The FHSA is a registered plan for first-time home buyers. You can contribute up to a maximum determined by the government authorities regardless of your earned income, with the possibility of making up unused contributions for each year since 2023. Contributions are tax-deductible and withdrawals for the purchase of a first home, including investment income (interest, dividends or other) are not taxable. Account available in Canadian and US dollars.

1.2.3 Registered Retirement Savings Plan (RRSP)

With an RRSP, you can accumulate funds for retirement tax-free and, at the same time, reduce the income taxes you pay today. Amounts contributed to an RRSP are deducted from your current taxable income, allowing you to defer taxation until you retire, a time when your income and tax rate is generally lower. Your RRSP account must be converted into a RRIF no later than December 31 of the year you turn 71 years of age. Account available in Canadian and US dollars.

1.2.4 Registered Education Savings Plan (RESP)

The RESP helps you finance the post-secondary education of those you name as beneficiaries, usually your children or grandchildren. Returns on your investments accumulate tax-free until they are withdrawn. The amount that you contribute will be enhanced by the Canada Education Savings Grant (CESG), by an amount of 20% of the first $2,500 (or less) of annual contributions, up to $500 per year per beneficiary. Additional grants may be awarded based on your family's net income.

1.2.5 Locked-in Retirement Account (LIRA)

The LIRA is a retirement savings vehicle in which only pension fund amounts under provincial jurisdiction can be deposited. A LIRA must be converted into a Life Income Fund or a life annuity no later than December 31 of the year you turn 71 years of age. Account available in Canadian and US dollars.

1.2.6 Locked-in RRSP

This type of account is a retirement savings vehicle that can only accept amounts from registered pension plans subject to federal law. A Locked-in RRSP must be converted into a life annuity or a Life Income Fund (federal jurisdiction) before December 31 of the year you turn 71 years of age. Account available in Canadian and US dollars.

1.2.7 Registered Disability Savings Plan (RDSP)

A RDSP is a savings plan that is intended to help parents and others to save for the long-term financial security of a person who is eligible for the Disability Tax Credit (DTC). As an incentive to save, the government will pay a Canada Disability Savings Grant (CDSG). Low-income families will be paid, under certain conditions, Canada Disability Savings Bonds (CDSB). As with all other registered plans, investment income accumulates tax-free.

1.3 Retirement income accounts

1.3.1 Registered Retirement Income Fund (RRIF)

Like all investors, you will have to convert your RRSP into a RRIF the year you turn 71 years of age. The RRIF is a natural extension of an RRSP, so it is one of the most sensible choices you can make. In addition to allowing you to defer income taxes on capital and income until the invested amounts are withdrawn, the RRIF allows you to make monthly, quarterly, semi-annual or annual withdrawals of retirement income. You are free to set the withdrawal amounts, as long as they meet the mandatory minimum amount determined by the government. Account available in Canadian and US dollars.

1.3.2 Life Income Fund (LIF)

The LIF is a type of retirement income plan that is similar to the RIFF. However, unlike the RRIF, it sets a maximum amount for retirement income withdrawals. Funds transferred into LIFs come from locked-in accounts, which in turn were created from amounts from pension funds.

1.4 Special accounts

NBDB offers a wide variety of special accounts to meet the specific financial needs of certain entities. This includes: companies, sole proprietorships and estates.

2. TYPES OF PRODUCTS

2.1 Shares

A share is a security that gives the investor ownership rights in a company. Depending on the type of share, shares can represent equity in a company, participation in distributions of the company's profits paid out as dividends and/or voting rights at shareholder meetings. There are two main types of shares: common shares and preferred shares.

2.2 High interest savings account

A high interest savings account (HISA) is a type of account that offers better returns with a higher interest rate than a current savings account. The interest rate is variable and interest is paid monthly. This product offers optimal security and flexibility and can allow you to grow your money while you decide how to invest it.

2.3 Exchange-traded funds

Exchange-traded funds (ETFs) are securities that track an index, a commodity or a basket of assets like an index fund. They are made up of portfolios of securities (shares, bonds, etc.) managed by portfolio managers. Investors need to consider an ETF's management style (which may be passive, active, inverse or with leverage) and its portfolio of securities to determine whether it is the one that best meets their needs.

In contrast to investment funds, which are traded once a day at the close of trading, ETFs are traded on the exchange. This means that you can freely trade them and track changes in their values throughout the day.

2.4 Investment funds

When you invest in an investment fund, you buy part of the fund; this part is called a unit when the fund is incorporated as a trust. Investment funds may invest in different types of securities, including common and preferred shares, in debt securities such as bonds and debentures, and in money market instruments, including Treasury bills. Management decisions regarding the assets held in investment funds are made by portfolio managers.

2.5 Fixed income securities

2.5.1 Bonds

A bond is a negotiable debt security issued by a company (public or private) or governmental entity (the federal government, a provincial government or a municipality) giving the investor a claim against the issuer. Property is generally pledged to secure the loan (except in the case of government bonds).

2.5.2 Debentures

Like bonds, debentures are debt securities. A debenture may be secured by various protective clauses, a residual equity and the

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issuer's creditworthiness, but it is not usually secured by specific tangible assets that can be seized and sold in the event of default. Consequently, debentures may offer a higher interest rate than comparable bonds, because they are usually riskier.

In some cases, debentures offer the holder the possibility of conversion into common shares when certain predetermined conditions are met. A company may decide to issue a debenture and make it available on the markets.

2.5.3 Stripped bonds and coupons

These assets actually represent the two components that usually make up a bond: the principal (stripped bond) and the interest payments (coupons). However, for this bond category, the coupons are separated from the bond, creating two separate products.

Once detached, the coupons are purchased at a discount and are redeemed at their full face value at maturity. They can be sold in whole or in part before maturity. Regular interest is not paid, as all interest is paid at maturity.

The holder can sell the coupons on the secondary market before maturity, in which case he will receive the day's rate. Because the values of these products fluctuate with the markets and interest rates, there is no way to predict the return that the client will realize if he or she sells before maturity (the client may even incur a loss).

2.5.4 Principal Protected Notes (PPNs)

Principal protected notes or linked notes are debt securities that provide a guarantee, based on the issuer's creditworthiness, that the principal will be repaid at maturity. The yield to maturity, if any, is linked to the performance of the stock markets. PPNs can be made up of a variety of underlying assets. Various fees may be charged and thus reduce the return.

Generally, the duration of the terms varies between three and ten years. Some notes are not redeemable prior to maturity. However, if it is possible to redeem them, in whole or in part, before maturity, the holder could lose the guarantee of repayment of the principal and have to pay fees, particularly to the issuer.

2.5.5 Non-Principal Protected Notes (NPPNs)

Non-principal protected notes are debt securities that, unlike PPNs, do not guarantee principal protection at maturity. Just like PPNs, they can be made up of a variety of underlying assets and various fees may be charged. Thus, NPPNs can generate a positive return, but they can also lead to losses.

Generally, the duration of the terms varies between three and ten years. These notes can be redeemed prior to maturity. However, fees may be charged by the issuer if you make an early redemption request.

2.6 Money market securities

2.6.1 Government of Canada Treasury bills

Government of Canada treasury bills (T-bills) are short-term government debt instruments issued in denominations ranging from $1,000 to $1,000,000. Treasury bills do not earn interest. They are issued below par and are redeemable (at maturity) at par. The difference is the interest earned.

2.6.2 Quebec Treasury bills

Quebec treasury bills are short-term government debt instruments similar to Government of Canada treasury bills. Most issues have terms of several days to 180 days. The minimum investment amount is $25,000, regardless of the term chosen by the client.

2.6.3 Bankers' acceptances

Bankers' acceptances are bearer notes issued by a corporation and guaranteed by a bank. When a bank agrees to guarantee a note, it assumes the responsibility for paying the holder at maturity if the corporation is unable to do so. Bankers' acceptances are issued for terms ranging from a few days to one year. However, in most cases, they are issued for 30 to 90 days. The minimum purchase amount is $25,000, regardless of the term chosen by the client.

2.6.4 Bearer term notes

A bearer term note is an instrument issued and secured by a bank and sold to Canadian investors with short-term funds.

2.6.5 Commercial paper

Commercial paper consists of a bearer or registered note issued by a well-known commercial or industrial company. Commercial paper is often endorsed by the parent company or a subsidiary, or supported by a line of credit at a bank. The issuing company's credit rating, which determines the degree of risk, influences the interest rate paid to the investor. Most commercial paper is issued for 30 to 90 days. It can be sold at a discount or at par. The minimum purchase amount is $100,000, regardless of the term chosen by the client.

2.7 Guaranteed investment certificates (GICs)

2.7.1 Conventional GICs

Conventional guaranteed investment certificates generally offer terms of 30 days to 5 years and are sold in redeemable and non-redeemable versions. The date of payment of the simple or compound interest is known when the GIC is issued.

2.7.2 Variable-return GICs

Variable-return GICs enable investors to benefit from a potential return linked to the markets, while fully protecting their initial investment. Variable-return GICs include index-linked GICs, which combine the security of a deposit certificate and the growth potential of a stock.

2.8 Derivatives

2.8.1 Options

An option contract gives the holder the right but not the obligation to buy or sell a given position in an underlying security, at a given exercise price, at a specified time or at any time before a specified expiry date.

An option giving the holder the right to acquire the underlying security is a call option, while a put option gives the holder the option to sell the security.

2.8.2 Subscription warrants

A warrant is a security that gives the holder the right to buy the shares of an issuing company at a stipulated price within a specified period. In that sense, a warrant is similar to a call option. The main difference between these two financial products is that warrants are issued by companies, while call options are sold by investors.

2.8.3 Subscription rights

A subscription right is a temporary privilege granted to a shareholder that allows the shareholder to buy additional shares directly from the issuing company. Rights are issued to shareholders in proportion to the number of securities they hold. Rights usually expire within a short period. If the shareholder does not exercise or sell his rights before they expire, he may incur a financial loss.

For more information on the products we offer, please consult the Education Centre on our website at nbdb.ca or contact one of our representatives.

3. SERVICES OFFERED

At NBDB, you're in charge of your trade. We offer you a wide range of investment products, and you can use several quick and simple ways to trade.

3.1 Opening an account is simple and easy

By Internet

Fill out an account opening application online at nbdb.ca and, once you've finished, we will receive it immediately. You can also download the forms and print them.

By phone

Contact us at 1 800 363-3511 or 514 866-6755 between 8:00 a.m. and 6:00 p.m. (Eastern Time), Monday through Friday.

Bank branch

Drop by your local National Bank branch.

3.2 Trading made easy

Trading platform

This is the most convenient way to trade and the most popular with investors! You quickly get an overview of your accounts and investments, so you can decide what actions to take to reach your financial goals. The platform was designed to simplify the management of your portfolio and provide you with an array of easy-to-use tools and resources.

To access it, go to nbdb.ca.

Direct Brokerage Mobile App

Monitor your investments at any time. The direct brokerage mobile application is a convenient way to manage your investments, wherever and whenever you want. It allows you to efficiently and securely manage your portfolio. You can carry out your investment operations, track your accounts, view your assets, and access real-time quotes with ease. Download the NBC Wealth app now from the App Store (iOS) or Google Play (Android)*.

*App Store and Google Play are respective trademarks of Apple Inc. and Google LLC.

Customer service

You can also contact our team of experts between 8:00 a.m. and 6:00 p.m. (Eastern Time), Monday trough Friday. Our representatives will be happy to assist you with any transactions to be carried out in your accounts or to answer any questions related to our tools and services.

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Secure messaging centre
Can't call us but need the support of a representative? Write to us in the message centre from the trading platform. A member of our team will be able to answer your questions and process your request. A simple and efficient way to connect with us!

To access it, click on the envelope icon in the upper right corner of the screen when you are logged into the platform.

Virtual assistant
You have a question that does not require the intervention of a representative? Ask your question to our virtual assistant available for you 24/7. This is an easy way to get a quick response. Whether opening an account, transferring funds or using our platform, we are continually improving our chatbot to meet your needs.

To access it, click on the message bubbles icon at the bottom right of the screen when browsing on nbdb.ca or when you are logged into the platform.

3.3 Online tools
NBDB provides you with various tools and publications on its trading platform to help you make investment decisions. Some tools may incur fees or require a subscription from NBDB or third parties. We invite you to consult the "Tools and tutorials" section of our website nbdb.ca for all details on the tools offered.

3.4 Learning Centre
Our Learning Centre is there to support you, regardless of your level of knowledge in investment. With our numerous articles and educational videos, you can learn about investing whenever and wherever you want, at your own pace. We offer a wide range of webinars to guide you step-by-step through the basics of investing, how markets work, the differences between products and accounts, beginner to advanced investment strategies, or to help you expand your knowledge of investing and trading.

3.5 Distinctive Services
You are a self-directed investor with significant assets and you want a personalized service? Our Distinctive Services will meet your needs. To learn more about our tailored offers and eligibility criteria, we invite you to visit our webpage at https://nbdb.ca/invest/distinctive-services.html.

3.6 Financial packages
NBDB clients can benefit from certain agreements negotiated with professional orders, either through National Bank of Canada or directly by NBDB. To know whether you are eligible for the financial packages we offer, consult our website at https://nbdb.ca. If you are eligible and interested in signing up, all you have to do is contact us.

3.7 Fully-Paid Securities Lending Program
NBDB offers you the opportunity to enhance the return on your portfolio by lending your fully-paid securities. To learn more about all the benefits and particularities of the program, your eligibility or how to enroll, we invite you to visit our web page at Fully-Paid securities lending | NBDB.

4. SERVICE WITHOUT ADVICE AND SUITABILITY VALIDATION

NBDB offers order execution only services. This means that your trading orders are accepted and carried out without us making a recommendation or validating their suitability with respect to your financial and personal situation, investment needs, objectives, and knowledge, time horizon and risk profile. NBDB assumes no responsibility for the suitability of its clients' orders and investments. Clients bear full responsibility for their investment decisions and, by extension, for the financial and tax consequences of their decisions.

5. TRUSTED CONTACT PERSON AND TEMPORARY HOLDS

5.1 Designation of a trusted contact person
When opening your account, you will have the opportunity to designate, if you wish, a trusted contact person with whom NBDB can communicate in specific circumstances. NBDB may contact this person for confirmation or information regarding, among others, the following:

- Concerns about your capacity to make financial decisions in your best interest, understand information or measure the foreseeable consequences of a financial decision that you are about to make or not make;
- Suspects financial exploitation;
- Your updated contact information in the event NBDB is unable to reach you successfully, after several attempts;
- The name and contact information of a legal representative, if necessary.

5.2 Temporary holds
NBDB may not carry out your instruction in connection with certain or all securities, funds or other products in your account. NBDB may place a temporary suspension on the securities, funds or other products held in your account, for example, during a subscription transaction, purchase, sale, withdrawal or transfer. This temporary suspension may occur in particular if NBDB has reasonable grounds to believe that you are a vulnerable person and are or have been the victim of financial exploitation or even of attempted financial exploitation or financial abuse, or that you do not have the mental capacity to make decisions involving financial matters. If such situation arises, NBDB will advise you of the reasons for this suspension as soon as possible. If the temporary suspension must be maintained beyond a period of 30 days, you will be informed of the reasons justifying it at each subsequent period of 30 days.

6. DOCUMENTATION TO HELP YOU TRACK PORTFOLIO ACTIVITY

Regular communications are part of any good relationship. We have different means for staying in touch with you, such as mail, email and phone. When we need to send you information, we will use the most recent contact information you have provided. You are responsible for keeping us informed of any changes in your contact information, so that we can always reach you.

6.1 Trade confirmation
We will send you, by mail, or we will make available on the trading platform, a trade confirmation on the day following each transaction that you make in your account. You will need to verify the accuracy of this confirmation and advise us of any errors or omissions regarding its content within three (3) days of receipt. Once this deadline has expired, you are deemed to have accepted and definitively ratified the content of the trade confirmation, which is then considered accurate and cannot be contested.

6.2 Portfolio statement
We will send you, by mail, or we will make available on the trading platform, a monthly statement between the 5th and 10th day of the following month, when there has been activity in your account during the preceding month. An activity is defined as a transaction other than the recording of dividends, distributions or interest. When there is no activity in the account, you will be sent a statement at least once per quarter.

When we send you an account statement, you must confirm its accuracy and notify us of any error or omission in its content within thirty (30) days of receipt. Once the thirty (30) day period has expired, you are deemed to have accepted and definitively ratified the content of the account statement, which is then considered accurate and can no longer be contested.

6.3 Investment Performance Report
Annually, you will receive a report of your performance over the past year and since inception. This information can help you assess your progress toward meeting your investment goals.

Calculation of return
The "total percentage return" of your account provided in the report is calculated net of costs and other charges based on two (2) calculation methodologies.

The "Time-weighted rate of return" (TWRR) calculation is commonly used in the financial industry and is a standard requirement from the Chartered Financial Analyst (CFA) Institute. "TWRR" calculations do not consider the impact of deposits and withdrawals you have made within your account. The results of this performance calculation isolate the investment decisions made within your account and do not consider the timing of deposits and withdrawals. Therefore, your account's TWRR can be compared against a relevant benchmark for you to assess your performance.

The "Money-weighted rate of return" (MWRR) is a performance calculation methodology required by regulators such as the Canadian Securities Administrators (CSA) and the Canadian Investment Regulatory Organization (CIRO). "MWRR" is a calculation methodology used to measure the performance experienced by the investor. The rate of return is influenced by the timing of deposits and withdrawals from your account and takes into consideration not only the amount but also the timing of the cash flow. This provides a picture of how your account is performing in light of decisions you have made to deposit or withdraw funds over a set period. Its results cannot be compared to a benchmark.

6.4 Return to your portfolio (trading platform)
Access your account through our trading platform and the Accounts > Performance will give you detailed information on the return in each of your account types, individually or on a consolidated basis using one of two methods: by individual period or by cumulative periods.

Assessment date
Return by individual period. The return displayed here has been calculated for the relevant period and does not take prior periods into account.

Return by cumulative periods. The return displayed here has been calculated for the relevant period, as well as prior periods.

Calculation of return
The return is calculated using the "Time-weighted rate of return" (TWRR). This calculation is commonly used in the financial industry and is a standard requirement from the Chartered Financial Analyst (CFA) Institute. "TWRR" calculations do not consider the impact of deposits and withdrawals you have made within your account. The results of this performance calculation isolate the investment decisions made within your account and do not consider the timing of deposits and withdrawals. Therefore, your account's TWRR can be compared against a relevant benchmark for you to assess your performance.

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Investment performance benchmarks
Comparing your portfolio's performance to that of an appropriate benchmark is a useful exercise for monitoring purposes. Benchmark comparisons can help you determine if your investment approach is delivering the desired results, or whether changes might be called for. Investment benchmarks are also helpful for developing realistic expectations about returns your portfolio can generate over the long term.

Investment benchmarks usually provide a broad measure of the return generated by specific asset classes over a given period. They are often referred to as reference indices since the most common form of investment benchmark is an index - such as a stock or bond index. A benchmark must replicate the security or portfolio you are monitoring as closely as possible for the comparison to be meaningful. Examples of benchmarks would include the S&P/TSX for Canadian stocks, the DEX Universe for Canadian bonds and the S&P 500 for U.S. stocks. For a portfolio composed of securities from several different asset classes, the appropriate benchmark would be a blend of indices weighted according to the portfolio's asset mix.

For more information about comparing your portfolio's return to a benchmark, please don't hesitate to contact us.

Sharpe ratio
The Sharpe index represents the real return (return obtained less the risk-free return) obtained for each unit of risk (standard deviation). The rate of return on Treasury bills is often considered a risk-free rate, given that they are debt instruments issued by the state whose term is short enough to minimize market-related interest rate risk. So the higher the Sharpe index, the more positive it is.

6.5 Annual Fees and Compensation Report

Annually, you will receive a report that summarizes the amounts we received directly and/or indirectly, over the past year, to provide you with our services and tools as they relate to your investment account.
Our compensation comes from two sources:

1. What you pay us directly. Some of these charges are associated with the operation of your account. Others are associated with purchases, sales and other types of transactions you make in your investment portfolio.
2. What we receive through third parties.

7. INFORMATION ON SITUATIONS THAT COULD CREATE OR BE PERCEIVED AS CONFLICTS OF INTEREST

Securities regulations in Canada require all investment dealers to comply with rules about conflicts of interest. It is important for you to know how we identify and respond to conflicts of interest, as well as how we minimize their impact.

What is a conflict of interest?
We consider a potential conflict of interest to be any circumstance in which our interests, or the interests of our employees could be inconsistent with or divergent from the interests of our clients or others who use our services.

We take reasonable steps to identify all existing material conflicts of interest, as well as those that are reasonably foreseeable. We then assess the level of risk associated with each conflict.

We avoid any situation that would create a serious conflict of interest or represent too high a risk for you or for the integrity of financial markets. In any other situation, we take appropriate measures to address the conflict in your best interest. Where it cannot be avoided, we will notify you of any existing or reasonably foreseeable material conflict of interest situation as they arise.

Conflict of Interest Situations
We could potentially be in a conflict of interest in our dealing with:

- Issuers of securities
- Related dealers and advisors
- Other related companies
- Our employees
- Our clients

The following sections describe each of these potential conflicts, the effects they might have on you and how we deal with them.

Issuers of Securities
Sometimes we deal in the shares of companies or people that are related or connected to us. Since NBDB is a division of National Bank Financial Inc. ("NBF"), the issuers are those of NBF. Here is how we define those terms.

A company or person is a "related issuer" if:

- the person or company is an influential holder of NBF;
- NBF is an influential holder of the person or company: or
- both NBF and the person or company are related issuers of the same third-party securities.

A company or person is a "connected issuer" if the issuer has a relationship with NBF that may lead a reasonable prospective purchaser to question whether we are independent from the issuer and believe that we will benefit from it. This includes the issuer's relationship with us, with one of our related issuers, with our directors, officers or partners or those of our related issuer.

You will find the list of related or connected issuers on our website under the "Regulatory information" section at https://nbdb.ca/regulation.html.

When NBF deal with securities issued by our related or connected issuers, NBF may:

- Act as an underwriter or selling group member in the distribution of the securities;
- Sell the securities to, or on behalf of, its clients;
- Purchase the securities from, or on behalf of, its clients;
- Exercise discretionary authority to buy or sell the securities, with the consent of the client;
- Act as an advisor regarding the securities;
- Make recommendations to buy or sell the securities;
- Offer for sale securities, goods and services issued or provided by National Bank of Canada or another related issuer;
- Work with National Bank of Canada or another related issuer in to jointly offer the sale or purchase of securities, goods or services.

It is NBF policy to comply fully with all securities legislation. NBF makes all required disclosures when acting as advisor, dealer or underwriter of the securities of National Bank of Canada and other related or connected issuers.
When NBF buys or sells securities with a subsidiary or affiliate, NBF ensures that the transaction price, along with any brokerage commission, is as good as or better than the price offered by an unaffiliated third-party broker in an arms-length transaction.

When buying or selling securities of a related issuer, you will be informed in writing of the relationship with the issuer of securities. In addition, we ensure that all dealings in securities of a related or connected issuer are in your best interests.

As part of its business as an investment dealer, NBF may act as "agent" or "principal" while buying or selling on behalf of its clients. In such instances, NBF will provide services in accordance with its normal practices and procedures, and follow all relevant legislations or regulations.

Related Dealers and Advisors
Since NBDB is a division of NBF, the related dealers and advisors are those of NBF.

Because of NBF affiliation with National Bank of Canada and its subsidiaries, NBF has put policies in place to deal with any potential conflict of interest, and to ensure we act in your best interests.

NBF is registered as an investment dealer and is an indirect wholly-owned subsidiary of National Bank of Canada. National Bank of Canada is also an important shareholder of many dealers and advisors, meaning it directly or indirectly holds more that 20% of any class or series of voting securities.

You will find the list of related dealers and advisors on our website under the "Regulatory information" section at https://nbdb.ca/regulation.html.

NBF is therefore related to these dealers and advisors. Although there may be overlaps among the directors and officers of these companies, all of them operate as separate legal entities.

Both we and the related dealers or advisors named on our website may provide services to each other, including management and administrative service, as well as client referrals. These relationships are subject to certain legislation and industry regulations. We have also adopted internal policies and procedures to supplement these requirements, including our policies and procedures on confidentiality of information.

Referring clients among members of National Bank group of companies
NBF and other members of the National Bank group of companies refer clients to each other according to the needs of the client provided the client has given us his/her consent. At all times, referrals made must prioritize clients' interests, regardless of the commission or benefits received. To ensure this, a referral program is in place to oversee these practices. If one member of the National Bank group of companies does not offer services that a client needs, that member will refer the client to another member of the group that does. An example of a common referral is when National Bank refers a client to us to establish a brokerage account.

Some business units in the National Bank group of companies, including NBF, are registered under securities legislation. If you are referred to a business unit for a product or service that requires registration, that business unit is responsible to you for the activities that require registration. An example would be if you were referred to NBF by National Bank for an investment transaction; NBF would be responsible for everything related to that transaction.

National Bank group of companies and referral arrangements
NBF enters into referral arrangements with the members of the National Bank group of companies listed below. NBF and these other members are completely separate from each other, but are all direct or indirect wholly-owned subsidiaries of National Bank. Each member holds the appropriate registrations for the services they offer.

- **National Bank of Canada** is a federally regulated bank that offers a full array of banking services, including corporate and investment banking. It is an active player on international markets and, through its subsidiaries, is involved in securities brokerage, insurance and wealth management, as well as mutual fund and retirement plan management.

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- **National Bank Financial Inc. ("NBF")** is registered as an investment dealer in all Canadian jurisdictions. NBF is a truly integrated, full-service securities dealer offering retail advisory and brokerage services with institutional brokerage, investment banking, corporate finance and securities clearing services for third parties. As well, its discount brokerage services (orders execution only) are provided under its division National Bank Direct Brokerage ("NBDB"), and other administrative and trading services (custody, clearing, account statement production, account opening management) are provided under its division National Bank Independent Network ("NBIN").
- **Private Banking 1859** is a trademark used by NBF and other members of National Bank group of companies. It has been created for individuals and families with substantial financial assets who wish to ease the burden of managing their wealth on a day-to-day basis. These clients understand the benefits of entrusting this task to professionals. This business model is designed as a complete, integrated offering.
- **National Bank Insurance Firm Inc.** is an indirect wholly-owned subsidiary of National Bank of Canada. National Bank Insurance Firm Inc. offers a variety of insurance products and services, such as life insurance, disability insurance, critical illness insurance and other insurance products for individuals and businesses.
- **NBF Financial Services Inc. and NBF Financial Services Ltd.** (together, "NBFFS") are wholly-owned subsidiaries of NBF. NBFFS offers a variety of insurance products and services, such as life insurance, disability insurance, critical illness insurance and other insurance products for individuals and businesses.
- **National Bank Trust Inc. and Natcan Trust Company** are wholly-owned subsidiaries of National Bank of Canada and offer fiduciary, asset management, custody and discretionary portfolio management services.

Referral Fees

When we refer a client to another member of the National Bank group of companies or when another member of the group refers a client to us, one company generally pays the other a commission.

It is important to note that these referral arrangements will not increase the costs or fees of services provided to the client. Therefore, the client will not pay more as a result of any referral arrangement between us and other members of the National Bank group of companies.

The commissions give us and other members of the National Bank group of companies incentive to refer clients to each other. Despite these commissions, clients' interests must always come first. The commissions will vary depending on which member of the National Bank group of companies is involved and whether the client is referred to or by us.

We and the other members of the National Bank group of companies have adopted policies and procedures to help identify any material conflict of interest which may arise from these referral arrangements. We will not be involved in or made aware of your specific dealings with the other member(s) of the National Bank group of companies, other than in reference to any referral fees generated, as well as any specific authorization you may grant the member(s) of the National Bank group of companies in your account opening form.

The referral commissions we and the members of the National Bank group of companies share may be modified from time to time, in accordance with the referral arrangements we and the other members of the National Bank group of companies may enter into with one another. In such cases, the list of referral arrangements and the information pertaining to the referral commissions will be updated and made available for consultation on NBDB website.

Our Products

NBDB can offer its clients products designed by National Bank and by companies within the National Bank group. These products, called proprietary products, can include guaranteed investment certificates (GICs), high-interest savings accounts (HISA), investment funds, and others. The offer of exclusive products constitutes a conflict of interest because our employees may appear likely to put the interests of National Bank and its affiliated companies ahead of those of our clients. We manage this conflict of interest by 1) ensuring that we have compensation practices that do not encourage our employees to favor proprietary products over products from non-National Bank issuers, 2) making products from non-National Bank issuers as accessible to our clients as proprietary products, 3) ensuring that proprietary products are subject to the same due diligence process and 4) by communicating to clients our relationships with related or connected issuers.

Our Employees

In the normal course of their activities, our directors, officers, employees, representatives and agents may find their personal interests are in potential conflict with those of a client.

We have developed a Code of Conduct and Ethics, a Compliance Manual and internal policies. Among other things, these documents state that our employees must never put their own interests ahead of their responsibilities toward clients or NBDB and that they should not under any circumstances exert undue pressure on clients to acquire a product or service. They also reinforce the fact that any existing or reasonably foreseeable material conflict of interest must be addressed in a manner that is fair, equitable, transparent, and in the clients' best interests.

Here are some highlights from these documents:

a) **Confidential information:** Our employees are prohibited from using confidential information gained in the course of their duties for their personal benefit or for the benefit of a third party. This includes information related to clients, transactions or client accounts. Our employees may not exploit any situation for the purpose of obtaining an advantage of any kind that would compromise confidential client information;

b) **Gifts, entertainment and compensation:** Employees are prohibited from accepting gifts, entertainment or compensation that could influence the decisions they make in the course of performing their duties and to compromise or give the impression of compromising their independence. All decisions must remain objective and impartial in the best interests of clients. Unless they have our prior approval, our employees may not receive any form of compensation other than what we pay them. We ensure that our employee compensation practices do not conflict with employees' obligations toward our clients;

c) **Other business activities and personal financial dealings**: Employees are prohibited from engaging in activities that could interfere or be in conflict with their duties. We will not permit any employee to engage in business activities outside the scope of their duties without our prior approval and without ensuring that these activities do not compromise our clients' interests or harm our own reputation or that of the industry;

d) **Client priority rule**: Our employees must offer top-quality service to clients and cannot give priority to their personal interests to the detriment of those of NBDB clients. For example, employees' brokerage accounts shall be monitored and subject to other exceptional measures, to ensure that serving the client remains employees' priority, as opposed to their own personal interests;

e) **Client order priority**: The interests of clients must always be given priority over those of NBDB and its employees. When we receive two orders for the same security at the same price (or a better price), we always execute the client's order before our or our employees' order;

f) **Policy respecting errors**: A policy has been established to supervise trading errors made by employees. Employees may not correct their own errors and must forward them to their immediate supervisor to be analyzed and handled;

g) **Referrals**: On occasion, third parties may refer clients to us for our products and services. NBDB may also refer clients to third parties. In all cases, referrals should prioritize client's interests. When these referrals involve a commission, the commission must comply with existing regulations and be subject to the required disclosures to clients referred. This allows the client to make an informed decision about the referral and to consider any potential conflict of interest. Any agreement must be made in the best interests of clients and not for the purpose of receiving a commission;

h) **Research analyst activities**: NBDB offers its clients research reports from external suppliers and companies affiliated with NBDB. Companies covered by the research made available to NBDB clients may have other business relationships with the companies that provide these research reports. When the companies that provide these research reports are affiliated with NBDB, they make sure that conflict of interest situations are properly monitored and subjected to the appropriate disclosures;

i) **Underwriter and market maker or other advisory role**: NBDB may offer its clients securities for which a company affiliated with NBDB may act as market maker, underwriter, financial advisor or other. In some cases, the interests of the parties involved can differ from the interests of NBDB clients. The various roles which the companies affiliated with NBDB can play are governed by regulations and the interests of the client will always be prioritized;

j) **Allocation of securities**: We have a policy that deals with the allocation of securities among our clients when there are not enough securities to meet the demand. This policy is intended to ensure fair distribution of securities and thus avoid that a client entitled to a quantity of securities does not receive his fair share;

k) **Tied selling:** It is prohibited to require a client to purchase, use or invest in any product, service or security as a condition, or on terms that would appear to a reasonable person to be a condition, of supplying, continuing to supply or selling product, service or security;

l) **Compensation and other benefits**:
   - Issuers of securities or any other related parties may compensate NBDB for the sale of their securities to our clients. Securities regulations require issuers to include information about this type of arrangement and the associated compensation in their offering document.
   - In some instances, NBDB may be compensated indirectly, e.g., for transactions involving a foreign currency exchange, in which NBDB receives compensation based on the difference between the price clients pay for the currency and the price NBDB pays for the same currency or on the difference in interest rates between the one obtained by NBDB on the funds invested versus the interest rate paid to clients.
   - In some cases, NBDB and certain companies affiliated with NBDB may receive compensation based on the markets on which the transactions of

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NBDB clients are carried out. The conditions under which NBDB client transactions are carried out are subject to regulations applicable to NBDB and its affiliated companies.

- NBDB or its affiliated companies may receive compensation for the purchase or sale of certain over-the-counter products. This compensation is based on the gross-up or mark-down applied by NBDB or its affiliated companies to the price paid by the client when purchasing securities or to him when selling securities.
- There may be situation in which NBDB will receive fees or payments from third parties on transactions it executes. Such fees and payments will not accrue to the clients' account and may be considered as part of NBDB's routing decision-making process, though this is not a sole determinant.

Other conflicts of interest
Other existing or reasonably foreseeable conflicts of interest may arise. We will continue to take the necessary steps to identify and respond to such situations fairly and reasonably, and update our policies as required. Where not avoided, any material conflicts of interest will be disclosed to you as they arise.

8. FEES RELATED TO THE PURCHASE, SALE OR HOLDING OF INVESTMENTS

8.1 Commissions and fees

Commission is the fee you pay when you buy or sell certain products. The commission is then added to the cost on a purchase and deducted from the proceeds for a disposition. These fees will be clearly indicated on the trade confirmation that you will receive following the execution of a transaction and will be billed in the currency of the account.

Stocks, exchange-traded funds (ETFs) and options

A commission is applicable for your transactions made over the phone when buying and selling stocks, ETFs or options. A fee per options contract is applicable to your transactions over the phone as well as online. No commission is applicable for stocks and Canadian and US ETFs transactions made online.

Investment funds

As stocks and ETFs, no commission is applicable for investment fund transactions made online and a commission is applicable for transactions made over the phone.

Moreover, know that all investment funds, including ETFs, charge management fees and/or operating expenses which are deducted directly from the fund's assets and used to pay the fund's expenses (portfolio management, record keeping, custody, reporting, etc.) and to generate a profit margin for the fund company. Management fees and operating expenses are generally charged as a percentage of the fund's assets under administration. This percentage is disclosed in the fund facts as well as in its prospectus.

For some funds, a portion of the management fee is remitted to the distributor on an ongoing basis for as long as the investor owns the fund. This portion of the fee is called a trailing commission or trailer fee. When a trailing commission is paid by the fund, the percentage used to calculate that amount is disclosed in the fund facts and its prospectus.

Securities regulations prohibit all order execution only dealers, such as NBDB, from offering investment funds with trailing commissions. However, it is possible that such funds hold in an account at another financial institution may be transferred to NBDB. In such a case, if NBDB is unable to switch these funds for another series of the same fund without trailing commission, then NBDB will deposit in your account the amount of the trailing commission that NBDB will receive from the investment fund company. For more information, please see our FAQ – Dealer Rebate and Transfer.

Certain investment fund companies may also charge fees in addition to the commissions payable to NBDB. These fees may include sales charges, early redemption fees, switch fees, etc. These fees, when applicable, are disclosed in the fund facts and its prospectus. It should be noted that NBDB does not offer investment funds with deferred sales charges.

Fixed-income securities
We offer, among other things, treasury bills, bonds, strip bonds, debentures, guaranteed investment certificates (GICs) and other money market instruments. The minimum purchase amount and the associated commission vary depending on the security. Commissions, if any, are included in the quoted price and will be communicated to you at the time of the transaction.

You will find the details of the applicable commissions on our website under the "Pricing" page or by contacting one of our representatives by phone.

8.2 Fees related to transactions executed on foreign exchanges

Some stock exchanges, securities commissions or foreign government agencies may impose taxes or apply trading, execution or settlement fees on financial transactions made in their country. In addition, intermediaries may echarge additional custody fees for certain securities. In some cases, taxes are levied on dividend or deemed dividend payments and are shown in your account as such. These fees are kept by the stock exchange, securities commission, government or intermediary and are not shared with NBDB. Where applicable, these additional charges will appear on your trade confirmations and will be billed in the currency of the country where the transaction was executed.

8.3 Interest charges and borrowing fees

Interest rates are applicable on the credit and debit balances of your account, including borrowings in margin accounts, according to the rates in effect at NBDB. Thus, if you borrow against the value of the securities held in one of your accounts, you will be charged interest on the outstanding loan. Similarly, if you short sell securities, you may be charged interest and fees on the cost of borrowing securities to cover your short position.

You will find information on interest charges on our website under the "Pricing" page. You can also contact one of our representatives by phone to obtain information on borrowing fees or for any other information.

The fees you pay, including administration fees, affect the performance of your investments over time, reducing gains or increasing losses.

9. ADMINISTRATION FEES

Like all financial institutions, we charge fees for specific services that complement our core business. These fees, which we call administration fees, are presented in our Commission and General Fee Schedule and on our website. Included in these fees is an annual administration fee, which covers all of the costs associated with opening and maintaining a brokerage account.

9.1 Annual Administration fee

An annual administrative fee may apply unless one of the exemption criteria is met. The calculation of the annual administration fee and the application of exemptions are carried out on all accounts held in the same root of accounts and not on each account. A client can have multiple account roots.

For more details on administration fees, including the annual administration fee and exemption criteria, visit our website under the "Pricing" page or contact one of our representatives by phone.

Note that administration fees and other charges may change from time to time. We will let you know in advance of any change, as prescribed by the regulations that govern our industry.

10. LIST OF DOCUMENTS THAT NBDB GIVES TO CLIENTS OPENING AN ACCOUNT

General documents available in digital version when a brokerage account is opened

- Brokerage Account Application
- Collection, Use and Disclosure of Personal Information
- Regulation Respecting Communication with Beneficial Owners of Securities of a Reporting Issuer – Explanations
- Consent to the Electronic Delivery of Documents
- Cash Account Agreement
- Terms and Conditions of Use of the Online Services, Terms and Conditions of Use of the Online Services – Trading and Pre-Authorized Debit Agreement Terms and Conditions
- This document entitled Relationship Disclosure Information.

We recommend that you review these documents to confirm which information applies to you.

These documents are also available in a paper version on demand.

Depending on the type of account you open, you will receive specific documents governing the account. Please consult the following table to know which documents apply:

Account Type	Applicable Agreement(s)
Margin account	• Margin Account Agreement
Options trading account	• Options Trading Agreement • Derivatives Risk Disclosure Statement
Registered account	• Declaration of trust or applicable terms and conditions and addendum, if applicable

Soon after opening your brokerage account, you will receive by email a digital version of these brochures:

- The brochure entitled **How to Make A Complaint** produced by CIRO
- The brochure entitled **How CIRO Protects Investors** by CIRO.
- The document **Strip Bonds and Strip Bond Packages Information Statement**, also by CIRO.

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- The brochure entitled **Canadian Investor Protection Fund** produced by the Canadian Investor Protection Fund (CIPF).
- The NBDB's **Commission and General Fee Schedule**.

These documents are also available in a paper version on demand.

11. MAKING A COMPLAINT

Complaint Settlement

We're here to support you.

Your satisfaction is important. If your experience did not meet your expectations, we would appreciate your feedback.

We have implemented a simple process to handle your feedback, concerns, or complaints. This process is based on listening to and understanding your concerns.

Contact us

Many situations can be clarified by directly contacting us. We are committed to responding to you as quickly as possible.

How to file a complaint

If we're unable to provide you with a satisfactory response, you can file a complaint by contacting the department responsible for handling complaints at the following coordinates:

- Through the secure messaging center of NBDB's transactional platform
- Email: directbrokerage@nbc.ca
- By post:
  National Bank Direct Brokerage
  800 Saint-Jacques Street
  Office 16281
  Montreal, Quebec, H3C 1A3
- By phone: 800-363-3511 (For service in English or French)
  888-991-0909 (For service in Mandarin or Cantonese)

To help us better understand your situation, please include the following information with your complaint:

- Your name and contact information;
- Your account number;
- A brief description of the situation (with important dates);
- The resolution you are seeking; and
- Any documents or information that may help us better understand your complaint.

Next steps:

- Within 5 days of receiving your complaint, an acknowledgment will be sent to you, providing the name and contact information of the person responsible for handling your complaint.
- This person will contact you to discuss your complaint.
- Within a maximum of 60 days following the receipt of your complaint, a final response will be sent to you, explaining the results of the analysis conducted and our conclusion. If additional time is required to process your complaint, you will be informed in writing.
- If a settlement offer is proposed, you will be given time to evaluate the offer and provide your response.

Other Options

If you are not satisfied with the handling of your complaint or the final response provided, other options are available:

- **Canadian Investment Regulatory Organization**
  Complaints and Inquiries Service
  40 Temperance Street, Suite 2600
  Toronto, Ontario M5H 0B4
  Toll-free: 877 442-4322
  Email: info@ciro.ca
  Website: www.ciro.ca

- **Ombudsman for Banking Services and Investments**
  20 Queen Street West, Suite 2400, P.O. Box 8
  Toronto, Ontario M5H 3R3
  Toll-free: 888-451-4519
  TTY Telephone: 844-358-3442
  Email: ombudsman@obsi.ca
  Website: www.obsi.ca

- **Autorité des marchés financiers (Quebec residents)**
  800 Square-Victoria Street, Suite 2200, Montreal, Quebec H3C 0B4
  Place de la Cité, tour PwC, 2640 Laurier boulevard, Suite 400, Québec, Québec G1V 5C1
  Toll-free: 877-525-0337
  Email: plaintes@lautorite.qc.ca
  Website: www.lautorite.qc.ca/en

- **Client Complaint Appeal Office**
  Phone: 888 300-9004 or 514 394-8655
  Email: complaintappeal@nbc.ca
  Website: Complaint and dissatisfaction settlement | National Bank

CONCLUSION

NBDB is proud to have a state-of-the-art technological platform, an innovative range of products and services, a comprehensive set of tools, and exhaustive economic and financial research from internal and external sources. We also provide our clients with the support of a team of seasoned investment specialists.

Understanding how to make your money grow, and how to find a financial institution with which you can develop a true partnership, are key conditions to financial success. Combining your know-how with a platform like the one we have at NBDB allows you to bring together everything you need to reach your investment objectives.

We are very happy that you have chosen NBDB, and we thank you for your trust.

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DECLARATION OF TRUST
NATIONAL BANK FINANCIAL INC. FIRST HOME SAVINGS ACCOUNT

1. Definitions. For the purposes hereof, the terms set out below have the following meanings:

a) account: the **qualifying arrangement** within the meaning of section 146.6 of the Tax Act entered into between the trustee and the holder in accordance with the terms set out in the Application and herein and which, when registered, will be a first home savings account ("**FHSA**") within the meaning of the Tax Act.

b) agent: National Bank Financial Inc., being designated as agent of the trustee under section 16a) hereof.

c) Application: the account application form completed and signed by the holder.

d) assets in the account: all assets of any nature whatsoever which make up the account, including the contributions made to the account as well as the investment earnings generated or realized during the administration of the account by the trustee.

e) beneficiary: an individual (including an estate) or a qualified donee that has a right to receive a distribution from the account after the death of the holder.

f) holder: the qualifying individual (other than a trust) named on the Application and, on the individual's death, the individual's spouse, if the spouse is then alive and:

i) is designated as a successor holder of the account;

ii) is a qualifying individual; and

iii) the account balance has not been transferred to their registered retirement savings account ("**RRSP**") or their registered retirement income fund ("**RRIF**"), or distributed to them as a beneficiary, by the end of the year following the year of death

(the latter being also referred to as the "**successor holder**" herein).

g) qualifying individual: an individual who, at a particular time

i) is a resident of Canada;

ii) is at least 18 years old of age; and

iii) did not, at any prior time in the calendar year or in the preceding four calendar years, inhabit as a principal place of residence a **qualifying home** within the meaning of subsection 146.6(1) of the Tax Act (in Canada or elsewhere) that was owned or co-owned by the individual or the individual's spouse at the particular time.

h) spouse: a spouse or common-law partner within the meaning of the Tax Act.

i) survivor: the individual who is, immediately before the qualifying individual's death, the spouse of the qualifying individual.

j) Tax Act: the *Income Tax Act* (Canada) and, where appropriate, the regulations made under that Act.

k) trustee: Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada), also referred to as the issuer under the Tax Act.

2. Purposes of the account. All contributions made to the account as well as any investment earnings generated or realized by the account and used and invested pursuant to the terms and conditions provided herein shall be used for the purpose of making distributions to the holder.

The account shall constitute a trust for the purposes of the Tax Act only, and for no other purpose.

The trustee, by accepting the Application, agrees to administer the account in accordance with the Tax Act and as set forth herein. Subject to registration of the account under the Tax Act, this declaration of trust shall take effect on the date of acceptance of the Application by the trustee.

3. Registration. The trustee shall file an election to register the qualifying arrangement as a FHSA pursuant to the Tax Act. For this purpose, the trustee is entitled to rely on the information provided by the holder in the Application. If registration of the account is refused, the Application and this declaration of trust shall be cancelled, and the assets in the account shall be returned to the holder.

4. Maximum participation period. The maximum participation period for the account begins when the holder first enters into a qualifying arrangement and ends at the end of the year following the year in which the earliest of the following events occurs:

a) the 14th anniversary of the date the holder first enters into a qualifying arrangement;

b) the holder reaches the age of 70 years; and

c) the holder first makes a qualifying withdrawal (as defined below) from a FHSA.

5. When the account ceases to be a FHSA. The account ceases to be a FHSA and must be closed at:

a) subject to paragraph b), the earliest of the following times:

i) the end of the maximum participation period of the last holder;

ii) the end of the year following the year of the death of the last holder;

iii) the time at which the account ceases to be a qualifying arrangement;

iv) the time at which the account is not administered in accordance with the conditions in subsection 146.6(2) of the Tax Act.

b) a later time specified by the Minister in writing.

6. Contributions. The holder may make contributions to the account until the account is closed. However, contributions made after a qualifying withdrawal (as defined below) are not tax-deductible and do not give rise to qualifying withdrawals.

The holder is solely responsible for ensuring that such contributions are within the limits prescribed by the Tax Act. The Trustee makes no verification in this regard.

7. Investments. Assets in the account shall be invested in investments available under the account, in accordance with instructions given by the holder in a form satisfactory to the trustee. The holder is responsible for ensuring that investments made in or transferred to the account are and remain qualified investments within the meaning of the Tax Act. The trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the account holds a non-qualified investment.

Notwithstanding anything to the contrary herein, the trustee may, in its sole discretion, refuse to accept any transferred asset or make any investment, including if it is of the opinion that the investment does not comply with its standards and policies. The trustee may also require the holder to provide supporting documentation prior to making certain investments.

As applicable, the trustee may reinvest all distributions of net investment income in investments of the same type unless otherwise instructed by the holder. The trustee may also authorize additional investments even if, in doing so, it is considered to have delegated its investment powers.

As applicable, voting rights attached to units, shares or any other securities held in the account may be exercised by the holder. For this purpose, the holder is hereby appointed the trustee's agent and attorney to execute and deliver proxies and other instruments in accordance with applicable laws.

8. Conditions and restrictions.

a) The account shall be maintained for the exclusive benefit of the holder.

b) While there is a holder of the account, no one other than the holder and the trustee shall have any rights relating to the amount and timing of distributions and the investing of funds in the account.

c) No one other than the holder may make contributions to the account.

d) The trust shall not be permitted to borrow money or other property for the purposes of the account.

e) The holder agrees not to cause the account to be used for the carrying on of a business within the meaning of the *Income Tax Act* (Canada). The holder recognizes that frequent or large volume trading of securities (operations sometimes referred to as "day trading"), in particular, may constitute the carrying on of a business. Once it is established that the account is or possibly has been used to carry on a business, the holder agrees to hold sufficient assets in the account to pay any income taxes, penalties and interest. The holder agrees that the trustee may then, at its discretion and subject to its other rights and remedies, freeze the account until a clearance certificate is obtained from the tax authorities.

f) The arrangement meets prescribed conditions.

9. Distributions. Subject to such requirements as the trustee may reasonably impose, the holder may withdraw assets from the account. Any withdrawal will be subject to withholding tax unless the withdrawal is a **qualifying withdrawal** within the meaning of the Tax Act.

A withdrawal is a qualifying withdrawal if the holder:

a) is a resident of Canada on the date of the withdrawal and continues to be a resident of Canada until the earlier of the holder's death and the time at which the holder acquires the qualifying home;

b) does not have an owner-occupied home within the meaning of paragraph 146.01(2)(a.1) of the Tax Act in the period that begins at the beginning of the fourth preceding calendar year that ended before the withdrawal and that ends on the 31st day before the withdrawal;

c) entered into an agreement in writing before the date of the withdrawal for the acquisition or construction of the qualifying home before October 1 of the calendar year following the year of the withdrawal;

d) has made a written request for payment in prescribed form stating the location of the qualifying home that they use as a principal place of residence or intend to use for that purpose not later than one year after its acquisition or construction; and

e) did not acquire the qualifying home more than 30 days before the date of the withdrawal.

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The holder may make one or more qualifying withdrawals of all or part of the assets in the account. Such withdrawals are limited to a single qualifying home for life and must be made no later than the 15th year after the first qualifying arrangement was entered into by the holder.

The holder may also withdraw assets in the account for the purpose of reducing the amount of tax otherwise payable by them under section 207.021 of the Tax Act. The trustee shall then dispose of all or a portion of the assets in the account and pay the holder an amount equal to the proceeds of disposition of such assets (net of any applicable disposition costs), less any payable charges and taxes (including interest and penalties) except as prohibited under the Tax Act.

10. Transfers to other accounts or plans. Subject to the conditions set out in the Tax Act and such requirements as the trustee may reasonably impose, the holder may ask the trustee to transfer to another FHSA of which they are the holder:

a) all or a portion of the assets in the account; or

b) an amount equal to the proceeds of disposition of all or a portion of the assets in the account (net of any applicable disposition costs), less any payable charges and taxes (including interest and penalties) except as prohibited under the Tax Act.

A transfer may also be made to an RRSP or RRIF of which the holder is the annuitant, but only up to the amount calculated according to the formula in paragraph 146.6(7)(c) of the Tax Act.

In addition, and subject to the conditions and limitations set out in the Tax Act, a transfer may be made to a FHSA of which the holder's spouse or former spouse is the holder or to an RRSP or RRIF of which that spouse or former spouse is the annuitant, in settlement of rights arising out of, or on a breakdown of, their marriage or common-law partnership.

11. Transfers from an RRSP. The holder may transfer assets from an RRSP of which they are the holder to the account subject to the conditions prescribed by the Tax Act and such requirements as the trustee may reasonably impose.

12. Withdrawal or transfer. If only part of the assets in the account are withdrawn or transferred, the holder may specify in their request which assets they wish to dispose of or transfer. Otherwise, the trustee disposes of the assets or transfers them in its sole discretion. The trustee is not required to cash in or transfer an investment prior to maturity.

13. Designation of successor holder and/or beneficiary (only in provinces and territories where permitted by law). If permitted by the applicable laws, the holder may designate their spouse as the successor holder of the account after their death in accordance with the Tax Act.

If permitted by applicable laws, the holder may also designate one or more beneficiaries to receive the proceeds of the account.

A designation may only be made, changed or revoked in compliance with the applicable laws by way of a written document or instrument, dated and signed by the holder, the form and content of which shall be acceptable to the trustee, and shall specifically identify the account.

Any designation or any change or revocation of a designation, validly made, shall take effect on the date it is received by the trustee. If more than one designation is received, the trustee shall consider only the designation duly signed by the holder with the most recent date.

In some provinces and territories, a designation may not be automatically revoked or changed by a marriage, new union, divorce or relationship breakdown and a new designation may be required. It is the holder's sole responsibility to get appropriate information regarding this and to make any necessary changes, as needed.

The trustee makes no representations and is not liable, including in the event of the invalidity or unenforceability, in whole or in part, of any designation or any change or revocation thereof by the holder.

14. Death of holder. Subject to the following and applicable laws, the trustee shall dispose of the assets in the account upon receipt of satisfactory evidence of the death of the holder. After deducting applicable taxes, costs of disposition, fees and other amounts payable, the trustee shall pay the net proceeds of disposition to the beneficiaries in a lump sum.

Notwithstanding the foregoing, the trustee may instead, in the cases and on the terms set out in the Tax Act, transfer the assets to a person or persons entitled to them, such as a successor holder.

No transfer of assets or payment shall be made until the trustee has received such releases and other documents it may reasonably require.

15. Separate account and statements. The trustee shall maintain a separate account for the account and shall deliver to the holder annually or more frequently a statement containing such information as the trustee considers relevant.

The trustee shall deliver such information returns, notices and other documents as are required by the Tax Act to the holder and, if applicable, to the appropriate authorities.

16. Provisions relating to the trustee.

a) Delegation of powers. The trustee may delegate any of its powers or duties to agents. In such event, the agents may receive all or part of the fees to which the trustee is entitled hereunder. Notwithstanding any such delegation, the ultimate responsibility for the administration of the account remains with the trustee.

b) Resignation of trustee. The trustee may resign upon not less than 30 days' prior notice to the holder in the manner set forth in subsection 17f) provided a successor issuer has agreed to act in its stead. Such issuer must be a corporation resident in Canada and duly authorized by the applicable laws to act in such capacity.

c) Fees and expenses. The trustee is entitled to receive such fees and other charges as it may prescribe from time to time, which may be charged directly to and deducted from the assets in the account. These fees and charges may be charged upon the termination of the account, the transfer or withdrawal of assets from the account or in any other situation as the trustee may reasonably determine. Such fees and expenses shall be disclosed to the holder in accordance with the applicable laws.

Similarly, the trustee is entitled to be reimbursed for all fees, costs and expenses incurred by it or its agents in connection with the administration of the account or the filing of any document required under the Tax Act. The holder shall reimburse the trustee for any overdraft resulting from the payment of such fees, costs and expenses within 30 days of the date the holder is notified thereof. Should the holder fail to make such timely repayment, the trustee may, but shall not be obligated to, dispose of the assets in the account without further notice to the holder and on such terms as the trustee shall determine and apply the proceeds of such disposition to the payment of the amounts owing.

The reimbursement of any taxes, interest or penalties payable in respect of the account may also, but only to the extent not prohibited by the Tax Act, be applied directly to, and deducted from, the assets in the account. The trustee may, but shall not be obligated to, dispose of the assets in the account without further action and on such terms as it may determine and apply the proceeds of disposition to the payment of such taxes, interest or penalties.

The holder shall be accountable to the trustee for any fees, expenses and other amounts due in excess of the assets in the account.

d) Liability and compensation. At all times, the holder or their personal representatives or beneficiaries shall indemnify and hold harmless the trustee and the agent from and against all taxes, interest, penalties, assessments, fees (including legal and attorney fees), costs, expenses, claims and demands incurred, charged or made in connection with the account, to the extent not prohibited by the Tax Act.

The indemnity must be paid within 30 days of the claim made by the trustee or agent and may be paid out of the assets in the account.

Except as otherwise provided by applicable laws and herein, and without limiting the scope of other agreements and conditions with the holder, the trustee and the agent shall not be liable for any loss or damage suffered by the account, the holder, any beneficiary or any other person, resulting from, but not limited to:

i) any loss in value of the assets in the account

ii) any acquisition, holding, or disposition of an investment

iii) any payment made from the account, liquidation or closure of the account, withdrawal, transfer or distribution of assets in the account (including any tax consequences of such transactions)

iv) any excess contributions to the account

v) any use of the account for any prohibited purpose, including the carrying on of a business within the meaning of the Tax Act, or any action taken by the trustee or agent in the event of such use

vi) any performance or non-performance of instructions given to the trustee or the agent,

unless the loss or damage is caused by bad faith, willful misconduct, gross negligence or, in Québec, the gross or intentional fault of the trustee or the agent.

Notwithstanding the foregoing, in no event shall the trustee or the agent be liable for any special, indirect, punitive, incidental or consequential loss or damages whatsoever.

e) Instructions. The trustee is entitled to rely on any instructions it receives from or believes in good faith to be given by the holder or any other person designated by the holder, whether such instructions are given in person, by mail, by facsimile or by any other electronic means.

17. Miscellaneous provisions.

a) Modifications. The trustee may from time to time, in its sole discretion, vary the terms of the account (i) to comply with any requirement of applicable law, or (ii) by giving 30 days' prior written notice to the holder. However, such a change must not disqualify the account as a FHSA within the meaning of the Tax Act.

b) Evidence. The trustee reserves the right to require the holder or any person claiming to be a beneficiary to furnish, on a timely basis and at their expense, satisfactory evidence of their age or of any fact relevant to their interest or right in or to the account.

c) Enforceability. The terms hereof shall be binding upon the heirs, personal representatives and assigns of the holder and the successors and assigns of the trustee. Notwithstanding the foregoing, if the account or the assets in the account are transferred to a successor issuer, the terms of such issuer's declaration of trust or agreement will govern the account thereafter.

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d) Declaration of non-residency. The holder undertakes to notify the trustee immediately if the holder is or becomes a non-resident of Canada.

e) Interpretation. For the purposes hereof, wherever the context requires, words importing the masculine gender shall include the feminine and neuter genders and words importing the singular shall include the plural and vice versa.

f) Notices. Any notice to the trustee hereunder shall be validly given if delivered or mailed to the address of the agent appearing on the Application or to such other address as the trustee may from time to time specify in writing. The notice shall become effective only on the day it is delivered to or received by the trustee. Any instruction, notice or information given in writing to the trustee will be considered valid only if it is in form satisfactory to the trustee.

Any notice, statement or receipt directed to the holder or any person entitled to receive notice under the account may be delivered electronically or by mail to the address as it appears on the registers of the trustee. The notice, statement or receipt is then deemed to have been given on the day of the electronic transmission or on the fifth day following the mailing. The holder expressly authorizes the trustee or the agent to notify them of any modification to this declaration of trust by a prior written notice, including a note on or included with their statement of account, and by posting the modified agreement on the trustee's or agent's website.

g) Applicable laws. The account shall be governed by, and construed in accordance with, the laws applicable in the province or territory of residence of the holder indicated on the Application or otherwise provided by the holder, including the Tax Act.

In Québec, the account does not constitute a trust within the meaning of the *Civil Code of Québec*. In view of the special nature of this account, the rules of Title VII of Book IV of the *Civil Code of Québec* relating to the administration of the property of others do not apply to the trustee.

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

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

a) Annuitant: The person whose name is indicated as such in the Application and, after his or her death, the surviving Spouse as provided under the definition of the term "annuitant" under subsection 146(1) of the *Income Tax Act* (Canada).

b) Annuity: has the meaning at Section 9 hereof.

c) Application: The application form for membership in the Plan, included in the Account opening form attached hereof, completed and signed by the Annuitant.

d) Assets in the Plan: All property of any nature whatsoever which makes up the Plan, including the contributions made to the Plan from time to time, as well as any income, capital gains or other gains of any type whatsoever, generated or realized during the administration of the Plan by the Trustee.

e) Beneficiary: means the person who is or would be legally entitled to receive any Assets in the Plan or proceeds from disposition of the Assets in the Plan in the case of the death of the Annuitant, pursuant to the applicable legislation, such as the Annuitant's surviving Spouse, estate, designated beneficiary, or legal representative within the meaning of the *Income Tax Act* (Canada).

f) Contributing Spouse: means the Spouse of the Annuitant whom the Annuitant declares in the Application is the Spouse who will make all the contributions to the Plan (applicable only for spousal RSPs).

g) Maturity Date: has the meaning at Section 4 hereof.

h) Plan: The National Bank Financial Inc. Self-Directed Retirement Savings Plan established by the Trustee for the benefit of the Annuitant in accordance with the terms and conditions contained in the Application and herein, as such Plan may be amended from time to time.

i) Spouse: A spouse or a common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting a RSP.

j) Tax Legislation: The *Income Tax Act* (Canada) and the corresponding legislation of the province in which the Annuitant resides, and the regulations adopted thereunder.

k) Trustee: Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).

l) Agent: National Bank Financial Inc. designated as such in paragraph 13a) hereunder.

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

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

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

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

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

5. Contributions. Until the Maturity Date, the Annuitant or the Contributing Spouse, if applicable may at any time make additional contributions to the Plan. Assets from another registered plan may be transferred to the Plan, to the extent permitted by and in accordance with the *Income Tax Act* (Canada).

The Annuitant and the Contributing Spouse, if applicable, shall be solely responsible for ensuring that such contributions are within the limits prescribed by the *Income Tax Act* (Canada) as well as for determining the taxation years for which such contributions may be deducted for income tax purposes.

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

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

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

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

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

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

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

8. Restrictions:

a) Assignment. The Annuitant acknowledges that this Plan, as well as the rights and benefits arising therefrom, may not be assigned or otherwise transferred.

b) Security. The Annuitant acknowledges that the Plan or the Assets in the Plan may not be given as security by mortgage or otherwise.

c) Effect. Any agreement which purports or attempts to contravene the restrictions contained in this Section 8 shall be null.

d) Withdrawal. The Plan does not provide for any payment before the Maturity Date except a refund of premiums in a lump sum or a payment to the Annuitant.

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

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

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

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

i) transfers all or certain Assets in the Plan, or

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

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

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

9. Retirement Income.

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

Payments of the Annuity shall comply with the provisions of the *Income Tax Act* (Canada), and in particular, except as otherwise permitted under the *Income Tax Act* (Canada), the Annuity must be in any one or combination of the following forms:

i) a fixed term annuity, commencing on the Maturity Date, providing benefits for:

(a) the Annuitant's life; or

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

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

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and the Annuity will be subject to the following requirements:

iii) payments under an Annuity will be made in equal annual or more frequent periodic amounts until such time as there is a payment in full or partial commutation of the Annuity and, where such Annuity is partial, equal annual or more frequent periodic payments thereafter;

iv) any payment in full or partial commutation of an Annuity shall be made to the Annuitant or to his or her Spouse after the Annuitant's death;

v) the aggregate of the periodic payments in a year under an Annuity after the Annuitant's death shall not exceed the aggregate of the payments under the Annuity in a year before that death;

vi) any Annuity payable hereunder shall not be assigned in whole or part; and

vii) in the event of the Annuitant's death, each Annuity must be commuted if it becomes payable to someone other than the Annuitant's Spouse.

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

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

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

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

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

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

Notwithstanding the foregoing, in cases permitted by the *Income Tax Act* (Canada), the Trustee may transfer the Assets in the Plan to one or more persons entitled thereto.

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

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

The Trustee shall annually provide the Annuitant or the Contributing Spouse, as applicable, with information returns regarding the contributions paid to the Plan in accordance with the *Income Tax Act* (Canada).

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

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

13. **Provisions Regarding the Trustee.**

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

b) **Withdrawal of Trustee.** The Trustee may withdraw as the administrator of the Plan upon 90 days' prior notice given to the Annuitant in the manner set out in Section 14.f) hereof and provided a replacement trustee has accepted the appointment and on condition such replacement is a body corporate resident in Canada duly authorized by the applicable laws to act in such capacity.

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

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

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

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

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

14. **Various Provisions.**

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT SAVINGS PLAN UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) self-directed retirement savings plan and wishes same to receive the Transfer;

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

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

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

1. Definitions:

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

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

b) **"Account"** refers to the National Bank Financial Inc. (division of NBDB) self-directed retirement savings plan established by the Declaration executed between the Annuitant, National Bank Financial Inc. and the Trustee, as supplemented and modified by this Agreement establishing a locked-in RRSP that will hold the locked-in money that is the subject of the Transfer;

c) **"Declaration"** means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) self-directed retirement savings plan;

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

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

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

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

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

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

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

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

l) **"Survivor"**, in relation to an Annuitant, means:

i) if there is no person described in paragraph ii), the Spouse of the Annuitant at the time of the Annuitant's death; or

ii) a person who was the common-law partner of the Annuitant at the time of the Annuitant's death;

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

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

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

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

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

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

a) to another Locked-in RRSP;

b) to a registered pension plan under the Act if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with 2 years membership in the plan;

c) to purchase a Life Annuity; or

d) to a LIF or to a Restricted LIF.

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

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

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

a) transferring the funds to another Locked-in RRSP;

b) transferring the funds to a plan, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with 2 years membership in the plan;

c) using the funds to purchase an Life Annuity; or

d) transferring the funds to a LIF or to a Restricted LIF.

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

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

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

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

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

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

(ii) in the event that the value of M in the following **Formula** is greater than zero,

(A) the Annuitant certifies that the he expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under this paragraph from any locked-in registered retirement savings plan, or under paragraph *20.1*(1)(*m*), *20.2*(1)(*e*) or *20.3*(1)(*m*) of the Regulation, and

(B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and

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

Formula: M + N

where

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

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

P - Q

where

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

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

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

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

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A RESTRICTED LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan and wishes same to receive the Transfer;

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

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

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

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

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

b) "Account" refers to the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan established by the Declaration executed between the Annuitant, National Bank Financial Inc. and the Trustee, as supplemented and modified by this Agreement establishing a Restricted Locked-in RRSP that will hold the locked-in money that is the subject of the Transfer;

c) "Declaration" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan;

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

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

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

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

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

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

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

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

l) "Survivor", in relation to an Annuitant, means

i) if there is no person described in paragraph

ii) the Spouse of the Annuitant at the time of the Annuitant's death; or a person who was the common-law partner of Annuitant at the time of the Annuitant's death;

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

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

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

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

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

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

a) to another Restricted Locked-in RRSP;

b) to a registered pension plan under the Act if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with 2 years membership in the plan;

c) to purchase a Life Annuity; or

d) to a Restricted LIF.

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

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

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

a) transferring the funds to another Restricted Locked-in RRSP or to a Locked-in RRSP,

b) transferring the funds to a registered pension plan under the Act, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the plan

c) using the funds to purchase a Life Annuity or

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

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

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

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

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

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

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

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

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

i) the Annuitant certifies that the he has not made a withdrawal in the calendar year under this paragraph from any Restricted Locked-in RRSP or under paragraph 20(1)(*d*), 20.1(1)(*m*) or 20.3(1)(*m*) of the Regulation other than within the last 30 days before this certification,

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

(A) the Annuitant certifies that he expects to make expenditures on medical on 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 deter mined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under this paragraph from any Restricted Locked-in RRSP or under paragraph 20(1)(*d*), 20.1(1)(*m*) or 20.3(1)(*m*) of the Regulation, and

(B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and

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

Formula: M + N where

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

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

P - Q

where

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

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

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

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

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED LOCKED-IN RETIREMENT ACCOUNT

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan specimen plan number 525-026 (the "Retirement savings plan") and wishes same to receive the Transfer;

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

D. The parties now wish to supplement the Retirement savings plan with the provisions of this Agreement, including the Locked-In Retirement Account Addendum attached hereto (the «Addendum»), in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Retirement savings plan and this Agreement, the provisions of this Agreement shall prevail.

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

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

The following terms shall have the following meaning:

a) "**Account**" refers to the Retirement savings plan account executed between the Annuitant, National Bank Financial Inc. (the "Agent") and the Trustee, as supplemented and modified by this Agreement and the Addendum establishing a Locked-in Retirement Account;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Governing Law: This Agreement shall be governed by the laws of the Province of British Columbia.

Pension Benefits Standards Regulation Locked-In Retirement Account Addendum

Part 1 — Definitions and Interpretation

1. Definitions and interpretation

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

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

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

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

"**locked-in money**" means

(a) money the withdrawal, surrender or receipt of which is restricted under section 68 of the Act,

(b) money to which paragraph (a) applies that has been transferred out of a pension plan

(i) to this locked-in retirement account or any other locked-in retirement account or life income fund, and any interest on that money, or

(ii) to an insurance company to purchase an annuity that is permitted under the Act,

(c) money in this locked-in retirement account that was deposited into the locked-in retirement account under section 105 (1) of the Regulation or paid to the locked-in retirement account issuer under section 105 (2) or (3) (b) of the Regulation, and

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

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

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

(a) the owner was a member of a pension plan, and

(b) this locked-in retirement account contains locked-in money from that plan;

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

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

(b) the spouse owner of this locked-in retirement account;

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

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

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

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

(b) the surviving spouse of a deceased member of the pension plan or member owner whose entitlement to the locked-in money in this locked-in retirement account arose by virtue of the death of the member or member owner;

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

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

(a) they

(i) are married to each other, and

(ii) have not been living separate and apart from each other for a continuous period longer than 2 years;

(b) they have been living with each other in a marriage-like relationship for a period of at least 2 years immediately preceding the date.

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

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

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

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

(a) locked-in money transferred from a pension plan if

(i) this locked-in retirement account is owned by a member owner, or

(ii) this locked-in retirement account is owned by a spouse owner, or

(b) money deposited by the locked-in retirement account issuer under section 105 (1) of the Regulation or paid to the locked-in retirement account issuer for deposit to this locked-in retirement account under section 105 (2) or (3) (b) of the Regulation.

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

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

(2) Despite subsection (1), money may be paid or transferred from this locked-in retirement account in the following circumstances:

(a) by way of a transfer to another locked-in retirement account on the applicable conditions set out in this Addendum;

(b) by way of a transfer to purchase an annuity in accordance with section 6 (3);

(c) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;

(d) by way of a transfer to a life income fund in accordance with Division 3 of Part 9 of the Regulation;

(e) in accordance with Part 4 of this Addendum.

(3) Without limiting subsections (1) and (2) of this section and in accordance with section 70 of the Act, money in this locked-in retirement account must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.

(4) The locked-in retirement account issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this locked-in retirement account.

4. General liability for improper payments or transfers

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

(a) subject to paragraph (b), the locked-in retirement account issuer must,

(i) if less than all of the money in this locked-in retirement account is improperly paid or transferred, deposit into this locked-in retirement account an amount of money equal to the amount of money that was improperly paid or transferred, or

(ii) if all of the money in this locked-in retirement account is improperly paid or transferred, establish a new locked-in retirement account for the owner and deposit into that new locked-in retirement account an amount of money equal to the amount of money that was improperly paid or transferred, or

(b) if

(i) the money is transferred out of this locked-in retirement account to an issuer (the "transferee issuer") that is authorized under the Regulation to issue locked-in retirement accounts,

(ii) the transfer is contrary to the Act or the Regulation in that the locked-in retirement account issuer failed to advise the transferee issuer that the money is locked-in money, and

(iii) the transferee issuer deals with the money in a manner that is contrary to the manner in which locked-in money must be dealt with under the Act or the Regulation, the locked-in retirement account issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subparagraph (iii).

5. Remittance of securities

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

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

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6. Retirement income

(1) Subject to subsections (2) and (3), this locked-in retirement account may be converted to a life income fund or annuity any time after the owner of the locked-in retirement account reaches 50 years of age, and must be converted to retirement income on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan.

(2) The money in this locked-in retirement account must not be transferred to a life income fund unless

(a) the member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", as the case may be, is at least 50 years of age, and

(b) if the owner is a member owner and the member owner has a spouse, one of the following has been provided to the locked-in retirement account issuer:

(i) a consent in Form 3 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the transfer;

(ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.

(3) The money in this locked-in retirement account must not be transferred to an insurance company to purchase an annuity unless

(a) payments under the annuity do not begin until the member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", as the case may be, has reached 50 years of age,

(b) payments under the annuity begin on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan,

(c) there is no differentiation among the annuitants on the basis of gender, and

(d) if the owner is a member owner who has a spouse,

(i) the annuity is in the form of a joint and survivor pension referred to in section 80 (2) of the Act, or

(ii) one of the following has been provided to the locked-in retirement account issuer:

(A) a waiver in Form 2 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member not more than 90 days before the date that payments are to begin;

(B) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.

(4) A transfer under subsection (2) or (3) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the transfer.

Part 3 — Death of Owner

7. Transfer or payment on death of member owner

(1) Subject to subsection (2), if this locked-in retirement account is owned by a member owner who has died and he or she is survived by a spouse, the locked-in retirement account issuer must transfer the money in the locked-in retirement account to whichever of the following the surviving spouse elects:

(a) a pension plan, if the plan text document of the plan allows the transfer;

(b) another locked-in retirement account;

(c) a life income fund;

(d) an insurance company to purchase an annuity in accordance with section 6 (3) of this Addendum.

(2) If this locked-in retirement account is owned by a member owner who has died and

(a) he or she is not survived by a spouse, or

(b) he or she is survived by a spouse and one of the following has been provided to the locked-in retirement account issuer:

(i) a waiver in Form 4 of Schedule 3 of the Regulation signed by the spouse before the member owner's death in the presence of a witness and outside the presence of the member owner;

(ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies, the locked-in retirement account issuer must pay the money in this locked-in retirement account to the member owner's designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.

(3) If a waiver or confirmation has been provided under subsection (2) (b) to the locked-in retirement account issuer, the surviving spouse is not entitled to receive money from this locked-in retirement account under subsection (2) (b) (i) as the member owner's designated beneficiary.

(4) A transfer under subsection (1) or a payment under subsection (2) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the transfer or payment.

8. Payment on death of spouse owner

(1) If this locked-in retirement account is owned by a spouse owner who has died, the locked-in retirement account issuer must pay the money in this locked-in retirement account to the spouse owner's designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the spouse owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

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

9. Lump-sum payment of small account balance

(1) On application by the owner of this locked-in retirement account, the locked-in retirement account issuer will pay to the owner the lump-sum amount referred to in section 69 (2) of the Act and section 107 of the Regulation if, on the date of the application,

(a) the balance of the locked-in retirement account does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or

(b) the owner is at least 65 years of age and the balance of this locked-in retirement account does not exceed 40% of the YMPE for the calendar year in which the application is made.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

10. No splitting of contract

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

11. Shortened life

(1) On application by the owner of this locked-in retirement account, the locked-in retirement account issuer will pay to the owner the payment, or series of payments for a fixed term, referred to in section 69 (4) (a) of the Act of all or part of the money held in this locked-in retirement account if

(a) a medical practitioner certifies that the owner has an illness or a disability that is terminal or likely to shorten the owner's life considerably, and

(b) this locked-in retirement account is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the locked-in retirement account issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.

(2) A payment under subsection (1) must be made, or a series of payments under subsection (1) must begin, within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment or begin the series of payments.

12. Non-residency for tax purposes

(1) On application by the owner of this locked-in retirement account, the locked-in retirement account issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (b) of the Act and section 109 of the Regulation if

(a) the owner includes in the application

(i) a statement signed by the owner that the owner has been absent from Canada for 2 or more years, and

(ii) written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and

(b) this locked-in retirement account is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the locked-in retirement account issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

13. Financial hardship

(1) On application by the owner of this locked-in retirement account in accordance with section 110 of the Regulation, the locked-in retirement account issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (c) of the Act, up to the amount prescribed under section 110 (5) of the Regulation, if

(a) the owner meets the requirements of the financial hardship exception set out in section 110 (4) of the Regulation, and

(b) this locked-in retirement account is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the locked-in retirement account issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the locked-in retirement account issuer, that section 145 of the *Family Law Act* applies.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the locked-in retirement account issuer of all records that are necessary for the issuer to make the payment.

LOCKED-IN RETIREMENT ACCOUNT FOR QUEBEC (QUEBEC LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan and wishes same to receive the Transfer;

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

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

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

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

a) "**Account**" refers to the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan executed between the Annuitant, National Bank Financial 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) "**Declaration**" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan;

d) "**LIF**" means a life income fund, that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in section 18 of the Regulation;

e) "**LIRA**" means a locked-in retirement account, that is an RSP that meets the requirements of section 29 of the Regulation relating to locked-in retirement accounts;

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

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

h) "**RSP**" means a retirement savings plan within the meaning of the Tax Act that is registered under that act;

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

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

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

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

3. **Contributions:** The only sums that may be transferred into the Account are the sums originating, directly or indirectly, from the fund of a pension plan governed by the Act or from:
   - **a)** 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)** the locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
   - **d)** 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;
   - **e)** a LIRA;
   - **f)** a LIF; or
   - **g)** an annuity contract referred to in section 30 of the Regulation.

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

5. **Conversion of the Account into a life pension:** With the exception of the cases referred to in sections 6, 10 and 11 hereunder, the balance of the Account may only be converted into a life pension guaranteed by an insurer and established for the duration of the life of the Annuitant alone or for the duration of the life of the Annuitant and the life of his Spouse. The periodic amounts paid under that pension shall be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the contract or uniformly adjusted by reason of a seizure effected on the benefits of the Annuitant, a redetermination of the Annuitant's pension, partition of the Annuitant's benefits with his Spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under paragraph 3 of the first paragraph of section 93 of the Act.

   The Annuitant may require the conversion of the balance of the Account into a life pension at any time, unless the terms agreed to for the investments have not expired.

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

6. **Death of the Annuitant:** On the death of the Annuitant, the balance of the Account will be paid to his Spouse or, failing that, to his successors. No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.

7. **Waiver by Spouse:** The Annuitant's Spouse may, by giving written notice to the Trustee, waive his right to receive the payment provided for in Section 6 hereof or the pension provided for in Section 5 hereof and may revoke such a waiver by transmitting to the Trustee a written notice to that effect before, in the case referred to in Section 6 hereof, the death of the Annuitant or, in the case referred to in Section 5 hereof, the date of conversion, in whole or in part, of the balance of the Account into a life pension.

8. **Separation and divorce:** The Spouse of the Annuitant will cease to be entitled to the benefit provided for in Section 6 or, as the case may be, in Section 5 hereof upon separation from bed and board, divorce, nullity of marriage, dissolution or nullity of civil union or, in the case of a Spouse who is not married or a civil union Spouse, upon cessation of conjugal relationship, unless the Annuitant has transmitted to the Trustee the notice provided for in section 89 of the Act.

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

10. **Permitted transfers:** The Annuitant may, unless the agreed to term of the investments has not expired, transfer in whole or in part, the balance of the Account as follow:
    - **a)** 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 locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
    - **e)** to a locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;
    - **f)** to a LIF;
    - **g)** to a LIRA; or
    - **h)** to an annuity contract referred to in section 30 of the Regulation and that also complies with the relevant provisions of the Tax Act.

    The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer. Such transfers shall take effect in accordance with applicable laws and within a reasonable time after all forms required to be completed in respect of such transfer have been completed and forwarded to the Trustee.

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

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

    Upon such transfer, the Trustee shall be subject to no further liability or duty to the Annuitant with respect to the Assets in the Plan, or the portion thereof, so transferred, as the case may be.

11. **Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held under this Account is permitted and will be void, except in the following circumstances:
    - **a) Non-Resident:** Where the Annuitant has not resided in Canada since at least 2 years, the Annuitant may, unless the agreed to term of the investments has not expired, elect to withdraw the money or assets held under this Account by way of a lump sum payment upon application by the Annuitant to the Trustee in accordance with subsection 29(8.1) of the Regulation;
    - **b) Shortened Life Expectancy Withdrawal:** The Annuitant may withdraw all or part of the money in the Account and receive a payment or a series of payments upon application by the Annuitant to the Trustee in accordance with section 29(9) of the Regulation, where a physician certifies that his physical or mental disability reduces his life expectancy;
    - **c) Withdrawal of Small Amount at 65:** The Annuitant may elect to withdraw the money or assets held under this Account by way of a lump sum payment upon application by the Annuitant to the Trustee in accordance with subsection 29(9.1) of the Regulation, if the following conditions are met:
      - 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.

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

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

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

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

12. **Statement:** The Trustee will provide to the Annuitant, at least once a year, a statement indicating the sums deposited into the Account, their source, the accumulated earnings, the fees debited since the last statement and the balance of the Account.

13. **Irregular payments:** Should any sum held under this Account be paid out contrary to the Regulation or this Agreement, the Annuitant may, unless the payment is attributable to a false declaration by the Annuitant, require that the Trustee pay to the Annuitant, as a penalty, a sum equal to the irregular payment.

14. **Amendment to this Agreement:** The Trustee will make no amendment to this Agreement that would entail a reduction of the benefits resulting from this Agreement unless the Trustee entitle the Annuitant, before the date of the amendment, to transfer the balance of the Account and has provided the Annuitant, at least 90 days before the date on which the Annuitant may exercise that entitlement, a notice indicating the subject of the amendment and the date from which the Annuitant may exercise that entitlement.

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

    The Trustee may amend the agreement only to the extent that is remains in conformity with the standard contract amended and registered with Retraite Québec.

15. **Identifiable securities:** Where the investments held under the Account consist of identifiable and transferable securities, the Trustee may effect the transfer referred to in sections 10 and 14 by the remittance of such securities.

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

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LOCKED-IN RETIREMENT ACCOUNT FOR ONTARIO (ON LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan and wishes same to receive the Transfer;

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

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

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

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

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

b) "**Account**" refers to the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan established by the Declaration executed between the Annuitant and the Trustee, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money that is the subject of the Transfer;

c) "**Declaration**" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan attached hereto;

d) "**Declaration about a Spouse**" means any of the following documents:

i) A statement signed by the Annuitant's Spouse, if any, that the Spouse consents to the withdrawal or transfer from the Account;

ii) A statement signed by the Annuitant attesting to the fact that he or she does not have a Spouse; or

iii) A statement signed by the Annuitant attesting to the fact that he or she is living separate and apart from his or her Spouse on the date the Annuitant signs the application to make the withdrawal or transfer from the Account.

e) "**LIF**" means a prescribed retirement savings arrangement, known as a life income fund, that is a registered retirement income fund within the meaning in the Tax Act, and that meets the conditions set out in Schedule 1 or Schedule 1.1 of the Regulation;

f) "**Life Annuity**" means an immediate or deferred life annuity that meets the requirements of the relevant provisions of the Tax Act and of section 22 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;

g) "**LIRA**" means a prescribed retirement savings arrangement, known as a locked-in retirement account, that is an RSP that meets the conditions set out in Schedule 3 of the Regulation;

h) "**LRIF**" means a prescribed retirement savings arrangement, known as a locked-in registered retirement income fund within the meaning in the Tax Act, and that meets the conditions set out in Schedule 2 of the Regulation;

i) "**Regulation**" means *R.R.O. 1990, Regulation 909* adopted pursuant to the Act, as same may be amended from time to time;

j) "**RSP**" means a retirement saving plan within the meaning of the Tax Act that is registered under that act;

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

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

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

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

o) "**Superintendent**" means the Superintendent of Financial Services appointed under the *Financial Services Commission of Ontario Act, 1997*.

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

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

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

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

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

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

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

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

a) to the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to a pension plan provided by a government in Canada;

b) to another LIRA;

c) to a LIF that is governed by Schedule 1.1 of the Regulation; or

d) to purchase a Life Annuity that meets the requirements of section 22 of the Regulation;

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

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

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

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

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

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

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

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

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

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

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

a) **Withdrawal of Small Amount at 55**: Upon application in accordance with section 6 Schedule 3 of the Regulation, the Annuitant may withdraw all of the money in the Account or transfer the assets to an RRSP or RRIF if the following conditions are met when he signs the application:

i) the Annuitant is at least 55 years of age;

ii) the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant, shall be determined in accordance with the most recent statement about each Account or account given to the Annuitant (each such statement must be dated within one year of the execution of the application by the Annuitant) is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year in which the application is made; and

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

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

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

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

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

i) the "**Excess Amount**", if any, by which the amount transferred under section 42(1)(b) of the Act, directly or indirectly, to this Account from a registered pension plan of which the Annuitant was a member exceeds the amount prescribed for such transfer pursuant to the Tax Act; and

ii) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the Excess Amount;

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

1) a written statement from the administrator of the registered pension plan from which the moneys transferred to the Account originated, setting out the Excess Amount that was transferred; or

2) a written statement from the Canada Revenue Agency setting out the Excess Amount that was transferred into the Account.

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

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

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

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

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

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

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

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

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

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

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

1) arrears in the payment of a rent on the Annuitant's principal residence;

2) a default on a debt that is secured against the Annuitant's principal residence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a) a Declaration about a Spouse; or

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

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

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

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

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

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

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

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

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

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

a) The sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made out of the Account, the withdrawals taken out of the Account and the fees charged against it during the previous Fiscal Year;

b) The value of the assets in the Account as of the beginning of the Fiscal Year;

c) The Minimum Amount and Maximum Amount that must be paid out of the Account the Annuitant during the current Fiscal Year.

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

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

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

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

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

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

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

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

THIS IS AN ADDENDUM TO AN RRSP CONTRACT BETWEEN:

_____ (the "Owner") AND

NATCAN TRUST COMPANY (the "Issuer")

IMPORTANT NOTES:

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

I, the Owner, certify that:

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

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

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

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

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

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

_____
NATIONAL BANK FINANCIAL INC.
Authorized representative of the Issuer

_____
Owner

GENERAL PROVISIONS

Interpretation

1(1) The following definitions apply in this addendum, except where the context otherwise requires.
"Act" means *The Pension Benefits Act* of Manitoba, as from time to time amended.
"Issuer" means the financial institution named on the first page of this addendum as the Issuer.
"legislation" means the Act and the regulation.
"LIRA" means the locked-in retirement account established by the Issuer for your benefit under this contract. ("CRI")
"regulation" the *Pension Benefits Regulation*, as from time to time amended.
"RRSP contract" means the RRSP contract to which this addendum is attached.
"you" means the individual named on the first page of this addendum as the Owner.

1(2) This addendum uses other terms that are defined in the legislation. They have the same meaning here as in the legislation.

1(3) Unless the context otherwise requires, a reference in this addendum to a page or provision is a reference to that page or provision of this addendum.

1(4) You are
a) a **"member-owner"**, if you checked Box A; or
b) a **"non-member owner"**, if you checked Box B.

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 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 or VB account.

LIRA TRANSFERS

Permitted transfers to LIRA

9 An amount may be transferred to this LIRA only from
a) pension plan under one of the following provisions of the Act:
(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 a LIF or LRIF to which no amount has been transferred or contributed other than Manitoba locked-in money;
c) a VB account; or
d) an RRSP to which no amount has been transferred or contributed other than Manitoba locked-in money.

Permitted transfers to other vehicle

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

Restriction against splitting LIRA

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

Issuer's duties when transferring to another vehicle

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

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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 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, LIRAs and LRIFs, plus interest at the prescribed rate to the end of the year in which you turn 65, is less than 40% of the YMPE for the year in which you apply for the withdrawal (*see Division 6 of Part 10 the regulation*);

c) you have a shortened life expectancy of less than two years (*see Division 7 of Part 10 of the regulation*).

17(2) If any of these circumstances apply to you, you may request the Issuer to provide the information and forms necessary for you to apply for a withdrawal. Subject to the regulation, the Issuer must provide you with the relevant information and forms.

LOCKED-IN RETIREMENT ACCOUNT FOR ALBERTA ADDENDUM

SUPPLEMENTARY AGREEMENT ESTABLISHING A NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED LOCKED-IN RETIREMENT ACCOUNT

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan specimen plan number [525-026] (the "Retirement savings plan") and wishes same to receive the Transfer;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Locked-in Retirement Account Addendum

Part 1 Interpretation

Interpretation

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

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

(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 relationship 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.

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

(a) they

(i) are married to each other, and

(ii) have not been living separate and apart from each other for a continuous period longer than 3 years;

(b) if clause (a) does not apply, they have been living with each other in a marriage-like relationship

(i) for a continuous period of at least 3 years preceding the date, or

(ii) of some permanence, if there is a child of the relationship by birth or adoption.

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

(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) Without limiting subsections (1) and (2) and in accordance with in section 72 of the Act, money in this locked-in retirement account must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.

(4) The locked-in retirement account issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this locked-in retirement account.

General liability on improper payments or transfers

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

(a) subject to clause (b), the locked-in retirement account issuer must,

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(i) if less than all of the money in this locked-in retirement account is improperly paid or transferred, deposit into this locked-in retirement account an amount of money equal to the money that had been improperly paid or transferred, or

(ii) if all of the money in this locked-in retirement account is improperly paid or transferred, establish a new locked-in retirement account for the owner and deposit into that new locked-in retirement account an amount of money equal to the amount of money that had been improperly paid or transferred, or

(b) if

(i) the money is transferred out of this locked-in retirement account to an issuer that is authorized under the Regulation to issue locked-in retirement accounts,

(ii) the act or omission that is contrary to the Act or the Regulation is the failure of the locked-in retirement account issuer to advise the transferee issuer that the money is locked-in money, and

(iii) the transferee issuer deals with the money in a manner that is contrary to the manner in which locked-in money is to be dealt with under the Act or the Regulation,

the locked-in retirement account issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subclause (iii).

Remittance of securities

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

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

Retirement income

6(1) This locked-in retirement account may be converted to retirement income, whether in the form of a life income fund or a life annuity, at any time after the owner of the locked-in retirement account reaches 50 years of age, and must be converted to retirement income on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan.

(2) The money in this locked-in retirement account must not be transferred to a life income fund unless

(a) payments under the life income fund cannot commence before the owner of the locked-in retirement account reaches 50 years of age,

(b) subject to clause (c)(ii), the owner has made an election for unlocking under section 71(5)(b) of the Act that meets the conditions set out in Schedule 3 and the amount unlocked, if any, has been paid to the owner, and

(c) if the owner is a member owner who has a pension partner,

(i) a waiver in Form 10 has been signed by the owner's pension partner and provided to the locked-in retirement account issuer, and

(ii) if the owner has elected the unlocking option, a waiver in Form 14 has been signed by the owner's pension partner and provided to the locked-in retirement account issuer.

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

(a) payments under the annuity will not commence before the owner of the locked-in retirement account reaches 50 years of age,

(b) payments under the annuity commence on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan,

(c) there is no differentiation amongst the annuitants on the basis of gender, and

(d) if the owner is a member owner and if the member owner has a pension partner,

(i) the life annuity is in the form of a joint and survivor pension as described in section 90(2) of the Act, or

(ii) in the case of a life annuity that is in a form that is different from the form of pension described in subclause (i), a waiver in Form 11 signed by the member owner's pension partner has been provided to the locked-in retirement account issuer not more than 90 days before the transfer.

(4) A transfer under subsection (2) or (3) must be made within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer.

Part 3 Death of Owner

Transfers on death of member owner

7(1) Subject to subsections (2) and (3), if a member owner dies and he or she is survived by a pension partner, the locked-in retirement account issuer must transfer any money that remains in this locked-in retirement account, within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer, to whichever of the following the surviving pension partner elects:

(a) a pension plan if the plan text document of the plan allows the transfer;

(b) another locked-in retirement account;

(c) a life income fund in accordance with section 6(2);

(d) an insurance company to purchase a life annuity in accordance with section 6(3).

(2) If the surviving pension partner is a non-resident, any money that remains in the locked-in retirement account must be paid to the surviving pension partner in a lump sum.

(3) If a member owner of a locked-in retirement account dies and

(a) he or she is not survived by a pension partner, or

(b) he or she has a surviving pension partner and a waiver in Form 12 signed by the surviving pension partner is provided to the locked-in retirement account issuer

the locked-in retirement account issuer must pay any money that remains in the locked-in retirement account, within 60 days after the delivery to the issuer of the documents required to effect the payment, to the designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.

(4) Where a waiver in Form 12 is signed by the surviving pension partner and provided to the locked-in retirement account issuer, that pension partner is not entitled to receive money in the locked-in retirement account under subsection (3) as the member owner's designated beneficiary.

Transfers on death of pension partner owner

8 If a pension partner owner dies, the locked-in retirement account issuer must pay any money that remains in this locked-in retirement account, within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer,

(a) to the pension partner owner's designated beneficiary, or

(b) if there is no living designated beneficiary, to the personal representative of the to the pension partner owner's estate.

Part 4 Withdrawal, Commutation and Surrender

YMPE based lump sum payment

9 The locked-in retirement account issuer will, on application, provide to the owner of the locked-in retirement account the lump sum amount referred to in section 71(2) of the Act if, at the time of the application,

(a) the balance of the locked-in retirement account does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or

(b) the owner is at least 65 years of age and the balance of the locked-in retirement account does not exceed 40% of the YMPE for the calendar year in which the application is made.

Splitting of contract

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

Shortened life payments

11 On application by the owner of this locked-in retirement account referred to in section 71(4)(a) of the Act, the locked-in retirement account issuer will pay, to the owner, a payment, or series of payments for a fixed term, of all or part of the money held in the locked-in retirement account if

(a) a medical practitioner certifies that the owner has a disability or illness that is terminal or to likely shorten the owner's life considerably, and

(b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 13 signed by the pension partner has been provided to the locked-in retirement account issuer,

Non residency for tax purposes

12 The locked-in retirement account issuer will, on application, provide to the owner of the locked-in retirement account the lump sum amount referred to in section 71(4)(b) of the Act if,

(a) the owner includes in the application written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and

(b) at the time of the application, a waiver in Form 13 signed by the pension partner has been provided to the locked-in retirement account issuer.

Financial hardship

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

Maximum 50% unlocking

14 The locked-in retirement account issuer will, on a transfer to a life income fund, provide to the owner of the locked-in retirement account a lump sum amount equal to a maximum of 50% of the value of the locked-in retirement account, if, at the time of the transfer,

(a) the owner meets the requirements for the 50% unlocking set out in Schedule 3 of the Regulation, and

(b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 14 signed by the pension partner has been provided to the locked-in retirement account issuer not more than 90 days before the transfer.

LOCKED-IN RETIREMENT ACCOUNT NEW BRUNSWICK (NB LIRA)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan and wishes same to receive the Transfer;

C. The Annuitant has duly completed and signed **Form 3.2** in Part I under the "Owner Transfer Information" section **AND** the pension plan administrator or financial institution effecting the Transfer has duly completed and signed **Form 3.2** in Part II under the "Transferor Information and Agreement" section;

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

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

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

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

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

b) "**Account**" refers to the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan established by the Declaration executed between the Annuitant, National Bank Financial Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money that is the subject of the Transfer;

c) "**Declaration**" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan;

d) "**LIF**" means a life income fund, that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in section 22 of the Regulation;

e) "**Life Annuity**" means a life or deferred life annuity contract that conforms with section 23 of the Regulations, the Act and paragraph 146(1) of the Tax Act;

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f) "**LIRA**" means a locked-in retirement account, that is a RSP that meets the requirements of subsection 21 of the Regulation relating to locked-in retirement accounts;

g) "**Regulation**" means *Regulation 91-195* adopted pursuant to the Act, as same may be amended from time to time;

h) "**RSP**" means a retirement saving plan within the meaning of the Tax Act that is registered under that act;

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

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

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

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

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

The commuted value of the Annuitant's benefits provided under this Account shall be determined in accordance with the Act and this Regulation if it is divided under section 44 of the Act;

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

5. **Restrictions**: No money transferred, including interest, shall be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under section 44 of the Act or subsection 57(6) of the Act.

No money transferred, including interest, shall be commuted or surrendered during the Annuitant's lifetime except under paragraph 9a) and 9b) of this contract, under section 44 or subsection 57(6) of the Act.

A transaction in contravention of this Section 5 is void.

6. **Contributions**: The only money that may be transferred to the Account are the sums originating, directly or indirectly, from:

a) the fund of a pension plan that conforms with the Act and the Regulation or with similar legislation in another jurisdiction, if the money is being transferred under section 36 of the Act or under a similar provision in legislation in another jurisdiction, and the Tax Act;

b) another LIRA;

c) a LIF; or

d) a Life Annuity.

7. **Required Form of Pension**: Except as provided for elsewhere in the Regulation, the balance of the money in the Account, in whole or in part, may be converted at any time only into a Life or deferred life annuity contract that conforms to section 23 of the Regulations.

No money, including interest, transferred to this Account shall subsequently be used to purchase a Life Annuity that differentiates on the basis of the Annuitant's sex, unless the commuted value of the deferred pension transferred from the plan into the Account was determined on transfer in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of the sex of the Annuitant.

In the case of an Annuitant with a Spouse at the time the pension payments begin, the pension provided shall be a joint pension in the form prescribed under section 41 of the Act unless a spousal waiver has been completed by the Spouse in the form and manner prescribed under the Act.

8. **Death of the Annuitant**: If the Annuitant dies before purchasing a Life Annuity pursuant to Section 7 hereof, the balance of the money in the Account shall be paid:

a) to the Annuitant's Spouse or common-law partner, unless the Spouse or common-law partner waives on Form 3.02 all rights that he or she may have in the Account under the Act, this Regulation or this agreement;

b) if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner, to a beneficiary on death designated by the Annuitant; or

c) if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner and if the Annuitant has not designated a beneficiary on death designated by the Annuitant, to the estate of the Annuitant.

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

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

a) **Shortened Life Expectancy Withdrawal.** The Annuitant may withdraw, in whole or in part, the balance of the money in the Account, upon application by the Annuitant to the Trustee in accordance with paragraph 21(2)(d) of the Regulation and if the following conditions are met:

i) a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy; and

ii) if the Annuitant has a Spouse or common-law partner, the Annuitant delivers to the Trustee a completed spousal or common-law partner waiver on Form 3.01.

b) **Excess Amount.** The Annuitant may withdraw an amount from the Account, upon application by the Annuitant to the Trustee in accordance with paragraph 21(2)(e) of the Regulation and if the following conditions are met:

i) the amount is withdrawn to reduce the amount of tax that would otherwise be payable pursuant to Part X.1 of the Tax Act by the Annuitant; and

ii) the Trustee, notwithstanding section 20 of the Regulation, establishes a sub-account, that is not a RSP, of the LIRA, and the Annuitant deposits the amount withdrawn, less any amount required to be withheld by the Trustee under the Tax Act, into the sub-account.

c) **Small Benefit.** The Annuitant may withdraw the balance of the Account, upon application by the Annuitant to the Trustee in accordance with subsections 21(15) and 21(16) of the Regulation and if the following conditions are met:

i) the Annuitant requests that the balance be withdrawn by delivering a completed Form 3.6, and a completed Form 3.7 where applicable, to the Trustee;

ii) the total assets held by the Annuitant in all LIRAs, LIFs, and Life Annuities would be commutable upon termination of employment if they were held in a pension fund under a pension plan that permitted payment of the commuted value of the pension benefit in accordance with section 34 of the Act;

iii) the total of the pension adjustments reported to the Annuitant by the Canada Revenue Agency for the 2 taxation years immediately preceding the request for withdrawal is zero; and

iv) the Trustee is satisfied, based upon the information provided in Forms 3.6 and 3.7 and any other information that has been requested by the financial institution, that the reported present distribution of assets transferred from pension funds connected with employment in the Province is consistent with the amounts reported to have been transferred from such pension funds, and the requested withdrawal is permitted under the Regulation.

d) **Non-resident.** the Annuitant may withdraw the balance of the money in the account if:

i) the Annuitant and his or her Spouse or common-law partner, if any, are not Canadian citizens;

ii) the Annuitant and his or her Spouse or common-law partner, if any, are not resident in Canada for the purposes of the Tax Act; and

iii) the Annuitant 's Spouse or common-law partner, if any, waives, on Form 3.5, any rights that he or she may have in the account under the Act, this Regulation or this contract.

The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 9 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Account in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.

10. **Permitted transfers**: No transfer of all or any part of the money or assets held under this Account, and after the Maturity Date, is permitted unless the balance of the money in the Account, in whole or in part, is transferred to one of the following:

a) before a conversion under Section 7 hereof, to the fund of a pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act, where permitted by the terms of such pension plan. However, the Annuitant shall not be entitled to make a transfer to a pension plan that is not registered in the Province unless the pension plan is registered for persons employed in a designated jurisdiction, and the Annuitant is employed in that jurisdiction by an employer who is making contributions on behalf of the Annuitant to the pension fund that is to receive the amount to be transferred;

b) before a conversion under Section 7 hereof, to another LIRA;

c) before a conversion under Section 7 hereof, to a LIF; or

d) to convert the balance of the money in the Account, to purchase a Life Annuity.

The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer. Subsections 21(8.1) to 21(11) of the Regulation shall apply to any transfer hereunder, with necessary modifications, including any necessary modification to Form 3.2.

The transfer pursuant to paragraphs 10.a),10.b), 10.c) and 12.a) shall be effected within 30 days from the Annuitant's application for transfer. A transfer pursuant to paragraph 10.d) shall be effected within a reasonable time. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Account to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Account for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly. A transfer pursuant to paragraphs 10.a), 10.b), 10.c) and 12.a) may, at the option of the Trustee, be effected by the remittance to the Annuitant of the investment securities respecting the Account.

11. **Marriage Breakdown**: Sections 27 to 33 of the Regulation apply with the necessary modifications to the division of the money in the Account on the breakdown of a marriage or common-law partnership.

12. **Amendments**: an amendment to this Agreement shall not be made:

a) that would result in a reduction of the benefits arising from the Account unless the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the money in the Account in accordance with Section 10 hereof and, unless a notice is delivered to the Annuitant at least 90 days before the effective date, describing the amendment and the date on which the Annuitant may exercise the entitlement to transfer;

b) unless the Agreement as amended remains in conformity with the Act and this Regulation; or

c) except to bring this Agreement into conformity with requirements under an Act of the Legislature or other legislation in another jurisdiction.

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

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

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

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

d) that the commuted value of the pension benefits that were transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated on Form 3.2.

14. **Governing law**: This Agreement shall be governed by the laws of the Province of New Brunswick.

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

SUPPLEMENTARY AGREEMENT ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

A. The Annuitant is entitled, pursuant to *Pension Benefits Act* (Nova Scotia) and the *Pension Benefits Regulations* (Nova Scotia), to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under the *Income Tax Act* (Canada) (the "Transfer");

B. the Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed retirement savings plan with the Trustee and wishes same to receive the Transfer;

C. the Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;

D. the parties now wish to supplement the retirement savings plan in order to comply with the requisite locking-in conditions.

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

1. Definitions:

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

1.1 "**Account**" refers to the National Bank Financial Inc. (division of NBDB) Self-Directed retirement savings plan executed between the Annuitant and the Trustee, as supplemented and modified by this Agreement establishing a LIRA;

1.2 "**Act**" means the *Pension Benefits Act* (Nova Scotia), as same may be amended for time to time;

1.3 "**Annuitant**" has the same meaning as in the Declaration and is also referred to as the **"**Owner**"** in Schedule 3;

1.4 "**Declaration**" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement savings plan executed between the Annuitant and the Trustee;

1.5 "**Excess amount**" means the portion of the amount transferable under clause 61(1)(b) of the Act into a LIRA, or the amount transferable under clause 67(1)(b) of the Act into a registered retirement savings arrangement; that is greater than the amount prescribed for the Transfer under the Federal Income Tax Regulations;

1.6 "**LIF**" **or** "**life income fund**" means a registered retirement income fund that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 205 to 210 and Schedule 4: Nova Scotia LIF Addendum;

1.7 "**LIRA**" **or** "**locked-in retirement account**" means a registered retirement savings plan that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 200 to 204 and Schedule 3, and includes a registered retirement savings plan established under a contract made before January 1, 2003, for the purposes of a transfer under the former Act;

1.8 "**Regulations**" means the *Pension Benefits Regulations* (Nova Scotia), as same may be amended for time to time;

1.9 "**RIF**" means a retirement income fund within the meaning of the Federal *Income Tax Act*, that is registered under that act;

1.10 "**RSP**" means a retirement saving plan within the meaning of the Federal *Income Tax Act*, that is registered under that act;

1.11 "**Schedule 3**" means the *Pension Benefits Regulations* (Nova Scotia)'s Schedule 3: Nova Scotia LIRA Addendum included

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

1.13 "**Trustee**" means Natcan Trust Company, 800 Saint-Jacques Street, Montreal, Quebec H3C 1A3 (also referred to as the "**financial institution**" in Schedule 3 below).

2. Locking-in provisions: The Annuitant shall not be allowed to make any contribution, and no money which is not locked-in may be transferred or otherwise held under this Account. The only money permitted to be transferred to this Account must be all or part of the following:

(a) an amount transferred under clause 61(l)(b) of the Act;

(b) an amount transferred as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;

(c) assets in a LIRA;

(d) assets in a LIF.

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

4. Permitted transfers and withdrawals: No transfer or withdrawal of the money or assets held under this Account is permitted unless such transfer is permitted under Schedule 3, the Act and the Regulations:

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

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

5. Conditions for transfer: Before transferring any money from this Account to another financial institution, the Trustee shall advise the transferee financial institution in writing that the amount transferred must be administered in accordance with the Act and the Regulations. The transferee financial institution must also agree to administer the amount transferred in accordance with the Act and the Regulations.

6. Investments: The money and assets held under this Account shall be invested by the Trustee, either directly or through an agent, in the manner provided in the Declaration of Trust creating the retirement savings plan. All investments of money or assets held under this Account must comply with the rules for the investment of RSP money contained in the Federal *Income Tax Act* and the Regulations thereunder.

7. Criteria of commuted value transferred: The commute value of the pension benefits transferred into this Account is not determined in a manner that differentiates on the basis of sex, unless the commute value of all the pension benefits transferred hereto where also determined on a basis that differentiates so.

8. Compulsory transfer: The moneys and assets held under this Account shall be affected to a permitted transfer as provided at section 3 hereof before the end of the calendar year in which the Annuitant attains the age limit set in the Federal *Income Tax Act,* at the choice of the Annuitant as specified in writing. However, if the Trustee has not received from the Annuitant the necessary documentation to start a pension or effect such transfer, within 90 days prior to the end of the calendar year in which the Annuitant attains the age the age limit set in the Federal *Income Tax Act*, the Trustee shall, at his entire discretion, either purchase a life annuity for the Annuitant, in compliance with Schedule 3 hereof, or transfer the balance of this Account to a Life Income Fund selected by the Trustee for the Annuitant.

9. Death of the Annuitant: Upon the Annuitant's death, the money and assets held under this Account shall be payable in accordance with the Regulations. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.

10. Statement: The Trustee agrees to provide the information described in Section 4 of Schedule 3 to the persons indicated in that Section.

11. Amendment: The Trustee agrees not to amend this Account except as provided in Schedule 3 and the Regulations. A 90 day prior written notice must be given by the Trustee to the Annuitant of any proposed amendment to the Account, except if any of the following conditions are met:

a) the Trustee is required by law to make the amendment;

b) the Annuitant is entitled to transfer the assets of the Account under the terms of the contract as they exist before the amendment takes effect.

12. Representation and warranties of the Annuitant: The Annuitant represents and warrants to the Trustee the following:

12.1 that an entitlement to receive a pension under a pension plan governed by the Act is vested in him(her);

12.2 that he(she) is entitled to effect a transfer of his(her) pension entitlements pursuant to the Act;

12.3 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and

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

12.5 that the Trustee is entitled to rely upon the information provided by the Annuitant in order to purchase this locked-in retirement Account;

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

13. Governing terms: The money which is the object of the transfer shall be held by the Trustee in accordance with the terms of the retirement savings plan and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the retirement savings plan on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.

14. Governing law: This agreement is to be governed by and construed in accordance with the laws applicable in the Province of Nova Scotia.

15. Assigns: This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

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

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

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

1. Definitions for this Schedule

In this Schedule,

1.1. "Act" means the *Pension Benefits Act*;

1.2 "domestic contract", as defined in Section 2 of the regulations, means a written agreement referred to in and for the purpose of Section 74 of the Act or Section 14 of the *Pooled Registered Pension Plans Act* , that provides for a division between spouses of any pension benefit, deferred pension, pension, LIRA or LIF, and includes a marriage contract as defined in the *Matrimonial Property Act* ;

1.3 "federal *Income Tax Act*", as defined in Section 2 of the regulations, means the *Income Tax Act* (Canada) and, unless specified otherwise, includes the regulations made under that Act;

1.4 "owner" means any of the following persons, as set out in subsection 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,

(vi) if the funds in the account of a pooled registered pension plan are used for the purchase, a person who transfers the amount in accordance with the *Pooled Registered Pension Plans Act* and the *Pooled Registered Pension Plans Regulations*,

(vii) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,

(viii) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,

(ix) a former member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers' Pension Plan Regulations* ,

(x) a spouse of a person who was a member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers' Pension Plan Regulations*;

1.5 "regulations" means the *Pension Benefits Regulations* made under the Act;

1.6 "spouse", as defined in the Act, means either of 2 persons who

(i) are married to each other,

(ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,

(iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited

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within the 12-month period immediately preceding the date of entitlement,

(iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or

(v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least

(A) 3 years, if either of them is married, or

(B) 1 year, if neither of them is married;

1.7 "Superintendent", means the Superintendent of Pensions, as defined in the Act.

Note Re Requirements of the *Pension Benefits Act* and *Regulations* and the *Pooled Registered Pension Plans Act* and its regulations Prohibitions on transactions from Section 91 of Act

Under Section 91 of the Act and Section 12 of the *Pooled Registered Pension Plans 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 55
- Section 198, respecting the transfer of an excess amount, as defined in that Section.

Pursuant to subsection 91(2) of the Act and subsection 12(2) of the *Pooled Registered Pension Plans Act*, any transaction that contravenes Section 91 of the Act or Section 12 of the *Pooled Registered Pension Plans 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, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans Act*
- a domestic contract that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans 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, Section 90 of the Act, subsection 12(3) of the *Pooled Registered Pension Plans Act* or Section 13 of the *Pooled Registered Pension Plans 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 or Section 13 of the *Pooled Registered Pension Plans Act*.

2. Transferring assets from LIRAs

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

(a) the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to the pension fund of a pension plan provided by a government in Canada;

(b) a LIRA held by another financial institution;

(c) a LIF;

(d) a life annuity;

(e) a pooled registered pension plan.

(2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:

(a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;

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

(3) If assets in a LIRA consist of identifiable and transferable securities, the financial institution providing the LIRA may transfer the securities with the consent of the owner of the LIRA.

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

(a) that the assets were held in a LIRA in the current year; and

(b) whether the assets were determined in a manner that differentiated on the basis of sex.

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

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

4. Information to be provided annually by financial institution

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

(a) with respect to the previous fiscal year,

(i) the sums deposited,

(ii) any accumulated investment earnings, including any unrealized capital gains or losses,

(iii) the payments made out of the LIRA,

(iv) any withdrawals from the LIRA,

(v) the fees charged against the LIRA;

(b) the value of the assets in the LIRA at the beginning of the fiscal year of the LIRA.

5. Death benefits

(1) If the owner of a LIRA dies, the following are entitled to receive a benefit equal to the value of the assets in the LIRA, subject to subsections (4) and (5):

(a) the owner's spouse;

(b) if there is no spouse or if the spouse is disentitled under subsection (4) or (5), the owner's named beneficiary;

(c) if there is no named beneficiary, the personal representative of the owner's estate.

(2) For the purposes of subsection (1), a determination as to whether an owner of a LIRA has a spouse must be made as of the date the owner dies.

(3) For the purposes of subsection (1), the value of the assets in a LIRA includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIRA from the date of death until the date of payment.

(4) A spouse is not entitled to receive the value of the assets in a LIRA under clause (1)(a) if the owner of the LIRA was not

(a) a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA;

or

(b) a member of a pooled registered pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA.

(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

(a) the spouse delivered a written waiver to the financial institution in accordance with Section 6 of this Schedule;

(c) 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;

(d) 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.

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

6. Waiver of entitlement to death benefits by spouse

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

(2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIRA dies.

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

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

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

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

RECITALS:

A. The Annuitant wishes to transfer assets derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act, to a locked-in retirement account with the Trustee;

B. For these purposes, and to comply with the requirements of the Act, the Regulation and the Directive, the Annuitant and the Trustee wish to supplement the declaration of trust of the National Bank Direct Brokerage Inc. self-directed retirement savings plan entered into between them (the **"declaration"**) with this addendum. In the event of any conflict between the provisions of the declaration and this addendum, the provisions of this addendum prevail. In case of conflict between this addendum and the Directive, the Directive prevails.

NOW THEREFORE, the Annuitant and the Trustee agree as follows:

1. Definitions. Terms not defined in this addendum have the same meaning as in the declaration, the Act, the Regulation or the Directive. The terms below have the following meaning:

a) **"Act"** means the *Pension Benefits Act, 1997* (Newfoundland and Labrador);

b) **"Directive"** means Directive no. 4 entitled "Locked-In Retirement Account Requirements". This Directive and the other Directives mentioned in this addendum are issued under the Act;

c) **"LIF"** refers to a life income fund, namely a registered retirement income fund within the meaning of the Tax Act that is locked-in in accordance with the Regulation and meets the requirements set out in Directive no. 5;

d) **"Life Annuity Contract"** means an arrangement made to purchase, through a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act, a non-commutable pension, in accordance with Directive no. 6, that will not commence before the Annuitant attains the age of 55 years, or, if the Annuitant provides satisfactory evidence that the plan or any of the plans from which the assets were transferred provided for payment of the pension at an earlier age, that earlier age;

e) **"LIRA"** refers to a locked-in retirement account, namely an RSP that is locked-in in accordance with the Regulation and meets the requirements set out in the Directive;

f) **"LRIF"** refers to a locked-in retirement income fund, namely a registered retirement income fund within the meaning of the Tax Act that is locked-in in accordance with the Regulation and meets the requirements set out in Directive no. 17;

g) **"Regulation"** means the *Pension Benefits Act Regulations* (Newfoundland and Labrador) 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 same meaning as that given to the term "principal beneficiary" under the Directive, but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of the provisions of the Tax Act respecting an RSP;

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

k) **"Trustee"** means Natcan Trust Company, 800 Saint-Jacques Street, Montreal, Quebec H3C 1A3, the issuer of the Plan also referred to as the "financial institution" in the Regulation and the Directive.

2. Locked-in assets. Subject to the Act, the Regulation and the Directive, all assets in the Plan, including investment earnings, but excluding fees, charges, expenses and

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taxes charged to the Plan are locked-in for the purposes of retirement. No assets that are not locked-in may be transferred to or held in the Plan. The fiscal year of the Plan must end on the 31st day of December and must not exceed twelve months.

3. **Value of the Plan.** The fair market value of the Plan, as determined by the Trustee in good faith, is used to establish the balance of the assets in the Plan at any particular time, including on the death of the Annuitant, the establishment of a Life Annuity Contract or a transfer of assets. Any such determination by the Trustee is conclusive for all purposes hereof.

4. **Investments.** The assets in the Plan are invested in the manner provided in the declaration. They will not be invested directly or indirectly in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant or the spouse of any of those persons. All investments must comply with the rules set out in the Tax Act regarding investments in an RSP.

5. **Restrictions.** The Annuitant agrees not to assign, charge, anticipate, or give as security assets in the Plan except as permitted under the Act.

6. **Permitted transfers.** Except as otherwise permitted in the Directive, assets in the Plan, including investment earnings, may not be transferred except:

   a) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the Tax Act, to the pension fund of a registered pension plan subject to the Act or to a registered pension plan subject to the pension benefits legislation of a designated province, as defined in the Act, or of Canada;

   b) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the Tax Act, to another LIRA;

   c) to purchase a Life Annuity Contract;

   d) to a LIF;

   e) to a LRIF.

   The Annuitant's application for transfer must be in a form satisfactory to the Trustee.

7. **Conditions for transfer.** Before transferring assets from the Plan as mentioned in section 6, the Trustee ensures that the transfer is permitted under the Act and notifies the transferee in writing that the assets transferred are to be administered as a pension benefit under the Act. The transferee must agree to abide by such condition.

8. **Permitted withdrawals.** A withdrawal, commutation or surrender of assets in the Plan, in whole or in part, is not permitted and will be void, unless otherwise permitted by the Directive as in the following circumstances:

   a) **Withdrawal for shortened life expectancy.** The Annuitant may withdraw all or part of the assets as a lump sum or series of payments, in accordance with the Directive, if the following conditions are met:

      i) a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably; and

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

   b) **Withdrawal of small balance.** The Annuitant may withdraw a lump sum equal to the value of the entire Plan on application to the Trustee, in accordance with the Directive, if, at the time the Annuitant signs the application, the following conditions are met:

      i) the value of all assets in all LIFs, LRIFs and LIRAs which are held by him or her and subject to the Act is less than 10 percent of the year's maximum pensionable earnings under the *Canada Pension Plan* (**"YMPE"**) for the calendar year in which the application is made;

      or

      where the Annuitant has reached the earlier of age 55 or the earliest date on which he or she would have been entitled to receive a pension benefit under the plan from which assets were transferred, the value of all assets in all LIFs, LRIFs and LIRAs which are held by the Annuitant and subject to the Act is less than 40% of the YMPE for the calendar year in which the application is made;

      and

      ii) within the same calendar year, the Annuitant has not made a withdrawal due to financial hardship from the Plan or, where part of the Plan corresponds to amounts transferred directly or indirectly from another LIRA, LIF or LRIF, the Annuitant has not made a withdrawal due to financial hardship from the original retirement savings arrangement.

      The application for withdrawal is made on a form approved by the Superintendent of Pensions and, where the Annuitant is a former member of a pension plan, is accompanied by a waiver of the joint and survivor pension entitlement, in the form and manner required by the Superintendent.

   c) **Withdrawal due to financial hardship.** Subject to any requirements outlined in this subsection, the Annuitant may withdraw a lump sum not greater than the sum of the following amounts on application to the Trustee, in accordance with the Directive:

      i) an amount with respect to one of the following categories:

         A) Low income: Where the Annuitant's expected total income for the one-year period following the date on which the application is signed, from all sources other than the withdrawal amount, is not more than 66.66% of the YMPE for the calendar year in which the application is signed, the amount determined by subtracting 75% of the expected total income from 50% of the YMPE for the calendar year in which the application for the withdrawal is signed;

         B) Medical expenses : Where the Annuitant is unable to pay for medical expenses incurred or to be incurred by him or her, his or her Spouse, or a dependent of either and the medical expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these medical expenses;

         C) Disability-related expenses: Where the Annuitant is unable to pay for disability-related expenses incurred or to be incurred by him or her, his or her Spouse, or a dependent of either and the expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these disability-related expenses;

         D) Mortgage payments: Where the Annuitant or his or her Spouse has received a written notice in respect of a default on a mortgage that is secured against the principal residence of either which will result in foreclosure or power of sale if the default is not rectified, the amount required to rectify the default;

         E) Rental arrears: Where the Annuitant or his or her Spouse has received a written notice in respect of arrears in the payment of rent for the principal residence of either and either could be evicted if the arrears remain unpaid, the amount required to pay the rental arrears; or

         F) First month's rent and security deposit: Where the Annuitant is unable to pay the first month's rent and the security deposit required to rent a principal residence for him or her or his or her Spouse, the amount required to pay the first month's rent and the security deposit;

      and

      ii) the amount of any applicable tax required to be witheld by the Trustee.

      The application is made on a form approved by the Superintendent of Pensions and must include any supporting documentation required by the Regulation, which are specified on the form. Where the Annuitant is a former member of a pension plan, the application must be accompanied by the written consent of his or her Spouse, in the form and manner required by the Superintendent. The Annuitant may apply for withdrawal once within a calendar year for each category of financial hardship described in paragraph i) above.

   d) **Withdrawal by non-resident.** The Annuitant may withdraw a lump sum equal to the value of the entire Plan, in accordance with the Directive, where he or she provides the Trustee with:

      i) a statutory declaration in accordance with the *Evidence Act* confirming he or she has resided outside Canada for at least 2 consecutive calendar years and is residing outside of Canada on the date of signing the declaration; and

      ii) where he or she is a former member of a pension plan, the written consent of his or her Spouse, in the form and manner required by the Superintendent of Pensions.

   The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this section and such application constitutes sufficient authorization to withdraw assets from the Plan.

9. **Joint pension.** The pension benefit payable to a former member who has a Spouse at the date the pension commences is a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of the former member unless the Spouse waives the entitlement in the form and manner required by the Superintendent of Pensions.

10. **Death of the Annuitant:** On the death of a former member of a pension plan who has a Spouse, the surviving Spouse, or where there is no surviving Spouse or the surviving Spouse has waived entitlement in the form and manner required by the Superintendent of Pensions, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant is entitled to a lump sum payment of the full value of the Plan. Where, however, the Annuitant is not a former member of a pension plan, the full value of the Plan is paid to the designated beneficiary or, where there is no such beneficiary, to the Annuitant's estate.

11. **Marriage breakdown.** This addendum is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.

12. **Differentiation on the basis of sex.** Where the commuted value of a pension benefit transferred to the Plan is determined in a manner that does not differentiate on the basis of sex, the Life Annuity Contract purchased with the assets in the Plan may not make such a differentiation.

13. **Irregular payment.** If assets are paid out contrary to the Act or the Directive, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the assets not been paid out, unless the payment is attributable to a false declaration by the Annuitant.

14. **Amendment.** The Trustee may not amend this addendum except where it has given the Annuitant at least 90 days written notice and an explanation of the proposed amendment.

    An amendment that would result in a reduction in the Annuitant's benefits under this addendum is permitted only where:

    a) the Trustee is required by law to make the amendment; and

    b) the Annuitant is entitled to transfer the balance in the Plan under the terms of the addendum that existed before the amendment is made.

    When making such an amendment, the Trustee provides written notice to the Annuitant of the nature of the amendment and allows him or her at least 90 days after the written notice is given to transfer all or part of the balance in the Plan.

    Notice under this section is sent either by mail to the Annuitant's address as set out in the records of the Trustee or, subject to receiving the authorization of the Annuitant, by electronic means provided that the e-communication is accessible by the Annuitant and capable of being retained to be usable for subsequent reference.

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

    a) The assets transferred herein pursuant to the Act, the Regulation and the Directive are locked-in assets resulting directly or indirectly from the commuted value of a pension benefit;

    b) The provisions of the pension plan do not prohibit the Annuitant from entering into this addendum and, in the event that such prohibition does exist, the Trustee is not liable for the consequences to the Annuitant of executing this addendum nor for anything done in accordance with the provisions hereof; and

    c) The commuted value of the pension benefit transferred herein is not determined in a manner that differentiates on the basis of sex, unless otherwise indicated in writing to the Trustee.

16. **Governing law.** This addendum is to be governed by and construed in accordance with the laws applicable in the Province of Newfoundland and Labrador.

17. **Effective date.** This addendum takes effect on the date of transfer of assets into the Plan.

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

SUPPLEMENTARY AGREEMENT ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT SAVINGS PLAN

RECITALS:

A. The Annuitant is entitled under the Act and the Regulation to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under the *Income Tax Act* (Canada) (the "**Transfer**");

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan specimen Plan number 525-026 (the "**Retirement Savings Plan**") and wishes same to receive the Transfer;

C. The Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;

D. The parties now wish to supplement the Retirement Savings Plan in order to comply with the requisite locking-in conditions.

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

1. DEFINITIONS:

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

1.1 **"Act"** means *The Pension Benefits Act 1992 (Saskatchewan)*, as same may be amended from time to time;

1.2 **"financial institution"** means the underwriter, depositary or issuer of a Prescribed RIF or LIRA;

1.3 **"Account"** refers to the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Savings Plan executed between the Annuitant, and the Trustee, as supplemented and modified by this Agreement establishing a LIRA;

1.4 **"Life annuity contract"** means a contract with an insurance business under which the insurance business guarantees the payment of a pension that is not commutable to the owner of a contract who attains at least:

(i) the age of 55 years; or

(ii) where that owner provides evidence to the satisfaction of the issuer of the contract that the plan or any of the plans from which the money was transferred provides for payment of the pension at an earlier age, that earlier age;

and that, subject to subsection 29(6) of the Regulation, does not take into account the sex of the person and the co-annuitant, if any, in determining the amount of the pension;

1.5 **"Locked-in retirement account"** or **"LIRA"** means a registered RSP contract issued to hold locked-in money that is subject to a transfer and that meets the conditions set out in section 29 of the Regulation;

1.6 **"Prescribed RIF"** means a registered RIF contract issued to hold locked-in money that is subject to a transfer and that meets the conditions set out in section 29.1 of the Regulation;

1.7 **"Regulation"** means *The Pension Benefits Regulation, 1993 (Saskatchewan)* adopted pursuant to the Act, as same may be amended from time to time;

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

1.9 **"RSP"** means a retirement saving plan within the meaning of the *Income Tax Act* (Canada) that is registered under that act;

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

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

1.12 **"Trustee"** means Natcan Trust Company.

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

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

3.1 to another LIRA as defined in section 29 of the Regulation;

3.2 to purchase a Life annuity contract;

3.3 to purchase a RIF as defined in section 29.1 of the Regulation; or

3.4 to a plan on the conditions referred to in Section 32(2) (a) of the Act.

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

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

(i) where a physician certifies that, due to mental or physical disability, the life expectancy of the Annuitant is shortened considerably, in which event the Annuitant may elect to withdraw the money held under this Account either by way of a lump sum or a series of payments, as the Annuitant will specify in writing;

(ii) the Annuitant may withdraw as a lump sum the assets in the Account if that balance of the assets in the LIRA do not exceed an amount mentioned in subsection 29(8.1) of the Regulation. The Trustee shall not permit a withdrawal pursuant to this paragraph unless the Trustee is satisfied that the Annuitant has no other locked-in assets.

(iii) the Annuitant may withdraw as a lump sum the assets in the Account if the Annuitant:

(i) is a non-resident of Canada as determined for the purposes of the *Income Tax Act* (Canada);

(ii) has not resided in Canada for at least two consecutive years;

(iii) provides the issuer with written evidence that the Canada Revenue Agency has determined that the Annuitant is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and

(iv) completes and files with the issuer a certificate of non residency in Form 4; and

If the Annuitant has a Spouse, the Annuitant obtains the Spouse's consent to withdrawal and waiver of entitlements in Form 5 and files a copy of the completed form with the Trustee.

4. Improper payments: Should any money or assets held under this Account be paid out contrary to the Act or the Regulation, the Trustee will provide or ensure the provision of a pension in the amount of the pension that would have been provided had the money not been paid out.

5. Conditions for transfer: Before transferring out the locked-in money pursuant to section 3 herein, the Trustee shall advise the transferee financial institution in writing of the locked-in status of the money shall make acceptance of the transfer subject to the conditions provided for in subsection 29(4)(f) of the Regulation.

If the Trustee does not comply with the above condition, and the transferee financial institution fails to pay the money transferred in the form of a pension or in the manner required by the Regulation, the Trustee shall provide or ensure the provision of a pension in an amount that would have been provided had the money not been paid out or transferred contrary to the provisions of the Act or the Regulation.

6. Investments: The money and assets held under this Account shall be invested by the Trustee, either directly or through the Agent, in the manner provided in the Declaration of Trust creating the Retirement Savings Plan. All investments of money or assets held under this Account must comply with the rules for the investment of registered RSP pursuant to the *Income Tax Act* (Canada).

7. Exemption from seizure: The money and assets held under this Account may not be assigned, charged, alienated or anticipated and shall be exempted from execution, seizure or attachment, except to the extent provided by law. Any transaction purporting to assign, charge, alienate or anticipate the money or assets held under this Account is void.

8. Requirement form of pension: The pension to be provided to the Annuitant who i) was a member of the plan from which the assets in the Account were transferred and ii) has a Spouse at the date when the pension commences; must comply with section 34 of the Act, unless the Spouse of the Annuitant waives his or her entitlement in the manner prescribed by the Act and the Regulation and satisfactory evidence thereof is given to the Trustee.

The pension to be provided to the Annuitant must be established in a manner that does not differentiate on the basis of the Annuitant's sex, unless the Annuitant can provide to the Trustee satisfactory evidence that such differentiation would be allowed in the circumstances.

9. Compulsory transfer: The moneys and assets held under this Account shall be affected to a permitted transfer as provided at section 3 hereof before the end of the calendar year in which the Annuitant attains the maximum age prescribed under the *Income Tax Act* (Canada), at the choice of the Annuitant as specified in writing.

However, if the Trustee has not received from the Annuitant the necessary documentation to start a pension or effect such transfer, within 90 days prior to the end of the calendar year in which the Annuitant attains the maximum age prescribed under the *Income Tax Act* (Canada), the Trustee shall, at its entire discretion, either purchase an immediate Life annuity contract for the Annuitant, in compliance with subsection 3.2 hereof, or transfer the balance of this Account to a RIF for the Annuitant, as defined in section 29.1 of the Regulation.

10. Death of the Annuitant: On the death of the Annuitant who was a member of the plan from which the money was transferred:

(A) the surviving Spouse is entitled to the locked-in money in the Account. In that case, the surviving Spouse may, within 180 days following the day on which proof of death of the Annuitant is provided to the Trustee, elect:

(i) to transfer the locked-in money in the Account in accordance with subsection 32(2) of the Act; or

(ii) to receive a lump sum payment equal to the locked-in money in the Account.

(B) if there is no surviving Spouse, the designated beneficiary of the Annuitant is entitled to the locked-in money in the Account, as a lump sum payment;

(C) if there is no surviving Spouse or designated beneficiary of the Annuitant, the estate of the Annuitant is entitled to the locked-in money in the Account, as a lump sum payment; and

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

11. Spousal relationship Breakdown: Notwithstanding any contrary provision of this Agreement, the Account is subject, with any necessary modification, to the division on spousal relationship breakdown provisions in Part IV of the Act.

12. Enforcement of Maintenance Orders: Notwithstanding any contrary provision of this Agreement, the Account is subject to attachment for purpose of enforcing a maintenance order as defined in the Enforcement of Maintenance Orders Act.

Where an amount has been attached, the Trustee shall deduct from the locked-in money in the contract:

(i) an amount, not to exceed $250, that reasonably represents the cost to the Trustee of complying with the attachment;

(ii) the total amount of taxes, if any, that are required to be deducted or withheld as a result of the attachment; and

(iii) the lesser of (A) the amount attached; and (B) the remainder of the locked-in money in the contract.

The Annuitant has then no further claim or entitlement to any pension respecting the amount attached and the Trustee is not liable to any person by reason of having made payment pursuant to an attachment.

13. Representation and warranties of the Annuitant: The Annuitant represents and warrants to the Trustee the following:

13.1 that an entitlement to receive a pension under a pension plan governed by the Act is vested in him(her);

13.2 that he(she) is entitled to effect a transfer of his(her) pension entitlements pursuant to the Act;

13.3 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and

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

14. Governing terms: The money which is the object of the Transfer shall be held by the Trustee in accordance with the terms of the retirement savings plan and the provisions of this Agreement provided that in the event of any conflict between the provisions of the retirement income fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.

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

16. Assigns: This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

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NATIONAL BANK FINANCIAL INC. SELF-DIRECTED RETIREMENT INCOME FUND (RIF)
DECLARATION OF TRUST

1. Definitions. For the purposes hereof, the words and expressions set out below shall have the following meanings:

a) Annuitant: The person whose name is indicated as such in the Application and, after his or her death, the surviving Spouse as provided under the definition of the term "annuitant" under subsection 146.3(1) of the Tax Act (such surviving Spouse referred to as the "**Successor Annuitant**").

b) Application: The application form for membership in the Fund, included in the Account opening form attached hereof, completed and signed by the Annuitant.

c) Assets of the Fund: All property of any nature whatsoever which makes up the Fund, including assets transferred to the Fund in accordance with the provisions of Section 4 hereof, as well as any income or gains of any type whatsoever, generated or realized during the administration of the Fund by the Trustee.

d) Beneficiary: means the person who is or would be legally entitled to receive any Assets of the Fund or proceeds from the disposition of the Assets of the Fund in the case of the death of the Annuitant, pursuant to the applicable legislation, such as the Annuitant's surviving Spouse, estate, designated beneficiary, or legal representative within the meaning of the Tax Act.

e) Fund: The National Bank Financial Inc. Self-Directed Retirement Income Fund established by the Trustee for the benefit of the Annuitant, in accordance with the terms and conditions set forth in the Application and herein, as such Fund may be amended from time to time.

f) Spouse: A spouse or a common-law partner for the purposes of any provision of the Tax Act respecting a RIF.

g) RRIF: means a registered retirement income fund, as defined in the Tax Act.

h) RRSP: means a registered retirement savings plan, as defined in the Tax Act.

i) Tax Act: The *Income Tax Act* (Canada) and, where appropriate, the regulations adopted thereunder.

j) Tax Legislation: The Tax Act and the corresponding statutes in the Province in which the Annuitant resides, and the regulations adopted thereunder.

k) Trustee: Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).

l) Agent: National Bank Financial Inc. designated as such in paragraph 12a) hereunder.

2. Establishment of the Fund. By means of the transfer to the Trustee by the Annuitant of the assets set out in the Application, in accordance with Section 4 hereof, the Annuitant establishes with the Trustee a retirement income fund for his or her benefit, whereby the Trustee undertakes to pay the Annuitant amounts each year in accordance herewith. All assets paid into the Fund, as well as any income, capital gain or other gain of whatever nature, generated or realized by the Fund and held in the Fund by the Trustee and invested in accordance with the provisions hereof, shall be used in such manner as to make payments to the Annuitant in accordance herewith.

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

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

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

4. Assets Transferred to the Fund. Subject to the minimum amount of consideration that may be set by the Trustee at its sole discretion, the Trustee may only accept in the Fund, as consideration thereunder, those assets which are transferred from:

i) a RRSP of which the Annuitant is the annuitant;

ii) another RRIF of which the Annuitant is the annuitant;

iii) the Annuitant, to the extent that the consideration is an amount referred to in subparagraph 60(l)(v) of the Tax Act, and in particular of any amount paid as reimbursement of premiums pursuant to the death of a Spouse, originating with a RRSP of which the Spouse of the Annuitant was the annuitant;

iv) a RRSP or a RRIF of which the Spouse or former Spouse of the Annuitant is the annuitant, in accordance with an order, or judgment of a court having jurisdiction or with a written separation agreement, relating to a division of property between the Annuitant and his or her Spouse or former Spouse in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership;

v) a deferred profit sharing plan in accordance with subsection 147(19) of the Tax Act;

vi) a registered pension plan of which the Annuitant is a member (as defined in subsection 147.1(1) of the Tax Act);

vii) a registered pension plan in accordance with subsection 147.3(5) or (7) of the Tax Act;

viii) a specified pension plan in circumstances to which subsection 146(21) of the Tax Act applies (such as the Saskatchewan Pension Plan);

ix) a pooled registered pension plan in accordance with subsection 147.5(21) of the Tax Act; or

x) a registered plan or another source not mentioned above, to the extent permitted by and in accordance with the Tax Act.

5. Investments. The Assets in the Plan are invested in qualified investments for Retirement income funds within the meaning of the Tax Act ("**qualified investments**"), in accordance with the instructions provided by the Annuitant to the Trustee, in a form deemed satisfactory by the Trustee. The Annuitant is responsible to ensure that investments made by the Fund are qualified investments for the Fund within the meaning of the Tax Legislation.

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

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

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

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

6. Restrictions.

a) Assignment. The Annuitant acknowledges that this Fund, as well as the rights and benefits arising therefrom, may not be assigned or otherwise transferred.

b) Security. The Fund or the Assets of the Fund may not be given as collateral, by mortgage or otherwise, and may not be used for any purpose other than to provide for the payment of retirement income.

c) Payments. Notwithstanding any provision to the contrary, the Trustee shall make only those payments described in paragraphs 146.3(2)(d) and 146.3(2)(e), subsection 146.3(14), and the definition of "retirement income fund" at subsection 146.3(1) of the Tax Act.

d) Effect. Any agreement which purports or attempts to contravene the restrictions contained in this Section 6 shall be null.

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

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

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

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

b) Minimum Amount. In the year of the establishment of the Fund the "minimum amount" that is required to be withdrawn from the Fund is nil. For any other year, the "minimum amount" will be calculated in accordance with the Tax Act. The Annuitant may elect to base the minimum amount on his age or his Spouse's age. The Annuitant may not make or change any such election after the first payment has been made under the Fund.

c) Maximum Amount. The "maximum amount" that may be withdrawn from the Fund is the value of the Fund immediately prior to the payment date. In the case of a locked-in fund, the maximum amount specifically provided under the applicable laws may be lower.

d) Frequency. The frequency of the payments shall correspond to the frequency selected by the Annuitant on the Application (not be less than one payment per calendar year or greater than one payment per calendar month), which the Annuitant may change from time to time upon written notice to the Trustee in a form deemed satisfactory by the Trustee.

e) Cash Payment Only. The payments paid to the Annuitant will be in cash only. It is the Annuitant's sole responsibility to ensure that there is sufficient cash in the Fund to make the payments in accordance with this Section 7. Nevertheless, if the Trustee, in its view, does not consider that the cash available in the Fund will be sufficient to make the payments in accordance with this Section 7, the Trustee may dispose of the investments which it may select, in its entire discretion, for the purposes of such payment, unless the Annuitant instructs the Trustee no later than 30 days prior to the payment date as to the specific investment the Annuitant wishes to be sold for cash to make the payment. The Trustee shall not be liable for any losses incurred by the Fund as a result of such disposition.

f) Receipt of Payments. Payments to the Annuitant shall be deemed to have been made by effecting a direct money transfer to the bank account indicated on the Application or by the mailing of a cheque payable to the Annuitant in a postage prepaid envelope addressed to the Annuitant at the address indicated in the Application, or at such other address or bank account as may be furnished to the Trustee in writing.

g) Withholding. The Trustee may deduct from payments any amount in respect of tax, interest, penalties, fees and expenses that are payable hereunder, under the Tax Legislation or other applicable laws.

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

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

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

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

9. Death of Annuitant.

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

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

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

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

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

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

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

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

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

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

12. Provisions Regarding the Trustee.

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

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

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

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

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

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

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

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

13. Various Provisions.

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived, 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 Financial Inc. (division of NBDB) Self-Directed retirement income fund and wishes same to receive the Transfer;

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

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

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

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

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

b) "Declaration" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed retirement income fund;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i) if there is no person described in paragraph ii), the Spouse of the Annuitant at the time of the Annuitant's death; or

ii) a person who was the common-law partner of Annuitant at the time of the Annuitant's death;

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

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

2. Purpose of the Fund: Except as permitted by the Act and the Regulations, all money that is the subject of the Transfer, including all investment earnings thereon and gains

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realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments. No money that is not locked-in may be transferred or otherwise held under this Fund.

3. **Value of the Fund:** The fair market value of the assets held under the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund for any particular time, including on the death of the Annuitant or on a transfer of assets from the Fund. Any such determination by the Trustee shall be conclusive for all purposes hereof.
4. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through the Agent, in the manner provided by the Declaration. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the Tax Act and the regulation thereunder.
5. **Payments:** Except as permitted by the law, payments to the Annuitant hereunder shall be determined under the Declaration and shall comply with the following conditions:
   a) **Annual Payments:** The Annuitant must notify the Trustee of the amount (such amount being no lower than the Minimum Amount and no higher than the Maximum Amount) to be paid out of the Fund each year no later than January 1 of the year to which it relates. Such notice expires on December 31 of the year to which it relates. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year;
   b) **Maximum Amount:** For any calendar year before the calendar year in which the Annuitant reaches 90 years of age, the amount of income paid out of the Fund shall not exceed the maximum amount permitted under the Act and the Regulation as calculated in accordance with the following formula:

      C/F;

      where

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

      i) at the beginning of the calendar year; or

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

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

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

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

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

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

   Notwithstanding the above, the Annuitant agrees that the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer; or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.
7. **Death of the Annuitant:** On the death of the Annuitant, the funds in the LIF shall be paid to the survivor of the Annuitant by:
   a) transferring the funds to another LIF or to a Restricted LIF;
   b) using the funds to purchase a Life Annuity; or
   c) transferring the funds to a Locked-In RRSP.

   No such payment shall be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to paragraph 60(l) of the Tax Act.
8. **Restrictions:** Subject to subsection 25(4) of the Act, the funds in the LIF shall not be assigned, charged, anticipated or given as security and that any transaction purporting to assign, charge, anticipate or give the funds as security is void.
9. **Sex Discrimination Prohibited:** Where a Pension benefit credit transferred into the Fund was not varied according to the sex of the Annuitant, a Life Annuity purchased by the funds accumulated in the Fund shall not differentiate as to sex. The Pension benefit credit that was the object of the Transfer herein was not varied according to the sex of the Annuitant, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.
10. **Permitted withdrawals:** No withdrawal, commutation or surrender of money, in whole or in part, held in the Fund is permitted and will be void, except in the following circumstances:
    a) **Small Amount starting at 55.** In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the assets in the Fund may be paid to the Annuitant in a lump sum if
       i) the Annuitant certifies that the total value of all assets in all Locked-in RRSP, LIF, Restricted Locked-in RRSP and Restricted LIF that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by these Regulations is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
       ii) the Annuitant gives a copy of Form 2 and Form 3 of Schedule V of the Regulation to the Trustee.
    b) **Financial difficulties.** The Annuitant may withdraw an amount from the Fund up to the lesser of the amount determined by the **Formula** set out below and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph from any LIF or under paragraph 20(1)(*d*), 20.2(1)(*e*) or 20.3(1)(*m*) of the Regulation if the following conditions are met,
       i) the Annuitant certifies that he has not made a withdrawal in the calendar year under this paragraph from any LIF or under paragraph 20(1)(*d*), 20.2(1)(*e*) or 20.3(1)(*m*) of the Regulation, other than within the last 30 days before this certification,
       ii) in the event that the value of M of the **Formula** set out below is greater than zero,
          (A) the Annuitant certifies that he expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under this paragraph from any LIF or under paragraph 20(1)(*d*), 20.2(1)(*e*) or 20.3(1)(*m*) of the Regulation, and
          (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
       iii) the Annuitant gives a copy of Form 1 and Form 2 of Schedule V to the Trustee.

       Formula: M + N

       where

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

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

       P - Q

       where

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

       Q is two thirds of the Annuitant's total expected income for the calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under paragraph 20(1)(*d*), 20.1(1)(*m*), 20.2(1)(*e*) or 20.3(1)(*m*) of the Regulation.
    c) **Shortened Life Expectancy.** The Annuitant may withdraw all or part of the money in the Fund as a lump sum, upon application by the Annuitant to the Trustee in accordance with section 20.1 (3) of the Regulation where a physician certifies that owing to mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably.
    d) **Non-Resident.** The Annuitant may withdraw all or part of the money in the Fund as a lump sum, upon application by the Annuitant to the Trustee in accordance with subsections 28.4 of the Regulation, if the following conditions are met:
       i) the Annuitant has ceased to be a resident of Canada for at least two calendar years and has ceased employment with the employer who is a party to the pension plan or ceased membership in a multi-employer pension plan. For this purpose, the Annuitant shall be deemed to have been a resident of Canada throughout a calendar year if the Annuitant has sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more; and
       ii) the Annuitant files with the Trustee written evidence that the Canada Revenue Agency has determined the Annuitant to be a non-resident of Canada for the purposes of the Tax Act.
11. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
    a) That the pension legislation applicable and governing the Transfer at such time is the Act and Regulation;
    b) That the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act or the Regulation;
    c) That the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof; and
    d) That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee in respect of pension benefits accrued before 1987.
12. **Governing law:** This Agreement shall be governed by the laws of the province of Québec and Canada.

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

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A RESTRICTED LIFE INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived, 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 Financial Inc. (division of NBDB) Self-Directed retirement income fund and wishes same to receive the Transfer;

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

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

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

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Declaration and as provided under the Act and the Regulation. In addition, the following terms shall have the following meaning:
   a) **"Act"** means the *Pension Benefits Standard Act*, 1985 (Canada), as same may be amended from time to time;
   b) **"Declaration"** means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed retirement income fund;
   c) **"Fiscal Year"** in connection with this Fund means a calendar year terminating on December 31, and will not exceed twelve months;
   d) **"Fund"** refers to the National Bank Financial Inc. (division of NBDB) Self-Directed retirement income Fund established by the Declaration executed between the Annuitant, National Bank Financial Inc. and the Trustee, as supplemented and modified by this Agreement establishing a Restricted LIF that will hold the locked-in money that is the subject of the Transfer;
   e) **"LIF"** means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.1 of the Regulation;
   f) **"Restricted LIF"** means a registered retirement income fund, as defined in subsection 146.3(1) of the Tax Act that meets the requirements set out in section 20.3 of the Regulation;
   g) **"Life Annuity"** means an arrangement that is made to purchase, through a person

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

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

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

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

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

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

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

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

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

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

i) if there is no person described in paragraph ii), the Spouse of the Annuitant at the time of the Annuitant's death; or

ii) a person who was the common-law partner of Annuitant at the time of the Annuitant's death;

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

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

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

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

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

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

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

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

C/F;

where

"C" is the balance in the Fund

i) at the beginning of the calendar year; or

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

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

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

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

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

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

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

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

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

a) to another Restricted LIF;

b) to a Restricted Locked-in RRSP; or

c) to purchase a Life Annuity.

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

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

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

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

a) transferring the funds to another Restricted LIF or to a LIF,

b) transferring the funds to a Locked-in RRSP or to a Restricted Locked-in RRSP, or

c) using the funds to purchase a Life Annuity.

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

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

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

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

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

i) the Fund was created as the result of the transfer of a pension benefit credit under section 26 of the Act or a transfer from a Locked-in RRSP or a LIF, and

ii) if the Annuitant gives a copy of Form 2 of Schedule V of the Regulation to the Trustee.

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

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

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

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

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

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

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

B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and

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

Formula: M + N

where

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

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

P - Q

where

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

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

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

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

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

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

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

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

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

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

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

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

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LIFE INCOME FUND FOR QUEBEC (QUEBEC LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled pursuant to the Act and the Regulation to effect a transfer to the Fund of amounts derived, 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 Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund and wishes same to receive the Transfer;

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

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

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

1. Definitions: All terms not defined in this Agreement shall have the same meaning as in the Declaration of Trust, the Act or the Regulation. In addition, the following terms shall have the meaning indicated below:

a) "**Act**" means the *Supplemental Pension Plans Act* (Québec), as amended from time to time;

b) "**Declaration of Trust**" means the Declaration of Trust of the National Bank Financial Inc. (division NBDB) Self-Directed Retirement Income Fund executed between the Annuitant and the Trustee;

c) "**Fiscal Year**" [19(1°)], in connection with the Fund, means a calendar year terminating on December 31, and will not exceed twelve months;

d) "**Fund**" refers to the National Bank Financial Inc. (division NBDB) Retirement Income Fund established by the Declaration executed between the Annuitant, National Bank Financial Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIF that will hold the locked-in amounts and assets subject to the Transfer;

e) "**LIF**" refers to a life income fund that is a RIF that meets the requirements set out in sections 18 and following of the Regulation;

f) "**LIRA**" refers to a locked-in retirement account that is a registered retirement savings plan within the meaning of the Tax Act that meets the requirements set out in section 29 of the Regulation;

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 under the Act, as amended from time to time;

i) "**RIF**" means a retirement income fund 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 a RIF;

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;

m) "**Trustee**" Natcan Trust Company, having its head office located at 800, St-Jacques Street, Suite 91991, Montreal, Quebec, H3C 1A3;

2. Purpose of the Fund [18]: Subject to the Act and the Regulation, all money and other assets that are the subject of the Transfer, including all investment earnings thereon and gains and interest realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with an income, the amount of which may vary annually.

3. Contributions [19(0.1°)]: The only money that may be transferred to the Fund is money coming directly or initially from:

a) a pension plan subject to the Act;

b) a supplemental pension plan governed by an act of a legislative authority other than the Parliament of Québec and that grants the right to a deferred pension;

c) a supplemental pension plan established by an act of the Parliament of Québec or another legislative authority;

d) the locked-in account of a voluntary retirement savings plan subject to the *Voluntary Retirement Savings Plans Act*;

e) the locked-in account of an equivalent voluntary retirement savings plan from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;

f) a LIRA;

g) another LIF; or

h) an annuity contract referred to in section 30 of the Regulation.

The sums transferred to a life income fund held by a purchaser under 55 years of age are deemed to come in their entirety from a life income fund or from a supplemental pension plan that offers the variable benefits referred to in subdivision 3 of Division II.1 of the Regulation, unless the Annuitant sends to the financial institution that manages the fund to which the sums are transferred a declaration in conformity with the one provided for in Schedule 0.9.1. [22.2].

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

Annual Payments [19(2°)]: The amount of the income paid to the Annuitant during a fiscal year or, if the purchaser is 55 years of age or over and so requests it, the amount of the payment of all or part of the balance of the fund in one or more instalments is, subject to the lower limit referred to in Subsection 4a) herein, set by the purchaser each year. The amount of the income set by a purchaser under 55 years of age for a fiscal year may not exceed the upper limit determined in accordance with Subsection 4b) herein.

The Annuitant notifies the Trustee of the amount thus set no later than January 1 of the Fiscal Year. Such notice expires on December 31 of the applicable Fiscal Year. If the Annuitant does not thereby notify the Trustee, he or she will be deemed to have decided to receive the minimum amount, and the Trustee will thereby pay such minimum amount (subsection 4a herein) out of the Fund in the Fiscal Year in question. It is understood that the Financial Institution shall not accept an interval longer than one year.

a) Minimum Payment [20.2]: The amount of income paid or of the payment of all or part of the balance of the fund, in one or more instalments out of the Fund during a Fiscal Year must not be less than the minimum amount under the *Income Tax Act*, according to the Annuitant's age or the age of the Annuitant's Spouse if he or she is younger than the Annuitant.

b) Maximum Payment [20.1]: The amount of income paid out during a Fiscal Year of the Fund to a purchaser under 55 years of age at the time the application of income is filed must not exceed the amount "**M**" in the following formula:

A + E = M

where

"**A**" represents the maximum temporary income for the Fiscal Year determined according to Subsection 5b) herein or, if no amount has been determined, zero;

"**E**" represents the maximum life income established according to Subsection 4c) hereafter.

c) Maximum life income [20, 21]: The upper limit of the life income, for a fiscal year of the life income fund of a purchaser under 55 years of age, is equal to the amount "**E**" in the following formula:

d) F x C - A = E

where

"**F**" represents the rate prescribed for a year, which is established on the basis of the month-end, nominal interest rate earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the fiscal year, as compiled monthly by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics, Series V122487 in the CANSIM system, by applying successively to that rate the following adjustments:

(1) the conversion of the interest rate, based on interest compounded semi-annually, to an effective annual interest rate;

(2) an increase of 2.75% of the effective interest rate;

(3) the rounding of the effective interest rate to the nearest multiple of 0.25%.

"**C**" represents the balance of the fund on the date on which the fiscal year begins, increased by any sums transferred to the fund after that date and reduced by any sums originating directly or not during the same fiscal year from a life income fund or from a supplemental pension plan that offers the variable benefits referred to in subdivision 3 of Division II.1 of the Regulation;

"**A**" represents the maximum temporary income for the fiscal year determined in accordance with Subsection 5b) herein or, if no amount was determined, the figure zero.

The amount "**E**" may not be less than zero.

5. Persons younger than 55 years of age - Payment of temporary income :

a) Eligibility [19.2]: The Annuitant under 55 years of age is entitled to receive, on request to the Trust, during a fiscal year, all or part of the balance of the fund in the form of a temporary income in monthly instalments. None of these monthly instalments may exceed 1/12 of the difference between the following amounts:

(1) 50% of the Maximum Pensionable Earnings determined, for the year in which the payment is made, pursuant to the *Act respecting the Québec Pension Plan*;

(2) 100% of the Annuitant's income for the 12 months that follow, excluding the income provided for in this subsection,

and provided that it meets the following conditions:

i. the Annuitant's income for the 12 months that follow, excluding the income provided for in this Section 5, does not exceed the amount referred to in point (1) above;

ii. the Annuitant submits to the Trustee an application to that effect, accompanied with a declaration that is compliant with Schedule 0.5 of the Regulation and a written undertaking to request a suspension of payments when his income, excluding the income indicated in this Section 5, reaches the amount referred to in point (1) above;

The income indicated in this Section 5 cannot be paid to the Annuitant if he has requested a suspension of payments or after the end of the year in which he reaches 55 years of age [19.2 (1°)].

The Annuitant who is eligible to receive the income referred to in Section 5 and who is a member or spouse who has become entitled to a pension under a pension plan may, for the purposes of replacing such pension by a temporary income, apply once a year for the transfer from the pension plan to the Fund of an amount equal to the lesser of the following amounts:

(1) the additional amount required for the balance of the Fund to allow, until the end of the year, the payment of the monthly payments provided for in the first paragraph of this Section 5;

(2) the value of his benefits under the pension plan.

If an amount is so transferred from a pension plan to the Fund, sections 15.1 to 15.3 of the Regulation apply, with the necessary modifications, with respect to the allocation of benefits and the determination of the residual benefits of the member or spouse in the pension plan.

b) Maximum temporary income [20.5]: The Trustee determines the maximum temporary income for the Fiscal Year of the Fund (which cannot be less than zero) upon receipt of an application in accordance with Subsection 5a) herein. This income is equal to the product of multiplying the maximum monthly payment set in accordance with the first paragraph of Subsection 5a) by the number of months remaining in the year as of the first day of the month of the application or, where the Annuitant is entitled, for that month, to a temporary income by reason of a prior application, as of the first day of the following month. Where necessary, this product is increased by any income provided for under Subsection 5a) and paid to the Annuitant during the year but prior to payment of the income payable as a consequence of the application and reduced by any income paid to the Annuitant, during the same period, from another LIF or from a supplemental pension plan that offers the variable benefits referred to in Subdivision 3 of Division II.1 of the Regulation [22.1].

6. Persons over 55 years of age - Life income, withdrawal of all or part of the balance of the life income fund

a) Life income [19 (3°), 20.0.1]: The amount of the life income that may be provided with the sums held by a purchaser 55 years of age or over is estimated in accordance with section 20.0.1 of the Regulation. Thus, this estimated amount is established by the Trustee according to the method it determines or, if the Trustee decides otherwise, this estimated amount is equal to "**N**" of the following formula:

$$\frac{D}{T} = N$$

where

"**D**" represents the balance of the fund on the date of the estimate;

"**T**" represents the commuted value, at the beginning of the fiscal year of the fund, of the annual retirement pension of $1, payable on 1 January of each year included in the period from the beginning of the fiscal year to 31 December of the year in which the purchaser reaches 95 years of age; that value is determined on the basis of the month-end, nominal interest rate earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the fiscal year, as compiled monthly by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics, Series V122487 in the CANSIM system, by applying successively to that rate the following adjustments:

(1) the conversion of the interest rate referred to in element "T", based on interest compounded semi- annually, to an effective annual interest rate;

(2) an increase of 1.10% of the effective interest rate;

(3) the rounding of the effective interest rate to the nearest multiple of 0.25%.

The amount "**N**" may not be lower than the lower limit determined in accordance with Subsection 4a) herein.

In addition, for purchasers aged 95 years or over, element "**T**" is equal to 1.

This estimated amount may vary in particular because of withdrawals made and returns on the fund;

b) Withdrawals: Despite the amount thus estimated, all or part of the balance of the life income fund of a purchaser 55 years of age or over may, unless the term of the investments has not expired, be paid in one or more instalments, on request to the Trustee made at any time during a fiscal year; Such payment is made, as applicable, regardless of the amount of the life income or of the payment in one or more instalments determined or receives by the purchaser for the fiscal year.

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The remittance must comply with the applicable laws and be made within a reasonable timeframe. The Trustee is not liable for any loss to the Annuitant resulting from a withdrawal under this Section 6.

7. **Death of the Annuitant** [19(4°)]: If the Annuitant who is a member or former member dies before the entire Fund balance is converted to a life annuity, the spouse or, if there is no spouse, his successors are entitled to benefits in an amount equal to this balance.
8. **Spouse's waiver** [19(5°)]: The spouse of an Annuitant who is a member or former member may, by giving notice in writing to the Trustee, waive his or her entitlement to receive the pension benefits described in Section 7 hereof or the life annuity provided for in Subsection 18b) herein and may, in the case of pension benefits, revoke such a waiver by submitting a written notice to the Trustee prior to the Annuitant's death and, in the case of a life annuity, prior to the date of conversion of all or part of the Fund balance into the annuity.
9. **Separation and divorce** [19(6°)]: The spouse of an Annuitant who is a member or former member is no longer eligible to receive the benefits described in Subsection 18b) herein following separation from bed and board, divorce, marriage annulment, dissolution or annulment of civil union, or dissolution of a conjugal relationship if the spouses are not joined by marriage or civil union, unless the Annuitant submits the notice described in section 89 of the Act to the Trustee.
10. **Seizure for unpaid alimony** [19(6.0.1°)]: The seizeable portion of the balance of the Fund may be paid in a lump sum in execution of a judgment rendered in favour of the Annuitant's spouse that gives entitlement to a seizure for unpaid alimony.
11. **Authorized Transfers** [19(7°)]: Subject to the term of the investments held in the Fund, the Annuitant may transfer all or a portion of the money in the Fund to:
    (1) a pension plan governed by the Act;
    (2) a supplemental pension plan governed by an act of a legislative authority other than the Parliament of Québec and that grants the right to a deferred pension;
    (3) a supplemental pension plan established by an act of the Parliament of Québec or another legislative authority;
    (4) the locked-in account of a voluntary retirement savings plan subject to the *Voluntary Retirement Savings Plans Act*;
    (5) the locked-in account of an equivalent voluntary retirement savings plan from a legislative authority other than the Parliament of Québec if the member is enrolled in this plan through his employment;
    (6) another LIF;
    (7) a LIRA; or
    (8) an annuity agreement as mentioned in section 30 of the Regulation.

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

    The Annuitant may at any time, in a form deemed satisfactory by the Trustee, make a request to the Trustee for such a transfer. Such transfer shall be made within a reasonable timeframe once confirmed by the beneficiary of the Transfer.

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

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

    The Trustee has no liability or duty with respect to the withdrawn assets and shall not be liable for any losses incurred as a result of the disposition or transfer.
12. **Non authorized transfers** [19(7.2°)]: The annuitant may not transfer the life or temporary income or, as the case may be, the payment of all or part of the balance of the life income fund in one or more instalments, to a pension plan referred to:
    (1) a registered retirement savings plan;
    (2) a registered retirement income fund;
    (3) a not locked-in account of a voluntarily retirement savings plan governed by the *Voluntary Retirement Savings Plans Act*
13. **Investments** [19(9°)]: The money and assets held in this Fund shall be invested by the Trustee in the manner provided in the Declaration of Trust. All investments of money or assets held in this Fund must comply with the rules for the investment of RIF money contained in the *Tax Act*.
14. **Value of the Fund** [19(10°)]: The fair market value of the assets held in the Fund as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under this Fund at all times, including at the time of the Annuitant's death or a transfer of assets. Any such determination by the Financial Institution shall be conclusive for all purposes hereof.
15. **Irregular payments** [19(10.1°)]: If the income paid to the Annuitant during a Fiscal Year of the Fund exceeds the maximum amount he can receive in accordance with the Regulation or this Agreement, the Annuitant may, unless this payment is related to a false declaration on his part, require that the Trustee pay him or her, as a penalty, an amount equal to the excess income paid.
16. **Amendments to this Agreement** [19(11°),(13°) et (14°)]: The Trustee shall make no amendment to this Agreement that would reduce the rights hereunder, unless it grants the Annuitant, before the amendment date, the right to transfer the Fund balance and gives the Annuitant, at least 90 days before the date on which he can exercise this right, notice indicating the nature of the amendment as well as the date on which the Annuitant may exercise such right.

    The Trustee cannot, except to meet the requirements of the Act, make amendments other than those indicated in this section without providing prior notice to the Annuitant.

    The Trustee may amend the Agreement only if it remains compliant with the amended standard agreement registered with Retraite Québec.
17. **Identifiable securities** [19(12°)]: Where such investments held in the Fund consist of identifiable and transferable securities, the Trustee may carry out the transfer according to Sections 11 and 16 by the remittance of these securities.
18. **Conversion of Fund balance** [23]: The conversion of all or a portion of the balance of the Fund to a life annuity can only be carried out according to the following conditions:
    (1) the insurer guarantees that this annuity will be paid in equal periodic amounts that may not vary unless each of them is uniformly increased according to an index or a rate provided for in the annuity 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 spouse, the payment of a temporary pension under the requirements 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;
    (2) in the event of the death of the Annuitant who was a member or former member, the insurer guarantees his spouse, who has not renounced to the pension, a life annuity at least equal to 60% of the Annuitant's pension amount, including, during the replacement period, the amount of any temporary pension;
    (3) The term of the investments comprising the Fund has expired.
19. **Statements** [23, 24 à 26]: The Trustee shall provide the Annuitant, his spouse or his successors, as the case may be, with the statements described in sections 24 to 26 of the Regulation, at periods designated therein.
20. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
    (1) that the law applicable to the Transfer is the Act and the Regulation;
    (2) that the amounts transferred herein are locked-in amounts resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and the Annuitant is entitled to effect a transfer of his or her pension entitlements pursuant to the Act and the Regulation;
    (3) that the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
21. **Governing law:** This Agreement shall be governed by the laws applicable in the Province of Québec.
22. **Effective Date**: This Agreement takes effect on the date of transfer of assets into the Fund.

Natcan Trust Company
800, St-Jacques Street, Suite 91991
Montreal, Québec, H3C 1A3

LIFE INCOME FUND FOR ONTARIO (ON LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A LIFE INCOME FUND UNDER A NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND (SCHEDULE 1.1 OF THE REGULATION)

RECITALS:

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

B. Prior to the Transfer the Annuitant has obtained the written consent of his or her Spouse, if not separated from the Annuitant, and if the money to be transferred herein is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant;

C. The Annuitant has established a Retirement Income Fund with Natcan Trust Company, 800 Saint-Jacques Street, Montreal, Quebec H3C 1A3 (the "Trustee") and wishes same to receive the Transfer;

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

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

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

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

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

    b) "**Declaration**" means the Declaration of Trust of the Retirement Income Fund established with the Trustee attached;

    c) "**Declaration about a Spouse**" means any of the following documents:

    i) A statement signed by the Annuitant's Spouse, if any, that the Spouse consents to the withdrawal or transfer;

    ii) A statement signed by the Annuitant attesting to the fact that he or she does not have a Spouse; or

    iii) A statement signed by the Annuitant attesting to the fact that he or she is living separate and apart from his or her Spouse on the date the Annuitant signs the application to make the withdrawal or transfer.

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

    e) "**Fund**" refers to the Retirement Income Fund established by the Declaration as supplemented and modified by this Agreement establishing a LIF;

    f) "**LIF**" means a prescribed retirement savings arrangement, known as a life income fund, that is a RIF that meets the conditions set out in Schedule 1 or in Schedule 1.1 of the Regulation;

    g) "**Life Annuity**" means an insurance contract under which an annuity will be provided to the Annuitant or his Spouse that complies with the relevant provisions of the Tax Act and section 22 of the Regulation, provided that the annuity shall not differentiate on the basis of the sex of the beneficiary unless otherwise permitted under the Regulation;

    h) "**LIRA**" means a prescribed retirement savings arrangement, known as a locked-in retirement account, that is a registered retirement savings plan, within the meaning in the Tax Act, that meets the conditions set out in Schedule 3 of subsection of the Regulation;

    i) "**LRIF**" means a prescribed retirement savings arrangement, known as a locked-in retirement income fund, that is a RIF that meets the conditions set out in Schedule 2 of the Regulation;

    j) "**Minimum Amount**" means the minimum amount that is required to be paid out of the Fund as determined under the Declaration, which must mot be less than the minimum amount prescribed for an RIF under the Tax Act;

    k) "**Maximum Amount**" means the maximum amount referred to in Section 6 hereof;

    l) "**Regulation**" means *R.R.O. 1990, Regulation 909* adopted pursuant to the Act, as same may be amended from time to time;

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

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

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

    p) "**Transfer**" means the transfer referred to in paragraph A of the Recitals hereto.
2. **Purpose of the Fund**: The Fund must be purchased using all or part of the amount under clause 42(1)(b) of the Act or under paragraph 2 of subsection 67.3 (2) of the Act, or using all or part of the assets in a LIF, LIRA or LRIF. Except as permitted by the law, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments.
3. **Value of the Fund**: The value of all assets in the Fund owned by the Annuitant when the Annuitant signs the application shall be determined in accordance with the most recent statement about each fund or account given to the

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Annuitant. Each such statement must be dated within one year of the execution of the application by the Annuitant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   b) purchase an immediate Life Annuity;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

          1) arrears in the payment of a rent on the Annuitant's principal residence;

          2) a default on a debt that is secured against the Annuitant's principal residence.

       Only one application may be made under section 11.2 of Schedule 3 of the Regulation during a calendar year. The application signed by the Annuitant

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must be accompanied by a copy of the written demand as the case may be. The application must specify the amount to be withdrawn from the Fund. The minimum amount that may be withdrawn from the Fund with respect to an application is $500 and the maximum amount is the lesser of "X" and "H" where,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a) a Declaration about a Spouse; or

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

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

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

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

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

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

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

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

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

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

a) The sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made out of the Fund, the withdrawals taken out of the Fund and the fees charged against it during the previous Fiscal Year;

b) The value of the assets in the Fund as of the beginning of the Fiscal Year;

c) The Minimum Amount and Maximum Amount that must be paid out of the Fund to the Annuitant during the current Fiscal Year.

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

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

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

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

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

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

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

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Life Income Fund (Manitoba LIF) Addendum to RRIF Contract

THIS IS AN ADDENDUM TO A RRIF CONTRACT BETWEEN:

_____ (the "Owner") AND

NATCAN TRUST COMPANY (the "Issuer")

IMPORTANT NOTES:

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

I, the Owner, certify that:

☐ A. The following statements apply to me:
- I ceased to be an active member of a pension plan while in Manitoba.
- Some of all of the amount transferred or to be transferred to this LIF is attributable, directly or indirectly, to the pension benefit credit that I earned as a member of the pension plan.

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

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

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

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

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

_____

NATIONAL BANK FINANCIAL INC.
Authorized representative of the Issuer

_____

Owner

GENERAL PROVISIONS

Interpretation

1(1) The following definitions apply in this addendum, except where the context otherwise requires.

"Act" means *The Pension Benefits Act* of Manitoba, as from time to time amended.

"Issuer" means the financial institution named on the first page of this addendum as the Issuer.

"legislation" means the Act and the regulation.

"LIF" means the life income fund established by the Issuer for your benefit under this contract.

"regulation" the *Pension Benefits Regulation*, as from time to time amended.

"RRIF contract" means the RRIF contract to which this addendum is attached.

"transfer" does not include payments to you as income under the LIF.

"you" means the individual named on the first page of this addendum as the Owner.

1(2) This addendum uses other terms that are defined in the legislation. They have the same meaning here as in the legislation.

1(3) Unless the context otherwise requires, a reference in this addendum to a page or provision is a reference to that page or provision of this addendum.

1(4) You are
- a) a **"member-owner"**, if you checked Box A; or
- b) a **"non-member owner"**, if you checked Box B.

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 or LRIF to which no amount has been transferred or contributed other than Manitoba locked-in money;
- c) a VB account; or
- d) an RRSP to which no amount has been transferred or contributed other than Manitoba locked-in money.

Permitted transfers to other vehicle

11 An amount may be transferred from this LIF only to
- a) another LIF;
- b) a pension plan;
- c) a VB account;
- d) a LIRA;
- e) a prescribed RRIF; or
- f) an insurer to purchase a life annuity contract.

Restriction against splitting LIF

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

Issuer's duties when transferring to another vehicle

13(1) Before transferring an amount from the LIF to another vehicle, the Issuer must
- 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, 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 or 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 year in which the LIF was established.

You set your annual income from the LIF

17(1) Within 60 days after the beginning of each year, you will receive the annual statement described in section 8. Within 60 days after receiving that statement, you must notify the Issuer in writing of the total amount to be paid to you out of the LIF for the year.

17(2) If the Issuer guarantees a rate of return for the LIF for a period longer than a year, your notice for the first year of the period must specify the total amount to be paid in each year that ends at or before the end of the period for which the rate of return is guaranteed.

17(3) The amount that you set as your income from the LIF for the year must be

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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. In that case, in the year of the transfer you will continue to be paid amounts that you were being paid for that year under the other LIF.

Your maximum annual income from the LIF

18(1) Subsection (2) applies when the rate of return for the LIF is not guaranteed beyond the end of the year. If the LIF's rate of return is guaranteed for a multi-year period, subsection (2) applies to the first year of the period, and subsection (3) applies to each year of the period after the first year.

18(2) The total of the amounts to be paid to you out of the LIF for a fiscal year must not exceed the amount determined by clause (a) or the amount determined by (b), whichever is greater:

a) the amount determined by the following formula:

Maximum amount = F × (B + T)

In this formula,

F is the factor (from the table at the end of this addendum) that corresponds to the reference rate for the year and your age at the end of the immediately preceding year,

B is the balance of the LIF at the beginning of the year,

T is the total of all amounts transferred to the LIF in the year, other than amounts transferred directly or indirectly from another LIF, an LRIF or a VB account;

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, an LRIF or a VB account.

18(3) The total of the amounts to be paid to you out of the LIF for the second or subsequent fiscal year of a multi-year period for which the LIF's rate of return is guaranteed must not exceed the maximum determined by the following formula:

Maximum amount = M × 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_1 is the LIF balance at the beginning of year;

B_2 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 by the spouse or common-law partner that has not been revoked.

19(3) For the purpose of clause (2)(c), **"death benefit waiver"** includes the following:

a) 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 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, LIRAs and LRIFs, plus interest at the prescribed rate to the end of the year in which you turn 65, is less than 40% of the YMPE for the year in which you apply for the withdrawal (*see Division 6 of Part 10 of the regulation*);

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*).

21(2) If any of these circumstances apply to you, you may request the Issuer to provide the information and forms necessary for you to apply for a withdrawal. Subject to the regulation, the Issuer must provide you with the relevant information and forms.

TABLE

SCHEDULE TO LIF ADDENDUM

This table is used to determine the factor (F) in the formula in subsection 18(2).
The column heading is the "reference rate" as defined in subsection 18(5).

Age	6.00 %	6.50 %	7.00 %	7.50 %	8.00 %	8.50 %	9.00 %	9.50 %	10.00 %	10.50 %	11.00 %	11.50 %	12.00 %	12.50 %	13.00 %	13.50 %
under 55	0.061	0.063	0.066	0.069	0.072	0.075	0.078	0.081	0.084	0.087	0.090	0.093	0.097	0.100	0.103	0.107
55	0.064	0.067	0.070	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.101	0.104	0.107	0.111
56	0.065	0.067	0.070	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.095	0.098	0.101	0.104	0.108	0.111
57	0.065	0.068	0.071	0.074	0.077	0.080	0.083	0.086	0.089	0.092	0.095	0.098	0.102	0.105	0.108	0.112
58	0.066	0.069	0.071	0.074	0.077	0.080	0.083	0.086	0.090	0.093	0.096	0.099	0.102	0.106	0.109	0.112
59	0.067	0.069	0.072	0.075	0.078	0.081	0.084	0.087	0.090	0.093	0.097	0.100	0.103	0.106	0.110	0.113
60	0.067	0.070	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.101	0.104	0.107	0.110	0.114
61	0.068	0.071	0.074	0.077	0.079	0.082	0.086	0.089	0.092	0.095	0.098	0.101	0.105	0.108	0.111	0.115
62	0.069	0.072	0.074	0.077	0.080	0.083	0.086	0.089	0.093	0.096	0.099	0.102	0.105	0.109	0.112	0.115
63	0.070	0.073	0.075	0.078	0.081	0.084	0.087	0.090	0.094	0.097	0.100	0.103	0.106	0.110	0.113	0.116
64	0.071	0.074	0.076	0.079	0.082	0.085	0.088	0.091	0.095	0.098	0.101	0.104	0.107	0.111	0.114	0.117
65	0.072	0.075	0.077	0.080	0.083	0.086	0.089	0.093	0.096	0.099	0.102	0.105	0.108	0.112	0.115	0.118
66	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.100	0.103	0.106	0.110	0.113	0.116	0.119
67	0.074	0.077	0.080	0.083	0.086	0.089	0.092	0.095	0.098	0.101	0.104	0.108	0.111	0.114	0.117	0.121
68	0.076	0.078	0.081	0.084	0.087	0.090	0.093	0.096	0.100	0.103	0.106	0.109	0.112	0.115	0.119	0.122
69	0.077	0.080	0.083	0.086	0.089	0.092	0.095	0.098	0.101	0.104	0.107	0.111	0.114	0.117	0.120	0.123
70	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.100	0.103	0.106	0.109	0.112	0.115	0.119	0.122	0.125
71	0.081	0.084	0.087	0.089	0.092	0.095	0.098	0.102	0.105	0.108	0.111	0.114	0.117	0.120	0.123	0.127
72	0.083	0.086	0.089	0.092	0.095	0.098	0.101	0.104	0.107	0.110	0.113	0.116	0.119	0.122	0.125	0.129
73	0.085	0.088	0.091	0.094	0.097	0.100	0.103	0.106	0.109	0.112	0.115	0.118	0.121	0.124	0.127	0.131
74	0.088	0.091	0.094	0.097	0.099	0.102	0.105	0.108	0.111	0.114	0.117	0.120	0.124	0.127	0.130	0.133
75	0.091	0.094	0.097	0.100	0.102	0.105	0.108	0.111	0.114	0.117	0.120	0.123	0.126	0.129	0.132	0.135
76	0.094	0.097	0.100	0.103	0.106	0.109	0.112	0.114	0.117	0.120	0.123	0.126	0.129	0.132	0.135	0.138
77	0.098	0.101	0.104	0.107	0.110	0.112	0.115	0.118	0.121	0.124	0.127	0.130	0.133	0.136	0.139	0.142
78	0.103	0.106	0.109	0.111	0.114	0.117	0.120	0.123	0.126	0.128	0.131	0.134	0.137	0.140	0.143	0.146
79	0.108	0.111	0.114	0.117	0.119	0.122	0.125	0.128	0.131	0.134	0.137	0.139	0.142	0.145	0.148	0.151
80	0.115	0.117	0.120	0.123	0.125	0.128	0.131	0.133	0.136	0.139	0.142	0.144	0.147	0.150	0.153	0.155
81	0.121	0.124	0.127	0.129	0.132	0.135	0.137	0.140	0.143	0.145	0.148	0.151	0.153	0.156	0.159	0.161
82	0.129	0.132	0.134	0.137	0.139	0.142	0.145	0.147	0.150	0.153	0.155	0.158	0.161	0.163	0.166	0.169
83	0.138	0.140	0.143	0.146	0.148	0.151	0.154	0.156	0.159	0.161	0.164	0.167	0.169	0.172	0.175	0.177
84	0.148	0.151	0.153	0.156	0.159	0.161	0.164	0.167	0.169	0.172	0.174	0.177	0.180	0.182	0.185	0.187
85	0.160	0.163	0.165	0.168	0.171	0.173	0.176	0.179	0.181	0.184	0.187	0.189	0.192	0.194	0.197	0.200
86	0.173	0.176	0.179	0.182	0.184	0.187	0.190	0.193	0.195	0.198	0.200	0.200	0.200	0.200	0.200	0.200
87	0.189	0.191	0.194	0.197	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
88 or over	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200

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LIFE INCOME FUND FOR ALBERTA
ADDENDUM

SUPPLEMENTARY AGREEMENT ESTABLISHING A NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED LIFE INCOME FUND

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed retirement income fund specimen plan number RIF-632 (the "Retirement income fund") and wishes same to receive the Transfer;

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

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

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

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

a) "**Annuitant**", means the person identified as such In the Declaration and is also defined as the "owner" of the Fund under the Regulation;

b) "**Fund**", refers to the Retirement income fund established by the Annuitant, National Bank Financial Inc. (division of NBDB) and the Trustee, as supplemented and modified by this Agreement establishing a life income fund;

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

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

2. Locking-in provision: Except as permitted by the law, all money in the Funds, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with a retirement income.

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

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

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

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

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

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

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

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

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

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

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

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

Life Income Fund Addendum
Part 1 Interpretation

Interpretation

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

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

(b) "designated beneficiary", in relation to the owner of this life income fund, means a beneficiary designated under section 71(2) of the *Wills and Succession Act*;

(c) "life annuity" means a non commutable arrangement to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder's pension partner;

(d) "life income fund issuer" means the issuer of this life income fund;

(e) "life income fund maximum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the greatest of

(i) the life income fund minimum amount for that year,

(ii) the preceding year's life income fund investment returns, and

(iii) the amount determined by the following formula:

life income fund balance

withdrawal factor

where

"CANSIM rate", in relation to a period of not more than 12 months for which interest is payable, means the rate of interest on long term bonds issued by the Government of Canada for the month of November preceding the year in relation to which the withdrawal factor is being calculated, determined by reference to the Canadian Socio Economic Information Management System (CANSIM) Series V 122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada;

"life income fund balance", in relation to a life income fund, means

(i) in the calendar year in which the fund is established, the balance of the fund as at the date on which the fund is established, and

(ii) in every subsequent calendar year, the balance of the fund as at January 1 of the calendar year in which the calculation is made;

"withdrawal factor" means the actuarial present value, on January 1 of the year in which the calculation is made, of an annuity of $1 payable at the beginning of each year between that date and December 31 of the year during which the owner reaches the age of 90 years and calculated by using

(i) for the first 15 years in relation to which the actuarial present value is determined, the greater of the following:

(A) 6% per year;

(B) the CANSIM rate;

(ii) for each year after the first 15 years, 6% per year;

(f) "life income fund minimum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the minimum amount of income that, under the *Income Tax Regulations* (Canada), is required to be paid out of the member's life income fund in that year;

(g) "locked-in money" means

(i) money in a pension plan the withdrawal, surrender or receipt of which is restricted under section 70 of the Act,

(ii) money transferred under section 99(1) of the Act, and

(iii) money to which clause (a), applies, that has been transferred out of the plan, and any interest on that money, whether or not that money had been transferred to one or more locked-in vehicles after it was transferred from the plan,

and includes money that was deposited into this life income fund under section 135(1)(a) of the Regulation or paid to the life income fund issuer under section 135(1)(b) or (2) of the Regulation;

(h) "member owner" means an owner of a locked-in vehicle if

(i) the owner was a member of a pension plan, and

(ii) the locked-in vehicle contains locked-in money from that plan;

(i) "owner" means a member owner or a pension partner owner;

(j) "pension partner" means a person who is a pension partner within the meaning of subsection (2);

(k) "pension partner owner" means an owner of a locked-in vehicle if

(i) the locked-in vehicle contains locked-in money from that plan, and

(ii) the pension partner owner's entitlement to the locked-in money in the locked-in vehicle arose by virtue of

(A) the death of the member of a pension plan or a member owner, or

(B) a breakdown of the relationship between the pension partner owner and the member of a pension plan, or the pension partner owner and the member owner;

(l) "Regulation" means the *Employment Pension Plans Regulation*;

(m) "this life income fund" means the life income fund to which this addendum applies.

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

(a) they

(i) are married to each other, and

(ii) have not been living separate and apart from each other for a continuous period longer than 3 years;

(b) if clause (a) does not apply, they have been living with each other in a marriage-like relationship

(i) for a continuous period of at least 3 years preceding the date, or

(ii) of some permanence, if there is a child of the relationship by birth or adoption.

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

Part 2
Transfers In and Transfers and Payments Out of Life Income Fund

Limitation of deposits to this account

2(1) Subject to subsection (2), the only money that may be deposited in this life income fund is

(a) locked-in money from a pension plan if

(i) this life income fund is owned by a member owner, or

(ii) this life income fund is owned by a pension partner owner

(b) money deposited by the life income fund issuer under section 135(1)(a) of the Regulation or paid to by the life income fund issuer for deposit to this life income fund under section 135(1)(b) or (2) of the Regulation, or

(c) money deposited by the life income fund issuer from a locked-in retirement account under section 114(2) of the Regulation or from another life income fund under section 132(1) of the Regulation.

(2) The issuer of the life income fund must not accept a transfer to the life income fund of locked-in money unless the original or a certified copy of the signed waiver form in Form 7, 10, 14 or 15, as applicable, has been provided to the life income fund issuer.

Payments out

3(1) The owner of this life income fund must, at the beginning of each calendar year, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).

(2) Subject to subsection (3), the owner of this life income fund may, at any time that money is transferred to this life income fund, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).

(3) The additional payment in subsection (2) may not be made if the money that transferred into this life income fund was previously in another life income fund or a life income type benefits account.

(4) The owner of this life income fund may, at any time during a calendar year, change the amount of income that is to be paid out of the life income fund during that year to a different amount that accords with subsection (5).

(5) There must be paid from a life income fund in each calendar year an amount of income that accords with the following:

(a) not less than the life income fund minimum amount applicable to the owner for that year;

(b) not more than the life income fund maximum amount applicable to the owner for that year.

Limitation on withdrawals from this account

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

(2) Despite subsection (1), money may be withdrawn from this life income fund in the following limited circumstances:

(a) by way of a transfer to another life income fund on the relevant conditions specified in this addendum;

(b) to purchase a life annuity in accordance with section 7(1);

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(c) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;
(d) in accordance with Part 4 of this addendum.

(3) Without limiting subsections (1) and (2) and in accordance with in section 72 of the Act, money in this life income fund must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.

(4) The life income fund issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this life income fund.

General liability on improper payments or transfers

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

Remittance of securities

6(1) If this life income fund holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to which this is an addendum, be effected, at the option of the life income fund issuer and with the consent of the owner, by the transfer of any such securities.

(2) Subject to section 2, there may be transferred to this life income fund identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the life income fund issuer and consented to by the owner.

Restrictions on transfers

7(1) The money in this life income fund must not be transferred to an insurance company for the purchase of a life annuity unless
(a) there is no differentiation amongst the annuitants on the basis of gender, and
(b) if the member owner has a pension partner,
(i) the life annuity is in the form of a joint and survivor pension as described in section 90(2) of the Act, or
(ii) in the case of a life annuity that is different from the form of pension described in subclause (i), a waiver in Form 11 signed by the member owner's pension partner and provided to the life income fund issuer not more than 90 days before the transfer.

(2) The money in this life income fund must not be transferred to a locked-in retirement account.

Part 3 Death of Owner

Transfers on death of owner who was a pension plan member

8(1) If a member owner of a life income fund dies, the life income fund issuer must pay, by way of a lump sum payment, the money in the life income fund:
(a) to the deceased member owner's surviving pension partner;
(b) if the deceased member owner has no pension partner at the time of death, or if the deceased member owner has a surviving pension partner and a waiver in Form 16, signed by the surviving pension partner has been provided to the life income fund issuer
(i) to the deceased member owner's designated beneficiary, or
(ii) if there is no living designated beneficiary, to the personal representative of the deceased member owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the delivery to the issuer of the documents required to effect the payment.

Transfers on death of pension partner owner

9(1) If a pension partner owner of a life income fund dies, the life income fund issuer must pay, by way of a lump sum payment, the money in the life income fund,
(a) to the pension partner owner's designated beneficiary, or
(b) if there is no living designated beneficiary, to the personal representative of the pension partner owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the delivery to the issuer of the documents required to effect the payment.

Part 4 Withdrawal, Commutation and Surrender

YMPE based lump sum payment

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

Splitting of contract

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

Shortened life payments

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

Non residency for tax purposes

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

Financial hardship

14 The life income fund issuer will, on application made in accordance with section 140(3) of the Regulation, provide to the owner of the life income fund a lump sum amount, up to the amount prescribed under section 140(5) of the Regulation, if, at the time of the application, the owner meets the requirements of the financial hardship exception set out in section 140(4) of the Regulation.

LIFE INCOME FUND FOR BRITISH COLUMBIA (BC LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST ESTABLISHING A NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED LIFE INCOME FUND

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income fund specimen plan number 525-026 (the "Retirement Income Fund") and wishes same to receive the Transfer;

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

D. The parties now wish to supplement the Retirement Income Fund with the provisions of this Agreement, including the Life Income Fund Addendum attached hereto (the "Addendum"), in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Retirement Income Fund and this Agreement, the provisions of this Agreement shall prevail.

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

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

   The following terms shall have the following meaning.

   a) **"Fund"** refers to the Retirement Income Fund executed between the Annuitant, National Bank Financial Inc. (the "Agent") and the Trustee, as supplemented and modified by this Agreement and the Addendum establishing a Life Income Fund;

   b) **"Annuitant"** means the person identified as such in the Declaration and is also defined as the "owner" of the Fund under the Regulation;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. **Governing Law:** This Agreement shall be governed by the laws of the Province of British Columbia.

Pension Benefits Standards Regulation Life Income Fund Addendum

Part 1 — Definitions and Interpretation

1. Definitions and interpretation

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

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

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

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

"**life income fund issuer**" means the issuer of this life income fund;

"**life income fund maximum amount**", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the greatest of

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(a) the investment returns for the most recently completed calendar year for the owner's life income fund,

(b) the minimum amount of income that, under the *Income Tax Act* (Canada) or the Income Tax Regulations (Canada), is required to be paid out of the owner's life income fund that year, and

(c) the amount determined by dividing the life income fund balance by the withdrawal factor

where

"**CANSIM rate**", in relation to a period of not more than 12 months for which interest is payable, means the rate of interest on long-term bonds issued by the government of Canada for the month of November preceding the calendar year in relation to which the withdrawal factor is being calculated, determined by reference to the Canadian Socio-Economic Information Management System (CANSIM) Series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada;

"**life income fund balance**", in relation to a life income fund, means

(a) in the calendar year in which the fund is established, the balance of the owner's life income fund as at the date on which the fund is established, and

(b) in every subsequent calendar year, the balance of the owner's life income fund as at January 1 of the calendar year in which the calculation is made;

"**withdrawal factor**" means the actuarial present value on January 1 of the calendar year in which the calculation is made of an annuity of $1, payable at the beginning of each calendar year between that date and December 31 of the calendar year during which the owner reaches the age of 90 years, and calculated by using,

(a) for the first 15 calendar years in relation to which the actuarial present value is determined, the greater of the following:

(i) 6% per year;

(ii) the CANSIM rate, and

(b) for each calendar year after the first 15 calendar years, 6% per year;

"**locked-in money**" means

(a) money the withdrawal, surrender or receipt of which is restricted under section 68 of the Act,

(b) money to which paragraph (a) applies that has been transferred out of a pension plan

(i) to one or more locked-in retirement accounts or life income funds, and any interest on that money, or

(ii) to an insurance company to purchase an annuity that is permitted under the Act,

(c) money in a locked-in retirement account that was deposited into the locked-in retirement account under section 105 (1) of the Regulation or paid to the locked-in retirement account issuer under section 105 (2) or (3) (b) of the Regulation, and

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

"**member owner**" means the owner of this life income fund if

(a) the owner was a member of a pension plan, and

(b) this life income fund contains locked-in money from that plan;

"**owner**", in relation to this life income fund, means

(a) the member owner of this life income fund, or

(b) the spouse owner of this life income fund;

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

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

"**spouse owner**" means the owner of this life income fund if this life income fund contains locked-in money from a pension plan and the owner is

(a) the spouse or former spouse of a member of the pension plan or member owner whose entitlement to the locked-in money in this life income fund arose by virtue of a breakdown of the marriage or marriage-like relationship between the owner and the member or member owner, or

(b) the surviving spouse of a deceased member of the pension plan or member owner whose entitlement to the locked-in money in this life income fund arose by virtue of the death of the member or member owner;

"**this life income fund**" means the life income fund to which this addendum applies.

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

(a) they

(i) are married to each other, and

(ii) have not been living separate and apart from each other for a continuous period longer than 2 years;

(b) they have been living with each other in a marriage-like relationship for a period of at least 2 years immediately preceding the date.

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

Part 2 — Transfers in and Transfers and Payments out of Life Income Fund

2. Limitation on deposits to this life income fund

(1) Subject to subsection (2), the only money that may be deposited in this life income fund is

(a) locked-in money transferred from a pension plan if

(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) The life income fund issuer must not accept a transfer of locked-in money to this life income fund unless

(a) a copy of the consent required by section 103 (2) (c) or confirmation required by section 121 (1) (b) (ii) of the Regulation has been provided to the issuer, and

(b) if the locked-in money is coming from a pension plan by way of a transfer by a member of the plan or from a locked-in retirement account by way of a transfer by the owner of the account, the member or member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", is at least 50 years of age.

(3) For the purpose of subsection (2) (a), the spouse's consent or confirmation is valid for each successive transfer of money in this life income fund to another life income fund or a life income type benefits account in a pension plan.

3. Payment of retirement income

(1) The owner of this life income fund must, at the beginning of each calendar year, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).

(2) If the owner of this life income fund fails to notify the life income fund issuer in accordance with subsection (1) in any calendar year, the life income fund issuer must, subject to subsection (4), pay to the owner, in that year, the minimum amount of income that, under the *Income Tax Act* (Canada) or the Income Tax Regulations (Canada), is required to be paid out of the owner's life income fund in that year.

(3) The owner of this life income fund must, at any time that money is transferred to this life income fund, other than from another life income fund or a life income type benefits account in a pension plan, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).

(4) The owner of this life income fund may, at any time during a calendar year, change the amount of income that is to be paid out of this life income fund during that year to a different amount that accords with subsection (5).

(5) There must be paid from a life income fund in each calendar year an amount of income that is

(a) not less than the minimum amount of income that, under the *Income Tax Act* (Canada) or the Income Tax Regulations (Canada), is required to be paid out of the owner's life income fund in that year, and

(b) not more than the life income fund maximum amount applicable to the owner's life income fund for that year.

4. Limitation on payments and transfers from this life income fund

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

(2) Despite subsection (1), money may be paid or transferred from this life income fund in the following circumstances:

(a) by way of a transfer to another life income fund on the applicable conditions set out in this addendum;

(b) by way of a transfer to a locked-in retirement account;

(c) by way of a transfer to an insurance company to purchase an annuity in accordance with section 7;

(d) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;

(e) in accordance with Part 4 of this addendum.

(3) Without limiting subsections (1) and (2) of this section and in accordance with section 70 of the Act, money in this life income fund must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.

(4) The life income fund issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this life income fund.

5. General liability for improper payments or transfers

If the life income fund issuer pays or transfers money from this life income fund contrary to the Act or the Regulation,

(a) subject to paragraph (b), the life income fund issuer must,

(i) if less than all of the money in this life income fund is improperly paid or transferred, deposit into this life income fund an amount of money equal to the amount of money that was improperly paid or transferred, or

(ii) if all of the money in this life income fund is improperly paid or transferred, establish a new life income fund for the owner and deposit into that new life income fund an amount of money equal to the amount of money that was improperly paid or transferred, or

(b) if

(i) the money is transferred out of this life income fund to an issuer (the "transferee issuer") that is authorized under the Regulation to issue life income funds,

(ii) the transfer is contrary to the Act or the Regulation in that the life income fund issuer failed to advise the transferee issuer that the money is locked-in money, and

(iii) the life income fund issuer deals with the money in a manner that is contrary to the manner in which locked-in money must be dealt with under the Act or the Regulation, the life income fund issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subparagraph (iii).

6. Remittance of securities

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

(2) There may be transferred to this life income fund identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the life income fund issuer and consented to by the owner.

7. Retirement income from annuity

(1) The money in this life income fund must not be transferred to an insurance company to purchase an annuity unless

(a) payments under the annuity do not begin until the member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", as the case may be, has reached 50 years of age,

(b) payments under the annuity begin on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to begin receiving a pension from a registered pension plan,

(c) there is no differentiation among the annuitants on the basis of gender, and

(d) if the owner is a member owner who has a spouse,

(i) the annuity is in the form of a joint and survivor pension referred to in section 80 (2) of the Act, or

(ii) one of the following has been provided to the life income fund issuer:

(A) a waiver in Form 2 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member not more than 90 days before the date that payments are to begin;

(B) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.

(2) A transfer under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the transfer.

Part 3 — Death of Owner

8. Payment on death of member owner

(1) Subject to subsection (2), if this life income fund is owned by a member owner who has died and he or she is survived by a spouse, the life income fund issuer must pay the money in this life income fund to the surviving spouse.

(2) If this life income fund is owned by a member owner who has died and

(a) he or she is not survived by a spouse, or

(b) he or she is survived by a spouse and one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 4 of Schedule 3 of the Regulation signed by the spouse

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before the member owner's death in the presence of a witness and outside the presence of the member owner;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies, the life income fund issuer must pay the money in this life income fund to the member owner's designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.

(3) A payment under subsection (1) or (2) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

9. Payment on death of spouse owner

(1) If this life income fund is owned by a spouse owner who has died, the life income fund issuer must pay the money in this life income fund to the spouse owner's designated beneficiary, or, if there is no living designated beneficiary, to the personal representative of the spouse owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

Part 4 — Applications to Unlock All or Part of Life Income Fund

10. Lump-sum payment of small account balance

(1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (2) of the Act and section 126 of the Regulation if, on the date of the application,

(a) the balance of this life income fund does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or

(b) the owner is at least 65 years of age and the balance of this life income fund does not exceed 40% of the YMPE for the calendar year in which the application is made.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

11. No splitting of contract

If this life income fund is not eligible for the lump-sum payment option referred to in section 10 of this addendum, the money in this life income fund must not be divided and transferred to 2 or more locked-in retirement accounts, life income funds, pension plans or annuities or any combination of them if that transfer would make the money in any one or more of them eligible for a lump-sum payment option under section 10 of this addendum or section 69 (1) or (2) of the Act.

12. Shortened life

(1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the payment, or series of payments for a fixed term, referred to in section 69 (4) (a) of the Act of all or part of the money held in this life income fund if

(a) a medical practitioner certifies that the owner has an illness or a disability that is terminal or likely to shorten the owner's life considerably, and

(b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.

(2) A payment under subsection (1) must be made, or a series of payments under subsection (1) must begin, within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment or begin the series of payments.

13. Non-residency for tax purposes

(1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (b) of the Act and section 128 of the Regulation if

(a) the owner includes in the application

(i) a statement signed by the owner that the owner has been absent from Canada for 2 or more years, and

(ii) written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and

(b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.

(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.

14. Financial hardship

(1) On application by the owner of this life income fund in accordance with section 129 of the Regulation, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (c) of the Act, up to the amount prescribed under section 129 (5) of the Regulation, if

(a) the owner meets the requirements of the financial hardship exception set out in section 129 (4) of the Regulation, and

(b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the *Family Law Act* applies.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

LIFE INCOME FUND FOR NEW-BRUNSWICK (NB LIF)

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

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

B. The Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund and wishes same to receive the Transfer;

C. The Annuitant has duly completed and signed **Form 3.2** in Part I under the "Owner Transfer Information" section **AND** the pension plan administrator or financial institution effecting the Transfer has duly completed and signed **Form 3.2** in Part II under the "Transferor Information and Agreement" section;

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

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

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

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

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

b) "**Declaration**" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund;

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

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

e) "**LIF**" means a life income fund, being an RIF that meets the requirements set out in section 22 of the Regulation;

f) "**Life Annuity**" means a life or deferred life annuity contract that conforms with section 23 of the Regulations, the Act and paragraph 60(l) of the Tax Act;

g) "**LIRA**" means a locked-in retirement account, being a registered retirement savings plan (within the meaning in the Tax Act) that meets the requirements set out in section 21 of the Regulation;

h) "**Minimum Amount**" means the amount referred to in 6.c), but shall not be lower than the amount that is required to be paid out of the Fund under the Tax Act as determined in the Declaration;

i) "**Maximum Amount**" means the amount referred to in 6.c);

j) "**Regulation**" means *Regulation 91-195* adopted pursuant to the Act, as same may be amended from time to time;

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

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

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

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

2. Purpose of the Fund: Except as permitted by the Act and the Regulation, all money that is the subject of the Transfer, including all investment earnings thereon and gains realized thereof, but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to pay the Annuitant an income, the amount of which may vary annually, until the day on which the entire balance of the money in the Fund is converted into a Life Annuity. No money that is not locked-in may be transferred or otherwise held under this Fund.

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

The commuted value of the Annuitant's benefits provided under this Fund shall be determined in accordance with the Act and this Regulation if it is divided under section 44 of the Act;

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

5. Restrictions: No money transferred, including interest, shall be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under section 44 of the Act or subsection 57(6) of the Act;

No money transferred, including interest, shall be commuted or surrendered during the Annuitant's lifetime except under paragraph 9a) and 9b) of this contract, under section 44 or subsection 57(6) of the Act.

A transaction in contravention of this Section 5 is void.

6. Payments: Payments to the Annuitant until the day on which the entire balance of the money in the Fund is converted into a Life Annuity shall be determined in the Declaration and shall comply with the following conditions:

a) Commencement of payments. Payments shall commence not later than the last day of the second Fiscal Year of the Fund;

b) Annual Payments. The amount of the income (which must be between the Minimum Amount and the Maximum Amount) paid to the Annuitant during a Fiscal Year must be set by the Annuitant each year by notifying the Trustee of the amount no later than January 1 of such Fiscal year. Such notice expires on December 31 of such Fiscal year. If the Annuitant does not thereby notify the Trustee, the Annuitant will be deemed to have decided to receive the Minimum Amount with respect to such year and the Trustee will thereby pay the Minimum Amount out of the Fund in such year. For greater certainty, the Trustee does not agree to any interval of more than a year;

c) Maximum and Minimum Amount. Subject to 6.d) and 6.e) below, the amount of income paid during a Fiscal Year of the LIF will not be more than "M"

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("**Minimum Amount**") or less than "m" ("**Maximum Amount**"), where "**M**" and "**m**" are calculated using the following formulas:

$$\mathbf{M} = \frac{C}{F}$$

and

$$\mathbf{m} = \frac{C}{H}$$

and where

C = the balance of the money in the Fund on the first day of the Fiscal Year;

F = the value, on the first day of the Fiscal Year, of a guaranteed pension, the annual payment of which is $1 payable on the first day of each Fiscal Year between the 1st day of the Fiscal Year and the 31st day of December, inclusive, of the year in which the Annuitant attains the age of 90 years; and

H = the number of years between the 1st day of January of the year in which the calculation is made and the 31st day of December of the year in which the Annuitant attains the age of 90 years, inclusive.

The value of "F" shall be established at the beginning of each Fiscal Year using:

i) an interest rate of not more than 6% per year; or

ii) for the first 15 years after the date of the valuation of the Fund, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the government of Canada for the month of November preceding the calendar year in which the calculation is made, as published in the Bank of Canada Review as CANSIM Series B14013 and using an interest rate not exceeding 6% in subsequent years.

d) **Maximum Amount for First Fiscal Year**. In calculating "m" for the first Fiscal Year, "m" shall be equal to zero;

e) **Maximum Amount on Transfer from another LIF**. If the money in the Fund is derived from money transferred directly or indirectly during the first Fiscal Year of the Fund from another LIF of the Annuitant, "M" shall be equal to zero.

7. **Permitted transfers**: Prior to using the balance of the Fund to purchase an immediate Life Annuity, the Annuitant may transfer all or part of the balance of the LIF:

a) to the fund of a pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act, where permitted by the terms of such pension plan. However, the Annuitant shall not be entitled to make a transfer to a pension plan that is not registered in the Province unless the pension plan is registered for persons employed in a designated jurisdiction, and the Annuitant is employed in that jurisdiction by an employer who is making contributions on behalf of the Annuitant to the pension fund that is to receive the amount to be transferred;

b) to another LIRA;

c) to a LIF, provided that the minimum amount as defined under subsection 146.3(1) of the Tax Act is retained before transferring the balance of the LIF in accordance with paragraph 146.3(2)(e) of the Tax Act;

d) to purchase a Life Annuity;

e) to a registered RIF (that is not a LIF), provided that the Trustee receives the consent of the Superintendent pursuant to subsection 22(6.1) of the Regulation (upon application of the Annuitant to the Superintendent in accordance with the Act and the Regulation). Such approval may be obtained by filing with the Superintendent documentation in the form and manner prescribed by the Regulations, and the Superintendent shall approve the transfer if:

i) an amount has never previously been transferred under this paragraph or under subsection 22(6.1) of the Regulations on behalf of the Annuitant; and

ii) the amount to be transferred is not greater than the lesser of:

(1) 3 times the Maximum Amount; and

(2) 25% of the balance in the Fund on the first day of the Fiscal Year in which the transfer hereunder is to be made.

The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer. Subsections 21(8.1) to 21(11) of the Regulation shall apply to any transfer hereunder, with necessary modifications, including any necessary modification to Form 3.2.

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

The transfer pursuant to paragraphs 10.a), 7.b) and 10.c) shall be effected within 30 days from the Annuitant's application for transfer. A transfer pursuant to paragraph 10.d) shall be effected within a reasonable time. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, delay the requested transfer accordingly. A transfer pursuant to paragraphs 10.a), 7.b) and 10.c) may, at the option of the Trustee, be effected by the remittance to the Annuitant of the investment securities respecting the Fund.

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

a) **Shortened Life Expectancy Withdrawal.** The Annuitant may replace in whole or in part the deferred pension under an annuity by a payment or a series of payments and the amount of the payment or the present value of the series of payments, as the case may be, shall not be less than the present value of the deferred pension if the following conditions are met before the commencement of payments under the annuity:

i) a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy; and

ii) if the Annuitant has a Spouse or Common-law partner, the Annuitant delivers to the Trustee a completed spousal waiver on Form 3.01.

b) **Non-resident.** The Annuitant may withdraw the balance of the money in the Fund if:

i) the Annuitant and his or her Spouse or Common-law partner, if any, are not Canadian citizens;

ii) the Annuitant and his or her Spouse or Common-law partner, if any, are not resident in Canada for the purposes of the Tax Act; and

iii) the Annuitant 's Spouse or Common-law partner, if any, waives, on Form 3.5, any rights that he or she may have in the Fund under the Act, this Regulation or the contract.

The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 8 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Fund in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.

9. **Statements**

a) The Trustee undertakes to provide the Annuitant, at the beginning of each Fiscal Year, until the date on which all the money in the Fund is converted into a Life Annuity or transferred to a LIRA or LIF that conforms to the Act and the Regulations, or to similar legislation in another jurisdiction, a statement indicating the following information:

i) the amount of money deposited, its source, the accumulated earnings of the Fund and the withdrawals from the Fund during the immediately preceding Fiscal Year;

ii) any fees deducted since the preparation of the previous such statement and the balance of money in the Fund at the beginning of each Fiscal Year;

iii) the Maximum Amount; and

iv) the Minimum Amount.

b) If the Annuitant dies before the purchase of a Life Annuity, the Trustee shall provide to the Annuitant's Spouse, common-law partner, beneficiary, administrator or executor, as the case may be, a statement containing the information listed in subparagraphs 9.a)i) and 9.a)ii) hereof, determined as of the date of the Annuitant's death.

c) If the balance of the money in the Fund is converted to a Life Annuity or transferred to another LIF or LIRA that conforms to the Act and the Regulations or to similar legislation in another jurisdiction, the Trustee shall provide to the Annuitant a statement containing the information listed in subparagraphs 9.a)i) and 9.a)ii) hereof, as of the date of the conversion or transfer.

10. **Differentiation Based on Sex**

a) No money, including interest, in the Fund shall be used to purchase a life or deferred Life Annuity that differentiates on the basis of sex unless the commuted value of the deferred pension transferred from the plan into the Fund was determined on transfer in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of the sex.

b) If the information provided on the prescribed transfer form indicates that the commuted value of the Benefits transferred into the Fund was determined in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of sex, only money that is differentiated on the same basis may subsequently be transferred into the Fund.

11. **Marriage Breakdown**: Sections 27 to 33 of the Regulation apply with the necessary modifications to the division of the money in the Fund on the breakdown of a marriage or common-law partnership

12. **Death of the Annuitant**: If the Annuitant dies before purchasing a Life Annuity, the balance of the money in the Fund shall be paid:

a) to the Annuitant's Spouse or common-law partner, unless the Spouse or common-law partner waives on Form 3.02 all rights that he or she may have in the Account under the Act, this Regulation or this agreement;

b) if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner, to a beneficiary on death designated by the Annuitant; or

c) if the Annuitant has a Spouse or common-law partner who has waived all rights as mentioned in paragraph a) above or if the Annuitant does not have a Spouse or common-law partner and if the Annuitant has not designated a beneficiary on death designated by the Annuitant, to the estate of the Annuitant.

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

13. **Amendments**: an amendment to this Agreement shall not be made:

a) that would result in a reduction of the benefits arising from the Fund unless the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the money in the Fund in accordance with Section 7 hereof and, unless a notice is delivered to the Annuitant at least 90 days before the effective date, describing the amendment and the date on which the Annuitant may exercise the entitlement to transfer;

b) unless the Agreement as amended remains in conformity with the Act and this Regulation; or

c) except to bring this Agreement into conformity with requirements under an Act of the Legislature or other legislation in another jurisdiction.

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

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

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

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

d) That the commuted value of the pension benefits that were transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated on Form 3.2.

15. **Governing law**: This Agreement shall be governed by the laws of the Province of New Brunswick.

LIFE INCOME FUND FOR NOVA SCOTIA ADDENDUM
(FOR A LIF OPENED BEFORE APRIL 1, 2025)

SUPPLEMENTARY AGREEMENT ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled, pursuant to *Pension Benefits Act* (Nova Scotia) and the *Pension Benefits Regulations* (Nova Scotia), to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under the *Income Tax Act* (Canada) (the "Transfer");

B. the Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed retirement income fund with the Trustee and wishes same to receive the Transfer;

C. the Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;

D. the parties now wish to supplement the retirement income fund in order to comply with the requisite locking-in conditions.

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

1. **Definitions:** In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Schedule 4 or as in the Declaration. In addition, the following terms shall have the meaning indicated below:

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1.1 **"Act"** means the *Pension Benefits Act* (Nova Scotia), as same may be amended from time to time;

1.2. **"Annuitant"** has the same meaning as in the Declaration and is also referred to as the "owner" in Schedule 4.

1.3 **"Declaration"** means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund executed between the Annuitant and the Trustee;

1.4 **"Excess amount"** means the portion of the amount transferable under clause 61(1)(b) of the Act into a LIF, or the amount transferable under clause 67(1)(b) of the Act into a registered retirement savings arrangement; that is greater than the amount prescribed for the Transfer under the Federal *Income Tax Regulations*.

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

1.6 **"LIF"** or **"life income fund"** means a registered retirement income fund that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 205 to 210 and Schedule 4: Nova Scotia LIF Addendum;

1.7 **"LIRA"** or **"locked-in retirement account"** means a registered retirement savings plan that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 200 to 204 and Schedule 3, and includes a registered retirement savings plan established under a contract made before January 1, 2003, for the purposes of a transfer under the former Act;

1.8 **"Regulation"** means the *Pension Benefits Regulations* (Nova Scotia) adopted pursuant to the Act, as same may be amended from time to time;

1.9 **"RIF"** means a retirement income fund within the meaning of the *Federal Income Tax Act*, that is registered under that Act;

1.10 **"RSP"** means a retirement saving plan within the meaning of the *Federal Income Tax Act*, that is registered under that Act;

1.11 **"Schedule 4"** means the *Pension Benefits Regulations* (Nova Scotia)'s Schedule 4: Nova Scotia LIF Addendum included herein after, as same may be amended from time to time;

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

1.13 **"Trustee"** means Natcan Trust Company, 800 Saint-Jacques Street, Montreal, Quebec H3C 1A3, and is also referred to as the "financial institution" in Schedule 4 below.

2. **Locking-in provisions:** The Annuitant shall not be allowed to make any contribution, and no money which is not locked-in may be transferred or otherwise held under this Fund. The only money permitted to be transferred to this Fund must be all or part of the following:

a) an amount transferred under clause 61(l)(b) of the Act;
b) an amount transferred as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;
c) assets in a LIRA;
d) assets in a LIF.

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

4. **Permitted transfers and withdrawals:** No transfer or withdrawal of the money or assets held under this Fund is permitted unless such transfer is permitted under Schedule 4, the Act and the Regulations:

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

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

5. **Conditions for transfer:** Before transferring any money from this Fund to another financial institution, the Trustee shall advise the transferee financial institution in writing that the amount transferred must be administered in accordance with the Act and the Regulations. The transferee financial institution must also agree to administer the amount transferred in accordance with the Act and the Regulations.

6. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through an agent, in the manner provided in the Declaration of Trust creating the Retirement Income Fund. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the *Federal Income Tax Act* and the *Regulations* thereunder**.**

7. **Criteria of commuted value transferred:** The commute value of the pension benefits transferred into this Fund is not determined in a manner that differentiates on the basis of sex, unless the commute value of all the pension benefits transferred hereto where also determined on a basis that differentiates so.

8. **Death of the Annuitant:** Upon the Annuitant's death, the money and assets held under this Fund shall be payable in accordance with the Regulations. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.

9. **Statement:** The Trustee agrees to provide the information described in Section 14 of Schedule 4 to the persons indicated in that Section.

10. **Amendment:** The Trustee agrees not to amend this Fund except as provided in Schedule 4 and the Regulations. A 90 days prior written notice must be given by the Trustee to the Annuitant of any proposed amendment to the Fund, except if any of the following conditions are met:

a) the Trustee is required by law to make the amendment;
b) the Annuitant is entitled to transfer the assets of the Fund under the terms of the contract as they exist before the amendment takes effect.

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

11.1 that an entitlement to receive a pension under a pension plan governed by the Act is vested in him(her);

11.2 that he(she) is entitled to effect a transfer of his(her) pension entitlements pursuant to the Act;

11.3 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and

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

11.5 that he(she) have the written consent of his(her) spouse, in an approved form, to purchase a LIF, or is exempted from having this written consent according to the Regulations;

11.6 that the Trustee is entitled to rely upon the information provided by the Annuitant in order to purchase this retirement income Fund.

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

12. **Governing terms:** The money which is the object of the transfer shall be held by the Trustee in accordance with the terms of the retirement income fund and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the retirement income fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.

13. **Governing law:** This agreement is to be governed by and construed in accordance with the laws applicable in the Province of Nova Scotia.

14. **Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

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

Schedule 4: Nova Scotia LIF Addendum
(*Pension Benefits Regulations*)

Note: This document is Schedule 4 to the *Pension Benefits Regulations* (Nova Scotia). It forms part of the regulations and must be read, construed and interpreted in conjunction with the *Pension Benefits Act* and its regulations.

1. Definitions for this Schedule

In this Schedule,

1.1 "Act" means the *Pension Benefits Act*;

1.2 "domestic contract", as defined in Section 2 of the regulations, means a written agreement referred to in, and for the purpose of Section 74 of the Act, or Section 14 of the *Pooled Registered Pension Plans Act*, that provides for a division between spouses of any pension benefit, deferred pension, pension, LIRA or LIF and includes a marriage contract as defined in the *Matrimonial Property Act*;

1.3 "federal *Income Tax Act*", as defined in Section 2 of the regulations, means the *Income Tax Act* (Canada) and, unless specified otherwise, includes the regulations made under that Act;

1.4 "owner", means any of the following persons, as set out in subsection 205(2) of the regulations, who has purchased a LIF:

(i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,

(ii) a spouse of a person who was a member, and who is entitled to make a transfer under clause 61(1)(b) of the Act,

(iii) a person who has previously transferred an amount under clause 61(1)(b) of the Act into a LIRA or LIF,

(iv) a person who has previously transferred an amount into a LIF as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,

(v) a spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,

(vi) if the funds in the account of a pooled registered pension plan are used for the purchase, a person who transfers the amount in accordance with the *Pooled Registered Pension Plans Act* and the *Pooled Registered Pension Plans Regulations*,

(vii) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,

(viii) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,

(ix) a former member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers' Pension Plan Regulations,*

(x) a spouse of a person who was a member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers' Pension Plan Regulations;*

1.5 "regulations" means the *Pension Benefits Regulations* made under the Act;

1.6 "spouse", as defined in the Act, means either of 2 persons who

(i) are married to each other,

(ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,

(iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement, and

(iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or

(v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least

(A) 3 years, if either of them is married, or

(B) 1 year, if neither of them is married;

1.7 "Superintendent", means the Superintendent of Pensions, as defined in the Act;

1.8 "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.

1A. LIF governed by this Schedule cannot be purchased on or after April 1, 2025

(1) A LIF that is governed by this Schedule cannot be purchased on or after April 1, 2025.

(2) Money cannot be transferred into a LIF that is governed by this Schedule on or after April 1, 2025.

2. Fiscal year of LIFs

(1) In this Schedule, "fiscal year" means the fiscal year of a LIF.

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

3. Reference rate criteria

A reference rate in this Schedule for a fiscal year must meet all of the following criteria:

(a) it must be based on the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for November of the year immediately before the beginning of the fiscal year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series V122487, with the following adjustments applied successively to that nominal rate:

(i) an increase of 0.5%,

(ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest,

(iii) the rounding of the effective interest rate to the nearest multiple of 0.5%;

(b) it must not be less than 6%.

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Note Re Requirements of the *Pension Benefits Act* and *Regulations* and the *Pooled Registered Pension Plans Act* and its regulations

Prohibitions on transactions from Section 91 of Act

Under Section 91 of the Act and Section 12 of the *Pooled Registered Pension Plans 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 55;
- Section 198, respecting the transfer of an excess amount, as defined in that Section.

Pursuant to subsection 91(2) of the Act and subsection 12(2) of the *Pooled Registered Pension Plans Act*, any transaction that contravenes Section 91 of the Act or Section 12 of the *Pooled Registered Pension Plans Act* is void.

Value 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 benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans Act*;
- a domestic contract that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans 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, Section 90 of the Act, subsection 12(3) of the *Pooled Registered Pension Plans Act* or Section 13 of the *Pooled Registered Pension Plans 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 or Section 13 of the *Pooled Registered Pension Plans Act*.

4. Periodic payments of income out of LIFs

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

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

(a) the earliest date that the owner would have been entitled to receive a pension under any pension plan from which the money was transferred; or

(b) if all of the money in a LIF is derived from sources other than a pension benefit provided in respect of any employment of the owner, the date the owner turns 55 years old.

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

5. Amount of income payments from LIFs

(1) Subject to the minimum amount in Section 6 of this Schedule, an owner of a LIF must establish the amount of income to be paid during each fiscal year at the beginning of the fiscal year and after they have received the information required by Section 14 of this Schedule.

(2) Except as provided in subsection (5), an owner of a LIF must notify the financial institution providing the LIF of the amount to be paid out of the LIF each year and any owner who does not do so is deemed to have selected the minimum amount determined under Section 6 of this Schedule.

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

(a) except as provided in subsection (5), at the beginning of the fiscal year;

(b) at a time agreed to by the financial institution providing the LIF.

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

(5) If a financial institution providing a LIF guarantees the rate of return of the LIF over a period that is greater than 1 year, the period must end at the end of a fiscal year and the owner may establish the amount of income to be paid during the period at the beginning of the period.

6. Minimum annual LIF withdrawal

(1) The amount of income that is paid out of a LIF during a fiscal year must not be less than the minimum amount prescribed for a registered retirement income fund by the federal *Income Tax Act*, determined on the basis of the owner's age or the age of the owner's spouse if the spouse is younger than the owner.

(2) Despite Sections 7, 8, 10, 11 and 12 of this Schedule, if the minimum amount specified by subsection (1) is greater than the maximum amount determined under those Sections for a fiscal year, then the minimum amount under subsection (1) must be paid out of the LIF during the fiscal year.

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

If the initial fiscal year is less than 12 months long, the maximum amount determined under Sections 8, 10, 11 and 12 of this Schedule must be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as 1 month.

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

The maximum annual amount of life income to be paid each year from a LIF from which no temporary income is paid is determined by the following formula:

maximum payable = F x B

in which

F = is the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner's age at the end of the previous year

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year.

9. Withdrawal of temporary income from LIFs

(1) A LIF may provide that the owner is entitled to temporary income in accordance with this Section and Sections 10 and 11 of this Schedule.

(2) An owner of a LIF from which temporary income may be paid who is at least 54 years old but under 65 years old at the end of the calendar year before the date they apply, may apply in an approved form to the financial institution that provides a LIF for payment of temporary income from the LIF.

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

(a) before the owner is 55 years old; and

(b) after the end of the year in which the owner turns 65 years old.

(4) Temporary income is not payable if any portion of a payment out of a LIF is transferred to a registered retirement savings plan or a registered retirement income fund.

10. Maximum temporary income for fiscal year

(1) Except as provided in subsection (2), the maximum temporary income that may be paid during a fiscal year out of a LIF from which temporary income may be paid must be the lesser of the following amounts:

(a) the amount calculated by the following formula:

(50% 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 x B x D

in which

F = is the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner's age at the end of the previous year

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year

D = the factor in Schedule 6: Life Income Fund—Temporary Income Factor D that corresponds to the owner's age at the end of the previous fiscal year.

(2) If the amount determined under clause (1)(b) is less than 50% of the Year's Maximum Pensionable Earnings, then the maximum temporary income paid out of a LIF during a fiscal year must be the lesser of the following amounts:

(a) the amount calculated under clause (1)(a);

(b) the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF to the LIF in the same year.

11. Maximum life income withdrawal from LIFs

The maximum life income to be paid from a LIF from which a temporary income is paid is determined by the following formula, provided that the maximum must not be less than zero:

maximum payable = (F x B) - (Y ÷ D)

in which

F = the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner's age at the end of the previous year

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year

Y = the maximum annual temporary income determined under Section 10 of this Schedule

D = the factor in Schedule 6: Life Income Fund—Temporary Income Factor D that corresponds to the owner's age at the end of the previous year.

12. Maximum annual income payable if financial institution guarantees rate of return of LIFs

(1) If a financial institution that provides a LIF guarantees the rate of return of the LIF over a period greater than 1 year and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years during the period must be determined at the beginning of each fiscal year in the period in accordance with this Section.

(2) For each year after the initial fiscal year, the maximum income to be paid for the fiscal year under a LIF described in subsection (1) is equal to the lesser of the following amounts:

(a) the balance of the LIF at the time of payment in that year;

(b) the amount determined by the following formula:

maximum income = (I x B) ÷ RB

in which

I = the maximum income determined for the initial fiscal year under Section 11 of this Schedule

B = the balance of the LIF at the beginning of the fiscal year

RB = the reference balance determined at January 1 of the year as calculated under subsection (3).

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

RB = (PRB - I) + ((PRB - I) x RR/100)

in which

PRB = the reference balance

(i) at the beginning of the previous year, or

(ii) for the 2nd year of the period, the LIF balance at the beginning of the 1st year of the period

I = the maximum income determined for the initial fiscal year

RR = the reference rate for the year, if the fiscal year is one of the first 16 fiscal years of the LIF, or by 6% for any other year.

13. Income in excess of maximum

If income paid to an owner under a LIF during a fiscal year exceeds the maximum that may be paid, the balance of the LIF must not be reduced by the excess unless the payment is attributable to incorrect information provided by the owner.

14. Information to be provided annually by financial institution

At the beginning of each fiscal year, a financial institution providing a LIF must provide all of the following information to an owner about their LIF:

(a) with respect to the previous fiscal year:

(i) the sums deposited,

(ii) any accumulated investment earnings including any unrealized capital gains or losses,

(iii) the payments made out of the LIF,

(iv) any withdrawals from the LIF made under the following circumstances, in accordance with Sections 211 to 230 of the regulations:

(A) a mortgage default circumstance, as defined in clause 212(1)(a) of the regulations,

(B) a medical expense circumstance, as defined in clause 212(1)(b) of the regulations,

(C) a rental default circumstance, as defined in clause 212(1)(c) of the regulations,

(D) a reduced income circumstance, as defined in clause 212(l)(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;

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(c) the minimum amount that must be paid out as income to the owner during the current fiscal year;
(d) the maximum amount that may be paid out as income to the owner during the current fiscal year;
(e) for a LIF that provides for temporary income, and the owner was at least 54 years old but under 65 years old at the end of the previous year,
(i) how the owner may apply for temporary income to be paid to them after they turn 55 years old, and
(ii) a statement that payment of temporary income will reduce the income that would otherwise be paid to the owner after age 65;
(f) a statement that the maximum amount of income that may be paid to the owner during the fiscal year will not be increased if assets held in another LIF during the year are transferred to the LIF;
(g) if the beginning of the fiscal year is later than the beginning of the calendar year, a statement as to whether any sums deposited were held in another LIF during the year, and the amount of those deposits;
(h) a statement that if the owner wishes to transfer the balance of the LIF, in whole or in part, and still receive the income determined for the fiscal year from the LIF, then an amount must be retained in the LIF that is at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year;
(i) a statement that if the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under Section 15 of this Schedule, then the financial institution must provide the owner's spouse or beneficiary or the personal representative of their estate with the information in clauses (a) and (b), determined as of the date the owner died;
(j) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must provide the owner the information in clauses (a) and (b), determined as of the date of the transfer or annuity purchase;
(k) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must comply with Section 209 of the regulations, in accordance with subsection 15(6) of this Schedule.

15. Transferring assets from LIFs

(1) An owner of a LIF may transfer all or part of the assets in the LIF as follows:
(a) to either of the following:
(i) another LIF,
(ii) a LIRA, if permitted under the federal *Income Tax Act*;
(b) to purchase an immediate life annuity; or
(c) for an owner who is a member or former member of a pension plan that provides for variable pension benefits, to the owner's variable benefits account in accordance with Section 150 of the regulations, if the transfer is permitted by the plan.

(2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:
(a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;
(b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period, in which case the 30-day period begins to run from the date the term of investment expires.

(3) If assets in a LIF consist of identifiable and transferable securities, the financial institution providing the LIF may transfer the securities with the consent of the owner.

(4) If assets held in a LIF are transferred to another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner of the LIF must not be increased.

(5) A financial institution providing a LIF must advise the financial institution to which the assets of the LIF are transferred
(a) that the assets were held in a LIF in the current year; and
(b) whether the assets were determined in a manner that differentiated on the basis of sex.

(6) If the balance of a LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution providing the LIF must comply with Section 209 of the regulations.

16. Information to be provided by financial institution on transfer of balance of LIFs

If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution making the transfer must provide the owner with all of the information required to be provided annually under clauses 14(a) to (h) of this Schedule, determined as of the date of the transfer or annuity purchase.

17. Information to be provided upon transfer of additional amounts to LIFs

No later than 30 days after the date that money in locked-in funds that has not been held in a LIF at any time in the current year is transferred to a LIF, the financial institution providing the LIF must provide the owner with all of the following information:
(a) the information required to be provided annually under clauses 14(a) to (f) of this Schedule, determined as of the date of the transfer;
(b) the balance of the LIF used to determine the maximum amount that may be paid to the owner as income during the fiscal year.

18. Death benefits

(1) If the owner of a LIF dies, the following are entitled to receive a benefit equal to the value of the assets in the LIF, subject to subsections (4) and (5):
(a) the owner's spouse;
(b) if there is no spouse or if the spouse is otherwise disentitled under subsection (4) or (5), the owner's named beneficiary;
(c) if there is no named beneficiary, the personal representative of the owner's estate.

(2) For the purposes of subsection (1), a determination as to whether an owner of a LIF has a spouse must be made as of the date the owner dies.

(3) For the purposes of subsection (1), the value of the assets in a LIF includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIF from the date of death until the date of payment.

(4) A spouse is not entitled to receive the value of the assets in a LIF under clause (1)(a) if the owner of the LIF was not:
(a) a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF; or
(b) a member of a pooled registered pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF.

(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.

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

19. Waiver of entitlement to death benefits by spouse

(1) A spouse of an owner of a LIF may waive their entitlement to receive a benefit described in Section 18 of this Schedule from the LIF, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIF.

(2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIF dies.

20. Information to be provided by financial institution on death of owner

If the owner of a LIF dies before the balance in the LIF is transferred or used to purchase a life annuity contract, the financial institution providing the LIF must give the information required to be provided annually under clauses 14(a) to (g) of this Schedule, determined as of the date of the owner's death, to any person entitled to receive the assets in the LIF under subsection 18(1) of this Schedule.

LIFE INCOME FUND FOR NOVA SCOTIA (N-S LIF)

SUPPLEMENTARY AGREEMENT ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled, pursuant to *Pension Benefits Act* (Nova Scotia) and the *Pension Benefits Regulations* (Nova Scotia), to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under the *Income Tax Act* (Canada) (the "Transfer");

B. the Annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed retirement income fund with the Trustee and wishes same to receive the Transfer;

C. the Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;

D. the parties now wish to supplement the retirement income fund in order to comply with the requisite locking-in conditions.

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

1. Definitions: In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Schedule 4A or as in the Declaration. In addition, the following terms shall have the meaning indicated below:

1.1 "Act" means the *Pension Benefits Act* (Nova Scotia), as same may be amended from time to time;

1.2. "Annuitant" has the same meaning as in the Declaration and is also referred to as the "owner" in Schedule 4A.

1.3 "Declaration" means the Declaration of Trust of the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund executed between the Annuitant and the Trustee;

1.4 "Excess amount" means the portion of the amount transferable under clause 61(1)(b) of the Act into a LIF, or the amount transferable under clause 67(1)(b) of the Act into a registered retirement savings arrangement; that is greater than the amount prescribed for the Transfer under the Federal *Income Tax Regulations*.

1.5 "Fund" refers to the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund established by the Declaration executed between the Annuitant, National Bank Financial Inc. (division of NBDB) and the Trustee, as supplemented and modified by this Agreement establishing a LIF that will hold the locked-in money that is the subject of the Transfer;

1.6 "LIF" or **"life income fund"** means a registered retirement income fund that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 205 to 210 and Schedule 4A: Nova Scotia LIF Addendum;

1.7 "LIRA" or **"locked-in retirement account"** means a registered retirement savings plan that is a registered retirement savings arrangement as defined in clause 2(as) of the Act and meets the requirements in Sections 200 to 204 and Schedule 3, and includes a registered retirement savings plan established under a contract made before January 1, 2003, for the purposes of a transfer under the former Act;

1.8 "Regulation" means the *Pension Benefits Regulations* (Nova Scotia) adopted pursuant to the Act, as same may be amended from time to time;

1.9 "RIF" means a retirement income fund within the meaning of the *Federal Income Tax Act*, that is registered under that Act;

1.10 "RSP" means a retirement saving plan within the meaning of the *Federal Income Tax Act*, that is registered under that Act;

1.11 "Schedule 4A" means the *Pension Benefits Regulations* (Nova Scotia)'s Schedule 4A: Nova Scotia LIF Addendum included herein after, as same may be amended from time to time;

1.12 "Transfer" means the transfer referred to in paragraph A of the Recitals hereto.

1.13 "Trustee" means Natcan Trust Company, 800 Saint-Jacques Street, Montreal, Quebec H3C 1A3, and is also referred to as the "financial institution" in Schedule 4A below.

2. Locking-in provisions: The Annuitant shall not be allowed to make any contribution, and no money which is not locked-in may be transferred or otherwise held under this Fund. The only money permitted to be transferred to this Fund must be all or part of the following:

a) an amount transferred under clause 61(l)(b) of the Act;
b) an amount transferred as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;
c) assets in a LIRA;
d) assets in a LIF.

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

4. Permitted transfers and withdrawals: No transfer or withdrawal of the money or assets held under this Fund is permitted unless such transfer is permitted under Schedule 4A, the Act and the Regulations:

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

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Trustee shall be released from any liability in connection with this Fund to the extent of the transfer.

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

5. **Conditions for transfer:** Before transferring any money from this Fund to another financial institution, the Trustee shall advise the transferee financial institution in writing that the amount transferred must be administered in accordance with the Act and the Regulations. The transferee financial institution must also agree to administer the amount transferred in accordance with the Act and the Regulations.
6. **Investments:** The money and assets held under this Fund shall be invested by the Trustee, either directly or through an agent, in the manner provided in the Declaration of Trust creating the Retirement Income Fund. All investments of money or assets held under this Fund must comply with the rules for the investment of RIF money contained in the *Federal Income Tax Act* and the *Regulations* thereunder.
7. **Criteria of commuted value transferred:** The commute value of the pension benefits transferred into this Fund is not determined in a manner that differentiates on the basis of sex, unless the commute value of all the pension benefits transferred hereto where also determined on a basis that differentiates so.
8. **Death of the Annuitant:** Upon the Annuitant's death, the money and assets held under this Fund shall be payable in accordance with the Regulations. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.
9. **Statements:**
   (a) The Trustee agrees not to amend the contract except as provided in Schedule 4A and the regulations.
   (b) The Trustee agrees to provide the information described in Section 11 of Schedule 4A to the persons indicated in that Section.
10. **Amendment:** The Trustee agrees not to amend this Fund except as provided in Schedule 4A and the Regulations. A 90 days prior written notice must be given by the Trustee to the Annuitant of any proposed amendment to the Fund, except if any of the following conditions are met:
    a) the Trustee is required by law to make the amendment;
    b) the Annuitant is entitled to transfer the assets of the Fund under the terms of the contract as they exist before the amendment takes effect.
11. **Representation and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
    11.1 that an entitlement to receive a pension under a pension plan governed by the Act is vested in him(her);
    11.2 that he(she) is entitled to effect a transfer of his(her) pension entitlements pursuant to the Act;
    11.3 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and
    11.4 that the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement nor for anything done by the Trustee in accordance with the provisions hereof.
    11.5 that he(she) have the written consent of his(her) spouse, in an approved form, to purchase a LIF, or is exempted from having this written consent according to the Regulations;
    11.6 that the Trustee is entitled to rely upon the information provided by the Annuitant in order to purchase this retirement income Fund.
    11.7 That the commuted value of the pension benefits that was transferred herein was not determined on a basis that differentiated on the basis of sex, unless otherwise indicated in writing to the Trustee.
12. **Governing terms:** The money which is the object of the transfer shall be held by the Trustee in accordance with the terms of the retirement income fund and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the retirement income fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.
13. **Governing law:** This agreement is to be governed by and construed in accordance with the laws applicable in the Province of Nova Scotia.
14. **Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
15. **Effective date:** This addendum takes effect on the date of transfer of assets into the Fund.

Schedule 4A: Nova Scotia LIF Addendum

(Pension Benefits Regulations)

Note: This document is Schedule 4A 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, or Section 14 of the *Pooled Registered Pension Plans Act*, that provides for a division between spouses of any pension benefit, deferred pension, pension, LIRA or LIF 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,
(iv) 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,
(v) if the funds in the account of a pooled registered pension plan are used for the purchase, a person who transfers the amount in accordance with the *Pooled Registered Pension Plans Act* and the *Pooled Registered Pension Plans Regulations*,
(vi) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
(vii) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
(ix) a former member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers' Pension Plan Regulations*,
(x) a spouse of a person who was a member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers' Pension Plan Regulations*;

"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;

"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) 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 longterm 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 and the *Pooled Registered Pension Plans Act* and its regulations
Prohibitions on transactions from Section 91 of Act

Under Section 91 of the Act and Section 12 of the *Pooled Registered Pension Plans 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:

- Section 198, respecting the transfer of an excess amount, as defined in that Section
- Sections 211 through 229, 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 55
- Section 233A, respecting withdrawal of amounts upon transfer into Schedule 4A LIF

Pursuant to subsection 91(2) of the Act and subsection 12(2) of the *Pooled Registered Pension Plans Act*, any transaction that contravenes Section 91 of the Act or Section 12 of the *Pooled Registered Pension Plans Act* is void.

Values of assets in LIF 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 a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans Act*
- a domestic contract that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans Act*
- the regulations

Money held in LIF

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, Section 90 of the Act, subsection 12(3) of the *Pooled Registered Pension Plans Act* or Section 13 of the *Pooled Registered Pension Plans 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 or Section 13 of the *Pooled Registered Pension Plans 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.

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

(a) the earliest date that the owner would have been entitled to receive a pension under any pension plan from which the money was transferred; or
(b) if all of the money in a LIF is derived from sources other than a pension benefit provided in respect of any employment of the owner, the date the owner turns 55 years old.

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

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 11 of this Schedule.

(2) Except as provided in subsection (5), an owner of a LIF must notify the financial institution providing the LIF of the amount to be paid out of the LIF each year and any owner who does not do so is deemed to have selected the minimum amount determined under Section 6 of this Schedule.

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

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

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

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(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.

(2) Despite Sections 7, 8 and 9 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 and 9 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

8 The maximum annual amount of life income to be paid each year from a LIF is determined by the following formula:

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.

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

9(1) If a financial institution that provides a LIF guarantees the rate of return of the LIF over a period greater than 1 year and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years during the period must be determined at the beginning of each fiscal year in the period in accordance with this Section.

(2) For each year after the initial fiscal year, the maximum income to be paid for the fiscal year under a LIF described in subsection (1) is equal to the lesser of the following amounts:

(a) the balance of the LIF at the time of payment in that year;

(b) the amount determined by the following formula:

maximum income = (I × B) ÷ RB

in which

I = the maximum income determined for the initial fiscal year under Section 8 of this Schedule

B = the balance of the LIF at the beginning of the fiscal year

RB = the reference balance determined at January 1 of the year as calculated under subsection (3).

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

RB = (PRB - I) + [(PRB - I) × 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

10 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

11(1) 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 229 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) 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;

(f) 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;

(g) 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;

(h) 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 12 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;

(i) 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;

(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 comply with Section 209 of the regulations, in accordance with subsection 12(6) of this Schedule.

(2) If the assets in the LIF are withdrawn or transferred under Sections 211 to 233C, a financial institution that provided the LIF must provide to the owner the information described in subclauses (1)(a)(i) to (vi) and clause (b), determined as of the date of the transfer or withdrawal.

Transferring assets from LIFs

12(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*;

(b) to purchase an immediate life annuity; or

(c) for an owner who is a member or former member of a pension plan that provides for variable pension benefits, to the owner's variable benefits account in accordance with Section 150 of the regulations, if the transfer is permitted by the plan.

(2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:

(a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;

(b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period, in which case the 30-day period begins to run from the date the term of investment expires.

(3) If assets in a LIF consist of identifiable and transferable securities, the financial institution providing the LIF may transfer the securities with the consent of the owner.

(4) If assets held in a LIF are transferred to another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner of the LIF must not be increased.

(5) A financial institution providing a LIF must advise the financial institution to which the assets of the LIF are transferred

(a) that the assets were held in a LIF in the current year; and

(b) whether the assets were determined in a manner that differentiated on the basis of sex.

(6) If the balance of a LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution providing the LIF must comply with Section 209 of the regulations.

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

13 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 11(a) to (g) 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

14 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 11(a) to (e) 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

15(1) If the owner of a LIF dies, the following are entitled to receive a benefit equal to the value of the assets in the LIF, subject to subsections (4) and (5):

(a) the owner's spouse;

(b) if there is no spouse or if the spouse is otherwise disentitled under subsection (4) or (5), the owner's named beneficiary;

(c) if there is no named beneficiary, the personal representative of the owner's estate.

(2) For the purposes of subsection (1), a determination as to whether an owner of a LIF has a spouse must be made as of the date the owner dies.

(3) For the purposes of subsection (1), the value of the assets in a LIF includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIF from the date of death until the date of payment.

(4) A spouse is not entitled to receive the value of the assets in a LIF under clause (1)(a) if the owner of the LIF was not

(a) a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF; or

(b) a member of a pooled registered pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF.

(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 16 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.

(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

16(1) A spouse of an owner of a LIF may waive their entitlement to receive a benefit described in Section 15 of this Schedule from the LIF, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIF.

(2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIF dies.

Information to be provided by financial institution on death of owner

17 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 11(a) to (f) 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 15(1) of this Schedule.

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LIFE INCOME FUND FOR NEWFOUNDLAND AND LABRADOR (NF LIF)

ADDENDUM ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant wishes to transfer assets derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act, to a life income fund with the Trustee;

B. For these purposes, and to comply with the requirements of the Act, the Regulation and the Directive, the Annuitant and the Trustee wish to supplement the declaration of trust of the National Bank Direct Brokerage Inc. self-directed retirement income fund entered into between them (the "**declaration**") with this addendum. In the event of any conflict between the provisions of the declaration and this addendum, the provisions of this addendum prevail. In case of conflict between this addendum and the Directive, the Directive prevails.

NOW THEREFORE, the Annuitant and the Trustee agree as follows:

1. Definitions. Terms not defined in this addendum have the same meaning as in the declaration, the Act, the Regulation or the Directive. The terms below have the following meaning:

a) **"Act"** means the *Pension Benefits Act, 1997* (Newfoundland and Labrador);

b) **"Annuitant"** means the person identified as such in the Application and is also referred to as the "owner" under the Directive;

c) **"Directive"** means Directive no. 5 entitled "Life Income Fund Requirements". This Directive and the other Directives mentioned in this addendum are issued under the Act;

d) **"Fiscal Year"**, in connection with this Fund, means a calendar year terminating on December 31st and not exceeding 12 months;

e) **"LIF"** refers to a life income fund, namely a RIF that is locked-in in accordance with the Regulation and meets the requirements set out in the Directive;

f) **"Life Annuity Contract"** means an arrangement made to purchase, through a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act, a non-commutable pension, in accordance with Directive No. 6, that will not commence before the Annuitant attains the age of 55 years, or, if the Annuitant provides satisfactory evidence that the plan or any of the plans from which the assets were transferred provided for payment of the pension at an earlier age, that earlier age;

g) **"LIRA"** refers to a locked-in retirement account, namely a registered retirement savings plan within the meaning in the Tax Act that is locked-in in accordance with the Regulation and meets the requirements set out in Directive no. 4;

h) **"LRIF"** refers to a locked-in retirement income fund, namely a RIF that is locked-in in accordance with the Regulation and meets the requirements set out in Directive no. 17;

i) **"Regulation"** means the *Pension Benefits Act Regulations* (Newfoundland and Labrador) under the Act;

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

k) **"Spouse"** has the meaning given to the term "principal beneficiary" under the Directive, but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of the provisions of the Tax Act respecting a RIF;

l) **"Tax Act"** means the I*ncome Tax Act* (Canada) and the regulations adopted thereunder;

m) **"Trustee"** means Natcan Trust Company, 800 Saint-Jacques Street, Montreal, Quebec H3C 1A3, the carrier of the Fund also referred to as the "financial institution" in the Regulation and the Directive.

2. Purpose of the Fund. Subject to the Act, the Regulation and the Directive, all assets in the Fund, including investment earnings, but excluding fees, charges, expenses and taxes charged to the Fund, are used to provide a pension benefit for the Annuitant. No assets that are not locked-in may be transferred to or held in the Fund.

3. Investments. The assets in the Fund are invested in the manner provided in the declaration. All investments must comply with the rules set out in the Tax Act regarding investments in a RIF.

4. Restrictions. The Annuitant agrees not to assign, charge, anticipate, or give as security assets payable under the Fund except as permitted under the Act.

5. Value of the Fund. The fair market value of the Fund, as determined by the Trustee in good faith, is used to establish the balance of the assets in the Fund at any particular time, including on the death of the Annuitant, the establishment of a Life Annuity Contract or a transfer of assets. Any such determination by the Trustee is conclusive for all purposes hereof.

6. Payments. Payments to the Annuitant are subject to the following conditions:

a) **Commencement of payments.** Payments may not begin before the earlier of age 55 or the earliest date on which the Annuitant could receive a pension benefit under the Act or the originating pension plan from which assets were transferred and not later than the last day of the second Fiscal Year.

b) **Annual payments.** The amount of income payable during each Fiscal Year is, subject to the minimum and maximum amounts provided below, set by the Annuitant each year by notice to the Trustee no later than January 1. A notice expires on December 31 of the Fiscal Year to which it relates. If the Annuitant does not provide such notice in a given Fiscal Year, the minimum amount provided in subsection c) below is deemed to be the amount paid for that year.

c) **Minimum amount.** The amount of income paid out of the Fund during a Fiscal Year must not be less than the minimum amount prescribed for RIF under the Tax Act.

d) **Maximum amount.** The amount of income paid out of the Fund during a Fiscal Year must not exceed the "maximum" amount, being the greater of (i) and (ii) as follows:

i) the amount calculated using the formula

C/F

in which

C = the value of the assets in the Fund at the beginning of the Fiscal Year.

F = the present value, at the beginning of the Fiscal Year, of a pension of which the annuity payment is $1 payable at the beginning of each Fiscal Year between that date and the 31st day of December of the year in which the Annuitant reaches 90 years of age; and

ii) the amount of the investment earnings, including any unrealized capital gains or losses, of the Fund in the immediately previous Fiscal Year.

The value "F" above must be established at the beginning of each Fiscal Year of the Fund using an interest rate as follows:

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 V 122487 in the CANSIM System; and

ii) for the sixteenth and each subsequent year, a rate of 6% per year.

e) **Maximum amount for first Fiscal Year.** For the initial year of the Fund, the "maximum" determined in subsection d) and section 7 is adjusted in proportion to the number of months in that Fiscal Year divided by 12, with any part of an incomplete month counting as one month.

f) **Maximum amount on transfer from another LIF or LRIF.** If a part of the Fund corresponds to assets transferred directly or indirectly from another LIF or LRIF of the Annuitant during the Fiscal Year, the "maximum" determined in subsection d) and section 7 is deemed to be zero in respect of the part transferred in.

g) **Maximum amount on transfer from other financial institutions.** Notwithstanding subsection f), the Trustee may allow money to be paid to the Annuitant provided that the total amount received by the Annuitant from all financial institutions in respect of that part transferred in during the Fiscal Year does not exceed the "maximum" in subsection d) and section 7 for that part. In this case, the Trustee must receive information, in writing, from the prior financial institution(s) which confirms the amount already paid in the Fiscal Year in respect of that part of the Fund.

h) **Adjustments to payments due to transfers-in.** If in any Fiscal Year, an additional transfer is made to the Fund from a source other than a LIF or LRIF, the withdrawal of an additional amount from the Fund will be allowed in that Fiscal Year. This additional amount will not exceed the maximum amount that would have been allowed had the additional amount been transferred into a separate LIF.

7. Additional temporary income

a) **Entitlement.** Subject to subsection b), the Annuitant is entitled to receive additional temporary income where:

i) the maximum amount of income the Annuitant is entitled to receive for the calendar year in which the application is made, calculated as "B" hereunder, is less than 40% of the Year's Maximum Pensionable Earnings under the *Canada Pension Plan* (**"YMPE"**) for the calendar year in which the application is made; and

ii) the Annuitant has not reached his or her 65th birthday at the beginning of the Fiscal Year in which he or she makes application for additional temporary income.

b) **Maximum temporary income.** The amount of the additional temporary income paid out of the Fund in a Fiscal Year must not exceed the "maximum" using the formula

A-B

in which

A = 40% of the YMPE for the calendar year in which an application is made.

B = the maximum amount of income the Annuitant is entitled to receive from all LIFs, LRIFs, Life Annuity Contracts and pension plans governed by the Act or the pension benefits legislation of a designated province, as defined in the Act, or of Canada, excluding income from a pension under the *Canada Pension Plan* and excluding any withdrawals due to financial hardship from a retirement savings arrangement, for the calendar year in which the application is made.

c) **Application form.** An application for additional temporary income must be:

i) on a form approved by the Superintendent of Pensions;

ii) where the Annuitant is a former member of a pension plan, accompanied by the written consent of his or her Spouse; and

iii) submitted to the Trustee at the beginning of the Fiscal Year of the Fund, unless otherwise permitted by the Trustee.

8. Permitted withdrawals. A withdrawal, commutation or surrender of assets in the Fund, in whole or in part, is not permitted and will be void, unless otherwise permitted by the Directive as in the following circumstances:

a) Withdrawal for shortened life expectancy. The Annuitant may withdraw all or part of the assets as a lump sum or series of payments, in accordance with the Directive, if the following conditions are met:

i) a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably; and

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

b) Withdrawal of small balance. The Annuitant may withdraw a lump sum equal to the value of the entire Fund on application to the Trustee, in accordance with the Directive, if, at the time the Annuitant signs the application, the following conditions are met:

i) he or she has reached the earlier of age 55 or the earliest date on which the member or former member would have been entitled to receive a pension benefit under the plan from which assets were transferred;

ii) the value of all assets in all LIFs, LRIFs and LIRAs which are held by him or her and subject to the Act is less than 40% of the YMPE for the calendar year in which the application is made;

iii) within the same Fiscal Year, he or she has not elected to receive additional temporary income under section 7 or, where part of the Fund corresponds to assets transferred directly or indirectly from another LIF or LRIF, he or she has not elected to receive additional temporary income from that LIF or LRIF; and

iv) within the same calendar year, he or she has not made a withdrawal due to financial hardship under subsection c) from the Fund or, where part of the Fund corresponds to assets transferred directly or indirectly from a LIRA, another LIF, or a LRIF, he or she has not made a withdrawal due to financial hardship from the original retirement savings arrangement.

The application is made on a form approved by the Superintendent of Pensions and, where the Annuitant is a former member of a pension plan, is accompanied by a waiver of the joint and survivor pension entitlement in the form and manner required by the Superintendent.

c) Withdrawal due to financial hardship. Subject to any requirements outlined in this subsection, the Annuitant may withdraw a lump sum not greater than the sum of the following amounts on application to the Trustee, in accordance with the Directive:

i) an amount with respect to one of the following categories:

A) Low income: Where the Annuitant's expected total income for the one-year period following the date on which the application is signed, from all sources other than the withdrawal amount, is not more than 66.66% of the YMPE for the calendar year in which the application is signed, the amount determined by subtracting 75% of the expected total income from 50% of the YMPE for the calendar year in which the application for the withdrawal is signed;

B) Medical expenses: Where the Annuitant is unable to pay for medical expenses incurred or to be incurred by him or her, his or her Spouse, or a dependent of either and the medical expenses are not paid by and are not

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subject to reimbursement from any other source, the amount required to pay these medical expenses;

C) Disability-related expenses: Where the Annuitant is unable to pay for disability-related expenses incurred or to be incurred by him or her, his or her Spouse, or a dependent of either and the expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these disability-related expenses;

D) Mortgage payments: Where the Annuitant or his or her Spouse has received a written notice in respect of a default on a mortgage that is secured against the principal residence of either which will result in foreclosure or power of sale if the default is not rectified, the amount required to rectify the default;

E) Rental arrears: Where the Annuitant or his or her Spouse has received a written notice in respect of arrears in the payment of rent for the principal residence of either and either could be evicted if the arrears remain unpaid, the amount required to pay the rental arrears; or

F) First month's rent and security deposit: Where the Annuitant is unable to pay the first month's rent and the security deposit required to rent a principal residence for him or her or his or her Spouse, the amount required to pay the first month's rent and the security deposit;

and

ii) the amount of any applicable tax required to be witheld by the Trustee.

The application is made on a form approved by the Superintendent of Pensions and must include any supporting documentation required by the Regulation, which are specified on the form. Where the Annuitant is a former member of a pension plan, the application must be accompanied by the written consent of his or her Spouse, in the form and manner required by the Superintendent. The Annuitant may apply for withdrawal once within a calendar year for each category of financial hardship described in paragraph i) above.

d) Withdrawal by non-resident. The Annuitant may withdraw a lump sum equal to the value of the entire Fund, in accordance with the Directive, where he or she provides the Trustee with:

i) a statutory declaration in accordance with the *Evidence Act* confirming he or she has resided outside Canada for at least 2 consecutive calendar years and is residing outside of Canada on the date of signing the declaration; and

ii) where he or she is a former member of a pension plan, the written consent of his or her Spouse, in the form and manner required by the Superintendent of Pensions.

The Trustee may rely on the information provided by the Annuitant in any application made pursuant to this section and such application constitutes sufficient authorization to withdraw assets from the Fund.

9. Permitted transfers. Except as otherwise permitted in the Directive, assets in the Fund, including investment earnings, may not be transferred except:

a) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the Tax Act, to the pension fund of a registered pension plan subject to the Act or to a registered pension plan subject to the pension benefits legislation of a designated province, as defined in the Act, or of Canada;

b) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the Tax Act, to a LIRA;

c) to purchase a Life Annuity Contract that meets the requirements of the Superintendent of Pensions;

d) to another LIF; or

e) to a LRIF.

The Annuitant's application for transfer must be in a form satisfactory to the Trustee.

10. Conditions for transfer. Before transferring assets from the Fund as mentioned in section 9, the Trustee ensures that the transfer is permitted under the Act and notifies the transferee in writing that the assets transferred are to be administered as a pension benefit under the Act. The transferee must agree to abide by such condition.

11. Joint pension. The pension benefit payable to a former member who has a Spouse at the date the pension commences is a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of the former member unless the Spouse waives the entitlement in the form and manner required by the Superintendent of Pensions.

12. Death of the Annuitant. On the death of a former member of a pension plan who has a Spouse, the surviving Spouse, or where there is no surviving Spouse or the surviving Spouse has waived entitlement in the form and manner required by the Superintendent of Pensions, a designated beneficiary, or where there is no designated beneficiary, the estate of the member or former member is entitled to a lump sum payment of the full value of the Fund. Where, however, the Annuitant is not a former member of a pension plan, the full value of the Fund is paid to the designated beneficiary or, where there is no such beneficiary, to the Annuitant's estate.

13. Marriage breakdown. This addendum is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.

14. Irregular payment. If assets are paid out contrary to the Act or the Directive, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the assets not been paid out, unless the payment is attributable to a false declaration by the Annuitant.

15. Amendment. The Trustee may not amend this addendum except where it has given the Annuitant at least 90 days written notice and an explanation of the proposed amendment.

An amendment that would result in a reduction in the Annuitant's benefits under this addendum is permitted only where:

a) the Trustee is required by law to make the amendment; and

b) the Annuitant is entitled to transfer the balance in the Fund under the terms of the addendum that existed before the amendment is made.

When making such an amendment, the Trustee provides written notice to the Annuitant of the nature of the amendment and allows him or her at least 90 days after the written notice is given to transfer all or part of the balance in the Fund.

Notice under this section is sent either by mail to the Annuitant's address as set out in the records of the Trustee or, subject to receiving the authorization of the Annuitant, by electronic means provided that the e-communication is accessible by the Annuitant and capable of being retained to be usable for subsequent reference.

16. Statements

a) At the beginning of each Fiscal Year, the following information is provided to the Annuitant:

i) in relation to the previous Fiscal Year: the assets deposited; the amount of the investment earnings, including any unrealized capital gains or losses; the payments made out of the Fund; and the fees charged;

ii) the value of the assets in the Fund;

iii) the minimum amount that must be paid out of the Fund to the Annuitant during the current Fiscal Year;

iv) the maximum amount of income under subsection 6 d) that may be paid out of the Fund to the Annuitant during the current Fiscal Year; and

v) if applicable, notification that the Annuitant may be entitled to receive additional temporary income under section 7 during the current Fiscal Year.

b) If the balance of the Fund is transferred as described in section 9, the Annuitant must be given the information described in subsection a), determined as of the date of the transfer;

c) If the Annuitant dies, the person entitled to receive the balance of the Fund must be given the information described in subsection a), determined as of the date of the Annuitant's death.

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

a) The assets transferred herein pursuant to the Act, the Regulation and the Directive are locked-in assets resulting directly or indirectly from the commuted value of a pension benefit;

b) The provisions of the pension plan do not prohibit the Annuitant from entering into this addendum and, in the event that such prohibition does exist, the Trustee is not liable for the consequences to the Annuitant of executing this addendum nor for anything done in accordance with the provisions hereof;

c) The Annuitant has the consent of his or her Spouse for the establishment of and transfer of assets into the Fund, or is exempt from obtaining this consent under the Act, the Regulation or the Directive; and

d) The commuted value of the pension benefit transferred herein is not determined in a manner that differentiates on the basis of sex, unless otherwise indicated in writing to the Trustee.

18. Governing law: This addendum is to be governed by and construed in accordance with the laws applicable in the Province of Newfoundland and Labrador.

19. Effective date: This addendum takes effect on the date of transfer of assets into the Fund.

LOCKED-IN RETIREMENT INCOME FUND FOR NEWFOUNDLAND AND LABRADOR (NF LRIF)

ADDENDUM ESTABLISHING A LOCKED-IN RETIREMENT INCOME FUND UNDER THE NATIONAL BANK DIRECT BROKERAGE INC. SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant wishes to transfer assets derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act, to a locked-in retirement income fund with the Trustee;

B. For these purposes, and to comply with the requirements of the Act, the Regulation and the Directive, the Annuitant and the Trustee wish to supplement the declaration of trust of the National Bank Direct Brokerage Inc. self-directed retirement income fund entered into between them (the "**declaration**") with this addendum. In the event of any conflict between the provisions of the declaration and this addendum, the provisions of this addendum prevail. In case of conflict between this addendum and the Directive, the Directive prevails.

NOW THEREFORE, the Annuitant and the Trustee agree as follows:

1. Definitions. Terms not defined in this addendum have the same meaning as in the declaration, the Act, the Regulation or the Directive. The terms below have the following meaning:

a) **"Act"** means the *Pension Benefits Act, 1997* (Newfoundland and Labrador);

b) **"Annuitant"** means the person identified as such in the Application and is also referred to as the "owner" under the Directive;

c) **"Directive"** means Directive no. 17 entitled "Locked-In Retirement Income Fund Requirements". This Directive and the other Directives mentioned in this addendum are issued under the Act.;

d) **"Fiscal Year"**, in connection with the Fund, means a calendar year terminating on December 31st and not exceeding 12 months;

e) **"LIF"** refers to a life income fund, namely a RIF that is locked-in in accordance with the Regulation and meets the requirements set out in Directive no. 5;

f) **"Life Annuity Contract"** means an arrangement made to purchase, through a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act, a non-commutable pension, in accordance with Directive no. 6, that will not commence before the Annuitant attains the age of 55 years, or, if the Annuitant provides satisfactory evidence that the plan or any of the plans from which the assets were transferred provided for payment of the pension at an earlier age, that earlier age;

g) **"LIRA"** refers to a locked-in retirement account, namely a registered retirement savings plan within the meaning of the Tax Act that is locked-in in accordance with the Regulation and meets the requirements set out in Directive no. 4;

h) **"LRIF"** refers to a locked-in retirement income fund, namely a RIF that is locked-in in accordance with the Regulation and meets the requirements set out in the Directive;

i) **"Regulation"** means the *Pension Benefits Act Regulations* (Newfoundland and Labrador) under the Act;

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

k) **"Spouse"** has the meaning given to the term "principal beneficiary" under the Directive, but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of the provisions of the Tax Act respecting a RIF;

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

m) **"Trustee"** means Natcan Trust Company, 800 Saint-Jacques Street, Montreal, Quebec H3C 1A3, the carrier of the Fund also referred to as the "financial institution" in the Regulation and the Directive.

2. Purpose of the Fund. Subject to the Act, the Regulation and the Directive, all assets in the Fund, including investment earnings, but excluding fees, charges, expenses and taxes charged to the Fund, are used to provide a pension benefit for the Annuitant. No assets that are not locked-in may be transferred to or held in the Fund.

3. Investments. The assets in the Fund are invested in the manner provided in the declaration. All investments must comply with the rules set out in the Tax Act regarding investments in a RIF.

4. Restrictions. The Annuitant agrees not to assign, charge, anticipate, or give as security assets payable under the Fund except as permitted under the Act.

5. Value of the Fund. The fair market value of the Fund, as determined by the Trustee in good faith, is used to establish the balance of the assets in the Fund at any particular time, including on the death of the Annuitant, the establishment of a Life Annuity Contract or a transfer of assets. Any such determination by the Trustee is conclusive for all purposes hereof.

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6. **Payments.** Payments to the Annuitant are subject to the following conditions:
   a) **Commencement of payments.** Payments may not begin before the earlier of age 55 or the earliest date on which the Annuitant could receive a pension benefit under the Act or the originating pension plan from which assets were transferred and not later than the last day of the second Fiscal Year.
   b) **Annual payments.** The amount of income payable during each Fiscal Year is, subject to the minimum and maximum amounts provided below, set by the Annuitant each year by notice to the Trustee no later than January 1. A notice expires on December 31 of the Fiscal Year to which it relates. If the Annuitant does not provide such notice in a given Fiscal Year, the minimum amount provided in subsection c) below is deemed to be the amount paid for that year.
   c) **Minimum amount.** The amount of income paid out of the Fund during a Fiscal Year must not be less than the minimum amount prescribed for RIF under the Tax Act.
   d) **Maximum amount.** The amount of income paid out of the Fund during a Fiscal Year must not exceed the "maximum", being the greater of i), ii) and iii) as follows:
      i) the amount of the investment earnings, including any unrealized capital gains or losses, from the time the Fund was established to the end of the most recently completed Fiscal Year and, with respect to any assets in the Fund that are derived directly from assets transferred from a LIF, the amount of the investment earnings, including any unrealized capital gains or losses, of the LIF in the final complete Fiscal Year, less the sum of all income paid to the Annuitant from the Fund;
      ii) the amount of the investment earnings, including any unrealized capital gains or losses, of the Fund in the immediately previous Fiscal Year; and
      iii) if the payment is being made in the Fiscal Year in which the Fund was established or in the Fiscal Year immediately following its establishment, 6% of the fair market value of the Fund at the beginning of that Fiscal Year.
   e) **Maximum amount for first Fiscal Year.** For the initial year of the Fund, the "maximum" determined in subsection d) and section 7 is adjusted in proportion to the number of months in that Fiscal Year divided by 12, with any part of an incomplete month counting as one month.
   f) **Maximum amount on transfer from another LRIF or LIF.** If a part of the Fund corresponds to assets transferred directly or indirectly from another LRIF or a LIF of the Annuitant during the Fiscal Year, the "maximum" determined in subsection d) and section 7 is deemed to be zero in respect of the part transferred in.
   g) **Maximum amount on transfer from other financial institutions.** Notwithstanding subsection f), the Trustee may allow money to be paid to the Annuitant provided that the total amount received by the Annuitant from all financial institutions in respect of that part transferred in during the Fiscal Year does not exceed the "maximum" in subsection d) and section 7 for that part. In this case, the Trustee must receive information, in writing, from the prior financial institution(s) which confirms the amount already paid in the Fiscal Year in respect of that part of the Fund.
   h) **Adjustments to payments due to transfers-in.** If in any Fiscal Year, an additional transfer is made to the Fund from a source other than a LIF or LRIF, the withdrawal of an additional amount from the Fund will be allowed in that Fiscal Year. This additional amount will not exceed the maximum amount that would have been allowed had the additional amount been transferred into a separate LRIF.

7. **Additional temporary income**
   a) **Entitlement.** Subject to subsection b), the Annuitant is entitled to receive additional temporary income where:
      i) the maximum amount of income the Annuitant is entitled to receive for the calendar year in which the application is made, calculated as "B" hereunder, is less than 40% of the Year's Maximum Pensionable Earnings under the *Canada Pension Plan* ("**YMPE**") for the calendar year in which the application is made; and
      ii) the Annuitant has not reached his or her 65th birthday at the beginning of the Fiscal Year in which he or she makes application for additional temporary income.
   b) **Maximum temporary income.** The amount of the additional temporary income paid out of the Fund in a Fiscal Year must not exceed the "maximum" using the following formula:

      A-B

      in which

      A = 40% of the YMPE for the calendar year in which an application is made.

      B = the maximum amount of income the Annuitant is entitled to receive from all LIFs, LRIFs, Life Annuity Contracts and pension plans governed by the Act or the pension benefits legislation of a designated province, as defined in the Act, or of Canada, excluding income from a pension under the *Canada Pension Plan* and excluding any withdrawals due to financial hardship from a retirement savings arrangement, for the calendar year in which the application is made.
   c) **Application form.** An application for additional temporary income must be:
      i) on a form approved by the Superintendent of Pensions;
      ii) where the Annuitant is a former member of a pension plan, accompanied by the written consent of his or her Spouse; and
      iii) submitted to the Trustee at the beginning of the Fiscal Year of the Fund, unless otherwise permitted by the Trustee.

8. **Permitted withdrawals.** A withdrawal, commutation or surrender of assets in the Fund, in whole or in part, is not permitted and will be void, unless otherwise permitted by the Directive as in the following circumstances:
   a) **Withdrawal for shortened life expectancy.** The Annuitant may withdraw all or part of the assets as a lump sum or series of payments, in accordance with the Directive, if the following conditions are met:
      i) a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably; and
      ii) where the Annuitant is a former member of a pension plan, such payment may only be made if his or her Spouse has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent of Pensions.
   b) **Withdrawal of small balance.** The Annuitant may withdraw a lump sum equal to the value of the entire Fund on application to the Trustee, in accordance with the Directive, if, at the time the Annuitant signs the application, the following conditions are met:
      i) he or she has reached the earlier of age 55 or the earliest date on which the member or former member would have been entitled to receive a pension benefit under the plan from which assets were transferred;
      ii) the value of all assets in all LRIFs, LIFs and LIRAs which are held by him or her and subject to the Act is less than 40% of the YMPE for the calendar year in which the application is made;
      iii) within the same Fiscal Year, he or she has not elected to receive additional temporary income under section 7 or, where part of the Fund corresponds to assets transferred directly or indirectly from another LRIF or LIF, he or she has not elected to receive additional temporary income from that LRIF or LIF; and
      iv) within the same calendar year, he or she has not made a withdrawal due to financial hardship under subsection c) from the Fund or, where part of the Fund corresponds to assets transferred directly or indirectly from a LIRA, LIF, or another LRIF, he or she has not made a withdrawal due to financial hardship from the original retirement savings arrangement.

      The application is made on a form approved by the Superintendent of Pensions and, where the Annuitant is a former member of a pension plan, is accompanied by a waiver of the joint and survivor pension entitlement, in the form and manner provided by the Superintendent.
   c) **Withdrawal due to financial hardship.** Subject to any requirements outlined in this subsection, the Annuitant may withdraw a lump sum not greater than the sum of the following amounts on application to the Trustee, in accordance with the Directive:
      i) an amount with respect to one of the following categories:
         A) Low income: Where the Annuitant's expected total income for the one-year period following the date on which the application is signed, from all sources other than the withdrawal amount, is not more than 66.66% of the YMPE for the calendar year in which the application is signed, the amount determined by subtracting 75% of the expected total income from 50% of the YMPE for the calendar year in which the application for the withdrawal is signed;
         B) Medical expenses: Where the Annuitant is unable to pay for medical expenses incurred or to be incurred by him or her, his or her Spouse, or a dependent of either and the medical expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these medical expenses;
         C) Disability-related expenses: Where the Annuitant is unable to pay for disability-related expenses incurred or to be incurred by him or her, his or her Spouse, or a dependent of either and the expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these disability-related expenses;
         D) Mortgage payments: Where the Annuitant or his or her Spouse has received a written notice in respect of a default on a mortgage that is secured against the principal residence of either which will result in foreclosure or power of sale if the default is not rectified, the amount required to rectify the default;
         E) Rental arrears: Where the Annuitant or his or her Spouse has received a written notice in respect of arrears in the payment of rent for the principal residence of either and either could be evicted if the arrears remain unpaid, the amount required to pay the rental arrears; or
         F) First month's rent and security deposit: Where the Annuitant is unable to pay the first month's rent and the security deposit required to rent a principal residence for him or her or his or her Spouse, the amount required to pay the first month's rent and the security deposit;

      and

      ii) the amount of any applicable tax required to be witheld by the Trustee.

      The application is made on a form approved by the Superintendent of Pensions and must include any supporting documentation required by the Regulation, which are specified on the form. Where the Annuitant is a former member of a pension plan, the application must be accompanied by the written consent of his or her Spouse, in the form and manner required by the Superintendent. The Annuitant may apply for withdrawal once within a calendar year for each category of financial hardship described in paragraph i) above.
   d) **Withdrawal by non-resident.** The Annuitant may withdraw a lump sum equal to the value of the entire Fund, in accordance with the Directive, where he or she provides the Trustee with:
      i) a statutory declaration in accordance with the *Evidence Act* confirming he or she has resided outside Canada for at least 2 consecutive calendar years and is residing outside of Canada on the date of signing the declaration; and
      ii) where he or she is a former member of a pension plan, the written consent of his or her Spouse, in the form and manner required by the Superintendent of Pensions.

   The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this section and such application constitutes sufficient authorization to withdraw assets from the Fund.

9. **Permitted transfers.** Except as otherwise permitted in the Directive, assets in the Fund, including investment earnings, may not be transferred except:
   a) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the Tax Act, to the pension fund of a registered pension plan subject to the Act or to a registered pension plan subject to the pension benefits legislation of a designated province, as defined in the Act, or of Canada;
   b) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the Tax Act, to a LIRA;
   c) to purchase a Life Annuity Contract that meets the requirements of the Superintendent of Pensions;
   d) to a LIF; or
   e) to another LRIF.

   The Annuitant's application for transfer must be in a form satisfactory to the Trustee.

10. **Conditions for transfer.** Before transferring assets from the Fund as mentioned in section 9, the Trustee ensures that the transfer is permitted under the Act and notifies the transferee in writing that the assets transferred are to be administered as a pension benefit under the Act. The transferee must agree to abide by such condition.

11. **Joint pension.** The pension benefit payable to a former member who has a Spouse at the date the pension commences is a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of the former member unless the Spouse waives the entitlement in the form and manner required by the Superintendent of Pensions.

12. **Death of the Annuitant.** On the death of a former member of a pension plan who has a Spouse, the surviving Spouse, or where there is no surviving Spouse or the surviving Spouse has waived entitlement in the form and manner required by the Superintendent of Pensions, a designated beneficiary, or where there is no designated beneficiary, the estate of the member or former member is entitled to a lump sum payment of the full value of the Fund. Where, however, the Annuitant is not a former member of a pension plan, the full value of the Fund is paid to the designated beneficiary or, where there is no such beneficiary, to the Annuitant's estate.

13. **Marriage breakdown.** This addendum is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.

14. **Irregular payment.** If assets are paid out contrary to the Act or the Directive, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the assets not been paid out, unless the payment is attributable to a false declaration by the Annuitant.

15. **Amendment.** The Trustee may not amend this addendum except where it has given the Annuitant at least 90 days written notice and an explanation of the proposed amendment.

    An amendment that would result in a reduction in the Annuitant's benefits under this addendum is permitted only where:
    a) the Trustee is required by law to make the amendment; and
    b) the Annuitant is entitled to transfer the balance in the Fund under the terms of the addendum that existed before the amendment is made.

    When making such an amendment, the Trustee provides written notice to the Annuitant of the nature of the amendment and allows him or her at least 90 days after the written notice is given to transfer all or part of the balance in the Fund.

    Notice under this section is sent either by mail to the Annuitant's address as set out in the records of the Trustee or, subject to receiving the authorization of the Annuitant, by electronic means provided that the e-communication is accessible by the Annuitant and capable of being retained to be usable for subsequent reference.

16. **Statements**
    a) At the beginning of each Fiscal Year, the following information is provided to the Annuitant:

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i) in relation to the previous Fiscal Year: the assets deposited; the amount of the investment earnings, including any unrealized capital gains or losses; the payments made out of the Fund; and the fees charged;
ii) the value of the assets in the Fund;
iii) the minimum amount that must be paid out of the Fund to the Annuitant during the current Fiscal Year;
iv) the maximum amount of income under subsection 6 d) that may be paid out of the Fund to the Annuitant during the current Fiscal Year; and
v) if applicable, notification that the Annuitant may be entitled to receive additional temporary income under section 7 during the current Fiscal Year.

b) If the balance of the Fund is transferred as described in section 9, the Annuitant must be given the information described in subsection a), determined as of the date of the transfer;
c) If the Annuitant dies, the person entitled to receive the balance of the Fund must be given the information described in subsection a), determined as of the date of the Annuitant's death.

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

a) The assets transferred herein pursuant to the Act, the Regulation and the Directive are locked-in assets resulting directly or indirectly from the commuted value of a pension benefit;
b) The provisions of the pension plan do not prohibit the Annuitant from entering into this addendum and, in the event that such prohibition does exist, the Trustee is not liable for the consequences to the Annuitant of executing this addendum nor for anything done in accordance with the provisions hereof;
c) The Annuitant has the consent of his or her Spouse for the establishment of and transfer of assets into the Fund, or is exempt from obtaining this consent under the Act, the Regulation or the Directive; and
d) The commuted value of the pension benefit transferred herein is not determined in a manner that differentiates on the basis of sex, unless otherwise indicated in writing to the Trustee.

18. Governing law. This addendum is to be governed by and construed in accordance with the laws applicable in the Province of Newfoundland and Labrador.

19. Effective date. This addendum takes effect on the date of transfer of assets into the Fund.

PRESCRIBED RETIREMENT INCOME FUND FOR SASKATCHEWAN (SK PRIF)

SUPPLEMENTARY AGREEMENT ESTABLISHING A PRESCRIBED RETIREMENT INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. (DIVISION OF NBDB) SELF-DIRECTED RETIREMENT INCOME FUND

RECITALS:

A. The Annuitant is entitled under the Act and the Regulation to transfer the commuted value of pension entitlements accumulated under a pension plan governed by the provisions of the Act and the Regulation (a **"Plan"**) to a RIF, as defined in section 29.1.

B. The annuitant has established a National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund and wishes same to receive the Transfer.

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

D. The parties now wish to supplement the National Bank Financial Inc. (division of NBDB) Self-Directed Retirement Income Fund in order to comply with the requisite conditions for such Transfer.

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

1. Definitions:

In this Agreement, all capitalized terms not otherwise defined herein shall have the same meaning as in the Retirement Income Fund. In addition, the following terms shall have the meaning indicated:

1.1 "Act" means the *Pension Benefits Act*, 1992 (Saskatchewan), as same may be amended from time to time;

1.2 "Financial institution" means the underwriter, depositary or issuer of a LIRA or RIF;

1.3 "Fiscal year" in connection with this Fund means a calendar year terminating on December 31;

1.4 "Fund" refers to the Retirement Income Fund executed between the Annuitant, National Bank Financial Inc. and the Trustee, as supplemented and modified by this Agreement establishing a Prescribed RIF;

1.5 "Life annuity contract" means an arrangement that (i) complies with the relevant provisions of the *Income Tax Act* (Canada), (ii) does not take into account the sex of the person or the co-annuitant, if any, in determining the amount of the pension, (iii) is made with an insurance business, and (iv) under which the insurance business guarantees the payment of a non-commutable pension not later than the end of the calendar year in which the person who is to receive the pension attains the maximum age prescribed under the *Income Tax Act* (Canada) where money is being transferred from a LIRA and, being a pension that will not commence before that person attains 55 years of age or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provide for payment of the pension at an earlier age, that earlier age;

1.6 "Locked-in retirement account" or **"LIRA"** means an RSP that meets the prescribed conditions of the Act and the Regulation;

1.7 "Prescribed RIF" means a retirement income arrangement that is a RIF and that meets the conditions set out in section 29.1 of the Regulation;

1.8 "Regulation" means all regulations adopted pursuant to the Act, as same may be amended from time to time;

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

1.10 "RSP" means a retirement saving plan within the meaning of the *Income Tax Act* (Canada) that is registered under that act;

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

1.12 "Transfer" means the transfer referred to in paragraph A of the Recitals hereto;

1.13 "Value of the Fund" for purposes of calculating the balance of the money and assets held under this Fund, shall mean the fair market value of the assets held under the Fund as determined by the Trustee in good faith.

2. Purpose of the Fund: Subject to section 5 herein, all money that is the subject of the Transfer, including all investment earnings thereon but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments the amount of which may vary annually and the amount to be paid in a year may not be less than the minimum amount prescribed under subsection 146.3(1) of the *Income Tax Act* (Canada).

The Annuitant shall not be allowed to make any additional contribution, and no money which is not locked-in may be transferred or otherwise held under this Fund.

3. Assets transferred to the Fund: The Trustee may not accept any transfer of assets to this Fund which do not originate from one of the following:

(a) a locked-in retirement account as defined in section 29;

(b) a life income fund that was entered into before the repeal of section 30;

(c) a locked-in retirement income fund that was entered into before the repeal of section 31;

(d) another RIF as defined in section 29.1;

(e) a plan, as a transfer pursuant to section 32 of the Act;

(g) the Saskatchewan Pension Plan established by The Saskatchewan Pension Plan Act.

4. Commencement of payments: All periodic payments to be made to the Annuitant under this Fund shall commence not earlier than the date at which the Annuitant reaches 55 years of age, or an earlier age if any Plans from which the funds herein were transferred allowed for a pension to begin at that earlier age.

5. Permitted transfers: The money and assets held under this Fund may be transferred in whole or in part (see note at article 11 of Federal LIF) to one of the following:

5.1 to another RIF on the conditions set out in section 29.1 of the Regulation;

5.2 to purchase a Life annuity contract, as stipulated at paragraph 60(l) of the *Income Tax Act* (Canada) and that meets the requirements of section 34 of the Act;

5.3 to an acknowledged LIRA on the conditions set out in section 29 of the Regulation.

Such transfer shall be made after the receipt by the Trustee or the Agent of written instructions from the Annuitant to that effect, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at section 6 hereof are fulfilled. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer.

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

6. Conditions for transfer: Before transferring any money from this Fund to another Financial institution, the Trustee shall advise the transferee Financial institution in writing of the status of the money being the object of the transfer and shall make the transfer subject to the compliance with the conditions set forth in section 29.1 of the Regulation.

Where the Trustee does not comply with any one of the above conditions, if the transferee Financial institution fails to pay the money transferred in the form of a pension or in the manner required or permitted by the Act or the Regulation, the Trustee shall provide or ensure the provision to the Annuitant of a pension in an amount that would have been provided had the money not been paid out or transferred contrary to the provisions of the Act or the Regulation.

7. Improper payments: Should the balance of the money held under this Fund be paid out contrary to the Act or the Regulation, the Trustee will provide or ensure the provision to the Annuitant of a pension in an amount that would have been provided had the balance of money not been so paid out.

8. Spousal relationship Breakdown: Notwithstanding any contrary provision of this Agreement, this Account shall be subject, mutadis mutandis, to the Provisions of Part IV of the Act relating to marriage breakdown.

9. Exemption from seizure: The money and assets held under this Fund may not be assigned, charged, alienated or anticipated and shall be exempted from execution, seizure or attachment, except to the extent provided by law. Any transaction purporting to assign, charge, alienate or anticipate the money or assets held under this Fund is void.

10. Death of the Annuitant: Should the Annuitant die before the transfer or the withdrawal of the whole of this Fund, notwithstanding any other provision of this Agreement, the money and assets held under this Fund shall be payable by way of lump sum to (i) the Annuitant's Spouse, if any, where the Annuitant was a member of the plan from which the money was transferred either directly or indirectly and the Spouse survives the Annuitant for 30 days or more, unless a spouse's waiver in Form 2 of the Appendix has been signed by the spouse and filed with the issuer; or (ii) in all other cases, to any beneficiary lawfully designated to receive same or, in the absence of such designation, to the estate of the Annuitant. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.

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

11.1 that an entitlement to receive a pension under a Plan is vested in him(her);

11.2 that he(she) is entitled to effect a transfer of his(her) pension entitlements pursuant to the Act; and

11.3 that the funds transferred herein were locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation;

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

11.5 where the Annuitant has a Spouse, the Spouse has consented to the Transfer in the manner prescribed by the Act and the Regulation.

12. Representations and warranties of the Trustee: The Trustee represents and warrants to the Annuitant that a specimen certified copy of the Retirement Income Fund and this Agreement, including any amendments thereto, has been filed with the Superintendent of Pensions for Saskatchewan, that same was approved by the Superintendent and that such approval has not been revoked.

13. Governing terms: The money which is the object of the transfer shall be held by the Trustee in accordance with the terms of the Retirement Income Fund and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the Retirement Income Fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.

14. Governing law: This Agreement shall be governed by the laws of the province of Saskatchewan.

15. Assigns: This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

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NATIONAL BANK FINANCIAL INC. EDUCATION SAVINGS PLAN
TERMS AND CONDITIONS (INDIVIDUAL PLAN)

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

a) **Application:** The application form for membership in the Plan attached hereof, completed and signed by each Subscriber, as amended from time to time in compliance with this agreement.

b) **Assets of the Plan:** means all property of any nature whatsoever which makes up the Plan, including assets transferred, contributions made to the Plan from time to time, CES Amount as well as any income, capital gains or other gains of any type whatsoever, generated or realized thereby (deduction made of all Promoter, Trustee and agent's fees, out-of-pocket expenses and costs incurred in connection with the administration of the Plan, including any tax, interest or penalty payable, which may be directly charged against and deducted from the Assets of the Plan) held in trust by the Promoter in compliance with this agreement and the RESP Legislation.

c) **Beneficiary:** means the individual designated on the Application by each Subscriber as a beneficiary to whom or for whom Educational Assistance Payments shall be paid if the requirements of the Plan and the RESP Legislation are satisfied at the time the Educational Assistance Payments are made.

d) **Designated Educational Institution:** means an educational institution located in Canada that is:

a) i) 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 Higher Education and Science of the Province of Quebec for the purposes of An Act respecting financial assistance for students of the Province of Quebec;

ii) certified by the Minister of HRSDC 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

b) all other educational institution authorized under the RESP Legislation.

e) **"Post-Secondary Educational Institution (PSEI)":** means:

a) an educational institution in Canada that is described in paragraph (a) of the definition "designated educational institution" in subsection 118.6(1) of the *Income Tax Act* (Canada), or;

b) an educational institution outside Canada that is a university, college or other educational institution that provides courses at a post-secondary school level at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks.

f) **Trustee:** means Natcan Trust Company, a trust company duly incorporated under the T*rust and Loan Companies Act* (Canada).

g) **RESP Legislation:** means the Applicable Tax Legislation and the Applicable CES Legislation.

h) **Applicable CES Legislation::** means where relevant

i) the provisions of the *Canada Education Savings Act* (Canada) and its regulations,

ii) the provisions of the *Department of Human Resources Development Act* (Canada) before the repeal of Part III.1 and its relevant regulations,

iii)) the provisions of any savings grant legislation and related regulations of a province of Canada under a program administered through an agreement under section 12 of the *Canada Education Savings Act* (Canada) and its regulations,

iv) the provisions of any legislation applicable to a designated provincial program or applicable to a program with similar objectives and financed directly or indirectly by a province, and there regulations.

i) **Applicable Tax Legislation:** means the *Income Tax Act* (Canada) and any provincial income tax legislation applicable in the province of residence of each Subscriber as mentioned in the Application, and all regulations related to these legislation.

j) **CES Amount:** means the amount of any Canada Education Savings grant and/or any Canada Learning Bond and/or any education savings grant, bond, incentive or other provided by a province of Canada under any Applicable CES Legislation.

k) **Post-secondary school level:** includes a program of courses, at an institution described in subparagraph (a)(ii) of the definition "designated educational institution" herein, of a technical or vocational nature designed to furnish a person with skills for, or improve a person's skills in, an occupation.

l) **Educational assistance payment:** means any amount, other than a refund of payments, paid out of an education savings plan to or for an individual to assist the individual to further its education at a post-secondary school level.

m) **Accumulated income payment:** means any amount paid out of the Plan, other than a payment described in any of paragraphs (a) and (c) to (e) of the definition "trust" under paragraph 146.1(1) of the *Income Tax Act* (Canada), to the extent that the amount so paid exceeds the fair market value of any consideration given to the plan for the payment of the amount.

n) **Qualified investment:** means a qualified investment for a trust governed by an education savings plan, as described under subsection 146.1(1) of the Income Tax Act (Canada).

o) **RESP Lifetime Limit:** means the maximum amount of total contributions that can be made to an RESP for a Beneficiary as set out in subsection 204.9(1) of the *Income Tax Act* (Canada).

p) **Qualified educational program:** means a program of not less than 3 consecutive weeks duration that provides that each student taking the program spend not less than 10 hours per week on courses or work in the program.

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) **Designated provincial program:** means

a) a program administered pursuant to an agreement entered into under section 12 of the *Canada Education Savings Act*, or

b) a program established under the laws of a province to encourage the financing of children's post-secondary education through savings in registered education savings plans.

s) **Promoter:** National Bank Financial Inc. as designated in the Application and also acting as the Trustee's agent with regards to the Plan.

t) **RESP and ESP:** means "registered education savings plan" and "education savings plan" as define under schedule 146.1 of the *Income Tax Act* (Canada).

u) **RRSP:** means "registered retirement savings plan" as define under section 146 of the *Income Tax Act* (Canada).

v) **Plan:** means the education savings plan established by the Promoter at the Subscribers' demand, in compliance with the terms and conditions of the Application and this agreement, as they may be amended from time to time.

w) **Specified Plan:** means an education savings plan:

a) that does not allow more than one beneficiary under the plan at any one time;

b) under which the beneficiary is an individual in respect of whom paragraphs 118.3(1)(a) to (b) of the *Income Tax Act* (Canada) apply for the beneficiary's taxation year that ends in the 31st year following the year in which the plan was entered into; and

c) that provides that, at all times after the end of the 35th year following the year in which the plan was entered into, no other individual may be designated as a beneficiary under the plan.

x) **Public Primary Caregiver:** with regards to a beneficiary under an education savings plan 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 in which the beneficiary resides;

y) "**HRSDC":** means the minister of Human Resources and Skills Development Canada.

z) "**Subscriber":** means:

a) each individual or the public primary caregiver with whom the promoter of the plan enters into the Plan and whose name is indicated as subscriber in the Application;

a.1) 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;

b) 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

c) after the death of an individual described in any of paragraphs (a) to (b), 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 the Beneficiary.

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 (a.1) or (b) is not a Subscriber under the Plan;

Where two individuals are identified as subscribers in the Application, each individual must be the spouse or common-law partner of the other within the meaning of the RESP Legislation. Unless other provisions are prescribed by the RESP Legislation or this agreement, each Subscriber is treated as a single subscriber.

2. Establishment of the Plan – The Subscriber establishes with the Promoter and the Trustee a trust arrangement where the Assets of the Plan are irrevocably held for any or a combination of the following purposes:

a) the payment of educational assistance payments;

b) Starting in 1998, the payment of accumulated income payments;

c) the refund of payments;

c.1) the repayment of amounts (and the payment of amounts related to that repayment) under the *Canada Education Savings Act* or under a designated provincial program;

d) the payment to, or to a trust in favour of, designated educational institutions in Canada referred to in subparagraph (a)(i) of the definition of that expression in subsection 118.6(1); or

e) the payment to a trust that irrevocably holds property pursuant to a registered education savings plan for any of the purposes set out in paragraphs (a) to (d).

The Plan shall constitute a trust arrangement for the purposes of Tax Legislation only, excluding any other purpose whatsoever. The Promoter, by inscribing its acceptance upon the Application, agrees to administer the Plan in the manner stipulated herein. Subject to registration of the Plan under the Tax Legislation, the trust arrangement shall take effect on the date of its acceptance by the Trustee on the Application.

3. Registration – The Promoter will apply for registration of the Plan as a RESP in the required form containing the required information in accordance with the RESP Legislation. The Promoter has the final responsibility for the Plan and its administration.

4. Beneficiary – Unless otherwise permitted by Applicable Tax Legislation, the Subscriber may designate as Beneficiary only those person who's social insurance number is provided at the time of designation if they are resident in Canada when the designation is made or if the designation is made in conjunction with a transfer from another RESP under which they were beneficiaries immediately before the transfer.

The Promoter must, within 90 days of an individual becoming a Beneficiary under the Plan, notify that individual (or, where the individual is under 19 years of age at that time and ordinarily resides with a parent or is maintained by a Public Primary Caregiver, that parent or PPC) in writing of the existence of the Plan and of each Subscriber's name and address.

The Subscriber may, by notice in writing to the Promoter, revoke the designation of a Beneficiary and designate another Plan Beneficiary. If more than one such instrument is delivered to the Promoter, the one dated most recently will apply.

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A newly designated Beneficiary may inherit the contribution history of the Beneficiary he replaces and Subscribers are the only responsible for the penalty tax which may then arise from RESP Legislation.

5. **Contributions –** Contributions in the Plan can only be made by or for a Subscriber towards the Beneficiary, including those made by transfer from another RESP.

   Contributions made by transfer from another RESP are not permitted if an Accumulated income payment has already been paid out from the other RESP.

   The Beneficiary for whom the contributions are made must be resident in Canada and must have a valid social insurance number at the time each contribution is made. Each Subscriber must inform the Promoter immediately regarding all modification in the Beneficiary's address or residence.

   Contributions can be made to the Plan until the end of the 31st year following the year in which the Plan was set up (or until the end of the 35th year following the year in which the Plan was set up if the Plan is a Specified Plan) whatever the age of the Beneficiary.

   Each Subscriber is responsible for ensuring that the total of all contributions made in a year for the Beneficiary does not exceed the RESP Lifetime Limit under the RESP Legislation, notably if the Beneficiary is also the beneficiary of other RESP. The Promoter and the Trustee have no responsibility regarding the respect of this obligation.

   In spite of the foregoing paragraph, the Promoter may at its sole discretion, but without being held to it, refuse a contribution made by a Subscriber for any reason.

   A contribution does not include an amount paid into the plan under or because of

   a) the *Canada Education Savings Act* or a designated provincial program, or

   b) any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by a province, other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan.

6. **Contribution refund.** Subject to reasonable requirements set by the Promoter, to RESP Legislation and to the extent of the Assets of the Plan, deduction made of any fees and charges that may be applicable to the Plan and of all previous payment; the Subscriber request to the Promoter in a form deemed satisfactory by the Promoter:

   a) refund of a contribution made to the Plan, except a contribution made by way of transfer from another RESP;

   b) refund of a amount that was paid by way of a transfer from another RESP, where the amount would have been a refund of payments under the other plan if it had been paid at that time directly to the subscriber under the other RESP;

   All such contribution refund made to one of the Subscriber or both, as the case may be, constitute for the Promoter and the Trustee a valid and sufficient release regarding the contribution refund paid out of the Plan

7. **Repayment of CES Amounts paid into the Plan.** The Promoter and the Trustee can not assess whether the Beneficiary is entitled to a CES Amount. Upon request from a Subscriber, and presentation of all forms required under Applicable CES Legislation duly completed and signed, the Promoter may present an application for the Plan to receive CES amounts in the name of the Beneficiary.

   Each Subscriber is responsible for ensuring that the total of CES amounts received by a Beneficiary do not exceed the maximum amount prescribed by Applicable CES legislation, notably if the Beneficiary is also the beneficiary of other RESP. The Promoter and the Trustee are not liable with regards to CES amount receiving above the limits established.

   Repayments of CES amounts paid into the Plan pursuant to an error will be made by the Promoter when required by the Minister of HRSDC in accordance with Applicable CES Legislation. Such Repayment of CES Amount will be withdrawn directly from the Assets of the Plan.

8. **Transfers.** Subject to reasonable requirements set by the Promoter and when permitted by RESP Legislation, the Subscriber request in writing a total or partial transfer of the Assets of the Plan (including CES amounts) into another RESP.

   Neither the Promoter nor the Trustee are liable for the transfers made upon the Subscriber's request, notably if they give rise to adverse tax consequences or result in repayment of CES amounts paid into the Plan or limitations on future payments of CES amounts into the Plan for the Beneficiary under the Plan.

   Once a transfer is completed in accordance with RESP Legislation, the Promoter and the Trustee no longer hold any responsibility towards the Assets of the Plan transferred

9. **Liquidation of Plan Assets.** For the purpose of making payments in this agreement, the Promoter will liquidate the investments that make up the Assets of the Plan according to each Subscriber's instructions. Failing instructions from Subscribers, the Promoter, shall liquidate such investments as it shall deem appropriate in the circumstances, at its sole discretion. Notwithstanding any other terms of this agreement, payment from the proceeds of a non-redeemable fixed term investment of the Plan will not be made until the investment has matured, except as may otherwise be permitted by the issuer.

10. **Investments.** The Assets in the Plan shall be invested in investments which are available for investment in the Plan, in accordance with instructions given by the Subscriber from time to time in a form deemed satisfactory by the Promoter.

    The investments shall be made in compliance with RESP Legislation and it is solely the Holder's responsibility to ensure that each investment made by the Plan is a "qualified investment" for a RESP within the meaning of the Applicable Tax Legislation. The Trustee may reinvest all distributions of net income and net realized capital gains received by the Plan in respect of any particular investment in additional investments of the same type unless otherwise instructed by the Subscriber.

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

    It is the sole responsibility of the Subscriber to choose from the investments that are available for investment in the Plan and to determine whether any investment should be bought, sold or retained as part of the Plan.

    The Subscriber acknowledges that any failure to comply with Applicable Tax Legislation may result fees, penalties and even in revocation of the Plan by the Minister of National Revenue. Failing instructions from Subscribers, the Promoter shall at its sole discretion liquidate any investments as it shall deem appropriate to pay any amount that must be paid by with regards to the Plan.

11. **Educational Assistance and Other Payments.** Subject to conditions established by the RESP Legislation and any reasonable requirements that the Promoter may set, each Subscriber may request a payment out of the Assets of the Plan such amount or amounts needed for either:

    a) Educational assistance payment for a Beneficiary that meets the following requirements:
       (i) at that time of the payment he is
          (A) enrolled as a student in a qualifying educational program at a postsecondary educational institution, or,
          (B) the individual has, before that time, attained the age of 16 years and is, at that time, enrolled as a student in a specified educational program at a post-secondary educational institution, and
       (ii) either facts below are satisfied
          (A) the Beneficiary satisfies, at that time, the condition set out in clause (i)(A) above, and
             (I) He satisfied that condition throughout at least 13 consecutive weeks in the 12-month period that ends at that time, or
             (II) the total of the payment and all other educational assistance payments made under a RESP of the Promoter to or for the Beneficiary in the 12-month period that ends at that time does not exceed $5,000 or any greater amount that the Minister designated for the purpose of the *Canada Education Savings Act* approves in writing with respect to the Beneficiary, or
          (B) He satisfies, at that time, the condition set out in clause (i)(B) above and the total of the payment and all other educational assistance payments made under a RESP of the Promoter to or for the Beneficiary in the 13-week period that ends at that time does not exceed $2,500 or any greater amount that the Minister designated for the purpose of the *Canada Education Savings Act* approves in writing with respect to the Beneficiary;

    Notwithstanding paragraph 11 a) hereof, an Educational assistance payment may be paid to or for a Beneficiary, at any time in the six month period immediately following the time at which the Beneficiary ceases to be enrolled as a student in a qualifying educational program or a specified educational program, as the case may be, if the payment would have complied with the requirements of paragraph 146.1(2)g.1) of the *Income Tax Act* (Canada) had the payment been made immediately before that time.

    b) a payment to, or to a trust in favour of, a Designated Educational Institution;

    c) a payment to a trust that irrevocably holds property pursuant to a RESP as long Accumulated income payment as been made.

    d) an Accumulated Income Payment from the Plan provided that:
       i) the payment is made to or for a Subscriber who is resident in Canada at the time of the payment;
       ii) the payment is not made jointly to or for more than one Subscriber; and
       iii) either:
          A) the payment is made after the 9th year following the opening of the Plan and the individual (other than a deceased individual) who is or was a Beneficiary, has attained 21 years of age before the payment and, at the time when the payment is made, is not eligible to receive an Educational assistance payment;
          B) the payment is made in the year in which the Plan is required to be terminated in accordance with the schedule 12 below;
          C) The Beneficiary is deceased at the time of the payment.

    At the Subscriber's request and on receipt of the required supporting documentation, the Promoter will apply to the Canada Revenue Agency to waive the conditions set in division 11d)iii)A) herein if the Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program in a post-secondary educational institution.

12. **Termination Date.** The termination date of the Plan will be the earliest of:

    a) the date the Subscriber or Subscribers designate from time to time;

    b) the last day of February in the year following the year in which the first Accumulated Income Payment is made under the terms of the Plan;

    c) the last day of the 35th year following the year in which the Plan is set up;

    d) the 40th year following the year in which the Plan is set up if the Plan is a Specified Plan.

    The Subscriber or Subscribers may change the designated termination date to a date that is not later than the earlier of the dates set out in sub-paragraphs b), c) and d) of this section by giving instructions in a form satisfactory to the Promoter.

    Except when the termination date of the Plan has been changed to a date that is less than a year from the time we or the Trustee receive the designation notice, we will give notice of the termination date of the Plan not less than six months prior to that date.

    At the termination date, the Assets of the Plan must be used for one of the purposes described in the definition "trust" in subsection 146.1(1) of the *Income Tax Act* (Canada).

    On or before the termination date of the Plan, the Promoter will make payments in accordance with the instructions of the Subscriber, net of any withholding taxes, any applicable fees and other charges applicable under this agreement, and any repayment of CES amounts. Failing instructions regarding some or all of the Assets of the Plan, the Promoter will:

    a) invest any portion refundable under paragraph 5 or 6 of this agreement in an account in the name of the Subscriber. If the Plan has two Subscribers, the investment will be made jointly in the names of both Subscribers;

    b) pay the amount remaining after the investment under paragraph a) above to the trusts or a designated educational institution in Canada, at the Promoter's sole discretion and under applicable Tax Legislation.

13. **Subscriber's Death.** If a Subscriber dies prior to the termination of the Plan, the Promoter and the Trustee may at their sole appreciation, disclose any information regarding the Plan to the Subscriber's heirs, executors, administrators or other legal representatives or to the beneficiary or his legal representative.

    When a Subscriber dies at the time where the Plan has two Subscribers:

    a) Outside of Quebec, if the deceased Subscriber has designated the co-Subscriber as "joint tenant with right of survivorship", the later shall assume all rights, privileges and obligations of the deceased Subscriber

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in the Plan and the Subscriber's heirs, executors, administrators or other legal representatives of the deceased Subscriber shall have no rights under the Plan; or

b) In the Province of Quebec, the Civil Code of Quebec and other applicable laws will apply.

14. Statements and Tax information. The Promoter shall maintain a separate account for the Plan and keep the information regarding each Subscriber and Beneficiary, the total of all contributions made and refund, the CES amount received, the total of all payments, fees, cost and other withdrawal as well as all other transaction with regards to the Plan, in compliance with the RESP Legislation.

The Promoter shall provide the Subscriber with a RESP statement of account annually (or more frequently at the Promoter's sole discretion), and shall also provide the competent authorities with information returns, slips, notices and other documents required under the Tax Legislation.

15. Fees and Expenses. The Promoter and the Trustee shall be paid the fees and other charges they prescribe from time to time, which may be directly charged against and deducted from the Assets of the Plan. Among others, the Promoter and the Trustee shall be entitled to charge fees and administrative charges upon the termination of the Plan, at the transfer or withdrawal of Assets of the Plan or any other circumstance which they may reasonably determine.

These fees and charges are disclosed to the Subscriber in accordance with the applicable laws. The Promoter and the Trustee shall be reimbursed for all fees, out-of-pocket expenses and costs incurred by them or their agents in connection with the administration of the Plan, including any tax, interest or penalty payable, which may be directly charged against and deducted from the Assets of the Plan.

The Subscriber shall reimburse the Promoter for any overdraft resulting from the payment of such fees, out-of-pocket expenses and costs within 30 days from the date the Subscriber is thereby notified. Should the Subscriber fail to timely make such reimbursement, the Promoter or the Trustee may, without further notifying the Subscriber, dispose of Assets of the Plan, in whole or in part, on such conditions as it may determine and apply the proceeds of such disposition to the payment of such fees, out-of-pocket expenses, costs and overdrafts. The Promoter and the Trustee shall not be liable for any losses incurred as a result of such disposition.

16. Limitation of Liability. Each Subscriber is solely responsible of all taxes, interest, penalties, contributions, fees, expenses, cost as well as all claims relating to the administration of the Plan, including those that may rise from the transfer or custody in the Plan of all amount, grant or investment. Each Subscriber jointly and severally undertakes to indemnify the Promoter, the Trustee and their representatives, agents and correspondent from all of the foregoing, except in case of gross negligence or willful misconduct from the Promoter or Trustee.

Without limiting the scope of any other provision hereof, neither the Trustee nor any of its representatives, agents or correspondents shall be liable for any loss incurred by the Plan, by a Subscriber or a Beneficiary, as a result of:

a) the refund of contributions receipt and time of receipt of any contribution, transfer, CES amount paid into the Plan;

b) any contribution refund or repayment of CES amounts paid into the Plan that may be required under the RESP Legislation;

c) any taxes or penalties which may be imposed on a Subscriber, the Promoter and/or the Trustee under the RESP Legislation concerning the Plan (including those resulting from the custody in the Plan of an nonqualified investment under the Applicable Tax Legislation);

d) any expenses or costs incurred regarding the Plan, the Assets of the Plan, under this agreement or under applicable legislation;

e) any loss, damages suffered or incurred by the Plan, a Subscriber or a Beneficiary under the Plan due notably, following:

i) the acquisition, retention or transfer of any investment;

ii) a breach of an agreement between the Promoter and/or the Trustee respectively, and the Minister of HRSDC, under the RESP Legislation;

iii) payments or distributions out of the Plan made in accordance with these terms and conditions;

iv) contributions in respect of a Beneficiary who is also a beneficiary under other RESPs (including a replacement beneficiary who inherits the contribution history of the beneficiary he replaces) made to such plans which, in total, exceed the RESP annual limit and/or RESP lifetime limit; or

v) the Promoter or the Trustee acting or declining to act on any instructions given by a Subscriber or any person claiming to be a Subscriber.

The foregoing indemnification and limitations of liability shall survive the termination or revocation of the Plan.

17. Notices. Any notice, statement or receipt by the Promoter or the Trustee to a Subscriber, the Beneficiary or a representative authorized to receive them under terms of the Plan, will be sufficiently given if delivered or mailed by prepaid postage to the address recorded in the Promoter's or Trustee's registry with regards to the Plan. Such notice, statement or receipt will be considered given and received on the fifth day after mailing.

Any notice to the Promoter or the Trustee under this agreement will be sufficiently given if delivered or mailed by prepaid postage to the Promoter's address indicated on the Application or to any other address that the Promoter may indicate in writing from time to time. Such notice will be considered given on the day that the notice is actually delivered to or received by the Promoter in a form deemed satisfactory by the Promoter and in accordance with the applicable laws

18. Instructions. The Promoter and the Trustee shall be empowered to follow the instructions received from a Subscriber or any other person designated in writing by the Subscriber, whether transmitted by mail, facsimile machine, by telephone or other electronic means. All instruction, demand or information given to the Promoter or the Trustee will be considered valid only if presented in a form deemed satisfactory by the Promoter.

If the Plan has many Subscribers at the same time, instructions given by one Subscriber shall bind all the Subscribers. If many instructions are received by the Promoter and/or Trustee, the most recent instruction will be executed even if different than the previous one

19. Proof of Information. The Subscriber certifies that the information provided in the Application is correct and undertakes to provide, at his own expense, to the Promoter and/or the Trustee further proof of any information relating to the Plan that they may reasonably require. The Subscriber undertakes also to give to the Promoter an immediate notice of all changes regarding the information provided in the Application.

20. Plan Amendments. The Promoter may from time to time, with the consent of the Trust, of the relevant taxation authorities and other regulatory authorities with regards to the Plan, amend the terms and conditions of the Plan

i) to comply with the terms of an applicable law, or

ii) by sending a thirty (30) days' notice in writing to each Subscriber, as long as any such amendments do not disqualify the Plan as an RESP under applicable RESP Legislation. If the Plan must be amended to maintain compliance with RESP Legislation, no prior notice to the Subscriber is required and any these amendments will be immediately effective thereafter

21. Delegation. The Trustee may, and each Subscriber expressly authorizes the Trustee to delegate certain powers or duties in respect of the Assets of the Plan. To the extent that the Trustee has delegated the performance of all or a portion of the activities, duties and responsibility of the trust regarding the Assets of the Plan to the Promoter, such delegation shall be deemed in the best interest of the trust, the Subscriber and the Beneficiary. The Trustee has notified the Minister of HRSDC of the appointment of an agent in accordance with the terms of the trustee agreement(s) between the Trustee and the Minister of HRSDC.

22. Replacement of Trustee. The Trustee may resign from its office under this agreement by giving ninety (90) days' written notice of resignation to the Subscriber, or such other period of notice that the RESP Legislation may stipulate. Resignation of the Trustee shall be effective upon the appointment of a replacement trustee who has accepted to act as the Plan's Trustee. The replacement Trustee must be a corporation resident in Canada and licensed or otherwise authorized, under the laws of each Subscriber's province of residence indicated in the Application, to carry on in Canada the business of offering to the public its services as a trustee, in accordance with paragraph 146.1(2)(a) of the *Income Tax Act* (Canada).

The Trustee shall notify the Minister of HRSDC of its resignation under this agreement and of the appointment of a replacement trustee in accordance with the terms of the trustee agreement(s) between the Trustee and the Minister of HRSDC

23. Replacement of Promoter. With Prior notification to the Trust, the relevant taxation authorities and other regulatory authorities with regards to the Plan, the Promoter may transfer all rights pertaining to the Plan in favour of another company residing in Canada in the extent that it is authorized by HRSDC to act as a RESP Promoter.

The replacement Promoter shall give the Subscriber a prior notice concerning the transfer of the Plan, as well as any amendment to this agreement following the replacement of the promoter, in compliance with schedule 20 hereof.

24. Miscellaneous Provisions.

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

b) Binding. The terms and conditions hereof will be binding upon the Subscribers' and beneficiary's' heirs and legal personal representatives and upon any successors and assigns of the Promoter and Trustee.

c) Declaration of Non-Residence. Each Subscriber is required to and undertakes to notify the Promoter immediately if he or she is or becomes a non-resident of Canada.

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

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

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

25. Language Clause. The parties have requested that this agreement and any notices or other documents related hereto be drawn up in the English language. Les parties confirment leur volonté que la présente convention et tout avis ou autre document qui s'y rapporte soient rédigés en langue anglaise.

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NATIONAL BANK FINANCIAL INC. EDUCATION SAVINGS PLAN
TERMS AND CONDITIONS (FAMILY PLAN)

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

a) **Application:** The application form for membership in the Plan attached hereof, completed and signed by each Subscriber, as amended from time to time in compliance with this agreement.

b) **Assets of the Plan:** means all property of any nature whatsoever which makes up the Plan, including assets transferred, contributions made to the Plan from time to time, CES Amount as well as any income, capital gains or other gains of any type whatsoever, generated or realized thereby (deduction made of all Promoter, Trustee and agent's fees, out-of-pocket expenses and costs incurred in connection with the administration of the Plan, including any tax, interest or penalty payable, which may be directly charged against and deducted from the Assets of the Plan) held in trust by the Promoter in compliance with this agreement and the RESP Legislation.

c) **Beneficiary or Beneficiaries:** means the individual or individuals designated on the Application by each Subscriber as a beneficiary to whom or for whom Educational Assistance Payments shall be paid if the requirements of the Plan and the RESP Legislation are satisfied at the time the Educational Assistance Payments are made.

d) **Designated Educational Institution:** means an educational institution located in Canada that is:

a) i) 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 Higher Education and Science of the Province of Quebec for the purposes of an Act respecting financial assistance for students of the Province of Quebec;

ii) certified by the Minister of HRSDC 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;

b) all other educational institution authorized under the RESP Legislation.

e) **Post-Secondary Educational Institution:** means:

a) an educational institution in Canada that is described in paragraph (a) of the definition "designated educational institution" in subsection 118.6(1) of the *Income Tax Act* (Canada), or

b) an educational institution outside Canada that is a university, college or other educational institution that provides courses at a post-secondary school level at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks.

f) **Trustee:** means Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).

g) **RESP Legislation:** means the Applicable Tax Legislation and the Applicable CES Legislation.

h) **Applicable CES Legislation:** means where relevant

i) the provisions of the *Canada Education Savings Act* (Canada) and its regulations,

ii) the provisions of the *Department of Human Resources Development Act* (Canada) before the repeal of Part III.1 and its relevant regulations,

iii) the provisions of any savings grant legislation and related regulations of a province of Canada under a program administered through an agreement under section 12 of the *Canada Education Savings Act* Canada and its regulations,

iv) the provisions of any legislation applicable to a designated provincial program or applicable to a program with similar objectives and financed directly or indirectly by a province, and there regulations.

i) **Applicable Tax Legislation:** means the *Income Tax Act* (Canada) and any provincial income tax legislation applicable in the province of residence of each Subscriber as mentioned in the Application, and all regulations related to these legislation.

j) **CES Amount:** means the amount of any Canada Education Savings grant and/or any Canada Learning Bond and/or any education savings grant, bond, incentive or other provided by a province of Canada under any Applicable CES Legislation.

k) **Post-secondary school level:** includes a program of courses, at an institution described in subparagraph (a)(ii) of the definition "designated educational institution" herein, of a technical or vocational nature designed to furnish a person with skills for, or improve a person's skills in, an occupation.

l) **Educational assistance payment:** means any amount, other than a refund of payments, paid out of an education savings plan to or for an individual to assist the individual to further its education at a post-secondary school level.

m) **Accumulated income payment:** means any amount paid out of the Plan, other than a payment described in any of paragraphs (a) and (c) to (e) of the definition "trust" under paragraph 146.1(1) of the *Income Tax Act* (Canada), to the extent that the amount so paid exceeds the fair market value of any consideration given to the plan for the payment of the amount.

n) **Qualified investment:** means a qualified investment for a trust governed by an education savings plan, as described under subsection 146.1(1) of the *Income Tax Act* (Canada).

o) **RESP Lifetime Limit:** means the maximum amount of total contributions that can be made to an RESP for a Beneficiary as set out in subsection 204.9(1) of the *Income Tax Act* (Canada).

p) **Qualifying educational program:** means a program of not less than 3 consecutive weeks duration that provides that each student taking the program spend not less than 10 hours per week on courses or work in the program.

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) **Designated provincial program:** means

a) a program administered pursuant to an agreement entered into under section 12 of the *Canada Education Savings Act*, or

b) a program established under the laws of a province to encourage the financing of children's post-secondary education through savings in registered education savings plans.

s) **Promoter:** National Bank Financial Inc. as designated in the Application and also acting as the Trustee's agent with regards to the Plan.

t) **RESP and ESP:** means "registered education savings plan" and "education savings plan" as define under schedule 146.1 of the *Income Tax Act* (Canada).

u) **RRSP:** means "registered retirement savings plan" as define under section 146 of the *Income Tax Act* (Canada).

v) **Plan:** means the education savings plan established by the Promoter at the Subscribers' demand, in compliance with the terms and conditions of the Application and this agreement, as they may be amended from time to time.

w) **Public Primary Caregiver:** with regards to a beneficiary under an education savings plan 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 in which the beneficiary resides;

x) "**HRSDC":** means the minister of Human Resources and Skills Development Canada.

y) **Subscriber:** means

a) each individual or the public primary caregiver with whom the promoter of the plan enters into the Plan and whose name is indicated as subscriber in the Application;

a.1) 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;

b) 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

c) after the death of an individual described in any of paragraphs (a) to (b), 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.

An iindividual 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 (a.1) or (b) is not a Subscriber under the Plan;

Where two individuals are identified as subscribers in the Application, each individual must be the spouse or common-law partner of the other within the meaning of the RESP Legislation. Unless other provisions are prescribed by the RESP Legislation or this agreement, each Subscriber is treated as a single subscriber.

2. Establishment of the Plan – The Subscriber establishes with the Promoter and the Trustee a trust arrangement where the Assets of the Plan are irrevocably held for any or a combination of the following purposes:

a) the payment of educational assistance payments;

b) Starting in 1998, the payment of accumulated income payments;

c) the refund of payments;

c.1) the repayment of amounts (and the payment of amounts related to that repayment) under the *Canada Education Savings Act* or under a designated provincial program;

d) the payment to, or to a trust in favour of, designated educational institutions in Canada referred to in subparagraph (a)(i) of the definition of that expression in subsection 118.6(1); or

e) the payment to a trust that irrevocably holds property pursuant to a registered education savings plan for any of the purposes set out in paragraphs (a) to (d).

The Plan shall constitute a trust arrangement for the purposes of Tax Legislation only, excluding any other purpose whatsoever. The Promoter, by inscribing its acceptance upon the Application, agrees to administer the Plan in the manner stipulated herein. Subject to registration of the Plan under the Tax Legislation, the trust arrangement shall take effect on the date of its acceptance by the Trustee on the Application.

3. Registration – The Promoter will apply for registration of the Plan as a RESP in the required form containing the required information in accordance with the RESP Legislation. The Promoter has the final responsibility for the Plan and its administration.

4. Beneficiaries – Beneficiaries must be related by blood or adoption to a living Subscriber or have been related in the same way to a deceased original Subscriber. An individual who is 21 years of age or older cannot be designated as Beneficiary under the Plan, unless the individual was the beneficiary of another Family RESP immediately before his designation.

Unless otherwise permitted by Applicable Tax Legislation, the Subscriber may designate as Beneficiary only those person who's social insurance number is provided at the time of designation if they are resident in Canada when the designation is made or if the designation is made in conjunction with a transfer from another RESP under which they were beneficiaries immediately before the transfer.

The Promoter must, within 90 days of an individual becoming a Beneficiary under the Plan, notify that individual (or, where the individual is under 19 years of age at that time and ordinarily resides with a parent or is maintained by a Public Primary Caregiver, that parent or PPC) in writing of the existence of the Plan and of each Subscriber's name and address.

The Subscriber may, by notice in writing to the Promoter, revoke the designation of a Beneficiary and designate other Plan Beneficiaries. If more than one such instrument is delivered to the Promoter, the one dated most recently will apply.

A newly designated Beneficiary may inherit the contribution history of the Beneficiary he replaces and Subscribers are the only responsible for the penalty tax which may then arise from RESP Legislation.

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5. **Contributions –** Contributions in the Plan can only be made by or for a Subscriber towards a Beneficiary, including those made by transfer from another RESP.

   Contributions made by transfer from another RESP are not permitted if an Accumulated income payment has already been paid out from the other RESP.

   The Beneficiary for whom the contributions are made must be resident in Canada and must have a valid social insurance number at the time each contribution is made. Each Subscriber must inform the Promoter immediately regarding all modification in a Beneficiary's address or residence.

   No Contributions can be made to the Plan after the end of the 31st year following the year in which the Plan was set up, other than Contributions that are made of transfers from another RESP.

   No Contributions can be made to the Plan for a Beneficiary who is 31 years of age or older, other than Contributions that are made of transfers from another RESP that allows more than one beneficiary at a time, in accordance with Applicable Tax Legislation.

   Each Subscriber is responsible for ensuring that the total of all contributions made in a year for a Beneficiary does not exceed the RESP Lifetime Limit under the RESP Legislation, notably if a Beneficiary is also the beneficiary of another RESP. The Promoter and the Trustee have no responsibility in that respect.

   In spite of the foregoing paragraph, the Promoter may at its sole discretion, but without being held to it, refuse a contribution made by a Subscriber for any reason.

   A contribution does not include an amount paid into the plan under or because of (a) the *Canada Education Savings Act* or a designated provincial program, or (b) any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by a province, other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan.

6. **Contribution Refund.** Subject to reasonable requirements set by the Promoter, to RESP Legislation and to the extent of the Assets of the Plan, deduction made of any fees and charges that may be applicable to the Plan and of all previous payment; the Subscriber request to the Promoter in a form deemed satisfactory by the Promoter:
   a) refund of a contribution made to the Plan, except a contribution made by way of transfer from another RESP;
   b) refund of a amount that was paid by way of a transfer from another RESP, where the amount would have been a refund of payments under the other plan if it had been paid at that time directly to the subscriber under the other RESP;

   All such contribution refund made to one of the Subscriber or both, as the case may be, constitute for the Promoter and the Trustee a valid and sufficient release regarding the contribution refund paid out of the Plan.

7. **Repayment of CES Amounts paid into the Plan.** The Promoter and the Trustee can not assess whether a Beneficiary is entitled to a CES Amount. Upon request from a Subscriber, and presentation of all forms required under Applicable CES Legislation duly completed and signed, the Promoter may present an application for the Plan to receive CES amounts in the name of a Beneficiary.

   Each Subscriber is responsible for ensuring that the total of CES Amounts received by a Beneficiary does not exceed the maximum amount prescribed by Applicable CES legislation, notably if a Beneficiary is also the beneficiary of another RESP. The Promoter and the Trustee are not liable with regards to CES amount receiving above the limits established.

   Repayments of CES amounts paid into the Plan pursuant to an error will be made by the Promoter when required by the Minister of HRSDC in accordance with Applicable CES Legislation. Such Repayment of CES Amount will be withdrawn directly from the Assets of the Plan.

8. **Transfers.** Subject to reasonable requirements set by the Promoter and when permitted by RESP Legislation, the Subscriber request in writing a total or partial transfer of the Assets of the Plan (including CES amounts) into another RESP.

   Neither the Promoter nor the Trustee are liable for the transfers made upon the Subscriber's request, notably if they give rise to adverse tax consequences or result in repayment of CES amounts paid into the Plan or limitations on future payments of CES amounts into the Plan for a Beneficiary under the Plan.

   Once a transfer is completed in accordance with RESP Legislation, the Promoter and the Trustee no longer hold any responsibility towards the Assets of the Plan transferred.

9. **Liquidation of Plan Assets.** For the purpose of making payments in this agreement, the Promoter will liquidate the investments that make up the Assets of the Plan according to each Subscriber's instructions. Failing instructions from Subscribers, the Promoter, shall liquidate such investments as it shall deem appropriate in the circumstances, at its sole discretion.

   Notwithstanding any other terms of this agreement, payment from the proceeds of a non-redeemable fixed term investment of the Plan will not be made until the investment has matured, except as may otherwise be permitted by the issuer.

10. **Investments.** The Assets in the Plan shall be invested in investments which are available for investment in the Plan, in accordance with instructions given by the Subscriber from time to time in a form deemed satisfactory by the Promoter.

    The investments shall be made in compliance with RESP Legislation and it is solely the Holder's responsibility to ensure that each investment made by the Plan is a "qualified investment" for a RESP within the meaning of the Applicable Tax Legislation. The Trustee may reinvest all distributions of net income and net realized capital gains received by the Plan in respect of any particular investment in additional investments of the same type unless otherwise instructed by the Subscriber.

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

    It is the sole responsibility of the Subscriber to choose from the investments that are available for investment in the Plan and to determine whether any investment should be bought, sold or retained as part of the Plan. The Subscriber acknowledges that any failure to comply with Applicable Tax Legislation may result fees, penalties and even in revocation of the Plan by the Minister of National Revenue. Failing instructions from Subscribers, the Promoter shall at its sole discretion liquidate any investments as it shall deem appropriate to pay any amount that must be paid by with regards to the Plan.

11. **Educational Assistance and Other Payments.** Subject to conditions established by the RESP Legislation and any reasonable requirements that the Promoter may set, each Subscriber may request a payment out of the Assets of the Plan such amount or amounts needed for either:
    a) Educational assistance payment for a Beneficiary that meets the following requirements:
       (i) at that time of the payment he is
          (A) enrolled as a student in a qualifying educational program at a postsecondary educational institution, or,
          (B) the individual has, before that time, attained the age of 16 years and is, at that time, enrolled as a student in a specified educational program at a post-secondary educational institution, and
       (ii) either facts below are satisfied
          (A) the Beneficiary satisfies, at that time, the condition set out in clause (i)(A) above, and
             (I) He satisfied that condition throughout at least 13 consecutive weeks in the 12-month period that ends at that time, or
             (II) the total of the payment and all other educational assistance payments made under a RESP of the Promoter to or for the Beneficiary in the 12-month period that ends at that time does not exceed $5,000 or any greater amount that the Minister designated for the purpose of the *Canada Education Savings Act* approves in writing with respect to the Beneficiary, or
          (B) He satisfies, at that time, the condition set out in clause (i)(B) above and the total of the payment and all other educational assistance payments made under a RESP of the Promoter to or for the Beneficiary in the 13-week period that ends at that time does not exceed $2,500 or any greater amount that the Minister designated for the purpose of the *Canada Education Savings Act* approves in writing with respect to the Beneficiary;

    Notwithstanding paragraph 11 a) hereof, an Educational assistance payment may be paid to or for a Beneficiary, at any time in the six month period immediately following the time at which the Beneficiary ceases to be enrolled as a student in a qualifying educational program or a specified educational program, as the case may be, if the payment would have complied with the requirements of paragraph 146.1(2)g.1) of the *Income Tax Act* (Canada) had the payment been made immediately before that time.
    b) a payment to, or to a trust in favour of, a Designated Educational Institution;
    c) a payment to a trust that irrevocably holds property pursuant to a RESP as long Accumulated income payment as been made.
    d) an Accumulated Income Payment from the Plan provided that:
       i) the payment is made to or for a Subscriber who is resident in Canada at the time of the payment;
       ii) the payment is not made jointly to or for more than one Subscriber; and
       iii) either:
          A) the payment is made after the 9th year following the opening of the Plan and each individual (other than a deceased individual) who is or was a Beneficiary, has attained 21 years of age before the payment and, at the time when the payment is made, is not eligible to receive an Educational assistance payment;
          B) the payment is made in the year in which the Plan is required to be terminated in accordance with the schedule 12 below.
          C) Each Beneficiary was deceased at the time of the payment.

    At the Subscriber's request and on receipt of the required supporting documentation, the Promoter will apply to the Canada Revenue Agency to waive the conditions set in division 11d)iii)A) herein if a Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program in a post-secondary educational institution.

12. **Termination Date.** The termination date of the Plan will be the earliest of:
    a) the date the Subscriber or Subscribers designate from time to time;
    b) the last day of February in the year following the year in which the first Accumulated Income Payment is made under the terms of the Plan;
    c) the last day of the 35th year following the year in which the Plan is set up.

    The Subscriber or Subscribers may change the designated termination date to a date that is not later than the earlier of the dates set out in sub-paragraphs b) and c) of this section by giving instructions in a form satisfactory to the Promoter.

    Except when the termination date of the Plan has been changed to a date that is less than a year from the time we or the Trustee receive the designation notice, we will give notice of the termination date of the Plan not less than six months prior to that date.

    At the termination date, the Assets of the Plan must be used for one of the purposes described in the definition "trust" in subsection 146.1(1) of the *Income Tax Act* (Canada).

    On or before the termination date of the Plan, the Promoter will make payments in accordance with the instructions of the Subscriber, net of any withholding taxes, any applicable fees and other charges applicable under this agreement, and any repayment of CES amounts.

    Failing instructions regarding some or all of the Assets of the Plan, the Promoter will:
    a) invest any portion refundable under paragraph 5 or 6 of this agreement in an account in the name of the Subscriber. If the Plan has two Subscribers, the investment will be made jointly in the names of both Subscribers;
    b) pay the amount remaining after the investment under paragraph a) above to the trusts or a designated educational institution in Canada, at the Promoter's sole discretion and under applicable Tax Legislation.

13. **Subscriber's Death.** If a Subscriber dies prior to the termination of the Plan, the Promoter and the Trustee may at their sole appreciation, disclose any information regarding the Plan to the Subscriber's heirs, executors, administrators or other legal representatives or to a Beneficiary or his legal representative.

    When a Subscriber dies at the time where the Plan has two Subscribers:
    a) Outside of Quebec: If the deceased Subscriber has designated the co-Subscriber as "joint tenant with right of survivorship", the later shall assume all rights, privileges and obligations of the deceased Subscriber in the Plan and the Subscriber's heirs, executors, administrators or other

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legal representatives of the deceased Subscriber shall have no rights under the Plan, or

b) In the Province of Quebec: The Civil Code of Quebec and other applicable laws will apply.

14. Statements and Tax information. The Promoter shall maintain a separate account for the Plan and keep the information regarding each Subscriber and the Beneficiaries, the total of all contributions made and refund, the CES amount received, the total of all payments, fees, cost and other withdrawal as well as all other transaction with regards to the Plan, in compliance with the RESP Legislation.

The Promoter shall provide the Subscriber with a RESP statement of account annually (or more frequently at the Promoter's sole discretion), and shall also provide the competent authorities with information returns, slips, notices and other documents required under the Tax Legislation.

15. Fees and Expenses. The Promoter and the Trustee shall be paid the fees and other charges they prescribe from time to time, which may be directly charged against and deducted from the Assets of the Plan. Among others, the Promoter and the Trustee shall be entitled to charge fees and administrative charges upon the termination of the Plan, at the transfer or withdrawal of Assets of the Plan or any other circumstance which they may reasonably determine. These fees and charges are disclosed to the Subscriber in accordance with the applicable laws.

The Promoter and the Trustee shall be reimbursed for all fees, out-of-pocket expenses and costs incurred by them or their agents in connection with the administration of the Plan, including any tax, interest or penalty payable, which may be directly charged against and deducted from the Assets of the Plan.

The Subscriber shall reimburse the Promoter for any overdraft resulting from the payment of such fees, out-of-pocket expenses and costs within 30 days from the date the Subscriber is thereby notified. Should the Subscriber fail to timely make such reimbursement, the Promoter or the Trustee may, without further notifying the Subscriber, dispose of Assets of the Plan, in whole or in part, on such conditions as it may determine and apply the proceeds of such disposition to the payment of such fees, out-of-pocket expenses, costs and overdrafts. The Promoter and the Trustee shall not be liable for any losses incurred as a result of such disposition.

16. Limitation of Liability. Each Subscriber is solely responsible of all taxes, interest, penalties, contributions, fees, expenses, cost as well as all claims relating to the administration of the Plan, including those that may rise from the transfer or custody in the Plan of all amount, grant or investment. Each Subscriber jointly and severally undertakes to indemnify the Promoter, the Trustee and their representatives, agents and correspondent from all of the foregoing, except in case of gross negligence or willful misconduct from the Promoter or Trustee.

Without limiting the scope of any other provision hereof, neither the Trustee nor any of its representatives, agents or correspondents shall be liable for any loss incurred by the Plan, by a Subscriber or a Beneficiary, as a result of:

a) the refund of contributions receipt and time of receipt of any contribution, transfer, CES amount paid into the Plan;

b) any contribution refund or repayment of CES amounts paid into the Plan that may be required under the RESP Legislation;

c) any taxes or penalties which may be imposed on a Subscriber, the Promoter and/or the Trustee under the RESP Legislation concerning the Plan (including those resulting from the custody in the Plan of an nonqualified investment under the Applicable Tax Legislation);

d) any expenses or costs incurred regarding the Plan, the Assets of the Plan, under this agreement or under applicable legislation;

e) any loss, damages suffered or incurred by the Plan, a Subscriber or a Beneficiary under the Plan due notably, following:

i) the acquisition, retention or transfer of any investment;

ii) a breach of an agreement between the Promoter and/or the Trustee respectively, and the Minister of HRSDC, under the RESP Legislation;

iii) payments or distributions out of the Plan made in accordance with these terms and conditions;

iv) contributions in respect of a Beneficiary who is also a beneficiary under other RESPs (including a replacement beneficiary who inherits the contribution history of the beneficiary he replaces) made to such plans which, in total, exceed the RESP annual limit and/or RESP lifetime limit; or

v) the Promoter or the Trustee acting or declining to act on any instructions given by a Subscriber or any person claiming to be a Subscriber.

The foregoing indemnification and limitations of liability shall survive the termination or revocation of the Plan.

17. Notices. Any notice, statement or receipt by the Promoter or the Trustee to a Subscriber, the Beneficiaries or a representative authorized to receive them under terms of the Plan, will be sufficiently given if delivered or mailed by prepaid postage to the address recorded in the Promoter's or Trustee's registry with regards to the Plan. Such notice, statement or receipt will be considered given and received on the fifth day after mailing.

Any notice to the Promoter or the Trustee under this agreement will be sufficiently given if delivered or mailed by prepaid postage to the Promoter's address indicated on the Application or to any other address that the Promoter may indicate in writing from time to time. Such notice will be considered given on the day that the notice is actually delivered to or received by the Promoter in a form deemed satisfactory by the Promoter and in accordance with the applicable laws.

18. Instructions. The Promoter and the Trustee shall be empowered to follow the instructions received from a Subscriber or any other person designated in writing by the Subscriber, whether transmitted by mail, facsimile machine, by telephone or other electronic means. All instruction, demand or information given to the Promoter or the Trustee will be considered valid only if presented in a form deemed satisfactory by the Promoter.

If the Plan has many Subscribers at the same time, instructions given by one Subscriber shall bind all the Subscribers. If many instructions are received by the Promoter and/or Trustee, the most recent instruction will be executed even if different than the previous one.

19. Proof of Information. The Subscriber certifies that the information provided in the Application is correct and undertakes to provide, at his own expense, to the Promoter and/or the Trustee further proof of any information relating to the Plan that they may reasonably require. The Subscriber undertakes also to give to the Promoter an immediate notice of all changes regarding the information provided in the Application.

20. Plan Amendments. The Promoter may from time to time, with the consent of the Trust, of the relevant taxation authorities and other regulatory authorities with regards to the Plan, amend the terms and conditions of the Plan

i) to comply with the terms of an applicable law, or

ii) by sending a thirty (30) days' notice in writing to each Subscriber, as long as any such amendments do not disqualify the Plan as an RESP under applicable RESP Legislation. If the Plan must be amended to maintain compliance with RESP Legislation, no prior notice to the Subscriber is required and any these amendments will be immediately effective thereafter.

21. Delegation. The Trustee may, and each Subscriber expressly authorizes the Trustee to delegate certain powers or duties in respect of the Assets of the Plan. To the extent that the Trustee has delegated the performance of all or a portion of the activities, duties and responsibility of the trust regarding the Assets of the Plan to the Promoter, such delegation shall be deemed in the best interest of the trust, the Subscriber and the Beneficiaries. The Trustee has notified the Minister of HRSDC of the appointment of an agent in accordance with the terms of the trustee agreement(s) between the Trustee and the Minister of HRSDC.

22. Replacement of Trustee. The Trustee may resign from its office under this agreement by giving ninety (90) days' written notice of resignation to the Subscriber, or such other period of notice that the RESP Legislation may stipulate.

Resignation of the Trustee shall be effective upon the appointment of a replacement trustee who has accepted to act as the Plan's Trustee. The replacement Trustee must be a corporation resident in Canada and licensed or otherwise authorized, under the laws of each Subscriber's province of residence indicated in the Application, to carry on in Canada the business of offering to the public its services as a trustee, in accordance with paragraph 146.1(2)(a) of the *Income Tax Act* (Canada).

The Trustee shall notify the Minister of HRSDC of its resignation under this agreement and of the appointment of a replacement trustee in accordance with the terms of the trustee agreement(s) between the Trustee and the Minister of HRSDC.

23. Replacement of Promoter. With Prior notification to the Trust, the relevant taxation authorities and other regulatory authorities with regards to the Plan, the Promoter may transfer all rights pertaining to the Plan in favour of another company residing in Canada in the extent that it is authorized by HRSDC to act as a RESP Promoter.

The replacement Promoter shall give the Subscriber a prior notice concerning the transfer of the Plan, as well as any amendment to this agreement following the replacement of the promoter, in compliance with schedule 20 hereof.

24. Miscellaneous Provisions.

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

b) Binding. The terms and conditions hereof will be binding upon the Subscribers' and Beneficiaries' heirs and legal personal representatives and upon any successors and assigns of the Promoter and Trustee.

c) Declaration of Non-Residence. Each Subscriber is required to and undertakes to notify the Promoter immediately if he or she is or becomes a non-resident of Canada.

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

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

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

25. Language Clause. The parties have requested that this agreement and any notices or other documents related hereto be drawn up in the English language. Les parties confirment leur volonté que la présente convention et tout avis ou autre document qui s'y rapporte soient rédigés en langue anglaise.

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19555-702 (2017-11-01)

NATIONAL BANK FINANCIAL INC.
DECLARATION OF TRUST TAX-FREE SAVINGS ACCOUNT (TFSA)

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

   a) **Assets in the Account:** means all property of any nature whatsoever which makes up the Account, including the contributions made to the Account from time to time, as well as any income, capital gains or other gains of any nature whatsoever, generated or realized during the administration of the Account by the Trustee.

   b) **Agent:** means National Bank Financial Inc., which has been designated as such in the Application.

   c) **Beneficiary:** means the person who is or would be legally entitled to receive any Assets in the Account or proceeds from disposition of the Assets in the Account in the case of the death of the Holder, pursuant to the Applicable legislation, such as the Holder's Survivor, his estate, his designated beneficiary, or a legal representative within the meaning of the *Income Tax Act* (Canada).

   d) **Account:** means the National Bank Financial Inc. tax-free savings account established by the Trustee for the benefit of the Holder in accordance with the terms and conditions contained in the Application and herein, as such Account may be amended from time to time.

   e) **Application:** means the application form to open the Account, completed and signed by the Holder attached herein.

   f) **Distribution:** means any payment to the Holder made out of or under the Account in satisfaction of all or part of the Holder's interest in the Account.

   g) **Trustee:** means Natcan Trust Company, a trust company duly incorporated under the *Trust and Loan Companies Act* (Canada).

   h) **Tax Legislation:** means the *Income Tax Act* (Canada) and the corresponding legislation of the province in which the Holder resides, and the regulations adopted thereunder.

   i) **Survivor:** means the individual who is, immediately before the Holder's death, the spouse or common-law partner of the Holder as define for the purposes of any provision of the *Income Tax Act* (Canada) respecting a tax-free savings account.

   j) **Holder:** means the individual (other than a trust) who is at least 18 years of age and whose name is indicated as such in the Application, and after his or her death, the Survivor, as provided under the definition of the term "holder" under subsection 146.2(1) of the *Income Tax Act* (Canada).

   k) **Applicable legislation:** means the laws and regulations as described in subsection 14 h) herein.

2. **Establishment of Account.** By means of the payment of a contribution or the transfer of a sum of money or any other property specified in the Application, the Holder establishes with the Trustee a tax-free savings account. All contributions made to the Account, as well as any income, capital gains or other gains of any nature whatsoever, generated or realized by the Account, and held in the Account by the Trustee, and used, invested or otherwise applied pursuant to the terms and conditions provided herein, shall be used for the purpose of making distributions to the Holder.

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

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

3. **Registration.** The Trustee shall file an election to register the qualifying arrangement as a tax-free savings account pursuant to the Tax Legislation. If any of the authorities concerned refuses such registration, the Application and this declaration of trust shall be cancelled, and the sums or property transferred to the Account shall be reimbursed by cheque, transfer or any other method of payment provided by the Trustee for that purpose.

4. **Contributions.** The Holder may make contributions to the Account at any time. The Holder shall be solely responsible for ensuring that such contributions are within the limits prescribed by the Tax Legislation and the Trustee makes no verification in this respect.

   Notwithstanding the foregoing, the Trustee can, without being held to it, refuse a contribution of the Holder for any motive and at any time.

5. **Investments.** The Assets in the Account shall be invested in investments which are available for investment by the Account in accordance with instructions given by the Holder to the Trustee from time to time in a form deemed satisfactory by the Trustee. The investments shall be made in compliance with the Tax Legislation. The Holder is responsible to ensure that each investment made by the Account is a "qualified investment" for the Account within the meaning of the Tax Legislation.

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

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

   The Holder will not hold the Trustee liable with regard to the investment of the Assets of the Account, whether or not made pursuant to instructions given by the Holder.

6. **Conditions and Restrictions:**

   a) The Account shall be maintained for the exclusive benefit of the Holder, and while there is a holder of the Account, no one other than the Holder and the Trustee shall have any rights relating to the amount and timing of distributions and the investing of funds. This provision shall not apply where such application would be inconsistent with the security contemplated in Section 9.

   b) No one other than the Holder may make contributions to the Account.

   c) The Trustee shall not be permitted to borrow money or other property for the purposes of the Account.

7. **Distributions.** Subject to such reasonable requirements as the Trustee may impose, the Holder may withdraw an amount from the Account by making a request in a form deemed satisfactory by the Trustee. Without limiting the generality of the foregoing, distributions may be made, among other things, to reduce the amount of tax otherwise payable by the Holder under section 207.02 or 207.03 of the *Income Tax Act* (Canada). The Trustee shall then dispose of all or certain of the Assets as indicated by the Holder and pay to the Holder an amount equal to the proceeds of disposition of such assets (net of applicable disposition costs), less any charges and taxes (including interest and penalties) that are or may become payable by the Trustee or the Account itself, as permitted by Tax Legislation.

   Upon such payment, the Trustee shall be subject to no further liability or duty to the Holder with respect to the Assets in the Account, or the portion thereof that has been distributed and paid. The Trustee will issue to the Holder such information returns in respect of any withdrawal as required by Applicable legislation.

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

8. **Transfers to Other Accounts.** Subject to such reasonable requirements as the Trustee may impose, the Holder may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee transfers to another tax-free savings account of which he or she is the Holder:

   a) all or a portion of the Assets in the Account, or

   b) an amount equal to the proceeds of disposition of all or portion of the Assets in the Account (net of applicable disposition costs),

   less any charges and taxes (including interest and penalties) that are or may become payable by the Trustee or the Account itself.

   Subject to the Tax Legislation, a transfer may also be made to a tax-free savings account whose holder is the spouse or former spouse or the common-law partner or former common-law partner of the Holder in settlement of rights arising out of, or on the breakdown of, the marriage or common-law partnership.

   The Trustee shall carry out all transfer requests, except in the event of inconsistency with the security contemplated in Section 9. Such transfers shall take effect in accordance with Applicable legislation and within a reasonable time after all forms required to be completed in respect of such transfer have been completed and forwarded to the Trustee. Upon such transfer, the Trustee shall be subject to no further liability or duty to the Holder with respect to the Assets in the Account, or the portion thereof, so transferred, as the case may be.

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

9. **Security.** The Holder of the Account may use his or her interest or right in the Account as security for a loan or other indebtedness if the following conditions are met:

   a) The terms and conditions of the indebtedness are terms and conditions that persons dealing at arm's length with each other would have entered into; and

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b) It can reasonably be considered that one of the main purposes of that use is not to enable a person (other than the Holder) or partnership to benefit from the exemption from tax available under Part I of the *Income Tax Act* (Canada) of any amount in respect of the Account.

The security can be established, published and revoked only in accordance with the Applicable legislation and by means of a written document or instrument dated and signed by the Holder. The form and content of the security shall be acceptable to the Trustee and shall identify the Account specifically. The Trustee makes no representation and cannot be held responsible in the event of a total or partial invalidity, non-perfection or unenforceability of a security signed by the Holder with respect to the Account.

10. Designation of Survivor Holder or of Beneficiary (only in provinces where permitted by law). If permitted by Applicable legislation, the Holder may designate the Survivor as the new Holder of the Account after his or her death. To be designated as such, the survivor must acquires all of the Holder's rights in the Account, including the unconditional right to revoke any beneficiary designation.

If permitted by Applicable legislation, the Holder may designate one or more beneficiaries to receive the proceeds payable under the provisions of the Account.

Any designation of a Survivor Holder or a beneficiary may be made, amended or revoked only in compliance with the Applicable legislation by way of a written document or instrument, dated and signed by the Holder, the form and content of which shall be acceptable to the Trustee, and in particular shall specifically identify the Account.

Any designation, amendment and/or revocation, shall come into force on the date it is received by the Trustee. If more than one designation is received by the Trustee, the Trustee shall consider only the designation, duly signed by the Holder which has the most recent date.

In certain provinces and territories this designation may not be revoked or changed automatically as a result of a future marriage or a marriage breakdown and a new designation may be required. It is the Holder's sole responsibility to get appropriate information regarding this matter and to make the appropriate amendments, as needed.

The Trustee makes no representation and cannot be held responsible for the invalidity of any designation of a Survivor Holder or designation of beneficiary signed by the Holder with respect to the Account.

11. Death of Holder. Upon the Holder's death, upon receipt of evidence satisfactory to the Trustee of such death and subject to the Tax Legislation, the Trustee shall dispose of the Assets in the Account, and after deducting any applicable tax, costs of such disposition, fees or any other amounts payable hereunder, the Trustee shall pay in a lump sum the net proceeds of such disposition to the Holder's estate.

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

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

12. Separate Account and Tax Information. The Trustee shall maintain a separate account for the Account and shall furnish to the Holder annually or more frequently, a statement showing the information deemed relevant by the Trustee in its sole discretion.

The Trustee shall provide the Holder and the competent authorities, as the case may be, with information returns, notices and other documents in accordance with the Tax Legislation.

13. Provisions Regarding the Trustee.

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

b) Withdrawal of Trustee. The Trustee may withdraw as the administrator of the Account upon 90 days' prior notice given to the Holder in the manner set out in Section 14 g) hereof and provided a replacement trustee has accepted the appointment and on condition such replacement is a body corporate resident in Canada duly authorized by the Applicable legislation to act in such capacity.

c) Fees and Expenses. The Trustee shall be paid the fees and other charges it prescribes from time to time, which may be directly charged against and deducted from the Assets in the Account. The Trustee shall be entitled to charge fees upon the termination of the Account, the transfer or withdrawal of Assets in the Account or any other event which it may reasonably determine. These fees are disclosed to the Holder in accordance with the Applicable legislation.

The Trustee shall be reimbursed by the Holder for all fees, out-of-pocket expenses and costs incurred by it or its agents in connection with the administration of the Account or the production of any tax statements or other documents required under the Tax Legislation.

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

The Holder shall reimburse the Trustee for any overdraft resulting from the payment of such fees, out-of-pocket expenses and costs within 30 days of the date the Holder is notified thereof. Should the Holder fail to make such reimbursement on time, the Trustee may, without further notifying the Holder, dispose of Assets in the Account, in whole or in part, on such conditions as it may determine and apply the proceeds of such disposition to the payment of such fees, out-of-pocket expenses, costs and overdrafts. The Trustee shall not be liable for any losses incurred as a result of such disposition.

d) Liability and Hold Harmless. The Holder will at all times indemnify the Trustee and its nominees, agents and correspondents in respect of all taxes, interest, penalties, assessments, expenses, liability, claims and demands resulting from the custody or administration of the Account and will hold them harmless from all of the foregoing, except in the case of the gross negligence or willful omission or misconduct of the Trustee. All such payment must be made within 30 days from the date the Holder is thereby notified. Without limiting the scope of any other provision hereof, neither the Trustee nor any of its nominees, agents or correspondents shall be liable for any loss incurred by the Account or by the Holder, as a result of the acquisition, disposition or retention of any investment acquired at the direction of the Holder, as a result of any payment out of the Account as requested by the Holder, as a result of the refusal to follow instructions that the Trustee, in its sole discretion, considers contrary to any provision hereto or to any Applicable legislation, as a result of force majeure or irresistible force.

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

14. Miscellaneous Provisions.

a) Amendments. The Trustee may from time to time, in its sole discretion, amend the terms of the Account (i) to satisfy the requirement of any Applicable legislation, or (ii) by giving 30 days' notice in writing thereof to the Holder, provided, however, that any such amendments shall not disqualify the Account as a tax-free savings account within the meaning of the Tax Legislation.

b) Evidence. The recording of the date of birth of the Holder on the Application shall constitute sufficient certification of such age, subject to any further evidence which may be required thereof.

The Trustee reserves the right to require the Holder or any person claiming to be a Beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, satisfactory proof of age, of the survival or death of the Holder and of their title or entitlement as a Beneficiary.

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

d) Binding. The terms and conditions hereof will be binding upon the Holder's heirs and legal personal representatives and upon any successors and assigns of the Trustee.

e) Declaration of Non-Residence. The Holder is required to and undertakes to notify the Trustee immediately if he or she is or becomes a non-resident of Canada.

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

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

h) Applicable legislation. The Account shall be governed and construed in accordance with the laws and regulations applicable in the province in which the Holder resides, as shown in the Application, and with the Tax Legislation. The Account shall not in any way constitute a trust within the meaning of the *Civil Code of Québec*. Given the special nature hereof and the administrative rules created hereby, the rules of Title VII of Book IV of the *Civil Code of Québec* relating to the administration of the property of others shall not apply to the Trustee.

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INVESTCUBE PROGRAM AGREEMENT

First and last name of account holder: _____

First and last name of account co-holder (*if applicable*): _____

NBDB account no.: _____

Thank you for choosing National Bank Direct Brokerage's (a division of National Bank Financial Inc.) InvestCube Program. This agreement describes your rights as a participant in the Program, and provides information about how the Program works. This agreement is in addition to all other agreements governing the account(s) you maintain with us. The provisions of the Cash Account Agreement are hereby incorporated by reference.

Please read it carefully and discuss any questions you may have with a NBDB representative.

Because of fluctuations in the value of the assets held in your Account, their percentage weighting will vary from time to time in relation to their initial allocation. The purpose of the Program is to automatically and regularly rebalance the assets in your Account – essentially cash and securities issued by a limited number of exchange traded funds – back to their target allocation.

Under the Program, once you have purchased the exchange traded fund securities on which the Program is based, NBDB will rebalance the assets in your Account in accordance with the standing instructions detailed below. **By signing this agreement, you are agreeing to the following terms and conditions.**

1. **Participation in program**
   You confirm that you agree to participate in the Program and authorize NBDB to deal with the assets in your Account in accordance with the standing instructions detailed herein, as well as applicable law and regulations. You understand and agree that this allows NBDB, in your name, to purchase, sell, exchange, convert and negotiate securities and carry out other investments allowed in respect of your Account for the assets you have selected and hold in your Account, and grants NBDB the authority to act in your name in any manner necessary or useful to further these standing instructions regarding the assets in your Account.

2. **No advice**
   You confirm that you have determined your own investment objectives for your Account, and that you have chosen to invest in the securities purchased to be held in your Account, without any investment advice from NBDB. You understand that the Program does not include any investment advice, does not include any portfolio management, and does not afford NBDB with any discretion over the assets held in your Account. You confirm that you are responsible for determining the investments that are in your best interest to meet your financial needs. NBDB encourages you to use available market data and investment tools to make your own determinations in this regard.

3. **Minimum investment and account balance**
   The minimum initial investment and minimum balance for your Account is set at $10,000 in the currency of the account. You agree to maintain the required minimum balance in your Account and acknowledge that this balance may vary from time to time due to market fluctuations. If the balance of your Account falls below the minimum, NBDB may ask you to increase the value of your investment. In such a case, you will be notified by mail or by telephone that the balance of your Account is below the required minimum. You will then have thirty (30) days to make up the shortfall. Following the expiration of this period, NBDB may, at its discretion and without further notice, cease rebalancing your Account under the Program.

4. **Target allocation**
   The Program, through regular Rebalancing, aims to reflect the percentage weighting representing the target allocation (set forth in Schedule A hereto) as closely as possible in your Account. However, you understand and agree that because of regular fluctuations in the value of securities, and considering the minimum transaction threshold established in Article 9 of the Agreement, there can be no assurance that the target allocation shall be exactly maintained, nor that the assets held in your Account shall at any time be exactly equal to the target allocation. Similarly, you understand and agree that NBDB does not and cannot guarantee investment performance results in respect of the assets held in your Account, and you confirm that you have not received any verbal or written statement, representation or guarantee in respect of performance results.

5. **Trading restrictions & standing instructions**
   Since the Program is based on your investment in specific exchange-traded fund securities, so long as you are a participant in the Program, you will not be able to give investment orders (including an order to buy, sell or refrain from buying or selling securities) in respect of your Account, other than for the initial purchase or as specified in this agreement.

6. **Rebalancing and rebalancing notification**
   You hereby give NBDB authorization and instructions to proceed with the automatic rebalancing of the assets held in your account by carrying out buy and/or sell orders on (or around) March 23rd and on (or around) September 23rd each year to restore the targeted allocation of your portfolio. In addition to the automatic rebalancing, you also give NBDB authorization and instructions to proceed with a monthly rebalancing when the percentage weighting of at least one of the asset classes held in your account varies by more than 20% (relative deviation) from the targeted allocation. The monthly rebalancing will take place, if necessary, on (or around) the 23rd day of the month.

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NBDB will notify you through the secure messaging application of its transactional website 72 hours before a rebalancing occurs. If you do not want your portfolio to undergo a rebalancing, you must inform NBDB of your choice within 48 hours of receiving the notification. You are responsible for taking note of the rebalancing notifications by regularly logging on to your account through our secure website. NBDB reserves the right to cancel the InvestCube service after three rebalancing refusals on your part.

7. Foreign currency conversion and currency risk

Any purchase of exchange traded funds traded on the US market or income paid by the said fund involves a currency conversion and can incur conversion costs. Some ETFs are hedged against foreign exchange risk related to the underlying investments made in a currency other than that of the fund. Information on currency hedging is available in public disclosure documents of the concerned funds.

8. Distributions

The dividend and interest distributions paid by the securities held in your Account will accumulate in cash until the date of the next regular rebalancing. You hereby authorize and instruct NBDB to automatically apply such amounts to the purchase of additional securities, as part of the rebalancing of the securities in your Account to the target allocation.

9. Additional investments, withdrawals & changes

Additional cash investments to, and withdrawals from, your Account are permitted at any time, subject to any applicable frequent withdrawal fees. Your selection of the target allocation applicable to your Account, as well as the selection of securities, can be changed at any time, subject to any applicable frequent change fees. Transaction requests for additional investments and withdrawals and changes to your target allocation must be placed exclusively through NBDB's telephone line at 1-800-363-3511 or 514-866-6755. You hereby authorize and instruct NBDB to automatically apply any new amount invested in your Account to the purchase of additional securities, according to the target allocation applicable to your Account (subject to any minimum transaction threshold reasonably applied by NBDB from time to time). You hereby authorize and instruct NBDB to fund any withdrawal request by the sale of securities held in your Account, pro-rata, to maintain the target allocation. No transaction will be executed for an amount less than $125 in the currency of the account or the amount representing the price of a unit of the exchange-traded fund, whichever is the greater.

10. Transaction schedule

NBDB will process transaction requests as soon as practicable, and will generally attempt to process them on the next business day if they are received prior to 4 p.m. (E.S.T.). The exact transaction schedule shall be determined by NBDB in its sole discretion, acting reasonably. You understand and agree that transaction requests (including, without limitation, initial and subsequent investments, withdrawals and changes) are subject to processing delays which may last up to 7 business days (or longer in exceptional circumstances), and sums transferred to NBDB may not be credited to your Account or otherwise available to you during such processing. NBDB reserves the right to impose a longer waiting period during which such sums may not be available for additional investment or withdrawal, or to refuse certain additional investments or changes to your Account. There may be significant lag time between the moment NBDB processes a transaction request and the moment that corresponding transaction orders are completed. NBDB may aggregate orders and execute orders in multiple parts, in which case pricing will be the average price per security. NBDB cannot be held responsible for any losses or other consequences resulting from the timing of transaction orders.

11. Program Fees

Program Fees at an annual rate of a maximum of 0.50% of the value of the assets held in your Account, computed quarterly in arrears based on the three (3) preceding months' values, will be due and payable to NBDB on a quarterly basis, along with any applicable sales taxes. They are payable in the currency of the account. Program Fees include the cost of all transactions required to rebalance the assets held in your Account. These fees will be pro-rated to the number of days in the calendar quarter based on the annual rate specified above for any participation in the Program that does not encompass a complete calendar quarter.

12. Other fees

Should you change your selection of the target allocation applicable to your Account or the selection of securities held in your Account more than once per calendar year or should you withdraw from your Account more than twice per calendar year, frequent change fees or frequent withdrawal fees could apply. These fees are charged in the currency of the account and are mentioned on NBDB's website at https://nbdb.ca/accounts/investcube/. Unless otherwise provided in this agreement, your Account will remain subject to the fees indicated on our website at https://nbdb.ca/accounts/investcube/.

13. Payment of fees

You hereby authorize and instruct NBDB to place sale orders for assets held in your Account in the amounts required to pay any applicable fees and to debit your Account accordingly on a quarterly basis.

14. Fund fees

Each of the funds held in your account also charges its own fees. Details regarding the fees and expenses associated with the funds held in your account are available in the funds' public disclosure documents.

15. Tax impact

There may be a tax impact to you resulting from the purchase and sale of securities in your Account. If your Account is not part of a registered retirement savings plan or similar tax deferred plan, you may realize taxable capital gains or deductible capital losses at the time of selling securities in your Account.

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16. Interest on cash balance

Positive (credit) cash balances in your Account denominated in Canadian dollars shall earn interest at a rate equivalent to National Bank of Canada's prime rate minus 2.25%. Interest is calculated based on the closing daily credit balance in your account, and is posted to your account monthly. Interest shall not accrue or be paid if the amount to be paid is less than $5. No interest is payable for positive (credit) cash balances of your Account denominated in US dollars.

17. Changes to the agreement

NBDB reserves the right, upon sixty (60) days' prior written notice of amendment to you, to modify the terms of this agreement, including by changing the variation threshold to rebalance your Account, the target allocation of your Account, the securities held in your Account as part of the Program, or the Program Fees. The amended agreement will enter into force upon expiry of the notice period, or at any later date specified in the notice of amendment, unless you notify NBDB of your objection to such changes prior to the end of the notice period. Following receipt by NBDB of any such objection notice from you, this agreement will automatically be terminated; you may then continue to hold the securities held in your Account, but they will cease to be rebalanced and will cease to be part of the Program. Otherwise, upon expiry of the notice period, you hereby authorize and instruct NBDB to place transaction orders to reflect the changes in accordance with the information provided in the notice of amendment.

18. Termination

This agreement will automatically terminate in the case of death, disability or incapacity, effective upon NBDB's receipt of written notice (and sufficient evidence, if required by NBDB) of any of those occurrences. You may terminate this agreement at any time by calling NBDB at 1-800-363-3511 or 514-866-6755 to give them notice of termination; termination will be effective upon processing of your notice by NBDB, which should be done promptly after your call. NBDB may terminate this agreement at any time upon sixty (60) days' prior written notice mailed to your address on our records. Termination of this agreement will not affect your or our respective rights or obligations which arose prior to termination. After termination of this agreement, NBDB will no longer rebalance the assets held in your Account.

19. Interpretation

In case of any conflict between this agreement and the Cash Account Agreement, the provisions of this agreement shall prevail.

By signing below, you confirm that you have read, understood and that you agree to be bound by this agreement. In addition, you confirm that you authorize and instruct NBDB to rebalance the assets in your account to their target allocation in compliance with this agreement. You also acknowledge and accept that the rebalancing notifications will be transmitted to you through the secure messaging application of NBDB's transactional website.

First and last name of account holder (*in block letters*)	Signature of account holder	Date (MM DD YYYY)
First and last name of account co-holder (*if applicable*) - (*in block letters*)	Signature of account co-holder (*if applicable*)	Date (MM DD YYYY)

Conservative Portfolio

Asset class	Proportion of portfolio (without alternative investments)	Proportion of portfolio (with alternative investments)
Cash	5%	5%
Fixed income	70%	70%
Canadian equity	9.5%	8%
US equity	9.5%	8%
International equity	6%	4%
Alternative investments	-	5%

Moderate Portfolio

Asset class	Proportion of portfolio (without alternative investments)	Proportion of portfolio (with alternative investments)
Cash	5%	5%
Fixed income	55%	55%
Canadian equity	15.5%	14%
US equity	15.5%	14%
International equity	9%	7%
Alternative investments	-	5%

Balanced Portfolio

Asset class	Proportion of portfolio (without alternative investments)	Proportion of portfolio (with alternative investments)
Cash	5%	5%
Fixed income	40%	40%
Canadian equity	21%	18%
US equity	21%	18%
International equity	13%	9%
Alternative investments	-	10%

Growth Portfolio

Asset class	Proportion of portfolio (without alternative investments)	Proportion of portfolio (with alternative investments)
Cash	5%	5%
Fixed income	30%	30%
Canadian equity	25%	22%
US equity	25%	22%
International equity	15%	11%
Alternative investments	-	10%

Equity Portfolio

Asset class	Proportion of portfolio (without alternative investments)	Proportion of portfolio (with alternative investments)
Cash	5%	5%
Fixed income	15%	15%
Canadian equity	30%	26%
US equity	30%	26%
International equity	20%	13%
Alternative investments	-	15%

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