

**ADDENDUM ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK SAVING AND INVESTMENTS 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 and the Regulation, the Annuitant and the Trustee wish to supplement the declaration of trust of the National Bank Savings and Investments 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.

**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 or the Regulation. The terms below have the following meaning:
- a) “**Act**” means the *Supplemental Pension Plans Act* (Québec);
  - b) “**LIF**” refers to a life income fund, namely a registered retirement income fund within the meaning of the Tax Act that meets the requirements set out in sections 18 and following of the Regulation;
  - c) “**LIRA**” refers to a locked-in retirement account, namely an RSP that meets the requirements set out in section 29 of the Regulation;
  - d) “**Regulation**” means the *Regulation respecting supplemental pension plans* adopted under the Act;
  - e) “**RSP**” means a retirement savings plan within the meaning of the Tax Act that is registered under that Act;
  - f) “**Spouse**” has the meaning assigned under the Act, but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of the provisions of the Tax Act respecting an RSP;
  - g) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations adopted thereunder.
- 2. Locked-in assets:** Subject to the Act and the Regulation, all assets in the Plan, including investment earnings, but excluding fees, charges, expenses and taxes charged to the Plan, are locked-in for the purpose of retirement.
- 3. Contributions:** The only assets that may be transferred into the Plan are those originating, directly or initially, from:
- a) a pension plan governed by the Act;
  - b) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
  - c) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
  - d) the locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act*;
  - e) the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;
  - f) another LIRA;
  - g) a LIF; or
  - h) an annuity contract referred to in section 30 of the Regulation.
- 4. Investments:** The assets in the Plan 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 an RSP.
- 5. Authorized withdrawals:** A withdrawal, commutation or surrender of all or part of the assets held in the Plan is not permitted and will be void, except in the following circumstances:
- a) **Withdrawal of small balance at age 65:** The Annuitant may, on application to the Trustee, withdraw the entire balance of the Plan in a lump sum, 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 assets credited to his account from the retirement savings instruments mentioned in schedule 0.2 of the Regulation does not exceed 40% of the maximum pensionable earnings pursuant to the *Act respecting the Québec Pension Plan* for the year in which the Annuitant applies for payment.
  - b) **Withdrawal justified by reduced life expectancy:** The Annuitant may withdraw all or part of the balance of the Plan and receive a payment or a series of payments if a physician certifies that his or her physical or mental disability reduces his or her life expectancy.
  - c) **Non-resident withdrawal:** Unless the term of the investments has not expired, the Annuitant may require that the total balance of the Plan be paid to him in a lump sum if he has not resided in Canada since at least two years.
- The Trustee is entitled to rely on the information provided by the Annuitant in an application submitted according to this section. The payment is made within a reasonable time after the necessary formalities are completed.
- 6. Authorized transfers:** Unless the term of the investments has not expired, the Annuitant may transfer, in whole or in part, the balance of the Plan to:
- a) a pension plan governed by the Act;
  - b) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
  - c) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
  - d) a locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act*;
  - e) a locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment;
  - f) another LIRA;
  - g) a LIF, or
  - h) an annuity contract referred to in section 30 of the Regulation and that complies with the relevant provisions of the Tax Act.
- The Annuitant’s application for transfer must be in a form satisfactory to the Trustee. The transfer is made within a reasonable time after the necessary formalities are completed.

- 7. Conversion of the balance into a life pension:** With the exception of the cases referred to in sections 5, 6 and 8 of this addendum, the balance of the Plan may only be converted into a life pension guaranteed by an insurer and established for the Annuitant's lifetime alone or for the lifetime of the Annuitant and his Spouse. The periodic amounts paid under that pension must be equal, unless each amount to be paid is uniformly increased according to an index or rate provided for in the annuity contract or uniformly adjusted by reason of a seizure effected on the Annuitant's benefits, a redetermination of the Annuitant's pension, the 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 subparagraph 3 of the first paragraph of section 93 of the Act.
- The Annuitant may require the conversion of the balance of the Plan into a life pension at any time, unless the term agreed to for the investments has not expired.
- The balance of the Plan 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 Annuitant's pension amount, including, during the replacement period, the amount of any temporary pension, is granted to his Spouse who has not waived it.
- 8. Death of the Annuitant:** Where the Annuitant who is a former member or a member dies before the conversion of the balance of the Plan into a pension, that balance is paid to his Spouse or, if he has no Spouse, his successors. No such payment is made unless and until the Trustee receives releases and/or other documents as it may reasonably require.
- 9. Spouse's waiver:** The Annuitant's Spouse may, by giving written notice to the Trustee, waive his right to receive the pension or the payment provided for in sections 7 and 8 and may revoke such a waiver by submitting a written notice to that effect to the Trustee before the date of conversion, in whole or in part, of the balance of the Plan into a life pension or the Annuitant's death, as the case may be.
- 10. Separation and divorce:** The Annuitant's Spouse ceases to be entitled to the benefit provided for in section 7 or, as the case may be, in section 8 upon separation from bed and board, divorce, marriage annulment, dissolution or annulment of civil union or, in the case of a Spouse who is not married or civil union Spouse, upon cessation of conjugal relationship, unless the Annuitant submits the notice provided for in section 89 of the Act to the Trustee.
- 11. Seizure for unpaid alimony:** The seizeable portion of the balance of the Plan 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.
- 12. Statements:** The Trustee will provide the Annuitant, at least once per year, a statement indicating all assets deposited to the Plan, their source, the accumulated earnings, the fees debited since the last statement and the balance of the Plan.
- 13. Irregular payment:** If an amount is paid from the Plan contrary to the provisions of the Regulation or this addendum, the Annuitant may, unless the payment is attributable to a false declaration on his part, require that the Trustee pay him, as a penalty, an amount equal to the irregular payment.
- 14. Amendment:** The Trustee may make no amendment to this addendum that would have the effect of reducing benefits resulting therefrom unless it grants the Annuitant, before the date of the amendment, the right to transfer the balance of the Plan 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 from which he may exercise such right.
- The Trustee may not, except to fulfil requirements under law, make any amendment to this addendum other than that provided for in this section without prior notice to the Annuitant.
- The Trustee may amend this addendum only to the extent that it remains in conformity with the standard addendum amended and registered with Retraite Québec and with the Tax Act.
- 15. Identifiable securities:** Where investments held in the Plan consist of identifiable and transferable securities, the Trustee may, unless otherwise stipulated, carry out the transfer referred to in sections 6 and 14 herein by the remittance of these securities.
- 16. Representations and warranties of the Annuitant:** The Annuitant represents and warrants the following to the Trustee:
- The assets transferred herein pursuant to the Act and the Regulation are locked-in assets resulting directly or indirectly from the commuted value of a pension benefit; and
  - 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.
- 17. Governing law:** This addendum is to be governed by and construed in accordance with the laws applicable in the Province of Québec.
- 18. Effective date:** This addendum takes effect on the date of transfer of assets into the Plan.

Natcan Trust Company  
600 De La Gauchetiere Street West, 28th Floor  
Montréal (Québec) H3B 4L2