

ADDENDUM ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATIONAL BANK SAVINGS 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 Pension Benefits Act, 1992* (Saskatchewan);
- b) “**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 assets were 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;
- c) “**locked-in retirement account**” or “**LIRA**” refers to an RSP that meets the requirements set out in section 29 of the Regulation;
- d) “**PRIF**” refers to a prescribed retirement income fund, namely a RIF that meets the requirements set out in section 29.1 of the Regulation;
- e) “**Regulation**” means *The Pension Benefits Regulation, 1993* (Saskatchewan) adopted pursuant to the Act;
- f) “**RIF**” means a retirement income fund within the meaning of the Tax Act that is registered under that Act;
- g) “**RSP**” means a retirement savings plan within the meaning of the Tax Act that is registered under that Act;
- h) “**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 concerning an RSP;
- i) “**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 interest, gains and losses, but excluding fees, charges, expenses and taxes charged to the Plan, are locked-in for retirement. No assets that are not locked-in may be transferred to or held in the Plan.

3. 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.

4. Permitted transfers: No transfer out of the Plan is permitted except:

- a) to another LIRA;
- b) to purchase a Life annuity contract;
- c) to purchase a PRIF;
- d) to a plan on the conditions referred to in clause 32(2)(a) of the Act;
- e) to a pooled retirement savings account contract on the conditions set out in subsection 16(19) of *The Pooled Registered Pension Plans (Saskatchewan) Regulations*, provided that if the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets were transferred has a Spouse, no transfer may be made unless the Spouse waives his or her entitlement to a pension that complies with section 34 of the Act by delivering a written and signed waiver in Form 3 annexed to the Regulation to the Trustee before the transfer;
- f) to a pooled retirement income account contract on the conditions set out in subsection 17(7) of *The Pooled Registered Pension Plans (Saskatchewan) Regulations*.

A transfer is made after receipt of an application in a form satisfactory to the Trustee and only if the conditions set out in the first paragraph of section 7 of this addendum are met.

5. Permitted withdrawals: No withdrawal, commutation or surrender of assets held in the Plan is permitted, except in compliance with the Act or the Regulation such as in the following circumstances:

- a) where a physician certifies that, due to mental or physical disability, the life expectancy of the Annuitant is shortened considerably, in which case the Annuitant may elect, subject to section 9 below, to withdraw the assets either by way of a lump sum or a series of payments;
 - b) if the balance of the assets does not exceed 20% of the year’s maximum pensionable earnings in effect in the year in which the withdrawal occurs, in which case the Annuitant may withdraw the assets as a lump sum. The Trustee will not permit a withdrawal pursuant to this subsection unless it is satisfied that the Annuitant has no other locked-in assets;
 - c) if the Annuitant:
 - (i) is a non-resident of Canada as determined for the purposes of the Tax Act;
 - (ii) has not resided in Canada for at least two consecutive years;
 - (iii) provides the Trustee with written evidence that the Canada Revenue Agency has determined that he or she is a non-resident of Canada for the purposes of the Tax Act; and
 - (iv) completes and files with the Trustee a certificate of non residency in Form 4 annexed to the Regulation,in which case the Annuitant may withdraw the assets as a lump sum.
- If the Annuitant has a Spouse, he or she must obtain the Spouse’s consent and waiver in Form 5 annexed to the Regulation and file a copy of the completed form with the Trustee.

6. Improper payments: Should any assets in the Plan 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 assets not been paid out.

7. Conditions for transfer: Before transferring out the locked-in assets pursuant to section 4 of this addendum, the Trustee must advise the transferee in writing of the locked-in status of the assets and make acceptance of the transfer subject to the conditions provided for in section 29 of the Regulation.

If the Trustee does not comply with the above conditions, and the transferee fails to pay the assets transferred in the form of a pension or in the manner required by the Regulation, the Trustee must provide or ensure the provision of a pension in an amount that would have been provided had the assets not been paid out or transferred contrary to the provisions of the Act or the Regulation.

8. Restrictions: The assets in the Plan may not be assigned, charged, alienated or anticipated and are exempted from execution, seizure or attachment, except to the extent

provided by law. Any transaction purporting to assign, charge, alienate or anticipate the assets is void.

Unless otherwise provided by law, the Trustee may, if the term of the investments has not expired, delay the requested transfer, payment or withdrawal accordingly or, where investments consist of identifiable and transferable securities, effect the transfer, payment or withdrawal by the remittance of any of these securities.

9. Requirement form of pension: The pension to be provided to the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets in the Plan were transferred and has a Spouse at the date when the pension commences must comply with section 34 of the Act, unless the Spouse 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.

10. Compulsory transfer: If, within 90 days before the end of the calendar year in which the Annuitant attains the maximum age prescribed under the Tax Act, the Trustee has not received the necessary instructions and documents from the Annuitant to effect the transfer of the assets in the Plan, the Trustee may, at its sole discretion, either purchase an immediate Life annuity contract or transfer the assets to a PRIF for the Annuitant.

11. Death of the Annuitant: On the death of the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets were transferred:

- a) the surviving Spouse is entitled to the locked-in assets in the Plan;
- b) if there is no surviving Spouse, the designated beneficiary of the Annuitant is entitled to the locked-in assets in the Plan, 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 assets in the Plan, as a lump sum payment.

The locked-in assets in the Plan are transferred to the surviving Spouse, the designated beneficiary or the estate of the Annuitant, as the case may be, in accordance with sections 12 to 15 of this addendum and with subsections 29(4.1) to 29(4.5) of the Regulation.

12. Survivor’s benefits: If the surviving Spouse is entitled to the locked-in assets in the Plan pursuant to paragraph 11a) of this addendum, he or she may, within 180 days following the day on which proof of death of the Annuitant is provided to the Trustee, elect:

- a) to transfer the locked-in assets in the Plan in accordance with subsection 32(2) of the Act; or
- b) to receive a lump sum payment equal to the locked-in assets in the Plan.

13. Survivor’s benefits (no surviving Spouse): If the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets were transferred dies leaving no surviving Spouse, a lump sum payment equal to the locked-in assets in the Plan to which a surviving Spouse would have been entitled pursuant to section 12 of this addendum will be paid:

- a) to the designated beneficiary of the Annuitant; or
- b) if there is no designated beneficiary, to the Annuitant’s estate.

14. Waiver of survivor’s benefit: At any time before the Annuitant’s death, the Spouse:

- a) may waive his or her entitlement pursuant to section 12 of this addendum by delivering a written and signed waiver in Form 0.1 annexed to the Regulation to the Trustee; and
- b) may revoke the waiver delivered pursuant to paragraph a) above by delivering a written and signed notice of revocation to the Trustee.

15. Survivor’s benefits (waiver in effect): If a waiver pursuant to section 14 of this addendum is in effect on the date of the Annuitant’s death, section 13 of this addendum applies as if the Annuitant died leaving no surviving Spouse.

16. Spousal relationship breakdown: Notwithstanding any contrary provision of this addendum, the Plan is subject, with any necessary modification, to the division on spousal relationship breakdown provisions in Part VI of the Act.

17. Enforcement of maintenance orders: Notwithstanding any contrary provision of this addendum, the locked-in assets in the Plan are subject to attachment for purpose of enforcing a maintenance order as defined in *The Enforcement of Maintenance Orders Act*. When such an attachment is made, the Trustee deducts from the locked-in assets in the Plan:

- a) an amount, not to exceed \$250, that reasonably represents the cost to the Trustee of complying with the attachment;
- b) the total amount of taxes, if any, that are required to be deducted or withheld as a result of the attachment; and
- c) the lesser of (i) the amount attached; and (ii) the remainder of the locked-in assets in the Plan.

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.

18. Amendment: The Trustee may amend this addendum provided that it remains in conformity with the Act, the Regulation and the Tax Act.

19. 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 and the Regulation are locked-in assets resulting directly or indirectly from the commuted value of a pension benefit; and
- 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.

20. Governing terms: The assets in the Plan will be held by the Trustee in accordance with the terms of the declaration and the provisions of this addendum.

21. Governing law: This addendum is to be governed by and construed in accordance with the laws applicable in the Province of Saskatchewan.

22. Effective date: This addendum takes effect on the date of transfer of assets into the Plan.