

ADDENDUM TO THE CREDENTIAL SECURITIES INC. SELF-DIRECTED RETIREMENT INCOME FUND

THIS ADDENDUM dated the _____ day of _____, 20____.

BETWEEN:

(herein referred to as the "**Annuitant**")

AND **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada, and having an office at 510 Burrard St – 3rd Flr., Vancouver B.C. V6C 3B9 (herein referred to as the "**Trustee**")

WHEREAS the Annuitant has established a Credential Securities Inc. Self-Directed Retirement Income Fund specimen plan number **RIF-1449** (the "**RIF**") and Annuitant Account number _____ with the Trustee under the relevant provisions of *the Income Tax Act* (Canada) and the Regulations thereunder (collectively, the "**Tax Act**");

AND WHEREAS the Annuitant has established by virtue of this Addendum a locked-in retirement income fund (the "**LRIF**") established as a locked-in registered retirement income fund under the Tax Act to receive certain benefits (the "**Benefits**") which are subject to the locking-in provisions of the Act and Regulations as defined below;

AND WHEREAS the Annuitant wishes to have the present value of the Benefits transferred to the LRIF with the Trustee;

AND WHEREAS the Trustee is willing to accept such transfer;

NOW THEREFORE this Addendum witnesseth and the parties hereto agree as follows:

Definitions

1. For the purposes of this Addendum "**Act**" means the *Ontario Pension Benefits Act* and "**Regulations**" means R.R.O. 1990, Reg. 909.
2. Words and phrases used in this Addendum have the following meanings:
"**excess amount**" has the meaning given to it in the Regulations; "**former member**", "**member**", "**Minister**", "**pension**", "**pension benefit**", "**spouse**", "**same-sex partner**", "**Superintendent**" and "**Year's Maximum Pensionable Earnings**" have the same meaning given to them in the Act; "**locked-in retirement income fund**" means a RRIF that meets the requirements set out in Schedule 2 of the Regulations; "**locked-in retirement account**" means a RRSP that meets the requirements set out in Section 21(2) of the Regulations; "**life income fund**" means a RRIF that meets the requirements set out in Schedule 1 of the Regulations; "**RRIF**" means a registered retirement income fund established in accordance with the Tax Act; and "**RRSP**" means a registered retirement savings plans established in accordance with the Tax Act;
3. Notwithstanding anything to the contrary contained in the RIF and this Addendum, including any endorsements forming a part thereof, "**spouse**" or "**same-sex partner**" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Tax Act respecting RRIFs.

Contributions

4. The Annuitant acknowledges that all of the Benefits to be transferred to the LRIF and all investment earnings thereon are subject to the locking-in provisions of the Act (the "**LRIF Assets**"). Only assets that are locked-in pursuant to the Act will be transferred to or held under the LRIF.

Investments

5. The LRIF Assets will be invested and reinvested in accordance with the provisions of the RIF, the Act, the Regulations and the Tax Act.

No Assignment

6. The Annuitant shall not assign, charge, anticipate or give LRIF Assets as security, except as required by an order under the *Ontario Family Law Act* (the "FLA") or by a domestic contract as defined in Part IV of the FLA. Any transaction purporting to assign, charge, anticipate or give the LRIF Assets as security is void

No Seizure

7. All LRIF Assets are exempt from execution, seizure or attachment, and assets payable from the LRIF are exempt from execution, seizure or attachment, except as provided in section 66 of the Act.

No Withdrawal, Commutation or Surrender

8. LRIF Assets cannot be withdrawn, commuted, or surrendered in whole or in part, except where an amount is required to be paid to the Annuitant, or otherwise permitted or required by law.

Valuation of Assets

9. Except as otherwise provided in this Addendum, all LRIF Assets that are subject to any transfer to or from the LRIF are to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required or permitted by the Act and the Regulations. The method and factors used to establish the value of the LRIF shall be as follows. The assets of the LRIF shall be valued at their fair market value immediately prior to the date (the "**Valuation Date**") on which such assets are used, withdrawn or otherwise transferred out of the LRIF. In order to determine fair market value regard may be had to any comparable arm's length transaction that occurs on the Valuation Date or within a reasonable time prior to the Valuation Date. Where possible such arm's length transactions should involve a cash sale of assets of the same class or kind as those held by the LRIF. If a comparison of this nature is not possible then regard may be had to arm's length transactions that involve assets of a similar class or kind, with such modifications as the circumstances may require. If arm's length transactions involving assets of a similar class or kind are not available then regard may be had to such other considerations as may reasonably be considered to be relevant

in the discretion of the Trustee, including, without limitation, the book value of the asset, the replacement cost of the asset or such other factors as may be relevant.

Fiscal Year

10. The fiscal year of the LRIF ends on December 31st of each year and will not exceed twelve months.

Periodic Payment out of the LRIF

11. The Annuitant will be paid an income the amount of which may vary annually.
12. Payments will commence no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which Benefits were transferred into the LRIF directly or indirectly.
13. Payments out of the LRIF will begin no later than the last day of the second fiscal year of the LRIF.
14. The Annuitant shall establish the amount of income to be paid during each fiscal year of the LRIF at the beginning of that fiscal year or as may be agreed upon by the Trustee and the Annuitant, and after receipt of the information specified in paragraph 36 of this Addendum. If the Annuitant does not inform the Trustee of the amount to be paid out of the LRIF for a year, the minimum amount determined pursuant to the Tax Act shall be paid out of the LRIF for that year.
15. The LRIF Assets and payments out of the LRIF are subject to division in accordance with the terms of an order under the FLA or a domestic contract as defined in Part IV of the FLA.

Calculation of Payments

16. The amount of income paid out of the LRIF during a fiscal year of the LRIF may not be less than the minimum amount prescribed for RRIFs pursuant to the Tax Act (the "**Minimum Amount**"), and may not exceed the maximum amount (the "**Maximum Amount**"), being the greatest of:
 - i) the value of the assets in the LRIF at the beginning of that fiscal year less the amount calculated by subtracting from the sum of all amounts transferred into the LRIF since it was established the sum of all amounts transferred out of the LRIF since it was established;
 - ii) the investment earnings, including any unrealized capital gains or losses, of the LRIF in the previous fiscal year;
 - iii) in the fiscal year in which the LRIF is established or in the fiscal year immediately following its establishment, 6 per cent of the value of the assets in the LRIF at the beginning of the applicable fiscal year;
 - iv) if the assets in the LRIF are derived from assets transferred directly from a life income fund or a locked-in retirement income fund and if the income is being paid out of the LRIF in the fiscal year following the fiscal year in which the LRIF is established, the sum of,
 - a) the investment earnings, including any unrealized capital gains or losses, of the transferring life income fund or locked-in retirement income fund, as the case may be, in the previous fiscal year, and
 - b) the investment earnings, including any unrealized capital gains or losses, of the LRIF in the previous fiscal year.
17. Notwithstanding paragraph 16, if any assets in the LRIF are derived from assets transferred directly or indirectly from a life income fund or a locked-in retirement income fund, the Maximum Amount that may be paid out of the LRIF in the fiscal year in which the assets are transferred into the LRIF is zero.
18. If the initial fiscal year of the LRIF is not twelve months long, the Maximum Amount shall be adjusted in proportion to the number of months in that fiscal year divided by twelve, with any part of an incomplete month counting as one month.
19. If the Annuitant elects to be paid an amount that is less than the Maximum Amount in a fiscal year, the difference between the Maximum Amount and the amount paid in the year may be carried forward. The Annuitant may elect to be paid in a fiscal year all or part of the amount carried forward from a prior fiscal year. Upon such payment the amount carried forward will be reduced by the amount paid to the Annuitant.

Transfers from the LRIF

20. The Annuitant may transfer any or all of the LRIF Assets,
 - (i) to another locked-in retirement income fund; or
 - (ii) to a life income fund at any time, provided that the minimum amount as defined under 146.3(1) of the Tax Act is retained before transferring the balance of the LRIF in accordance with paragraph 146.3(2)(e) of the Tax Act,
 - (iii) to purchase an immediate life annuity, as stipulated in paragraph 60(l) of the Tax Act and that meets the requirements of section 22 of the Regulations; or
 - (iv) before December 31st in the year in which the Annuitant reaches sixty-nine years of age, to a locked-in retirement account.Upon receipt of the Annuitant's request for transfer, the Trustee will provide to the Annuitant the information described in paragraph 36 of this Addendum, determined as of the date of the transfer. The transfer of the assets of the LRIF shall occur no later than thirty days after receipt of the Annuitant's request, except with respect to assets held as securities whose term of investment extends beyond the thirty day period.

21. Where the LRIF holds identifiable and transferable securities, the transfer referred to in paragraph 20 of this Addendum may, unless otherwise stipulated, at the option of the Trustee and with the consent of the Annuitant, be affected by remittance of the investment securities of the LRIF.

22. An immediate life annuity that is purchased with funds from the LRIF shall not differentiate on the basis of the sex of the beneficiary if the value of the Benefits was determined in a manner that did not differentiate on the basis of sex.

Financial Hardship Withdrawal

23. If the Trustee receives the consent of the Superintendent pursuant to subsection 67(5) of the Act which has been signed by the Superintendent within twelve months of its receipt by the Trustee (the "**Consent**"), the Trustee may, in accordance with the Consent:
 - i) pay the specified amount, net of any withholding tax and fee, to the Annuitant as a lump sum payment, on a monthly installment basis, or a combination thereof; and
 - ii) pay the amount of any related fee approved by the Minister, net of withholding tax, to the Minister.

Withdrawal of Excess Amount

24. If an excess amount is transferred directly or indirectly to the LRIF, the Annuitant may, upon application to the Trustee in accordance with section 22.2 of the Regulations, withdraw an amount which is not greater than the sum of the excess amount and any subsequent investment

earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by the Trustee, provided the following conditions are met:

- i) The application is made on a form approved by the Superintendent, signed by the Annuitant and accompanied by one of the following documents:
 - a) a written statement from the administrator of the pension plan from which money was transferred into the LRIF setting out the excess amount that was transferred into the LRIF; or
 - b) a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the LRIF.
25. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 24 and such application shall constitute sufficient authorization for the Trustee to make the withdrawal from the LRIF as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying document.

Withdrawal of Small Amount At 55

26. A withdrawal equal to the value of the entire LRIF may be made on application by the Annuitant to the Trustee in accordance with section 8 of Schedule 2 of the Regulations provided the following conditions are met:
- (i) the Annuitant has attained the age of fifty-five years at the time of execution of the application;
 - (ii) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned 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
 - (iii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within 60 days of execution, and accompanied by one of the following documents:
 - (a) a Declaration about a Spouse or Same-Sex Partner, as described in paragraph 31, or
 - (b) a statement signed by the Annuitant within sixty days of receipt by the Trustee attesting to the fact that none of the money in the LRIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
27. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts 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 of the Annuitant, which must be provided to the Trustee. Each such statement must be dated within one year of execution of the application by the Annuitant.
28. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 26 and such application shall constitute sufficient authorization to the Trustee to make the withdrawal from the LRIF as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying documentation.

Shortened Life Expectancy Withdrawal

29. A withdrawal of all or part of the balance of the LRIF may be made on application by the Annuitant to the Trustee in accordance with section 9 of Schedule 2 of the Regulations for the withdrawal provided 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 made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by the following documentation:
 - a) 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
 - b)
 - i) a Declaration about a Spouse or Same-Sex Partner, as described in paragraph 31; or
 - ii) a statement signed by the Annuitant within sixty days of receipt by the Trustee attesting to the fact that none of the money in the LRIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
30. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 29 and such application shall constitute sufficient authorization to the Trustee to make the withdrawal from the LRIF as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying documentation.

Declaration about a Spouse or Same-Sex Partner

31. Any of the following documents constitutes a Declaration about a Spouse or Same-Sex Partner for the purposes of a withdrawal from the LRIF under paragraphs 26 and 29, provided that it is received by the Trustee within sixty days of execution:
- i) a statement signed by the Annuitant's spouse that the spouse consents to the withdrawal from the LRIF;
 - ii) a statement signed by the Annuitant's same-sex partner that the same-sex partner consents to the withdrawal from the LRIF;
 - iii) a statement signed by the Annuitant attesting to the fact that the Annuitant does not have a spouse or same-sex partner;
 - iv) a statement signed by the Annuitant attesting to the fact that the Annuitant is living separate and apart from the Annuitant's spouse on the date the Annuitant signs the application to make the withdrawal from the LRIF.

Death of Annuitant

32. On the death of the Annuitant, a benefit equal to the value of the LRIF Assets is to be paid:
- (i) to the surviving spouse or same-sex partner, as the case may be;
 - (ii) if there is no surviving spouse or same-sex partner, to the designated beneficiary; or
 - (iii) if there is no valid designation of beneficiary, to the personal representatives of the estate in their representative capacity.
33. Notwithstanding paragraph 32, a spouse or same-sex partner of the Annuitant is not entitled to receive a benefit equal to the value of the LRIF Assets upon the death of the Annuitant if:
- (i) the spouse or same-sex partner was living separate and apart from the Annuitant on the date of the Annuitant's death; or
 - (ii) the Annuitant was not a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the LRIF.

34. Upon the death of the Annuitant, the Trustee will provide to the person entitled to receive the benefit equal to the value of the LRIF Assets the information described in paragraph 36, determined as of the date of the Annuitant's death.
35. The Trustee shall be fully discharged from any further duty, obligation and liability in connection with the LRIF, upon payment being made in accordance with these provisions.

Information to be provided to Annuitant

36. The Trustee will provide the Annuitant with the information specified in section 14(2) of Schedule 2, of the Regulations.

Amendment

37. The Trustee may, from time to time, at its discretion, make amendments to this Addendum by giving ninety days' notice of a proposed amendment. No amendment shall result in a reduction in the Annuitant's benefits under the LRIF unless the Trustee is required by law to make the amendment. When the Annuitant has received from the Trustee a ninety day written notice indicating the nature of the amendment and the dates to which the Annuitant's right of transfer may be exercised, the Annuitant may elect to transfer all or part of the assets of the LRIF at any time before the effective date of the amendment. Such notice shall be sent by registered mail to the Annuitant's address as contained in the Trustee's records. No amendment shall have the effect of disqualifying the LRIF as a registered retirement income fund within the meaning of the Tax Act.

Notwithstanding the above, any and all amendments to this Addendum shall be made with the concurrence of the authorities administering the Act in the Tax Act.

Declaration of Trust Affirmed

38. The Trustee hereby affirms the provisions contained in the RIF and this Addendum to take effect as of the date first above written.

Interpretation

39. The conditions of this Addendum will take precedence over the provisions in the RIF in the case of conflicting or inconsistent provisions. Should any provisions of this Addendum be inconsistent with any provisions or requirements of the Act, the Regulations or the Tax Act, including any provisions amended or enacted after the date hereof, then the provisions of the Act, the Regulations or the Tax Act (as the case may be) shall prevail to the extent of any such inconsistency.
40. All references herein to any statute, regulation or any provision thereof shall mean such statute, regulation or any provision thereof as the same may be re-enacted or replaced from time to time.
41. This Addendum shall be construed and enforced according to the laws of the Province of Ontario and all provisions hereof shall be administered according to the laws of that Province and of Canada as applicable hereunder.

Counterparts

42. This Addendum may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one instrument.

IN WITNESS WHEREOF the parties have executed this Addendum as of the date first written above and shall bind the Trustee, its agents and the Annuitant and their respective successors and assigns effective from the date of transfer of assets into the LRIF.

YOUR CURRENT MARITAL STATUS:

(This data is necessary in order to complete prescribed government forms.)

- | | | | |
|--------------------------|------------|--------------------------|----------|
| <input type="checkbox"/> | Single | <input type="checkbox"/> | Married |
| <input type="checkbox"/> | Common law | <input type="checkbox"/> | Divorced |
| <input type="checkbox"/> | Separated | <input type="checkbox"/> | Widower |

NAME OF ANNUITANT (PRINT)

SIGNATURE OF ANNUITANT

COMPUTERSHARE TRUST COMPANY OF CANADA

per: _____

per: _____

TO BE COMPLETED BY THE TRANSFERRING INSTITUTION:

UNLESS INDICATED BELOW, THE COMMUTED VALUE OF THE BENEFITS TRANSFERRED TO THE LRIF GOVERNED BY THIS ADDENDUM WAS NOT DETERMINED IN A MANNER THAT DIFFERENTIATED ON THE BASIS OF SEX.

_____(Check here.)

SPOUSAL/SAME-SEX PARTNER CONSENT TO TRANSFER
(To be completed by Annuitant's Spouse or Same-Sex Partner, if applicable)

LAST NAME OF SPOUSE/SAME-SEX PARTNER

FIRST NAME OF SPOUSE/SAME-SEX PARTNER

DATE OF BIRTH OF SPOUSE/SAME-SEX PARTNER (DAY/MONTH/YEAR)

I am the spouse, as defined in the Ontario *Pension Benefits Act*, of _____
(Name of Annuitant)

who has requested a transfer of locked-in money from _____
(Name of pension plan or financial institution administering LIRA)

OR

I am the same-sex partner, as defined in the Ontario *Pension Benefits Act*, of _____ who has requested a
transfer of locked-in money from _____
(Name of Annuitant)

(Name of pension plan or financial institution administering LIRA)

The provisions hereafter refer to "the spouse or same-sex partner" of the Annuitant as set out above and such reference shall apply to you as indicated above.

I am aware that the administrator of the pension plan or of the LIRA, as the case may be, will not comply with the Annuitant's request to transfer locked-in money to an LRIF unless my written consent is given. However, I am aware that neither the Ontario *Pension Benefits Act* nor the Regulations thereunder require me to provide this consent, and it is solely my choice whether I wish to do so.

I understand that by providing this written consent, I am not waiving my rights under the Ontario *Pension Benefits Act* and Regulation 909 to survivor benefits or benefits which may be available on marriage break down.

I understand that as a spouse who is not living separate and apart from the Annuitant at the Annuitant's date of death, or as a same-sex partner, I will be entitled to receive a death benefit of the balance of the LRIF as an unlocked lump sum payment.

I understand that as a spouse who is not living separate and apart from the Annuitant when LRIF assets are used to purchase a life annuity, or as a same-sex partner, the annuity must provide a survivor pension of at least 60% of the pension received by my spouse or same-sex partner.

I understand that, in the event of marriage breakdown prior to the date an annuity is purchased, no more than 50% of the LRIF assets may be transferred to my LIRA, LIF, or LRIF or to purchase an immediate or deferred life annuity.

I understand, in the above situation, any interest I may have in the assets held in the LRIF is effective only where a court order or domestic agreement under the *Ontario Family Law Act* is provided to the administrator.

I hereby consent to the establishment of a LRIF by my spouse/same-sex partner and to the transfer of locked-in money to the LRIF in accordance with the terms and conditions of the RIF and this Addendum.

SIGNATURE OF SPOUSE/SAME-SEX PARTNER

DATE