

SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LIFE INCOME FUND UNDER THE NATIONAL BANK FINANCIAL INC. 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 Regulations and registered under the Income Tax Act (Canada) (the "Transfer");
- B. The Annuitant has established a National Bank Financial Inc. 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:

- 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. 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. 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;
- 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(1)(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 transfers 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 Regulations; 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. **Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

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,

“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,
- (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*;

“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;

“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%.

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 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*.

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
- (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.

- (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) 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 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.

This Agreement takes effect on the date of transfer of assets into the Fund.

Annuitant's current marital status: (This data is necessary in order to complete prescribed government forms.)

Annuitant's current marital status: (This data is necessary in order to co

☐ Single ☐ Married ☐ Common law ☐ Divorced ☐ Separated ☐ Widowed

Signed at _____ on this _____ day of _____ of the year _____.

First and last name of Annuitant (*in block letters*)

X

Signature of Annuitant

NATIONAL BANK FINANCIAL INC. AS AGENT FOR
NATCAN TRUST COMPANY

PER: