

Supplementary Agreement to the Declaration of Trust, Establishing a Locked-in Retirement Savings Plan Under the National Bank Financial Inc. Self-directed Registered 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. 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) “**Account**” refers to the National Bank Financial Inc. 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 LRSP that will hold the locked-in money that is the subject of the Transfer;
- b) “**Act**” means the *Pension Benefits Standard Act, 1985* (Canada), as same may be amended from time to time;
- c) “**Declaration**” means the Declaration of Trust of the National Bank Financial Inc. Self-Directed Retirement Savings plan executed between the Annuitant and the Trustee;
- 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) “**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;
- f) “**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;
- g) “**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;
- 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) “**Regulation**” means the *Pension Benefits Standards Regulations, 1985* adopted pursuant to the Act, as same may be amended from time to time;
- j) “**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;
- 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 at section 3 of 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:** 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) **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 Québec and Canada.

LANGUAGE (Quebec only) - The Annuitant confirms having received a [French version](#) of this Agreement. The Annuitant also confirms it is his or her wish that this Agreement and all related documents be drawn up in English.
(Québec seulement) - Le rentier confirme avoir reçu la [version française](#) de ce contrat. Le rentier confirme également sa volonté que ce contrat et tous les documents s'y rattachant soient rédigés en anglais.

IN WITNESS WHEREOF the parties hereto have read and executed this Agreement as of the date first written below and shall bind the Financial Institution, its agents and the Annuitant and their respective successors and assigns effective from the date of transfer of assets into the LIRSP.

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:  _____