

**NORTHWEST & ETHICAL INVESTMENTS L.P.
RETIREMENT INCOME FUND, RIF 1503**

**Agreement Under the
Province of Newfoundland and Labrador *Pension Benefits Act, 1997*
for Transfers to a
LIFE INCOME FUND (LIF)**

Whereas the undersigned Annuitant has applied for a retirement income fund (the "Fund") with Concentra Trust (the "Trustee"), to receive and hold those funds in accordance with the "*Pension Benefits Act, 1997* (Newfoundland and Labrador)" (the "Act") and the "*Pension Benefits Act Regulations* (Newfoundland and Labrador)" thereto (the "Regulations"), as both may be amended from time to time.

And whereas the Fund consists of an application, a declaration of trust and the addendum or addenda thereto, where applicable.

And whereas the Trustee has agreed to apply for registration of the Fund as a registered retirement income fund, with the Canada Revenue Agency (the "CRA"), and to accept the funds referred to above.

It is understood and agreed, by and between the Annuitant and the Trustee, that the full amount of funds transferred to the Fund, inclusive of all future investment earnings, gains and losses accruing thereto, shall be governed by the terms and conditions of this addendum (the "Addendum"), as set out below, and thereafter by the Fund, as approved by the CRA from time to time, effective from the time of transfer of the locked-in funds to the Fund.

Terms and Conditions:

1. For the purposes of this Addendum the following definitions apply:
 - a) "Annuitant" means the applicant of the Fund, who is the member or former member of a pension plan who has made a transfer pursuant to section 40 of the Act to a LIF and, unless otherwise stated, includes the principal beneficiary or former principal beneficiary of the member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown;
 - b) "Directive" means any directive issued by the Superintendent under the Act and the Regulations, as may be amended from time to time;
 - c) "principal beneficiary" means the Spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member's cohabiting partner;
 - d) "Spouse" has the meaning as defined in Part I of the Act, however, notwithstanding anything to the contrary contained in this Addendum, "spouse" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) (the "*Income Tax Act*") respecting registered retirement income funds.
 - e) The words "cohabiting partner", "financial institution", "fiscal year", "life annuity contract", "life income fund ("LIF")", "list", "locked-in retirement account ("LIRA")", "locked-in retirement income fund ("LRIF")", "owner", "pension benefit", and "Superintendent" have the same meaning given to them in the Act, the Regulations and the Directives.
2. The Trustee will maintain the Fund as a LIF in accordance with the Act, the Regulations and the Directives.

3. The Annuitant's powers respecting investments of the assets held under the Fund are set out in the Fund declaration of trust.
4. The Annuitant agrees not to assign, charge, anticipate or give as security money payable under the Fund. Further, except as permitted under the Act or the Regulations, the assets under the Fund may not be assigned, charged, anticipated or given as security and any transaction purporting to assign, anticipate or give the assets under the Fund as security is void.
5. The value of the Fund will be determined based on the fair market value of the assets held under the Fund, or as determined in accordance with the Fund declaration of trust.
6. The fiscal year of the Fund ends on December 31 of each year and will not exceed 12 months.
7. The Annuitant will be paid an income from the Fund, the amount of which may vary annually. The payments will commence no earlier than age 55 or the earliest date on which the Annuitant could receive a pension benefit under the Act or the originating pension plan from which the funds have been transferred and not later than the last day of the second fiscal year of the Fund.
8. The Annuitant must decide the amount to be paid out of the Fund each year, either at the beginning of the fiscal year of the Fund or at another time agreed to by the Trustee and the decision expires at the end of the fiscal year to which it relates.
9. If the Annuitant does not decide on the amount to be paid from the Fund, as provided for under paragraph 8 of this Addendum, the minimum amount, as outlined under paragraph 15 of this Addendum shall be deemed to be the amount paid.
10. The amount of income paid out of the Fund during a fiscal year must not exceed the "maximum", being the greater of a) and b) as follows:
 - a) the amount calculated using the following formula
$$C / F$$

in which

C = the value of the assets in the Fund at the beginning of the fiscal year.

F = the present value, at the beginning of the fiscal year, of a pension of which the annuity payment is \$1 payable at the beginning of each fiscal year between that date and the 31st of December of the year in which the Annuitant reaches ninety years of age; and
 - b) the amount of investment earnings, including any unrealized capital gains or losses, of the Fund in the immediately previous fiscal year.
11. The value "F" in paragraph 10 of this Addendum must be established at the beginning of each fiscal year of the Fund using an interest rate as follows:
 - a) for the first fifteen years after the date of the valuation, the greater of 6% per year and the percentage obtained on long-term bonds issued by the Government of Canada for the month of November preceding the date of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review under identification number V122487 in the CANSIM System; and
 - b) for the sixteenth and each subsequent year, a rate of 6% per year.

12. Subject to paragraph 13 of this Addendum, the Annuitant is entitled to receive additional temporary income where:
 - a) the maximum amount of income the Annuitant is entitled to receive for the calendar year in which the application is made, calculated as "B" under paragraph 13 of this Addendum, is less than 40% of the Year's Maximum Pensionable Earnings ("YMPE") under the *Canada Pension Plan* for the calendar year in which the application is made; and
 - b) the Annuitant has not reached his or her 65th birthday at the beginning of the fiscal year in which he or she makes application for additional temporary income.
13. The amount of additional temporary income paid out of the Fund in a fiscal year must not exceed the "maximum" using the following formula:

A – B

in which

A = 40% of the YMPE for the calendar year in which an application is made.

B = the maximum amount of income the Annuitant is entitled to receive from all LIFs, LRIFs, life annuity contracts and pension plans governed by the Act or established or governed by an Act of Canada or another Province or Territory, except income from a pension under the *Canada Pension Plan*, for the calendar year in which the application is made.
14. An application for additional temporary income under paragraph 12 of this Addendum shall be:
 - a) on a form approved by the Superintendent;
 - b) where the Annuitant is a former member of a pension plan, accompanied by the written consent of the principal beneficiary of the former member; and
 - c) submitted to the Trustee at the beginning of the fiscal year of the Fund, unless otherwise permitted by the Trustee.
15. The amount of income paid out of the Fund during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds under the *Income Tax Act*.
16. In the initial fiscal year of the Fund, the "maximum" in paragraphs 10 and 13 of this Addendum will be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month.
17. If a part of the Fund corresponds to amounts transferred directly or indirectly from another LIF or LRIF of the Annuitant during the fiscal year, the "maximum" in paragraphs 10 and 13 of this Addendum shall be deemed to be zero in respect of the part transferred in.
18. Notwithstanding paragraph 17 of this Addendum, the Trustee will permit money to be paid to the Annuitant provided that the total amount received by the Annuitant from all financial institutions in respect of that part transferred in during the fiscal year does not exceed the "maximum" in paragraphs 10 and 13 of this Addendum for that part. In this case, the Trustee must receive information, in writing, from the prior financial institution(s) which confirms the amount already paid in the fiscal year in respect of that part of the Fund.
19. If money is paid out of the Fund contrary to the Act or Directive No. 5, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the money not been paid out.
20. The Annuitant may withdraw money as a lump sum or series of payments if a medical practitioner certifies that due to a mental or physical disability the life expectancy of the

Annuitant is likely to be shortened considerably, but where the Annuitant is a former member of a pension plan such payment may only be made if the principal beneficiary of the former member has waived the joint and survivor pension entitlement in a form and manner acceptable to the Superintendent.

21. The Annuitant is entitled to withdraw a lump sum payment equal to the value of the entire Fund on application to the Trustee if, at the time the Annuitant signs the application:
 - a) the Annuitant has reached the earlier of age 55 or the earliest date on which the member or former member would have been entitled to receive a pension benefit under the pension plan from which the money under the Fund was transferred;
 - b) the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant and governed by Newfoundland and Labrador pension benefits legislation is less than 40% of the YMPE for the calendar year; and
 - c) the Annuitant has not, within the same fiscal year, elected to receive additional temporary income under paragraph 12 of this Addendum or, where a part of the Fund corresponds to amounts transferred directly or indirectly from another LIF or LRIF, elected to receive additional temporary income from that LIF or LRIF.
22. An application under paragraph 21 of this Addendum shall be:
 - a) on a form approved by the Superintendent; and
 - b) where the Annuitant is a former member of a pension plan, accompanied by a waiver of the joint and survivor pension entitlement by the principal beneficiary of the former member, in the form and manner required by the Superintendent.
23. The Annuitant may transfer any or all assets under the Fund:
 - a) to another LIF that meets the requirements of Directive No. 5;
 - b) to an LRIF that meets the requirements of Directive No. 17;
 - c) to purchase an immediate life annuity contract that meets the requirements of the Superintendent, the Act, the Regulations, the Directives and paragraph 60(l) of the *Income Tax Act*; or
 - d) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the *Income Tax Act*, to a LIRA that meets the requirements of Directive No. 4.
24. The Trustee agrees to make a transfer under paragraph 23 of this Addendum within 30 days after receiving such a request from the Annuitant. This provision does not apply with respect to the transfer of any assets held as securities whose term of investment extends beyond the 30 day period.
25. If the assets held under the Fund consist of identifiable and transferable securities, the Trustee may transfer the securities with the consent of the Annuitant.
26. On the death of the Annuitant who is a former member and who has a principal beneficiary, the surviving principal beneficiary, or where there is no surviving principal beneficiary or the surviving principal beneficiary had waived entitlement in the form and manner acceptable to the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant is entitled to receive a lump sum payment of the full value of the Fund.
27. On the death of the Annuitant who is not a former member, a lump sum payment of the full value of the Fund shall be paid to the designated beneficiary or, where there is no beneficiary, to the Annuitant's estate.
28. Subject to paragraph 29 of this Addendum, the Trustee will not amend the Addendum governing the Fund except where the Trustee provides the Annuitant with at least 90 days' notice of a proposed amendment.

29. An amendment that would result in a reduction in the Annuitant's benefits under the Addendum is permitted only where:
 - a) the Trustee is required by law to make the amendment; and
 - b) the Annuitant is entitled to transfer the balance of the Fund under the terms of the Addendum that existed before the amendment is made.
30. When making an amendment under paragraph 29 of the Addendum the Trustee shall:
 - a) Notify the Annuitant of the nature of the amendment; and
 - b) Allow the Annuitant at least 90 days after the notice is given to transfer all or part of the balance under the Fund.
31. Notice under paragraphs 28 and 30 shall be sent by registered mail to the Annuitant's address as set out in the records of the Trustee.
32. At the beginning of each fiscal year, the Trustee will provide the Annuitant with the following information:
 - a) in relation to the previous fiscal year: the sums deposited, the amount of investment earnings (including any unrealized capital gains or losses), the payments made out of the Fund, and the fees charged;
 - b) the value of the assets in the Fund;
 - c) the minimum amount that must be paid out of the Fund to the Annuitant in the current fiscal year;
 - d) the maximum amount of income, as provided for under paragraph 10 of this Addendum, that may be paid out of the Fund to the Annuitant during the current fiscal year; and
 - e) if applicable, notification that the Annuitant may be entitled to receive additional temporary income under paragraph 12 of this Addendum during the current fiscal year.

If the balance of the Fund is transferred as described in paragraph 23 of this Addendum, the Trustee will provide the Annuitant with the information described above determined as of the date of the transfer. If the Annuitant dies, the person entitled to receive the balance of the Fund will be given the information described above determined as of the date of the Annuitant's death.

33. Subject to the provisions of this Addendum and Part VI of the Act, no withdrawal, commutation or surrender of the assets held under the Fund is permitted, except where an amount is required to be paid to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act*.
34. The Fund is subject, with necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.
35. The Trustee will not accept any funds into the Fund that are not locked-in under the provisions of the Act.
36. This Addendum may be amended from time to time by the Trustee as permitted and in accordance with the terms and conditions of this Addendum. However, in the event of changes to the Act, the Regulations or the Directives, this Addendum will be considered to have been amended to conform to such changes effective the date such changes come into force.

By execution of this Addendum, the Trustee hereby undertakes to administer the transferred locked-in funds and all subsequent earnings on these funds in accordance with the provisions of this Addendum.

By execution of this Addendum, the Annuitant hereby agrees to abide by the provisions stated and to waive any right to request amendment of the Fund or of this Addendum to receive any funds except as expressly provided for herein.

Signed this _____ day of _____, 20 _____.

Signature of Annuitant _____

Accepted by authorized officer, as agent for the Trustee

Concentra Trust
333 3rd Avenue North
Saskatoon SK S7K 2M2

ANNUITANT IDENTIFICATION
(print annuitant information)

NAME _____

CONTRACT # _____