

**Addendum for Locked-in Pension Transfers to the
NORTHWEST & ETHICAL INVESTMENTS L.P.
RETIREMENT INCOME FUND RIF 1503
Pursuant to the
*Supplemental Pension Plans Act (Québec)***

Whereas the undersigned Annuitant has applied for a retirement income fund (the "Fund") with Concentra Trust (the "Trustee"), to receive funds and hold those funds in accordance with the Province of Québec "*Supplemental Pension Plans Act*" (the "Act") and the regulation thereto (the "Regulation"), 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. This Addendum, taken together with the Fund, establish a Life Income Fund (the "LIF").
2. In this Addendum, the following words have the meanings assigned to them below:
 - (a) "Annuitant" means the Annuitant under the Fund.
 - (b) "Life Pension" means a life pension or life annuity purchased from a financial institution authorized under the laws of Canada and of Québec to issue life pensions or life annuities.
 - (c) "Spouse" means the person who is:
 - (i) married to or in a civil union with the Annuitant;
 - (ii) has been living in a conjugal relationship with the Annuitant who is neither married nor in a civil union whether the person is of the opposite or same sex, for three (3) years, or for one (1) year if
 - a child is born or to be born of their union;
 - a child has been jointly adopted during the period of conjugal relationship;
 - the child of one of the spouses has been adopted by the other spouse during period of conjugal relationship.
3. Notwithstanding anything to the contrary contained in this Addendum, including any endorsements forming a part thereof, "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.

4. The only amounts that may be transferred into the LIF are amounts coming, directly or initially, from:
 - (a) the fund of a pension plan governed by the Act;
 - (b) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
 - (c) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
 - (d) the locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act* (Québec);
 - (e) the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as a part of his or her employment;
 - (f) a locked-in retirement account referred to in section 29 of the Regulation;
 - (g) another life income fund referred to in section 18 of the Regulation; or
 - (h) an annuity contract as stipulated under paragraph 60(l) of the *Income Tax Act* and referred to in section 30 of the Regulation.

5. Except as otherwise provided in this Addendum, the LIF may only be converted into a Life Pension guaranteed by an insurer and established for the duration of the life of the Annuitant alone or for the duration of the life of the Annuitant and the life of the Annuitant's Spouse. Such contract may guarantee payment of the pension during a given period extending after the death of the Annuitant, but ending no later than the day preceding the day on which the Annuitant would have attained 90 years of age. The periodic amounts paid under such pension must be made annually or more frequently and the payments must be equal, unless each amount to be paid is uniformly increased by reason of an index as specified in subparagraphs 146(3)(b)(iii) to (v) of the *Income Tax Act* or a rate provided for in the contract; or uniformly adjusted by reason of:
 - (i) a seizure effected on the Life Pension;
 - (ii) a re-determination of the Annuitant's pension;
 - (iii) the partition of the benefits of the Annuitant with the Annuitant's Spouse in the case of a relationship breakdown;
 - (iv) payment of temporary income under the requirements provided for in section 91.1 of the Act; or
 - (v) by reason of the election provided for in subsection 93(3) of the Act.

In the event of the death of the Annuitant who is a member or former member of a plan which was the original source of monies held in the LIF, a Life Pension equal to at least 60% of the Life Pension paid to the Annuitant must continue to be paid to the Spouse, including, during the replacement period, the amount of temporary pension, provided the Spouse has not waived such Life Pension, as provided in paragraph 8 below.

6. If the Annuitant should die before the conversion of the LIF into a Life Pension, the balance in the LIF shall:
 - (a) if the Annuitant was a member or former member and is survived by a Spouse, be paid to the Spouse of the Annuitant; or
 - (b) if, as of the Annuitant's date of death, there is no Spouse entitled to the balance in the LIF pursuant to paragraph 6(a) of this Addendum, be paid to the Annuitant's successors.

7. The Annuitant may require the conversion of the balance of the LIF at any time into a Life Pension which meets the requirements of the Regulation and the requirements under paragraph 60(l) of the *Income Tax Act*, unless the terms agreed to for the investments under the LIF have not expired.
8. Where the Annuitant is a member or former member of the plan from which the LIF funds originated, the balance of the LIF may not be converted into a pension guaranteed by an insurer unless, at the death of the Annuitant, a Life Pension equal to at least 60% of the amount of the pension to which the Annuitant was entitled to before the Annuitant's death is granted to the Spouse of the Annuitant who has not waived it.
9. The Spouse of the Annuitant may, at any time before the date of conversion, in whole or part, of the LIF into a Life Pension, waive the entitlement referred to in paragraphs 5 and 8 of this Addendum by giving written notice to the Trustee in a form acceptable to the Trustee. The Spouse may, prior to the date of conversion, in whole or part, of the LIF into a Life Pension, revoke such a waiver by giving written notice to the Trustee in a form acceptable to the Trustee.

The Spouse of the Annuitant may waive the entitlement referred to in paragraph 6(a) of this Addendum by giving written notice to the Trustee in a form acceptable to the Trustee. The Spouse may revoke such waiver by informing the Trustee in writing prior to the Annuitant's death or the conversion to a Life Pension.

10. The Spouse of the Annuitant ceases to be entitled to the benefit provided for in paragraph 6 or, as the case may be, in paragraphs 5, 6 and 8 of this Addendum upon separation from bed and board, divorce, annulment of marriage or, in the case of an unmarried Spouse, upon cessation of conjugal relationship, except in the cases and under the conditions provided for in section 89 of the Act.
11. The seizable portion of the LIF may be paid in a lump sum upon receipt of execution of judgement in favour of the Spouse that gives entitlement to a seizure for unpaid alimony.
12. The Annuitant is entitled, at anytime before the conversion of the LIF into a Life Pension, to transfer all or part of the balance, excluding funds retained to ensure the Annuitant is paid the Minimum Amount for the year of transfer in accordance with the *Income Tax Act*, to:
 - (a) a pension plan governed by the Act;
 - (b) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
 - (c) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
 - (d) the locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plan Act* (Québec);
 - (e) the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his or her employment;
 - (f) a life income fund referred to in section 18 of the Regulation;
 - (g) a locked-in retirement account referred to in section 29 of the Regulation, and in accordance with subsection 146(1) of the *Income Tax Act*; or
 - (h) to an annuity contract as stipulated under paragraph 60(l) of the *Income Tax Act* and referred to in section 30 of the Regulation,

provided the terms agreed to for the investments under the LIF have not expired.

13. The entire balance of the LIF may be paid in a lump sum to the Annuitant on application to the Trustee, accompanied by a declaration in conformity with the one prescribed in schedule 0.2 of the Regulation, on the following conditions:
 - (a) the Annuitant was at least 65 years of age at the end of the year preceding the application; and
 - (b) the total of the sums credited to the Annuitant in the retirement savings instruments mentioned in the declaration does not exceed 40% of the maximum pensionable earnings pursuant to the *Act respecting the Québec Pension Plan* (Québec) (the "Maximum Pensionable Earnings"), for the year in which the Annuitant applies for payment.
14. The Annuitant may, provided the agreed upon terms of the investments has not expired and the annuitant has provided the Trustee with a written declaration, withdraw the entire balance of the LIF, as a lump sum, if the Annuitant has not resided in Canada for at least 2 years.
15. If the income paid to the Annuitant during the fiscal year exceeds the maximum amount that may be paid to the Annuitant in accordance with the provisions of this Addendum or the Regulation, the Annuitant may, unless the payment is attributable to a false declaration by the Annuitant, require that the Trustee pay the Annuitant, as a penalty, a sum equal to the surplus income paid.
16. A transfer under paragraph 12 or 25 this Addendum may, at the option of the Trustee and if not otherwise stipulated, be effected by the remittance of the investment securities held in respect of the LIF.
17. The fiscal year of the LIF ends on December 31st of each year and shall not exceed 12 months.
18. The Annuitant will be paid an income, the amount of which may vary annually and that will commence not later than the last day of the second fiscal year of the LIF.
19. The amount of income paid during a fiscal year of the LIF will not be less than the minimum amount required to be paid under the *Income Tax Act* determined on the basis of the age of the Annuitant. That amount (the "Minimum Amount") may be determined on the basis of the age of the Spouse of the Annuitant when this Spouse is younger than the Annuitant. The amount of the income will not exceed "M" (the "Maximum Amount"), with that symbol being calculated in accordance with the following formula:

$$A + E = M$$

where:

"A" represents the maximum temporary income for the fiscal year determined in accordance with section 20.4 or 20.5 of the Regulation or, where no amount has been determined the figure zero; and

"E" represents the maximum life income determined in accordance with the formula described below:

$$F \times C - \frac{A}{D} = E$$

where:

"F" represents the factor provided for in schedule 0.6 of the Regulation with respect to the reference rate for the year covered by the fiscal year and the Annuitant's age at the end of the preceding year;

"C" represents the balance of the LIF at the beginning of the fiscal year increased by any sums transferred to the LIF after that date and reduced by any sums originating directly or not during the same year from a life income fund or the locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act* (Québec) and offering variable payments of the Annuitant (Under section 22.2 of the Regulation, the sums transferred to a life income fund are deemed to come in their entirety from another life income fund of the same Annuitant, or from the locked-in account of the Annuitant's voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plan Act* (Québec) and offering variable payments, unless the Annuitant provides to the Trustee a declaration in conformity with the one prescribed in schedule 0.9 or 0.9.1 of the Regulation);

"A" represents the maximum temporary income for the fiscal year determined in accordance with section 20.4 or 20.5 of the Regulation or, where no amount has been determined, the figure zero; and

"D" represents the factor provided for in schedule 0.7 of the Regulation with respect to the Annuitant's age at the end of the year preceding the one covered by the fiscal year

The amount "E" may not be less than zero.

The amount and frequency of the payments in respect of any fiscal year, subject to the upper limits referred to in section 20.1 of the Regulation and the lower limit referred to in section 20.2 of the Regulation, shall be as specified in writing by the Annuitant at the beginning of that fiscal year, or at another agreed to interval of more than one year if the Trustee guarantees the balance of the LIF at the end of that interval and if the Annuitant is not entitled to payment of income in a form other than a life income, and such an interval must, in every case, terminate at the end of a fiscal year of the LIF. With the consent of the Trustee, the Annuitant may change the amount and frequency of the said payment or payments or request additional payments by instructing the Trustee in writing.

If the Maximum Amount is less than the Minimum Amount, the Minimum Amount shall be paid.

20. The reference rate mentioned in "F" of paragraph 19 of this Addendum will be determined on the basis of the month-end, nominal rate of interest earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the fiscal year, as compiled monthly by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics, Series V122487 in the CANSIM system, by applying successively to that rate the following adjustments:
 - (a) an increase of 0.5%;

- (b) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest;
- (c) the rounding of the effective interest rate to the nearest multiple of 0.5%.

The reference rate thus determined may not, however, be less than 6%.

Where the amount of income to be paid to the Annuitant is fixed at an interval of more than one year, the maximum income amount that may be paid during each of the fiscal years comprised in the interval is determined, on the date of the beginning of the first of those fiscal years, so as to be equal:

- (a) for the initial fiscal year, to the upper limit determined in accordance with section 20 of the Regulation;
- (b) for each of the subsequent fiscal years, to the amount "L" in the following formula:

$$M \times \frac{J}{K} = L$$

Where

"M" represents the upper limit determined for the initial fiscal year;

"J" represents the balance of the LIF at the beginning of the fiscal year; and

"K" represents the LIF's reference balance at the beginning of the fiscal year and is equal to the reference balance of the preceding fiscal year, reduced as of the first day of the said preceding fiscal year by the upper limit calculated for the initial fiscal year and increased by the earnings determined by applying, in the case of the first 16 fiscal years, the reference rate, and, in all other cases, a rate of interest of 6%.

For the application of subparagraph (b), the LIF's reference balance at the beginning of the initial fiscal year shall be equal to the balance of the LIF at that date.

21. An Annuitant is entitled to the payment of a temporary income if the Annuitant makes an application to the Trustee accompanied by a declaration in conformity with the one prescribed in schedule 0.4 of the Regulation, and is at least 54 years of age but under 65 years at the end of the year preceding the application.

The Annuitant is entitled to apply for payment of a temporary income at any time during the fiscal year of the LIF. The amount of the temporary income set by the Annuitant must respect sections 20.1 and 20.4 of the Regulation.

If the payment of a portion of the income is made in the form of a transfer to a retirement savings instrument of which the balance is not to be converted into a life annuity, such portion cannot exceed the upper limit referred to in section 20 of the Regulation, determined by assuming that the Annuitant is not entitled to payment of a temporary income.

A temporary income cannot be paid after the end of the year in which the Annuitant reaches age 65.

22. An Annuitant who is under age 54 at the end of the calendar year preceding his or her application can receive during the fiscal year of the LIF all or part of the balance of the LIF in the form of a temporary income payable in monthly payments.

The monthly payments cannot exceed one-twelfth of the difference between the following amounts:

- (a) 40% of the Maximum Pensionable Earnings determined for the year of payment; and
- (b) 75% of the Annuitant's income for the 12 following months, excluding the temporary income provided for in this paragraph of the Addendum.

The Annuitant's income for the following 12 months, excluding the income provided for in this paragraph of the Addendum, cannot exceed the amount referred to in subparagraph (a) above.

The Annuitant must present to the Trustee an application for this purpose, accompanied with a declaration in conformity to the one prescribed in schedule 0.5 of the Regulation and with his or her written undertaking to request that payments be suspended if his or her income, excluding temporary income provided for in this paragraph of the Addendum, reaches 40% of the Maximum Pensionable Earnings.

A temporary income cannot be paid to the Annuitant where he or she has requested a suspension of payments or after the end of the year in which he or she reaches age 54.

An Annuitant who is entitled to receive the income provided in this paragraph of the Addendum and who is a member or Spouse who has become entitled to a pension under a pension plan may, for the purposes of replacing such pension with a temporary income, apply once a year for the transfer from the pension plan to the life income funds of a sum equal to the lesser of the following amounts:

- (i) the additional amount required so that the balance of the life income fund will be able to provide, until the end of the year, the monthly payments being the difference between subparagraph (a) and (b) of this paragraph of the Addendum; and
- (ii) the value of his or her benefits under the pension plan.

The payment of temporary income under this paragraph of the Addendum must respect sections 20.1 and 20.5 of the Regulation.

23. The Trustee agrees to provide account statements containing the information required by sections 24 to 26 of the Regulation as, when and to those persons described therein.
24. The value of the assets held under the LIF at any particular time (including at the time of death of the Annuitant, at the time of transfer, or on conversion to a pension), will be determined by their fair market value at the particular time, unless otherwise set out in the Fund declaration of trust.
25. The Trustee may not make any amendment to the Addendum that would entail a reduction of the benefits resulting from the Addendum unless the Annuitant is entitled, before the date of the amendment, to a transfer of the balance of the LIF and has received, at least 90 days before the date on which he or she may exercise that

entitlement, a notice indicating the subject of the amendment and the date from which he or she may exercise that entitlement.

26. The Trustee may not, except to fulfill requirements under law, make any amendment to the Addendum, other than that provided for in paragraph 25 of this Addendum, without having previously notified the Annuitant. The Trustee may amend the Addendum only to the extent that such amendment remains in conformity with the standard contract amended and registered with Retraite Québec.
27. The powers that, where applicable, are granted to the Annuitant with respect to the investment of the assets under the LIF are set out in the Fund declaration of trust.
28. The Trustee hereby affirms the declaration of trust of the Fund. The conditions of this Addendum will take precedence over the declaration of trust of the Fund in the case of conflicting or inconsistent provisions.

By execution of this Addendum, the Trustee undertakes to administer the transferred funds and all subsequent earnings on these monies in accordance with the terms of this Addendum.

By execution of this Addendum, the Annuitant hereby undertakes to abide by all of the provisions of this Addendum and to waive any right to receive any monies except as expressly provided for herein.

The provisions of the Act and the Regulation are to govern the interpretation of this Addendum.

Signed this _____ day of _____, 20 _____.

Signature of Annuitant _____

Accepted by authorized officer, as agent for the Trustee

ANNUITANT IDENTIFICATION
(print annuitant information)

NAME _____

CONTRACT # _____