

**ADDENDUM TO RETIREMENT INCOME FUND
DECLARATION OF TRUST FOR LOCKED-IN PENSION
TRANSFERS TO A
A LIFE INCOME FUND (NEWFOUNDLAND AND LABRADOR)**

- Assante Capital Management Ltd. Self-Directed Retirement Income Fund (RIF 1707)**
- Assante Financial Management Ltd. Self-Directed Retirement Income Fund (RIF 1706)**

Upon receipt of locked-in money, Canadian Western Trust Company (the "**Trustee**") further declares as follows:

1. For the purposes of this Addendum, the word "**Act**" means the *Pension Benefits Act* (Newfoundland and Labrador), the word "**Directives**" means the Directives issued under the Act, and the word "**Regulations**" means the Regulations made under the Act (the Act, Directives and Regulations collectively referred to as the "**Applicable Pension Legislation**").
2. For the purposes of this Addendum, the words "**cohabiting partner**", "**fiscal year**", "**former member**", "**former spouse**", "**life income fund**", "**locked-in retirement account**", "**locked-in retirement income fund**", "**member**", "**pension**", "**pension benefit**", "**pension plan**", "**principal beneficiary**", "**spouse**" and "**Superintendent**" have the same meanings as are respectively given to these words in the Applicable Pension Legislation.
3. For the purposes of the Addendum, the word "**owner**" means the member or former member of a pension plan who is the annuitant (as defined in subsection 146.3(1) of the *Income Tax Act* (Canada)) of the Fund 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.
4. "**life annuity contract**" means an arrangement made to purchase through a person authorized under the legislation of Canada or a province to sell "annuities" as defined in the *Income Tax Act* (Canada), a non-commutable pension, in accordance with Directive No. 6, being a pension that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age.
5. Notwithstanding anything to the contrary contained in this Addendum, including any endorsements forming a part hereof, "spouse" 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 *Income Tax Act* (Canada).
6. Subject to the provisions of this Addendum, all money in the Fund including all investment earnings thereon (collectively, the "**Locked-in Amount**") that is subject to any transfer to or from the Fund is to be used to provide or to secure a pension that would, but for the transfer and previous transfers, if any, be required by the Applicable Pension Legislation.
7. The Locked-in Amount may not be assigned, charged, anticipated or given as security, except as permitted by the Applicable Pension Legislation, and any transaction purporting to assign, charge,

anticipate or give such money as security, except as permitted by the Applicable Pension Legislation, is void.

8. Subject to this Addendum, the Locked-in Amount shall not be commuted or surrendered during the owner's life, except as required or permitted by the Applicable Pension Legislation.
9. Money payable from the Fund is exempt from execution, seizure or attachment except as required under the *Income Tax Act (Canada)* and the Applicable Pension Legislation.
10. The Locked-in Amount shall be invested in a manner that complies with the rules of investment for registered retirement income fund money contained in the *Income Tax Act (Canada)* and shall not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the owner or the parent, brother, sister or child of the owner or the principal beneficiary of any such person.
11. The value of the Fund as of the close of business on a particular date (the "**Valuation Date**") shall be determined by the Trustee by valuing the property of the Fund at market value (as determined by the Trustee) and deducting therefrom any amounts which are deemed by the Trustee, in its sole discretion, to be properly chargeable to the Fund as of the Valuation Date, including without limitation all fees and other amounts described in the Declaration of Trust (such net amount herein referred to as the "**value of the Fund**").
12. The value of the Fund as determined by the Trustee pursuant to section 11 shall be conclusive and binding on all parties interested in the Fund for the purposes:
 - (a) a transfer of assets from the Fund;
 - (b) the purchase of a life annuity; and
 - (c) a payment or transfer on death of the owner.

The value of the Fund at the beginning of a year will be equal to the value of the Fund as of the close of business on the last business day of the Trustee in the immediately preceding year, or on such later date in such preceding year as may be determined by the Trustee.
13. The fiscal year of the Fund will end on December 31 in each year and shall not exceed 12 months.
14. Payment out of the Fund shall not begin before the earlier of age 55 or the earliest date on which the owner could receive a pension benefit under the Act or the originating pension plan from which the money was transferred and not later than the last day of the second fiscal year of the Fund.
15. The owner of the Fund shall be paid an income from the Fund, the amount of which may vary annually.
16. The owner shall establish the amount of income to be paid from the Fund during each fiscal year of the Fund at the beginning of that fiscal year or at another time agreed to by the Trustee, and the decision expires at the end of the fiscal year to which it relates.
17. If the owner does not establish the amount to be paid from the Fund for a fiscal year, the minimum amount determined under section 20 of this Addendum shall be deemed to be the amount required to be paid from the Fund in that year.

18. Subject to this Addendum, the amount of income paid out of the Fund during a fiscal year must not exceed the “**maximum**”, being the greater of (i) and (ii) below:

(i) 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, and

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 day of December of the year in which the owner reaches ninety years of age; and

(ii) The amount of the investment earnings, including any unrealized capital gains or losses, of the Fund in the immediately previous fiscal year.

19. The value "F" in the above formula 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 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 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.

20. 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* (Canada). In the event the maximum amount (as described in section 18 above) is less than the minimum amount, the minimum amount must be paid.

21. For the initial fiscal year of the Fund or any other fiscal year as prescribed by the *Income Tax Act* (Canada), the minimum amount to be paid shall be set at zero and the maximum limit in the above formula shall be adjusted in proportion to the number of months in the fiscal year divided by 12, with any part of an incomplete month counting as one month.

22. Subject to section 23 of this Addendum, an owner is entitled to receive additional temporary income where:

(a) the total pension income received by the owner for the calendar year in which the application is made, calculated as “B” under section 23, is less than 40% of the year’s maximum pensionable earnings (“YMPE”) under the *Canada Pension Plan* (“CPP”) for the calendar year in which the application is made; and

(b) the owner has not reached 65 years of age at the beginning of the fiscal year in which he or she makes an application for additional temporary income.

23. The amount of additional temporary income paid out of the Fund in a fiscal year must not exceed the “maximum temporary income” in the following formula:

$$\text{Maximum Temporary Income} = A - B$$

in which

A = 40% of the YMPE under the CPP for the calendar year in which an application is made, and

B = the total pension income to be received by the owner for the calendar year in which the application is made from all LIFs, LRIFs, life annuities and pension plans governed by the Applicable Pension Legislation or established by or governed by an Act of Canada or a Province, except income from a pension under the CPP.

24. An application for additional temporary income under section 22 of this Addendum shall be
- (a) on a form approved by the Superintendent,
 - (b) where the owner 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.
25. For the initial year of the Fund, the “maximum temporary income” in section 23 shall 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.
26. If part of the Fund purchased at the beginning of the fiscal year corresponds to sums transferred directly or indirectly during the same fiscal year from another life income fund or locked-in retirement income fund of the purchaser, the “maximum” in section 18 and the “maximum temporary income” in section 23 shall be deemed to be zero, except to the extent that the *Income Tax Act* (Canada) requires the payment of a higher amount.
27. Prior to using the balance of the Fund to purchase an immediate life annuity contract, the owner may transfer, to the extent permitted by subsection 146.3(2)(e.1) or (e.2) of the *Income Tax Act* (Canada), any or all of the assets in the Fund:
- (a) to another life income fund (“**LIF**”), on the relevant conditions specified in the Applicable Pension Legislation and under the *Income Tax Act* (Canada);
 - (b) to a locked-in retirement income fund (“**LRIF**”), on the relevant conditions specified in the Applicable Pension Legislation and under the *Income Tax Act* (Canada);
 - (c) to the purchase of an immediate life annuity that meets the requirements of the Applicable Pension Legislation and paragraph 60(1) of the *Income Tax Act* (Canada);
 - (d) on or before December 31 of the year in which the owner reaches 71 years of age, or such other age as may be required by the *Income Tax Act* (Canada) from time to time, to a locked-in retirement

account (“LIRA”) on the relevant conditions specified in the Applicable Pension Legislation and under the *Income Tax Act* (Canada).

The Trustee shall make such transfer within 30 days after the date of the request for transfer by the owner, unless the term agreed to for the investments extends beyond the thirty-day period.

28. Where the assets of the Fund consist of identifiable and transferable securities, the transfer referred to above may, unless otherwise stipulated, at the Trustee's option and with the consent of the owner, be effected by remittance of the investment securities of the Fund.
29. On the death of a former member 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 member or former member is entitled to receive a lump sum payment of the value of the Fund.
30. Where the owner is not a former member, the value of the Fund shall be paid to the designated beneficiary or, where there is no beneficiary, to the owner's estate.
31. At the beginning of each fiscal year, the following information shall be provided to the owner:
 - (a) in relation to the previous fiscal year, the sums deposited, the amount of the investment earnings, including any unrealized capital gains or losses, the payments made out of the Fund and the fees charged against it;
 - (b) the value of the assets in the Fund;
 - (c) the minimum amount that must be paid out of the Fund to the owner during the current fiscal year;
 - (d) the maximum amount under section 18 above that may be paid out of the Fund to the owner during the current fiscal year; and
 - (e) and notification that the owner may be entitled to receive additional temporary income under section 22 above during the current fiscal year.
32. If the value of the Fund is transferred as described in section 27, the owner shall be given the information described in section 31 determined as of the date of transfer.
33. If the owner dies before the balance in the Fund is used to purchase an immediate life annuity, the person entitled to receive that balance must be given the information described in section 31, determined as of the date of the owner's death.
34. Notwithstanding section 8 of this Addendum, money in the Fund may be withdrawn as a lump sum or as a series of payments if a medical practitioner certifies that due to mental or physical disability the life expectancy of the owner is likely to be shortened considerably, but where the owner 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 provided by the Superintendent.
35. Notwithstanding section 8 of this Addendum, money in the Fund may be withdrawn as a lump sum payment equal to the value of the Fund on application by the owner to the Trustee for payment if, at the time the owner signs the application,

- (a) the owner has reached the earlier of age 55 or the earliest date on which the owner would have been entitled to receive a pension benefit under the plan from which money was transferred,
 - (b) the value of all assets in all LIFs, LIRAs and LRIFs owned by him or her and governed by the Applicable Pension Legislation is less than 40% of the YMPE under the CPP for that calendar year, and
 - (c) the owner has not, within the same fiscal year, elected to receive additional temporary income under section 22 of this Addendum or, where a part of the Fund corresponds to amounts transferred directly or indirectly from another LIF or Locked-in Retirement Income Fund, elected to receive additional temporary income from that LIF or Locked-in Retirement Income Fund.
36. An application under section 35 shall be on a form approved by the Superintendent, and where the owner is a former member of a pension plan, accompanied by a waiver of the principal beneficiary of the former member of joint and survivor pension entitlement, in the prescribed form and manner.
37. The Trustee may from time to time at its discretion or if required by the Applicable Pension Legislation and/or the *Income Tax Act* (Canada) amend the terms of the Fund with the concurrence of the Superintendent and the Minister of National Revenue if required, and, if applicable, the concurrence of the applicable provincial tax authority, by giving 90 days notice of the proposed amendment in writing to the owner; provided, however that any such amendment shall not have the effect of disqualifying the Fund as a registered retirement income fund within the meaning of the *Income Tax Act* (Canada) and any applicable provincial income tax legislation (the “**Applicable Tax Legislation**”) and further provided that no amendment that would have the effect of reducing benefits under the Fund will be made unless the Trustee is required by law to make the amendment and before the date of the amendment, the owner has the right to transfer the value of the Fund in accordance with section 27 of this Addendum and receives, no less than 90 days before the date on which the owner may exercise that right, a notice indicating the nature of the amendment and the date from which the owner may exercise that right.
38. Notice under section 37 of this Addendum shall be sent by registered mail to the owner’s address as set out in the Trustee’s records.
39. Notwithstanding section 37 of this Addendum, the Fund may be amended from time to time without notice to the owner in order that the Fund complies with the Applicable Pension Legislation and the Applicable Tax Legislation.
40. If money is paid out 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.
41. The Trustee hereby affirms the provisions contained in the Declaration of Trust.
42. The provisions of this Addendum will take precedence over the provisions of the Declaration of Trust, in the case of conflicting or inconsistent provisions.
43. The Fund as amended by this Addendum shall be governed and construed in accordance with the Laws of the Province of Newfoundland and Labrador.

Newfoundland and Labrador LIF