

**ADDENDUM TO RETIREMENT INCOME FUND  
DECLARATION OF TRUST FOR LOCKED-IN PENSION TRANSFERS  
TO A LIFE INCOME FUND (THE "LIF")**

**(New Brunswick LIF)**

- ☐ **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 that:

- 1** For purposes of this Addendum the word "Act" shall mean the Pension Benefits Act (New Brunswick), as amended time to time (the "Act") and the word "Regulations" shall mean General Regulation Pension Benefits Act (New Brunswick), as amended time to time, under the Act.
- 2** For purposes of this Addendum, the words "owner", "retirement savings arrangement", "life income fund (LIF)", "locked-in retirement account (LIRA)", "maximum unlocking amount", "Superintendent", "spouse" and "pension" shall have the same meaning as are respectively given to these words in the Act and the Regulations, and provided that "spouse" does not include any person who is not recognized as a spouse or common-law partner, as the case may be, for the purposes of any provision of the Income Tax Act (Canada) respecting registered retirement income funds.
- 3** For the purposes of this Addendum, the word "owner" means the annuitant (as defined under subsection 146.3(1) of the Income Tax Act (Canada)) of the Fund.
- 4** The only money that may be transferred into the LIF are the sums originating, directly or indirectly, from:
  - (i) the fund of a registered pension plan under which the owner is a member as defined in subsection 147.1(1) of the Income Tax Act (Canada) that conforms with the Act and Regulations or similar legislation in another jurisdiction and the Income Tax Act (Canada),
  - (ii) another registered retirement savings arrangement under which the owner is the annuitant that conforms with the Act and Regulations and the Income Tax Act (Canada), or
  - (iii) a life or deferred life annuity under a contract that complies with the Act and Regulations and the Income Tax Act (Canada).
- 5** If the information provided in Form 3.2 indicates that the commuted value of the deferred pension transferred from a registered pension plan into the LIF was determined on transfer in a manner that differentiated, while the owner of the LIF was a member of the registered pension plan, on the basis of the sex of the owner, the only money that may subsequently be transferred into the LIF is money that is also differentiated on the same basis.
- 6** The fiscal year of the LIF shall end at midnight on December 31 of each year, and shall not exceed twelve months in length.
- 7** The owner shall be paid an income from the LIF, the amount of which may vary annually, until the day on which the entire balance of the money in the LIF is converted into a life annuity. The first payment of income from the LIF to the owner shall commence no later than the last day of the second fiscal year of the LIF.
- 8** The amount of income payable from the LIF during each fiscal year of the LIF shall be established by the owner once every year at the beginning of the fiscal year of the LIF, or at intervals of greater than one year if the Trustee guarantees the rate of return on the LIF during such interval and such intervals end at the end of a fiscal year of the LIF.

**9** If the owner does not decide the amount of income to be paid from the LIF during the fiscal year, the minimum amount determined under this Addendum shall be deemed to be the amount to be paid. The Trustee may sell such investments as it, in its sole discretion deems appropriate for the purpose of providing cash to make such payment or payments. The Trustee shall withhold from any payment any applicable tax or other amount required to be withheld under the Income Tax Act (Canada) or applicable provincial legislation. The Trustee may impose other requirements and conditions in respect of the foregoing that are not inconsistent with the provisions of the Act and Regulations and the Income Tax Act (Canada).

**10** Subject to paragraphs 11, 12 and 13 of this Addendum, the amount of income payable from the LIF during a fiscal year of the LIF shall not be more than “M” (the maximum amount), or less than “m” (the minimum amount), calculated using the following formulas:

$$M = \frac{C}{F} \quad \text{and} \quad m = \frac{C}{H}$$

Where

C = the balance of money in the LIF on the first day of the fiscal year,

F = the value, on the first day of the fiscal year, of a guaranteed pension, the annual payment of which is \$1 payable on the first day of each fiscal year between the first day of the fiscal year and December 31, inclusive, of the year in which the owner attains age 90, and

H = the number of years between January 1 of the year in which the calculation is made and December 31 of the year in which the owner attains age 90, inclusive.

**11** The value of “F” in a calculation under the above formula in paragraph 10 of this Addendum shall be established by the parties to the LIF at the beginning of each fiscal year of the LIF using:

(i) an interest rate of not more than 6% per year, or

(ii) for the first 15 fiscal years after the valuation of the LIF, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long term bonds issued by the Government of Canada for the month of November preceding the calendar year in which the calculation is made, as published in the Bank of Canada Review as CANSIM Series B14013, and using an interest rate not exceeding 6% per year in subsequent years.

**12** In calculating “M” and “m” in the above formula in paragraph 9 of this Addendum:

(i) “m” shall be equal to zero for the first fiscal year of the LIF or in any other fiscal year as prescribed by the Income Tax Act (Canada), and

(ii) if the money in the LIF is derived from money transferred directly or indirectly during the fiscal year of the LIF from another life income fund of the owner, “M” shall be equal to zero, except, in either case, to the extent that the Income Tax Act (Canada) requires the payment of a higher amount.

**13** The amount of income paid out of the LIF during a fiscal year must not be less than the minimum amount required to be paid under the Income Tax Act (Canada) and if the maximum amount otherwise determined under this Addendum is less than that minimum amount, the minimum amount required to be paid under the Income Tax Act (Canada) will prevail.

**14** If the amount of income payable to the owner from the LIF is established under paragraph 8 of this Addendum at intervals that are greater than one year, the provisions of paragraphs 10 to 13, inclusive, of this Addendum apply with the necessary modifications to establish the amount of income payable from the LIF in each fiscal year in the interval, and the amount shall be established at the beginning of the first fiscal year in the interval.

- 15** Notwithstanding paragraph 10 of this Addendum, the owner may request that the Superintendent approve the transfer of an amount from the LIF to a registered retirement income fund as defined in the Income Tax Act (Canada) that is not a life income fund, by filing with the Superintendent completed Form 3.3 and Form 3.4, the Superintendent shall approve the transfer if:
- (i) an amount has never previously been transferred under this paragraph of the Addendum on the owner's behalf, and
  - (ii) the amount to be transferred is not greater than the maximum unlocking amount.
- 16** Unless the LIF provides for an early cashing-in value before the expiration of the term agreed to for the investments, at any time after the term of the investment has expired, the owner may:
- (i) transfer, before a conversion referred to in paragraph 18 of this Addendum, the balance of the money in the LIF, in whole or in part,
    - A) to the pension fund of a registered pension plan under which the owner is a member as defined in subsection 147.1(1) of the Income Tax Act (Canada) that conforms with the Act and Regulations or with similar legislation of another jurisdiction and the Income Tax Act (Canada), or
    - B) to a registered retirement savings arrangement under which the owner is the annuitant that is in conformity with the Act and Regulations and the Income Tax Act (Canada), or
  - (ii) convert the balance of the money in the LIF, in whole or in part, into a life or deferred life annuity that conforms to the Act and Regulations and paragraph 60(1) of the Income Tax Act (Canada), provided the annuity commences prior to the end of the year in which the owner attains 71 years of age, or such other age as may be required by the Income Tax Act (Canada) from time to time;
- provided that any funds required to be withheld on a transfer to satisfy the minimum amount in the year of transfer, in accordance with paragraph 146.3(2)(e) of the Income Tax Act (Canada), shall be withheld by the Trustee.
- 17** Before transferring money from the LIF under paragraph 16 of this Addendum, the Trustee will ensure that the appropriate portions of Form 3.2 are completed and will forward the form, with the money being transferred, to the transferee financial institution.
- 18** Except as provided elsewhere in the Regulations, the balance of the money in the LIF, in whole or in part, may be converted at any time only into a life or deferred life annuity in accordance with the Act and the Regulations and paragraph 60(1) of the Income Tax Act (Canada).
- 19** Upon the owner's death prior to signing a contract under which an annuity is purchased under paragraph 18 of this Addendum, the balance of the money in the LIF shall be paid:
- (i) to the owner's spouse,
  - (ii) to the owner's designated beneficiary, if the owner has no spouse, or
  - (iii) to the owner's estate, if the owner has no spouse and has not designated a beneficiary, notwithstanding any beneficiary designation the owner may make under the LIF.
- 20** the owner may withdraw the balance of the LIF, in whole or in part, as a payment or series of payments if:
- (i) a physician has certified in writing to the Trustee that the owner suffers from a significant physical or mental disability that considerably reduces the owner's life expectancy; and
  - (ii) if the owner has a spouse, the owner delivers to the Trustee a completed spousal waiver in Form 3.01

**21.** the owner may withdraw the balance of the money in the LIF if:

(i) the owner and his or her spouse, if any, are not Canadian Citizens,

(ii) the owner and his or her spouse, if any, are not resident in Canada for the purposes of the Income Tax Act (Canada), and

(iii) the owner's spouse, if any, waives, on Form 3.5 any rights that he or she may have in the LIF or under the Applicable Pension Laws

**22.** The value of the LIF for the purposes of (i) a transfer of assets, (ii) the purchase of a life annuity contract, and (iii) a payment or transfer on death of the owner, is equal to the total market value of the investments held in the LIF. The market value of any eligible investments held in the LIF shall be established on the day upon which the Trustee is instructed to commute or transfer the balance of the LIF and shall be calculated on the basis of standard and accepted pricing practices including, but not limited to, the closing sale price for stock listed on an exchange or on the average of bid and asked quotations for other eligible investments or shall be their capital value with accrued interest, or shall be established in accordance with the terms and conditions described in any deposit or investment contracts or in any prospectus required to be delivered to the owner at the time of investment as amended from time to time, less any amounts which are deemed properly chargeable by the Trustee. If any investment cannot be valued under the foregoing rules, the Trustee shall make such valuation as it considers fair and reasonable.

**23.** The Trustee agrees to provide information regarding the LIF to the owner and others in accordance with the following:

(i) at the beginning of the fiscal year of the LIF, until the date on which all the money in the LIF is converted into a life annuity or transferred to another retirement savings arrangement that conforms to the Act and Regulations and the Income Tax Act (Canada), the Trustee shall provide to the owner a statement indicating:

A) the amount of money deposited, its source, the accumulated earnings of the LIF and the withdrawals from the LIF during the immediately preceding fiscal year,

B) any fees deducted since the preparation of the previous such statement and the balance of the money in the LIF at the beginning of the fiscal year of the LIF,

C) the maximum amount that may be paid to the owner as income during the fiscal year as calculated in accordance with this Addendum, and

D) the minimum amount that must be paid to the owner as income during the fiscal year as calculated in accordance with this Addendum,

(ii) if the balance of the money in the LIF is, under a contract, converted to a life annuity or transferred to another retirement savings arrangement that conforms to the Act and Regulations, the Income Tax Act (Canada) or to similar legislation in another jurisdiction, the Trustee shall provide the owner with a statement containing the information listed in subparagraphs 23(i) A and B of this Addendum, determined as of the date of the conversion or transfer, or

(iii) if the owner dies before the conversion of the balance of the money into a life annuity, the Trustee shall provide the owner's spouse, beneficiary, administrator or executor, as the case may be, with a statement containing the information listed in subparagraphs 23 (i) A and B of this Addendum, determined as of the date of the owner's death.

**24.** The commuted value of the benefits provided under the LIF shall be determined in accordance with the Act and the Regulations if it is divided under the Act upon marriage breakdown .

- 25** The money in the LIF, including interest, shall not be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under and in accordance with the Act and Regulations and the Income Tax Act (Canada), and any transaction in contravention of the foregoing is void.
- 26** The money in the LIF, including interest, shall not be commuted or surrendered during the lifetime of the owner except under and in accordance with paragraph 20 and 21 of this Addendum or the Act and Regulations, and any transaction in contravention of the foregoing is void.
- 27** No amendment shall be made to the LIF:
- (i) that would result in a reduction of benefits under the LIF unless the owner is entitled, prior to the effective date of the amendment, to transfer the balance of the money in the LIF in accordance with paragraph 16 of this Addendum, and unless the owner receives a notice at least ninety (90) days before the effective date describing the amendment and the date on which the owner may exercise his or her entitlement to transfer,
  - (ii) unless the LIF, as amended, remains in conformity with the Act and the Regulations, and
  - (iii) except to bring the LIF into conformity with requirements under the Income Tax Act (Canada), the Act, the Regulations or other legislation in another jurisdiction.
- 28** A transfer under subparagraphs 16(i) A or 27(i) of this Addendum may, at the Trustee's option and if not otherwise stipulated in the LIF, be effected by the remittance to the owner of the investment securities respecting the LIF.
- 29** Unless the LIF provides for an early cashing-in value prior to the expiration of the term agreed to for the investments, if there is money invested in the LIF that may be transferred under subparagraphs 16(i) A or 27(i) of this Addendum, such funds shall be transferred no more than thirty (30) days after the owner's application for the transfer.
- 30** The relevant provisions of the Act and the Regulations shall apply, with necessary modifications, to the division on marriage breakdown of the money in the LIF.
- 31** No money, including interest, transferred under the Act or the Regulations to the LIF shall subsequently be used to purchase a life or deferred life annuity that differentiates on the basis of the owner's sex, unless the commuted value of the deferred pension transferred from the registered pension plan to the LIF was determined on transfer in a manner that differentiated, while the owner was a member of the registered pension plan, on the basis of the owner's sex.
- 32** The Trustee hereby affirms the provisions contained in the declaration of trust.
- 33** The conditions of this addendum will take precedence over the provisions in the declaration of trust in the case of conflicting or inconsistent provisions.