

**SUPPLEMENTARY AGREEMENT TO THE DECLARATION OF TRUST, ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT  
UNDER THE NATIONAL BANK INVESTMENTS INC. RETIREMENT 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 from, 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 Investments Inc. Retirement Savings Plan and wishes same to receive the Transfer;
- C. The Transfer cannot be made unless the conditions herein relating to locking-in 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. In addition, the following terms shall have the following meaning:
    - a) “**Act**” means the *Pension Benefits Act, 1997* (Newfoundland and Labrador), as same may be amended from time to time;
    - b) “**Account**” refers to the National Bank Investments Inc. Retirement Savings Plan established by the Declaration executed between the Annuitant, National Bank Investments Inc. and the Trustee, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money that is the subject of the Transfer;
    - c) “**Declaration**” means the Declaration of Trust of the National Bank Investments Inc. Retirement Savings Plan;
    - d) “**Directive**” means Directive no. 4 entitled “Locked-in Retirement Account Requirements”, issued under the Act, effective December 13, 2001;
    - e) “**LIF**” means a life income fund that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in Directive no. 5 and the Regulation;
    - f) “**Life Annuity Contract**” means a life annuity that complies with the relevant provisions of the Tax Act and is an agreement that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act under an insurance contract that meets the requirements of Directive no. 4 and Directive no. 6, commencing not before the person who is to receive the pension benefit obtains the earlier of:
      - i) age of 55 years; or
      - ii) the earliest date on which the former member is entitled to receive a pension benefit under a pension plan from which the money was transferred to the LIRA as a result of termination of employment or termination of the plan.
    - g) “**LIRA**” means a locked-in retirement account, that is an RSP that meets the requirements set out in the Directive and the Regulation;
    - h) “**LRIF**” means a locked-in retirement income fund that is a registered retirement income fund (within the meaning in the Tax Act), and that meets the conditions set out in Directive no. 17 and the Regulation;
  - i) “**Regulation**” means *Newfoundland and Labrador Regulation 114/96* adopted pursuant to the Act, as same may be amended from time to time;
  - j) “**RSP**” means a retirement saving plan within the meaning of the Tax Act that is registered under that act;
  - k) “**Spouse**” shall have the meaning of “principal beneficiary” assigned to such term under the Directive, 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 RSP;
  - l) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
  - m) “**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 Regulation, 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 for 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 7 of the Declaration, and will not be invested directly or indirectly in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant or the Spouse of any of those persons. 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.
  5. **Permitted transfers:** All money that is the subject of the Transfer and held under this Account, including all investment earnings, shall be used to provide a pension benefit and shall not be withdrawn except:
    - a) before maturity, to transfer the money to the pension fund of a registered pension plan;
    - b) before maturity, to transfer the money to another LIRA;
    - c) to purchase a Life Annuity Contract;
    - d) to transfer the money to a LIF; or
    - e) to transfer to a LRIF.
- The Annuitant may at any time request, in a form deemed satisfactory by the Trustee, that the Trustee effect such a permitted transfer, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at Section 6 hereof are fulfilled.
- The transfer shall be effected within a reasonable time from the confirmation by the Trustee that the conditions for the transfer have been met. 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 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 accordingly, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

6. **Conditions for Transfer:** The Trustee will advise any subsequent transferee in writing that the amount transferred must be administered as a pension benefit under the Act and Regulation and will not permit any subsequent transfer of any amount held under this Account unless:
  - a) the transfer would be permitted under the Act and Regulation; and
  - b) the subsequent transferee agrees to administer the amount transferred as a pension benefit in accordance with the Act and Regulation.
7. **Restrictions:** Money in the Account will not be assigned, charged, anticipated or given as security except as permitted by section 37 of the Regulation and any transaction purporting to assign, charge, anticipate or give the money in the Account as security will be void.
8. **Irregular Payments:** If money is paid out contrary to the Act or the Directive, 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.
9. **Pension Benefits:** The pension benefit payable to an Annuitant who has a Spouse at the date the pension commences shall be a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of either unless the Spouse waives the entitlement in a form and manner set out in a form provided by the Superintendent.
10. **Death of the Annuitant:** On the death of the Annuitant who was a former member who has a Spouse, the surviving Spouse, or where there is no surviving Spouse or the surviving Spouse had waived entitlement in the form and manner required by 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 contract. Where the Annuitant is not a former member, the full value of the contract shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the owner's estate. Such payment is subject to paragraph 60(l) of the Tax Act.
11. **Marriage Breakdown:** This Agreement is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.
12. **Permitted Withdrawals:** Except as provided in Part VI of the Act, no withdrawal, commutation or surrender of money, in whole or in part, held under this Account is permitted and will be void, except in the following circumstances:
  - a) **Shortened Life Expectancy Withdrawal.** The Annuitant may withdraw all or part of the money in the Account as a lump sum or series of payments, in accordance with section 3 of the Directive, if the following conditions are met:
    - i) if a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably; and
    - ii) if the Annuitant is a former member of a pension plan such payment may only be made if the Spouse of the Annuitant has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent.
  - b) **Withdrawal of Small Amount.** The Annuitant may withdraw in a lump sum payment equal to the value of the entire Account, upon

application by the Annuitant to the Trustee in accordance with sections 4 and 5 of the Directive, if the following conditions are met:

- i) the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant and governed by Newfoundland pension benefits legislation is less than 10% of the year's maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; or
- ii) the Annuitant has reached the earlier of age 55 or the earliest date on which the Annuitant would have been entitled to receive a pension benefit under the plan from which money was transferred, and the value of the Annuitant's assets in all LIFs, LRIFs and LIRAs governed by Newfoundland pension benefits legislation is less than 40% of the year's maximum pensionable earnings under the *Canada Pension Plan* for that calendar year; and
- iii) the application shall be made on a form approved by the Superintendent; and
- iv) if the Annuitant is a former member of a pension plan, such application shall be accompanied by waiver by Spouse of the Annuitant of the joint and survivor pension entitlement in the form and manner required by the Superintendent.

The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this Section 12 and such application shall constitute sufficient authorization to the Trustee to pay the Annuitant from the Account in accordance thereof. The Trustee shall make the payment within a reasonable time of receipt by the Trustee of a completed application form and accompanying documentation.

13. **Differentiation Based on Sex:** Where the commuted value of a pension benefit which was transferred to the Account was determined in a manner that did not differentiate on the basis of sex, the Life Annuity Contract purchased with the funds in the Account shall not differentiate on the basis of the sex of the recipient. The commuted value of the pension benefit that was the subject of the Transfer was differentiated on the basis of sex of the Annuitant, unless otherwise indicated in writing to the Trustee.
14. **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 in 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.
15. **Governing law:** This Agreement shall be governed by the laws of the Province of Newfoundland and Labrador.