



# MRS TANDEM ACCOUNT APPLICATION:

## USE THIS APPLICATION FOR:

### REGISTERED ACCOUNTS

- RSP
- SPOUSAL RSP
- LOCKED IN RSP/LIRA
- RESTRICTED LOCKED-IN SAVINGS PLAN
- GROUP RSP
- SPOUSAL GROUP RSP
- RIF
- SPOUSAL RIF
- LRIF
- PRIF
- LIF
- RESTRICTED LIFE INCOME FUND

### INDIVIDUAL INVESTMENT ACCOUNT

### BOTH A REGISTERED ACCOUNT AND INDIVIDUAL INVESTMENT ACCOUNT









## REGISTERED ACCOUNT AND INVESTMENT ACCOUNT AGREEMENT

Throughout this Registered Account and Investment Account Agreement, the terms “I”, “me” and “my” mean the MRS Registered and Investment Account holder(s). In consideration of M.R.S. Trust Company (the “Trustee”) and M.R.S. Inc. (“MRS”) accepting this registered account and/or MRS accepting this investment account, I acknowledge and agree to the following and that clauses ‘a’ through ‘t’ are applicable to both registered accounts and investment accounts and clauses ‘s’ through ‘t’ are applicable to investment accounts only:

- a) I have engaged my Dealer/financial advisor as my agent. MRS is entitled to accept and act on any notice, authorization or other communication including by electronic transmission and telephone that it believes in good faith to be given by me or on my behalf by an individual or entity acting (or representing that it acts) in connection with this account as my Dealer or my financial advisor or on behalf of my Dealer or my financial advisor. MRS is under no obligation to verify that my Dealer or my financial advisor or any individual or entity acting (or representing that it acts) is properly authorized to act as my agent or is otherwise authorized to act on my behalf.
- b) My Dealer, MRS and the Trustee have different roles and responsibilities. I have read and I understand and accept the roles and responsibilities outlined below:

### Role of My Advisor

My advisor is responsible for working with me to understand and help me achieve my investment objectives by providing me with investment advice.

### Role of My Dealer

Canadian securities regulations require that my advisor work under the authority of a dealer. My Dealer (the Introducing Dealer) and MRS have entered into an Introducing/Carrying Dealer Arrangement. **My Dealer is responsible for the opening and approval of new accounts and for supervising my advisor including ensuring that investments and trading activity in my account are suitable for me.**

### Role of MRS

MRS, as the Carrying Dealer on this account, is responsible for trade execution and for settling trades (both of which my Dealer may do in certain circumstances) and custody of my cash and my securities. MRS is responsible and maintains in its name trust accounts established in respect of cash received and all cheques from me shall be made payable to MRS except in circumstances where my Dealer is permitted by securities regulation to operate a trust account. MRS is also responsible for issuing account statements and trade confirmations and for most tax reporting.

**MRS does not give investment advice, does not determine the suitability of my investments and is not responsible for and does not supervise any investment advice given to me by my advisor or my Dealer. Also, MRS is under no duty to evaluate the appropriateness, accuracy or quality of any instructions received from me, my advisor, my Dealer or my employer for group accounts.**

MRS may pay a portion of its fees to my Dealer and my Dealer may pay a portion of its fees to MRS. Fees for carrying dealer services and for the trustee services MRS arranges to be provided by the Trustee are paid by me in accordance with the MRS Fee Schedule and/or are paid by my Dealer.

MRS is responsible for and maintains in its name trust accounts established for the purpose of holding cash received from me and all cheques received from me shall be made payable to MRS except in circumstances where my Dealer is permitted by securities regulations to operate a trust account.

### Role of the Trustee

The Trustee is the trustee of your registered plans. The Declaration of Trust included in the registered plan application form and in the account opening mailing is the contract governing any registered plans. The Trustee has appointed MRS as its agent, and may appoint other agents, to provide services to my registered plans in compliance with the Declaration of Trust.

- c) The Trustee and/or MRS have the right to reject any of my instructions, or to sell any securities in this account for legal, regulatory or eligibility reasons.
- d) I am responsible for all commissions payable in respect of all trades in this account.
- e) My fixed income trades are valid until the end of the day, unless otherwise specified. I acknowledge that I am responsible for all trades placed by me, my Dealer or my financial advisor and I must pay for the trade at the time the trade is placed.
- f) MRS will provide me with the applicable Account Fee Schedule upon their opening of this account(s). I will have up to 30 days from the date of account opening by MRS to close this account(s) without being charged the applicable fees as outlined in the Account Fee Schedule. For its annual fee, MRS provides various account administration services, including custody of securities, maintenance of accounting records, collecting and remitting income, and issuing statements.
- g) I will pay the Trustee and/or MRS any amounts owing to them and any fees as outlined in the Account Fee Schedule. In addition, to the extent permitted by law, the Trustee and/or MRS can sell securities in this account(s) or otherwise deduct from

this account(s) any amounts owing to them in respect of this account(s) or any other of my accounts at the MRS Group of Companies.

- h) I will deliver any securities that I sell to MRS promptly if not held by MRS. If not, MRS may purchase the security at my expense.
- i) I will notify MRS in writing about any errors or omissions within the time limits specified on confirmations, statements or other notices.
- j) If I participate in the STAR or KEYSTONE Asset Allocation Programs, I authorize the manager to sell or purchase fund units as necessary to rebalance the portfolios in accordance with the programs and as described in the current prospectus for the STAR or the KEYSTONE funds.
- k) Each of MRS and my Dealer have the right and I hereby authorize each of them to conduct a credit check or obtain a credit report or credit file with respect to me and my business, if applicable, for the purposes of providing services to me and to verify my identity. Each of MRS and my Dealer also have the right to use banking information, including without limitation information with respect to any deposit account I may have, in connection with the provision of services to me and to verify my identity and I hereby consent to each of MRS and my Dealer obtaining from my financial institution such information and agree that each of MRS and my Dealer may provide a copy or extract of this application to such financial institution to evidence such consent.
- l) I will advise MRS of any changes to this account(s) in writing.
- m) MRS may, from time to time, amend the terms of this Account Agreement, including introducing a new fee or amending the fees outlined in the Account Fee Schedule after giving me no less than 60 days notice of the new or amended fees.
- n) All transactions in this registered account and/or investment account are subject to the rules and regulations of the securities industry, as applicable, and the laws of the Province of Ontario. If I am a resident of the Province of Quebec, MRS agrees to submit to the laws applicable in Quebec and to Quebec courts in the event of litigation between me and MRS. If I am a resident of the Province of Newfoundland and Labrador (NFLD) and MRS acts for me as a limited market dealer, I acknowledge that there may be difficulty in enforcing any legal rights that I may have against MRS because a substantial portion of its assets are located outside of NFLD.
- o) MRS will act as principal in fixed income transactions. For trades in fixed income securities, for example, Canadian issued bonds, the purchase price includes a mark-up and the sale price includes a mark-down. For purchases, this mark-up will reduce the yield that I receive. For sells, this mark-down will reduce the sale proceeds that I receive. This mark-up or mark-down represents compensation to MRS and / or my Dealer for providing me with access to Canadian fixed income markets. The mark-up or mark-down may be negotiable with my Dealer. MRS has established maximum mark-ups and mark-downs. The maximum is calculated as a percentage of the par value and will vary depending on the term to maturity and the issuer of the debt security.
- p) MRS will act as principal in currency conversions. The currency of the account(s) shall be as selected by me on the application for this account provided if I fail to make a selection or no selection option is available on the application, the currency of this account shall be Canadian dollars. Currency conversions will occur on trade date for any security that is denominated in a currency other than the currency of this account. Currency conversions will also occur on deposits to this account and will include any conversions required as a result of income or interest derived from securities denominated in a currency other than the currency of this account. Currency conversions will take place at rates determined by MRS, or others engaged by MRS, and each may earn revenue, in addition to applicable commissions, based on the difference between the bid/ask rates for the currency and MRS's, or others engaged by MRS, cost of the currency. Where a transaction with a mutual fund involves a currency conversion, the mutual fund company may charge me for the conversion.
- q) The parties hereby acknowledge that they have expressly required this Account Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressément demandé que la présente convention de compte ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.
- r) I acknowledge and agree that no transactions, other than the initial deposit, may be carried out in this account until the identification of the persons authorized to give instructions in respect of this account has been completed by my Dealer.
- s) MRS will pay interest to this account on credit balances, or charge interest to this account on debit balances, at the applicable rate as posted from time to time.
- t) I acknowledge that M.R.S. Trust Company may have a security interest in this account, and any securities or property held in it, in relation to an M.R.S. Trust Company loan. MRS is authorized to accept instructions from M.R.S. Trust Company in connection with the operation of this account and the realization of any security interest.

## M.R.S. INC. DECLARATION OF TRUST

### M.R.S. Inc. Retirement Savings Plan Declaration

M.R.S. Trust Company (the “Trustee”) is a trust company continued under the laws of Canada with its head office located at 777 Bay Street, Suite 2100, Toronto, Ontario M5G 2N4. You are the applicant/annuitant named in the MRS Retirement Plan Application (“your Application”). If you have selected an RSP, LRSP, LIRA or RLSP as a type of account on your Application, the Trustee will act as the trustee of a M.R.S. Inc. Self-Directed Retirement Savings Plan (“your Plan”) for you on the following terms and conditions.

1. **Acceptance and Registration:** If the Trustee agrees to act as trustee of your Plan, it will apply to register your Plan under the *Income Tax Act* (Canada) (the “Tax Act”) as a registered retirement savings plan (“RRSP”). You will be bound by the terms and conditions imposed on your Plan by all applicable legislation. If the Trustee declines to act as trustee, you or a Dealer (as defined below) will be notified and any amounts received by the Trustee as contributions will be returned.
2. **Purpose:** The Trustee will hold contributions accepted by it for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purpose of providing you with a retirement income in accordance with the Tax Act.

3. **Dealer:** In this declaration, a “Dealer” refers to an individual or entity acting (or representing that it acts) in connection with your Plan as your investment advisor, broker or dealer, or on behalf of your investment advisor, broker or dealer. You acknowledge that a Dealer is your agent and when acting (or representing that it acts) as a Dealer is not the agent of the Trustee or any of its affiliates. The Trustee is entitled to accept and act on any notice, authorization or other communication that it believes in good faith to be given by you or a Dealer on your behalf. The Trustee is under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
4. **Your Responsibility:** You are responsible for:
  - (a) selecting investments for your Plan and assessing the merits of those investments, obtaining appropriate advice in respect of these matters or authorizing a Dealer to do these things on your behalf;
  - (b) ensuring that contributions to your Plan do not exceed the maximum contribution limits permitted by the Tax Act;
  - (c) ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Tax Act and immediately notifying the Trustee if an investment held in your Plan is or becomes a non-qualified investment for your Plan under the Tax Act; and

- (d) providing the Trustee, upon request, with the current fair market value of any investment held in your Plan for which there is no published market price.

You acknowledge and accept sole responsibility for these matters and undertake to act in the best interest of your Plan. You confirm that the Trustee is not responsible for any of these matters or for any loss in the value of your Plan. You acknowledge that a Dealer or any other person from whom you obtain investment, tax or other advice is your agent and when acting (or representing that it acts) as a Dealer or your advisor is not the agent of the Trustee or any of its affiliates.

5. **Trustee's Responsibility:** The Trustee is ultimately responsible for the administration of your Plan. The Trustee is not authorized to select investments for your Plan and will not assess the merits of any investment selected by you or a Dealer. The Trustee is not responsible for providing any investment, tax or other advice to you or a Dealer; nor is the Trustee responsible for any advice that you obtain from a Dealer or any other source. Notwithstanding any other provision of this declaration, the Trustee will not be liable for any loss or penalty suffered as a result of any act done by it in reliance on your authority, the authority of a Dealer or the authority of your agents or legal representatives. The Trustee is under no obligation to verify that any person is properly authorized to act as your Dealer, agent or legal representative or is otherwise authorized to act on your behalf.
6. **Contributions to your Plan:** You or, where applicable, your spouse may make contributions to your Plan. The Trustee will also accept contributions by way of a transfer to your Plan from any source permitted by the Tax Act from time to time. The Trustee may accept or for any reason refuse to accept all or any portion of a contribution or transfer of cash, securities or other investments to your Plan. No contribution or transfer will be accepted after December 31 of the year in which you reach the maximum age for maturity specified by the Tax Act.

7. **Investments:**

- (a) The Trustee may accept and act on any investment instructions that it believes in good faith to be given by you or a Dealer on your behalf.
- (b) The assets of your Plan will be invested and reinvested from time to time according to your investment instructions or those of a Dealer unless the proposed investment does not comply with policies and requirements imposed by the Trustee from time to time.
- (c) The Trustee is not authorized to select investments for your Plan and will not assess the merits of the investments selected by you or a Dealer.
- (d) In selecting investments for your Plan, you will not be limited to those investments authorized by legislation governing the investment of property held in trust. However, you may be limited by policies and requirements imposed by the Trustee from time to time, such as the requirement to provide documentation and the requirement to comply with those policies and procedures currently imposed in connection with securities held in your Plan.
- (e) Notwithstanding any other provision in this declaration, the Trustee may for any reason refuse to act on any investment instruction, in which case you or a Dealer will be notified, and the Trustee will not be liable for any resulting loss.
- (f) Unless the Trustee refuses to act on your investment instructions, it will execute any purchase or sale of an investment after receiving your investment instructions together with all other properly completed documentation requested by the Trustee, at the market or sale price in effect on the day the transaction is executed. Any loss or gain resulting from errors made by the Trustee, its officers, employees or agents in the execution of investment instructions for your Plan will be for the Trustee's account.
- (g) The Trustee is authorized to make any financial arrangements that are required, necessary or appropriate to enable it to settle trades for your Plan according to your investment instructions or those of a Dealer.
- (h) In the absence of satisfactory investment instructions, cash received by the Trustee in connection with your Plan will be converted into the currency denomination of your Plan and will be invested in an interest-bearing cash deposit as part of the Trustee's guaranteed funds. The Trustee will credit your Plan with interest, as calculated by the Trustee, at the rate published by it from time to time for such deposits. Any interest in excess of the published rate will be for the Trustee's account and the Trustee may pay a portion of this excess to any agent that it appoints to provide services in connection with your Plan. Interest will not be paid to your Plan unless interest earned on such deposits is more than the specified minimums published by the Trustee or M.R.S. Inc. (the "Administrator") from time to time.
- (i) If it is necessary for cash or other assets held in your Plan to be converted to another currency, the Trustee, its affiliate, its agent or a person engaged by the Trustee may act as principal on its own behalf and not on your behalf to convert the currency at the rate established by it for the relevant conversion date. In addition to commissions that may be charged for this service, any revenue earned by the Trustee or other service provider based on the difference between the applicable bid/ask rates and its cost of currency will be for the account of the Trustee or other service provider.

8. **Withdrawals and Refunds:** Following receipt of satisfactory instructions from you or a Dealer, the Trustee will make a payment from your Plan to: (a) you or your spouse, as applicable, to reduce taxes otherwise payable under Part X.1 of the Tax Act in respect of over-contributions to RRSPs; or (b) you. If the value of your Plan is less than \$500 or substantially all of the assets in your Plan are illiquid (as determined by the Trustee), the Trustee may make a payment to you from your Plan equal to the value of your Plan or transfer the illiquid assets to you from your Plan. The Trustee may transfer or realize any investment of your Plan selected by it for the purpose of making a payment to you or your spouse and will not be liable for any resulting loss. Payments will be made net of all proper charges including tax required to be withheld. If your Plan does not have sufficient cash to pay these charges, the Trustee will be entitled to require you to pay these charges.

9. **Transfers from your Plan:** Following receipt of satisfactory instructions from you or a Dealer, the Trustee will transfer all or part of the assets of your Plan (less all proper charges) to the issuer or agent of the issuer of an RRSP or a registered retirement income fund ("RRIF"), as instructed. If the Trustee receives instructions to transfer some of the assets of your Plan, it may request instructions to transfer all the assets of your Plan and may delay the transfer until after it receives the requested instructions. If the Trustee has not received the requested instructions within 30 days of its request or if the issuer of the recipient plan refuses to accept the transfer of any assets of your Plan, the assets that have not been transferred may, at the option of the Trustee, be transferred or paid to you (less taxes required to be withheld and any other proper charges). The Trustee will make an effort to provide the issuer of any recipient plan with all relevant information in its possession. The Trustee will make an effort to sell or transfer specific investments of

your Plan to effect the transfer as instructed. In the absence of satisfactory instructions, the Trustee may sell or transfer any investments of your Plan selected by it to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Tax Act or the terms and conditions of the investments of your Plan.

10. **Maturity:** On or before December 31 of the year in which you reach the maximum age for maturity specified by the Tax Act, the assets of your Plan must be transferred to a RRIF or liquidated and the proceeds (less all proper charges) used to acquire an annuity that conforms with the Tax Act. If you or a Dealer do not provide the Trustee with satisfactory instructions by September 30 of that year, you will be deemed to have instructed the Trustee to transfer the assets of your Plan on or before December 31 of that year to a RRIF. The Trustee will act as your attorney to execute documents and make elections necessary to establish the RRIF. However, if the issuer of the RRIF does not accept the transfer, the assets of your Plan will be paid or transferred to you (less taxes required to be withheld and any other proper charges).
11. **Annuity:** An annuity purchased with the assets of your Plan must conform to the requirements of the Tax Act which, among other things, requires the annuity to provide equal annual or more frequent periodic payments to you, or to you until your death and then to your spouse, until there is a payment in full or partial commutation of the annuity and where the commutation is partial, equal annual or more frequent periodic payments afterwards except for adjustments permitted by the Tax Act. Payments may not exceed a term of years equal to 90 minus either your age (in whole years) or, if your spouse is younger than you, your spouse's age (in whole years) at the time the annuity is established. Payments to your spouse in any year after your death may not be greater than payments made in a year before your death. If the annuity becomes payable to a person other than you or your spouse, the value of payments must be commuted.
12. **Beneficiary Designation:** If you are domiciled in a jurisdiction which by law permits you to validly designate a beneficiary other than by Will, you may designate a beneficiary to receive the proceeds of your Plan in the event of your death before the maturity of your Plan. You may make, change or revoke your designation by written notice to the Trustee signed by you in a form acceptable to the Trustee. Any designation, amended designation or revoked designation will be valid on the day following its receipt by the Trustee.
13. **Death:** Upon receipt of satisfactory evidence of your death, the Trustee will hold the assets of your Plan for payment in a lump sum to your designated beneficiary if that person was living on the date of your death. If you have not designated a beneficiary or if your designated beneficiary predeceases you, the assets of your Plan will be paid to your legal representatives. The lump sum payment will be paid subject to the deduction of all proper charges after the Trustee receives all releases and other documents that it requests.
14. **Prohibition:** Except as specifically permitted under the Tax Act, no advantage that is conditional in any way on the existence of your Plan may be extended to you or a person with whom you do not deal at arm's length. Retirement income under your Plan may not be assigned in whole or in part. The assets of your Plan may not be used as security for a loan except as permitted by the Trustee. The Trustee will not make any payments from your Plan except those specifically permitted under the provisions of this declaration or the Tax Act or required by law.
15. **Date of Birth and Social Insurance Number:** The statement of your and, if applicable, your spouse's birth date and social insurance number on your Application is deemed to be a certification of its truth and your undertaking to provide proof if requested by the Trustee.
16. **Accounting and Reporting:** The Trustee will maintain an account of your Plan reflecting, with appropriate dates: (a) contributions to your Plan; (b) the name, number and cost of investments purchased or sold by your Plan; (c) dividends, interest and other distributions received by your Plan; (d) cash; (e) withdrawals, transfers and expenses paid from your Plan; and (f) the balance of your account. The Trustee will send you a quarterly statement of your account. Before April of each year, the Trustee will provide any applicable tax reporting required to be filed with your or your spouse's personal income tax return for the previous year.
17. **Fees and Expenses:** The Trustee may charge you or your Plan fees as published by the Trustee or the Administrator from time to time. The Trustee will give you at least 30 days' notice of any change in its account fees. In addition, the Trustee is entitled to charge your Plan fees for out-of-the-ordinary services requested by you or a Dealer in connection with your Plan and is entitled to reimbursement from your Plan for all disbursements, expenses and liabilities incurred by the Trustee in connection with your Plan. Without limiting the generality of the foregoing, these fees, disbursements, expenses and liabilities may include: brokerage fees and commissions, custodian fees, administration fees and redemption fees incurred in connection with investments held in your Plan; investment advisory fees paid to a Dealer; legal and accounting fees; fees in connection with financial arrangements made to facilitate the settlement of trades or the conversion of currency; and taxes, interest and penalties imposed on your Plan. The Trustee is entitled to deduct the unpaid fees, disbursements, expenses and liabilities from the assets of your Plan or any other account held by you with the Trustee or any of its affiliates and for this purpose the Trustee is authorized, but not obliged, to realize sufficient assets of your Plan or such other account selected by it. The Trustee will not be responsible for any resulting loss.
18. **Tax imposed on you or your Plan:** If your Plan becomes liable for tax, interest or penalties under the Tax Act or provincial legislation, the Trustee may sell any investment of your Plan to pay the liability. The Trustee may, but is not obliged to, sell or otherwise dispose of any investment of your Plan to avoid or minimize the imposition of tax, interest or penalties on you or your Plan. The Trustee will not be liable for any tax, interest or penalty imposed on you or your Plan or for any loss resulting from the disposition or failure to dispose of any investment held by your Plan.
19. **Delegation of Duties:** Without detracting in any way from its responsibility, the Trustee may appoint agents (including affiliates of the Trustee) and may delegate to its agents the performance of any of its duties or responsibilities under this declaration including but not limited to administrative duties such as accepting contributions to your Plan, executing investment instructions, safekeeping the assets of your Plan, account and record keeping, preparing and issuing statements and tax receipts, calculating, recording and

crediting interest on cash balances held in your Plan, communicating with you, a Dealer or legal representatives and responding to your or their concerns. The Trustee may also employ or engage accountants, brokers, lawyers or others and may rely on their advice and services. The Trustee will not be liable for the acts or omissions of any of its agents, advisors or service providers and will not be liable for the acts or omissions of a Dealer or any of your other agents, advisors or service providers. The Trustee may pay to any agent, advisor, service provider or Dealer all or part of the fees received by it under the provisions of this declaration and/or a fee calculated by reference to the amount of cash held in your Plan and/or currency converted.

20. **Execution of Trades:** When executing trades for your Plan, the Trustee may engage the services of: (a) brokers or investment dealers registered under applicable securities laws; (b) itself to the extent it is by law authorized to engage in all or any part of the trading activity; and (c) an affiliate (as defined in the Business Corporations Act (Ontario)) to the extent that the affiliate is by law authorized to engage in all or part of the trading activity.
21. **Custodian:** The Trustee may engage one or more Canadian chartered banks, Canadian or provincial trust companies, registered brokers or investment dealers as a depository to hold some or all of the investments of your Plan, provided that: (a) the depository may not offset any debt or obligation owing to the depository against assets of your Plan, (b) the assets of your Plan may not be pledged, assigned or otherwise encumbered, and (c) if the depository is a broker or investment dealer, the terms and conditions of the engagement will comply with the published requirements of applicable regulatory authorities. The Trustee may arrange for the deposit and delivery of any investments of your Plan with The Canadian Depository for Securities Limited, the Depository Trust Company or any other properly authorized domestic or foreign depository.
22. **Indemnity:** None of the Trustee or its officers, employees and agents will be liable for and are indemnified by you and your Plan from and against all expenses, liabilities, claims, losses and demands of any nature arising out of the holding of the assets of your Plan; the dealing with the assets of your Plan in accordance with instructions which the Trustee, its officers, employees or agents believes in good faith to be given by you or a Dealer or other agent; making financial arrangements to settle trades; and the sale, transfer or release of assets of your Plan in accordance with this declaration, unless caused by or resulting from its dishonesty, bad faith, willful misconduct or gross negligence.
23. **Amendments:** From time to time, the Trustee may amend this declaration with the approval of the Canada Revenue Agency provided that the amendment does not disqualify your Plan as an RRSP under the Tax Act or other legislation. Any amendment to ensure that your Plan continues to comply with the Tax Act or other legislation will be effective without notice. Any other amendment will be effective not less than 30 days' after notice has been provided to you.
24. **Successor Trustee:** The Trustee may resign and be discharged from all duties and liabilities under this declaration by giving written notice to the Administrator. The Administrator is initially nominated to appoint a company as successor trustee. If the company appointed by the Administrator does not accept the office of trustee of your Plan within 30 days' of being appointed, then the Trustee may nominate you to appoint a successor trustee by providing notice to you. Upon acceptance of the office of trustee of your Plan, the successor trustee will be trustee of your Plan as if it had been the original declarant of your Plan and your Plan continues in full force and effect with the successor trustee. At the time of the appointment of the successor trustee, the Trustee will be relieved of all duties and liabilities under this declaration. If you are unable to appoint a successor trustee who accepts the office of trustee of your Plan within 60 days' of you being nominated to appoint a successor trustee, the assets of your Plan net of all proper charges will be withdrawn from your Plan and transferred to you and the Trustee will be relieved of all duties and liabilities under this declaration.
25. **Notice to you:** Any notice, request or other communication required or permitted to be given to you by the Trustee must be in writing and will be sufficiently given if it is sent by pre-paid mail, telecopier, electronic mail or other form of electronic transmission addressed to you at the address provided on your Application or subsequently provided by you or a Dealer in a notice to the Trustee. For greater certainty, the Trustee is not responsible for verifying the accuracy or currency of any address provided to it. Any notice, request or other communication will be deemed to have been given to you and received by you on the day of mailing or transmission.
26. **Notice to the Trustee:** Except as otherwise provided in this declaration, any notice, request or other communication required or permitted to be given to the Trustee by you or a Dealer must be in writing and will be sufficiently given if it is in a form satisfactory to the Trustee and is received by the Administrator by pre-paid mail, courier or telecopier addressed to the Trustee or the Administrator at the address for the Administrator last provided to you. The Trustee is permitted but not obliged to accept and act on a notice, request or other communication given to it by you or a Dealer by internet, electronic transmission or telephone. The Trustee may for any reason refuse to act on any notice, request or other communication given to it by you or a Dealer and the Trustee will not be responsible for any resulting loss. Any notice, request or other communication given to the Trustee will be deemed to have been given to it and received by it at the time of actual receipt by the Administrator.
27. **Locked-in Plans:** If "locked-in" assets are transferred to your Plan in accordance with applicable pension legislation, this declaration will include the additional provisions contained in the attached "Locking-in Supplement for a LIRA or Locked-in RSP or RLSP." In the event of any inconsistency between the provisions of the supplement and the provisions of this declaration, the provisions of the supplement apply.
28. **Language:** You have requested that your Application, this declaration and all ancillary documents be provided to you in English. Vous avez exigé que votre demande, la présente déclaration et tous les documents accessoires vous soient fournis en anglais.
29. **Governing Laws:** This declaration will be governed, construed and enforced in accordance with the laws of Ontario and Canada except that the word "spouse" as used in this declaration refers to a person recognized as your spouse or common-law partner for the purposes of the Tax Act.
30. **Specimen Plan:** RSP 417-013.

Revised: January 1, 2010

## Locking-in Supplement for a LIRA or Locked-in RSP or RLSP

1. **Definitions:** In this Locking-in Supplement:
  - (a) unless otherwise defined, terms defined in the Declaration have the same meaning in this Locking-in Supplement;
  - (b) Declaration: means the declaration of trust creating your Self-Directed Retirement Savings Plan;
  - (c) LIF: means a "LIF" or "life income fund" as defined in pension legislation, other than a RLIF;
  - (d) life annuity: means a "life annuity", "life annuity contract", "annuity contract", "life pension", "immediate life annuity" and "deferred life annuity", as defined in pension legislation, that conforms with the Tax Act and pension legislation;
  - (e) LIRA/Locked-in RSP: means a "LIRA", "locked-in retirement account" or "locked-in retirement account contract" as defined in pension legislation and where those terms are not defined, means an RRSP that satisfies the conditions under pension legislation for receiving funds that originate from an RPP, other than a RLSP;
  - (f) Locked-in Retirement Account (Alberta LIRA) Addendum: means Form 1 in Schedule 1 of the regulations to the Alberta pension legislation, as amended from time to time;
  - (g) LRIF: means a "LRIF" or "locked-in retirement income fund" as defined in pension legislation;
  - (h) pension: means a "pension", "pension benefit" or "retirement pension" as defined in pension legislation and used in the context of a LIRA/Locked-in RSP or RLSP;
  - (i) pension legislation: means one of the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Standards Act* (British Columbia), the *Pension Benefits Standards Act, 1985* (Canada), the *Pension Benefits Act* (Manitoba), the *Pension Benefits Act* (New Brunswick), the *Pension Benefits Act, 1997* (Newfoundland and Labrador), the *Pension Benefits Act* (Nova Scotia), the *Pension Benefits Act* (Ontario), the *Supplemental Pension Plans Act* (Quebec), or *The Pension Benefits Act, 1992* (Saskatchewan), whichever governs locked-in assets transferred or to be transferred to your Plan directly or indirectly from an RPP and for greater certainty, the term pension legislation includes regulations made under that statute;
  - (j) PRRIF: means a "prescribed RRIF" as defined in Manitoba pension legislation or a "registered retirement income fund contract" that meets the requirements of Saskatchewan pension legislation;
  - (k) RLIF: means a "restricted life income fund" as defined in Federal pension legislation;
  - (l) RLSP: means a "restricted locked-in savings plan" as defined in Federal pension legislation;
  - (m) RPP: means a pension plan or a supplemental pension plan governed by pension legislation or established by other legislative authority and registered under the Tax Act;
  - (n) spouse: means a person recognized as your spouse or, where contemplated by pension legislation, your cohabiting partner, common-law partner or pension partner for the purposes of pension legislation in context of a LIRA/Locked-in RSP or RLSP provided however that where the context requires, a spouse refers only to a person recognized as a spouse or common-law partner for the purposes of the Tax Act; and
  - (o) YMPE: means the "Year's Maximum Pensionable Earnings" as defined in the *Canada Pension Plan* unless Quebec pension legislation governs your Plan, then it means the maximum pensionable earnings under the *Act respecting the Quebec Pension Plan*.
2. **Conflict and Compliance:** The provisions of this Locking-in Supplement form part of the Declaration if your Plan is an RRSP and locked-in assets are transferred or will be transferred to your Plan directly or indirectly from an RPP. If your Plan is an Alberta LIRA, the Locked-in Retirement Account (Alberta LIRA) Addendum is incorporated by reference into this Locking-in Supplement and all the provisions of that Addendum form part of this Locking-in Supplement. If there is any inconsistency between the provisions of this Locking-in Supplement and the other provisions of the Declaration, the provisions of this Locking-in Supplement will apply. If there is any inconsistency between the provisions of the Locked-in Retirement Account (Alberta LIRA) Addendum and the other provisions of this Locking-in Supplement, the provisions of the Locked-in Retirement Account (Alberta LIRA) Addendum will apply. The Trustee will comply with all relevant provisions of pension legislation.
3. **Purpose:** The Trustee will hold contributions accepted by it for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purposes of providing you with a pension in accordance with the Tax Act and pension legislation.
4. **Contributions to your Plan:** The only assets that may be contributed to your Plan are locked-in assets transferred directly or indirectly from an RPP; if permitted by pension legislation, a LIRA/Locked-in RSP, RLSP, LIF, RLIF, PRRIF or LRIF; a life annuity the capital of which originated from an RPP; or another source permitted by the Tax Act and pension legislation from time to time. The Trustee will not accept any amount contributed to your Plan from a source or in circumstances not permitted by the Tax Act and pension legislation. **Locked-in assets governed by pension legislation of one jurisdiction may not be commingled in your Plan with non-locked-in assets or locked-in assets governed by pension legislation of another jurisdiction.** Where New Brunswick pension legislation governs your Plan, if the amount transferred to your Plan was determined in a way that differentiated based on your gender, amounts subsequently transferred to your Plan must have been differentiated on the same basis.
5. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Tax Act for an RRSP. Where British Columbia, Manitoba or Newfoundland and Labrador pension legislation governs your Plan, your Plan may not directly or indirectly hold any mortgage if you or your spouse is the mortgagor or if the mortgagor is your parent, sibling or child or the spouse of any of those people.
6. **Withdrawals:** The assets of your Plan may only be withdrawn, transferred or surrendered in the manner contemplated by this Locking-in Supplement and where:
  - (a) a payment is made to reduce taxes otherwise payable under Part X.1 of the Tax Act;
  - (b) you withdraw all of the assets of your Plan in circumstances permitted by pension legislation;
  - (c) you are subject to a disability or terminal illness that considerably reduces your life expectancy;
  - (d) a payment is made to effect a division of assets upon relationship breakdown or in satisfaction of an order for support or maintenance;
  - (e) the assets of your Plan are transferred to an RPP, LIRA/Locked-in RSP, RLSP, LIF, RLIF, PRRIF or LRIF or are used to establish a life annuity;

- (f) a payment is made after your death; or
- (g) otherwise permitted by the Tax Act and pension legislation from time to time. Any transaction that is contrary to this paragraph is void. The Trustee will endeavour to make any requested payment or transfer within 30 days after receiving satisfactory instructions and any other documentation that it considers necessary.
7. **Refunds:** The Trustee will make payments pursuant to paragraph 8 [Withdrawals and Refunds] of the Declaration to reduce taxes otherwise payable under Part X.1 of the Tax Act. Where New Brunswick pension legislation governs your Plan, the payment (less taxes required to be withheld) will be deposited into a sub-account of your Plan. The sub-account will not be an RRSP.
8. **Collapsing a Small LIRA/Locked-in RSP or RLSP:** If the total value of your Plan and such locked-in assets in such other plans as prescribed by pension legislation does not exceed 50% of the YMPE for the year (or a lesser amount specified by pension legislation) and you have reached age 65 (or a lesser age specified by pension legislation), the Trustee will make a lump-sum payment from your Plan equal to the value of your Plan after receiving your request, signed declaration or attestation in the form and manner required by pension legislation and satisfactory evidence that all the necessary conditions stipulated by pension legislation are satisfied.
9. **Collapsing your Plan after you become a Non-resident:** Where British Columbia, Federal, New Brunswick, Ontario or Quebec pension legislation governs your Plan, the Trustee will make a lump-sum payment to you from your Plan equal to the value of your Plan after receiving: (a) your request; (b) any document or information required by pension legislation; (c) satisfactory written evidence that the Canada Revenue Agency has determined that you (and where New Brunswick pension legislation governs your Plan, your spouse) are a non-resident of Canada for the purposes of the Tax Act; (d) where New Brunswick pension legislation governs your Plan, satisfactory written evidence that you and your spouse, if any, are not Canadian citizens; and (e) where British Columbia, New Brunswick or Ontario pension legislation governs your Plan, a waiver from your spouse in the form required by pension legislation. Where British Columbia, Federal, Ontario or Quebec pension legislation governs your Plan, the Trustee will not make the payment until you have been absent from Canada for at least two years.
10. **Shortened Life Expectancy:** The Trustee will make a lump-sum or series of payments to you from your Plan, but only to the extent and in the manner permitted by pension legislation, after receiving: (a) a request; (b) a medical certificate signed by a physician certifying that you are subject to a physical disability or, where contemplated by pension legislation, a terminal illness or mental disability, that considerably reduces your life expectancy; (c) where Ontario pension legislation governs your Plan, the medical certificate certifies that your illness or physical disability is likely to reduce your life expectancy to less than 2 years; (d) where British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Ontario or Saskatchewan pension legislation governs your Plan, a waiver from your spouse in the form and manner required by pension legislation; and (e) any other document or information required by pension legislation.
11. **Low Income/Medical-Related Financial Hardship:** If Federal pension legislation governs your Plan, you may withdraw an amount from your Plan up to the lesser of the amount determined by the formula set out in the Federal pension legislation and 50% of the YMPE minus any amount withdrawn in the calendar year under this paragraph – from any LIRA/Locked-in RSP or RLSP (as the case may be) – or under the corresponding financial hardship provisions of your LIRA/Locked-in RSP, LIF, RLSP or RLIF (where applicable) if
- you certify that you have not made a withdrawal in the calendar year under this paragraph – from any LIRA/Locked-in RSP or RLSP (as the case may be) – or under the corresponding financial hardship provisions of your LIRA/Locked-in RSP, LIF, RLSP or RLIF (where applicable) other than within the last 30 days before such certification,
  - you attest to the Trustee, in writing, as to the basis for the financial hardship withdrawal and as to the existence of a spouse (and the spouse's consent, where required), in the forms and manner required by Federal pension legislation; and
  - you provide the Trustee with such other certifications as required by the Federal pension legislation.
12. **Spousal Payments after Relationship Breakdown:** The assets of your Plan may be subject to division under family law and pension law. After receiving satisfactory evidence of entitlement and confirmation that a payment is not prohibited by pension law, a payment or payments will be made out of your Plan but only to the extent and in the manner permitted by law: (a) to effect a division of assets provided the payment is made pursuant to applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance. Within the limits permitted by pension legislation, the Trustee may deduct from your Plan its cost of complying with an order for support or maintenance.
13. **Spousal Entitlement after Relationship Breakdown:** Your spouse's entitlement to survivor benefits under your Plan will end upon divorce or annulment unless: (a) your spouse is named as a beneficiary of your Plan; (b) Manitoba pension legislation governs your Plan and your spouse has not received his or her entitlement from your Plan and has not opted out in the manner required by that legislation; or (c) Quebec legislation governs your Plan and you have notified the Trustee that the payment of a life annuity to your spouse will continue despite the relationship breakdown. Your spouse's entitlement to survivor benefits under your Plan may end upon separation.
14. **Transfers from your Plan:** Subject to any restrictions imposed by the Tax Act or pension legislation, all or any part of the assets of your Plan may be transferred to the issuer of an RPP or life annuity or, if permitted by pension legislation, a LIRA/Locked-in RSP, RLSP, LIF, RLIF, PRRIF or LRIF. Before transferring assets from your Plan, the Trustee will: (a) confirm that the transfer is permitted under pension legislation and the Tax Act; (b) confirm that the issuer of the recipient plan is on the list of acknowledged financial institutions and the recipient plan is on the list of LIRAs/Locked-in RSPs, RLSPs, LIFs, RLIFs or LRIFs if such a list is maintained by the Superintendent of Pensions; (c) notify the issuer of the recipient plan of the locked-in status of the assets being transferred and the pension legislation that governs the assets; and (d) obtain the commitment of the issuer of the recipient plan to administer the transferred assets according to pension legislation. The Trustee will comply with any other requirement imposed by pension legislation. Where British Columbia pension legislation governs your Plan, a transfer is not permitted if, after the transfer, the value of the assets of your Plan or the recipient plan would be less than 40% of the YMPE. If required by pension legislation, your spouse must provide a consent to the transfer or waiver in the form and manner required by pension legislation.
15. **Maturity:** Any assets held in your Plan on December 31 of the year in which you reach the maximum age for maturity specified by the Tax Act or an earlier age if specified by pension legislation must be used to establish a life annuity that conforms with the Tax Act and pension legislation. If the Trustee does not receive satisfactory instructions by September 30 of that year, you will be deemed to have instructed the Trustee to transfer the assets of your Plan on or before December 31 of that year to a LIF, RLIF or life annuity selected by the Trustee and the Trustee will not be liable for any resulting loss.
16. **Life Annuity:** A life annuity established with the assets of your Plan must comply with pension legislation in addition to the rules imposed by the Tax Act. A life annuity established with the assets of your Plan must be established for your life. However, if you have a spouse on the date payments under the life annuity begin, the life annuity must be established for the life of the survivor of you and your spouse unless a spousal waiver has been provided in the form and manner required by pension legislation and has not been revoked. Your spouse's right to a life annuity as your survivor may be waived (and the waiver may be revoked) in the form and manner stipulated by pension legislation. Payments under the life annuity may not begin before the earliest date permitted by pension legislation. If your spouse is entitled to payments under the life annuity after your death, those payments must be at least 60 percent (or where Manitoba pension legislation governs your Plan, 66 2/3 percent) of the amount to which you were entitled before your death. The life annuity may not differentiate based on your gender except to the extent permitted by pension legislation. Where Quebec pension legislation governs your Plan, the equal periodic payments under the life annuity may be uniformly increased because of an index or a rate provided for in the contract and that conforms with the adjustments permitted by the Tax Act; or may be uniformly adjusted because of (a) a seizure of the assets of your Plan; (b) a redetermination of your pension; (c) the division of assets of your Plan with your spouse after relationship breakdown; (d) the payment of a temporary pension as provided for in section 91.1 of pension legislation; or (e) an election under subsection 93(3) of pension legislation relating to payments after your death.
17. **Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of pension legislation. Your spouse's right to be the beneficiary of your Plan may be waived (and the waiver may be revoked) in the form and manner stipulated by pension legislation.
18. **Death:** Following your death, the assets of your Plan will be paid to the person who was your spouse on the date of your death or will be used to provide that person with a pension unless that person is not entitled to survivor benefits under pension legislation. If pension legislation permits or requires that person to receive survivor benefits in a form other than a lump-sum payment, that person may instruct the Trustee to transfer the assets of your Plan to the issuer of an RRSP, LIRA/Locked-in RSP, RLSP, RRRIF, LIF, RLIF, PRRIF, LRIF or life annuity as permitted by pension legislation and the Tax Act. If you did not have a spouse on the relevant date or if your spouse is not entitled to survivor benefits under pension legislation, the assets of your Plan will be paid to your designated beneficiary, if that person was living at the date of your death and if not, to your legal representatives. The assets of your Plan will be paid out of your Plan within 60 days after the Trustee receives all releases and other documents that it requests. If the Trustee has not received satisfactory instructions by that date, the Trustee may transfer the assets of your Plan as permitted or required by pension legislation and the Trustee will not be liable for any resulting loss.
19. **Other Payments or Transfers:** The Trustee will make a lump sum or series of payments or transfers from your Plan not otherwise provided for in this Locking-in Supplement but only in the manner and to the extent specifically permitted by pension legislation and only after receiving your request and any documents and information required by it and pension legislation.
20. **Valuation:** If your Plan is governed by Federal pension legislation, on any given day, the value of your Plan will be determined based on the value of the assets owned by your Plan at the close of business on that day net of any fees or expenses properly chargeable to your Plan.
21. **Payments or Transfers made Contrary to Pension Legislation:** Where British Columbia, Manitoba, Newfoundland and Labrador or Saskatchewan pension legislation governs your Plan, if assets are paid out of your Plan contrary to pension legislation or are transferred out of your Plan contrary to paragraph 14 [Transfers from your Plan] of this Locking-in Supplement, the Trustee will ensure that you receive a pension in an amount and if required by pension legislation, in a manner that would have been provided if the assets had not been transferred or paid out of your Plan. Where Quebec pension legislation governs your Plan, if assets are paid out of your Plan contrary to the Declaration or pension legislation, upon receipt of your request, the Trustee will pay to you an amount equal to the irregular payment unless the irregular payment was attributable to a false statement made by you.
22. **Assignment and Seizure:** The assets of your Plan may not be assigned, charged, alienated, anticipated, given as security or subjected to execution, seizure or attachment, except as permitted by the Tax Act and pension law. A transaction that is contrary to this paragraph is void.
23. **Amendments:** From time to time the Trustee may amend the Declaration (including this Locking-in Supplement) provided that the amendment does not disqualify your Plan as a LIRA/Locked-in RSP or RLSP and, if required by law, the amendment is approved by the authorities administering the Tax Act and pension legislation. Amendments that do not reduce your benefits but are required to ensure that your Plan continues to comply with the law will be effective without notice. Any other amendment will be effective not less than 30 days' (or 90 days' where required by pension legislation) after notice has been provided to you. Where required by pension legislation, you will also be provided with notice of your entitlement to transfer assets out of your Plan.

## Locked-in Retirement Account (Alberta LIRA) Addendum

**IMPORTANT NOTES:** This addendum forms an integral part of the LIRA to which it is attached. The provisions of this addendum prevail over other provisions of the LIRA in the event of any conflict or inconsistency. The LIRA (including this addendum) is also subject to section 39 of the Regulation and all other provisions of the Act and the Regulation (excluding this addendum) that apply to LIRAs and in the event of any conflict or inconsistency, that other legislation prevails. This addendum is only a general and abbreviated description of the legal rights and obligations relating to the LIRA vehicle and as such may not necessarily reflect fully or accurately the rights and obligations in the legislation. It should be noted that there are transitional arrangements in place covering mainly the period between August 2006 and the end of 2007, that are not necessarily reflected in this addendum, and that may also affect relationships with LIRFs.

I, the applicant/annuitant named in the MRS Retirement Plan Application, (in this addendum referred to as "the owner") certify that I am

- the original owner
- a surviving pension partner owner
- a non-member-pension partner owner as defined in paragraph 1 of this addendum.

*[Please tick the box that applies to you.]*

With respect to Alberta locked-in money to which the LIRA of which this addendum forms part applies, I, the owner, and we, M.R.S. Trust Company, (in this addendum referred to as "the LIRA issuer"), having signed the LIRA agreement to which this addendum is attached, agree that the provisions set out in this addendum constitute fundamental terms of the contract between us and agree to comply with those provisions, subject to the above-mentioned legislation.

### Part 1 – General Provisions

1. (1) **Interpretation:** The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:
  - (a) "the Act" means the *Employment Pension Plans Act* of Alberta, "the Regulation" means the *Employment Pension Plans Regulation* (Alberta Regulation 35/2000) under that Act, and "EPPA/R" means either or both, as applicable, all as amended to the time as of which the legislation is being interpreted;
  - (b) "acknowledged" means, in relation to a financial institution, currently acknowledged under section 38 of the Regulation in relation to LIRAs or LIFs, as applicable;
  - (c) "Alberta locked-in money" means money in a pension plan, LIRA or LIF
    - (i) that
      - (A) originally belonged to a member who terminated membership in Alberta,
      - (B) belongs to a surviving pension partner of
        - (I) a member who died while employed in Alberta,
        - (II) a former member who terminated membership while employed in Alberta, or
        - (III) the original owner of a LIRA, or
      - (C) belongs to a non-member-pension partner owner owing to the application of Parts 4 of the legislation and originally belonged to a member who was employed in Alberta at the end of the period of joint accrual referred to in section 57(a) of the Regulation, and
    - (ii) with respect to which the locking-in requirements of the legislation are still required to be met;
  - (d) "annuity" means a non-commutable life annuity contract issued or to be issued by an insurance business licensed to do business in Canada that meets the conditions in paragraph 60(l) of the federal Income Tax Act and will not commence before the annuitant reaches 50;
  - (e) "DC RIA" (an acronym for defined contribution retirement income account) means an account created under defined contribution provisions of a pension plan that provides the benefits referred to in section 46(8) of the Act under section 46.1 of the Regulation;
  - (f) "DC RIA benefits" means the benefits referred to in clause (e);
  - (g) "financial institution" means the issuer of a LIRA (including this one) or a LIF, as the case may be and, where the context relates to an annuity, includes an insurance business referred to in clause (d);
  - (h) "Form", followed by a number, means the form in Schedule 1 to the Regulation corresponding to that number;
  - (i) "non-member-pension partner owner" means a pension partner who owns this LIRA as a result of the application of the marriage breakdown/matrimonial property order/agreement rules in EPPA/R;
  - (j) "Option",
    - (i) followed by the numeral "1", means the option in Part 1 of Form 6 agreeing to the unlocking of up to 50% of commuted value or the value of the vehicle account in question,
    - (ii) followed by the numeral "2", means the option in Part 1 of Form 6 giving up the right to receive the minimum 60% survivor payments, and
    - (iii) followed by the numeral "3", means the option in Part 2 of Form 6 giving up all rights as automatic designated beneficiary;
  - (k) "original owner" means the individual who was the member or former member of a pension plan and who made a transfer under section 30(5) or 38 of the Act or section 39, 40, 41 or 46.1 of the Regulation at any time, the assets deriving from which transfer are now held in this LIRA;
  - (l) "owner" means the original owner, a surviving pension partner owner or a non-member-pension partner owner;
  - (m) "paragraph" and "Part" mean a paragraph and a Part, respectively, of this addendum;

- (n) "pension partner" means, in relation to an original owner,
    - (i) a person who, at the relevant time, was married to that original owner and had not been living separate and apart from that original owner for 3 or more consecutive years, or
    - (ii) if there is no such married person, a person, if there is any, who, immediately preceding that time, had lived with that original owner in a conjugal relationship
      - (A) for a continuous period of at least 3 years, or
      - (B) of some permanence, if there is a child of the relationship by birth or adoption, but does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the federal income tax legislation respecting RRSPs;
  - (o) "retirement income commencement" means the time when the former member or original owner initially transfers or transferred the money from a pension plan or a LIRA to a LIF, a DC RIA or an LRIF (before its abolition);
  - (p) "surviving pension partner owner" means an individual who made a transfer of money under section 39(6) of the Act or section 39(27) of the Regulation;
    - (2) Terms used in this addendum and not defined in subparagraph (1) but defined generally in EPPA/R have the meanings assigned to them in EPPA/R.
    - (3) Reference in this addendum to the execution of a waiver also requires the provision of it to the applicable pension plan administrator or financial institution for it to be effective.
  2. **Voluntary disposition:** In general, the owner may not assign or otherwise voluntarily dispose of this LIRA or any rights or obligations under it to another person, but this is subject to the exceptions dealt with later.
  3. (1) **Involuntary access:** In general, the money in this LIRA may not be seized, attached or otherwise taken by another person, except that the money is subject to the provisions of the Maintenance Enforcement Act and the marriage breakdown rules.
    - (2) The exceptions referred to in subparagraph (1) will or may continue to apply if the money is transferred from this LIRA to another financial vehicle.
  4. **General rule on early withdrawal, etc.:** No early voluntary withdrawal, commutation or surrender of money in this LIRA will be permitted except in accordance with Part 4 or the transitional (temporary) maximum 50% unlocking option in Schedule 1.1 to the Regulation.
  5. **Locking in:** Money that is not Alberta locked-in money will not be transferred to or continue to be held in this LIRA.
  6. **Investment:** The money in this LIRA will be invested in a manner that complies with the rules for the investment of RRSP money contained in the federal income tax legislation.
  7. (1) **Retirement income:** All the money in this LIRA, including investment earnings, is to be used ultimately to obtain an annuity or retirement income that is required or permitted by EPPA/R.
    - (2) The annuity or retirement income ultimately to be obtained for an original owner with a pension partner at the time payment of that income commences is to be at least on a 60% joint life basis that satisfies section 40 of the Act, unless that pension partner executes Option 2 of the Form 6 waiver.
  8. **Splitting of contract:** This LIRA, if not eligible for the payment allowed by paragraph 21, may not be split so as to change it into 2 or more LIRAs, LIFs, DC RIAs or annuities or any combination of them that would make any of them so eligible.
  9. **Pension partner waiver:** A pension partner may be entitled to money from this LIRA on the death of the original owner but, while the original owner is still alive, the pension partner may waive entitlement to that money by executing Form 3.
  10. (1) **Disclosure statements:** The LIRA issuer will provide to the owner, at least annually, a statement showing
    - (a) the LIRA account balance at the beginning and the end of the period covered by the statement, and
    - (b) the investment gains and losses earned in, the amounts transferred into, the payments made out of, and the fees charged against, the account in that period.
      - (2) Where money is paid out from this LIRA, the LIRA issuer will provide to the owner a statement showing
        - (a) the LIRA account balance at the beginning of the period covered by the statement and at the date of the payment out, and
        - (b) the matters specified in subparagraph (1)(b).
- Part 2 – Transfers In and Transfers and Payments Out of LIRA
11. (1) **Transfer-in requirements:** The LIRA issuer warrants to the owner that it is, and will make every endeavour while this contract exists to remain, on the Superintendent's list of acknowledged financial institutions for LIRAs, and
  - (b) will ensure that only Alberta locked-in money is transferred to this LIRA.
    - (2) A transfer to this LIRA may be made only from
      - (a) the non-DC RIA portion of a plan or another LIRA, or
      - (b) an old locked-in RRSP under an agreement under the predecessor legislation of 1966.
12. **Transfers to other vehicles:** A transfer of money from this LIRA is permitted to be made only to
  - (a) the non-DC RIA portion of a plan on a locked-in basis,
  - (b) a DC RIA,
  - (c) another LIRA,
  - (d) a LIF, or
  - (e) an annuity.
13. (1) **Transfer-out requirements:** The LIRA issuer will not transfer money from this LIRA unless, to the extent applicable, it has ascertained that the transferee financial institution, if issuing a LIRA or LIF, is on the appropriate Superintendent's acknowledgement list,
  - (b) has ascertained that the transferee pension plan will treat the money as Alberta locked-in money,

## M.R.S. Inc. Retirement Income Fund Declaration of Trust

- (c) has advised the transferee financial institution or pension plan administrator that the money being transferred is Alberta locked-in money,
- (d) provides that transferee with a certified copy,
- (i) if the transfer is being made to another LIRA or the non-DC RIA portion of a pension plan by an original owner who has a pension partner at the time of the transfer who has previously executed a Form 3 waiver, of that waiver, or
  - (ii) if the transfer is being made to a LIF, a DC RIA or an annuity other than a minimum 60% joint life annuity by an original owner with a pension partner at the time of the transfer, of an executed Option 2 of the Form 6 waiver,
- (e) has provided the owner with a statement under paragraph 10(2), and
- (f) if the transfer is to a LIF, DC RIA or annuity, has offered the owner the maximum 50% unlocking option provided for in Schedule 1.1 to the Regulation subject, if the owner is an original owner with a pension partner at the time of the transfer, to the pension partner's having previously exercised Option 1 of the Form 6 waiver, and the LIRA issuer will otherwise ensure that the EPPA/R rules on transfers out are obeyed.
- (2) Unless a pension partner referred to in subparagraph (1)(d)(ii) executes Option 2 of the Form 6 waiver, that pension partner is the designated beneficiary for any death benefit.
- (3) Where an Option 1 of the Form 6 waiver was executed, the LIRA issuer will keep a certified copy of it.
- 14. Potential consequences of breach:** If the LIRA issuer disobeys any of the requirements in paragraph 13(1), it may have to fund the recipient vehicle (again if need be) to ensure that those entitled to the benefits of the recipient vehicle receive them in the form and manner required by EPPA/R.
- 15. General liability on payment out:** If money is paid out to an individual person contrary to EPPA/R, the LIRA issuer will ensure the provision of appropriate income to the owner, in accordance with EPPA/R, as if that legislation has not been breached.
- 16. Prohibition against double indemnity:** Where the owner, as a result of EPPA/R, obtains, in effect, a double payment or a payment as well as a continuing interest in the LIRA, the owner may be liable to repay amounts to which EPPA/R did not entitle him/her.
- 17. Federal tax legislation requirements:** Without mention of other provisions of the federal tax legislation to which a transfer is or may be subject, any transfer made under paragraph 13(1) is subject to paragraph 146.3(2)(e.1) or (e.2) of the federal *Income Tax Act*.
- 18. Remittance of securities:** Where this LIRA holds identifiable and transferable investment securities, the transfers out referred to in this Part may, unless otherwise stipulated, at the option of the LIRA issuer and with the consent of the owner, be effected by the remittance of any such securities.

### Part 3 – Death of Owner

- 19. (1) Disposition of balance on death:** Within 60 days after the delivery to the LIRA issuer of the documents required by it following the death of the original owner with a surviving pension partner who has not executed the Form 3 waiver, the LIRA balance will be transferred, subject to paragraph 13, on that surviving pension partner's behalf to
- (a) a LIRA,
  - (b) a LIF,
  - (c) an annuity that is not a minimum 60% joint life annuity, or
  - (d) a pension plan on a locked-in basis, as that surviving pension partner chooses.
- (2) Within 60 days after the delivery to the LIRA issuer of the documents required by it following the death of the owner other than an owner referred to in subparagraph (1), the LIRA balance will be paid to the original owner's designated beneficiary or, if there is no valid designation of beneficiary, to the original owner's estate as a cash lump sum.

### Part 4 – Withdrawal, Commutation and Surrender

- 21. YMPE based lump sum payment:** The LIRA issuer will on application make a lump sum payment of the whole LIRA balance,
- (a) at any time if the LIRA balance does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the year in which the application is made, or
  - (b) if the owner is at least 65 and the value of the LIRA does not exceed 40% of the YMPE for the year in which the application is made.
- 22. Non-residency for tax purposes:** The LIRA issuer will make a lump sum payment of the entire LIRA balance if the owner applies to it with written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the federal tax legislation and, where that owner is an original owner who has a pension partner at the time when the application is made, if such a pension partner has executed a Form 5 waiver.
- 23. Life threatening condition:** The LIRA issuer will on application make a lump sum payment to the owner of the entire LIRA balance or an equivalent series of payments if a physician certifies that the owner has a terminal illness or that due to a disability the owner's life is likely to be considerably shortened, but the LIRA issuer may make the payment or payments, in the case of an original owner who has a pension partner at the time when the application for payment is made, only if such a pension partner has executed a Form 5 waiver.
- 24. Financial hardship:** The LIRA issuer will make a lump sum payment or a series of payments, on application to the LIRA issuer by the owner, if the owner has previously applied to the Superintendent for a release of all or part of the money due to financial hardship and the Superintendent has given written consent to that application.
- 25. Part X.1 of federal tax legislation:** The owner may withdraw from this LIRA such amount of money as is required to be paid to the owner to reduce the amount of tax otherwise payable under Part X.1 of the federal *Income Tax Act*.

Locked-in Retirement Account (Alberta LIRA)  
Addendum Revised: October 31, 2006

M.R.S. Trust Company (the "Trustee") is a trust company continued under the laws of Canada with its head office located at 777 Bay Street, Suite 2100, Toronto, Ontario M5G 2N4. You are the applicant/annuitant named in the MRS Retirement Plan Application ("your Application"). If you have selected a RIF, LIF, RLIF, PRRIF or LRIF as a type of account on your Application, the Trustee will act as the trustee of a M.R.S. Inc. Self-Directed Retirement Income Fund ("your Plan") for you on the following terms and conditions.

- 1. Acceptance and Registration:** If the Trustee agrees to act as trustee of your Plan, it will apply to register your Plan under the *Income Tax Act* (Canada) (the "Tax Act") as a registered retirement income fund ("RRIF"). You will be bound by the terms and conditions imposed on your Plan by all applicable legislation. If the Trustee declines to act as trustee, you or a Dealer (as defined below) will be notified and any amounts received by the Trustee as contributions will be returned.
- 2. Purpose:** The Trustee will hold transfers accepted by it for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purpose of providing you with a retirement income in accordance with the Tax Act.
- 3. Dealer:** In this declaration, a "Dealer" refers to an individual or entity acting (or representing that it acts) in connection with your Plan as your investment advisor, broker or dealer, or on behalf of your investment advisor, broker or dealer. You acknowledge that a Dealer is your agent and when acting (or representing that it acts) as a Dealer is not the agent of the Trustee or any of its affiliates. The Trustee is entitled to accept and act on any notice, authorization or other communication that it believes in good faith to be given by you or a Dealer on your behalf. The Trustee is under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.
- 4. Your Responsibility:** You are responsible for:
  - (a) selecting investments for your Plan and assessing the merits of those investments, obtaining appropriate advice in respect of these matters or authorizing a Dealer to do these things on your behalf;
  - (b) ensuring that each transfer to your Plan is permitted by the Tax Act;
  - (c) ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Tax Act and immediately notifying the Trustee if an investment held in your Plan is or becomes a non-qualified investment for your Plan under the Tax Act; and
  - (d) providing the Trustee, upon request, with the current fair market value of any investment held in your Plan for which there is no published market price.You acknowledge and accept sole responsibility for these matters and undertake to act in the best interest of your Plan. You confirm that the Trustee is not responsible for any of these matters or for any loss in the value of your Plan. You acknowledge that a Dealer or any other person from whom you obtain investment, tax or other advice is your agent and when acting (or representing that it acts) as a Dealer or your advisor is not the agent of the Trustee or any of its affiliates.
- 5. Trustee's Responsibility:** The Trustee is ultimately responsible for the administration of your Plan. The Trustee is not authorized to select investments for your Plan and will not assess the merits of any investment selected by you or a Dealer. The Trustee is not responsible for providing any investment, tax or other advice to you or a Dealer; nor is the Trustee responsible for any advice that you obtain from a Dealer or any other source. Notwithstanding any other provision of this declaration, the Trustee will not be liable for any loss or penalty suffered as a result of any act done by it in reliance on your authority, the authority of a Dealer or the authority of your agents or legal representatives. The Trustee is under no obligation to verify that any person is properly authorized to act as your Dealer, agent or legal representative or is otherwise authorized to act on your behalf.
- 6. Transfers to your Plan:** The Trustee will accept transfers to your Plan from: (a) your registered retirement savings plan ("RRSP") or RRIF; (b) you, if the amount transferred is described in subparagraph 60(l)(v) of the Tax Act; (c) your spouse's or former spouse's RRSP or RRIF in circumstances described in subparagraph 146.3(2)(f)(iv) of the Tax Act; or (d) any other source permitted by the Tax Act from time to time. The Trustee may accept or for any reason refuse to accept all or any portion of a transfer of cash, securities or other investments to your Plan.
- 7. Investments:**
  - (a) The Trustee may accept and act on any investment instructions that it believes in good faith to be given by you or a Dealer on your behalf.
  - (b) The assets of your Plan will be invested and reinvested from time to time according to your investment instructions or those of a Dealer unless the proposed investment does not comply with policies and requirements imposed by the Trustee from time to time.
  - (c) The Trustee is not authorized to select investments for your Plan and will not assess the merits of the investments selected by you or a Dealer.
  - (d) In selecting investments for your Plan, you will not be limited to those investments authorized by legislation governing the investment of property held in trust. However, you may be limited by policies and requirements imposed by the Trustee from time to time, such as the requirement to provide documentation and the requirement to comply with those policies and procedures currently imposed in connection with securities held in your Plan.
  - (e) Notwithstanding any other provision in this declaration, the Trustee may for any reason refuse to act on any investment instruction, in which case you or a Dealer will be notified, and the Trustee will not be liable for any resulting loss.
  - (f) Unless the Trustee refuses to act on your investment instructions, it will execute any purchase or sale of an investment after receiving your investment instructions together with all other properly completed documentation requested by the Trustee, at the market or sale price in effect on the day the transaction is executed. Any loss or gain resulting from errors made by the Trustee, its officers, employees or agents in the execution of investment instructions for your Plan will be for the Trustee's account.
  - (g) The Trustee is authorized to make any financial arrangements that are required, necessary or appropriate to enable it to settle trades for your Plan according to your investment instructions or those of a Dealer.

- (h) In the absence of satisfactory investment instructions, cash received by the Trustee in connection with your Plan will be converted into the currency denomination of your Plan and will be invested in an interest-bearing cash deposit as part of the Trustee's guaranteed funds. The Trustee will credit your Plan with interest, as calculated by the Trustee, at the rate published by it from time to time for such deposits. Any interest in excess of the published rate will be for the Trustee's account and the Trustee may pay a portion of this excess to any agent that it appoints to provide services in connection with your Plan. Interest will not be paid to your Plan unless interest earned on such deposits is more than the specified minimums published by the Trustee or M.R.S. Inc. (the "Administrator") from time to time.
- (i) If it is necessary for cash or other assets held in your Plan to be converted to another currency, the Trustee, its affiliate, its agent or a person engaged by the Trustee may act as principal on its own behalf and not on your behalf to convert the currency at the rate established by it for the relevant conversion date. In addition to commissions that may be charged for this service, any revenue earned by the Trustee or other service provider based on the difference between the applicable bid/ask rates and its cost of currency will be for the account of the Trustee or other service provider.
- 8. Retirement Income:** The assets of your Plan will be used to provide you with an income that will begin on or before December 31 of the second calendar year of your Plan. In each calendar year, the total amount of payments to you from your Plan will not be less than the minimum amount (the "Minimum Amount") required to be paid under the Tax Act. The amount of any payment from your Plan will not exceed the value of the property of your Plan immediately before the time of the payment. If the value of your Plan is less than \$500 or substantially all of the assets in your Plan are illiquid (as determined by the Trustee), the Trustee may make a payment to you from your Plan equal to the value of your Plan or transfer the illiquid assets to you from your Plan. Otherwise, you may specify in writing in a form satisfactory to the Trustee, the amount and frequency of the payments to be made during any year. You may change the amount and frequency of the payments or request additional payments by instructing the Trustee in writing in a form satisfactory to the Trustee. If you do not specify the amount and frequency of payments to be made in a year or the amount that you specify is less than the Minimum Amount for a year, the Trustee will make a payment or payments as it deems necessary to ensure that the Minimum Amount for that year is paid to you. The Trustee may transfer or realize any investment of your Plan selected by it for the purpose of making a payment to you and will not be liable for any resulting loss. Payments will be made net of all proper charges including tax required to be withheld. If your Plan does not have sufficient cash to pay these charges, the Trustee will be entitled to require you to pay these charges. The Trustee may impose any other requirements and conditions in respect of the foregoing. A payment to you will be deemed to have been made when: (a) a cheque payable to you is mailed in a postage pre-paid envelope addressed to you at the address provided on your Application or subsequently provided by you or a Dealer in a notice to the Trustee; or (b) an amount is electronically transferred to the credit of a bank account designated by you.
- 9. Calculation of the Minimum Amount:** The Minimum Amount will be zero in the first calendar year of your Plan and for each subsequent year will be calculated in accordance with the provisions of the Tax Act. You may elect to base the Minimum Amount on your age or your spouse's age. This election is binding and cannot be changed, revoked or amended under any circumstances.
- 10. Transfers from your Plan:** Following receipt of satisfactory instructions from you or a Dealer, the Trustee will transfer all or part of the assets of your Plan (less all proper charges and any amount that the Trustee is required by the Tax Act to retain to ensure the payment of the Minimum Amount) to the issuer or agent of the issuer of an RRSP, RRRIF or life annuity that conforms with the Tax Act, as instructed. The Trustee will not transfer the assets of your Plan to an RRSP after December 31 of the year you reach the maximum age for maturity under an RRSP specified by the Tax Act. If the Trustee receives instructions to transfer some of the assets of your Plan, it may request instructions to transfer all the assets of your Plan and may delay the transfer until after it receives the requested instructions. If the Trustee has not received the requested instructions within 30 days of its request or if the issuer of the recipient plan refuses to accept the transfer of any assets of your Plan, the assets that have not been transferred may, at the option of the Trustee, be transferred or paid to you (less taxes required to be withheld and any other proper charges). The Trustee will make an effort to provide the issuer of any recipient plan with all relevant information in its possession. The Trustee will make an effort to sell or transfer specific investments of your Plan to effect the transfer as instructed. In the absence of satisfactory instructions, the Trustee may sell or transfer any investments of your Plan selected by it to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Tax Act or the terms and conditions of the investments of your Plan.
- 11. Beneficiary Designation:** If you are domiciled in a jurisdiction which by law permits you to validly designate a beneficiary other than by Will, you may designate: (a) your spouse as successor annuitant of your Plan; or (b) a beneficiary to receive the proceeds of your Plan in the event of your death. You may make, change or revoke your designation by written notice to the Trustee signed by you in a form acceptable to the Trustee. Any designation, amended designation or revoked designation will be valid on the day following its receipt by the Trustee.
- 12. Death:** Upon receipt of satisfactory evidence of your death, the Trustee will continue payments to your spouse provided he or she is the successor annuitant of your Plan. If your spouse becomes the successor annuitant of your Plan, he or she will be deemed to be the annuitant of your Plan with the same rights as if he or she had been the original annuitant. If your spouse is not the successor annuitant, the Trustee will hold the assets of your Plan for payment in a lump sum to your designated beneficiary if that person was living on the date of your death. If you have not designated a beneficiary or if your designated beneficiary predeceases you, the assets of your Plan will be paid to your legal representatives. The lump sum payment will be paid subject to the deduction of all proper charges after the Trustee receives all releases and other documents that it requests.
- 13. Prohibition:** Except as specifically permitted under the Tax Act, no benefit or loan conditional in any way on the existence of your Plan may be extended to you or a person with whom you do not deal at arm's length. Payments under your Plan may not be assigned in whole or in part. The assets of your Plan may not be used as security for a loan except as permitted by the Trustee. The Trustee will not make any payments from your Plan except those specifically permitted under the provisions of this declaration or the Tax Act or required by law.
- 14. Date of Birth and Social Insurance Number:** The statement of your and, if applicable, your spouse's birth date and social insurance number on your Application is deemed to be a certification of its truth and your undertaking to provide proof if requested by the Trustee.
- 15. Accounting and Reporting:** The Trustee will maintain an account of your Plan reflecting, with appropriate dates: (a) transfers to your Plan; (b) the name, number and cost of investments purchased or sold by your Plan; (c) dividends, interest and other distributions received by your Plan; (d) cash; (e) withdrawals, transfers and expenses paid from your Plan; (f) the balance of your account; and (g) the minimum and maximum amount that may be paid out of your Plan. The Trustee will send you a quarterly statement of your account. Before April of each year, the Trustee will provide any applicable tax reporting required to be filed with your personal income tax return for the previous year.
- 16. Fees and Expenses:** The Trustee may charge you or your Plan fees as published by the Trustee or the Administrator from time to time. The Trustee will give you at least 30 days' notice of any change in its account fees. In addition, the Trustee is entitled to charge your Plan fees for out-of-the-ordinary services requested by you or a Dealer in connection with your Plan and is entitled to reimbursement from your Plan for all disbursements, expenses and liabilities incurred by the Trustee in connection with your Plan. Without limiting the generality of the foregoing, these fees, disbursements, expenses and liabilities may include: brokerage fees and commissions, custodian fees, administration fees and redemption fees incurred in connection with investments held in your Plan; investment advisory fees paid to a Dealer; legal and accounting fees; fees in connection with financial arrangements made to facilitate the settlement of trades or the conversion of currency; and taxes, interest and penalties imposed on your Plan. The Trustee is entitled to deduct the unpaid fees, disbursements, expenses and liabilities from the assets of your Plan or any other account held by you with the Trustee or any of its affiliates and for this purpose the Trustee is authorized, but not obliged, to realize sufficient assets of your Plan or such other account selected by it. The Trustee will not be responsible for any resulting loss.
- 17. Tax imposed on you or your Plan:** If your Plan becomes liable for tax, interest or penalties under the Tax Act or provincial legislation, the Trustee may sell any investment of your Plan to pay the liability. The Trustee may, but is not obliged to, sell or otherwise dispose of any investment of your Plan to avoid or minimize the imposition of tax, interest or penalties on you or your Plan. The Trustee will not be liable for any tax, interest or penalty imposed on you or your Plan or for any loss resulting from the disposition or failure to dispose of any investment held by your Plan.
- 18. Delegation of Duties:** Without detracting in any way from its responsibility, the Trustee may appoint agents (including affiliates of the Trustee) and may delegate to its agents the performance of any of its duties or responsibilities under this declaration including but not limited to administrative duties such as accepting contributions to your Plan, executing investment instructions, safekeeping the assets of your Plan, account and record keeping, preparing and issuing statements and tax receipts, calculating, recording and crediting interest on cash balances held in your Plan, communicating with you, a Dealer or legal representatives and responding to your or their concerns. The Trustee may also employ or engage accountants, brokers, lawyers or others and may rely on their advice and services. The Trustee will not be liable for the acts or omissions of any of its agents, advisors or service providers and will not be liable for the acts or omissions of a Dealer or any of your other agents, advisors or service providers. The Trustee may pay to any agent, advisor, service provider or Dealer all or part of the fees received by it under the provisions of this declaration and/or a fee calculated by reference to the amount of cash held in your Plan and/or currency converted in your Plan.
- 19. Execution of Trades:** When executing trades for your Plan, the Trustee may engage the services of: (a) brokers or investment dealers registered under applicable securities laws; (b) itself to the extent it is by law authorized to engage in all or any part of the trading activity; and (c) an affiliate (as defined in the Business Corporations Act (Ontario)) to the extent that the affiliate is by law authorized to engage in all or part of the trading activity.
- 20. Custodian:** The Trustee may engage one or more Canadian chartered banks, Canadian or provincial trust companies, registered brokers or investment dealers as a depository to hold some or all of the investments of your Plan, provided that: (a) the depository may not offset any debt or obligation owing to the depository against assets of your Plan, (b) the assets of your Plan may not be pledged, assigned or otherwise encumbered, and (c) if the depository is a broker or investment dealer, the terms and conditions of the engagement will comply with the published requirements of applicable regulatory authorities. The Trustee may arrange for the deposit and delivery of any investments of your Plan with The Canadian Depository for Securities Limited, the Depository Trust Company or any other properly authorized domestic or foreign depository.
- 21. Indemnity:** None of the Trustee or its officers, employees and agents will be liable for and are indemnified by you and your Plan from and against all expenses, liabilities, claims, losses and demands of any nature arising out of the holding of the assets of your Plan; the dealing with the assets of your Plan in accordance with instructions which the Trustee, its officers, employees or agents believes in good faith to be given by you or a Dealer or other agent; making financial arrangements to settle trades; and the sale, transfer or release of assets of your Plan in accordance with this declaration, unless caused by or resulting from its dishonesty, bad faith, willful misconduct or gross negligence.
- 22. Amendments:** From time to time, the Trustee may amend this declaration with the approval of the Canada Revenue Agency provided that the amendment does not disqualify your Plan as a RRRIF under the Tax Act or other legislation. Any amendment to ensure that your Plan continues to comply with the Tax Act or other legislation will be effective without notice. Any other amendment will be effective not less than 30 days' after notice has been provided to you.
- 23. Successor Trustee:** The Trustee may resign and be discharged from all duties and liabilities under this declaration by giving written notice to the Administrator. The Administrator is initially nominated to appoint a company as successor trustee. If the company appointed by the Administrator does not accept the office of trustee of your Plan within 30 days' of being appointed, then the Trustee may nominate you to appoint a successor trustee by providing notice to you. Upon acceptance of the office of trustee of

your Plan, the successor trustee will be trustee of your Plan as if it had been the original declarant of your Plan and your Plan continues in full force and effect with the successor trustee. At the time of the appointment of the successor trustee, the Trustee will be relieved of all duties and liabilities under this declaration. If you are unable to appoint a successor trustee who accepts the office of trustee of your Plan within 60 days' of you being nominated to appoint a successor trustee, the assets of your Plan net of all proper charges will be withdrawn from your Plan and transferred to you and the Trustee will be relieved of all duties and liabilities under this declaration.

24. **Notice to you:** Any notice, request or other communication required or permitted to be given to you by the Trustee must be in writing and will be sufficiently given if it is sent by pre-paid mail, telecopier, electronic mail or other form of electronic transmission addressed to you at the address provided on your Application or subsequently provided by you or a Dealer in a notice to the Trustee. For greater certainty, the Trustee is not responsible for verifying the accuracy or currency of any address provided to it. Any notice, request or other communication will be deemed to have been given to you and received by you on the day of mailing or transmission.
25. **Notice to the Trustee:** Except as otherwise provided in this declaration, any notice, request or other communication required or permitted to be given to the Trustee by you or a Dealer must be in writing and will be sufficiently given if it is in a form satisfactory to the Trustee and is received by the Administrator by pre-paid mail, courier or telecopier addressed to the Trustee or the Administrator at the address for the Administrator last provided to you. The Trustee is permitted but not obliged to accept and act on a notice, request or other communication given to it by you or a Dealer by internet, electronic transmission or telephone. The Trustee may for any reason refuse to act on any notice, request or other communication given to it by you or a Dealer and the Trustee will not be responsible for any resulting loss. Any notice, request or other communication given to the Trustee will be deemed to have been given to it and received by it at the time of actual receipt by the Administrator.
26. **Locked-in Plans:** If "locked-in" assets are transferred to your Plan in accordance with applicable pension legislation, this declaration will include the additional provisions contained in the attached "Locking-in Supplement for a LIF, RLIF, PRRIF or LRIF". In the event of any inconsistency between the provisions of the supplement and the provisions of this declaration, the provisions of the supplement apply.
27. **Language:** You have requested that your Application, this declaration and all ancillary documents be provided to you in English. Vous avez exigé que votre demande, la présente déclaration et tous les documents accessoires vous soient fournis en anglais.
28. **Governing Laws:** This declaration will be governed, construed and enforced in accordance with the laws of Ontario and Canada except that the word "spouse" as used in this declaration refers to a person recognized as your spouse or common-law partner for the purposes of the Tax Act.
29. **Specimen Plan:** RIF 594.

Revised: January 1, 2010

### Locking-in Supplement for a LIF, RLIF, PRRIF or LRIF

1. **Definitions:** In this Locking-in Supplement:
  - (a) unless otherwise defined, terms defined in the Declaration have the same meaning in this Locking-in Supplement;
  - (b) Declaration: means the declaration of trust creating your Self-Directed Retirement Income Fund;
  - (c) LIF: means a "LIF", "life income fund" or "life income fund contract" as defined in pension legislation other than a RLIF;
  - (d) life annuity: means a "life annuity", "life annuity contract", "annuity contract", "life pension", "immediate life annuity" and "deferred life annuity", as defined in pension legislation, that conforms with the Tax Act and pension legislation;
  - (e) Life Income Fund (Alberta) Addendum: means Form 2 in Schedule 1 of the regulations to the Alberta pension legislation, as amended from time to time;
  - (f) LIRA/Locked-in RSP: means a "LIRA", "locked-in retirement account" or "locked-in retirement account contract" as defined in pension legislation and where those terms are not defined, means an RRSP that satisfies the conditions under pension legislation for receiving funds that originate from an RPP, other than a RLSP;
  - (g) LRIF: means a "LRIF", "locked-in retirement income fund" or "locked-in retirement income fund contract" as defined in pension legislation;
  - (h) Maximum Amount: means the maximum amount permitted by pension legislation to be paid to you from your Plan during a calendar year which, for a PRRIF is the maximum amount permitted by the Tax Act and for a LIF, RLIF or LRIF is more fully described in this Locking-in Supplement;
  - (i) Minimum Amount: means the minimum amount required by the Tax Act to be paid to you from your Plan during a calendar year or where New Brunswick pension legislation governs your Plan, the minimum amount for a year shall be the greater of the minimum amount under the Tax Act and the amount determined by dividing the value of your Plan at the beginning of the year by the number of years between January 1 of the year and December 31 of the year you reach age 90 (inclusive);
  - (j) Nova Scotia LIF Schedule: means the Nova Scotia LIF Addendum in Schedule IV of the regulations to Nova Scotia pension legislation, as amended from time to time;
  - (k) pension: means a "pension", "pension benefit" or "retirement pension" as defined in pension legislation and used in the context of a LIF, RLIF or LRIF, as applicable, and in the case of a PRRIF means "retirement income" as defined in the Tax Act;
  - (l) pension legislation: means one of the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Standards Act* (British Columbia), the *Pension Benefits Standards Act, 1985* (Canada), the *Pension Benefits Act* (Manitoba), the *Pension Benefits Act* (New Brunswick), the *Pension Benefits Act, 1997* (Newfoundland and Labrador), the *Pension Benefits Act* (Nova Scotia), the *Pension Benefits Act* (Ontario), the *Supplemental Pension Plans Act* (Quebec), or *The Pension Benefits Act, 1992* (Saskatchewan), whichever governs assets transferred or to be transferred to your Plan directly or indirectly from an RPP and for greater certainty, the term pension legislation includes regulations made under that statute and if your Plan is an Ontario LIF, Schedule 1.1 to the pension legislation that governs your Plan;
  - (m) PRRIF: means a "prescribed RRIF" as defined in Manitoba pension legislation or a "registered retirement income fund contract" that meets the requirements of Saskatchewan pension legislation;

- (n) RLIF: means a "restricted life income fund" as defined in Federal pension legislation;
  - (o) RLSF: means a "restricted locked-in savings plan" as defined in Federal pension legislation;
  - (p) RPP: means a pension plan or a supplemental pension plan governed by pension legislation or established by other legislative authority and registered under the Tax Act;
  - (q) spouse: means a person recognized as your spouse or, where contemplated by pension legislation, your cohabiting partner, common-law partner or pension partner for the purposes of pension legislation in context of a LIF, RLIF, PRRIF or LRIF, as applicable, provided however that where the context requires, a spouse refers only to a person recognized as a spouse or common-law partner for the purposes of the Tax Act; and
  - (r) YMPE: means the "Year's Maximum Pensionable Earnings" as defined in the *Canada Pension Plan* unless Quebec pension legislation governs your Plan, then it means the maximum pensionable earnings under the *Act respecting the Quebec Pension Plan*.
2. **Conflict and Compliance:** The provisions of this Locking-in Supplement form part of the Declaration if your Plan is: (a) a PRRIF; or (b) a RRIF and locked-in assets are transferred or will be transferred to your Plan directly or indirectly from an RPP. If your Plan is an Alberta or Nova Scotia LIF, the Life Income Fund (Alberta) Addendum or the Nova Scotia LIF Schedule, as applicable, is incorporated by reference into this Locking-in Supplement and all the provisions of the Life Income Fund (Alberta) Addendum or the Nova Scotia LIF Schedule, as applicable, form part of this Locking-in Supplement. If there is any inconsistency between the provisions of this Locking-in Supplement and the other provisions of the Declaration, the provisions of this Locking-in Supplement apply. If there is any inconsistency between the provisions of the Life Income Fund (Alberta) Addendum or the Nova Scotia LIF Schedule and the other provisions of this Locking-in Supplement, the provisions of the Life Income Fund (Alberta) Addendum or the Nova Scotia LIF Schedule, as applicable, apply. The Trustee will comply with all relevant provisions of pension legislation.
  3. **Purpose:** The Trustee will hold transfers accepted by it for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purposes of providing you with a pension in accordance with the Tax Act and pension legislation. The assets of your Plan may not be withdrawn, commuted or surrendered except as permitted by the Tax Act and pension law.
  4. **Transfers to your Plan:** The only assets that may be transferred to your Plan are assets transferred directly or indirectly from an RPP, a LIRA/Locked-in RSP, a RLSP; if permitted by pension legislation, a LIF, RLIF, PRRIF or LRIF; or another source permitted by the Tax Act and pension legislation from time to time. The Trustee will not accept any amount transferred to your Plan: (a) from a source or in circumstances not permitted by the Tax Act and pension legislation; or (b) in circumstances that would require the Trustee to begin making payments from your Plan contrary to pension legislation. For example, where Saskatchewan pension legislation governs your Plan, the Trustee will not accept any amount transferred to your Plan unless: (a) you are at least 55 years of age or if you are younger, you have provided evidence satisfactory to us that any RPP from which assets were directly or indirectly transferred provided for retirement at your age; and (b) your spouse has provided consent in the form and manner required by pension legislation. **Locked-in assets governed by pension legislation of one jurisdiction may not be commingled in your Plan with non-locked-in assets or locked-in assets governed by pension legislation of another jurisdiction.** Where New Brunswick pension legislation governs your Plan, if the amount transferred to your Plan was determined in a way that differentiated based on your gender, amounts subsequently transferred to your Plan must have been differentiated on the same basis.
  5. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Tax Act for a RRIF. Where your Plan is a LIF governed by British Columbia or Manitoba pension legislation, your Plan may not directly or indirectly hold any mortgage if you or your spouse is the mortgagor or if the mortgagor is your parent, sibling or child or the spouse of any of those people.
  6. **Retirement Income:** The assets of your Plan will be used to provide you with an income that will begin on or before December 31 of the second fiscal year of your Plan. In each calendar year, the total amount of payments to you from your Plan (including any direct transfers to the issuer of your RRSP, RRIF or life annuity as described by paragraph 15 [Transfers from your LIF, RLIF or LRIF to a Non-locked-in Plan] of this Locking-in Supplement), may not be less than the Minimum Amount or more than the Maximum Amount, except as otherwise permitted by this Locking-in Supplement. For the first fiscal year of your Plan, the Minimum Amount is zero. For each calendar year you must complete the forms and declarations that the Trustee provides and indicate on those forms the amount and frequency of payments to be made during the year, including any portion of the payment to be made in accordance with paragraph 8 [Increasing the Maximum Amount paid to a Young Annuitant] of this Locking-in Supplement. The amount that you specify may vary from year to year.
  7. **Calculation of Maximum Amount under a LIF, RLIF or LRIF:** If your Plan is a LIF, RLIF or LRIF, the Maximum Amount for a year will not be less than the Minimum Amount and will be calculated as at the beginning of each year according to the formula and other rules in pension legislation and may be recalculated from time to time during the year if permitted by pension legislation. For example:
    - (a) if your Plan is a British Columbia LIF, the Maximum Amount for a year may not exceed the greater of: (i) the value of the assets of your Plan on January 1 of that year multiplied by the relevant factor in Schedule III of British Columbia pension legislation; and (ii) the value of your Plan on December 31 of the preceding year minus the value of your Plan on January 1 of the preceding year plus any amount paid or transferred from your Plan during the preceding year minus any amount transferred into your Plan during the preceding year.
    - (b) if your Plan is a Federal LIF, RLIF or a Newfoundland and Labrador LIF, the Maximum Amount for a year will be calculated by dividing the value of the assets of your Plan at the beginning of that year by the value of a pension that makes a \$1.00 annual payment at the beginning of each fiscal year up to and including the year in which you reach age 90. The value of the \$1.00 annual payment will be established at the beginning of the fiscal year for a Newfoundland and Labrador LIF and on January 1 of the fiscal year in which the calculation is made for a Federal LIF or a RLIF. For a Newfoundland and Labrador LIF,

the value of the \$1.00 annual payment will be established (i) using an interest rate of not more than 6% or, an interest rate of more than 6% may be used for the first fifteen years after the valuation date if that rate does not exceed the rate obtained on long-term bonds issued by the Government of Canada for the November before the year of valuation, as compiled by Statistics Canada and available on the Bank of Canada website as V122487 (formerly published in the Bank of Canada Review as CANSIM Series B-14013), and (ii) using a rate not exceeding 6% for subsequent years. For a Federal LIF or a RLIF, the value of the \$1.00 annual payment will be established using an interest rate (iii) for the first fifteen years after January 1 of the year in which the Federal LIF or the RLIF (as the case may be) is valued, that is less than or equal to the monthly average yield on Government of Canada marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the second month before the beginning of the calendar year, and (iv) for any subsequent year, that is not more than 6%. The Maximum Amount under a Federal LIF or a RLIF for a year including or after the year you reach age 90 will be the value of the assets of your Plan immediately before a payment is made.

- (c) if your Plan is a Newfoundland and Labrador LRIF, the Maximum Amount for a year will be the greatest of: (i) the income, gains and losses earned from the time your Plan was established to the end of its last completed fiscal year and with respect to any portion of your Plan that was directly derived from a LIF, the income, gains and losses earned by the LIF in its last complete fiscal year, less all income paid to you from your Plan; (ii) the income, gains and losses earned during the immediately previous fiscal year; and (iii) in the first or second fiscal year of your Plan, 6% of the fair market value of your Plan at the beginning of that fiscal year.

If permitted or required by pension legislation: (a) the Maximum Amount for the first fiscal year of your Plan will be pro-rated over the number of months remaining in the year, with a part month counting as a full month; (b) if the assets of your Plan are derived from assets transferred directly or indirectly from another LIF, RLIF or LRIF (as the case may be) of yours, then subject to the requirement to pay the Minimum Amount, the Maximum Amount will be zero for the first fiscal year of your Plan or the fiscal year of transfer or the first fiscal year following that transfer, as required by pension legislation; and (c) the Maximum Amount for a year will be increased if you transfer assets to your Plan during that year that have never before been held in a LIF or LRIF provided the increase is not more than the Maximum Amount that would have applied if the assets had been transferred to a newly established LIF or LRIF.

- 8. Increasing the Maximum Amount paid to a Young Annuant:** Where Newfoundland and Labrador or Quebec pension legislation governs your Plan, the Trustee will make payments to you from your Plan which, in total, are greater than the Maximum Amount for a year after receiving your written application, in the form required by pension legislation, stipulating the number and amount of payments that you would like to receive if: (a) you were under 65 years of age at the beginning of the year in which the application is made; and (b) the amount requested is not greater than the maximum amount permitted by pension legislation. Your entitlement under this paragraph will be zero for a year if you were less than 54 years of age or more than 64 years of age at the beginning of the year unless Quebec pension legislation governs your Plan, in which case, the Trustee will make monthly payments if: (a) you provide the Trustee with a declaration, in the form required by pension legislation, declaring your expected income (excluding payments from your Plan) for the next 12 months; (b) your expected income, as stated in your declaration, is not greater than 40% of the YMPE; (c) none of the monthly payments exceed one-twelfth of the difference between 40% of the YMPE and three-quarters of your expected income as stated in your declaration; (d) you undertake to promptly request the Trustee to suspend the payments as soon as your income equals 40% of the YMPE; and (e) you have not previously requested a suspension of monthly payments. Where Newfoundland and Labrador pension legislation governs your Plan, the Trustee will make the payments if: (a) your application stipulates the amount of pension income that you expect to receive from LIFs, RLIFs, life annuities and RPPs (other than Canada Pension Plan income) during the calendar year in which your application is made; (b) your expected pension income, as stated in your application, is less than 40% of the YMPE for the year; (c) your spouse has provided a waiver in the form and manner required by pension legislation; and (d) in the first fiscal year of your Plan, the maximum amount that may be paid under this paragraph is pro-rated over the number of months remaining in the year, with a part month counting as a full month.
- 9. Collapsing a Small LIF, RLIF or LRIF:** If the total value of your Plan and such locked-in assets in such other plans as prescribed by pension legislation does not exceed 50% of the YMPE for the year (or a lesser amount specified by pension legislation) and you have reached age 65 (or a lesser age specified by pension legislation), the Trustee will make a lump-sum payment from your Plan equal to the value of your Plan after receiving your request, signed declaration or attestation in the form and manner required by pension legislation and satisfactory evidence that all the necessary conditions stipulated by pension legislation are satisfied. We will endeavour to make the payment within 30 days after receiving satisfactory instructions and any other documentation that we consider necessary.
- 10. Collapsing your LIF, RLIF or LRIF after you become a Non-resident:** Where British Columbia, Federal, New Brunswick, Ontario or Quebec pension legislation governs your Plan, the Trustee will make a lump-sum payment to you from your Plan equal to the value of your Plan after receiving: (a) your request; (b) any document or information required by pension legislation; (c) satisfactory written evidence that the Canada Revenue Agency has determined that you (and where New Brunswick pension legislation governs your Plan, your spouse) are a non-resident of Canada for the purposes of the Tax Act; (d) where New Brunswick pension legislation governs your Plan, satisfactory written evidence that you and your spouse, if any, are not Canadian citizens; and (e) where British Columbia, New Brunswick or Ontario pension legislation governs your Plan, a waiver from your spouse in the form required by pension legislation. Where British Columbia, Federal, Ontario or Quebec pension legislation governs your Plan, the Trustee will not make the payment until you have been absent from Canada for at least two years.
- 11. Shortened Life Expectancy:** Unless your Plan is a Quebec LIF, the Trustee will make a lump-sum or series of payments to you from your Plan which, in total, may be greater than the Maximum Amount for the years in which payments are made, but only to

the extent and in the manner permitted by pension legislation, after receiving: (a) a request; (b) a medical certificate signed by a physician certifying that you are subject to a physical disability or, where contemplated by pension legislation, a terminal illness or mental disability, that considerably reduces your life expectancy; (c) where Ontario pension legislation governs your Plan, the medical certificate certifies that your illness or physical disability is likely to reduce your life expectancy to less than 2 years; (d) where British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador or Ontario pension legislation governs your Plan, a waiver from your spouse in the form and manner required by pension legislation; and (e) any other document or information required by pension legislation. The Trustee will endeavour to make a payment within 30 days after receiving satisfactory instructions and any other documentation that it considers necessary.

- 12. Low Income/Medical-Related Financial Hardship:** If Federal pension legislation governs your Plan, you may withdraw an amount from your Plan up to the lesser of the amount determined by the formula set out in the Federal pension legislation and 50% of the YMPE minus any amount withdrawn in the calendar year under this paragraph – from any LIF or RLIF (as the case may be) – or under the corresponding financial hardship provisions of your LIF, LIRA/Locked-in RSP, RLSP or RLIF (where applicable), if
- you certify that you have not made a withdrawal in the calendar year under this paragraph – from any LIF or RLIF (as the case may be) – or under the corresponding financial hardship provisions of your LIF, LIRA/Locked-in RSP, RLSP or RLIF (where applicable) other than within the last 30 days before such certification,
  - you attest to the Trustee, in writing, as to the basis of the financial withdrawal and as to the existence of a spouse (and the spouse's consent, where required), in the forms and manner required by Federal pension legislation; and
  - you provide the Trustee with such other certifications as required by the Federal pension legislation.
- 13. Spousal Payments after Relationship Breakdown:** The assets of your Plan and any life annuity established with the assets of your Plan may be subject to division under family law and pension law. After receiving satisfactory evidence of entitlement and confirmation that a payment is not prohibited by pension law, a payment or payments will be made out of your Plan but only to the extent and in the manner permitted by law: (a) to effect a division of assets provided the payment is made pursuant to applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance. Within the limits permitted by pension legislation, the Trustee may deduct from your Plan its cost of complying with an order for support or maintenance.
- 14. Spousal Entitlement after Relationship Breakdown:** Your spouse's entitlement to survivor benefits under your Plan will end upon divorce or annulment unless: (a) your spouse is named as a beneficiary of your Plan; or (b) Quebec legislation governs your Plan and you have notified the Trustee that the payment of a life annuity to your spouse will continue despite the relationship breakdown. Your spouse's entitlement to survivor benefits under your Plan may end upon separation.
- 15. Transfers from your LIF, RLIF or LRIF to a Non-locked-in Plan:** If your Plan is a LIF or RLIF, the maximum amount that may be transferred in any fiscal year from your Plan to the issuer of your RRSP, RRRIF or life annuity that conforms with the Tax Act but does not conform with pension legislation, is the Maximum Amount for the fiscal year, except that where New Brunswick pension legislation governs your Plan, on one occasion during your lifetime, you may transfer an amount (in addition to and separate from the Maximum Amount) from your Plan or another LIF of yours to your RRRIF if: (a) you obtain the written approval of the New Brunswick Superintendent of Pensions; and (b) the amount is no more than the lesser of: (i) 3 times the Maximum Amount for the fiscal year; and (ii) 25 percent of the value of your Plan on the first day of the fiscal year. Where Quebec pension legislation governs your Plan, when determining the total amount that may be transferred, the Maximum Amount will be calculated on the assumption that you are not entitled to an additional amount by virtue of being at least 54 years of age but under 65 years of age. If your Plan is a RLIF and it is established in the calendar year in which you reach 55 years of age or in any subsequent calendar year, you may transfer 50% of the assets in your Plan to a RRSP or a RRRIF within 60 days after the establishment of your Plan if (a) your Plan was created as the result of the transfer of a pension benefit credit from an RPP or a transfer from a LIRA/Locked-in RSP or a LIF, governed by Federal pension legislation; and (b) if you attest to us, in writing, as to the existence of a spouse (and the spouse's consent, where required), in the form and manner required by the Federal pension legislation.
- 16. Other Transfers from your Plan:** Subject to any restrictions imposed by the Tax Act or pension legislation, all or any part of the assets of your Plan may be transferred to the issuer of an RPP, LIRA/Locked-in RSP, RLSP, LIF, RLIF, PRRIF, LRIF or life annuity. Before transferring assets from your Plan, the Trustee will: (a) confirm that the transfer is permitted under pension legislation and the Tax Act; (b) confirm that the issuer of the recipient plan is on the list of acknowledged financial institutions and the recipient plan is on the list of LIRAs/Locked-in RSPs, RLSPs, LIFs, RLIFs or LRIFs if such a list is maintained by the Superintendent of Pensions; (c) notify the issuer of the recipient plan of the locked-in (or, for a transfer to a PRRIF, the non-locked-in) status of the assets being transferred and the pension legislation that governs the assets; and (d) obtain the commitment of the issuer of the recipient plan to administer the transferred assets according to pension legislation. The Trustee will comply with any other requirement imposed by pension legislation. Where British Columbia pension legislation governs your Plan, a transfer is not permitted if, after the transfer, the value of the assets of your Plan or the recipient plan would be less than 40% of the YMPE. The Trustee will endeavour to transfer assets as requested within 30 days after receiving satisfactory instructions and any other documentation that it considers necessary.
- 17. Maturity of a LIF:** If your Plan is a LIF governed by Newfoundland and Labrador pension legislation, any assets held in your Plan on December 31 of the year in which you reach the maximum age for maturity specified by pension legislation must be used to establish an immediate life annuity that conforms with the Tax Act and pension legislation. If the Trustee does not receive satisfactory instructions by September 30 of that year, you will be deemed to have instructed the Trustee to liquidate the investments of your Plan and use the proceeds on or before December 31 of that year to establish

an immediate life annuity selected by the Trustee and the Trustee will not be liable for any resulting loss.

- 18. Life Annuity:** Except for the life annuity referred to in paragraph 15 [Transfers from your LIF, RLIF or LRIF to a Non-locked-in Plan] of this Locking-in Supplement, a life annuity established with the assets of your Plan must comply with pension legislation in addition to the rules imposed by the Tax Act. A life annuity established with the assets of your Plan must be established for your life. However, if you have a spouse on the date contemplated by pension legislation and the Tax Act, the life annuity must be established for the life of the survivor of you and your spouse unless your spouse is not entitled by virtue of a breakdown of your relationship or a spousal waiver has been provided in the form and manner required by pension legislation and has not been revoked. Your spouse's right to a life annuity as your survivor may be waived in the form and manner stipulated by pension legislation before payments under the life annuity begin. The waiver may be revoked in accordance with pension legislation. Where required by pension legislation, an insurer must guarantee payments under the life annuity but not for a period longer than 90 years minus the age of you or your spouse at the time the life annuity was acquired. Where Quebec pension legislation governs your Plan, the guarantee period of a life annuity established with assets of your Plan may not be longer than the day before you would reach age 90. If your spouse is entitled to payments under the life annuity after your death, those payments must be at least 60 percent (or where Manitoba pension legislation governs your Plan, 66 2/3 percent) of the amount to which you were entitled before your death. The life annuity may not differentiate based on your gender except to the extent permitted by pension legislation. Where Quebec pension legislation governs your Plan, the equal periodic payments under the life annuity may be uniformly increased because of an index or a rate provided for in the contract and that conforms with the adjustments permitted by the Tax Act; or may be uniformly adjusted because of (a) a seizure of the assets of your Plan; (b) a redetermination of your pension; (c) the division of assets of your Plan with your spouse after relationship breakdown; (d) the payment of a temporary pension as provided for in section 91.1 of pension legislation; or (e) an election under subsection 93(3) of pension legislation relating to payments after your death.
- 19. Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of pension legislation. Your spouse's right to be the beneficiary of your Plan may be waived (and the waiver may be revoked) in the form and manner stipulated by pension legislation.
- 20. Death:** Following your death, the assets of your Plan will be paid to the person who was your spouse on the date of your death or will be used to provide that person with a pension unless that person is not entitled to survivor benefits under pension legislation. If pension legislation permits or requires that person to receive survivor benefits in a form other than a lump-sum payment, that person may instruct the Trustee to: (a) continue the payments referred to in paragraph 6 [Retirement Income] of this Locking-in Supplement to him or her provided that person is the successor annuitant of your Plan; or (b) transfer the assets of your Plan to the issuer of an RRSP, LIRA/Locked-in RSP, RLSP, RRRIF, LIF, RLIF, LRIF or life annuity as permitted by pension legislation and the Tax Act. If you did not have a spouse on the relevant date or if your spouse is not entitled to survivor benefits under pension legislation, the assets of your Plan will be paid to your designated beneficiary, if that person was living at the date of your death and if not, to your legal representatives. The assets of your Plan will be paid out of your Plan within 60 days after the Trustee receives all releases and other documents that it requests. If the Trustee has not received satisfactory instructions by that date, the Trustee may transfer the assets of your Plan as permitted or required by pension legislation and the Trustee will not be liable for any resulting loss.
- 21. Other Payments or Transfers:** The Trustee will make a lump sum or series of payments or transfers from your Plan not otherwise provided for in this Locking-in Supplement but only in the manner and to the extent specifically permitted by pension legislation and only after receiving your request and any documents and information required by it and pension legislation.
- 22. Payments or Transfers made Contrary to Pension Legislation:** Where British Columbia, Manitoba or Saskatchewan pension legislation governs your Plan, if assets are paid out of your Plan contrary to pension legislation or are transferred out of your Plan contrary to paragraph 16 [Other Transfers from your Plan] of this Locking-in Supplement, the Trustee will ensure that you receive a pension in an amount and if required by pension legislation, in a manner that would have been provided if the assets had not been transferred or paid out of your Plan. Where Quebec pension legislation governs your Plan, if the total payments made to you during a fiscal year of your Plan are more than the amounts permitted to be paid under your Plan or pension legislation, upon receipt of your request, the Trustee will pay to your Plan an amount equal to the surplus payment unless the surplus payment is attributable to a false statement made by you.
- 23. Fiscal Year:** The fiscal year of your Plan will end on December 31 of each year and may not exceed 12 months.
- 24. Valuation:** On any given day, the value of your Plan will be determined based on the value of the assets owned by your Plan at the close of business on that day net of any fees or expenses properly chargeable to your Plan.
- 25. Statements:** You will be sent a statement of your account together with any additional information required by pension legislation: (a) following the end of each fiscal year of your Plan; (b) as of the date of a transfer of assets out of your Plan; (c) any other time required by pension legislation; and (d) following receipt of your request. Your spouse, designated beneficiary or legal representatives, as applicable, will be given a statement of your account as of the date of your death.
- 26. Assignment and Seizure:** The assets of your Plan and payments from your Plan may not be assigned, charged, alienated, anticipated, given as security, or subjected to execution, seizure or attachment, except as permitted by the Tax Act and pension law. A transaction that is contrary to this paragraph is void.
- 27. Amendments:** From time to time the Trustee may amend the Declaration (including this Locking-in Supplement) provided that the amendment does not disqualify your Plan as a LIF, RLIF, PRRIF or LRIF, as applicable, and, if required by law, the amendment is approved by the authorities administering the Tax Act and pension legislation. Where New Brunswick, Newfoundland and Labrador, Nova Scotia or Ontario pension

legislation governs your Plan, no amendment will be made that will reduce your benefits under your Plan unless the amendment is required to cause your Plan to comply with the law. Amendments that do not reduce your benefits but are required to ensure that your Plan continues to comply with the law will be effective without notice, unless Newfoundland and Labrador or Nova Scotia pension legislation governs your Plan. Any other amendment will be effective not less than 30 days' (or 90 days' where required by pension legislation) after notice has been provided to you. Where required by pension legislation, you will also be provided with notice of your entitlement to transfer assets out of your Plan. Where Newfoundland and Labrador pension legislation governs your Plan, notice will be sent by registered mail.

Locking-in Supplement  
Revised: January 1, 2010

## Life Income Fund (Alberta LIF) Addendum

**IMPORTANT NOTES:** This addendum forms an integral part of the LIF to which it is attached. The provisions of this addendum prevail over other provisions of the LIF in the event of any conflict or inconsistency. The LIF (including this addendum) is also subject to section 40 of the Regulation and all other provisions of the Act and the Regulation (excluding this addendum) that apply to LIFs and in the event of any conflict or inconsistency, that other legislation prevails. This addendum is only a general and abbreviated description of the legal rights and obligations relating to the LIF vehicle and as such may not necessarily reflect fully or accurately the rights and obligations in the legislation. It should be noted that there are transitional arrangements in place covering mainly the period between August 2006 and the end of 2007, that are not necessarily reflected in this addendum, and that also affect relationships with LRIFs.

I, the applicant/annuitant named in the MRS Retirement Plan Application, (in this addendum referred to as "the owner") certify that I am

- the original owner\*
- a surviving pension partner owner
- a non-member-pension partner owner as defined in paragraph 1 of this addendum.

*[Please tick the box that applies to you.]*

With respect to Alberta locked-in money to which the LIF of which this addendum forms part applies, I, the owner, and we, M.R.S. Trust Company (in this addendum referred to as "the LIF issuer"), having signed the LIF agreement to which this addendum is attached, agree that the provisions set out in this addendum constitute fundamental terms of the contract between us and agree to comply with those provisions, subject to the above-mentioned legislation.

\*As the original owner (if applicable) I have identified in that agreement any pension partner, as defined in paragraph (1)(1)(n) below, that I have at the time when this LIF is issued.

### Part 1 – General Provisions

- 1. (1) Interpretation and requisites for LIF:** The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:
- (a) "the Act" means the *Employment Pension Plans Act* of Alberta, "the Regulation" means the *Employment Pension Plans Regulation* (Alberta Regulation 35/2000) under that Act, and "EPPA/R" means either or both, as applicable, all as amended to the time as of which the legislation is being interpreted;
  - (b) "acknowledged" means, in relation to a financial institution, currently acknowledged under section 38 of the Regulation in relation to LIFs or LIRAs, as applicable;
  - (c) "Alberta locked-in money" means money in a pension plan, LIRA or LIF
    - (i) that
      - (A) originally belonged to a member who terminated membership in Alberta,
      - (B) belongs to a surviving pension partner of
        - (I) a member who died while employed in Alberta,
        - (II) a former member who terminated membership while employed in Alberta, or
        - (III) the original owner of a LIRA, or
      - (C) belongs to a non-member-pension partner owing to the application of Parts 4 of the legislation and originally belonged to a member who was employed in Alberta at the end of the period of joint accrual referred to in section 57(a), and
    - (ii) with respect to which the locking-in requirements of the legislation are still required to be met;
  - (d) "annuity" means a non-commutable life annuity contract issued or to be issued by an insurance business licensed to do business in Canada that meets the conditions in paragraph 60(l) of the federal Income Tax Act and will not commence before the annuitant reaches 50;
  - (e) "DC RIA" (an acronym for defined contribution retirement income account) means an account created under defined contribution provisions of a pension plan that covers the benefits referred to in section 46(8) of the Act and that exists to provide retirement income under section 46.1 of the Regulation;
  - (f) "DC RIA benefits" means the benefits referred to in clause (e);
  - (g) "financial institution" means the issuer of a LIF (including this one) or a LIRA, as the case may be and, where the context relates to an annuity, includes an insurance business referred to in clause (d);
  - (h) "Form", followed by a number, means the form in Schedule 1 to the Regulation corresponding to that number;
  - (i) "non-member-pension partner owner" means a pension partner who owns this LIF as a result of the application of the marriage breakdown/matrimonial property order/agreement rules in EPPA/R;

- (j) "Option",
- (i) followed by the numeral "1", means the option in Part 1 of Form 6 agreeing to the unlocking of up to 50% of commuted value or the value of the vehicle account in question,
  - (ii) followed by the numeral "2", means the option in Part 1 of Form 6 giving up the right to receive the minimum 60% survivor payments, and
  - (iii) followed by the numeral "3", means the option in Part 2 of Form 6 giving up all rights as automatic designated beneficiary;
- (k) "original owner" means the individual who was the member or former member of a pension plan and who made a transfer under section 30(5) or 38 of the Act or section 39, 40, 41 or 46.1 of the Regulation at any time, the assets deriving from which transfer are now held in this LIF;
- (l) "owner" means the original owner, a surviving pension partner owner or a non-member-pension partner owner;
- (m) "paragraph" and "Part" mean a paragraph and a Part, respectively, of this addendum;
- (n) "pension partner" means, in relation to an original owner,
- (i) a person who, at retirement income commencement, was married to that original owner and had not been living separate and apart from that original owner for 3 or more consecutive years, or
  - (ii) if there is no such married person, a person, if there is any, who, immediately preceding that time, had lived with that original owner in a conjugal relationship
    - (A) for a continuous period of at least 3 years, or
    - (B) of some permanence, if there was a child of the relationship by birth or adoption, but does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the federal income tax legislation respecting RRIFs;
- (o) "retirement income commencement" means the time when the former member or original owner initially transferred the money from a pension plan or a LIRA to a LIF, a DC RIA or an LRIF (before its abolition);
- (p) "surviving pension partner owner" means
- (i) an individual who made a transfer of the money under section 39(6) of the Act, or
  - (ii) a surviving pension partner of the original owner.
- (2) Terms used in this addendum and not defined in subparagraph (1) but defined generally in EPPA/R have the meanings assigned to them in EPPA/R.
- (3) Reference in this addendum to the execution of a waiver also requires the provision of it to the applicable pension plan administrator or financial institution for it to be effective.
- (4) This addendum has no effect as a part of a RRIF or a LIF unless and until
- (a) the owner is at least 50,
  - (b) this addendum is attached to the RRIF,
  - (c) the issuer has made reasonable efforts to ascertain whether or not the original owner has a pension partner at the time the LIF would be established and, if so, his or her identity,
  - (d) if there is such a pension partner, that institution has received an executed Option 2 of the Form 6 waiver, and
  - (e) that waiver has been attached to the RRIF, and the waiver referred to in clause (e) becomes part of the LIF on its being attached to the RRIF.
- (5) The fiscal year of this LIF is the calendar year.
2. **Voluntary disposition:** In general, the owner may not assign or otherwise voluntarily dispose of this LIF or any rights or obligations under it to another person, but this is subject to the exceptions dealt with later.
3. (1) **Involuntary access:** The money in this LIF may not be seized, attached or otherwise taken by another person, except that the money is subject to the provisions of the Maintenance Enforcement Act and the marriage breakdown rules.
- (2) The exceptions referred to in subparagraph (1) will or may continue to apply if the money is transferred from this LIF to another financial vehicle.
4. **General rule on early withdrawal, etc.:** No early voluntary withdrawal, commutation or surrender of money in this LIF will be permitted except in accordance with Part 5 or the transitional (temporary) maximum 50% unlocking option in Schedule 1.1 to the Regulation.
5. **Locking in:** Money that is not Alberta locked-in money will not be transferred to or continue to be held in this LIF.
6. **Investment:** The money in this LIF will be invested in a manner that complies with the rules for the investment of RRIF money contained in the federal income tax legislation.
7. **Minimum retirement income provision:** All the money in this LIF, including investment earnings, is to be used to provide or obtain retirement income or an annuity that is required or permitted by EPPA/R.
8. **Splitting of contract:** This LIF, if not eligible for the payment allowed by paragraph 27, may not be split so as to change it into 2 or more LIFs, DC RIAs or annuities or any combination of them that would make any of them so eligible.
9. **Disclosure statements:** The LIF issuer will provide to the owner or, in the case of a deceased original owner, the designated beneficiary or estate, as the case may be,
- (a) within 30 days after the beginning of each year, information on
    - (i) the amounts transferred into, the interest, gains and losses earned by, the payments made out of, and the fees charged against, this LIF during the previous year,
    - (ii) the LIF account balance at the end of the previous year,
    - (iii) the minimum amount that must be paid out of this LIF to the owner during the current year, and
    - (iv) the maximum amount that may be paid out during the current year, being the greatest of the amounts calculated in accordance with paragraph 20(1)(a), (b) and (c),

- (b) if the owner makes a transfer specified in paragraph 11, a reconciliation of the LIF balance at the date of the transfer with the balance at the end of the immediately previous year, showing the amounts transferred into, the interest, gains and losses earned by, the payments made out of, and the fees charged against, this LIF in the intervening period, and
- (c) where the owner receives a payment under Part 5 of this addendum, a reconciliation of the LIF balance at the date of payment with the balance at the end of the immediately previous year, showing the amounts transferred into, the interest, gains and losses earned by, the payments made out of, and the fees charged against, this LIF during the intervening period.

## Part 2 – Transfers In and Transfers and Payments Out

10. (1) **Transfer-in requirements:** The LIF issuer
- (a) warrants to the owner that it is, and will make every endeavour while this contract exists to remain, on the Superintendent's list of acknowledged financial institutions for LIFs, and
  - (b) will ensure that only Alberta locked-in money is transferred to this LIF.
- (2) A transfer to this LIF may be made only from a pension plan, another LIF, a LIRA or an LRIF.
11. **Transfers to other vehicles:** A transfer of money from this LIF is permitted, but only permitted,
- (a) to another LIF,
  - (b) to a DC RIA, or
  - (c) to an insurance business to purchase an annuity that, in the case of an original owner who had a pension partner at retirement income commencement, designates that pension partner as the beneficiary of any death benefit provided by the annuity unless the original owner has provided to the LIF issuer an executed Option 3 of the Form 6 waiver.
12. (1) **Transfer-out requirements:** The LIF issuer will not transfer money from this LIF unless, to the extent applicable, it
- (a) has ascertained that the transferee financial institution, if issuing a LIF, is on the Superintendent's acknowledgement list for LIFs,
  - (b) has ascertained that the transferee pension plan containing the DC RIA is registered under EPPA/R,
  - (c) has advised the transferee financial institution or pension plan administrator that the money being transferred is Alberta locked-in money,
  - (d) if the owner is an original owner who had a pension partner at retirement income commencement, provides the receiving financial institution or administrator with an executed Option 2 and, if applicable, Option 3 of the Form 6 waiver,
  - (e) if the transfer is to another LIF or to a DC RIA, provides that transferee with
    - (i) a copy of the information provided to the owner under paragraph 9(b), and
    - (ii) a copy of the decision made by the owner respecting the amount to be withdrawn during the current year.
  - (f) if the transfer is to an insurance business to purchase an annuity,
    - (i) has ensured that the vehicle is an annuity, and
    - (ii) if the owner is an original owner, provides to the insurance business a certified copy of an executed Option 2 and, if applicable, the Option 3 of the Form 6 waiver, and the LIF issuer will otherwise ensure that the EPPA/R rules on transfers out are obeyed.
13. **Potential consequences of breach:** If the LIF issuer disobeys any of the requirements in paragraph 12, it may have to fund the recipient vehicle (again if need be) to ensure that those entitled to the benefits of the recipient vehicle receive them in the form and manner required by EPPA/R.
14. **General liability on payment out:** If money is paid out to an individual person contrary to EPPA/R, the LIF issuer will ensure the provision of appropriate income to the owner, in accordance with EPPA/R, as if that legislation has not been breached.
15. **Prohibition against double indemnity:** Where the owner, as a result of EPPA/R, obtains, in effect, a double payment or a payment as well as a continuing interest in the LIF, the owner may be liable to repay amounts to which EPPA/R did not entitle him/her.
16. **Federal tax legislation requirements:** Without mention of other provisions of the federal tax legislation to which a transfer is or may be subject, any transfer made under paragraph 12 is subject to paragraph 146.3(2)(e.1) or (e.2) of the federal Income Tax Act.
17. **Remittance of securities:** Where this LIF holds identifiable and transferable investment securities, the transfers out referred to in this Part may, unless otherwise stipulated, at the option of the LIF issuer and with the consent of the owner, be effected by the remittance of any such securities.

## Part 3 – Payment Calculations

18. **Commencement of income payment:** The owner will be paid an income that will commence not later than the last day of the year following the year in which the LIF was established.
19. (1) **Establishment and alteration of income pay-out:** Within 60 days after receipt of the information described in paragraph 9(a), the owner will establish and notify the LIF issuer in writing of the amount of income to be paid during the current year, except that if this LIF guarantees the rate of return of this LIF over a period that is greater than one year, then the owner may establish and notify, at the beginning of that period, the amount of income to be paid during any one or more of the years that end not later than the expiration of that period.
- (2) The owner may, at any time during a year, change the amount of income to be paid provided that the amount will always result, by the end of the year, in a payment or payments that are at least equal to the minimum amount required by the federal tax legislation and that do not exceed the maximum amount calculated in accordance with paragraph 20(1).
20. (1) **Maximum income pay-out:** Subject to subparagraph (2), the amount of income to be paid out during a year is not to exceed the greatest of

**Nova Scotia LIF Addendum**  
**(Schedule IV to Nova Scotia Pension Legislation)**

- (a) M, with that symbol being calculated in accordance with the following formula:  $M = C/F$ , where C is the balance of the money in this LIF on the first day of the year, and F is the value on January 1 of the year in which the calculation is made of a guaranteed amount of which the annual payment is \$1 payable at the beginning of each year between that date and December 31 of the year during which the owner reaches the age of 85 years and calculated by using
- (i) an interest rate of not more than 6% per year, or
  - (ii) for the first 15 years after the date of the valuation, 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 year of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, and using an interest rate not exceeding 6% in subsequent years,
- (b) the minimum amount required to be withdrawn in accordance with the federal tax legislation, and
- (c) investment gains earned in the immediately previous year.
- (2) For the initial year of the payment out of income,
- (a) the limit M is prorated in proportion to the number of months in the year in which this LIF was established divided by 12, with any part of an incomplete month counting as one month,
- (b) the minimum amount to be paid, as referred to in subparagraph (1)(b), is set at zero, and
- (c) investment gains referred to in subparagraph (1)(c) are 6% of the fair market value of this LIF prorated, where applicable, in proportion to the number of months in the year for which this LIF was established divided by 12, with any part of an incomplete month counting as one month.
- 21. Continuation of income payments:** Subject to paragraph 19(2), if the money in this LIF is transferred to another LIF or to a DC RIA, payments to the owner will continue in the same manner as the owner selected at the beginning of the year of the transfer.
- 22. (1) Additional transfers in:** If, in any year, an additional transfer is made to this LIF and that additional transfer has never been under a LIF or a DC RIA before, an additional withdrawal is allowed in that year.
- (2) The additional withdrawal will be calculated in accordance with paragraph 20(1) and prorated in accordance with paragraph 20(2) with respect to the amount that was transferred in.
- 23. Guarantee of rate of return over longer period:** Where the exception in paragraph 19(1) applies, paragraphs 20, 21 and 22 apply with such modification as the circumstances require to determine, at the date of the beginning of the first year of the interval, the amount of income to be paid out for each year in that interval.

**Part 4 – Death of Owner**

- 25. Deceased owners:** Within 60 days after the delivery to the LIF issuer of the documents required by it following the death of the owner, the LIF balance will be paid
- (a) if the deceased owner was the original owner with a surviving pension partner who had not executed the Option 3 of the Form 6 waiver, to that pension partner, or
  - (b) if the owner was someone other than that original owner, to the owner's designated beneficiary or, if there is no such designated beneficiary, the owner's estate.
- 26. Manner of payment:** The money will be paid, under paragraph 25,
- (a) as a cash lump sum, or
  - (b) subject to the federal tax legislation, in the case of a surviving pension partner and if that person so elects, to an RRSP or RRIF.

**Part 5 – Withdrawal, Commutation and Surrender**

- 27. YMPE based lump sum payment:** The LIF issuer will on application make a lump sum payment of the whole LIF balance,
- (a) at any time if the LIF balance does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the year in which the application is made, or
  - (b) if the owner is at least 65 and the value of the LIF does not exceed 40% of the YMPE for the year in which the application is made.
- 28. Non-residency for tax purposes:** The LIF issuer will make a lump sum payment of the entire LIF balance if the owner applies to it with written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the federal tax legislation and, where that owner is an original owner who has a pension partner at the time when the application is made, if such a pension partner has executed a Form 5 waiver.
- 29. Life threatening condition:** The LIF issuer will on application make a lump sum payment to the owner of the entire LIF balance or an equivalent series of payments if a physician certifies that the owner has a terminal illness or that due to a disability the owner's life is likely to be considerably shortened, but the LIF issuer may make the payment or payments, in the case of an original owner who has a pension partner at the time when the application for payment is made, only if such a pension partner has executed a Form 5 waiver.
- 30. Financial hardship:** The LIF issuer will make a lump sum payment or a series of payments, on application to the LIF issuer by the owner, if the owner has previously applied to the Superintendent for a release of all or part of the money due to financial hardship and the Superintendent has given written consent to that application.
- 31. Part X.1 of federal tax legislation:** The owner may withdraw from this LIF such amount of money as is required to be paid to the owner to reduce the amount of tax otherwise payable under Part X.1 of the federal *Income Tax Act*.

Life Income Fund (Alberta LIF) Addendum  
Revised October 31, 2006

1. (1) **Interpretation:** In this Schedule,
  - (a) "common-law partner" of an individual means another individual who has cohabited with the individual in a conjugal relationship for a period of at least 2 years, neither of them being a spouse;
  - (b) "regulations" means the *Pension Benefits Regulations*, of which this Schedule forms a part.
  - (c) "spouse" means either of a man and woman who
    - (i) are married to each other,
    - (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity, or
    - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement; and
  - (d) "temporary income" means periodic income paid under a pension plan, an annuity or a LIF to a person for a temporary period of time after retirement for the purposes of supplementing retirement income until the person is eligible to receive benefits under the *Old Age Security Act* (Canada) or is either eligible for or commences to receive retirement benefits under the Canada Pension Plan (Canada) or Quebec Pension Plan (Quebec).
- (2) A fiscal year referred to in this Schedule is the fiscal year of a LIF, which must end on December 31 and must never exceed 12 months.
- (3) A reference rate referred to in this Schedule for the fiscal year of a LIF
  - (a) is based on 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 by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, with the following adjustments applied successively to that nominal rate:
    - (i) an increase of 0.5%,
    - (ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest,
    - (iii) the rounding of the effective interest rate to the nearest multiple of 0.5%; and
  - (b) must not be less than 6%.
- 2. Prohibitions:** Money held in a LIF must not be commuted, withdrawn or surrendered in whole or in part, except as permitted by Sections 27 and 28 of the regulations (small amounts at age 65 and considerably shortened life expectancy), or in accordance with Part 4 of the regulations (financial hardship).
- 3. Prohibitions:** Money held in a LIF must not be assigned, charged, or given as security except as permitted by subsection 70(3) or Section 71A of the Act, and any transaction purporting to assign, charge, anticipate or give such money in the LIF as security is void.
- 4. Prohibitions:** Money held in a LIF is exempt from execution, seizure or attachment except as permitted by Section 71A of the Act.
- 5. Income Commencement:** (1) The owner must be paid an income from the LIF, the amount of which may vary annually.
  - (2) Payment of the income from the LIF to the owner must begin no earlier than the earliest date the owner was entitled to receive a pension under any of the pension plans from which the money was transferred into the LIF, directly or indirectly.
  - (3) Payments must begin no later than the end of the second fiscal year of the LIF.
  - (4) The minimum amount of income paid during a fiscal year must not be less than the minimum amount prescribed for a RRIF under the *Income Tax Act* (Canada).
  - (5) The owner must establish the amount of income to be paid during each fiscal year at the beginning of that fiscal year and after the receipt of the information specified in subsection 11(1).
  - (6) If the financial institution guarantees the rate of return of the LIF over a period that is greater than one year, that period must end at the end of a fiscal year and the owner may establish the amount of income to be paid during that period at the beginning of that period.
- 6. Minimum LIF Withdrawal –** The amount of the income paid during the fiscal year of a LIF must not be less than the minimum amount prescribed by the *Income Tax Act* (Canada), determined on the basis of the owner's age or the age of the owner's spouse or common-law partner where that person is younger than the owner.
- 7. Maximum LIF Withdrawal –** no provision for temporary income – The maximum income (M) to be paid from a LIF from which no temporary income is paid, is determined by the following formula:
 
$$M = F \times C$$
 where:
  - "F" is the factor in Schedule V for the reference rate for the fiscal year and the owner's age at the end of the preceding year; and
  - "C" is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money transferred from another LIF to the LIF in the same year.
- 8. Maximum LIF withdrawal – with temporary income –**
  - (1) A LIF may provide that the owner be entitled to a temporary income if the owner meets the following requirements:
    - (a) the owner makes an application in Form 9 (Application to a Financial Institution for Payment of Temporary Income from a LIF) to the financial institution that administers the LIF for payment of a temporary income under the LIF; and
    - (b) the owner is at least age 54 but under age 65 at the end of the year preceding the date of application.
  - (2) The temporary income must not be paid after the end of the year in which the owner reaches age 65.

(3) No temporary income is payable if any portion of a LIF payment is transferred to a non-locked-in retirement savings arrangement.

(4) The maximum temporary income (A) for the fiscal year is the lesser of

- (a) 40% of the years maximum pensionable earnings) - T; and
- (b)  $F \times C \times D$ ,

where

"F" is the factor in Schedule V for the reference rate for the fiscal year and the owner's age at the end of the preceding year;

"C" is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money originating during the same year from another LIF;

"T" is the total of temporary income from a pension plan for that fiscal year and temporary income from other LIFs of the owner; and

"D" is the factor in Schedule VI for the owner's age at the end of the year preceding the current fiscal year.

(5) Despite subsection (4), if  $F \times C \times D$  is equivalent to less than 40% of the year's maximum pensionable earnings, and the owner is not entitled to any temporary income from another LIF or from a pension plan, "A" is the lesser of

- (a) 40% of the year's maximum pensionable earnings, and
- (b) the LIF less LIF transfers.

(6) The maximum life income (E) to be paid from a LIF from which a temporary income is paid is determined by the following formula, provided that "E" must not be less than zero:

$$E = (F \times C) - (A + D)$$

where

"F" is the factor in Schedule V for the reference rate for the fiscal year and the owner's age at the end of the preceding year;

"C" is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money originating during the same year from another LIF.

### 9. Maximum income payable when the financial institution guarantees the rate of return of the LIF –

(1) If the financial institution has guaranteed the rate of return of the LIF over a period greater than one year, and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years of that period is determined at the beginning of each of those fiscal years.

(2) For the first fiscal year, the maximum income is determined in accordance with Section 7.

(3) For each subsequent year, the maximum income is equal to the lesser of

- (a) the balance of the LIF at the time of payment in that year; and
- (b) the result of the formula

$$(M \times J) + K,$$

where

"M" represents the maximum income determined for the initial fiscal year,

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

"K" represents the reference balance determined at January 1 of the year, calculated as

- (i) the reference balance at the beginning of the previous year, reduced by M, plus
- (ii) the amount determined under subclause (i) multiplied by the reference rate for the year, if it is one of the first 16 fiscal years of the fund, or by 6% in any other case, and in applying this formula to the second year of the period, the reference balance referred to in subclause (i) is the LIF balance at the beginning of the first year of the period.

### 10. Excess income paid – If the income paid to the owner during the fiscal year of the fund exceeds the maximum that may be paid, the balance of the fund must not be reduced by the excess, unless the payment is attributable to incorrect information provided by the owner.

### 11. Information to be provided by the financial institution

(1) At the beginning of each fiscal year, the financial institution must provide to the owner a statement indicating

- (a) the balance in the LIF at the beginning of the fiscal year;
- (b) information on the sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made during the fiscal year and the fees charged against the LIF during the previous fiscal year;
- (c) the minimum amount that must be paid out as income to the owner during the current fiscal year;
- (d) the maximum amount that may be paid out as income to the owner during the current fiscal year;
- (e) if the beginning of the fiscal year is later than the beginning of the calendar year, the sums deposited that were held in another LIF during the year;

(f) if the LIF provides for payment of a temporary income and the owner was at least 54 but less than 65 at the end of the preceding year,

- (i) the terms and conditions the owner must meet to be entitled to payment of the temporary income under Section 8, and
- (ii) that payment of temporary income will reduce the income that would otherwise be paid to the owner after age 65;

(g) that the maximum amount of income that may be paid to the owner will not be increased if a transfer is made to the LIF of assets held in another LIF during that year; and

(h) that if the owner wishes to transfer, in whole or in part, the balance of the LIF and still receive from the LIF the income determined for the fiscal year, an amount must be retained in the LIF at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year.

(2) If the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under Section 12, the financial institution must provide to the owner's spouse or common-law partner or beneficiary or estate the information in clauses 11(1)(a) and (b) as of the owner's date of death.

(3) If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must provide the owner the information in clauses (1)(a) and (b) as of the date of the transfer or annuity purchase.

(4) If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must comply with the requirements of an administrator under subsections 23(16), (17), and (18) of the regulations.

### Information provided upon transfer of additional amounts to a LIF

(5) Within 30 days following a transfer to a LIF of locked-in funds that have not been held in a LIF at any time in the current year, the financial institution must provide the owner with a statement indicating

- (a) the balance of the LIF at the beginning of the fiscal year, any money transferred into the LIF during the fiscal year and balance of the LIF used to determine the maximum amount that may be paid to the owner as income during the fiscal year;
- (b) the maximum amount that may be paid to the owner as income during the fiscal year;
- (c) the minimum amount that must be paid to the owner as income during the fiscal year; and
- (d) if the LIF provides for payment of a temporary income and the owner is at least 54 years of age but less than 65 years of age at the end of the preceding year, that the owner is entitled to receive payment of a temporary income.

(6) If a transfer is made to a LIF of assets held in another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner must not be increased.

### 12. Transferring assets from a LIF –

(1) The owner of a LIF may transfer all or part of the assets in a LIF

- (a) to another LIF;
- (b) to purchase an immediate life annuity contract that meets the conditions of Section 24 of the regulations, provided the annuity does not commence on a date earlier than the earliest date the owner was entitled to receive a pension under any of the pension plans from which the money in the LIF was transferred; or
- (c) to a LIRA if permitted under the Income Tax Act (Canada).

(2) If assets in the LIF consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(3) The date of transfer must not be more than 30 days after the date of application by the owner unless the term agreed to for the investments has not expired.

(4) The financial institution must advise the financial institution to which the assets are transferred that the assets were held in a LIF in the current year.

### 13. Death benefit –

(1) On the death of the owner, the balance in the LIF must be paid to or for the benefit of the owner's spouse or common-law partner or, if there is no spouse or common-law partner, the owner's designated beneficiary or, if there is no valid designation of beneficiary, the owner's estate.

(2) A spouse or common-law partner is not entitled to receive a death benefit if a division has been made under Section 61 of the Act (pension division) of the pension benefits transferred to the LIF, unless the spouse or common-law partner is the owner's designated beneficiary.

14. **Withdrawals** – An application for withdrawal of the assets held in a LIF must be made in accordance with Sections 27 and 28 of the regulations (small amounts at age 65 and considerably shortened life expectancy) or in accordance with Part 4 of the regulations (financial hardship).

## PRIVACY PROTECTION NOTICE

The MRS Group of Companies has always been committed to protecting the privacy of all client personal information that we collect and maintain in the course of carrying on our business. We are pleased to provide you with our Privacy Protection Notice which describes how we collect, hold, use and, when needed, disclose your personal information when we do business with you and your Dealer. This notice adheres to the Personal Information Protection and Electronic Documents Act (Canada) and similar provincial privacy legislation. Please read this notice and contact us through one of the means listed at the end of the document if you have any questions.

- 1. Client Record and Personal Information:** The personal information collected about you or your spouse, if you are authorized to provide such information, for the purposes identified in this Privacy Protection Notice is held in a record called the "client record". The personal information in your client record may include your name, address and telephone number, social insurance number, birth date, account holdings, personal loan balances, and the name, address and social insurance number of your spouse, beneficiary, and co-borrower. Depending on the investment, personal loan product, or service you request, additional personal information may be held in your client record. For example, if you have a personal loan from M.R.S. Trust Company, information regarding your financial situation and credit reports is also held in your client record.
- 2. Providing Your Information to the MRS Group of Companies:** When you complete an application form or otherwise open an account with any of the companies in the MRS Group of Companies (defined below), you are providing personal information to that MRS company including, where applicable, personal information concerning your spouse, beneficiary, and co-borrower, in order to:
  - (a) make an investment;
  - (b) apply for a personal loan product;
  - (c) provide instructions to a MRS company about an investment you have already made or an outstanding personal loan product you already have; or
  - (d) receive information related to an investment you have made or a pre-approved personal loan product.

Each MRS company with whom you have an account collects this personal information, holds it in your client record, uses it, and, when needed, discloses it for the purposes identified in this Privacy Protection Notice.

Members of the MRS Group of Companies include M.R.S. Trust Company, M.R.S. Inc., M.R.S. Securities Services Inc. (Member CIPF), and M.R.S. Correspondent Corporation, and any affiliate or successor company of each of them whose business relates to a purpose identified in this Privacy Protection Notice.

- 3. Collecting, Holding, Using, and Disclosing Personal Information in Your Client Record:** Each MRS company with whom you have an account may collect, hold, and use the personal information in your client record as well as collect personal information from and disclose personal information to the third parties identified below for the following purposes:
  - (a) identifying you and ensuring the accuracy of information contained in your client record;
  - (b) establishing and administering your account, determining, maintaining, recording, and storing account holdings, loan balances, and transaction information in your client record;
  - (c) executing transactions with or through a MRS company including transferring funds by electronic or other means;
  - (d) providing you and your Dealer with investment and loan account statements, transaction confirmations, tax receipts, financial statements for the investments that you have made, proxy mailings, registered plan notices, and other information which you or your Dealer may request as needed to service your account;
  - (e) assisting your Dealer in determining the suitability of your investments;
  - (f) assessing your financial situation and conducting credit investigations to determine your eligibility or continued eligibility for personal loan products;
  - (g) informing you of MRS and Mackenzie products and services;
  - (h) furthering our own business interests including collecting a debt owed to a MRS company, executing transactions related to the securitization of your debt, which a MRS company considers to be in our own business interests, and engaging in the financing or sale of all or part of our businesses;
  - (i) meeting legal and regulatory requirements;
  - (j) verifying information previously given by you with any other organization when necessary for the purposes provided in this Privacy Protection Notice; and
  - (k) processing pre-authorized debit transactions.

In this notice, your "Dealer" refers to an individual or entity acting or representing that it acts in connection with your investments or personal loan products as your investment advisor, broker, or dealer, or on behalf of your investment advisor, broker, or dealer. You acknowledge that your Dealer is your agent and not our agent. We are entitled to accept and act on any notice, authorization, or other communication that we believe in good faith to be given by you or your Dealer on your

behalf. We are under no obligation to verify that your Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.

- 4. Third Parties:**
  - (a) Each MRS company with whom you have an account may collect your personal information for the purposes identified in this Privacy Protection Notice from third parties such as your Dealer, credit bureaux, your employer or others providing a personal reference, other companies in the MRS Group of Companies, other financial institutions and mutual fund companies, and from third parties who represent that they have the right to disclose the information.
  - (b) Each MRS company with whom you have an account may transfer your personal information for the purposes identified in this Privacy Protection Notice to our service providers, such as account statement preparation and mailing companies, courier companies, imaging companies, document storage companies, and personal loan and deposit product record-keeping companies. When a MRS company transfers personal information to our service providers, we ensure by contractual means that the transferred personal information is used only for the purposes for which the service provider is retained. In the event our service provider is located outside of Canada, the service provider is bound by, and personal information may be disclosed in accordance with, the laws of the jurisdiction in which the service provider is located.
  - (c) Each MRS company with whom you have an account may disclose your personal information to third parties where permitted or required by law, such as disclosure for tax purposes to the Canada Revenue Agency, and to self-regulatory organizations including the Investment Industry Regulatory Organization of Canada, the Mutual Fund Dealers Association of Canada (MFDA), Bourse de Montreal Inc., the Canadian Investor Protection Fund, and the MFDA Investor Protection Corporation.
  - (d) Each MRS company with whom you have an account may disclose your personal information for the purposes identified in this Privacy Protection Notice to third parties such as a Dealer, third party service providers and data processing firms, credit bureaux, other companies in the MRS Group of Companies, and other financial institutions and mutual fund companies. If you wish to withdraw consent to the continuation of this type of information sharing or discuss the implications of such withdrawal, please contact us through one of the means listed at the end of this notice. Your decision to withdraw consent may prevent the MRS Group of Companies from providing products and services to you because the disclosure to third parties is a necessary part of making the product or service available to you.
- 5. Using Your Social Insurance Number:** Each MRS company with whom you have an account is required by law to use your social insurance number when submitting tax reports to the Canada Revenue Agency and may provide it to third parties engaged to provide income tax reports. MRS also uses your social insurance number as a unique identifier, to avoid duplication (so that, for example, you do not receive duplicate mailings or get charged the same fee twice) and to ensure that we are aware of all of your holdings (for example, for purposes of determining whether your total holdings exceed a required threshold).
- 6. Employees and Agents Who Have Access to Your Client Record:** Employees and agents of each MRS company with whom you have an account may have access to your client record provided they have a specific need to know in connection with the purposes identified in this Privacy Protection Notice. Access is permitted only to the extent necessary for such purposes.
- 7. Location of Your Client Record:** Your client record is kept in electronic, microfilm, or paper format at MRS offices in Toronto. Paper records forming part of your client record may also be kept in offsite storage in Toronto. Your client record may be transferred to other locations for disaster recovery purposes.
- 8. Right to Access and Rectify Personal Information:** Under the Personal Information Protection and Electronic Documents Act (Canada) and similar provincial privacy legislation, you are entitled to access, through a written request, the personal information contained in your client record, including any credit reports obtained by a MRS company, subject to exceptions for certain kinds of information. You may verify this personal information and request that any inaccurate information be corrected. Please contact us through one of the means listed at the end of this notice. If your concerns have not been resolved to your satisfaction, you can contact the Privacy Compliance Officer, MRS Group of Companies, 777 Bay Street, Suite 2100, Toronto, Ontario, M5G 2N4. You may also send an email to [privacy@mrs.com](mailto:privacy@mrs.com).
- 9. Changes to Your Personal Information:** Please inform each MRS company with whom you have an account promptly of any change in the personal information that you have provided by contacting us through one of the means listed at the end of this notice. The MRS Group of Companies appreciates your business and promises to handle your questions or input regarding personal information in a prompt and courteous manner.

### MRS Client Services:

Telephone: 416-964-0028 or 1-800-387-2078

E-mail: [accounthelp@mrs.com](mailto:accounthelp@mrs.com)

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## NATIONAL INSTRUMENT 54-101 EXPLANATION TO CLIENTS

As a non-registered securityholder of a corporation or other issuer, you have the same right as a registered holder to vote at annual and special meeting of that issuer. As your securities are not registered in your name, MRS may provide material directly to you or may, unless you object, provide the issuer with name, address and extent of security ownership so that the issuer can provide material directly to you. The issuers of the securities in your account do not know the identity of the beneficial owner of these securities. We are required under securities law to obtain your instructions concerning various matters relating to your holding of securities in your account.

### Receiving Securityholder Materials

You have the right to receive proxy-related materials sent to registered securityholders by reporting issuers in connection with securityholders meetings; among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your wishes at a securityholder meeting. In addition, reporting issuers may choose to send other securityholder materials to beneficial owners, although they are not obliged to do so.

Securities law permits you to decline to receive securityholder materials. The three types of materials that you may decline to receive are:

- (a) proxy-related materials, including annual reports and financial statements, that are sent in connection with a securityholder meeting;
- (b) annual reports and financial statements that are not part of proxy-related materials; and
- (c) materials that a reporting issuer or other person or company sends to securityholders that are not required by corporate or securities law to be sent to registered securityholders.

### Disclosure of Beneficial Ownership Information

Securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the issuer's securities if the beneficial owners do not object to having information about them disclosed to the reporting issuer or other persons and companies. Part 2 allows you to tell us if you OBJECT to the disclosure by us to the reporting issuer or other persons or companies of your name, address and securities holdings and preferred language.

If you DO NOT OBJECT to the disclosure of your beneficial ownership information, please mark the first box in Part 2 of the form. In those circumstances, you will not be charged with any costs associated with sending securityholder materials to you.

If you OBJECT to the disclosure of your beneficial ownership information by us, please mark the second box in Part 2 of the form. If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us.

### Contact

If you have any questions or want to change your instructions in the future, please contact your Advisor. If you wish to change your instructions, you must do so in writing.

### Preferred Language of Communication

Section 1 of this account application allows you to tell us your preferred language of communication.

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## PRE-AUTHORIZED DEBIT (PAD) TERMS AND CONDITIONS

- a) By signing this application, you hereby waive any pre-notification requirements as specified by sections 15(a) and (b) of the Canadian Payments Association Rule H1 with respect to pre-authorized debits.
- b) You authorize M.R.S. Inc. ("MRS") to debit the bank account provided for the amount(s) and in the frequencies instructed.
- c) If this is for your own personal investment, your debit will be considered a Personal Pre-authorized Debit (PAD) by Canadian Payments Association definition. If this is for business purposes, it will be considered a Business PAD.
- d) You have certain recourse rights if a debit does not comply with this agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this pre-authorized debit agreement. To obtain more information on your recourse rights, you may contact your financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca).
- e) You confirm that all persons whose signatures are required to authorize transactions in the bank account provided have signed this agreement.
- f) You may change these instructions or cancel this plan at any time, provided that MRS receives at least 10 business days notice by phone or by mail. To obtain a copy of a cancellation form

- or for more information regarding your right to cancel a pre-authorized debit agreement, please consult with your financial institution or visit the Canadian Payments Association website at [www.cdnpay.ca](http://www.cdnpay.ca).
- g) MRS is authorized to accept changes to this agreement from my registered dealer or my financial advisor in accordance with the policies of MRS, in accordance with the disclosure and authorization requirements of the CPA.
- h) You agree that the information in this application will be shared with the financial institution, insofar as the disclosure of this information is directly related to and necessary for the proper application of the rules applicable for pre-authorized debits.
- i) You acknowledge and agree that you are fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which you may be held accountable.
- j) You have requested this application form and all other documents relating hereto to be in English. J'ai exigé que ce formulaire et tous les documents y afférant soient rédigés en anglais.

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### Definition of Politically Exposed Foreign Person

For purposes hereof "politically exposed foreign person" means a person who holds or has held one of the following offices or positions in or on behalf of a foreign state:

- (a) head of state or head of government;
- (b) member of the executive council of government or member of a legislature;
- (c) deputy minister or equivalent rank;
- (d) ambassador or attaché or counselor of an ambassador;
- (e) military officer with a rank of general or above;
- (f) president of a state-owned company or a state-owned bank;
- (g) head of a government agency;
- (h) judge;
- (i) leader or president of a political party represented in a legislature; or
- (j) holder of any prescribed office or position and it includes any prescribed family member of such a person.

For the purpose of the definition "politically exposed foreign person", the prescribed family members of a politically exposed foreign person are:

- (a) the person's spouse or common-law partner;
- (b) a child of the person;
- (c) the person's mother or father;
- (d) the mother or father of the person's spouse or common-law partner; and
- (e) a child of the person's mother or father.

Please note that this will include half-sisters and half-brothers.

## M.R.S. TRUST COMPANY DEPOSIT TERMS AND CONDITIONS

M.R.S. Trust Company (MRS Trust), a member institution of the Canada Deposit Insurance Corporation (CDIC) accepts deposits to instruments denoted as cash in registered and non-registered tax deferred accounts for which MRS Trust acts as trustee ("Registered Cash") and Investment Cash (the "Cash Deposit"), Short Term Deposits, Guaranteed Investment Certificates, RRSP GIC and MRS Guaranteed Investment Tax-free Savings Account (the "Term Deposit(s)"), MRS Money Maximizer, Mackenzie Tax-free Savings Account High Interest Cash Builder, Counsel Premium Cash Account, and Quadrus Group of Funds TFSA High Yield Savings Account, MRS High Yield Plus Account and MRS High Yield Tax-free Savings Account (the "Non-Term Deposit(s)"). Cash Deposit, Term Deposit and Non-Term Deposit are collectively referred to as your "Deposit" and the reference "Deposit" includes any other Deposit accepted by MRS Trust from time to time. Go to [www.mrs.com](http://www.mrs.com), [www.mackenziefinancial.com](http://www.mackenziefinancial.com), [www.counsellwealth.com](http://www.counsellwealth.com) and/or [www.quadrusgroupoffunds.com](http://www.quadrusgroupoffunds.com) for a current list of our Deposits, information on our complaint resolution process, our privacy protection notice, interest rate and minimum interest threshold information.

MRS Trust accepts Deposits on the following terms and conditions (the "Terms and Conditions").

Throughout these Terms and Conditions, "you" and "your" means you as the depositor and/or co-depositor(s) and "we", "us" and "our" means MRS Trust. "Dealer" means an individual or entity acting (or representing that it acts) in connection with your Deposit as your investment advisor, broker or dealer, or on behalf of your investment advisor, broker or dealer. "Application" means the account application form to which these Terms and Conditions are attached.

### (a) Deposits

The principal amount of the deposit shall be held or invested by MRS Trust as authorized by the *Trust and Loan Companies Act* (Canada).

### (b) Interest Calculation and Payment

#### (i) Cash Deposit and Non-Term Deposits

We agree to pay you interest monthly on the day following and for the period which has elapsed since and including the date on which interest was last paid (in the case of a Cash Deposit, provided that the minimum interest threshold, as posted on our website, has been met). Interest is calculated daily and is based upon the daily closing balance of your Cash Deposit and Non-Term Deposit at a rate of interest as set by us from time to time. All interest payable shall be deposited into the same Cash Deposit and Non-Term Deposit in respect of which the interest was earned and shall thereafter be considered as principal.

#### (ii) Term Deposits

The interest rate of your Term Deposit depends on the term and interest paying option selected by you. The interest rate applicable to your Term Deposit is the posted rate on the day we receive your completed Application and money. Interest is calculated on the principal balance of your Term Deposit for the

number of days in the term on the basis of a year of 365 days. Interest on your Term Deposits of less than one year is paid at maturity and interest on your Term Deposits of one year or more is either paid annually or compounded annually and paid at maturity, as selected by you. Interest ceases at maturity.

### (c) Guaranteed Repayment

We guarantee you the repayment of all principal sums of your Deposit, together with any interest that is due and payable, subject to section (d). In consideration of our guarantee and by way of remuneration for administering the Deposit, we shall be entitled to retain for our own use the interest and profits resulting from any investment of the principal in excess of the amount of any interest payable to you.

### (d) Access to your Deposit

(i) **Deposits:** You may deposit to (purchase in the case of a Term Deposit) your Deposit with notice to us.

(ii) **Hold on Funds:** We reserve the right to hold moneys from any cheque or other payment instrument including pre-authorized debits credited to your Deposit for the purpose of verifying that sufficient funds are available to pay the item and for any other purpose permitted by law.

(iii) **Withdrawals:** You may withdraw your Deposit (except in the case of a Term Deposit) with notice to us. For withdrawals above certain dollar thresholds determined by us from time to time, your signature on your withdrawal request must be guaranteed by one of a bank, trust company, member of a recognized stock exchange or any other organization satisfactory to us. Transactions including withdrawals may be limited in dollar amounts or frequency, or otherwise as may be determined by us, and such limits may be changed in our sole discretion without notice to you. Term Deposits may be withdrawn only at maturity. The principal balance of your Term Deposit will be repaid at maturity and may not be withdrawn by you.

### (e) Commission and Fees

**We may pay your Dealer a commission at an annual rate of up to 0.25% based on the principal balance of your Deposit. This is a trailing commission for Non-Term Deposits and an upfront commission paid on the principal balance of a Term Deposit at the time of purchase. For a Cash Deposit, we may pay your account administrator a fee no greater than the amount which is the difference in the interest rate between our prime rate of interest (which is variable, subject to fluctuation and posted on [www.mrs.com](http://www.mrs.com)) and the effective rate of interest (if any) applicable to your Cash Deposit, calculated on the balance of your Cash Deposit on a daily basis. The maximum commissions and fees referenced above may change from time to time on notice to you.**

### (f) Eligible Plans or Accounts

Your Deposit must be held within such plans or accounts that we, in our sole discretion, may permit from time to time ("Eligible Deposits").

(g) **Joint and Several**

All of you are jointly and severally liable to us for any debts, liabilities and obligations arising in connection with the Deposit if held jointly or by tenants in common (if available).

(h) **Complaints**

Should you have a complaint concerning your Deposit, please contact our client service department by calling 1-888-677-5363. Further information detailing the steps for making and escalating a complaint are set out in the M.R.S. Trust Company Customer Complaint Resolution Process which is available online at [www.mrs.com](http://www.mrs.com).

(i) **Protecting your Personal Information – for personal Deposits only**

By making a Deposit with us, you consent to the collection, use and disclosure of your personal and financial information in accordance with MRS Trust's Privacy Protection Notice as amended from time to time. The Privacy Protection Notice forms part of these Terms and Conditions and your agreement to the Terms and Conditions indicates that you agree to the terms of the Privacy Protection Notice. MRS Trust's Privacy Protection Notice is available on request and on our website at [www.mrs.com](http://www.mrs.com).

(j) **Notice**

References to giving notice in these Terms and Conditions shall mean notice in the form and manner as provided in this section (j).

We may provide any notice or other communication required or permitted to be given by post, telephone, email, fax, website posting or any other physical or electronic means, or by means of any press release, advertisement or other media notices.

Unless specified otherwise, you or a Dealer may provide us with notice by post, fax or telephone, or through any other physical or electronic means as stipulated by us from time to time at the following address:

M.R.S. Trust Company,  
777 Bay Street, Suite 2100,  
Toronto, Ontario, M5G 2N4,  
Toll free 1-888-677-5363,  
Telephone: 416-926-0570  
Fax: 416-922-8402

Any notice, request or other communication given to us will be deemed to have been given to us and received by us at the time of actual receipt by us. Unless specified otherwise, if notice is provided by post, you will be deemed to have received the notice on the date that is five (5) business days following the date on which the notice was mailed. In all other cases, you will be deemed to have received the notice on the date the notice was sent.

(k) **Changes to Depositor Record**

You agree to notify us promptly in writing of any changes to your mailing address or other information regarding the Depositor record.

(l) **Deposit Statements and Confirmations**

You must promptly notify us of any errors, irregularities, omissions or unauthorized activity in your Deposit as soon as you discover them. If notice is not received from you within 30 days of the date of any statement or confirmation indicating activity or balances of your Deposit, you shall be deemed to accept the statement as valid and correct and you release us from all claims with respect to any and every item on the statement or confirmation and from any other claim for negligence, conversion, breach of trust, breach of fiduciary duty or otherwise. We retain the right to recover from you or debit your Deposit if there is an erroneous credit or an omission of a debit.

(m) **Receiving Statements**

If held jointly or by tenants in common (if available) or in trust, all statements or other notices from us will be sent to you. All such notices will then be considered to have been mailed to all of you.

(n) **Documentation Requirements**

If held jointly or by tenants in common (if available), on the death of any one of you, the remaining Depositor(s) agrees to immediately advise us and to provide such documentation as may reasonably be requested. We reserve the right to restrict access to monies held in the Deposit, as deemed necessary in order to comply with any present or future law.

(o) **Joint and Several with Estate**

If held jointly or by tenants in common (if available), the deceased's estate and the surviving Depositor(s) continue to be jointly and severally liable for debts, liabilities and obligations resulting from transactions initiated prior to us receiving written notice of death, or incurred in liquidating the account or adjusting the interests of the surviving Depositor(s).

(p) **Obligation to Observe Trust Terms**

If the Deposit is held in trust, we have no obligation to observe the terms of any trust and you or all of you are solely responsible for ensuring compliance with the terms of any applicable trust agreement or applicable law.

(q) **Documentation Requirements of Survivor**

If the Deposit is held in trust, on the death of you or any one of you, the remaining Depositor(s) agrees to immediately notify us, and to provide such documentation as may reasonably be requested. We reserve the right to restrict access to monies held in the Deposit, as deemed necessary in order to comply with any present or future law.

(r) **Liability for Damages Limited**

Without limiting any other provision of these Terms and Conditions, we will not be liable for, and you agree to indemnify and save us harmless from, any losses, costs, fees, claims, liabilities, delays, damages, expenses or inconvenience of any kind whatsoever, incurred by you or any third party, directly or indirectly (including special, indirect or consequential damages) in connection with the following:

- Any failure, error, malfunction or inaccessibility of any systems or equipment, or for errors, delays or failures in performance or non-completion of a transaction or service;
- Any damages resulting from our negligence or the negligence of our employees, agents or representatives, even if we knew that damage was likely;
- Honouring any instructions (including an instruction to revoke a PAD agreement which PAD agreement was contained in your MRS Trust Systematic Instruction Form) from you, including any that we receive from any person claiming to be you or to be acting on your behalf including a Dealer; or
- Exercising our discretion not to act on an incomplete, illegible or ambiguous transaction or a transaction which we suspect is fraudulent.

In the case of our gross negligence or willful misconduct, our liability will be no greater than the lesser of the amount of the item and the direct damages you have suffered.

(s) **Dealer**

You acknowledge that a Dealer is your agent and when acting (or representing that it acts) as a Dealer is not our agent or the agent of any of M.R.S. Inc., M.R.S. Securities Services Inc., M.R.S. Correspondent Corporation and Mackenzie Financial Corporation. We are entitled to accept and act on any notice, authorization or other communication that we believe in good faith to be given by you or a Dealer on your behalf. We are under no obligation to verify that a Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.

(t) **Returning Principal to You**

We reserve the right both to reject any deposit made by you and to withdraw any and all amounts from your Deposit for the purpose of returning such amounts to you.

(u) **Assignments and Transfers**

Deposits are not negotiable, transferable or assignable by you to any person in any respect except to us or as we agree in writing.

(v) **Changes to this Agreement**

- If permitted by applicable law and subject to (ii) below, we may unilaterally change any part of the Deposit Terms and Conditions (except for sections (a), (b) and (c) if the change pertains to a Term Deposit), if we provide you with notice of the change at least 60 days before the effective date of the change.
- You may, within 60 days of receipt of Notice, withdraw your Deposit without any cost or penalty to you if we unilaterally increase your obligations to us or decrease our obligations to you under these Terms and Conditions.

(w) **Charges for Costs and Legal Fees**

You agree to pay us on demand any costs to recover amounts that you owe us. These costs include legal fees on a solicitor and client basis, as well as those reasonable counsel fees charged by our legal department. If we incur any expenses in responding to any legal notices or seizures attaching to any moneys in your Deposit, we may charge such expenses to your Deposit, as well as a fee for complying with the order. If you fail to pay our costs, they may be charged against any account you have with us.

(x) **Set-off**

We reserve the right to use any money at any time in your Deposit(s) to pay any debts or other obligations (including any contingent obligations) you owe us whether in the same or other currency in relation to any other matter between you and us and we are not required to provide notice except as required by law.

(y) **Language**

The parties have expressly requested that this Agreement and all other related documents and notices be drawn up in English only.

Les parties ont expressément exigé que ce contrat ainsi que tous les documents et avis émis en vertu des présentes ou s'y rattachant soient rédigés en anglais.



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