

AGF INVESTMENTS INC.

AGF LOCKED-IN ADDENDUM

NEW BRUNSWICK LIRA

NEW BRUNSWICK LIF



What are you doing after work?®

Your Locked-In Addendum

Enclosed is the Locked-In Addendum for your AGF registered retirement product, which, together, with the Declaration of Trust of your registered product, set out the terms, conditions, rules and regulations that govern your account.

The registered retirement products offered by AGF are subject to the terms of their applicable Addenda and a Declaration of Trust, which have been approved by regulatory authorities. The requirements and rules that apply to each registered retirement product are set out in these documents. You should, in the context of your retirement planning and individual circumstances, familiarize yourself with these requirements.

You are receiving this addendum as you have either opened up a new registered retirement product account that has a locking-in provision, or as a result of amendments to the current addendum previously provided to you.

If you require any further information or please contact our customer services team at 1 800 268-8583.

NEW BRUNSWICK LIRA

B2B TRUSTCO

LOCKED-IN RETIREMENT ACCOUNT NEW BRUNSWICK

ADDENDUM

SUPPLEMENTARY AGREEMENT ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE B2B TRUSTCO RETIREMENT SAVINGS PLAN

RECITALS:

- A. The Annuitant is entitled, pursuant to *Pension Benefits Act* (New Brunswick) and the *New Brunswick Regulation 91195*, to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under section 147.1 of the *Income Tax Act* (Canada) (the “Transfer”);
- B. the Annuitant has established an B2B Trustco Retirement Savings Plan and wishes same to receive the Transfer;
- C. the Transfer cannot be made unless the conditions herein relating to locking-in are satisfied;
- D. the parties now wish to supplement the B2B Trustco Retirement Savings Plan in order to comply with the requisite locking-in conditions.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

Definitions

1. For the purposes of this Addendum, “Tax Act” means the *Income Tax Act* (Canada) and the Regulations thereunder, “Act” means the *Pension Benefits Act* (New Brunswick), and “Regulations” means N.B. Reg. 91-195, all as amended from time to time.
2. For the purposes of this Addendum, the words “deferred pension”, “former member”, “member”, “pension”, “pension benefit”, “pension plan”, “spouse” and “Superintendent” have the same meanings as are respectively given to these words in subsection 1(1) of the Act.
3. Notwithstanding anything to the contrary contained in the RSP Declaration of Trust and this Addendum, including any endorsements forming a part thereof, “spouse” does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Tax Act respecting registered retirement savings plans.

Contributions

4. The Annuitant acknowledges that all of the Benefits to be transferred to the LIRA are pension benefits which are subject to the locking-in provisions of the Act.
5. Only money that is locked-in will be transferred to or held under the LIRA.
6. No money may be transferred to the LIRA except sums originating directly or indirectly from:
 - (i) the fund of a registered pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act;
 - (ii) another locked-in retirement account registered as a retirement savings plan that conforms with the Act and the Regulations;
 - (iii) a life income fund (“LIF”) registered as a retirement income fund that conforms with the Act and Regulations; or
 - (iv) a life or deferred life annuity contract that conforms with the Act, the Regulations, and the Tax Act.

Life Annuity

7. Subject to paragraph 11 of this Addendum, all Benefits, including investment earnings thereon (the “LIRA Assets”), shall be administered as a life or deferred life annuity that conforms with section 23 of the Regulations and meets the definition of “retirement income” contained in subsection 146(1) of the Tax Act.

Joint Spousal Pension

8. In the case of an Annuitant with a spouse at the time the pension payments begin, the pension provided shall be a joint pension in the form prescribed under the Act unless a spousal waiver has been completed by the spouse in the form and manner prescribed under the Act.

Differentiation Based on Sex

9. No LIRA Assets shall be used to purchase a life or deferred life annuity that differentiates on the basis of sex unless the commuted value of the deferred pension transferred from the plan into the LIRA was determined on transfer in a manner that differentiated, while the Annuitant was a member of plan, on the basis of sex.
10. If the information provided on the prescribed transfer form indicates that the commuted value of the Benefits transferred into the LIRA was determined in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of sex, only money that is differentiated on the same basis may subsequently be transferred into the LIRA.

Transfers

11. No transfer of LIRA Assets is permitted except for a transfer:
 - (i) to another locked-in retirement account registered as a retirement savings plan that conforms with the Act and the Regulations;
 - (ii) to purchase a life annuity contract as stipulated in paragraph 60(l) of the Tax Act or that meets the definition of “retirement income” contained in subsection 146(1) of the Tax Act, and that meets the requirements of section 23 of the Regulations;
 - (iii) to the fund of a pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act, where permitted by the terms of such pension plan;
 - (iv) to comply with section 27 to section 33 of the Regulations and paragraph 146(16) (b) of the Tax Act; or
 - (v) to a LIF, registered as a retirement income fund that conforms with the Act and the Regulations. Such transfer of LIRA Assets shall occur no more than thirty days after the Annuitant’s application for the transfer.
12. In the event of a transfer of LIRA Assets, the Trustee shall ensure that the name of the financial institution to which the LIRA Assets are being transferred is on the Superintendent’s list of financial institutions as provided from time to time by the Superintendent of Pensions (New Brunswick), and that the prescribed transfer form is completed in accordance with the Regulations and is forwarded with the LIRA Assets to the recipient financial institution.

Transferable Securities

13. Where the LIRA holds identifiable and transferable securities, a transfer permitted by this Addendum may, unless otherwise stipulated and at the sole option of the Trustee, be effected by remittance of the investment securities by the LIRA.

Investment

14. The LIRA Assets will be invested and reinvested in accordance with the provisions of the RSP Declaration of Trust, the Act, the Regulations and the Tax Act.

Death of Annuitant

15. Where the Annuitant dies prior to the purchase of an annuity, the LIRA Assets shall be paid
 - (i) to the Annuitant’s spouse; or
 - (ii) where there is no surviving spouse, to the designated beneficiary; or
 - (iii) where there is no designated beneficiary, to the estate of the Annuitant.

Marriage Breakdown

16. Upon marriage breakdown, the LIRA Assets shall be divided between the spouses on the basis prescribed under section 27 to 33 of the Regulations, and section 44 of the Act, in compliance with paragraph 146(16)(b) of the Tax Act.

Shortened Life Expectancy

17. If a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy, the Annuitant may withdraw money in the LIRA as a payment or series of payments.

Withdrawals

18. Subject to paragraphs 17 and 19 of this Addendum, no withdrawal, commutation or surrender of LIRA Assets is permitted during the lifetime of the Annuitant except under and in accordance with subsection 57(6) or section 44 of the Act. Any transaction in contravention of this paragraph is void.
19. The Annuitant may withdraw an amount from the LIRA if:
- (i) the amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part X.1 of the Tax Act by the taxpayer; and
 - (ii) notwithstanding section 20 of the Regulations, the Trustee establishes a sub-account of the LIRA, that is not a registered retirement savings plan, and the Annuitant deposits the amount withdrawn, net of applicable taxes under the Tax Act, into the sub-account.

No Assignment

20. The LIRA Assets shall not be assigned, charged, anticipated or given as security and are exempt from execution, seizure or attachment or other process of law, except in accordance with subsection 57(6) or section 44 of the Act. Any transaction in contravention of this paragraph is void.

Amendments

21. The Trustee may, from time to time, unilaterally and without other notice, amend this Addendum in order to bring it into compliance with the Act or other legislation in another jurisdiction and the Tax Act, provided that any amendment to this Addendum shall not be made:
- (i) that would result in a reduction of the benefits arising from the contract unless the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the money in the account in accordance with this Addendum and unless written notice is delivered to the Annuitant at least ninety days before the effective date on which the Annuitant may exercise the entitlement to transfer; and
 - (ii) unless the contract as amended remains in conformity with the Act and the Regulations. Notwithstanding the above, any and all amendments to this Addendum must be made with the concurrence of the authorities administering the Act and the Tax Act.

Interpretation

22. The provisions of this Addendum will take precedence over the provisions of the RSP Declaration of Trust in the case of conflicting or inconsistent provisions, provided however that the LIRA at all times complies with the conditions of registration under the Tax Act.
23. This Addendum shall be governed in accordance with the laws of the Province of New Brunswick and the federal laws of Canada applicable therein.
24. All references to any statute, regulations or any provision thereof shall mean such statute, regulations or any provision thereof as the same may be re-enacted or replaced from time to time.

IN WITNESS WHEREOF the parties have executed this Addendum and shall bind the Trustee, its agents and the Annuitant and their respective successors and assigns effective from the date of transfer of assets into the LIRA.

TO BE COMPLETED BY THE ANNUITANT YOUR CURRENT MARITAL STATUS: (This data is necessary in order to complete prescribed government forms.)

Single Married Common law Divorced Separated Widowed

AGF INVESTMENTS INC. AS AGENT FOR B2B TRUSTCO

Name of Annuitant (print): _____

Signature of Annuitant: _____ Date: _____

NEW BRUNSWICK LIF

B2B TRUSTCO

LIFE INCOME FUND FOR NEW-BRUNSWICK

ADDENDUM

SUPPLEMENTARY AGREEMENT ESTABLISHING A LIFE INCOME FUND UNDER THE B2B TRUSTCO RETIREMENT INCOME FUND

RECITALS:

- A. The Annuitant is entitled, pursuant to the *Pension Benefits Act* (New Brunswick) and the *New Brunswick Regulation 91-195*, to transfer the commuted value of pension entitlements he or she has accumulated under a pension plan governed by the provisions of the Act and the Regulation and registered under section 147.1 of the *Income Tax Act* (Canada) (the "Transfer");
- B. the Annuitant has established an B2B Trustco Retirement Income Fund and wishes same to receive the Transfer;
- C. the Transfer cannot be made unless the conditions herein are satisfied;
- D. the parties now wish to supplement the B2B Trustco Retirement Income Fund in order to comply with the requisite conditions.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

Definitions

1. For the purposes of this Addendum, "Tax Act" means the *Income Tax Act* (Canada) and the Regulations there under, "Act" means the *Pension Benefits Act* (New Brunswick) and "Regulations" means N.B. Reg. 91-195, all as amended from time to time.
2. For the purposes of this Addendum, the words "deferred pension", "former member", "member", "pension", "pension benefit" and "pension plan", "spouse" and "Superintendent" have the same meanings as are respectively given to these words in subsection 1(1) of the Act.
3. Notwithstanding anything to the contrary contained in the RIF Declaration of Trust and this Addendum, including any endorsements forming a part thereof, "spouse" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Tax Act respecting registered retirement income funds.

Contributions

4. The Annuitant acknowledges that all of the Benefits to be transferred to the LIF are pension benefits which are subject to the locking-in provisions of the Act.
5. Only money that is locked-in will be transferred to or held under the LIF.
6. No money may be transferred to the LIF except sums originating directly or indirectly from:
 - (i) the fund of a registered pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act;
 - (ii) a locked-in retirement account ("LIRA") registered as a retirement savings plan that conforms with the Act and the Regulations;
 - (iii) another life income fund registered as a retirement income fund that conforms with the Act and the Regulations; or
 - (iv) a life or deferred life annuity under a contract that conforms with the Act, the Regulations, and the Tax Act.

Differentiation Based on Sex

7. No LIF Assets shall be used to purchase a life or deferred life annuity that differentiates on the basis of sex unless the commuted value of the deferred pension transferred from the plan into the LIF was determined on transfer in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of sex.
8. If the information provided on the prescribed transfer form indicates that the commuted value of the Benefits transferred into the LIF was determined in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of sex, only money that is differentiated on the same basis may subsequently be transferred into the LIF.

Life Annuity

9. Subject to paragraph 22 of this Addendum, all Benefits, including investment earnings thereon (the “LIF Assets”), shall be administered as a life or deferred life annuity that conforms with section 23 of the Regulations.

Income from LIF

10. The fiscal year of the LIF ends at midnight on December 31 of each year and will not exceed twelve months.
11. The Annuitant will be paid an income, the amount of which may vary annually, commencing not later than the last day of the second fiscal year of the LIF. The amount paid will continue until the day on which the entire balance of the LIF is converted into a life annuity.
12. The Annuitant is to establish the amount of income to be paid at the beginning of each fiscal year and after the receipt of the information specified in paragraph 19 of this Addendum, except that if the Trustee guarantees the rate of return of the LIF over a period that is greater than one year and that ends at the end of a fiscal year, then the Annuitant may establish the amount of income to be paid during that period at the beginning of that period.
13. Subject to subsections 14, 15, 16, and 17, the amount of income payable under subsection (1) during a fiscal year of a life income fund shall not be more than “M” or less than “m”, where “M” and “m” are calculated using the following formulas:

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

and where

C = the balance of money in the fund on the first day of the fiscal year;

F = the value, on the first day of the fiscal year, of a guaranteed pension, the annual payment of which is one dollar payable on the first day of each fiscal year between the first day of the fiscal year and the thirty-first day of December, inclusive, of the year in which the owner attains the age of ninety years; and

H = the number of years between the first day of January of the year in which the calculation is made and the thirty-first day of December of the year in which the owner attains the age of ninety years, inclusive.

14. In calculating “m” for the first fiscal year of the LIF, “m” shall be equal to zero.
15. If the LIF Assets are derived from assets transferred directly or indirectly during the first fiscal year of the LIF from another life income fund of the Annuitant, “M” shall be equal to zero.
16. The value of “F” shall be established at the beginning of each fiscal year using:
 - (a) an interest rate of not more than 6% per year, or
 - (b) for the first fifteen years after the date of the valuation of the LIF, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the government of Canada for the month of November preceding the calendar year in which the calculation is made, as published in the Bank of Canada Review as CANSIM Series B14013 and using an interest rate not exceeding 6% in subsequent years.

17. If the amount of income payable to an Annuitant is established under paragraph 12 of this Addendum at intervals that are greater than one year,
 - (a) paragraphs 13, 14, 15 and 16 of this Addendum apply with the necessary modifications to the establishment of the amount of income payable in each fiscal year in the interval, and
 - (b) the amount shall be established at the beginning of the first fiscal year in the interval.
18. Notwithstanding any other provision of this Addendum, the Annuitant may request that the Superintendent approve the transfer of an amount from the LIF to a registered retirement income fund as defined in the Tax Act that is not a life income fund by filing with the Superintendent documentation in the form and manner prescribed by the Regulations, and the Superintendent shall approve the transfer if:
 - (a) an amount has never previously been transferred under this paragraph or under subsection 22(6.1) of the Regulations on behalf of the Annuitant, and
 - (b) the amount to be transferred is not greater than the maximum unlocking amount, where the maximum unlocking amount is the lesser of
 - (i) three times the amount of "M" as determined under paragraph 13, and
 - (ii) twenty-five per cent of the balance in the LIF on the first day of the fiscal year in which the transfer is to be made.

Information

19. At the beginning of each fiscal year, until the date on which all the money in the LIF is converted into a life annuity or a deferred life annuity or transferred to another retirement savings arrangement that conforms to the Act and the Regulations, or to similar legislation in another jurisdiction, the Trustee shall provide to the Annuitant a statement indicating the following information:
 - (a) the amount of money deposited, its source, the accumulated earnings of the LIF and the withdrawals from the LIF during the immediately preceding fiscal year;
 - (b) any fees deducted since the preparation of the previous such statement and the balance of money in the LIF at the beginning of each fiscal year;
 - (c) the maximum amount that may be paid to the Annuitant as income during the fiscal year; and
 - (d) the minimum amount that must be paid to the Annuitant as income during the fiscal year.
20. If the Annuitant dies before the purchase of a life annuity, the Trustee shall provide to the Annuitant's spouse, beneficiary, administrator or executor, as the case may be, a statement containing the information listed in subparagraphs 19(a) and (b) of this Addendum, determined as of the date of the Annuitant's death.
21. If the balance of the money in the LIF is converted to a life or deferred life annuity or transferred to another retirement savings arrangement that conforms to the Act and the Regulations or to similar legislation in another jurisdiction, the Trustee shall provide to the Annuitant a statement containing the information listed in subparagraphs 19(a) and (b) of this Addendum as of the date of the conversion or transfer.

Transfer from LIF

22. Prior to using the balance of the LIF to purchase an immediate life annuity contract, the Annuitant may transfer all or part of the balance of the LIF:
 - (a) to another life income fund registered as a retirement income fund on the relevant conditions specified in section 22 of the Regulations, provided that the minimum amount as defined under subsection 146.3(1) of the Tax Act is retained before transferring the balance of the LIF in accordance with paragraph 146.3(2)(e) of the Tax Act;
 - (b) for the purchase of a life annuity contract as stipulated in paragraph 60(l) of the Tax Act and that meets the requirements of section 23 of the Regulations;
 - (c) to a LIRA registered as a retirement savings plan on the relevant conditions specified in subsection 21(2) of the Regulations;
 - (d) to the fund of a pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction, and the Tax Act, where permitted by the terms of such pension plan; or
 - (e) to comply with section 27 to section 33 of the Regulations and paragraph 146.3(14)(b) of the Tax Act.

Such transfer shall occur no more than thirty days after the Annuitant's application for the transfer.

23. In the event of a transfer of LIF Assets, the Trustee shall ensure that the name of the financial institution to which the LIF Assets are being transferred is on the Superintendent's list of financial institutions as provided from time to time by the Superintendent of Pensions (New Brunswick), and that the prescribed transfer form is completed in accordance with the Regulations and is forwarded with the LIF Assets to the recipient financial institution.

Transferable Securities

24. Where the LIF holds identifiable and transferable securities, a transfer permitted by this Addendum may, unless otherwise stipulated and at the sole option of the Trustee, be effected by remittance of the investment securities of the LIF.

Life Annuity Contract

25. The Annuitant may, at any time, use all or part of the LIF Assets to purchase an immediate life annuity contract as stipulated in paragraph 60(l) of the Tax Act.
26. The Trustee hereby acknowledges that, where a balance in the LIF is to be used to purchase a life annuity contract, the pension to be provided to the Annuitant, other than a surviving spouse Annuitant, with a spouse at the date when the Annuitant commences the pension is to be such joint life pension as would, if the Annuitant were a former member, be in compliance with section 23 of the Regulations, unless the prescribed waiver form has been completed by the spouse.

Investment

27. The LIF Assets will be invested and reinvested in accordance with the provisions of the RIF Declaration of Trust, the Act, the Regulations and the Tax Act.

Death of Annuitant

28. Where the Annuitant dies before the purchase of an annuity, the LIF Assets shall be paid:
- (i) to the Annuitant's spouse;
 - (ii) where there is no surviving spouse, to the designated beneficiary; or
 - (iii) where there is no designated beneficiary, to the estate of the Annuitant.

Marriage Breakdown

29. Upon marriage breakdown, the LIF Assets shall be divided between the spouses on the basis prescribed under section 27 to 33 of the Regulations and section 44 of the Act, and in compliance with paragraph 146.3(14)(b) of the Tax Act.

Shortened Life Expectancy

30. If a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy, the Annuitant may withdraw money from the LIF as a payment or series of payments.

Withdrawals

31. Subject to paragraphs 30 and 32 of this Addendum, no withdrawal, commutation or surrender of the LIF Assets is permitted during the lifetime of the Annuitant except under and in accordance with subsection 57(6) or section 44 of the Act. Any transaction in contravention of this paragraph is void.
32. The Annuitant may withdraw an amount from the LIF if:
- (i) the amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part X.1 of the Tax Act by the taxpayer; and
 - (ii) notwithstanding section 20 of the Regulations, the Trustee establishes a sub-account of the LIF, that is not a registered retirement income fund, and the Annuitant deposits the amount withdrawn, net of applicable taxes under the Tax Act, into the sub-account.

No Assignment

33. The LIF Assets shall not be assigned, charged, anticipated or given as security, and are exempt from execution, seizure, attachment or other process of law, except in accordance with subsection 57(6) or section 44 of the Act. Any transaction in contravention of this paragraph is void.

Amendments

34. The Trustee may, from time to time, unilaterally and without other notice, amend this Addendum in order to bring it into compliance with the Act or other legislation in another jurisdiction and the Tax Act, provided that any amendment to this Addendum shall not be made:

- (i) that would result in a reduction of the benefits arising from the contract unless the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the money in the account in accordance with this Addendum and unless written notice is delivered to the Annuitant at least ninety days before the effective date on which the Annuitant may exercise the entitlement to transfer; and
- (ii) unless the contract as amended remains in conformity with the Act and the Regulations.

Notwithstanding the above, any and all amendments to this Addendum must be made the concurrence of the authorities administering the Act and the Tax Act.

Interpretation

35. The provisions of this Addendum will take precedence over the provisions in the RIF Declaration of Trust in the case of conflicting or inconsistent provisions, provided however that the LIF at all times complies with the conditions of registration under the Tax Act.

36. This Addendum shall be governed in accordance with the laws of the Province of New Brunswick and the federal laws of Canada applicable therein.

37. All references to any statute, regulations or any provision thereof shall mean such statute, regulations or any provision thereof as the same may be re-enacted or replaced from time to time.

IN WITNESS WHEREOF the parties hereto have read and executed this Addendum and shall bind the Trustee, its agents and the Annuitant and their respective successors and assigns effective from the date of transfer of assets into the LIF.

TO BE COMPLETED BY THE ANNUITANT:

YOUR CURRENT MARITAL STATUS: (This data is necessary in order to complete prescribed government forms.)

Single Married Common law Divorced Separated Widowed

AGF INVESTMENTS INC. AS AGENT FOR B2B TRUSTCO

Name of Annuitant (print): _____

Signature of Annuitant: _____ Date: _____

AGF Investments Inc.
55 Standish Court, Suite 1050
Mississauga, ON L5R 0G3

Toll Free: 1 800 268-8583
Web: AGF.com
E-mail: tiger@AGF.com

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