

AGF INVESTMENTS

LOCKED-IN ADDENDUM

NEW BRUNSWICK LIRA

NEW BRUNSWICK LIF

SUPPLEMENTARY AGREEMENT ESTABLISHING A LIFE INCOME FUND UNDER THE AGF RETIREMENT INCOME FUND

The Annuitant named in the Application Form has established the Plan with AGF Investments Inc. as agent for Computershare Trust Company of Canada as trustee and issuer, which has received funds originating from a registered pension plan governed by the provisions of the Act and regulations thereunder. In accordance with the Act, regulations and the declaration of trust governing the Plan and except as otherwise may be permitted or provided for under the Act and regulations from time to time, the following forms part of the terms and conditions applicable to the funds, which are binding upon the Annuitant and the Trustee and their respective successors and assigns effective from the time of the transfer of the funds to the Plan.

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**", "**designated jurisdiction**", "**member**", "**pension**", "**pension benefit**", "**pension plan**", and "**spouse**" 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 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 pension plan that conforms with the Act and the Regulations or similar legislation in another jurisdiction, if the Benefits are being transferred under section 36 of the Act or under a similar provision in legislation of another jurisdiction, and the Tax Act;
 - (ii) another locked-in retirement account registered as a retirement savings plan as defined in the Tax Act that conforms with the Act and the Regulations;
 - (iii) a life income fund ("**LIF**") registered as a retirement income fund as defined in the Tax Act 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.
7. Before accepting a transfer of Benefits into the LIRA under subparagraph 36(1)(a)(ii) or subsection 36(1.1) of the Act, the Trustee shall complete the appropriate section of the prescribed transfer form and shall ensure that the Annuitant and the administrator or current trustee, as applicable, have completed the appropriate portions of same in accordance with the Regulations.
8. 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 Annuitant's sex, only assets that are differentiated on the same basis may subsequently be transferred into the LIRA.

Life Annuity

9. Subject to the provisions of this Addendum, all Benefits, including investment earnings thereon (the "**LIRA Assets**"), in whole or in part, may be converted at any time only into 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.

Differentiation Based on Sex

10. No LIRA Assets shall be used to purchase a life or deferred life annuity that differentiates on the basis of the Annuitant's 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 the Annuitant's sex.

Joint Spousal Pension

11. 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 provided by the spouse on the prescribed form.

Transfers of LIRA Assets

12. No transfer of LIRA Assets is permitted except for a transfer to:
 - (i) another locked-in retirement account registered as a retirement savings plan as defined in the Tax Act that conforms with the Act and the Regulations;
 - (ii) 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) the pension fund of a pension plan that conforms with the Act and the Regulations or similar legislation in another jurisdiction, and the Tax Act, provided that if the pension plan is not registered in New Brunswick the pension plan is registered for persons employed in a designated jurisdiction and the Annuitant is employed in that jurisdiction by an employer who is making contributions on the Annuitant's behalf to the pension fund that is to receive the amount to be transferred;
 - (iv) to a LIF, registered as a retirement income fund that conforms with the Act, the Regulations, and the Tax Act.
 Such transfer of LIRA Assets shall occur no more than thirty days after the Annuitant's application for the transfer, provided that the term agreed to for the investment has expired.
13. 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 registered as the trustee of the locked-in retirement account, the pension plan or the LIF, as applicable, 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

14. 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 of the LIRA.

Withdrawal for Tax Purposes

15. 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 Annuitant; 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, less any amount required to be withheld by the Trustee under the Tax Act, into the sub-account.

Shortened Life Expectancy Withdrawal

16. The Annuitant may withdraw the LIRA Assets, in whole or in part, and receive a payment or series of payments where:
- (i) a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy; and
 - (ii) if the Annuitant has a spouse, the Annuitant delivers to the Trustee a completed spousal waiver in the prescribed form.

Unlocking of Small Pension Amounts

17. The Annuitant may withdraw the balance of the LIRA where:
- (i) the total assets held by the Annuitant in all locked-in retirement accounts, LIFs and life or deferred life annuities would be commutable upon termination of employment if they were held in a pension fund under a pension plan that permitted payments of the commuted value of the pension benefit in accordance with section 34 of the Act
 - (ii) the total of the pension adjustments reported to the Annuitant by the Canada Revenue Agency for the two taxation years immediately preceding the request for withdrawal is zero;
 - (iii) the Annuitant requests that the balance of the LIRA Assets be withdrawn by delivering the prescribed forms to the Trustee; and
 - (iv) the Trustee is satisfied, based upon the information in the prescribed forms and any other information provided, that the reported present distribution of assets transferred from pension funds connected with employment in New Brunswick is consistent with the amounts reported to have been transferred from such pension funds and the requested withdrawal is permitted under subsection 21(16) of the Regulations.

Unlocking of Assets Foreign Nationals

18. The Annuitant may withdraw the balance of the LIRA Assets where:
- (i) the Annuitant and the Annuitant's spouse, if any, are not Canadian citizens;
 - (ii) the Annuitant and the Annuitant's spouse, if any, are not resident in Canada for the purposes of the Tax Act; and
 - (iii) the Annuitant's spouse, if any, waives, on the prescribed form, any rights that the spouse may have in the account under the Act, the Regulations, or this Addendum.

Investment

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

Death of Annuitant

20. Where the Annuitant dies prior to the purchase of an annuity in accordance with paragraph 9 of this Addendum, 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

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

No Surrender

22. Subject to the provisions of this Addendum, the LIRA Assets shall not be commuted or surrendered during the lifetime of the Annuitant except under section 44 or subsection 57(6) of the Act. Any transaction in contravention of this paragraph is void.

No Assignment

23. 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 under subsection 57(6) or section 44 of the Act. Any transaction in contravention of this paragraph is void.

Amendments

24. 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.
25. Subject to paragraph 24, no amendment that would result in a reduction of the benefits arising from the Addendum shall be made unless:
- (i) the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the LIRA Assets in accordance with this Addendum;
 - (ii) 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
 - (iii) the Addendum, 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.

Declaration of Trust Affirmed

26. The Trustee hereby affirms the provisions contained in the RSP and this Addendum to take effect as of the date first written above.

Interpretation

27. The provisions of this Addendum will take precedence over the provisions of the RSP 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.
28. This Addendum shall be governed in accordance with the laws of the province of New Brunswick and the federal laws of Canada applicable therein.
29. All references to any statute, regulations or any provision thereof or any prescribed form shall mean such statute, regulations or any provision thereof, or prescribed form as the same may be re-enacted or replaced from time to time.

SUPPLEMENTARY AGREEMENT ESTABLISHING A LIFE INCOME FUND UNDER THE AGF RETIREMENT INCOME FUND

The Annuitant named in the Application Form has established the Fund with AGF Investments Inc. as agent for Computershare Trust Company of Canada as trustee and issuer, which has received funds originating from a registered pension plan governed by the provisions of the Act and regulations thereunder. In accordance with the Act, regulations and the declaration of trust governing the Fund and except as otherwise may be permitted or provided for under the Act and regulations from time to time, the following forms part of the terms and conditions applicable to the funds, which are binding upon the Annuitant and the Trustee and their respective successors and assigns effective from the time of the transfer of the funds to the Fund.

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", "designated jurisdiction", "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 RIF 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 pension plan that conforms with the Act and the Regulations, or similar legislation in another jurisdiction if the Benefits are being transferred under section 36 of the Act or under a similar provision in legislation of 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.
7. Before accepting a transfer of Benefits into the LIF under subparagraph 36(1)(a)(ii) or subsection 36(1.1) of the Act, the Trustee shall complete the appropriate section of the prescribed transfer form and shall ensure that the Annuitant and the administrator or current trustee, as applicable, have completed the appropriate portions of same in accordance with the Regulations.

Life Annuity

8. Subject to the provisions of this Addendum, all Benefits, including investment earnings thereon (the "LIF Assets"), in whole or in part, may be converted at any time only into a life or deferred life annuity that conforms with section 23 of the Regulations.

Differentiation Based on Sex

9. 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 the Annuitant's sex, only assets that are differentiated on the same basis may subsequently be transferred into the LIF.
10. 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.

Income from LIF

11. The fiscal year of the LIF ends at midnight on December 31 of each year and will not exceed twelve months.
12. 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.
13. The Annuitant will establish the amount of income to be paid at the beginning of each fiscal year of the LIF, or at intervals of greater than one year if the Trustee guarantees the rate of return of the LIF during each such interval and such intervals end at the end of a fiscal year of the LIF.
14. Subject to paragraphs 15, 16, & 17 of this Addendum, the amount of income paid during a fiscal year of the LIF will not be more than "M" or less than "m", where "M" and "m" are calculated using the following formulas:

$$M = \frac{C}{F}$$

and

$$m = \frac{C}{H}$$

and where

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

F = the value, on the first day of the fiscal year, of a guaranteed pension, the annual payment of which is 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 Annuitant 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 Annuitant attains the age of ninety years, inclusive.

15. The amount of income paid during a fiscal year will not be less than the minimum amount required to be paid under the Tax Act. In calculating "m" for the first fiscal year of the LIF, "m" shall be equal to zero.
16. 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.
17. The value of "F" shall be established at the beginning of each fiscal year using:
 - (i) an interest rate of not more than 6% per year, or

- (ii) 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.
18. If the amount of income payable to an Annuitant is established under paragraph 13 of this Addendum at intervals that are greater than one year,
- (i) paragraphs 14, 15, 16 and 17 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
 - (ii) the amount shall be established at the beginning of the first fiscal year in the interval.
19. 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:
- (i) 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
 - (ii) the amount to be transferred is not greater than the maximum unlocking amount, where the maximum unlocking amount is the lesser of
 - (a) three times the amount of "M" as determined under paragraph 14, and
 - (b) 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

20. At the beginning of each fiscal year, until the date on which all the LIF Assets are 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:
- (i) 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;
 - (ii) 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;
 - (iii) the maximum amount that may be paid to the Annuitant as income during the fiscal year; and
 - (iv) the minimum amount that must be paid to the Annuitant as income during the fiscal year.
21. 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 20(i) and (ii) of this Addendum, determined as of the date of the Annuitant's death.
22. If the LIF Assets are 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 20(i) and (ii) of this Addendum as of the date of the conversion or transfer.

Transfer from LIF

23. No transfer of LIF Assets is permitted except for a transfer to:
- (i) another life income fund registered as a retirement income fund as defined in the Tax Act that conforms with the Act and 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;
 - (ii) purchase of a life annuity contract as stipulated in subsection 60(l) of the Tax Act and that meets the requirements of section 23 of the Regulations;
 - (iii) to a LIRA registered as a retirement savings plan that conforms with the Act and the Regulations; or
 - (iii) to the pension fund of a pension plan that conforms with the Act and the Regulations or similar legislation in another jurisdiction, and the Tax Act, provided that if the pension plan is not registered in New Brunswick the pension plan is registered for persons employed in a designated jurisdiction and the Annuitant is employed in that jurisdiction by an employer who is making contributions on the Annuitant's behalf to the pension fund that is to receive the amount to be transferred.
- Such transfer shall occur no more than thirty days after the Annuitant's application for the transfer, provided that the terms agreed to for the investment has expired.
24. 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 registered as the trustee of the LIRA, pension plan or the locked-in income fund, as applicable, 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

25. 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

26. The Annuitant may, at any time, use all or part of the LIF Assets to purchase an immediate life annuity contract as stipulated in subsection 60(l) of the Tax Act.
27. 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

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

Death of Annuitant

29. Where the Annuitant dies prior to the purchase of annuity in accordance with paragraph 8 of this Addendum, the LIF 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

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

Withdrawal for Tax Purposes

31. 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.

Shortened Life Expectancy Withdrawal

32. The Annuitant may withdraw the LIF Assets, in whole or in part, and receive a payment or series of payments where:

- (i) a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy; and
- (ii) if the Annuitant has a spouse, the Annuitant delivers to the Trustee a completed spousal waiver in the prescribed form.

Unlocking of Assets Foreign Nationals

33. The Annuitant may withdraw the balance of the LIF Assets where:

- (i) the Annuitant and the Annuitant's spouse, if any, are not Canadian citizens;
- (ii) the Annuitant and the Annuitant's spouse, if any, are not resident in Canada for the purposes of the Tax Act; and
- (iii) the Annuitant's spouse, if any waives, on the prescribed form, any rights that the spouse may have in the account under the Act, the Regulations, or this Addendum.

No Surrender

34. Subject to the provisions of this Addendum, no 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.

No Assignment

35. 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

36. 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.
37. Subject to paragraph 38, no amendment that would result in a reduction of the benefits arising from this Addendum shall be made unless:
- (i) the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the LIF Assets in accordance with this Addendum;
 - (ii) 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
 - (iii) the Addendum, 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.

Declaration of Trust Affirmed

38. The Trustee hereby affirms the provisions contained in the RIF and this Addendum to take effect as of the date first written above.

Interpretation

39. The provisions of this Addendum will take precedence over the provisions in the RIF 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.
40. This Addendum shall be governed in accordance with the laws of the Province of New Brunswick and the federal laws of Canada applicable therein.
41. All references to any statute, regulations or any provision thereof or any prescribed form shall mean such statute, regulations or any provision thereof, or prescribed form as the same may be re-enacted or replaced from time to time.

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