

SUPPLEMENTARY AGREEMENT ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE NATCAN TRUST COMPANY RETIREMENT SAVINGS PLAN

RECITALS:

- A.** The Annuitant is entitled to transfer to the Account assets derived, directly or indirectly, from a pension plan governed by the provisions of the Act, or any other source acceptable under the Act and the Regulation (the “**Transfer**”);
- B.** The Annuitant has established a retirement savings plan with the Trustee Natcan Trust Company through the Agent National Bank of Canada and wishes same to receive the Transfer;
- C.** The parties now wish to supplement the Declaration with the provisions of this Agreement in order to comply with the requisite locking-in conditions. In the event of any conflict between the provisions of the Declaration and this Agreement, the provisions of this Agreement will prevail.

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

1. DEFINITIONS

- All terms not defined in this Agreement have the same meaning as in the Declaration, the Act or the Regulation. The terms below have the following meaning:
- a) “Account”** refers to the retirement savings plan established by the Declaration, as supplemented and modified by this Agreement establishing a LIRA that will hold the locked-in money and assets that are the subject of the Transfer;
- b) “Act”** means *The Pension Benefits Act, 1992* (Saskatchewan);
- c) “Declaration”** means the declaration of trust governing the Natcan Trust Company retirement savings plan;
- d) “Life annuity contract”** means a contract with an insurance business under which the insurance business guarantees the payment of a pension that is not commutable to the owner of a contract who attains at least:
- (i) the age of 55 years; or
  - (ii) where that owner provides evidence to the satisfaction of the issuer of the contract that the plan or any of the plans from which the assets were transferred provides for payment of the pension at an earlier age, that earlier age;
- and that, subject to subsection 29(6) of the Regulation, does not take into account the sex of the person and the co-annuitant, if any, in determining the amount of the pension;
- e) “Locked-in retirement account”** or “**LIRA**” means an RSP that meets the conditions set out in section 29 of the Regulation;
- f) “Prescribed RIF”** means a RIF that meets the conditions set out in section 29.1 of the Regulation;
- g) “Regulation”** means *The Pension Benefits Regulation, 1993* (Saskatchewan) adopted pursuant to the Act;
- h) “RIF”** means a retirement income fund within the meaning of the Tax Act that is registered under that Act;
- i) “RSP”** means a retirement savings plan within the meaning of the Tax Act that is registered under that Act;
- j) “Spouse”** has the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of the provisions of the Tax Act concerning RSP;
- k) “Tax Act”** means the *Income Tax Act* (Canada) and the regulations adopted thereunder;
- l) “Transfer”** means the transfer referred to in paragraph A of the Recitals hereto.
- 2. Locked-in assets:** Subject to the Act and the Regulation, all assets that are the subject of the Transfer, including investment earnings thereon and gains realized thereof, but excluding fees, charges, expenses and taxes charged to the Account, are locked in. No assets that are not locked-in may be transferred or otherwise held under the Account.
- 3. Permitted transfers:** No transfer out of the Account is permitted except:
- a)** to another LIRA;
  - b)** to purchase a Life annuity contract;
  - c)** to purchase a Prescribed RIF;
  - d)** to a plan on the conditions referred to in clause 32(2)(a) of the Act;
  - e)** to a pooled retirement savings account contract on the conditions set out in subsection 16(19) of *The Pooled Registered Pension Plans (Saskatchewan) Regulations*, provided that if the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets were transferred has a Spouse, no transfer may be made unless the Spouse waives his or her entitlement to a pension that complies with section 34 of the Act by delivering a written and signed waiver in Form 3 to the Trustee before the transfer;
  - f)** to a pooled retirement income account contract on the conditions set out in subsection 17(7) of *The Pooled Registered Pension Plans (Saskatchewan) Regulations*.
- Such transfer will be made after receipt by the Trustee of written instructions from the Annuitant to that effect, but will be conditional upon the Trustee being satisfied that the conditions for transfer set out at section 6 hereof are met. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee is released from any liability in connection therewith.
- 4. Permitted withdrawals:** No withdrawal, commutation or surrender of assets held under the Account is permitted, except in compliance with the Act or the Regulation such as in the following situations:
- a)** where a physician certifies that, due to mental or physical disability, the life expectancy of the Annuitant is shortened considerably, in which case the Annuitant may elect, subject to section 9 herein, to withdraw the assets held under the Account either by way of a lump sum or a series of payments;
  - b)** if the balance of the assets in the Account does not exceed 20% of the Year’s Maximum Pensionable Earnings in effect in the year in which the withdrawal occurs, in which case the Annuitant may withdraw the assets held in the Account as a lump sum. The Trustee will not permit a withdrawal pursuant to this subsection unless it is satisfied that the Annuitant has no other locked-in assets;
  - c)** if the Annuitant:
    - (i) is a non-resident of Canada as determined for the purposes of the Tax Act;
    - (ii) has not resided in Canada for at least two consecutive years;
    - (iii) provides the Trustee with written evidence that the Canada Revenue Agency has determined that he or she is a non-resident of Canada for the purposes of the Tax Act; and
    - (iv) completes and files with the Trustee a certificate of non residency in Form 4, in which case the Annuitant may withdraw the assets held in the Account as a lump sum.If the Annuitant has a Spouse, he or she must obtain the Spouse’s consent to withdrawal and waiver of entitlements in Form 5 and file a copy of the completed form with the Trustee.
- 5. Improper payments:** Should any money or assets held under the Account be paid out contrary to the Act or the Regulation, the Trustee will provide or ensure the provision of a pension in the amount of the pension that would have been provided had the assets not been paid out.
- 6. Conditions for transfer:** Before transferring out the locked-in assets pursuant to section 3 herein, the Trustee must advise the transferee in writing of the locked-in status of the assets and make acceptance of the transfer subject to the conditions provided for in section 29 of the Regulation. If the Trustee does not comply with the above conditions, and the transferee fails to pay the assets transferred in the form of a pension or in the manner required by the Regulation, the Trustee must provide or ensure the provision of a pension in an amount that would have been provided had the assets not been paid out or transferred contrary to the provisions of the Act or the Regulation.
- 7. Investments:** The assets held under the Account will be invested by the Trustee in the manner provided in the Declaration. All investments must comply with the rules set out in the Tax Act regarding investments in an RSP.

- 8. Restrictions:** The assets held under the Account may not be assigned, charged, alienated or anticipated and are exempted from execution, seizure or attachment, except to the extent provided by law. Any transaction purporting to assign, charge, alienate or anticipate the assets held under the Account is void.
- Unless otherwise provided by law, the Trustee may never be obliged to refund in advance the investments held under the Account for purposes of a permitted transfer, payment or withdrawal and may, at its entire discretion, either (i) delay the requested transfer, payment or withdrawal accordingly, or (ii) where investments consist of identifiable and transferable securities, effect the transfer, payment or withdrawal by the remittance of such securities.
- 9. Requirement form of pension:** The pension to be provided to the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets in the Account were transferred and has a Spouse at the date when the pension commences must comply with section 34 of the Act, unless the Spouse waives his or her entitlement in the manner prescribed by the Act and the Regulation and satisfactory evidence thereof is given to the Trustee.
- The pension to be provided to the Annuitant must be established in a manner that does not differentiate on the basis of the Annuitant’s sex, unless the Annuitant can provide to the Trustee satisfactory evidence that such differentiation would be allowed in the circumstances.
- 10. Compulsory transfer:** If, within 90 days before the end of the calendar year in which the Annuitant attains the maximum age prescribed under the Tax Act, the Trustee has not received the necessary instructions and documents from the Annuitant to effect the transfer of the assets held in the Account, the Trustee may, at its sole discretion, either purchase an immediate Life annuity contract or transfer the assets to a Prescribed RIF for the Annuitant.
- 11. Death of the Annuitant:** On the death of the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets were transferred:
- a)** the surviving Spouse is entitled to the locked-in assets in the Account.
  - b)** if there is no surviving Spouse, the designated beneficiary of the Annuitant is entitled to the locked-in assets in the Account, as a lump sum payment;
  - c)** if there is no surviving Spouse or designated beneficiary of the Annuitant, the estate of the Annuitant is entitled to the locked-in assets in the Account, as a lump sum payment; and
- The locked-in assets in the Account will be transferred to the surviving Spouse, the designated beneficiary or the estate of the Annuitant, as the case may be, in accordance with sections 12 to 15 of this Agreement and with subsections 4.1 to 4.5 of the Regulation.
- Such transfer will be effected after receipt by the Trustee of satisfactory evidence of the Annuitant’s death and of entitlement to the assets in the Account.
- 12. Survivor’s benefits:** If the surviving Spouse is entitled to the locked-in assets in the Account pursuant to paragraph 11a) of this Agreement, he or she may, within 180 days following the day on which proof of death of the Annuitant is provided to the Trustee, elect:
- a)** to transfer the locked-in assets in the Account in accordance with subsection 32(2) of the Act; or
  - b)** to receive a lump sum payment equal to the locked-in assets in the Account.
- 13. Survivor’s benefits (no surviving Spouse):** If the Annuitant who was a member of the plan or a member of the pooled registered pension plan from which the assets were transferred dies leaving no surviving Spouse, a lump sum payment equal to the locked-in assets in the Account to which a surviving Spouse would have been entitled pursuant to section 12 of this Agreement will be paid:
- a)** to the designated beneficiary of the Annuitant; or
  - b)** if there is no designated beneficiary, to the Annuitant’s estate.
- 14. Waiver of survivor’s benefit:** At any time before the Annuitant’s death, the Spouse:
- a)** may waive his or her entitlement pursuant to section 12 of this Agreement by delivering a written and signed waiver in Form 0.1 of the Appendix to the Regulation to the Trustee; and
  - b)** may revoke the waiver delivered pursuant to paragraph a) above by delivering a written and signed notice of revocation to the Trustee.
- 15. Survivor’s benefits (waiver in effect):** If a waiver pursuant to section 14 of this Agreement is in effect on the date of the Annuitant’s death, section 13 of this Agreement applies as if the Annuitant died leaving no surviving Spouse.
- 16. Spousal relationship breakdown:** Notwithstanding any contrary provision of this Agreement, the Account is subject, with any necessary modification, to the division on spousal relationship breakdown provisions in Part VI of the Act.
- 17. Enforcement of maintenance orders:** Notwithstanding any contrary provision of this Agreement, the locked-in assets in the Account is subject to attachment for purpose of enforcing a maintenance order as defined in *The Enforcement of Maintenance Orders Act*. Where an amount has been attached, the Trustee will deduct from the locked-in assets in the Account:
- a)** an amount, not to exceed \$250, that reasonably represents the cost to the Trustee of complying with the attachment;
  - b)** the total amount of taxes, if any, that are required to be deducted or withheld as a result of the attachment; and
  - c)** the lesser of (i) the amount attached; and (ii) the remainder of the locked-in assets in the Account.
- The Annuitant has then no further claim or entitlement to any pension respecting the amount attached and the Trustee is not liable to any person by reason of having made payment pursuant to an attachment.
- 18. Amendments:** The Trustee may amend this Agreement provided the amended Agreement remains compliant with the Act and the Regulation and with the Tax Act.
- 19. Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
- a)** The assets transferred herein pursuant to the Act and the Regulation are locked-in assets resulting directly or indirectly from the commuted value of the Annuitant’s pension entitlements; and
  - b)** The provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee is not liable for the consequences to the Annuitant of executing this Agreement nor for anything done in accordance with the provisions hereof.
- 20. Governing terms:** The money and assets which are the subject of the Transfer will be held by the Trustee in accordance with the terms of the Declaration and the provisions of this Agreement.
- 21. Governing law:** This Agreement is to be governed by and construed in accordance with the laws applicable in the Province of Saskatchewan.
- 22. Effective date:** This Agreement takes effect on the date of transfer of assets into the Account.