ADDENDUM TO A RETIREMENT INCOME FUND CONTRACT ("RIF")
FOR LOCKED-IN PENSION FUNDS TRANSFERS GOVERNED BY THE PENSION BENEFITS STANDARDS REGULATIONS, 1985 (Canada)
TO A RESTRICTED LIFE INCOME FUND (hereafter a "RLIF")

Upon receipt of locked-in money, LBC Trust (the "Trustee") declares as follows:

1. For the purposes of this Addendum, the word "Act" refers to the *Pension Benefits Standards Act 1985* (Canada) and the word "Regulations" refers to the *Pension Benefit Standards Regulations, 1985* under the Act, as amended from time to time.

2. Notwithstanding anything to the contrary contained in the RIF contract, including this Addendum forming a part thereof, "spouse" refers to a person who is recognized as spouse or common law partner for the purposes of any provision of the Income Tax Act (Canada) respecting a registered retirement income fund ("RRIF").

3. No money that is not locked-in will be transferred to or held under the RLIF.

4. The commuted value of the pension benefits transferred from the pension plan was determined

   ☐ on a unisex basis or on a distinct

   or

   ☐ on a distinct sex basis,

   and any immediate or deferred life annuity purchased with the RLIF must be determined on the same basis.

5. The Annuitant may, within 60 days after the establishment of the RLIF, apply for the transfer of 50% of the value of the RLIF to a retirement savings plan or a retirement income fund, if

   a) the Annuitant is at least 55 years of age when the RLIF is established; and

   b) that the RLIF is created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulations; and

   c) the Annuitant provides the Trustee with the Forms prescribed by the Regulations.

6. The Trustee affirms that the money in the RLIF, including all investment earnings, shall be invested in a manner that complies with the rules for the investment of money in a registered retirement income fund ("RRIF") pursuant to the Income Tax Act (Canada) and the regulations hereunder, and that no part of the money shall be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant or the spouse of any such person.

7. Except as provided for in subsection 25 (4) of the Act, the money in the RLIF may not be assigned, charged, alienated, anticipated or given as security and any transaction purporting to assign, alienate, anticipate or give the money as security is void.

8. The fiscal year of the RLIF must end on the 31st day of December and must not exceed 12 months.

9. Notwithstanding anything to the contrary contained in the RIF contract, only the age of the Annuitant may be used in the calculation of payments and in the interpretation of the RIF contract, Act, Regulation or this Addendum. Where any age-related requirements in the Income Tax Act (Canada) are amended, the age requirements herein shall be deemed to be amended to conform to the Income Tax Act (Canada).

10. The Annuitant shall be paid an income, the amount of which may vary annually. The Annuitant has to establish the amount of the income to be paid during each calendar year, at the beginning of that calendar year or at any other time agreed on by the Trustee. In the event that the Annuitant does not establish the amount to be paid then the minimum amount prescribed for RRIFs under the Income Tax Act (Canada) shall be paid.

11. The amount of income to be paid during a calendar year will not exceed "M", with that symbol being calculated in accordance with the following formula:

    a) M = C/F, where

       C = the balance of the money in the RLIF

       (i) at the beginning of the calendar year; or

       (ii) if the amount determined under (i) is zero, at the date that the initial amount was transferred into the RLIF; and

       F = is the value, at the beginning of the calendar year, of a pension benefit of which the annual payment is $1 payable on January 1 of each year between the beginning of the calendar year and December 31 of the year during which the Annuitant attains the age of 90 years is calculated using an interest rate that:

       i) in respect of the first 15 years after January 1 of the year in which the contract or arrangement was entered into, 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

       ii) in respect of any subsequent year, is no more than 6%.

    b) The amount of income paid out of the RLIF during a calendar year must not be less than the minimum amount prescribed for RRIFs under the *Income Tax Act* (Canada);

    c) For the calendar year in which the Annuitant reaches 90 years of age and for all subsequent calendar years, the amount of income paid out of the RLIF shall not exceed the value of the funds held in the RLIF immediately before the time of the payment.

    d) In the initial calendar year, the minimum amount to be paid is set at zero and the limit "M" is adjusted in proportion to the number of months in the calendar year divided by 12, with any part of an incomplete month counting as one month.

    e) If the money in the RLIF is derived from money transferred directly or indirectly during the calendar year of the RLIF from another restricted life income fund of the Annuitant, the amount of income to be paid deemed to be zero in respect of that part of the RLIF fund for that calendar year.

12. No withdrawal, commutation or surrender of money is permitted except in the following cases:

    a) The Annuitant may withdraw an amount, in a lump sum payment, the year the Annuitant reaches 55 years of age or in any subsequent calendar year, if

       i) The Annuitant certifies that the total value of all assets in all locked-in retirement savings plans ("LRSP"), LIF, and restricted locked-in savings plan ("RLSP") and RLIF that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulations is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and

       ii) The Annuitant provides the Trustee with the Forms prescribed by the Regulations.

    b) Subject to the conditions set out in subparagraphs 20.1 (1) m) (i) to (iii) of the Regulations, the Annuitant may withdraw in a calendar year an amount up to the lesser of:

       i) the amount determined by the formula set out in subsection 20 (1.1) of the Regulation; and

       ii) the result of 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar

year from any locked-in RSP and LIF under respectively the subparagraph 20 (1) d) or 20.1 (1) m) of the Regulation and any RLSP and RLIF under respectively the subparagraph 20.2(1)e) or 20.3(1) m) of the Regulation. A lump sum payment or a series of payments may be made to the Annuitant, where a physician certifies that due to a terminal illness or a mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably;

c) The Annuitant may, upon application under this paragraph, withdraw all the money in the RLIF, if

i) when the Annuitant signs the application he is a non-resident of Canada; and

ii) the application is made at least 24 months after his date of departure from Canada; and

iii) the Annuitant provides a written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the Income Tax Act (Canada).

13. Subject to paragraphs 14 and 16 hereof, prior to using the balance of the RLIF to purchase an immediate life annuity contract, the Annuitant may transfer, to the extent permitted by the Income Tax Act (Canada), all or part of the balance of the RLIF:

a) to another restricted life income fund; or

b) to purchase an immediate or deferred life annuity in accordance with subsection 60 (*l*) of the Income Tax Act (Canada) and compliant with the Act and Regulation; or

c) when the Annuitant satisfies the requirements of the Income Tax Act (Canada), to a restricted locked-in savings plan (“LRSP”).

14. The Trustee must retain the necessary funds to pay the minimum amount to the Annuitant for the transfer year as provided by the paragraph 146.3(2)(e.1) or (e.2), as applicable, of the Income Tax Act (Canada).

15. Subject to paragraph 16 hereof, on the death of the Annuitant, other than a surviving spouse annuitant, who has a spouse, the money in the Plan will be paid to the surviving spouse of the Annuitant by:

a) transferring the funds to another restricted life income fund or a life income fund;

b) using the funds to purchase an immediate or deferred life annuity in accordance with paragraph 60 (*l*) of the *Income Tax Act* (Canada) and compliant with the Act and Regulation; or

c) when the spouse satisfies the requirements of the Income Tax Act (Canada), transferring the funds to a locked-in retirement savings plan (“LRSP”) or to a restricted locked-in savings plan (“RLSP”) .

16. Before transferring money to another financial institution, the Trustee shall

a) advise the transferee financial institution in writing of the locked-in status of the money; and

b) obtain the transferee financial institution acceptance of the transfer subject to any conditions provided for in the Act and the Regulation.

17. In the case of a property transfer or an income payment made at the death of the Annuitant, the value of the RLIF shall be the fair market value of the property held in the LIF at the closure of the stock exchange on the day immediately preceding the transfer or the payment.

18. The Trustee hereby affirms the provisions contained in the RIF contract and that the conditions of this Addendum will take precedence over the provisions in the RIF contract in the case of conflicting or inconsistent provisions.

Name of Authorized Representative

Signature of Authorized Representative

Date

Name of Annuitant

Signature of Annuitant

Signature of spouse of Annuitant

Date