

**ADDENDUM TO THE CANACCORD GENUITY CORP. SELF-DIRECTED RETIREMENT INCOME FUND**

**THIS ADDENDUM** dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BETWEEN:**

\_\_\_\_\_  
(herein referred to as the "**Annuitant**")

**AND:**

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada and having an address at 510 Burrard Street, Vancouver, BC, V6C 3B9 (herein referred to as the "**Trustee**")

**WHEREAS** the Annuitant has established a Canaccord Genuity Corp. Self-Directed Retirement Income Fund specimen plan number **RIF-543** (the "**RIF**") and Annuitant Account number \_\_\_\_\_ with the Trustee under the relevant provisions of the Tax Act, as defined below;

**AND WHEREAS** the Annuitant has established by virtue of this Addendum a life income fund (the "**LIF**") as a registered retirement income fund under the Tax Act to receive certain benefits (the "**Benefits**");

**AND WHEREAS** the Trustee is willing to accept such transfer;

**NOW THEREFORE** this Addendum witnesseth, and the parties hereto agree for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 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 Standard Act*, 1985 (Canada) and "**Regulations**" means the Pension Benefits Standards Regulations, 1985, SOR/87-19, all as amended from time to time.
2. For the purposes of this Addendum, the words "**deferred life annuity**", "**financial institution**", "**immediate life annuity**", "**life income fund**", "**locked-in registered retirement savings plan**", "**restricted life income fund**" and "**restricted locked-in savings plan**" have the same meanings as are respectively given to these words in subsection 2(1) of the Regulations, and the words "**former member**", "**pension benefit**", "**pension benefit credit**", "**spouse**" and "**survivor**" have the same meanings as are respectively given to these words in subsection 2(1) of the Act.
3. For the purposes of this Addendum, "**YMPE**" has the same meaning as "**Year's Maximum Pensionable Earnings**" in the *Canada Pension Plan*, 1985 (Canada).
4. 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**

5. The Annuitant acknowledges that all of the Benefits are pension benefits which are subject to the locking-in provisions of the Act.
6. Only assets that are locked-in will be transferred to or held under the LIF.

**Differentiation Based on Sex**

7. Where a pension benefit credit transferred to the LIF was not varied according to the sex of the Annuitant, an immediate life annuity or a deferred life annuity purchased with funds from the LIF shall not differentiate as to sex.

**Life Annuity**

8. Subject to paragraphs 17, 24, 25, 26, and 27 of this Addendum, all Benefits, including investment earnings thereon, shall be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required or permitted by the Act and the Regulations.

**Income from LIF**

9. At the beginning of each calendar year, or at such other time as may be agreed to by the Annuitant and the Trustee, the Annuitant shall establish the amount of income to be paid from the LIF during that year.
10. The amount of income paid from the LIF during a calendar year will not be less than the minimum amount required to be paid under the Tax Act and, for any calendar year before the calendar year in which the Annuitant attains the age of 90 years, will not exceed the maximum amount ("**M**") allowed under the Act, with that symbol being calculated in accordance with the following formula:

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

where

**C** = the balance in the LIF at the beginning of the calendar year, or if the balance is zero at January 1, the balance at the date that the initial amount was transferred into the LIF, and

**F** = the value, as 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 in which the Annuitant attains the age of 90 years.

11. The value "F" in paragraph 10 of this Addendum will be calculated by using an interest rate that:
  - (a) for the first 15 years after January 1 of the year in which the LIF is valued, 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
  - (b) for any subsequent year, is not more than 6%.
12. For any calendar year in which the Annuitant attains the age of 90 years or greater, the amount of income paid from the LIF shall not exceed the value of the LIF immediately before the time of payment.
13. For the initial calendar year of the LIF, the minimum amount to be paid, as referred to in paragraph 10 of this Addendum, will be set at zero, and the limit "M" as determined under paragraph 10 or the maximum amount determined under paragraph 12 of this Addendum, as applicable, will be 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.
14. If part of the assets in the LIF are derived from assets transferred directly or indirectly during the first calendar year of the LIF from another life income fund of the Annuitant, the limit "M" as determined under paragraph 10 of this Addendum or the maximum amount determined under paragraph 12 of this Addendum, as applicable, will be deemed to be zero in respect of that part of the LIF for that calendar year, except to the extent that the Tax Act requires the payment of a higher amount.
15. If in any calendar year of the LIF, an additional transfer is made to the LIF and that additional transfer has never been under a LIF before, an additional withdrawal will be allowed in that calendar year.
16. The additional amount of withdrawal referred to in paragraph 15 of this Addendum will not exceed the maximum amount that would be calculated under this Addendum if the additional transfer were being transferred into a separate life income fund and not the LIF, with paragraph 13 of this Addendum applying.

#### **Transfer from LIF**

17. The Annuitant may transfer all or part of the balance of the LIF:
  - (a) to another life income fund or to a restricted life income fund on the relevant conditions specified in subsection 20.1(1)(g) of the Regulations, provided that the minimum amount as defined under subsection 146.3(1) of the Tax Act is retained or has been paid to the Annuitant before transferring the balance of the LIF in accordance with paragraph 146.3(2)(e.1) or (e.2) 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 20.1 of the Regulations; or
  - (c) to a locked-in registered retirement savings plan, prior to the 31st day of December in the year a retirement income must begin, as required under the Tax Act.
18. Before transferring assets to another financial institution, the Trustee will advise the transferee financial institution in writing of the locked-in status of the assets and the transferee financial institution shall confirm in writing that it will hold the transferred assets in accordance with the conditions provided for in section 20.1 of the Regulations.

#### **Life Annuity Contract**

19. Where a balance in the LIF is to be used to purchase a life annuity contract, the pension to be provided to the Annuitant with a spouse at the date when the pension commences is to be such joint life pension as would, if the Annuitant were a former member as defined by the Act, be in compliance with subsection 22(2) of the Act, unless the spouse waives the entitlement in accordance with subsection 22(5)(b) of the Act in the form and manner prescribed in Schedule II, Form 4 of the Regulations.

#### **Death of Annuitant**

20. On or within a period after the death of the Annuitant, the balance in the LIF shall be paid to the survivor of the Annuitant by:
  - (a) transferring the funds in the LIF to another life income fund or to a restricted life income fund;
  - (b) using the funds in the LIF to purchase an immediate life annuity or a deferred life annuity as stipulated in paragraph 60(l) of the Tax Act; or
  - (c) transferring the funds in the LIF to a locked-in registered retirement savings plan.
21. If there is no survivor, the balance of the LIF will be paid to the designated beneficiary or, if there is no valid designation of beneficiary, to the estate of the Annuitant.

#### **Valuation**

22. The method and factors used to establish the value of the LIF, including upon the death of the Annuitant or on the transfer of assets from the LIF, shall be as follows. The assets of the LIF shall be valued at their fair market value immediately prior to the valuation date. In order to determine fair market value, regard may be had to any comparable arm's length transactions that occur on the valuation date or within a reasonable time prior to the valuation date. Where possible, such arm's length transactions should involve a cash sale of assets of the same class or kind as those held by the LIF. If a comparison of this nature is not possible, then regard may be had to arm's length transactions that involve assets of a similar class or kind, with such modifications as the circumstances may require. If arm's length transactions involving assets of a similar class or kind are not available, then regard may be had to such other considerations as may reasonably be considered to be relevant, including, without limitation, the book value of the asset or the replacement cost of the asset.

#### **Transferable Securities**

23. Where the LIF holds identifiable and transferable securities, the transfer or purchase referred to in this Addendum may, unless otherwise stipulated, at the option of the Trustee and with the consent of the Annuitant, be effected by remittance of the investment securities of the LIF.

#### **Shortened Life Expectancy**

24. Where a physician certifies that, owing to a mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably, the funds in the LIF may be paid to the Annuitant in a lump sum.

### Small Balance Unlocking

25. In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the funds in the LIF may be paid to the Annuitant in a lump sum if:
- the Annuitant certifies that the total value of all assets in all locked-in registered retirement savings plans, life income funds, restricted locked-in savings plans and restricted life income funds that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by these Regulations is less than or equal to 50% of the YMPE; and
  - the Annuitant gives the Trustee an "Attestation(s) Regarding Spouse/Common-Law Partner" and an "Attestation of Total Amount Held in Federally Regulated Locked-In Plans", each in the form and manner prescribed in Schedule V, Forms 2 and 3 respectively, of the Regulations.

### Financial Hardship

26. The Annuitant may withdraw an amount from the LIF up to the lesser of the amount determined by the following formula:

**M + N**

Where

**M** = the total amount of the expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

**N** = the greater of zero and the amount determined by the formula

**P - Q**

Where

**P** = 50% of the YMPE, and

**Q** = two thirds of the Annuitant's total expected income for the calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under subsection 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulations

and

50% of the YMPE minus any amount withdrawn in the calendar year under subsection 20.1(1)(m) of the Regulations – from any life income fund – or under subsection 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulations,

- if the Annuitant certifies that he or she has not made a withdrawal in the calendar year under subsection 20.1(1)(m) of the Regulations – from any life income fund – or under subsection 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulations other than within the last 30 days before this certification;
- if, in the event that the value of "M" in this section is greater than zero,
  - the Annuitant certifies that he or she expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under subsection 20.1(1)(m) of the Regulations – from any life income fund – or under subsection 20(1)(d), 20.2(1)(e) or 20.3(1)(m) of the Regulations; and
  - a physician certifies that such medical or disability-related treatment or adaptive technology is required; and
- if the Annuitant gives the Trustee an "Attestation Regarding Withdrawal Based on Financial Hardship" and an "Attestation(s) Regarding Spouse/Common-Law Partner", each in the form and manner prescribed in Schedule V, Forms 1 and 2 respectively, of the Regulations.

### Non-residency

27. The funds in the LIF may be paid to the Annuitant if, according to information provided in a form and content satisfactory to the Trustee, the following conditions are met:
- the Annuitant is currently a non-resident of Canada;
  - the Annuitant has been a non-resident of Canada for at least two calendar years; and
  - the Annuitant has ceased employment with the employer who was contributing to the pension plan which gave rise to the locked-in pension benefit credits.

### Withdrawals

28. Subject to paragraphs 24, 25, 26, and 27 of this Addendum, no commutation or surrender of assets is permitted. Withdrawals are limited to those permitted under the Act and those required under the Tax Act.

### No Assignment

29. Subject to subsection 25(4) of the Act respecting distribution of pension benefits and pension benefits credits on divorce, annulment or separation, assets in the LIF may not be assigned, charged, alienated, anticipated or given as security and, subject to subsection 25(4) of the Act, any transaction purporting to assign, charge, alienate, anticipate or give as security assets in the LIF is void.

### Amendments

30. 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, the Regulations and the Tax Act.
31. The Trustee may, from time to time, at its discretion, make other amendments to this Addendum by giving ninety (90) days written notice to the Annuitant; provided, however, that any such amendments shall not have the effect of disqualifying the LIF as a registered retirement income fund within the meaning of the Tax Act. When the Annuitant has received from the Trustee a ninety (90) day written notice indicating the purpose of the amendment and the date to which the Annuitant's right of transfer may be exercised, the Annuitant may elect to transfer the balance of the LIF at any time before the effective date of the amendment.
32. 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.

**RIF Declaration of Trust Affirmed**

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

**Interpretation**

34. The provisions of this Addendum will take precedence over the provisions of 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.

35. This Addendum shall be governed, administered and enforced in accordance with the laws of Canada.

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

**Counterparts**

37. This Addendum may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one instrument.

**IN WITNESS WHEREOF** the parties have hereto have read and executed this Addendum as of the date first above written above 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.)

- |                          |            |                          |          |
|--------------------------|------------|--------------------------|----------|
| <input type="checkbox"/> | Single     | <input type="checkbox"/> | Married  |
| <input type="checkbox"/> | Common law | <input type="checkbox"/> | Divorced |
| <input type="checkbox"/> | Separated  | <input type="checkbox"/> | Widowed  |

\_\_\_\_\_  
**NAME OF ANNUITANT (PRINT)**

\_\_\_\_\_  
**SIGNATURE OF ANNUITANT**

**CANACCORD GENUITY CORP.** as agent for:  
**COMPUTERSHARE TRUST COMPANY OF CANADA**

per:\_\_\_\_\_

**TO BE COMPLETED BY THE TRANSFERRING INSTITUTION:**

UNLESS INDICATED BELOW\*, THE COMMUTED VALUE OF THE BENEFITS TRANSFERRED TO THE LIF GOVERNED BY THIS ADDENDUM WAS NOT DETERMINED IN A MANNER THAT DIFFERENTIATED ON THE BASIS OF SEX.

\_\_\_\_\_ \*(Check here)