

ADDENDUM FOR LOCKED-IN RETIREMENT ACCOUNT (LIRA)

Pursuant to the *Pension Benefits Act (Ontario)*

FIDELITY CLEARING CANADA ULC SELF-DIRECTED RETIREMENT SAVINGS PLAN CRA Specimen Plan No. 0667-001

Plan Issuer – TSX Trust Company

301- Adelaide Street West
Toronto, Ontario M5H 4H1

Acting through its Agent, Fidelity Clearing Canada ULC

1. **Legislation.** For the purposes of this Addendum, “Act” means the *Pension Benefits Act (Ontario)*; “Regulation” means Regulation 909/90 made under the Act; and “Tax Act” means the *Income Tax Act (Canada)* and the regulations made thereunder, as amended from time to time.
2. **Definitions.** All terms in this Addendum which are used in the Act or Regulation have the same meaning as under the Act or Regulation. “Plan” means the Fidelity Clearing Canada ULC Self-Directed Retirement Savings Plan. “Planholder” means the planholder or annuitant under the Declaration of Trust and application form in respect of the Plan.
3. **Spouse.** “Spouse” means either of two persons who:
 - (a) are married to each other, or
 - (b) are not married to each other and are living together in a conjugal relationship,
 - (i) continuously for a period of not less than three years, or
 - (ii) in a relationship of some permanence, if they are the parents of a child as set out in section 4 of the *Children’s Law Reform Act (Ontario)*.

For the purposes of any provision of the Tax Act respecting registered retirement savings plans, “Spouse” does not include any person who is not recognized as a spouse or common-law partner under the Tax Act.

4. **Transfers Into the Plan.** The Plan must be purchased using all or part of:
 - (a) the amount transferred under the applicable provisions of the Act; or
 - (b) the assets in a locked-in retirement account.
5. **Fiscal Year.** The fiscal year of the Plan shall end on December 31 of each calendar year and must not exceed 12 months.
6. **Transfers Out of the Plan.** The Planholder may transfer any or all of the assets in the Plan,
 - (a) to the pension fund of a pension plan required under the pension benefits legislation in any Canadian jurisdiction or to a pension plan provided by a government of Canada;
 - (b) to another locked-in retirement account;
 - (c) to a life income fund that is governed by Schedule 1.1 of the Regulation; or
 - (d) to purchase an immediate or deferred life annuity that meets the requirements of the Regulation.

The Plan Issuer shall make such a transfer within 30 days after the Planholder requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

If assets in the Plan consist of identifiable and transferable securities, the Plan Issuer may transfer the securities with the consent of the Planholder.

7. **Division.** The value of the assets in the Plan is subject to division in accordance with the terms of an order under the *Family Law Act (Ontario)*, a family arbitration award or a domestic contract.

An order under Part I (Family Property) of the *Family Law Act (Ontario)*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a Spouse or a former Spouse of the Planholder to the transfer of a lump sum that exceed 50% of the assets in the Plan, determined as of the family law valuation date.

8. **Subsequent Transfers.** The Plan Issuer shall not make a transfer under clause 6 of this Addendum except where,
 - (a) the transfer is permitted under the Act and the Regulation; and
 - (b) the transferee agrees to administer the amount transferred in accordance with the Act and the Regulation.

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The Plan Issuer will advise the transferee in writing that the amount transferred must be administered in accordance with the Act and the Regulation.

9. **Annuity Purchased.** An annuity purchased under clause 6(d) of this Addendum must not begin before the earlier of:
- (a) the earliest date on which the owner of the annuity would have been entitled as a former member to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred directly or indirectly into the Plan; or
 - (b) the earliest date on which the owner or the annuity would have been entitled as a former member to receive pension benefits under any pension plan described in paragraph (a) as a result of termination of employment or termination of membership in the plan.

Despite the foregoing, payments under the life annuity must begin no earlier than the date on which the owner reaches 55 years of age, if none of the money in the Plan used to purchase the annuity is desired, directly or indirectly, from a pension benefit provided in respect of the owner.

An immediate or deferred life annuity purchased under clause 6(d) of this Addendum, shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the Plan was determined in a manner that did not differentiate on the basis of sex.

For the purposes of the purchase of an immediate life annuity purchased under clause 6(d) of this Addendum, a determination as to whether the Planholder has a Spouse is to be made on the date the annuity is purchased. Payments under a life annuity purchased under clause 6(d) of this Addendum are subject to division in accordance with the terms of an order under the Family Law Act (Ontario), a family arbitration award or a domestic contract.

An order under Part 1 (Family Property) of the Family Law Act (Ontario), a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a Spouse or a former Spouse of the Planholder to a share that exceeds 50% of the payment under the life annuity, determined as of the family law valuation date.

10. **Withdrawal of Excess Amount.** In this clause, “excess amount” means the portion of the amount transferable under the applicable provision of the Act into the Plan that is greater than the amount prescribed for such a transfer under the Tax Act. If an excess amount has been transferred directly or indirectly into the Plan, the Planholder may, upon application in accordance with the Regulation on a form approved by the Superintendent that is given to the Plan Issuer, withdraw money from the Plan in an amount not greater than the sum of:
- (a) the excess amount; and
 - (b) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by the Plan Issuer.

The amount that may be withdrawn is calculated as of the date on which the Plan Issuer pays the amount to the Planholder from the Plan.

The application form must be signed by the Planholder and accompanied by one of the following documents:

- (c) a written statement from the administrator of the pension plan from which money was transferred into the Plan setting out the excess amount that was transferred into the Plan; or
- (d) a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the Plan.

The Plan Issuer is entitled to rely upon the information provided by the Planholder in the application under this clause. An application that meets the requirements of the Regulation constitutes authorization to the Plan Issuer to pay the amount to the Planholder from the Plan in accordance with the Regulation. The Plan Issuer is required to make the payment to which the Planholder is entitled within 30 days after the Plan Issuer receives the completed application form and accompanying documents.

11. **Application.** An application under clause 12, 13, 14 or 15 of this Addendum to withdraw money or transfer assets from the Plan must be made in a form approved by the Superintendent and must be given to the Plan Issuer.

The Plan Issuer is entitled to rely upon the information provided by the Planholder in the application to withdraw money or transfer assets from the Plan. An application that meets the requirements of the applicable clause in this Addendum and Schedule 3 of the Regulation constitutes authorization to the Plan Issuer to make the payment or transfer from the Plan in accordance with that clause of this Addendum and the Regulation.

The Plan Issuer is required to make the payment or transfer to which the Planholder is entitled under the applicable clause of this Addendum within 30 days after the Plan Issuer receives the completed application and the accompanying documents required by that clause of this Addendum and the Regulation.

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12. **Withdrawal for Small Amount.** The Planholder may, upon application, withdraw all of the money in the Plan or transfer the assets to a registered retirement savings plan or a registered retirement income fund if, when the Planholder signs the application, he or she is at least 55 years of age and the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40% of the Year's Maximum Pensionable Earnings for that calendar year.

The application form must be signed by the Planholder and be accompanied by one of the following documents:

- (a) A declaration described in clause 16 of this Addendum about a Spouse.
- (b) A statement signed by the Planholder attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder.

If assets in the Plan consist of identifiable and transferable securities, the Plan Issuer may transfer the securities with the consent of the Planholder.

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Planholder when he or she signs the application is to be determined using the most recent statement about each fund or account given to the Planholder. Each such statement must be dated within one year before the Planholder signs the application.

13. **Withdrawal for Shortened Life Expectancy.** The Planholder may, upon application, withdraw all or part of the money in the Plan if, when the Planholder signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

The application form must be signed by the Planholder and be accompanied by the following documents:

- (a) a statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, the Planholder has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years; and
- (b) either a declaration described in clause 16 of this Addendum about a Spouse or a statement signed by the Planholder attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder.

14. **Withdrawal for Non-Residency.** The Planholder may, upon application, withdraw all the money in the Plan, if:

- (a) when the Planholder signs the application, the Planholder is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Tax Act; and
- (b) the application is made at least 24 months after the Planholder's date of departure from Canada.

The application form must be signed by the Planholder and accompanied by the following documents:

- (c) a written determination from the Canada Revenue Agency that the Planholder is a non-resident for the purposes of the Tax Act; and
- (d) either a declaration described in clause 16 of this Addendum about a Spouse or a statement signed by the Planholder attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder.

15. **Withdrawal for Financial Hardship.** The Planholder may, upon application and in accordance with Schedule 3 to the Regulation, withdraw all or part of the money in the Plan, if the Plan Issuer is satisfied as to the existence of such circumstances of financial hardship as prescribed in sections 8.1, 8.2, 8.3 or 8.4 of Schedule 3 to the Regulation.

16. **Declaration About a Spouse and Receipt.** Any of the following documents constitutes a declaration about a Spouse for the purposes of a withdrawal or transfer from the Plan under clauses 12, 13, 14 and 15 of this Addendum:

- (a) A statement signed by the Spouse, if any, of the Planholder that the Spouse consents to the withdrawal or transfer from the Plan.
- (b) A statement signed by the Planholder attesting to the fact that the Planholder does not have a Spouse.
- (c) A statement signed by the Planholder attesting to the fact that the Planholder is living separate and apart from his or her Spouse on the date the Planholder signs the application to make the withdrawal or transfer from the Plan.

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If the Planholder is required to give a document to the Plan Issuer under clause 12, 13, 14 or 15 of this Addendum, the document is a nullity in the following circumstances:

- (d) If the document is one that must be signed by the Planholder or by his or her Spouse, it is a nullity if it is signed by either of them more than 60 days before the Plan Issuer receives it.
- (e) In any other case, it is a nullity if it is signed or dated more than 12 months before the Plan Issuer receives it.

When the Plan Issuer receives a document required under clause 12, 13, 14 or 15 of this Addendum, the Plan Issuer shall give the Planholder a receipt for the document stating the date on which it was received.

- 17. **No Commutation, Withdrawal, Surrender Except As Permitted.** The money in the Plan cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by the Act or the Regulation. Any transaction that contravenes this clause is void.
- 18. **No Assignment.** The Planholder agrees not to assign, charge, anticipate or give as security money in the Plan, except as required by an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract.
- 19. **Death of the Planholder.** Upon the death of the Planholder, the Planholder's Spouse or, if there is none or the Spouse is otherwise disentitled, the Planholder's named beneficiary or, if there is none, the Planholder's estate is entitled to receive a benefit equal to the value of the assets in the Plan. The benefit payable under this clause may be transferred to a registered retirement savings plan or a registered retirement income fund in accordance with the Tax Act. The value of the assets in the Plan includes all accumulated investment earnings and unrealized capital gains and losses of the Plan from the date of death of the Planholder until the date of payment.

A Spouse of the Planholder is not entitled to receive the value of the assets in the Plan unless the Planholder was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the Plan. A Spouse who is living separate and apart from the Planholder on the date of the Planholder's death is not entitled to receive the value of the assets in the Plan.

A determination as to whether the Planholder has a Spouse is to be made on the date of the Planholder's death.

A Spouse may waive his or her entitlement to receive the survivor's benefit under this clause by delivering to the Plan Issuer a written waiver in a form approved by the Superintendent. A Spouse may cancel the waiver by delivering a written and signed notice of cancellation to the Plan Issuer before the date of death of the Planholder.

- 20. **Information to be Provided by Plan Issuer.** At the beginning of each fiscal year, the Plan Issuer must provide the following information to the Planholder:
 - (a) With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the Plan, the withdrawals taken out of the Plan and the fees charged against the Plan.
 - (b) The value of the assets in the Plan as of the beginning of the fiscal year.

If the assets in the Plan are transferred as described in clause 6 of this Addendum, the Planholder must be given the information determined as of the date of transfer.

Upon the death of the Planholder, the person entitled to receive the assets in the Plan must be given the information determined as of the date of the Planholder's death.

- 21. **Investment.** The assets in the Plan shall be invested and re-invested by the Planholder as provided in the Declaration of Trust in respect of the Plan.
- 22. **Valuation.** For determining the value of the assets in the Plan on a particular date (including on the death of the Planholder and on the transfer of assets from the Plan) (a "Valuation Date"), the assets in the Plan shall be valued at their fair market value immediately prior to the Valuation Date. The fair market value shall be determined as follows:
 - (a) by using information of arm's length transactions involving a cash sale of assets of the same classes or kinds as those in the Plan that occurred on the date immediately prior to the Valuation Date or within a reasonable time prior to the Valuation Date; or
 - (b) if the information under paragraph (a) is not available, by using information of arm's length transactions involving a cash sale of assets of similar classes or kinds as those in the Plan that occurred on the date immediately prior to the Valuation Date or within a reasonable time prior to the Valuation Date; or
 - (c) if the information under paragraphs (a) and (b) is not available, by using such other reasonably relevant information such as the book value of the assets in the Plan.

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23. **Amendment.** The Plan Issuer agrees not to amend this Addendum except as provided in this clause.
- (a) The Plan Issuer must give the Planholder at least 90 days' notice of a proposed amendment, other than an amendment under paragraph (b) of this clause.
 - (b) The Plan Issuer must not amend this Addendum if the amendment would result in a reduction in the Planholder's rights under this Plan unless,
 - (i) the Plan Issuer is required by law to make the amendment; and
 - (ii) the Planholder is entitled to transfer the assets in the Plan under the terms of the Plan that exist before the amendment is made.

When making an amendment described in this paragraph (b), the Plan Issuer must notify the Planholder of the nature of the amendment and allow the Planholder at least 90 days after the notice is given to transfer all or part of the assets in the Plan.

- (c) Notices under this clause 23 must be in writing and must be sent to the Planholder's address as set out in the records of the Plan Issuer.
24. **Conflict.** If there is a conflict between the Act or the Regulation and a provision in this Addendum, the Act or Regulation will prevail.

To be completed by the transferor institution:

Determination of Commuted Value on the Basis of Sex. Was the commuted value of the pension benefit that was transferred into the Plan determined in a manner that differentiated on the basis of sex?
YES **NO**