

**ADDENDUM FOR LOCKED-IN RETIREMENT INCOME FUND (LRIF)**  
**Pursuant to the *Pension Benefits Act, 1997* (Newfoundland & Labrador)**

**FIDELITY CLEARING CANADA ULC SELF-DIRECTED RETIREMENT INCOME FUND CRA Specimen Plan No. 1735**

**Plan Issuer – TSX Trust Company**

301-100 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, 1997* (Newfoundland & Labrador) and “Regulation” means the *Pension Benefits Act Regulations* made under the Act; “Directive” means the *Directives* of the Superintendent; “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, Regulation or Directives have the same meaning as under the Act, Regulation or Directives. “Plan” means the Fidelity Clearing Canada ULC Self-Directed Retirement Income Fund. “Planholder” means the planholder or annuitant under the declaration of trust and application form in respect of the Plan.
3. **Spouse, Cohabiting Partner and Principal Beneficiary.** “Spouse” means a person who:
  - (a) is married to the Planholder,
  - (b) is married to the Planholder by a marriage that is voidable and has not been voided by a judgment of nullity, or
  - (c) has gone through a form of a marriage with the Planholder, in good faith, that is void and is cohabiting or has cohabited with the Planholder within the preceding year.

“Cohabiting Partner” means a person who:

- (d) in relation to a Planholder who has a Spouse, is not the Spouse of the Planholder who has cohabited continuously with the Planholder in a conjugal relationship for not less than 3 years, or
- (e) in relation to a Planholder who does not have a Spouse, has cohabited continuously with the Planholder in a conjugal relationship for not less than 1 year and is cohabiting or has cohabited with the Planholder within the preceding year.

“Principal Beneficiary” means the Spouse of a Planholder or where the Planholder has a Cohabiting Partner, the Planholder’s Cohabiting Partner.

For the purposes of any provision of the Tax Act respecting registered retirement income funds, “Spouse”, “Cohabiting Partner” and “Principal Beneficiary” do not include any person who is not recognized as a spouse or common-law partner under the Tax Act.

4. **Valuation.** For determining the value of the assets in the Plan on a particular date (including on the death of the Planholder, on the transfer of assets from the Plan or for establishing a life annuity contract) (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.

5. **Who May be a Planholder – Consent of Principal Beneficiary.** The following persons may become a Planholder under the Plan with this Addendum:

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- (a) a member or former member of the pension plan who has obtained the written consent of his or her Principal Beneficiary, if any; or
- (b) the Principal Beneficiary or former Principal Beneficiary of a member or former member if the Principal Beneficiary or former Principal Beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown.

6. **Transfers Out of the Plan.** The Planholder may transfer any or all of the assets in the Plan:

- (a) to another Locked-in Retirement Income Fund;
- (b) to a Life Income Fund ;
- (c) to purchase an immediate life annuity that meets the requirements of the Superintendent; or
- (d) before the December 31<sup>st</sup> of the year in which the Planholder reaches 71 years of age, to a Locked-In Retirement Account.

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

7. **Investment.** The money in the Plan shall be invested and re-invested by the Planholder as provided in the Declaration of Trust in respect of the Plan.

8. **Fiscal Year of Plan.** The fiscal year of the Plan ends on December 31 of each year and must not exceed 12 months.

9. **Payment Out of the Plan.** Payment out of the Plan must not begin before the earlier of age 55 or the earliest date on which the member could receive a pension benefit under the Act or the originating pension plan from which the money was transferred and must not begin later than the last day of the second fiscal year.

10. **Amount of Payments.** The Planholder must notify the Plan Issuer the amount to be paid out of the Plan for a year, either at the beginning of the fiscal year of the Plan or at another time agreed to by the Plan Issuer and the decision expires at the end of the fiscal year to which it relates. If the Planholder does not decide the amount to be paid for a year, the minimum amount determined under clause 11 shall be deemed to be the amount paid.

11. **Amount of Annual Income.** The amount of income paid out of the Plan during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds under the Tax Act and must not exceed "maximum", being the greatest of:

- (a) the income, gains and losses earned from the time the Plan was established to the end of the most recently completed fiscal year and, with respect to any money in the Plan that is derived directly from money transferred from a LIF, the income, gains and losses earned in the final complete fiscal year of the LIF under the LIF, less the sum of all income paid to the Planholder from the Plan;
- (b) the income, gains and losses earned in the immediately previous fiscal year, and
- (c) if the payment is being made in the fiscal year in which the Plan was established or in the fiscal year immediately following its establishment, 6% of the fair market value of the Plan at the beginning of that fiscal year.

12. **Additional Temporary Income.** Subject to clause 13 of this Addendum, the Planholder is entitled to receive additional temporary income where:

- (a) the total pension income received by the Planholder for the calendar year in which the application is made, calculated as "B" under clause 13 of this Addendum, is less than 40% of the year's maximum pensionable earnings (YMPE) under the *Canada Pension Plan* (CPP) for the calendar year in which the application is made; and
- (b) the Planholder has not reached his or her 65<sup>th</sup> birthday at the beginning of the fiscal year in which he or she makes application for additional temporary income.

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13. **Amount of Additional Temporary Income.** The amount of the additional temporary income paid out of the Plan in a fiscal year must not exceed the “maximum” in the following formula:

$$\text{Maximum Temporary Income} = \mathbf{A} - \mathbf{B}$$

in which

- A** = 40% of the YMPE under the CPP for the calendar year in which an application is made.
- B** = the total pension income to be received by the Planholder from all LIFs, LRIFs, Life Annuities and pension plans governed by the Act or established by or governed by an Act of Canada or a Province, except income from a pension under the CPP.

14. **Application for Additional Temporary Income.** An application for additional temporary income under clause 12 of this Addendum shall be:

- (a) on a form approved by the Superintendent,
- (b) where the Planholder is a former member of a pension plan, accompanied by the written consent of the Planholder’s Principal Beneficiary, and
- (c) submitted to the Plan Issuer at the beginning of the fiscal year of the Plan, unless otherwise permitted by the Plan Issuer.

15. **Initial Year.** For the initial year of the Plan, the “maximum” in clauses 11 and 13 of this Addendum shall be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month.

16. **Maximum Where Sums Transferred from Another LIF or LRIF.** If a part of the Plan at the beginning of a fiscal year corresponds to sums transferred directly or indirectly during the same year from another locked-in retirement income fund or a life income fund of the Planholder, the “maximum” in clauses 11 and 13 of this Addendum shall be deemed to be zero.

17. **Withdrawal for Shortened Life Expectancy.** The Planholder may withdraw money in the Plan as a lump sum or series of payments if a medical practitioner certifies that due to mental or physical disability the life expectancy of the Planholder is likely to be shortened considerably. But where the Planholder is a former member of a pension plan, such payment may only be made if the Principal Beneficiary of the Planholder has waived the joint and survivor pension entitlement in a form and manner provided by the Superintendent.

18. **Withdrawal for Small Amount.** The Planholder may withdraw the value of the entire Plan as a lump sum payment on application by the Planholder to the Plan Issuer for payment if, at the time the Planholder signs the application,

- (a) the Planholder has reached the earlier of age 55 or the earliest date on which the Planholder would have been entitled to receive a pension benefit under the plan from which money was transferred; and
- (b) the value of all assets in all LIFs, LRIFs and LIRAs owned by him or her and governed by the Act is less than 40% of the YMPE under the CPP for that calendar year.

An application under this clause shall be on a form approved by the Superintendent and, where the Planholder is a former member of a pension plan, accompanied by a waiver of the Principal Beneficiary of joint and survivor pension entitlement, in the form and manner required by the Superintendent.

19. **No Assignment.** The Planholder agrees not to assign, charge, anticipate or give as security money payable under the Plan.

20. **Death of Planholder.** On the death of a former member who has a Principal Beneficiary, the surviving Principal Beneficiary, or where there is no surviving Principal Beneficiary or the surviving Principal Beneficiary has waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no

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designated beneficiary, the estate of the member or former member is entitled to receive the full value of the Plan as a lump sum payment.

Where the Planholder is not a former member, the full value of the Plan shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the Planholder's estate.

21. **Securities.** If the assets in the Plan consist of identifiable and transferable securities, the Plan Issuer may transfer the securities with the consent of the Planholder.
22. **Information to be Provided.** At the beginning of each fiscal year, the following information must be provided by the Plan Issuer to the Planholder:
- (a) the sums deposited, the accumulated earnings, the payments made out of the Plan and the fees and charged against the Plan during the previous fiscal year;
  - (b) the balance in the Plan;
  - (c) the minimum amount that must be paid out of the Plan to the Planholder during the current fiscal year; and
  - (d) the maximum amount that may be paid out of the Plan to the Planholder during the current fiscal year.

If the balance of the Plan is transferred as described in clause 6 of this Addendum, the Planholder must be provided with the information described in paragraph (a) to (d) above determined as of the date of transfer. If the Planholder dies, the person entitled to receive the balance in the Plan must be provided with the information described in paragraphs (a) to (d) above determined as of the date of the Planholder's death.

23. **Amendment.** Subject to the second paragraph below, the Plan Issuer shall not amend this Addendum except where the Plan Issuer has given the Planholder at least 90 days' notice of a proposed amendment.

An amendment that would result in a reduction of the Planholder's benefits under the Plan is permitted only where

- (a) the Plan Issuer is required by law to make the amendment; and
- (b) the Planholder is entitled to transfer the balance in the Plan under the terms of the Plan that existed before the amendment is made.

When making an amendment under the 2<sup>nd</sup> paragraph above, the Plan Issuer shall,

- (c) notify the Planholder of the nature of the amendment; and
- (d) allow the Planholder at least 90 days after the notice is given to transfer all or part of the balance in the Plan.

Notice of amendment must be sent by registered mail 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 or Directive No. 17 and a provision in this Addendum, the Act, the Regulation or Directive No. 17 will prevail.