

Addendum

Addendum for Quebec LIRAs

This Addendum sets out further provisions that apply to LIRAs which are subject to the *Supplemental Pension Plans Act* of the province of Quebec (the "Act").

This Addendum forms a part of the main LIRA Agreement to which it is attached. In the case of any inconsistency between the main LIRA Agreement and this Addendum, this Addendum shall prevail in all cases.

1. Sources of Funds

The only amounts that may be transferred into your Scotia Self-Directed LIRA are those sums which originate either directly or initially from:

- (a) The fund of a registered pension plan governed by the Act;
- (b) a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
- (c) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
- (d) a LIF;
- (e) an annuity contract referred to in section 30 of the regulations to the Act;
- (f) another LIRA; or
- (g) the locked-in account of a voluntary retirement savings plan ("VRSP") governed by the Quebec Voluntary Retirement Savings Plans Act ("VRSP Act") or an equivalent VRSP emanating from a legislative authority other than the Parliament of Québec, provided the member joins that plan as part of his employment.

2. Life Annuity

With the exception of the matters listed in sections 3, 8 and 9 of this Addendum, the balance in your Scotia Self-Directed LIRA can only be converted into a life annuity guaranteed by an insurer and established for your life or, if applicable, for your life and that of your spouse. The periodic payments made out of the life annuity must be equal, annual or more frequent periodic payments, unless each amount paid is

- (a) uniformly increased by reason of an index or a rate provided for in the annuity contract which satisfies the requirements of subparagraph 146 (3)(b)(iii) to (v) of the Tax Act; or
- (b) uniformly adjusted by reason of
 - (i) a seizure effected on your benefits,
 - (ii) a redetermination of your pension,
 - (iii) the partition of your benefits with your spouse, or
 - (iv) the election provided for in subparagraph 3 of the first paragraph of section 93 of the Act.

3. Estate Matters

Should you die before the conversion of the balance of your Scotia Self-Directed LIRA into a pension, the balance in your LIRA will be paid to your spouse or, failing that, to your successors. The provisions of this section do not apply, if you are not a member or former member of the pension plan from which the sums in the Scotia Self-Directed LIRA directly or indirectly originated.

4. Entitlement of Spouse

The balance in your Scotia Self-Directed LIRA may not be converted into a life annuity guaranteed by an insurer unless, upon your death, a life pension equal to at least sixty percent (60%) of the amount of the pension to which you would have been entitled before your death is granted to your spouse, unless your spouse has waived this right. The provisions of this section do not apply, if you are not a member or former member of the pension plan from which the sums in the Scotia Self-Directed LIRA directly or indirectly originated.

5. Spousal Waivers

Your spouse may, by giving us written notice, waive his or her right to receive the payment provided for in section 3 of this Addendum or the pension provided for in section 4 of this Addendum and may revoke such a waiver by giving us written notice to that effect before your death, in the case referred to in section 3 of this Addendum or, in the case referred to in section 4 of this Addendum, the date of

conversion, in whole or in part, of the balance in your Scotia Self-Directed LIRA to a life annuity.

6. Relationship Breakdown

Your spouse ceases to be entitled to the benefits set out in sections 3 and 4 of this Addendum upon separation from bed and board, divorce, nullity of marriage, nullity or dissolution of a civil union or, in the case of a spouse who is not a married or civil union spouse, upon cessation of the conjugal relationship, except as otherwise provided for in section 89 of the Act.

7. Seizure For A Support Debt

The seizable portion of the balance of your Scotia Self-Directed LIRA may be paid in a lump sum in execution of a judgment rendered in favour of your spouse that gives entitlement to a seizure for unpaid alimony.

8. Transfers

Before the conversion of the total balance in your Scotia Self-Directed LIRA to a life annuity, you may transfer all or part of the balance of the LIRA to any of the contracts listed in paragraphs 1(a) to (g) of this Addendum, unless the agreed to term of the investments in the LIRA has not yet expired.

9. Withdrawals

You may make the following withdrawals from your Scotia Self-Directed LIRA:

- (a) You may withdraw all or part of the balance of the Scotia Self-Directed LIRA and receive a lump sum payment or a series of payments where a physician certifies that due to a physical or mental disability your life expectancy is reduced.
- (b) Provided that the agreed to term of the investments has expired and that you have not resided in Canada for at least two years, you may request that the total balance of your Scotia Self-Directed LIRA be paid to you in a lump sum.
- (c) You may apply for a lump sum payment equal to the entire value of your Scotia Self-Directed LIRA, if
 - (i) your application is accompanied with a declaration in the prescribed form,
 - (ii) you are at least 65 years of age at the end of the year preceding the application, and
 - (iii) the total of the sums in all the retirement savings instruments referred to in Schedule 0.2 does not exceed 40% of the Maximum Pensionable Earnings, calculated in accordance with the *Act respecting the Quebec Pension Plan*, for the year in which you apply for payment.

10. Responsibility

Where an amount is paid out of your Scotia Self-Directed LIRA contrary to the terms of this Agreement or the applicable pension legislation, you may, unless the payment is attributable to a false declaration which you have made, require that we pay you, as a penalty, a sum equal to the irregular payment.

11. Amendments

We will not amend this Agreement in a manner that would entail a reduction of the benefits payable under it, unless we allow you, prior to the date of the amendment, to transfer the balance of your Scotia Self-Directed LIRA as permitted by this Agreement. We will give you a notice, at least ninety (90) days prior to the effective date of the amendment, which will indicate the nature of the amendment and the date before which you can transfer the assets in your Scotia Self-Directed LIRA.

We will not, except to fulfill the requirements of the law, make any amendments to this Agreement, other than those provided for in this section, without giving you prior notice.

We may amend this Agreement only to the extent that it remains in conformity with the standard contract which has been filed with *Retraite Québec*.

12. Transfer of Investment Securities

The transfers referred to in section 8 of this Addendum may, at your option and unless otherwise stipulated, be effected by the remittance of the investment securities in your Scotia Self-Directed LIRA.