

RE: Québec LIRA Addendum

We are pleased to provide you with this Locking-In Supplement which forms part of the Mackenzie Investments Multi-Plan Application and the Mackenzie Retirement Savings Plan Declaration of Trust. This Locking-In Supplement contains additional provisions that govern your Locked-In Retirement Account (LIRA).

We ask that you review this Locking-In Supplement and keep this copy for your records.

If you have any questions regarding this Locking-In Supplement, please contact your Financial Advisor or Client Relations at 1-800-387-0614.

Thank you for continuing to make Mackenzie Investments a part of your long-term investment plan.

Sincerely,

MACKENZIE INVESTMENTS

Addendum

Establishing the LIRA

Definitions

1. A "Multi-Plan Application" refers to the application and Mackenzie Retirement Savings Plan Declaration of Trust or Mackenzie Retirement Income Fund Declaration of Trust as applicable, contained in the Multi-Plan Application.
2. This Addendum shall form part of the Multi-Plan Application. The provisions of this Addendum shall take precedence over any provisions to the contrary contained in the Multi-Plan Application, so long as those provisions do not contravene the *Income Tax Act* (Canada).
3. The term "Registered Retirement Savings Plan" ("RRSP"), where used in this Addendum, shall have the same meaning as in the *Income Tax Act* (Canada).
4. "Legislation" shall mean:
 - a. "legislation governing an RRSP and a RRF", which shall mean
 - i. the *Income Tax Act* (Canada);
 - ii. the Taxation Act (Québec); and
 - b. "legislation concerning the Account", which shall mean:
 - i. the Supplemental Pension Plans Act (the "Act");
 - ii. the Regulation respecting supplemental pension plans ("the Regulation").
5. A "Quebec LIRA" refers to a Locked-in Retirement Account governed by the Act and the Regulation that is also an RRSP, and will hereafter be referred to in this Addendum as "the LIRA" or "the Account".
6. The Annuitant (hereinafter referred to as the "Purchaser") under the LIRA, hereby transfers money and other property to B2B Trustco. (the "Trustee"), which agrees to act as trustee of the trust created hereunder. The Trustee's Head Office is located 199 Bay Street, Suite 600, PO Box 279 STN Commerce Court, Toronto, Ontario M5L 0A2.
7. The following terms, where used in this Addendum, shall have the same meaning as in the Legislation concerning the Account, as applicable:
 - a. "Life Income Fund" ("LIF");
 - b. "Locked-In Retirement Account" ("LIRA"); and
 - c. "Spouse".
8. Notwithstanding anything to the contrary contained in this Addendum, the term "Spouse" does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).
9. "Maximum pensionable earnings" ("MPE") for a year shall mean the maximum pension earnings determined in accordance with the Act respecting the Quebec Pension Plan for that year.
10. In addition to the restrictions set out in this Addendum, the investments in the LIRA shall be governed by, and in accordance with, the investment provisions of the RRSP.
11. On or before December 31st in the year in which the Purchaser reaches the age of 71, or such other age as is required by legislation, the Account will accept for investments only sums that originate, directly or initially from:
 - a. a registered pension plan governed by the Act;
 - b. 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;
 - c. a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
 - d. the locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act* (c. R-17.0.1) or successor legislation;
 - e. the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the Purchaser joins that plan as part of his employment;
 - f. a LIF;
 - g. a LIRA; or
 - h. an annuity contract as defined in Section 30 of the Regulation.
12. The Assets may not be assigned, transferred or withdrawn except where expressly authorized by legislation.
13. This Account will not provide any advantage (other than a benefit or an amount described in subparagraphs 146(2)(c.4)(i) to (iv), inclusive, of the *Income Tax Act* (Canada)) to the Purchaser or any person with whom the Purchaser does not deal at arm's length where such advantage would be conditional on the existence of this Account.
14. All monies and investment income (the "Assets") will be held in trust by the Trustee until maturity of the Account.

Transfers from the LIRA

15. Unless the term agreed to for the investments has not expired, all or part of the Account balance can be transferred, at the Purchaser's written request, and in accordance with the Regulation, into an account for the Purchaser that is either:
- a registered pension plan governed by the Act;
 - 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;
 - a supplemental pension plan established by an act emanating from the Parliament of Quebec or from another legislative authority;
 - the locked-in account of a voluntary retirement savings plan governed by the *Voluntary Retirement Savings Plans Act* (c. R-17.0.1) or successor legislation;
 - the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the Purchaser joins that plan as part of his employment;
 - a LIF;
 - a LIRA; or
 - an annuity contract as defined in Section 30 of the Regulation.

Maturity of the Account

16. Unless the term agreed to for investments has not expired, the Purchaser may require the conversion of the balance of the account to a LIF by written notice up until the end of the year in which the Purchaser reaches the age of 71, or such other age as is required by the *Income Tax Act* (Canada).
17. At maturity of the Account, the Assets shall be used to provide a lifetime retirement income to the Purchaser, in accordance with the *Income Tax Act* (Canada), either as:
- a life pension, guaranteed by an insurer and established for the duration of the life of the Purchaser alone or for the duration of the life of the Purchaser and the life of his or her Spouse where:
 - equal periodic payments under that pension may be uniformly increased based on an index or a rate provided for in the contract and that conforms with the adjustments permitted by the *Income Tax Act*; or may be uniformly adjusted because of:
 - a seizure of the Assets of Purchaser's Plan;
 - a redetermination of the Purchaser's pension;
 - the partition of the Purchaser's benefits with the Purchaser's Spouse;
 - the payment of a temporary pension as provided for in Section 91.1 of the Act; or
 - an election under subsection 93(3) of the Act relating to payments after the Purchaser's death;
 - in the event of the death of the Purchaser, who is a former member or member of the pension plan from which the Account is derived, the insurer guarantees that the Purchaser's Spouse who has not waived it or otherwise ceased to be entitled to it, a life pension equal to at least 60% of the amount of the Purchaser's pension, including, during the replacement period, the amount of any temporary pension; or
 - a LIF.
18. Should a life pension or a LIF not be selected by the Purchaser by the end of the year in which the Purchaser reaches the age of 71, or such other age as is required by the *Income Tax Act* (Canada); the Trustee reserves the right to transfer the proceeds of the Account to a LIF with the same underlying investments as the Account, providing for a

minimum retirement income as required by legislation, unless contrary instructions are provided by the Purchaser.

Death of the Purchaser

19. If the Purchaser is a former member or member of the pension plan from which the Account is derived and dies prior to conversion of the Account balance into a life annuity, then upon receipt of proper proof of death, the Trustee shall liquidate the Account and make payment in a lump sum:
- subject to paragraphs 23 and 24 of this Addendum, to the Purchaser's Spouse;
 - if the Purchaser does not have a Spouse, and the Purchaser was domiciled in Quebec, then to the Purchaser's estate;
 - if the Purchaser does not have a Spouse, and the Purchaser was not domiciled in Quebec, then to a beneficiary on death designated by the Purchaser; or
 - If the Purchaser does not have Spouse, and the Purchaser was not domiciled in Quebec, and the Purchaser had not designated a beneficiary on death, then to the Purchaser's estate.
20. If the Purchaser is not a former member or member of the pension plan from which the Account is derived and dies prior to conversion of the Account balance into a life annuity, then upon receipt of proper proof of death, the Trustee shall liquidate the Account and make payment in a lump sum:
- if the Purchaser was domiciled in Quebec, then to the Purchaser's estate;
 - if the Purchaser was not domiciled in Quebec, then to a beneficiary on death designated by the Purchaser; or
 - If the Purchaser was not domiciled in Quebec, and the Purchaser had not designated a beneficiary on death, then to the Purchaser's estate.
21. A Spouse ceases to be entitled to the benefits provided for in subparagraphs 19(a)(ii) and 21(a) of this Addendum, upon separation from bed and board, divorce, annulment of marriage, dissolution or annulment of a civil union or, in the case where the Spouse is neither married nor in a civil union, upon cessation of conjugal relationship, unless the Purchaser has provided the Trustee with the notice provided for in Section 89 of the Act.
22. A Spouse may, by giving notice in writing to the Trustee, waive his or her right to receive the payment provided for in subparagraph 21(a) of this Addendum, or the life pension provided for in subparagraph 19(a)(ii) of this Addendum. The Purchaser's Spouse may also revoke such a waiver by giving notice in writing to the Trustee prior to the death of the Purchaser or prior to conversion of the Account balance into a life pension as provided for in subparagraph 19(a)(ii) of this Addendum.

Withdrawals from the LIRA – Non-residents

23. Unless the term agreed to for investments has not expired, the Purchaser may require that the total balance of the Account be paid in a lump sum, if the Purchaser has not resided in Canada since at least 2 years.

Withdrawals from the LIRA – Unpaid alimony

24. The Trustee will make a lump-sum payment representing the seizable portion of the balance of the Account in execution of a judgment rendered in favour of the Purchaser's Spouse that gives entitlement to a seizure for unpaid alimony.

Withdrawals from the LIRA – Small accounts

25. The Trustee will make a lump-sum payment of the Account balance to the Purchaser after receiving a request together with a signed declaration in the form and manner required by the Regulation (Schedule 0.2) and satisfactory evidence that:
- a. the Purchaser was at least 65 years of age at the end of the year preceding a request to redeem the balance of the Account; and
 - b. the total amount accumulated on behalf of the Purchaser in all retirement savings instruments mentioned in Schedule 0.2 of the Regulation does not exceed 40% of the MPE for the year in which the Purchaser requests payment.

Withdrawals from the LIRA – Reduced life expectancy

26. Where a physician certifies that as a result of physical or mental disability the Purchaser's life expectancy is reduced, the Purchaser may withdraw all or part of the Account balance in a lump sum or in a series of payments.

Trustee liability

27. If an amount is paid from the Account of the Purchaser to the Purchaser in violation of the provisions of this Addendum or the legislation, upon receipt of the Purchaser's request, the Trustee will pay to the Purchaser an amount equal to the irregular payment unless the irregular payment is due to a false declaration by the Purchaser.
28. The Trustee shall not be liable in any capacity for, or in respect of, any loss suffered or incurred by the Account, caused by or resulting from any investment or deposit made by the Trustee where the Trustee follows the instructions of the Purchaser. Similarly, the Trustee shall not be so liable unless the loss is caused by or results from the Trustee's dishonesty, bad faith, wilful misconduct, gross negligence or reckless disregard.

Statements from the Trustee to the Purchaser

29. At least annually, the Trustee shall provide to the Purchaser, a statement which provides the Account balance as well as, for the period covered by the statement:
- a. the source and amount of any sums deposited to the Account;
 - b. the accumulated investment income earned by the Assets; and
 - c. any fees debited.

Amending the Addendum

30. This Addendum is subject to all applicable legislation, as may be amended from time to time, which will prevail over any inconsistent or conflicting provisions in the Addendum. Amendments shall be in compliance with the Act, the Regulations, the *Income Tax Act* (Canada), and the standard contract amended and registered with Québec Pension Plan and, unless such changes are a requirement of legislation, the Trustee shall give notice to the Purchaser of such amendment.

Furthermore, the Trustee shall not make any amendment that would reduce the benefits without giving the Purchaser notice of the nature of the amendment and providing a right to transfer the Account, in accordance with the Regulation, to another account with the Trustee or with another financial institution. The Trustee shall provide the Purchaser with such notice at least 90 days in advance of the date the Account balance can be transferred.