

PART 1 - RETIREMENT SAVINGS PLAN (RSP) PLAN DOCUMENT

(CRA REGISTRATION REQUIREMENTS)

1. DEFINITIONS

Account

means a Retirement Savings Plan (RSP) Account of an Annuitant. An Account shall include interest and investment gains and losses determined according to the provisions of the Policy;

Agreement

means the Service and Fee Agreement between the Plan Sponsor and Service Provider outlining the services the Service Provider will deliver in respect of the Contract, the obligations of the Plan Sponsor and Service Provider in respect of those services under the Contract and the applicable charges.

Annuitant

means an Annuitant as defined in the Income Tax Act (Canada);

Applicable Government Authorities

means any governmental body having jurisdiction over the Policy;

Applicable Legislation

means the laws, rules and regulations with which this Retirement Savings Plan (RSP) must comply. Applicable Legislation currently includes (but is not limited to), the Income Tax Act (Canada), regulations and related administrative rules issued by Canada Revenue Agency (CRA), insurance, privacy, pension and other legislation of the applicable jurisdictions, as well as, rules and rulings of the Applicable Government Authorities;

Beneficiary

means the person designated by an Annuitant to receive any benefits arising from that Annuitant's death under the Plan, including a transfer of beneficiary designation made under a prior policy (where applicable). Should partial or incomplete information be provided for beneficiary designations transferred from a prior policy, the Service Provider reserves the right to decline the carryover of the beneficiary designation, in which case any death benefit will be payable to the estate.

Common-law Partner

means a person who lives and has a relationship with a person of the opposite or same sex to whom any of the following applies. He or she:

- is the natural or adoptive parent (legal or in fact) of that person's child,
- has been living with that person for at least 12 continuous months, or
- lived with that person previously for at least 12 continuous months and is living with the person again.

The above includes any period that they were separated for less than ninety (90) days because of a breakdown in their relationship;

Contract

means the Policy together with the Agreement, the Group Retirement Solutions Plan Sponsor Application, the Annuitant application, any amendments and the Plan Sponsor's written confirmation of the Investment Options selected for the Plan and its Annuitants form the contract between the Plan Sponsor and the Service Provider.

Contribution

means any deposits remitted to the Service Provider by or on behalf of an Annuitant according to the provisions of the Plan and Applicable Legislation;

Electronic

means any technology as determined by the Service Provider used to provide services including but not limited to the Internet, facsimile or telephone;

Income Tax Act (Canada)

means the Income Tax Act (Canada), as amended from time to time, and any respective regulations;

Investment Option

means a qualified investment for a Registered Retirement Savings Plan (RRSP) according to Applicable Legislation offered by the Service Provider under this Policy. It may contain one or more interest bearing accounts or unitized funds. The Service Provider shall invest and administer unitized funds and interest bearing accounts according to the Policy as provided by the Service Provider to the Plan Sponsor;

Locked-in Retirement Account (LIRA)

means a locked-in retirement account in accordance with Applicable Legislation applicable to the Annuitant;

Locked-in

means the legislative or contractual requirement that the value must be used to purchase a benefit option at retirement as defined by Applicable Legislation. All Locked-in amounts under the Policy, including all investment earnings, must be used to provide a retirement income according to Applicable Legislation;

Maturity Date

means December 31st of the year in which an Annuitant reaches the age required by the Income Tax Act (Canada). The annuity income benefit is determined on the Maturity Date;

Member

means an Annuitant or former Annuitant who is enrolled in the Plan and entitled to the benefits and privileges under the Policy;

Retirement Savings Plan (RSP) and Registered Retirement Savings Plan (RRSP)

shall have the meaning assigned to them in the Income Tax Act (Canada);

Spousal Member

means an Annuitant of a spousal Registered Retirement Savings Plan (RRSP) under which the Member is the contributor. A Spousal Member is entitled to the benefits and privileges under the Policy;

Spouse

means the person of the opposite or same sex who is married to the Annuitant;

Words importing the singular include the plural words and words importing the plural include the singular.

2. ESTABLISHMENT OF THE POLICY

For an individual to enrol in the Plan under the Policy the individual must complete the application form approved by Canada Revenue Agency (CRA), together with other such authorizations and designations as may be prescribed.

Upon receipt of the application or any other such authorizations and designations, the Service Provider will apply for registration of the Plan as a Retirement Savings Plan (RSP) and/or Locked-in Retirement Account (LIRA) for the Annuitant.

Upon an Annuitant's enrolment under the Policy, an Annuitant will appoint the Plan Sponsor to act as agent on an Annuitant's behalf.

The Plan Sponsor has agreed to act as agent on behalf of the Annuitants.

Upon receipt of the Annuitant's Contributions under the Policy, the Service Provider will assume the responsibility to invest the Contributions on the Annuitant's behalf and pay benefits according to provisions of the Policy and Applicable Legislation.

The ultimate responsibility in the administration of the Plan rests with the Service Provider.

3. BENEFICIARY DESIGNATION

An Annuitant may file a signed declaration with the Service Provider, appointing or changing a Beneficiary.

A Beneficiary designation made under the Policy will be revocable unless an Annuitant instructs the Service Provider otherwise. If an Annuitant does not appoint a Beneficiary prior to death, the Service Provider will pay any benefits payable to the Annuitant's estate.

4. CONTRIBUTIONS AND TRANSFERS INTO THE POLICY

- 4.1** The Service Provider will accept Contributions to an Account or a LIRA under the Policy according to Applicable Legislation.
- 4.2** The Member may make Contributions under the Policy subject to the limits under the Income Tax Act (Canada) in any calendar year.
- 4.3** The Service Provider will direct to the Account or LIRA, Contributions to the Investment Options available under the Policy as directed by the Annuitant.
- 4.4** Contributions to an Account or LIRA must cease at the Maturity Date.
- 4.5** All Locked-in amounts transferred into the Policy, including any investment earnings, must be distributed in accordance with Applicable Legislation.

5. WITHDRAWALS AND TRANSFERS FROM THE POLICY

- 5.1** An Annuitant may not withdraw or transfer any investments to another financial institution from an Account prior to Maturity Date while the Member is employed with the Plan Sponsor.
- 5.2** As required by Applicable Legislation, a Member may provide written notification to the Service Provider to withdraw any amount from an Account under the Policy to reduce any tax payable.
- 5.3** No withdrawal, commutation or surrender of Locked-in amounts is permitted, except in accordance with Applicable Legislation which applies to the Member.
- 5.4** Subject to Section 5.1 above, an Annuitant may choose to transfer an Account of non-Locked-in amounts to another Registered Retirement Savings Plan (RRSP), registered pension plan (RPP), registered retirement income fund (RRIF) or any other vehicle permitted by Applicable Legislation.
- 5.5** An Annuitant may choose to transfer Locked-in amounts to a life income fund (LIF), Locked-in Retirement Account (LIRA), registered pension plan (RPP) or a Locked-in retirement income fund (LRIF) or any other vehicle permitted by Applicable Legislation.
- Before transferring Locked-in amounts to another financial institution, the Service Provider will advise the new financial institution in writing of the Locked-in status and request acceptance to transfer, according to Applicable Legislation.
- 5.6** Subject to Section 5.1 above, an Annuitant may choose to receive a cash payment from an Account that is not Locked-in.
- 5.7** Subject to Section 5.1 above, the Service Provider will complete a withdrawal or transfer as directed by the Annuitant upon the Service Provider receiving an Annuitant's written or Electronic request and any other information the Service Provider requires.

6. ANNUITY INCOME BENEFIT

- 6.1** An annuity income is payable commencing on January 1st following Maturity Date.
- 6.2** The Service Provider reserves the right to establish minimum amounts to be paid out in a lump sum cash payment.
- 6.3** Upon receiving direction from the Plan Sponsor, Member or Member's beneficiary (or as a default measure specified by Applicable Legislation), the Service Provider will supply a retirement benefit in the form of an annuity from the Policy according to the provisions of the Plan. Direction must be provided as a written or Electronic request with all required information according to Applicable Legislation.
- 6.4** If an Annuitant has Locked-in amounts transferred from a registered pension plan (RPP) and:

- a) if an Annuitant has a Spouse or Common-law Partner on the day payments begin, the normal form of pension shall be determined according to Applicable Legislation, or
- b) if an Annuitant does not have a Spouse or Common-law Partner on the day payments begin, the normal form of pension shall be determined on the same basis as for an Annuitant who does not have Locked-in investments transferred from a registered pension plan (RPP).

6.5 If an Annuitant does not have Locked-in investments transferred from a registered pension plan (RPP), the annuity income is payable monthly during the lifetime of an Annuitant with a minimum of 120 payments. The Service Provider will pay the income by way of equal annual or more frequent payments, according to Applicable Legislation.

The Service Provider will determine the amount of the annuity income to be provided by applying the value of an Account as a single premium to the annuity rates of the Service Provider in effect on the Maturity Date. If required by Applicable Legislation the annuity rates shall be independent of an Annuitant's gender.

6.6 If required by Applicable Legislation, annuity rates will be adjusted from time to time to eliminate distinctions between purchasers on the basis of gender.

6.7 An Annuitant may request an annuity be purchased from another licensed annuity provider in Canada

6.8 At a minimum, an annuity purchased under the Policy will be purchased according to the Group Annuity Mortality Table for 1994 with the projection scale AA, with interest at 2.5% per annum, and with a 10% premium load for expenses.

6.9 Once an Annuitant has begun to receive annuity payments, the annuity cannot be surrendered or commuted during the lifetime of an Annuitant, as applicable, or during the lifetime of the joint Annuitant.

6.10 Subject to Section 5.1 above, an Annuitant may request a change in the Maturity Date, type of annuity or any other option according to the Income Tax Act (Canada) by notifying the Service Provider Electronically or in writing prior to the Maturity Date.

7. DEATH BENEFIT OPTIONS

7.1 When an Annuitant dies before having elected a retirement benefit option, the investments in the Account will be paid to the Beneficiary.

7.2 If an Account contains amounts that are Locked-in according to pension legislation, the Service Provider will calculate and pay the death benefit according to Applicable Legislation.

7.3 If the death benefit represents a refund of premiums, as defined under the Income Tax Act (Canada), the Spouse, Common-law Partner or a dependent child/grandchild Beneficiary who was dependent upon an Annuitant by reason of physical or mental infirmity, as the case may be, shall have the right to elect one of the options available under the Income Tax Act (Canada).

7.4 When an Annuitant dies after having elected a retirement benefit option and before all guaranteed annuity income payments have been made, a death benefit shall be paid to the Beneficiary. If the Beneficiary is the Spouse or Common-law Partner, the Spouse or Common-law Partner, as the case may be, becomes an Annuitant under the Policy. The annuity income payments to the Spouse or Common-law Partner in a year after the death of an Annuitant may not exceed the total annuity income payments in a year before that death. If the Beneficiary is not the Spouse or Common-law Partner, the commuted value of the remaining guaranteed payments will be paid in a lump sum cash payment.

8. WRONGFUL PAYMENT

If the Service Provider makes a payment under the Policy contrary to the provisions of Applicable Legislation, the Service Provider will pay the rightful Annuitant a benefit in the amount which ought to have been paid, notwithstanding the original erroneous payment.

If the Service Provider transfers money contrary to the provisions of the Policy, and if the transferee financial institution then makes a payment contrary to the provisions of Applicable Legislation, the Service Provider will pay the rightful Annuitant a benefit in an amount which ought to have been paid, notwithstanding the original erroneous transfer.

9. CURRENCY

Any amount payable to the Service Provider or by the Service Provider under the Policy will be made in the lawful currency of Canada.

10. NO ASSIGNMENT

No retirement income payable under the Policy to an Annuitant, Spouse or Common-Law Partner may be assigned either in whole or in part.

No advantages except those permitted under the Income Tax Act (Canada) that are conditional in any way on the existence of the Policy shall be extended to an Annuitant, Spouse or Common-law Partner or to a person with whom any of the above parties was not dealing at arm's length.

11. AMENDMENT

No amendments shall be made to the Policy that would result in the disqualification of the Policy as a Registered Retirement Savings Plan (RRSP) within the meaning of the Income Tax Act (Canada).

12. RETIREMENT SAVINGS PLAN ENDORSEMENTS FOR LOCKED-IN PENSION FUNDS

The conditions of any Retirement Savings Plan Endorsement for Locked-In Pension Funds Transferred to a LIRA (the "Endorsement") as registered with this Policy will apply to any LIRA assets and will take precedence over any provisions of this Policy. In any such case of conflicting or inconsistent provisions, the Endorsement shall apply.