

## ADDENDUM TO THE BBS SECURITIES INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN

THIS ADDENDUM dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

### BETWEEN:

\_\_\_\_\_ (herein referred to as the "Annuitant")

### AND:

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada and having an office at (100 University Ave. – 8<sup>th</sup> Floor, Toronto Ont. M5J 2Y1 (herein referred to as the "Trustee")

**WHEREAS** the Annuitant has established a BBS Securities Inc. Self-Directed Retirement Savings Plan, specimen plan number **574-620** under Annuitant Account number \_\_\_\_\_ (the "**RSP**"), with the Trustee under the relevant provisions of the Tax Act as defined below;

**AND WHEREAS** the Annuitant, by virtue of this Addendum, has established the RSP as a locked-in retirement savings plan (the "**LIRSP**") in order to receive certain benefits (the "**Benefits**"), which are subject to the locking-in provisions of the Act and the Regulations as defined below;

**AND WHEREAS** the Annuitant wishes to have the present value of the Annuitant's pension benefits transferred from a former employer's registered pension plan, from another locked-in registered retirement savings plan, or from a life income fund to the LIRSP with the Trustee and the Trustee is willing to accept such transfer.

**NOW THEREFORE** this Addendum witnesseth, and the parties hereto agree for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as follows:

### Definitions

1. For the purposes of this Addendum, "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, "**Act**" means the *Pension Benefits Standards Act* (British Columbia), "**Regulations**" means B.C. Reg. 433/93, all as amended from time to time.
2. For the purposes of this Addendum, the terms "**former member**", "**pension**", "**spouse**" and "**Year's Maximum Pensionable Earnings**" ("**YPME**") shall have the same meanings as are respectively given to these terms under the section 1 of the Act, and "**life annuity contract**" and "**underwriter**" shall have the same meanings as are respectively given to these terms under section 29 of the Regulations.
3. Notwithstanding anything to the contrary contained in the RSP or this Addendum, (collectively the "**Plan Documents**"), including any endorsements forming a part thereof, "**spouse**" does not include any person who is not recognized as a spouse or common-law partner for the purpose of any provision of the Tax Act respecting registered retirement savings plans.

### Contributions

4. The Annuitant acknowledges that all of the Benefits to be transferred into the LIRSP are subject to the locking-in provisions of the Act and the Regulations.
5. Only money that is locked-in under the Act and the Regulations will be transferred to or held under the LIRSP.
6. The assets transferred into the LIRSP and all income and investment earnings thereon, whether earned before or after the transfer into the LIRSP (the "**Assets**"), shall be deemed to be locked-in during the lifetime of the Annuitant and shall not be used in any way except as provided herein.

### Transfer from Locked-in RRSP

7. Before transferring Assets to another underwriter, the Trustee will:
  - (a) ensure that the name and contract of the transferee underwriter are on the list of superintendent's list of savings institutions and insurance companies established under subsection 29 (3) of the Regulations;
  - (b) advise the transferee underwriter in writing of the requirement to lock-in the transferred assets; and
  - (c) make the transferee underwriter's acceptance of the transfer subject to the conditions provided for in section 29 of the Regulations.
8. If Assets are paid out contrary to the Act or section 29 of the Regulations, the Trustee will provide or ensure the provision of a pension equal in value to the pension that would have been provided had the Assets not

been paid out, provided that the Trustee shall have such rights of recovery against the Annuitant that are permitted under any applicable legislation.

9. If the Trustee fails to comply with paragraph 7 and the transferee underwriter fails to pay the Assets transferred in the form of a pension, or in the manner required by section 29 of the Regulations, the Trustee will provide or ensure the provision of the pension referred to in paragraph 8, provided that the Trustee shall have such rights of recovery against the Annuitant that are permitted under any applicable legislation.

#### **Withdrawals**

10. Except as provided in this Addendum or as otherwise permitted or required by law, no part of the Assets may be withdrawn, commuted, surrendered or transferred except to:
- (a) transfer the Assets to another underwriter's locked-in registered retirement savings plan on the relevant conditions specified in section 29 of the Regulations;
  - (b) purchase a life annuity contract as stipulated in the definition of "retirement income" in subsection 146(1) of the Tax Act;
  - (c) transfer the Assets to a pension plan on the conditions referred to in section 33(2)(a) of the Act; or
  - (d) transfer the Assets to a life income fund which is approved for the purpose of the Regulations, on the relevant conditions specified in section 30 of the Regulations.
11. Except as provided for in the Act and the Regulations, the Assets may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment, and any transaction purporting to assign, charge, alienate or anticipate the Assets is void.
12. If the LIRSP holds identifiable and transferable securities, the transfer and purchase referred to in paragraph 10 may, unless otherwise stipulated, at the option of the Trustee and with the consent of the Annuitant, be affected by remittance of the investment securities of the LIRSP.
13. Notwithstanding paragraph 10, an amount may be paid out of the LIRSP where such amount is required to be paid to the taxpayer to reduce the amount of tax otherwise payable under Part X.1 of the Tax Act.

#### **Shortened Life Expectancy**

14. Notwithstanding anything to the contrary in this Addendum, a lump sum payment or a series of payments, for the purposes of section 40(2) of the Act, may be made to the Annuitant when a physician certifies that due to a physical disability the life expectancy of the Annuitant is likely to be shortened considerably and the spouse of the Annuitant has waived the joint life pension entitlement in the form and manner set out in Form 2 of Schedule 2 of the Regulations.

#### **Unlocking of Small Amounts**

15. An Annuitant, who is a former member, is exempt from section 30 of the Act and the requirements of subsections (2), (4), (7), (a), (b) and (e) to (h), and (10) to (13) of section 29 of the Regulations, if the balance of the LIRSP does not exceed 20% of the YMPE.
16. If the balance of the LIRSP exceeds 20% of the YMPE, the LIRSP may not be divided into two or more of any combination of registered retirement savings plan or life income fund contracts, if any of the contracts would have a resulting balance less than 40% of the YMPE.

#### **Non Resident Release**

17. Notwithstanding anything to the contrary in this Addendum, the Annuitant may withdraw money from the LIRSP in the event that the Annuitant:
- (a) has been absent from Canada for 2 or more years;
  - (b) has become a non-resident of Canada as determined for the purposes of the Tax Act; and
  - (c) completes and files a certificate of non-residency in Form 6 of Schedule 2 of the Regulations in the manner described in section 23.1(2) of the Regulations.

#### **Investments**

18. Subject to paragraphs 10, 14, 15 and 17, the Assets shall be used to provide or secure a pension as required by the Act and the Regulations.
19. Without limiting paragraph 18, the Assets shall be invested in a manner that complies with the rules for the investment of registered retirement savings plans as provided for in the Tax Act, and shall not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is:
- (a) the Annuitant of the LIRSP;
  - (b) the spouse, parent, brother, sister or child of the Annuitant of the LIRSP; or
  - (c) the spouse of a parent, brother, sister or child of the Annuitant of the LIRSP.

#### **Life Annuity Contract**

20. No earlier than the Annuitant's attainment of age 55 (or such earlier retirement age permitted under the terms of the pension plan from which the then value of the Benefits was originally transferred) and no later than the end of the year in which the Annuitant must commence a retirement income, as required by the Tax Act,, and without limiting paragraph 18, the then value of the Assets shall be used to purchase either a

deferred or an immediate life annuity contract. Any such contract so purchased shall comply with the provisions of the Tax Act and the Act.

21. Subject to paragraph 22, if on the date of pension commencement, the Annuitant, who is a former member, has a spouse, the life annuity contract purchased pursuant to paragraph 20 shall be in the form of a joint-and-last survivor annuity payable during the joint lives of the Annuitant and the spouse wherein not less than 60% of the value of the annuity payment shall continue to the survivor for life after the death of either.
22. Within 90 days of the date of pension commencement, the Annuitant's spouse may waive any rights to a survivorship under the life annuity contract referred to in paragraph 20 by filing the appropriate waiver with the Trustee in the form and manner set out in Form 2 of Schedule 2 of the Regulations. In such event, the form of payment shall be an annuity payable for the lifetime of the Annuitant with a guarantee of payments, as selected by the Annuitant for a period not exceeding 15 years and as acceptable under the Tax Act.
23. Assets shall not be used to purchase a life annuity contract that differentiates on the basis of the Annuitant's sex.

#### **Death of Annuitant**

24. Should the Annuitant die prior to the purchase of the life annuity contract as provided for in this Addendum, the Assets shall:
  - (a) if the Annuitant is survived by a spouse (unless the surviving spouse waives spousal entitlement in the form and manner set out in Form 4 of Schedule 2 of the Regulations);
    - (i) be transferred on behalf of the Annuitant's spouse to another locked-in registered retirement savings plan on the relevant conditions specified in section 29 of the Regulations;
    - (ii) be applied to purchase a life annuity contract for the Annuitant's spouse as stipulated in subparagraph 60(1)(ii) of the Tax Act; or
    - (iii) be transferred on behalf of the Annuitant's spouse to a life income fund that has been approved for the purpose of the Regulations on the relevant conditions specified in section 30 of the Regulations;
  - (b) if the Annuitant is not survived by a spouse, or if the surviving spouse waives spousal entitlement in the form and manner set out in Form 4 of Schedule 2 of the Regulations, be paid to the Annuitant's designated beneficiary or, if no beneficiary has been so designated, then to the Annuitant's estate.

#### **Amendments**

25. The parties may from time to time amend this Addendum with the concurrence of the authorities administering the Act and the Tax Act.

#### **Declaration of Trust Affirmed**

26. The Trustee hereby affirms the provisions contained in the Plan Documents take effect as of the date first above written.

#### **Interpretation**

27. The provisions of this Addendum will take precedence over the provisions in the Declaration of Trust in the case of conflicting or inconsistent provisions.
28. Should any provisions of this Addendum be inconsistent with any provisions or requirements of the Act, the Regulations, or the Tax Act, then the provisions of the Act, the Regulations, or the Tax Act (as the case may be) shall prevail to the extent of any such inconsistency.
29. All reference herein to any statute, regulation or any provisions thereof shall mean such statute, regulation or any provision thereof as the same may be re-en acted or replaced from time to time.

#### **Choice of Laws**

30. This Addendum shall be construed and enforced according to the laws of the Province of British Columbia and all provisions hereof shall be administered according to the laws of that Province and of Canada as applicable hereunder.

#### **Counterparts**

31. This Addendum may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one instrument.

**IN WITNESS WHEREOF** the parties have executed this Addendum as of the date first above written and shall bind the Trustee, its Agents and the Annuitant and their respective successors and assigns effective from the date of transfer of assets into the LIRSP.

**YOUR CURRENT MARITAL STATUS:**

(This data is necessary in order to complete prescribed government forms.)

- |                          |            |                          |          |
|--------------------------|------------|--------------------------|----------|
| <input type="checkbox"/> | Single     | <input type="checkbox"/> | Married  |
| <input type="checkbox"/> | Common law | <input type="checkbox"/> | Divorced |
| <input type="checkbox"/> | Separated  | <input type="checkbox"/> | Widowed  |

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**NAME OF ANNUITANT (PRINT)**

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**SIGNATURE OF ANNUITANT**

BBS Securities Inc. as agent for: COMPUTERSHARE TRUST  
COMPANY OF CANADA

per \_\_\_\_\_