

**CIBC Wood Gundy**  
**Life Income Fund Amending Agreement**  
**British Columbia Pension Legislation**  
**CIBC World Markets Inc.**

\_\_\_\_\_ is entitled to pension monies governed by the  
(print name of Annuitant)  
British Columbia pension legislation, and wishes to transfer such funds into a CIBC Wood Gundy Life Income Fund (LIF). To that end, the Annuitant has signed the CIBC Wood Gundy Self-Directed Retirement Income Fund application form, agreeing to be bound by the terms of the Declaration of Trust. The Annuitant and CIBC Trust Corporation, the issuer of this LIF, agree to be bound by the terms of this Contract, as well. (All capitalized words in this Contract have the special meaning noted at the end of this Contract.)

**Check one only:**

- The Annuitant is a **“Former Pension Plan Member”** (meaning that he or she was a member of the pension plan from which the Locked-In Funds in this LIF originated).
- The Annuitant is a former Spouse of a Former Pension Plan Member (meaning that the Annuitant obtained the Locked-In Funds under a division of property after the breakdown of a Spousal Relationship or as a spousal death benefit).

**1. Spousal Consent Required for Selected LIFs**

*(This section 1 applies **only** if the Annuitant is a Former Pension Plan Member.)*

If the Annuitant has a Spouse on the date the Annuitant applies to open this LIF, then the Annuitant must obtain the Spouse's signature on a government-prescribed form which must be attached to this Contract.

If that form is not signed and attached, then the Annuitant is certifying to CIBC Wood Gundy that the Annuitant does not have a Spouse on the date the Annuitant applied to open this LIF.

**2. Annual Payments from LIF**

- a) **Commencement of Payments:** In the Year in which this LIF is opened, payments out are optional. Payments must begin before the end of the LIF's second Year.
- b) **Minimum Annual Payments:** The total amount paid out of this LIF in any Year (the **“Annual Payment”**) may vary each Year. The Annual Payment must not be less than the **“Minimum Amount”**, which is the amount prescribed under the Tax Act as the minimum amount which must be paid out of a RRIF each Year, if an amount is so prescribed under the Tax Act.
- c) **Maximum Annual Payments:** The Annual Payment in each Year may not exceed the **“Maximum Amount”** for that Year, which is equal to the greater of these two amounts:
- i) M as determined in accordance with the following formula:  
$$M = C \times F$$
where  
C = the balance of money in this LIF on the first day of the Year, and  
F = the factor in Schedule III to the Pension Regulations for the Reference Rate for the Year and the Annuitant's age at the end of the preceding Year, and
  - ii) the Preceding Year's Investment Returns for this LIF, if there was a preceding Year.
- d) **Effect of Transfers In:**
- i) **Transfers In from Another LIF, First Year:** If the Locked-In Funds are derived from funds that were transferred into this LIF during the first Year of this LIF directly or indirectly from another LIF owned by the Annuitant, the **“Maximum Amount”** for the amount so transferred is nil (zero) in the first Year of this LIF, unless the Tax Act requires the payment of a higher amount.
  - ii) **Transfers In from Elsewhere:** If in any Year, funds are transferred directly or indirectly to this LIF which have never been in a LIF, the Annuitant may take an additional withdrawal for that Year which must not exceed the Maximum Amount that would be calculated for such transferred-in funds, using the method set out in paragraph 2(c) for determining the Maximum Amount in the first Year of the LIF, as if such funds had been transferred to a separate LIF.
- e) **Establishment by Annuitant of Annual Payment Amount:**
- i) **Instruction to CIBC Wood Gundy:** The Annuitant will establish the amount of each payment and total Annual Payments to be paid during each Year at the beginning of each Year and after receiving the Annual Statement. However, if CIBC Wood Gundy guarantees the rate of return of the LIF over a period that is greater than one Year, then the Annuitant may establish at the beginning of that period the total Annual Payments during any one or more Years ending not later than the expiry of the guaranteed rate of return; in that event, paragraphs 2(a), 2(b), 2(c) and 2(d)(i) of this Contract will apply (with such changes as the circumstances require) to determine, at the beginning of the first Year in the period, the amount of the Annual Payments for each Year during such period.

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- ii) **Failure to Instruct CIBC Wood Gundy:** If for any Year CIBC Wood Gundy, as agent for the Trustee, has not received the Annuitant's instructions as to the amount of each payment and the total Annual Payments he/she wishes to receive during that Year, the Annual Payments for that Year will be the same as those made in the preceding Year (subject to the other terms of this section 2).

**3. Transfers Out of the LIF**

- a) **Requirement of a Pension:** The Locked-In Funds must be used to provide or secure a Pension for the Annuitant, as required by the Pension Rules. The only transfers and withdrawals which are allowed from this LIF are those which comply with sections 3 and 4 of this Contract.
- b) **Permitted Transfers Out During the Annuitant's Lifetime:** The Annuitant may transfer all or part of the Locked-In Funds (provided that the Minimum Amount has first been paid out):
  - i) to an Underwriter's LIF;
  - ii) to an Underwriter's Locked-In RRSP, at any time before December 31 of the Year in which the Annuitant reaches age 71 (or other such age as the Tax Act may prescribe from time to time);
  - iii) to a pension plan on the conditions referred to in section 33(2)(a) of the Pension Act; or
  - iv) to purchase a deferred Life Annuity that meets the conditions of paragraphs 30(8)(k.1) of the Regulations or an immediate Life Annuity (in either case, the Life Annuity must be as described in paragraph 60(l) of the Tax Act);

in accordance with the requirements of the Pension Rules and the Tax Act. All transfers under this paragraph 3(b) are subject to the restrictions, if any, imposed by the investment options in which the Locked-In Funds are invested.

- c) **Withdrawal Due to a Disability or Terminal Illness:** The value of the LIF may be paid to the Annuitant in one lump sum if a physician certifies to CIBC Wood Gundy, or the Trustee, the Annuitant has a disability or terminal illness that is likely to considerably shorten the Annuitant's life. Such payment may be made only if the Spouse has waived his/her entitlement to a joint life pension in the form and manner prescribed by the Pension Rules.
- d) **Non-Resident:** The Annuitant may withdraw Locked-In Funds where the Annuitant has been absent from Canada for more than two years, has become a "non-resident" of Canada for the purposes of the Tax Act, and provides the Trustee with a completed certificate of non-residency in the prescribed form and evidence of non-resident tax status as referred to in the Regulations.
- e) **Small Amount:** An Annuitant who is age 65 or older may withdraw all of his/her Locked-In Funds if the sum of the value of all assets in all LIFs and Locked-In RSPs owned by the Annuitant together with the value of his/her interest as a member of any defined contribution Pension Plan is less than or equal to 40% of the YMPE in the current Year and (if the Annuitant has a Spouse) the Spouse's waiver is obtained in the form prescribed by the Regulations.

If the balance of this LIF does not exceed 20% of the current Year's YMPE and if the Annuitant is a Former Pension Plan Member, the Annuitant is exempt from section 30 of the Pension Act (which, generally, sets out a prohibition on withdrawing Locked-In Funds) and from the following requirements of the Pension Regulations: subsection 30(2) (which generally requires that all transfers into or out of a LIF comply with the Regulations); subsection 30(5) (which generally requires that a transfer not be made unless the transfer is to an approved Contract issued by an approved issuer); subsection 30(11) (which prohibits the Locked-In Funds from being used to purchase a Life Annuity that differentiates on the basis of the Annuitant's sex); subsections 30(13) to 30(16) (which generally require: that if this Contract does not contain the terms that are required by the Pension Regulations, that it be deemed to include same; that the issuer of this Contract comply with the terms that the Pension Regulations require to be set out in this Contract, including but not limited to paragraph 3(g) of this Contract); paragraph 30(8)(a) (which is, generally, the requirement that the Locked-In Funds be used to provide pension benefits as required by the Pension Rules); and paragraphs 30(8)(g) to (j) (which contain the requirements set out in paragraphs 3(f) and 3(g) of this Contract).

If the balance in this LIF exceeds 20% of the YMPE, this LIF must not be divided into two or more Locked-In RRSP and/or LIF Contracts if the resulting balance of any such Contract would be less than 40% of the YMPE.

- f) **Features of Life Annuity:** This paragraph 3(f) applies only to those Annuitants who are Former Pension Plan Members. The Life Annuity referred to in the paragraph 3(b) above must, if the Annuitant has a Spouse at the time payments begin under it, be a "joint and survivor annuity". Generally, that means that after the death of either of the Annuitant and his/her Spouse, the annuity payments must continue to be paid to the survivor in an amount which is at least 60% of what was paid before the death. However, this type of annuity need not be purchased if the Spouse waives his/her entitlement to it by signing a document in the form and in the manner required by the Pension Rules.
- g) **Restrictions Respecting Transfers Out:** Before a transfer may be processed in accordance with paragraph 3(b), CIBC Wood Gundy, as agent for the Trustee, must:
  - i) ensure that, if the Locked-In Funds are being transferred to a Locked-In RRSP, or a LIF elsewhere (the "**Transferee Plan**"), the contract for, and Underwriter of, the Transferee Plan are on the Superintendent of Pension's list of approved Locked-In RRSPs, or LIFs, as applicable;
  - iii) advise the Underwriter of the Transferee Plan, in writing, that the funds being transferred are locked-in under the Pension Rules; and
  - iii) make such Underwriter's acceptance of the funds being transferred subject to the requirements of the Pension Rules.

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If CIBC Wood Gundy does not comply with the requirements of this paragraph 3(g) and, as a result, the Underwriter of the Transferee Plan does not pay the transferred funds in the manner required by the Pension Rules, the Trustee will provide or ensure the provision of the Pension that would have been paid, but for the non-compliance. The Trustee is also liable to provide or ensure the provision of such Pension if it or CIBC Wood Gundy otherwise allows Locked-In Funds to be paid out other than in accordance with the Pension Rules and as a result, the Underwriter of the Transferee Plan does not pay the transferred funds in the manner required by the Pension Rules.

#### **4. Withdrawal After Death of Annuitant**

- a) **Distribution of Locked-In Funds:** If the Annuitant dies before transferring or withdrawing all of the Locked-In Funds in accordance with section 3, the Locked-In Funds must be paid:
  - i) to the surviving Spouse, if any, in the form of a Pension as described in paragraph 4(b) below, unless the surviving Spouse has waived this spousal entitlement in the form and manner set out in the applicable schedule under the Pension Regulations;
  - ii) if there is no surviving Spouse entitled under clause (i) or the Spouse has waived entitlement as referred to in that clause, by way of a lump sum payment to the person(s) designated by the Annuitant in accordance with the Declaration of Trust; or
  - iii) if there is no surviving Spouse entitled under clause (i) or the Spouse has waived entitlement as referred to in that clause and there is no validly designated beneficiary, to the personal representative(s) of the Annuitant's estate in his/her/their personal capacity.
- b) **Where Spouse Receives Funds:** Where the surviving Spouse is entitled to the Locked-In Funds pursuant to clause 4(a)(i), the Locked-In Funds must be transferred:
  - i) to an Underwriter's LIF owned by the surviving Spouse, in accordance with the relevant conditions specified in section 30 of the Pension Regulations and in accordance with the Tax Act;
  - ii) at any time before December 31 of the Year in which the surviving Spouse reaches age 71 (or other such age as the Tax Act may prescribe from time to time), to an Underwriter's Locked-In RRSP owned by the surviving Spouse, in accordance with the relevant conditions specified in section 30 of the Pension Regulations and in accordance with the Tax Act;
  - iii) to a pension plan in which the surviving Spouse is a member, in accordance with the conditions specified in section 33(2)(a) of the Pension Act and in accordance with the Tax Act; or
  - iv) to purchase a Life Annuity for the surviving Spouse.
- c) **General:** Before any payment is made after the Annuitant's death, CIBC Wood Gundy or the Trustee is entitled to request, in a form acceptable to it:
  - i) evidence as to whether or not the Annuitant had a Spouse at the date of the Annuitant's death;
  - ii) if there was a Spouse on that date, the Spouse's name; and
  - iii) any other documents it may require in accordance with the Declaration of Trust.

#### **5. Value of LIF at Time of Transfer/Payment**

In the event of a withdrawal or payment under section 3 or 4 above, the value of the Locked-In Funds in this LIF will be determined as of the close of business on the relevant date as follows: CIBC Wood Gundy will value all property held in the LIF at its market value (as determined by CIBC Wood Gundy in accordance with industry standards and using the market prices in its pricing system) and will subtract from that value any amounts deemed by CIBC Wood Gundy in its sole discretion to be chargeable to the LIF at that time. The value of this LIF, as so determined, will be conclusive and binding upon the parties to this Agreement, the Spouse and the Annuitant's successors and personal representatives.

#### **6. Miscellaneous**

- a) **Locked-In Funds, Only:** If the Annuitant also wishes to transfer in funds which are not Locked-In Funds, the Annuitant acknowledges that they must be held in a separate account and will not be governed by the terms of this Contract.
- b) **Annual and Other Statements:** Within 90 days after the beginning of each Year (other than the Year in which the LIF is opened), CIBC Wood Gundy, as agent for the Trustee, will send the Annuitant an annual statement setting out the information which the Pension Rules requires be disclosed (the "**Annual Statement**"). On a transfer or payment out of the balance of the Locked-In Funds in accordance with section 3 or 4, CIBC Wood Gundy will also disclose to the Annuitant or other person entitled to the Locked-In Funds, as the case may be, the information required by the Pension Rules.
- c) **Investments:** The Locked-In Funds must be invested in accordance with the Tax Act's rules for the investment of RRIF money. As well, the Locked-In Funds must not be invested, directly or indirectly, in any mortgage in respect of which the Annuitant is the mortgagor or in respect of which the mortgagor is the Spouse, the Annuitant's parent, brother, sister or child, or the spouse of any of those persons.

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- d) **No Assignment or Commutation:** Except as may be allowed by the Pension Rules as well as the Tax Act, the benefits in this LIF may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment. Any transaction purporting to assign, charge, alienate or anticipate such benefits is void.
- e) **Conflict with the Declaration of Trust, Pension Rules:** If there is a conflict between this Contract and the Declaration of Trust, the terms of this Contract will prevail to the extent necessary to resolve the conflict. If there is a conflict between this Contract or the Declaration of Trust and the Pension Rules, the latter will prevail to the extent necessary to resolve the conflict.
- f) **Renumbering:** If any provision of the Pension Rules or Tax Act referred to in this Contract is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.
- g) **Headings:** Headings in this Contract are for ease of reference only, and do not affect its interpretation.

## 7. Definitions

- a) **“Annual Payment”** has the meaning given in paragraph 2(b) of this Contract;
- b) **“Annual Statement”** has the meaning given in paragraph 6(b) of this Contract;
- c) **“Annuitant”** means the person whose name is set out at the beginning of this Contract;
- d) **“CIBC Wood Gundy”** means CIBC World Markets Inc., agent for the Trustee;
- e) **“Contract”** means this LIF agreement;
- f) **“Declaration of Trust”** means the CIBC Wood Gundy Self-Directed Retirement Income Fund Declaration of Trust;
- g) **“Former Pension Plan Member”** means an Annuitant who is a former member of the pension plan from which the Locked-In Funds originated. (This term does not apply to an Annuitant who obtained the Locked-In Funds as a result of the death of a Former Pension Plan Member or pursuant to the settlement of rights following the breakdown of his/her Spousal Relationship with a Former Pension Plan Member);
- h) **“LIF”** means a plan which has been registered as a registered retirement income fund under the Tax Act and which meets the requirements (where not inconsistent) of, and is an approved LIF under, the Pension Rules;
- i) **“Life Annuity”** means an annuity that complies with the life annuity requirements of the Pension Rules as well as the requirements for an annuity under paragraph 60(l) of the Tax Act;
- j) **“Locked-In Funds”** means all funds transferred into this LIF and all earnings on them;
- k) **“Locked-In RRSP”** means a plan which has been registered as a registered retirement savings plan under the Tax Act and which also meets the requirements (where not inconsistent) of, and is an approved Locked-In RRSP under, the Pension Rules;
- l) **“Minimum Amount”** and **“Maximum Amount”** have the meanings given in section 2 of this Contract;
- m) **“Pension”** has the meaning given in the Pension Rules;
- n) **“Pension Act”** means the *Pension Benefits Standards Act* of British Columbia, as amended from time to time;
- o) **“Pension Regulations”** means the *Regulations* under the Pension Act, as amended from time to time;
- p) **“Pension Rules”** means the Pension Act and Pension Rules, collectively;
- q) **“Preceding Year’s Investment Returns”** means the Value of this LIF at the end of the Year immediately preceding the current Year, minus the Value of this LIF on the first day of that preceding Year, plus any money paid out of this LIF during that preceding Year, minus any money transferred into this LIF during that preceding Year;
- r) **“Reference Rate”** means the greater of:
  - a) the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for the month of November preceding the Year of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Banking and Financial Statistics as CANSIM Series B14013, to which the following adjustments are applied successively to that nominal rate:
    - i) an increase of 0.5%;
    - ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest;
    - iii) the rounding of the effective interest rate to the nearest multiple of 0.5%, and
  - b) a rate of 6%;
- s) **“RRIF”** means a fund which has been registered as a registered retirement income fund under the Tax Act;

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- t) **“Spouse”** has the meaning given in the Pension Rules; however, it 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 regarding RRIFs; and **“Spousal Relationship”** means a relationship between two persons who are Spouses;
- u) **“Tax Act”** means the *Income Tax Act (Canada)* and the *Regulations* under it, as amended from time to time;
- v) **“Transferee Plan”** has the meaning given in clause 3(g)(i) above;
- w) **“Trustee”** means CIBC Trust Corporation, the issuer of this LIF;
- x) **“Underwriter”** means the underwriter, depositary or issuer of a Locked-In RRSP or LIF contract;
- y) **“Value of this LIF”** means the market value of the investments held under this LIF plus any cash balances held under this LIF, including any earnings accrued but not yet received, any declared dividends not yet received, and any other accrued or receivable income items, whether or not the particular item is yet due and owing;
- z) **“Year”** means the fiscal year of this LIF, which ends on each December 31 and cannot exceed twelve months; and
- aa) **“YMPE”** means the “Year’s Maximum Pensionable Earnings” calculated as prescribed by the Pension Rules.

**Certification by Annuitant regarding Spouse**

- I certify that I **do not** have a “Spouse” within the special meaning of this term set out below.
- I **do** have a “Spouse” within the special meaning of this term, and I have provided CIBC Wood Gundy with my Spouse’s consent on the prescribed government form to the opening of this LIF.

The Pension Act defines a “Spouse” as:

- the person to whom I am married, unless we have been living separate and apart from each other throughout the past two years, in which case that person is not my “Spouse” for B.C. pension law purposes.
- only if I do not have a “Spouse” as defined in the first point, a person with whom I am now living and cohabiting in a marriage-like relationship (whether the person is of the same or different gender than mine) is my “Spouse” for B.C. pension law purposes if we have been so living for at least the past two years.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Annuitant’s Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
This application is accepted by  
CIBC World Markets Inc., on behalf of the Trustee

(Amendment effective: March 2009)