

Changes to investment contracts

Effective as of May 23, 2023

Individual clients – Regular product

On January 1, 2023, La Capitale Civil Service Insurer Inc. (La Capitale) and SSQ, Life Insurance Company Inc. (SSQ Insurance) combined operations to become Beneva Inc. (Beneva). To harmonize our administrative practices as well as our product offering, a few modifications will be made to our investment contracts as of May 23, 2023.

Additional details are provided below. This document is an amendment to your Information Folder and Contract, and should be kept with your records for future reference.

New product and fund names

Our products and fund offering will be renamed using the Beneva brand name.

- SSQ Guaranteed Investment Funds become Beneva Guaranteed Investment Funds.
- SSQ Guaranteed Investments are renamed Beneva Guaranteed Investments.

SSQ Guaranteed Interest Accounts (GIAs) and SSQ Equity GIAs

SSQ GIAs

If you currently hold an SSQ GIA, nothing changes for you at the present time. However, at the renewal of your GIA, a new and more beneficial market value adjustment (MVA) formula will be applied. Here is the new formula:

The redemption value (RV) of a redeemable GIA, Laddered GIA corresponds to the market value (MV) of the investment, less, if positive, the market value adjustment (MVA). The MVA is calculated according to the following formula:

$$RV = MV - MVA$$

$$MVA = MV \times (i - j) \times n$$

where MVA is always ≥ 0

Given that:

MV = Market value of the GIA redeemed in whole or in part;

i = Current interest rate offered by Beneva for a GIA or Laddered GIA, for a term equivalent to the initial term selected, comprising similar interest provisions;

j = Rate of interest of the initial GIA;

n = Number of years and portion thereof remaining before the end of the term.

SSQ Equity GIAs

As of May 23, 2023, no new contracts may be opened in the SSQ Equity GIA. If you already hold an SSQ GIA, however, there is no change for you at the present moment. Existing guarantees remain in force without any changes. At the renewal of your SSQ Equity GIA, we will contact you. At that moment, you will be offered to transfer the sums in a Beneva Equity Index GIA or another Beneva product.

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Change to sales charge options

To comply with the segregated fund industry new regulatory standards, Beneva has reviewed its sales charge option offer. Consequently, as of May 23, 2023, these two options will no longer be available for new sales: front-load sale charges and back-load sales charges. The no-load and advisor chargeback options remain available for new sales.

If you hold your contract under the back-load sale charge option, the redemption fee schedule in your contract continues to apply to the sums already accumulated in your contract. However, if you make new purchases, you will have to choose a sales charge option that is available to new sales.

Modification to the TFSA

In order to harmonize with the other TFSAs that are offered by Beneva, the annuity formula in your contract has been reviewed. Consequently, the section Retirement and conversion to annuity of the Specific provisions of the annuity contract applicable to the Beneva TFSA can now be read as follows:

The end date of the investment period marking the beginning of retirement and the start of the annuity payments chosen by the contractholder may not exceed the date the annuitant turns age 100. If written instructions are not received by Beneva within 60 days before the annuitant's 100th birthday, Beneva proceeds with the conversion of the redemption value of the contract to a 10-year term certain annuity, payable as of the annuitant's 100th birthday. The amount of this monthly annuity is equal to the greater of the following:

- *The amount established according to the insurer's annuity rates in effect upon the date of constitution of the annuity;*
- *The amount resulting from the following calculation:
 $8.54 \times \text{accumulated value of the contract} \div 1000$.*

If you participated in a preauthorized purchase program (PPP) under the front-load or back-load sales charge option, purchases made as of May 23, 2023 will be made in the no-load sales charge option.

If you participated in a preauthorized transfer program (PTP), for example, from the Daily Interest Account or the High-Yield Account to a Guaranteed income fund under a sales charge option with redemption fees, your transfers will automatically be directed to the same fund, but, under the no-load sales charge option.

If the monthly payments are less than the minimum in force at Beneva at the time, Beneva reserves its right to reduce the frequency of payments to attain this minimum or to pay the redemption value of the Beneva TFSA in a lump sum instead of allocating this value toward the payment of an annuity, and this, in conformity with the Income Tax Act (Canada). The terms that are applicable are those provided for in the appendix to this contract. Beneva may therefore not be held liable for any loss that may result from such conversion.

For more information about these changes, contact your financial security advisor or Beneva Client Services.

Client Services

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