

General Informations

In the case of any conflict or inconsistency between any provision under the contract, including the related riders and addendum, and any provision under applicable pension legislation, the latter shall take precedence.

"Spouse" has the meaning found in the applicable pension legislation. The spouse is also a person with whom the contractholder:

- is married or in a civil union,
- has been living in a conjugal relationship for at least 3 years, as long as he is not married or in a civil union with someone else,
- has been living in a conjugal relationship for at least 1 year if a child is born of the union,
- has been living in a conjugal relationship for at least 1 year if they have jointly adopted a child,
- has been living in a conjugal relationship for at least 1 year if one has adopted the child of the other.

However, the definition of "spouse" as set out under applicable pension legislation applies only if this person is recognized as a "spouse or common-law partner" for the purposes of any provision of the *Income Tax Act* (Canada) respecting Registered Retirement Savings Plans (RRSPs).

Following the dissolution of marriage or any other type of conjugal relationship mentioned under applicable pension legislation, the Beneva LIF plan may be partitioned among any ex-spouses in accordance with this legislation and in virtue of all applicable legislation pertaining to family law, where applicable.

The fiscal year of a Beneva LIF must end on December 31st and must not exceed 12 months.

Alteration of Plan

Beneva may not make any alteration that would reduce the rights and benefits under this plan unless:

- the alteration is required by law,
- the contractholder is entitled to a transfer of the redemption value of his Beneva LIF,
- Beneva has sent a notice, at least 90 days before the date as of when this right may be exercised,
- the modification complies with the requirements of the *Income Tax Act* (Canada).

Beneva may alter the contract only to the extent where it remains compliant with the altered and duly registered standard plan as mentioned previously.

Beneva will give the contractholder at least 90 days notice of a proposed amendment other than an amendment described in the preceding paragraphs.

Statements

Beneva sends the contractholder, at the beginning of each fiscal year, a statement indicating:

- the contributions invested,
- their source,
- any accrued investment income, including any gain in capital or loss in capital not realized,
- the charges debited,
- the payments made out of the Beneva LIF since the last statement,
- the value of the Beneva LIF at the beginning and the end of the period covered by the statement,
- the minimum and, depending on age, the maximum income amount or an estimated lifetime income that may be paid to the contractholder as income for the fiscal year in progress.

When the Beneva LIF permits temporary income payments, a statement compliant with the provisions set out in section 24.1 of the *Regulation respecting supplemental pension plans* will be provided.

When the total amount of the Beneva LIF is transferred to another financial institution, or transferred to another Beneva plan, or converted to a life annuity, Beneva sends the contractholder a statement established on the date of the transfer or conversion.

Upon the death of the contractholder, Beneva must provide to the contractholder's spouse or, failing that, to his successors a statement established at the date of death and containing the information prescribed in the applicable pension legislation.

Prohibition Against Double Indemnity

Where the contractholder, as a result of the applicable pension legislation, obtains, in effect, a double payment or a payment as well as a continuing interest in the Beneva LIF, the contractholder may be liable to repay amounts to which the applicable pension legislation did not entitle him.

Source of Contributions

The only monies that may be invested in an Beneva LIF plan must come from:

- a Registered Pension Plan (RPP) governed by applicable pension legislation,
- a Supplemental Pension Plan (SPP) governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension,
- an SPP established by an act emanating from the Parliament of Quebec or another legislative authority,
- another existing LIF,
- a LIRA,
- an eligible life annuity contract such as defined under applicable pension legislation,
- the locked-in account of a Voluntary Retirement Savings Plan (VRSP) governed by the *Voluntary Retirement Savings Plans Act*,
- the locked-in account of an equivalent VRSP emanating from a legislative authority other than the Parliament of Quebec, provided the contractholder joins that plan as part of his employment,
- any other plan or vehicle authorized under applicable pension legislation.

The method and the factors used to determine the value of the contract associated with the contractholder's Beneva LIF plan are established in accordance with the terms of the investment vehicles described in the appendix to this contract for the purpose of any transfer, redemption, conversion to an annuity or again for the purpose of establishing the benefit payable in the case of death, where applicable.

Redemptions and Transfers

No contribution invested in the Beneva LIF plan may be withdrawn, commuted, surrendered, redeemed, assigned, voluntarily disposed, nor be the object of a waiver of rights, conversion or transfer other than:

- within the limits permitted under applicable pension legislation,
- to reduce the amount of tax otherwise payable under section X.I of the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec).

Contributions are also exempt from seizure, attachment and execution, except for payment of alimony debt which may be paid in a lump sum payment in execution of a judgment in favour of the contractholder's spouse.

Subject to applicable pension legislation and the *Income Tax Act* (Canada), the contractholder may not request the redemption or transfer of the Beneva LIF if the investments have not reached maturity.

Beneva is entitled to rely on the information that the contractholder provides it with when he makes the redemption or transfer request.

Beneva proceeds with payment in cash within 60 days of receipt of the duly completed request. In the case of a transfer to another financial institution, the time period is 30 days.

Any lump sums withdrawn are fully taxable in the year in which they are withdrawn.

The contractholder may request the redemption of the whole value of the Beneva LIF if:

- he is at least 55 years old

Before the Beneva LIF is converted to a life annuity, the contractholder may transfer his Beneva LIF in whole or in part to:

- a Registered Pension Plan (RPP) subject to the provisions set out under applicable pension legislation,
- a Supplemental Pension Plan (SPP) governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension,
- an SPP established by an act emanating from the Parliament of Quebec or from another legislative authority,
- a LIRA,
- another LIF,
- a life annuity contract that meets the requirements of applicable pension legislation and of the *Income Tax Act* (Canada),
- the locked-in account of a voluntary retirement savings plan (VRSP) governed by the *Voluntary Retirement Savings Plans Act*,
- the locked-in account of an equivalent VRSP emanating from a legislative authority other than the Parliament of Quebec, provided the contractholder joins that plan as part of his employment,
- any other plan or vehicle authorized under applicable pension legislation.

Before proceeding to transfer contributions from an Beneva LIF to another financial institution, Beneva will ensure that the transfer is permitted under the applicable pension legislation. Beneva will give all documentation required by the applicable pension legislation to the other financial institution.

Payment of Annual Income Amount/Temporary Income

Payment out of the Beneva LIF must begin:

- no later than the last day of the second fiscal year.

The contractholder will establish the amount of income to be paid during the current year. If the contractholder does not give instructions to Beneva within the required time period or if the instructions are not in accordance with applicable pension legislation or the *Income Tax Act* (Canada), then Beneva will pay the minimum income amount required under the *Income Tax Act* (Canada).

If the Beneva LIF guarantees the rate of return of this LIF over a period that is greater than one year, then the contractholder may establish and notify, at the beginning of that period, the amount of income to be paid in any one or more years that end not later than the expiration of that period. Such time period must in all cases terminate at the end of the Beneva LIF's fiscal year.

The amount of income paid out of the Beneva LIF during a fiscal year must not:

- be less than the minimum amount prescribed for registered retirement income funds under the *Income Tax Act* (Canada), and
- if applicable depending on age, exceed the maximum described in the applicable pension legislation.

Monies transferred to a Beneva LIF are deemed to come in their entirety from a life income fund or from the locked-in account of a VRSP held by the same contractholder. Consequently, there is no adjustment of the maximum income amount during a year unless Beneva receives a declaration from the contractholder in conformity with the one prescribed in schedule 0.9.1 of the *Regulation respecting supplemental pension plans*.

Under certain circumstances described in section 91.1 of the *Supplemental Pension Plans Act*, the contractholder may receive a temporary income from his Beneva LIF. He must make the application with Schedule 0.5.

Irregular Payments

If an amount is paid out of the contributions invested in the contractholder's Beneva LIF in violation of the provisions under this contract or under the pension legislation, the contractholder may request in writing that Beneva pay him an amount equal to the irregular payment as compensation. This provision does not apply if this payment is due to misrepresentation on the part of the contractholder.

Conversion to Annuity

Unless it has been previously transferred, or redeemed, the Beneva LIF plan may be converted to a life annuity guaranteed by an insurer, for the duration of the contractholder's life or his life and his spouse's life. Subject to the terms of the Annuity Contract and Retirement Plan Riders, the Beneva LIF may be converted at any time to a life annuity.

Annuity payments must be in the form of equal payments, except if each amount payable is uniformly increased by reason of an index or a rate permitted under the *Income Tax Act* (Canada) or a rate provided for in the contract. Annuity payments may also be uniformly modified by reason of:

- a seizure effected on the rights of the contractholder,
- a redetermination of the contractholder's pension,
- partition of the contractholder's rights with the spouse,
- payment of a temporary pension under the conditions provided for under pension legislation where applicable,
- any other option set out under applicable pension legislation and in compliance with the *Income Tax Act* (Canada).

Subject to applicable pension legislation and the *Income Tax Act* (Canada), the contractholder may not request conversion of the Beneva LIF to an annuity, if the investments have not reached maturity.

If the contractholder has an eligible spouse on the date that pension payments commence, the pension to be paid must be for a joint and survivor pension, unless the spouse has, before commencement of pension benefit payments to the contractholder, waived entitlement in writing. The eligible spouse may also revoke this waiver by writing to Beneva.

The amount of the joint and survivor pension payable to the eligible spouse must be equal to at least 60% of the amount that was payable to the contractholder prior to his death, taking into account any adjustments permitted under applicable pension legislation, and including where applicable, during the replacement period, the amount of any temporary pension.

The spouse may receive a joint and survivor pension of less than 60% if the required waiver is signed and delivered to Beneva in accordance with applicable pension legislation.

Benefit Payable Upon Death of Contractholder

If the death of the contractholder occurs before conversion of the Beneva LIF to a life annuity, the spouse is entitled to a benefit payable upon the death of the contractholder and has precedence over any beneficiary or the estate of the contractholder in conformity with applicable pension legislation, unless the spouse had previously waived such entitlement.

If there is no eligible spouse, or if this latter has waived entitlement to the death benefit, the Beneva LIF shall be paid in a lump sum, periodic installments or any other settlement method available at the time of the claim to the designated beneficiary(ies), or in the absence of any such beneficiary, to the estate of the contractholder.

The contractholder's spouse may cease to be entitled to the death benefit upon:

- separation from bed and board,
- divorce,
- annulment of marriage, or,
- in the case of unmarried spouses, on the date cessation of the conjugal relationship occurs.

However, the contractholder may make a written request to Beneva to continue to have the "surviving spouse's pension" paid to the ex-spouse, as set out under pension legislation.