Scotiabank®

Addendum

Addendum for British Columbia LIFs

This Addendum sets out further provisions required by the applicable pension legislation of the province of **British Columbia**.

This Addendum forms a part of the main LIF Agreement to which it is attached. In the case of any inconsistency between the main LIF Agreement and this Addendum, this Addendum shall prevail in all cases.

1. Definitions

All of the definitions regarding life income funds set out in the applicable pension legislation are incorporated in this LIF Agreement.

2. Transfers

We will ensure that the financial institution and, if applicable, the contract to which your funds are being transferred are filed with and acknowledged by the Superintendent of Pensions. Before we transfer funds out of your Scotia Self-Directed LIF, we will tell the financial institution which is to receive the funds of their locked-in status and make acceptance of the transfer subject to applicable pension legislation.

3. Responsibility

If we pay out funds from your Scotia Self-Directed LIF in a way that is contrary to the applicable pension legislation, we will ensure that you receive a pension equivalent to what you would have received if the funds had not been paid out. The same applies if we transfer any funds from your Scotia Self-Directed LIF to another financial institution without fulfilling our obligations and the other institution fails to administer the funds in the manner required by the applicable pension legislation.

4. Calculating Payments

To calculate the maximum amount payable under your Scotia Self-Directed LIF in a fiscal year, the method identified in the fifth and sixth paragraphs of Section 7 of the main LIF Agreement does not apply. Instead, the maximum amount payable under your Scotia Self-Directed LIF is equal to the greater of

(a) the amount arrived at when we multiply the prescribed factor that corresponds to the reference rate for the year and your age at the end of the immediately preceding fiscal year by the balance of the LIF at the beginning of the fiscal year, and

(b) the amount equal to the preceding year's investment returns for the LIF, if there was a preceding year for the LIF.

In addition, the eighth paragraph of Section 7 of the main LIF Agreement does not apply.

5. Differentiation on the Basis of Sex

We do not calculate pensions, annuities, benefits or any options as to pensions, annuities or benefits on the basis of sex.

6. Joint Life Annuity

When the funds in your Scotia Self-Directed LIF are used to buy a life annuity , this must be a joint life annuity for you and your spouse as required by the applicable pension legislation, provided you have one at the time and he or she has not waived his or her rights in the form and manner required by the applicable pension legislation. However, this does not apply to a life annuity purchased by you if the money in your LIF is not derived, directly or indirectly, from a pension benefit provided in respect of your employment.

7. Survivor Annuity

If you die after you have transferred the funds in your Scotia Self-Directed LIF to a life insurance company to purchase a life annuity, the insurer must provide your spouse, if you have one at the time of your death, with a life annuity that pays at least 60 per cent of your pension.

8. Withdrawals

If you make an additional transfer to your Scotia Self-Directed LIF and the transferred funds have not been in a LIF or LRIF before, you are allowed to make an additional withdrawal in the fiscal year in which the funds are transferred. This withdrawal cannot exceed your maximum permitted withdrawal, as outlined in Section 7 of the main LIF Agreement, calculated as if the funds had been transferred to a separate LIF.

Subject to certain legislative requirements, you may apply in the form and manner required by the applicable pension legislation to have all or, depending on applicable pension legislation, part of the funds in your Scotia Self-Directed LIF withdrawn or, if permitted, commuted (unlocked) if the total value of the funds in all of your applicable locked-in plans and pension plans is less than the threshold amount set by the applicable pension legislation. Your spouse must consent to this withdrawal in the form and manner required by the applicable pension legislation. However, this requirement for spousal consent does not apply if the money in your LIF is not derived, directly or indirectly, from a pension benefit provided in respect of your employment.

In addition:

(i) if you have been absent from Canada for two or more years and have become a non-resident of Canada as determined for the purposes of the Tax Act, you may apply in the form and manner required by the applicable pension legislation to withdraw all or part of the money in your Scotia Self-Directed LIF. Your spouse must consent to this withdrawal in the form and manner required by the applicable pension legislation. However, this requirement for spousal consent does not apply, if you are the surviving spouse of the original LIF owner.

(ii) you may withdraw all or part of the funds in your Scotia Self-Directed LIF, if the value of the LIF does not exceed 20% of the Year's Maximum Pensionable Earnings under the *Canada Pension Plan* for the calendar year in which the withdrawal is made; provided, however, that if your Scotia Self-Directed LIF is not eligible for this option, it may not be severed into two or more of any combination of LRSPs or LIFs, if the balance of any such contracts would be less than 40% of the Year's Maximum Pensionable Earnings for the calendar year in which the severance is requested.

Your spouse must consent to the withdrawals provided for in the fourth paragraph of Section 8 of the main LIF Agreement in the form and manner provided by the applicable pension legislation. This requirement for spousal consent does not apply if the money in your Scotia Self-Directed LIF does not derive directly or indirectly from a pension benefit provided in respect of your past or current employment.

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