SSQ Investment and Retirement

Information Folder and Contract

The SÉCURI**FONDS Segregated Fund (Individual Variable Insurance Contract)**
This brochure is for Individual Contractholders.

This Information Folder is not an insurance contract.
This Information Folder describes benefits that are not guaranteed.
This Contract is established by the Insurer SSQ, Life Insurance Company Inc.

Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value.

SÉCURI**FONDS** ™

Effective as of June 10, 2013

CERTIFICATION

SSQ, Life Insurance Company Inc. certifies that this Information Folder provides brief and plain disclosure of all material facts relating to individual contracts and their investment vehicles (SÉCURI**FONDS** Fund and Guaranteed investments) established by SSQ, Life Insurance Company Inc.

René Hamel

Chief Executive Officer

Bernard Tanguay

Senior Vice-President – Investment and Retirement

KEY FACTS

This summary provides a brief description of the basic things you should know before you purchase this individual variable insurance contract. This summary is not your contract. A detailed description of all of the features of individual variable insurance contracts and how they work is contained in this Information Folder and contract. Please take the time to review these documents carefully. Discuss any questions or concerns you may have with your advisor.

What am I getting?

This is a contract between you and SSQ, Life Insurance Company Inc. You can invest in the SÉCURI**FONDS** Fund, which has a guarantee. You can also invest in a Daily Interest Account (DIA) and a Guaranteed Interest Account (GIA).

You may:

- name a person to receive the death benefit guarantee;
- choose an investment option;
- choose a guarantee;
- choose a registered or non-registered contract;
- receive periodic payments, starting now or later.

The choices you make may have tax implications. Please consult your advisor to help you choose the investment that is best for you.

The value of your contract may fluctuate up or down subject to the guarantee.

What guarantees are available?

SSQ offers three guarantee options: the Basic guarantee, the Enhanced guarantee and the Optimal guarantee. Maturity and death benefit guarantees are available. These help protect the capital you invest in the funds. For some guarantees, you can get added protection with the guaranteed reset option. For details please refer to sections 5.2.3, 5.3.3 and 5.3.4 of this Information Folder. There is a charge for this protection. For some guarantee options, you will pay additional fees. These fees are described under the heading How much will it cost?

Any withdrawals you make will have the effect of reducing guaranteed amounts. For details please refer to section 6.5 of this Information Folder and section III of the Contract.

Maturity guarantee

This guarantee protects the value of your investment for specific dates in the future. If you chose the Basic guarantee, the application date of the maturity guarantee is the date of the annuitant's 100th birthday.

If you chose the Enhanced guarantee or the Optimal guarantee, the application date of the maturity guarantee depends on the age of the annuitant at the time the first contribution is made to a fund in the contract:

- If the first contribution is made on or before the annuitant's 55th birthday, the application date of the maturity guarantee is the date of the annuitant's 70th birthday,
- If the first contribution is made after the annuitant's 55th birthday but on or before the annuitant's 75th birthday, the application date of the maturity guarantee corresponds to the end of the 15-year period that follows this contribution,
- If the first contribution is made after the annuitant's 75th birthday, the application date of the maturity guarantee is the date of the annuitant's 100th birthday.

These dates are explained in section V of this Information Folder.

On these dates, you will receive the greater of:

- the market value of the funds, or
- 75% of all contributions made to the funds.

You can increase the value of this guarantee to 100% by selecting the Optimal guarantee. An extra fee applies. Please refer to section 7.2.2 of this Information Folder for more details.

Death benefit guarantee

This guarantee protects the value of your contributions in the segregated fund if you die. The death benefit applies if you die before the contract maturity date. It will be paid to someone you name.

If you chose the Basic guarantee, it corresponds to the greater of:

- the market value of the investment, or
- 75% of all contributions made to the funds.

If you chose the Enhanced or the Optimal guarantee, it corresponds to the greater of:

- the market value of the investment, or
- 100% of all contributions made to the funds. I

For more information about how SÉCURI**FONDS guarantees work refer to Section V of this Information Folder.**

What investments are available?

You can invest in the SÉCURI**FONDS** segregated fund, in a Daily Interest Account (DIA), and in a Guaranteed Interest Account (GIA). The maturity guarantee and death benefit guarantee apply only in the case of the segregated fund.

The SÉCURI**FONDS** Fund is described in the document entitled *Fund Facts*. Other than the maturity and the death benefit guarantees, SSQ, Life Insurance Company Inc. does not guarantee the performance of the segregated fund. The performance of the Daily Interest Account (DIA) and the Guaranteed Interest Account (GIA) are guaranteed by SSQ.

How much will this cost?

The SÉCURI**FONDS** Fund has no front-load or back-load sales charges. However, annual management fees, administrative fees and guarantee fees are applicable. For details please refer to Section VII of this Information Folder. Fees and expenses are deducted from the segregated funds. They appear as management expense ratios (MERs) in *Fund Facts*. Guarantee fees are paid by redemption of units and are not included in the MER.
You may be charged separately for certain other specific transactions or requests. These may include redemptions and short-term transactions. Refer to Section VII of this Information Folder and *Fund Facts* for specific information regarding the different fees associated with your contract.

What can I do after I purchase this contract?

Once you have subscribed to the contract, you can carry out any of the following transactions:

Transfers
You may transfer the market value of the units you hold from one contract to another. Refer to Section 6.6 of this Information Folder for more information.

Redemptions
The contributions you make to the SÉCURI**FONDS** Fund may be redeemed at any time. However, doing so may affect the amount of your guarantee and you may need to pay taxes. Refer to Section 6.5 of this Information Folder for more information.

Unit purchases
You can make contributions through lump-sum or regular payments. Refer to Section 6.4 of this Information Folder for more information.

Resets
Under the Enhanced and the Optimal guarantees, if the value of your investments goes up, you may reset your maturity guarantee at a higher amount. It may affect the application date of the maturity guarantee. As part of the Optimal guarantee, your death benefit guarantee will be automatically reset every three years until the date of the annuitant's 80th birthday. Please refer to sections 5.2.3 5.3.3 and 5.3.4 of this Information Folder.

Periodic payments
At a certain time, unless you select another option, SSQ will start making payments to you. Please refer to Section IV of your annuity contract for more information. Certain restrictions and other conditions may apply. Refer to your contract for details about your rights and obligations and discuss any questions you may have with your advisor.

What information will I receive about my contract?

You will receive information from SSQ at least once a year detailing the value of the investments in your contract. It will include a listing of all transactions you have made.

Detailed financial statements for the SÉCURI**FONDS** Fund are issued at regular intervals throughout the year and are available upon request.

Can I change my mind?

You can change your mind about purchasing the contract and decide to:

- cancel your contract,
- cancel any payment you make, or
- change an investment decision you have made.

You can change your mind within two business days of the earlier of the date you received confirmation or five business days after it is mailed. You have to tell SSQ in writing (by email, fax or letter) that you want to cancel. The amount returned will be the lesser of the amount you invested or the value of the fund if it has gone down. The amount returned only applies to the specific transaction and will include a refund of any sales charges or other fees you paid.

You can also change your mind about subsequent transactions you make under the contract within two business days from the date you received confirmation. In this case, the right to cancel only applies to the new transaction.

Where can I get more information or help?

You can call us toll free at 1-855-732-8743 or by mail at 1245 Chemin Sainte-Foy, Suite 210, P.O. Box 10510 Station Sainte-Foy, Quebec QC G1V 0A3.

For information about how to handle issues that you are unable to resolve with your insurer, you can contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or visit their Web site at www.olhi.ca.
For information about additional protection that is available for all life insurance contractholders, you can contact Assuris, a not-for-profit organization established by the Canadian life insurance industry. Visit www.assuris.ca for more information.

For information about how to contact the insurance regulator for your province or territory, visit the Canadian Council of Insurance Regulators Web site at www.ccir-ccrra.org.

In Québec, contact the Information Center of the Autorité des marchés financiers (AMF) at 1-877-525-0337 or at linformation@lautorite.qc.ca.

Table of Contents

INFORMATION FOLDER

I. INTERPRETATION AND DEFINITIONS

1.1 Interpretation

- All references to "you" and "your" refer to the contractholder of an individual contract.
- In this Information Folder, the use of feminine and masculine is made without any discrimination with regard to gender; one includes the other, unless the meaning is otherwise intended.
- For the purposes of this Information Folder, "SSQ Financial Group," "SSQ," and "we" all refer to SSQ, Life Insurance Company Inc.
- The dollar amounts that appear in this Information Folder as well as those allocated to any transactions are in Canadian currency.

1.2 Definitions

- **Annuitant:** refers to the physical person upon whose life the annuity and guarantee relative to segregated funds are established and upon whose death the death benefit is payable. The annuitant may be the contractholder or a person designated as such by the contractholder. In the case of a registered plan, the contractholder and the annuitant must be the same person.
- **Beneficiary or Estate:** refers to the person(s) entitled to the amounts payable upon the annuitant's death.
- **Contract:** refers to the individual annuity contract you subscribe to. This contract sets out an investment period. The creation of this annuity contract is realized by the signing of the application form by the parties to the agreement concluded between SSQ and the contractholder, who may act through a legal agent, where applicable. Refer to the contract for details.
- **Contractholder:** refers to the person who subscribes to an individual contract. This person, also referred to as the "investor" or "co-investor", as the case may be, also becomes a "unitholder" upon having made a contribution to a segregated fund.
- **Contribution (premium):** refers to the amounts the contractholder invests in the SSQ investment vehicles selected by the contractholder, or his mandatary, where applicable. Once these contributions have been invested, according to the instructions given, the contractholder "holds investments" in the investment vehicles selected. Contributions are paid as premiums to SSQ and entitle the contractholder to a claim corresponding to the value of the contract as determined according to the conditions set out in this Information Folder.
- **Financial Highlights:** refers to the financial data that becomes available at the end of the fund's financial year, e.g. performance attributions or distributions, net value of assets held in the fund, net asset value per unit, number of units outstanding, management expense ratio (MER), and portfolio turnover.
- **Financial Security Advisor:** refers to a person authorized by the appropriate provincial body to act as a financial security advisor or life insurance agent.
- **Fund Facts:** refers to a written document concerning the individual variable insurance contract described in the Information Folder.
- **Guideline:** refers to the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2 on Individual Variable Insurance Contracts Relating to Segregated Funds as amended from time to time and to the Autorité des marchés financiers (AMF) Guideline on Individual Variable Insurance Contracts Relating to Segregated Funds as amended from time to time.
- ***Income Tax Act*:** refers to the *Income Tax Act* (Canada) and its regulations, as well as any applicable provincial income tax legislation and related regulations.
- **Information Folder:** refers to a disclosure document in respect of an individual variable insurance contract, the particulars of which are described in the Key Facts and the Fund Facts.
- **Key Facts:** refers to a disclosure document in respect of an individual variable insurance contract which forms part of the Information Folder.
- **Mandatary:** refers to the "physical" person who is duly authorized to represent the contractholder according to the terms and conditions of the mandate given by the contractholder and who, for the purpose of carrying out transactions, may act in the contractholder's name, but only upon this contractholder's request and according to his instructions.

The mandatary is therefore authorized to receive all contributions and to transmit them to SSQ for the purpose of: purchasing, transferring and redeeming transactions, in part or in whole; terminating contracts; reconciling transactions; or proceeding with any other transaction requested by the contractholder. The mandatary may be a Financial Security Advisor or, in the case that transactions are made through FundSERV, a dealer or intermediary.

- **Market Value:**
  - For a segregated fund, this refers to the net value of the assets held in the fund, i.e. the value of its assets less the value of its liabilities.
  - For units of a fund held in a contract, this refers to the number of units held in the fund multiplied by its unit value.
  - For Guaranteed Investments, this refers to the value of the capital plus any interest earned.
- **Segregated funds:** refers to funds that are held separately from the insurer's other assets and in respect of which the non-guaranteed benefits of an individual variable insurance contract are provided.
- **Spouse:** refers to the person defined as the "spouse or common-law partner" under the federal *Income Tax Act*. When it comes to the application of the pension legislation governing your plan, the spouse must also qualify as such under this legislation.
- **Subscription:** refers to the agreement between SSQ and the annuitant, who may act through a mandatary (legal representative), where appropriate, following the signing of the application form.
- **Unit:** refers to the measure of the participation in a segregated fund as well as the corresponding advantages under the individual variable insurance contract related to it.
- **Unit Value:** refers to the value of one unit of a segregated fund. It is therefore the price of a unit of a fund at any given time. The unit value is calculated each valuation day by dividing the total market value of the fund by the total number of units credited to all contracts. The unit value calculation method used is the same for all funds, including funds investing in underlying funds for which the unit value is established for the main fund in accordance with the assets held. Fund unit values are published in the financial section of most major newspapers.
  - The "first unit value" refers to the unit value that is applicable following a purchase, transfer or redemption request. Except for under certain circumstances, the unit value applicable for all transaction requests received by SSQ before 2 p.m. EST on a valuation day is established as the unit value in effect that day. However, the unit value of any transaction request received after 2 p.m. EST on a valuation day or non-valuation day is considered to have been received on the next valuation day. A valuation day is a calendar day planned for by SSQ, which normally corresponds to the business days the office responsible for administering the funds at SSQ is open.

II. ABOUT SSQ, LIFE INSURANCE COMPANY INC. AND FUND MANAGEMENT

2.1 Insurer

SSQ, Life Insurance Company Inc., a duly incorporated legal person (company) established in right of the Quebec private act, *Les Services de santé du Québec L.Q. 1991, c. 102,* holds an insurance permit in every province and territory of Canada. It is also referred to as SSQ in this Information Folder, and in its riders, amendments and appendices. The insurer is the grantor of the annuity payments. SSQ's head office is located at:

2525 Laurier Boulevard
P.O. Box 10500 Station Sainte-Foy
Quebec QC G1V 4H6

2.2 Trustee and Registrar

SSQ is responsible for keeping records of all SÉCURI**FONDS** Fund transactions and transfers. SSQ calculates unit values and market values and provides record-keeping and internal accounting services as required by the funds. SSQ carries out purchase, redemption and transfer orders, calculates and manages distributions, as well as providing other general administrative services as required by the funds. A record of the units held by individual unitholders is kept at the fund administration office located at:

1245 Chemin Sainte-Foy
Building 1, Suite 210
P.O. Box 10510
Quebec QC G1V 0A3

2.3 The Investment Manager

SSQ has entered into an agreement with an investment management firm (or firms) for services relating to portfolio fund management. The SÉCURI**FONDS** Fund may hold a portfolio of securities or shares of underlying funds managed by this firm. In addition, SSQ reserves the right to appoint other portfolio managers for these funds at any time without prior notice. To know the names of current SÉCURI**FONDS** Fund manager or managers, please refer to the *Fund Facts*.

2.4 Auditors

The SÉCURI**FONDS** Fund is audited by Ernst & Young, a limited liability company. Its Quebec City office is located at:

150 René-Lévesque Blvd, Suite 1200
Quebec QC G1R 6C6

2.5 Conflicts of Interest

SSQ adheres to a code of ethics and integrity that addresses all of its employees and that provides guidelines with regard to conflicts of interest. SSQ also has an Ethics Committee that meets the requirements stipulated in the *Insurance Companies Act*. This committee reports to Quebec's *Autorité des marchés financiers* on an annual basis regarding the compliance of SSQ's officers, managers and employees with the Company's Code of Ethics.

In addition, SSQ requests that all of its external managers adopt and adhere to a code of ethics. SSQ is putting in place procedures to ensure the conformity of its managers' investment policies, the independence of their trustees and the effectiveness of their internal control procedures.

2.6 Interest of Management and Others in Material Transactions

With respect to the SÉCURI**FONDS** Fund, the persons or companies mentioned here below hold no major interest, direct or indirect, in any transaction carried out in the last three years that may have had a significant impact on SSQ or any of its subsidiaries.

These persons and companies are as follows:

i) any SSQ director or senior manager;

ii) SSQ's principal broker;

iii) any associate or affiliate of the foregoing persons or companies.

2.7 Material Contracts

No material contract concerning SÉCURI**FONDS** Fund investments has been entered into by SSQ or any of its subsidiaries in the past two years.

2.8 Administrative Practices

2.8.1 Regular Changes

SSQ may modify its administrative practices from time to time to reflect changes it makes to its guidelines, changing economic conditions or legislative amendments. All dollar amounts stated in this Information Folder are subject to change. The investment objectives of underlying funds may also be modified as long as the changes do not affect the fundamental investment objectives of the principal funds. SSQ reserves the right to modify its fund manager. Contractholders shall receive notification of any change by regular mail.

2.8.2 Fundamental Changes

The changes listed below are considered fundamental changes. You are entitled to specific rights if such changes are made and receive notification in writing at least 60 days prior to the coming into force of any of the following:

- An increase in management fees or in any guarantee fees exceeding the pre-established maximum limit;
- A modification in the fundamental investment objectives of the fund;
- A decrease in the frequency the units of the fund are valued.

The prior written notice you receive explains your rights, as indicated below:

- You have the right to apply for the redemption of the units held in the segregated fund affected by the fundamental change, without incurring any fees. This may result in tax consequences that must be taken into consideration.

In order to be able to exercise your rights, SSQ must receive notice of your decision in writing at least five days prior to the expiry of the above-mentioned 60-day notice.

During this prior notification period, you are not allowed to transfer the value of units to the fund affected by the fundamental change, unless you agree in writing to waive the rights mentioned above.

In the case where SSQ no longer offers a certain type of individual variable insurance contract, any similar contract still in force shall continue to be subject to these rules.

2.9 Transaction Requests

Notwithstanding any provision contained in the contract, the Information Folder, its appendices or riders, SSQ may, at its sole discretion, decide to refuse or suspend any transaction request if it deems an event to be exceptional or abusive.

2.10 Liquidation of a Segregated Fund

SSQ reserves the right to liquidate one or more segregated funds offered. In such a case, the provisions set out under section 2.8.2 above shall apply.

2.11 Right to Rescind

If you change your mind about the individual contract you have purchased, you may

- cancel the contract,
- cancel any payment you make, or
- change any investment decision you have made.

You can change your mind within two business days of the earlier of the date you received confirmation or five business days after it is mailed. You have to tell SSQ in writing (by email, fax or letter) that you want to cancel. The amount returned will be the lesser of the amount you invested or the value of the fund if it has gone down. The amount returned only applies to the specific transaction and will include a refund of any sales charges or other fees you paid.

You can also change your mind about subsequent transactions you make under the contract within two business days from the date you received confirmation. In this case, the right to cancel only applies to the new transaction.

III. THE CONTRACT AND PLAN

3.1 The Nature of the Contract

The individual contract you subscribe to is an annuity contract under the terms of which the investments you make are contributions paid as premiums to SSQ. This entitles you to a claim corresponding to the value of the contract as determined according to the terms and conditions provided for under this Information Folder. This "claim" does not prevent you from being able to make withdrawals, in whole or in part, at your discretion, and you may also make investment choices in conformity with the contract. This contract provides for an investment period; please refer to the contract for details. SSQ reserves the right to limit the number of contracts you may subscribe to.

3.2 Access to the Plans

Your subscription to an individual contract established by SSQ gives you access to the SÉCURI**FONDS** Fund as well as the Daily Interest Account (DIA) and the Guaranteed Interest Account (GIA). To be able to invest in these financial products, you must first choose from eight different types of plans for registered or non-registered savings. These plans allow you to make contributions to the different financial vehicles offered by SSQ. This Information Folder deals mainly with individual variable insurance contracts relating to the SÉCURI**FONDS** Segregated Fund. However, one section deals with the provisions applicable to DIAs and GIAs. There is a maximum age restriction to subscribe. Please refer to section 6.4 for details.

3.3 Types of Plans

The individual plans SSQ offers include the following:

- Retirement Savings Plan (RSP)
- Locked-In Retirement Account (LIRA)
- Non-Registered Savings Plan (NRSP)
- Tax-Free Savings Account (TFSA)
- Retirement Income Fund (RIF)
- Life Income Fund (LIF)
- Prescribed Registered Retirement Income Fund (PRRIF)
- Locked-In Retirement Income Fund (LRIF)

The Retirement Savings Plan (RSP) is a plan that is established as a retirement savings plan for tax purposes and is registered as such with tax authorities.

The Locked-In Retirement Account (LIRA) is a plan that is established as a retirement savings plan for tax purposes and is registered as such with tax authorities. It is subject to legal restrictions relative to death benefits, payments and the annuities it may provide.

The Non-Registered Savings Plan (NRSP) is a savings plan that is not registered with tax authorities.

The Tax-Free Savings Account (TFSA) is a tax-free savings account registered with the tax authorities.

The Retirement Income Fund (RIF) is a plan that is established as a retirement income fund for tax purposes and registered as such with tax authorities. It is subject to legal restrictions regarding the minimum annual payment amount as of the year following its establishment.

The Life Income Fund (LIF) is a plan that is established as a retirement income fund for tax purposes and registered as such with tax authorities. It is subject to restrictions regarding minimum annual payment amounts as of the year following its establishment as well as legal restrictions relative to death benefits, annuities and maximum annual payment amounts it may provide.

The Prescribed Registered Retirement Income Fund (PRRIF) is a plan that is established as a retirement income fund for tax purposes and registered as such with tax authorities. It is subject to restrictions regarding minimum annual payment amounts as of the year following its establishment as well as legal restrictions relative to death benefits and the annuities it may provide.

The Locked-In Retirement Income Fund (LRIF) is a plan that is established as a retirement income fund for tax purposes and registered as such with tax authorities. It is subject to restrictions regarding minimum annual payment amounts as of the year following its establishment as well as legal restrictions relative to death benefits, annuities and maximum annual payment amounts it may provide.

IV. THE SÉCURIFONDS FUND

A segregated fund consists of a pool of capital held separately from an insurer's other assets, which is managed by professionals and invested in a variety of different securities. When you purchase units of a particular fund, your individual variable insurance contract gives you the advantages associated with that fund's diversified investment portfolio. SSQ makes the segregated fund listed below available to you. However, SSQ reserves the right, at any time, to restrict or to no longer accept fund unit purchases, to close down a fund or to change a fund manager. In addition, SSQ also reserves the right to merge funds. In such a case, you receive prior written notification of at least 60 days, by regular mail providing details of the change and explaining your rights.

Fund Name	Start Date of Operations
SÉCURI**FONDS** Fund	December 1, 2010

A brief description of the investment policy for the SÉCURI**FONDS** Fund is presented in section X under "A Summary of the SÉCURI**FONDS** Fund Investment Policy." For more information or details about the SÉCURI**FONDS** Fund investment policy, contact SSQ Client Services at 1-855-732-8743.

The SÉCURI**FONDS** Fund may hold units from underlying funds. It is important to note that the individual variable insurance contract is issued by the insurer and the contractholder purchases an insurance contract. In this sense, the contractholder is not a unitholder of the underlying fund. The fundamental investment objectives of the underlying fund may not be changed without the approval of the unitholders of the underlying fund, and once such approval is obtained, the contractholders of the associated segregated funds are given notice of such change.

The underlying funds are managed by one or multiple management firms chosen by SSQ and may be modified at any time without prior notice. Please refer to the *Fund Facts* for details about underlying funds. Information, financial statements and investment policies concerning underlying funds are provided upon request, when they are available.

In order to meet your specific needs, SSQ recommends that you consult your financial security advisor who will be able to help guide you to the funds best suited to your investment objectives.

V. BENEFITS GUARANTEED FOR THE VARIABLE CAPITAL PORTION OF INDIVIDUAL CONTRACTS

SSQ offers a guarantee relative to the contributions the contractholder makes to the SÉCURI**FONDS** Fund. This guarantee ensures that the contractholder holds a minimum given percentage of contributions upon the maturity of the guarantee and upon the death of the annuitant. The guarantee described herein does not concern fund returns, which are not guaranteed.

At the time of subscription to a contract, the application date of the maturity guarantee is determined and the contractholder must choose a guarantee option for present or future contributions to segregated funds.

SSQ offers three guarantee options: the Basic guarantee, the Enhanced guarantee and the Optimal guarantee. All three of these options provide for a guaranteed value upon maturity and a guaranteed value upon death. The Basic guarantee option is currently offered at no additional charge to you. In the case where no guarantee option has been chosen, the Basic guarantee option shall apply by default. The Enhanced and Optimal guarantee options are available for an additional fee. Please refer to section 7.2.2 "Guarantee Fees" for fee details.

SSQ reserves the right to add a new guarantee option, to make changes to a guarantee option or to stop offering a guarantee option. Contractholders shall receive adequate notification of any such change by regular mail.

SSQ reserves the right to refuse the Enhanced or the Optimal guarantee option if the information required to allocate this guarantee is incomplete. Guarantees become lapsed upon the termination or cancellation of your contract or upon the redemption of all SÉCURI**FONDS** Fund units held in the contract.

SSQ may require proof that it deems sufficient to confirm the date of birth of the annuitant in order to establish the application date of the maturity guarantee. In case of a discrepancy between the date of birth provided at the time of your contract subscription and the date of birth confirmed by such sufficient proof, SSQ reserves the right to re-establish the guarantee application date as well as the amounts guaranteed.

For all guarantee options, the guarantee application date used to calculate the guaranteed death value is the date that SSQ accepts the proof, satisfactory to SSQ for the payment of benefits. However, the date used to determine the percentage of the guarantee applicable is the actual date of the annuitant's death.

Each guarantee option has two guaranteed values: a guaranteed value upon maturity and a guaranteed value upon death.

5.1 Basic guarantee: 75% upon maturity and 75% upon death (75% - 75%)

5.1.1 Guarantee Application Date

Upon maturity

The application date of the maturity guarantee for the Basic option is the date of the annuitant's **100th** birthday. *For LIRAs and LIFs in Newfoundland and Labrador, the application date of the maturity guarantee for the Basic option is the date of the annuitant's 80th birthday.*

5.1.2 Calculation of Guaranteed Values

The guaranteed value upon **maturity** for the Basic option is **75%** of all contributions made to funds in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4).

The guaranteed value upon **death** for the Basic option is **75%** of all contributions made to funds in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4).

Details about calculating guaranteed values, application of the guarantee and guarantee change (sections 5.4 to 5.6) are applicable.

5.2 Enhanced guarantee: 75% upon maturity and 100% upon death (75% - 100%)

5.2.1 Guarantee Application Date

Upon maturity

The application date of the maturity guarantee for the Enhanced option depends on the age of the annuitant at the time the first contribution is made to a fund in the contract:

- If the first contribution is made on or before the annuitant's 55th birthday, the application date of the maturity guarantee is the date of the annuitant's 70th birthday;

- If the first contribution is made after the annuitant's 55th birthday but on or before the annuitant's 75th birthday, the application date of the maturity guarantee corresponds to the end of the 15-year period that follows this contribution;
- If the first contribution is made after the annuitant's 75th birthday, the application date of the maturity guarantee is the date of the annuitant's 100th birthday.

For LIRAs and LIFs in Newfoundland and Labrador, the application date of the maturity guarantee depends on the age of the annuitant at the time the first contribution is made to a fund in the contract:

- *If the first contribution is made on or before the annuitant's 55th birthday, the application date of the maturity guarantee is the date of the annuitant's 70th birthday;*
- *If the first contribution is made after the annuitant's 55th birthday but on or before the annuitant's 65th birthday, the application date of the maturity guarantee is the date of the annuitant's 80th birthday.*

The application date of the maturity guarantee is established separately for each contract. It is established based on the date of the first contribution to a fund. Subsequent contributions made to the same contract do not affect the application date.

5.2.2 Calculation of Guaranteed Values

The guaranteed value upon **maturity** for the Enhanced option is **75%** of all contributions made to funds in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4).

The guaranteed value upon **death** for the Enhanced option is **100%** of all contributions made to funds in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4), if the death of the annuitant occurs before age 80. However, this guaranteed value is equal to 75% of all contributions made to funds in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4) if the death of the annuitant occurs at age 80 or older.

5.2.3 Guaranteed Value Upon Maturity Reset

It is possible to reset the maturity guarantee value twice per calendar year, provided a request is made using the appropriate form, until the date of the annuitant's 85th birthday *(for LIRAs and LIFs in Newfoundland and Labrador, until the date of the annuitant's 65th birthday*). This reset feature establishes the value guaranteed upon maturity at 75% of the market value in force at the time of the reset, provided this value exceeds the value guaranteed upon maturity. Subsequent contributions will be added to this value (adjusted according to the provisions set out under section 5.4).

This reset does not affect the guaranteed value upon death.

The application date of the maturity guarantee is recalculated based on the provisions of the first maturity date (see section 5.2.1).

Details about calculating guaranteed values, application of the guarantee, guarantee change and new guarantee period (sections 5.4 to 5.7) are applicable.

5.3 Optimal guarantee: 100% upon maturity and 100% upon death (100% - 100%)

5.3.1 Guarantee Application Date

Upon maturity

The application date of the maturity guarantee for the Optimal option depends on the age of the annuitant at the time the first contribution is made to a fund in the contract:

- If the first contribution is made on or before the annuitant's 55th birthday, the application date of the maturity guarantee is the date of the annuitant's 70th birthday;
- If the first contribution is made after the annuitant's 55th birthday but on or before the annuitant's 75th birthday, the application date of the maturity guarantee corresponds to the end of the 15-year period that follows this contribution;
- If the first contribution is made after the annuitant's 75th birthday, the application date of the maturity guarantee is the date of the annuitant's 100th birthday.

For LIRAs and LIFs in Newfoundland and Labrador, the application date of the maturity guarantee depends on the age of the annuitant at the time the first contribution is made to a fund in the contract:

- *If the first contribution is made on or before the annuitant's 55th birthday, the application date of the maturity guarantee is the date of the annuitant's 70th birthday;*
- *If the first contribution is made after the annuitant's 55th birthday but on or before the annuitant's 65th birthday, the application date of the maturity guarantee is the date of the annuitant's 80th birthday.*

The application date of the maturity guarantee is established separately for each contract. It is established based on the date of the first contribution to a fund. Subsequent contributions made to the same contract do not affect the application date.

5.3.2 Calculation of Guaranteed Values

The guaranteed value upon **maturity** for the Optimal option is equal to:

i) **100%** of all contributions made to funds in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4), for the entire period coming before the 15 years preceding the planned maturity of the guarantee, plus

ii) **100%** of all contributions made to funds on the first day of the new guarantee period in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4), or any other renewed fund contributions, plus

iii) **75%** of all contributions made to funds in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4), at any other time.

The guaranteed value upon death for the Optimal option is 100% of all contributions to funds made in your contract for this guarantee option (adjusted according to the provisions set out in section 5.4).

5.3.3 Guaranteed Value Upon Maturity Reset

It is possible to reset the maturity guarantee value twice per calendar year, provided a request is made using the appropriate form, until the date of the annuitant's 85th birthday *(for LIRAs and LIFs in Newfoundland and Labrador, until the date of the annuitant's 65th birthday)*. This reset feature establishes the value guaranteed upon maturity at the market value in force at the time of the reset, provided it exceeds the value guaranteed upon maturity. Subsequent contributions will be added to this value (adjusted according to the provisions set out under section 5.4).

This reset does not affect the guaranteed value upon death.

The application date of the maturity guarantee is recalculated based on the provisions of the first maturity date (see section 5.3.1).

5.3.4 Guaranteed Value Upon Death Reset

The guaranteed value upon death is reset automatically once every 3 years, on the anniversary date of the initial fund contribution. Resets continue to be made until the year in which the annuitant reaches age 80. A final reset is made on the date of the annuitant's 80th birthday. If the anniversary date does not fall on a valuation day, the reset is done on the last valuation day preceding the anniversary date.

This reset feature establishes the value guaranteed upon death at the total market value of all funds held in the contract in force at the time of the reset, provided it exceeds the guaranteed value upon death in the contract. Therefore, the reset can only increase the guaranteed value upon death or have no effect.

The guaranteed value upon maturity is not affected by this reset.

<u>Details about calculating guaranteed values, application of the guarantee, guarantee change and new guarantee period (sections 5.4 to 5.7) are applicable.</u>

5.4 Details about Calculating Guaranteed Values

<u>Reinvested distributed income from funds</u>

Income from funds amounts (such as described in section VIII "Income from your SÉCURI**FONDS** Fund Unit Investment") that have been distributed and reinvested, where applicable, do not increase the guaranteed values.

<u>Redemption of units and external transfers</u>

The guaranteed values are reduced by those associated with the redeemed units. They are calculated for the units of each fund according to the ratio of the market values of the redeemed units for the overall units of the funds having the same features for the purpose of the guarantee (including, among others, the same guarantee option and the same application date).

Income from funds (such as described in section VIII "Income from your SÉCURI**FONDS** Fund Unit Investment") that have been paid to you in cash are considered redemptions.

Fees for a transfer to another financial institution, a transfer to a Lifelong Learning Plan (LLP) or a Home Buyers' Plan (HBP), purchase cancellations due to non-sufficient funds, inactive contracts, for any payment not honoured or other fees charged to you are considered unit redemptions. Unit redemptions made to settle guarantee fees or management fees do not reduce the guaranteed values.

<u>Internal transfers from one contract to another</u>

When contracts have the same features for the purposes of the guarantee (including, among other things, the same guarantee option, the same annuitant and the same guarantee application date), the allowable transfers of the value of units from one

contract to another have no impact on their guarantee. Therefore, their guarantee features (including, among other things, the application date and the guaranteed values) are fully maintained.

When contracts do not have the same features for the purposes of the guarantee (including, among other things, the same guarantee option, the same annuitant and the same guarantee application date), the allowable transfers of the value of units from one contract to another are considered as redemptions in the original contract and as new contributions in the contract the units are transferred to. SSQ may enhance these rules at any time. Please refer to the administrative rules in force for more details.

5.5 Application of the Guarantee

In the event that, on the guarantee application date, the applicable guaranteed value (upon maturity or upon death) is greater than the sum of the market values of the funds held in the contract, SSQ credits you an amount equal to the difference between these two values in the form of fund units. The fund units are purchased in the same proportion as in the contract with the no-load sales charge option.

5.6 Guarantee Change

You are allowed to request a change of guarantee between the three options (Basic, Enhanced and Optimal) once per 12-month period. In such case, as a result of the change, a new guarantee will begin with an initial contribution amount corresponding to the market value. The guaranteed values are recalculated in accordance with the provisions of the guarantee option chosen (see section 5.1.2, 5.2.2 or 5.3.2, as applicable). The application date of the maturity guarantee will be set according to the provisions of the guarantee option chosen (see section 5.1.1, 5.2.1 or 5.3.1, as applicable).

5.7 New Guarantee Period (not applicable for the Basic guarantee)

5.7.1 New Maturity Guarantee Period

Upon reaching the guarantee maturity, unless indicated otherwise by you or by SSQ, a new guarantee period begins, according to the terms and conditions in effect for your contract on that date. The new application date of the maturity guarantee for these units depends on the age of the annuitant at the time the guarantee is renewed at maturity according to the following provisions:

- If the renewal date is on or before the annuitant's 75th birthday, the application date of the maturity guarantee corresponds to the end of the 15-year period following this maturity;
- If the renewal date is after the annuitant's 75th birthday but on or before the annuitant's 80th birthday, the application date of the maturity guarantee is the date of the annuitant's 90th birthday;
- Otherwise, the application date of the maturity guarantee is the date of the annuitant's 100th birthday.

For LIRAs and LIFs in Newfoundland and Labrador, the new application date for the maturity guarantee is the date of the annuitant's 80th birthday.

As long as the guarantee option is still available, when you begin a new guarantee period following a guarantee reaching maturity, the market value of the funds on that date, including payment for the guarantee application made by SSQ, where applicable, shall constitute, for the purposes of the guarantee upon maturity, the initial contribution to which are added all subsequent fund contributions made to your contract for this guarantee option (adjusted according to the provisions set out under section 5.4). At the time of any new guarantee period, as long as the same guarantee option exists, the guaranteed value upon death does not take into account the market value considered for the application of the maturity guarantee and the payment for the guarantee application made by SSQ, where applicable.

If you do not wish to start a new guarantee period, you must notify SSQ in writing, at least 30 (thirty) days before the maturity date of the guarantee, stating your instructions with regard to the units reaching maturity, indicating that you wish to exercise your option to purchase another product or to redeem the units, subject to applicable tax and pension laws.

In the case where the guarantee options are no longer available on the maturity date, SSQ is obliged to notify you in writing at least 60 days prior to this date to inform you of the options available to you.

5.7.2 No New Guarantee Period upon Death

SSQ shall apply the guarantee on the application date of the death guarantee. The contract terminates following the death of the annuitant and no other guarantee is applicable for this contract.

VI. PROCESSING OF SÉCURIFONDS FUND UNIT TRANSACTIONS

6.1 SÉCURIFONDS Fund Valuation

SSQ establishes the market value of the fund each valuation day, that is on each calendar day planned for by SSQ, which normally corresponds to the days the office responsible for administering the funds at SSQ is open. This market value is determined by using, whenever possible, the most recent quotations known at the time of valuation, which is usually around 4 p.m. EST. Recognized security brokers supply the market value of shares, bonds, debentures and other over-the-counter instruments. Short-term notes are evaluated at the current price. The valuation of bonds, debentures and short-term notes includes accrued interest. All portions of assets from units in other funds are determined by using the most recent known value of the units in these funds at the time of valuation. In other cases, SSQ determines a fair market value.

6.2 SÉCURIFONDS Fund Unit Valuation

Each segregated fund is divided into equal-value units. When you make a contribution to a fund, SSQ credits you fund units. There are no restrictions on contribution amounts, except for those stipulated in the *Income Tax Act* for registered plans.

The price of a segregated fund unit corresponds to its unit value.

The unit value is calculated each valuation day by dividing the total market value of the fund by the total number of units credited to all contracts.

The unit value calculation method is the same for all funds, including funds investing in underlying funds for which the unit value is established for the main fund in accordance with the assets held.

Fund unit values are published in the financial section of most major newspapers.

FORMULA AND EXAMPLE OF FUND UNIT VALUE CALCULATION						
Market Value						
Fund Assets	less	Fund Liabilities	divided by	Outstanding Units	equals	Unit Value
($100 M	-	$10 M)	÷	9 M	=	$10

6.3 Processing of SÉCURIFONDS Fund Unit Transaction Requests

You may purchase and redeem units or transfer the value of SÉCURI**FONDS** Fund units through an authorized Financial Security Advisor by completing the appropriate form. If you do not know an authorized advisor, contact SSQ Client Services at 1 855 732-8743.

The advisor will forward your purchase, redemption or transfer request to our offices located at:

1245 Chemin Sainte-Foy
Building 1, 2nd Floor, Suite 210
P.O. Box 10510
Quebec QC G1V 0A3

Except for under certain circumstances, transaction requests are processed in the following manner: any transaction request received by SSQ before 2 p.m. EST on a valuation day is established at the unit value in effect that day. However, any transaction request received after 2 p.m. EST on a valuation day or non-valuation day is considered to have been received on the next valuation day, and the unit value used for the purpose of the transaction of the applicable securities is the unit value established on the valuation day following the actual day of receipt of the request.

6.4 SÉCURI**FONDS Fund Unit Purchases**

The contributions you make in relation to individual variable insurance contracts are used to purchase units in the SÉCURI**FONDS** Fund. The number of units you receive corresponds to the contribution amount divided by the first unit value calculated following the purchase. Contributions may be made up to the maximum age restriction, as indicated in the table below.

Latest age the annuitant may subscribe and Latest age the annuitant may own contract* (According to legislation in force on the date this document is printed)			
	Basic guarantee	**Enhanced guarantee**	**Optimal guarantee**
Latest age to subscribe			
NRSP - TFSA - RRIF - LIF - PRRIF - LRIF	age 90	age 85	age 85
RRSP - LIRA	age 71**	age 71**	age 71**
LIRA - LIF Newfoundland and Labrador	age 70	age 65	age 65
Latest age to own			
NRSP - TFSA - RRIF - LIF - PRRIF - LRIF	age 100	age 100	age 100
RRSP - LIRA	age 71**	age 71**	age 71**
LIRA - LIF Newfoundland and Labrador	age 80	age 80	age 80

* Until the day he/she reaches the indicated age.
** Until December 31 of the year the annuitant turns age 71.

SSQ reserves the right to refuse any contribution, in whole or in part. The decision to accept or refuse a contribution is made within two days of receipt of the contribution by SSQ. If a contribution is refused, you are immediately reimbursed the full amount received by SSQ without any fee or interest. No unit purchases are accepted during a suspension of redemption rights, as described in section 6.5 "SÉCURI**FONDS** Fund Unit Redemptions."

SSQ reserves the right to establish a maximum contribution amount from time to time.

6.4.1 Lump-Sum Purchases

Lump-sum initial contributions must be of a value of at least $5,000. All subsequent contributions must be of a value of at least $2,500. SSQ reserves the right to change these minimum requirements at any time.

6.4.2 Periodic Purchase Program

If you wish to make regular contributions to the SÉCURI**FONDS** Fund, you can apply for the Periodic Purchase Program that permits automatic direct withdrawals from your bank or trust account. You select the withdrawal amount desired. You have a choice of the following withdrawal frequencies:

i) Weekly

ii) Bi-weekly (every two weeks)

iii) Monthly

iv) Bi-monthly (every two months)

v) Quarterly

vi) Semi-annually

vii) Annually

The Periodic Purchase Program is available only through direct withdrawals taken from your bank or trust account.

The minimum withdrawal amount is set at $40 per contribution. SSQ reserves the right to change this minimum and the parameters of the Periodic Purchase Program at any time by amending its administrative rules. You can adhere to the Periodic Purchase Program for as long as you want and you may modify or cancel it at any time at no extra charge by providing the SSQ Fund Administration Office with 30-day written notice.

Use of this Periodic Purchase Program does not require any additional fees for lump-sum purchases.

6.4.3 Sales Charges

The SÉCURI**FONDS** Fund does not involve any sales charges.

6.4.4 Purchase Payments

If SSQ is unable to cash your cheque or any other negotiable instrument, your purchase request shall be cancelled, resulting in the redemption of the units involved in the transaction. If the redemption value is higher than the purchase value, the difference shall be allocated to the appropriate fund for the benefit of the whole fund. If the redemption value is below the purchase value, you owe the difference to the fund. In any case, fees are charged as set out in section VII "Fees Related to Your Investment in SÉCURI**FONDS** Fund Units."

6.5 SÉCURI**FONDS Fund Unit Redemptions**

Subject to the provisions set out under applicable legislation, you may redeem your SÉCURI**FONDS** Fund units, in whole or in part, except when normal trading has been suspended on any stock exchange or market where more than 50% of the securities of the fund are registered or negotiated, or when units in an underlying fund cannot be transacted. If the request for fund redemption exceeds 10% of the units in the fund on a given valuation day, SSQ reserves the right to limit the redemption of units to 10% of their number in force on each valuation day. Redemption requests are subsequently processed according to their order of reception at SSQ. The redeemed units are considered to be a disposition under the meaning intended under the *Income Tax Act*.

When redeeming units for, among other reasons, a transfer to another financial institution or conversion of the value of the plan to an annuity, whether it be upon your own initiative or in order to comply with the contract or with applicable legislation, only those amounts for which the guarantee has reached maturity at the time of redemption are subject to application of the guarantees. If this is not the case, the guaranteed values of these units shall terminate, as explained under sections 5.3 and 5.11 "Details about Calculating Guaranteed Values."

6.5.1 Processing Your Request

For your protection, the redemption request must bear your signature or that of your mandatary, where applicable. The redemption value of your duly completed redemption request is transmitted to you within three business days of the valuation day, either by a cheque mailed to the address specified in your contract or to the office of your mandatary, or by direct deposit into the bank or trust account that you have indicated to SSQ.

6.5.2 Redemption Value

The number of units redeemed from the fund corresponds to the amount of the redemption divided by the unit value established on the valuation day in question. Fees (as explained under section 7.2 "Fees Charged to Contractholders") and tax deductions may be subtracted, where applicable.

6.5.3 Minimum Redemption Amount

The redemption request must be for a minimum amount worth at least $100 of fund units. If following a redemption transaction, the market value of the units held in the fund is less than $ 500, then the request is considered to be for all units, unless the plan is established as a RRIF. SSQ reserves the right to change these minimum requirements at any time.

6.5.4 Periodic Redemption Program (RRIFs, LIFs, PRRIFs, LRIFs, NRSPs and TFSAs))

You may receive periodic payments from the SÉCURI**FONDS** Fund, provided the overall value of the units in your contract following the redemption is of at least $5,000. If not, we shall proceed with a lump-sum payment or other provision that you have agreed to with SSQ. You determine the redemption amount, which must be a minimum of at least $100 by direct deposit into your bank or trust account, as well as the redemption frequency from the following choices:

i) Weekly

ii) Bi-weekly (every two weeks)

iii) Monthly

iv) Bi-monthly (every two months)

v) Quarterly

vi) Semi-annually

vii) Annually

The Periodic Redemption Program is available only through direct deposit into your bank or trust account.

When you request a redemption or transfer, you must ensure that a sufficient balance is maintained in the fund to ensure that the planned redemptions can be made relative to the Periodic Redemption Program. If not, the redemption requested is not carried out and you must provide us with instructions in order so that we may proceed with the transaction.

SSQ reserves the right to change, at any time, the minimum amounts and parameters of the Periodic Redemption Program.

6.6 SÉCURI**FONDS Fund Unit Value Transfers**

When transferring the value of units between two SSQ subscriptions, whether it be at your own initiative or in order to comply with the contract or with applicable legislation, the dates of purchase of the units and the redemption fee tables, where applicable, are fully transferred. The application dates of the guarantees and the guaranteed values are not affected by this transfer, as long as the guarantee features are not modified in any way.

The number of units whose value is transferred corresponds to the amount transferred divided by the first unit value calculated following the transfer.

When you request a fund unit value transfer, if you use the Periodic Redemption Program, you must ensure that a sufficient balance is maintained to ensure that the planned redemption can be made. If not, the redemption requested is not carried out and you must provide us with instructions in order so that we may proceed with the transaction.

6.6.1 Processing Your Request

For your protection, the transfer request must bear your signature or that of your mandatary, where applicable.

6.6.2 Minimum Transfer Amount

The transfer request must be for a minimum amount worth at least $100 of fund units. If following a transfer transaction, the market value of the units held in the fund is less than $500, then the request is considered to be for all units. SSQ reserves the right to change these minimum requirements at any time.

6.6.3 Periodic Transfer Program

You can arrange to have the value of units transferred regularly from the SÉCURI**FONDS** Fund, from one contract to another. You determine the transfer amount, which must be a minimum of at least $100, as well as the transfer frequency as follows:

i) Weekly

ii) Bi-weekly (every two weeks)

iii) Monthly

iv Bi-monthly (every two months)

v) Quarterly

vi) Semi-annually

vii) Annually

SSQ may change the minimums and the parameters of the Periodic Transfer Program at any time.

6.7 Short-Term Transactions

Short-term transactions involve the purchase of units followed by a redemption or a transfer within a relatively short period of time thereafter, for the purpose of taking advantage of particular market conditions. While these transactions are not illegal, if they are carried out in an abusive manner, and on numerous occasions or for significant dollar amounts, they may be harmful to the fund and affect its performance.

For the purpose of protecting the interests of unitholders of its funds, SSQ reserves the right to impose fees equivalent to 2% of the value of the units in question or to refuse these transactions when redemptions or transfers are carried out within a delay of less than 90 days following the date of purchase or if SSQ considers that the transaction requested could be harmful to the fund.

VII. FEES RELATED TO YOUR INVESTMENT IN SÉCURIFONDS FUND UNITS

7.1 Fees charged to the SÉCURIFONDS Fund

7.1.1 Annual Management Fees and Administrative Fees

SSQ collects annual management fees from the fund and is responsible for management and marketing fees. Fees are established based on ratios applicable to the daily value of the net assets. Administrative fees are calculated based on the market value of the fund on a daily basis. You do not have to pay these fees directly as they are calculated on a daily calendar basis and charged to the assets of the funds each valuation day. Note that fee ratios may vary from year to year. The management expense ratio can be modified from time to time, notably given the applicables taxes. If this is the case, you will receive an adequate notice. However, if the change results in a fundamental change, you will receive notification in writing at least 60 days prior to the change. To obtain the management expense ratio of the SÉCURI**FONDS** segregated fund, please refer to the Fund Facts. The SÉCURI**FONDS** Fund's management expense ratio is disclosed in the audited annual financial statements.

Where applicable, management fees include the fees paid for underlying funds in which the SÉCURI**FONDS** Fund holds units.

SSQ may modify management fees or modify the calculation base of such fees at any time, with an immediate effective date for existing and subsequent contracts. However, if the change results in an increase in fund management fees, this shall be considered a fundamental change and the provisions as set out in section 2.8 "Administrative Practices" shall apply. For example, any increase in the management fees of an underlying fund that translates into an increase in the management fees of the segregated fund constitutes a fundamental change.

SSQ charges administrative fees against the assets of the fund, which include auditing expenses, legal fees, insurance fees, record-keeping expenses, bank expenses, custodian and deposit fees, unitholder-related service expenses, financial report expenses, fund accounting and valuation expenses, income taxes, sales taxes (GST and others), and expenses related to the Information Folder and unitholder communications as well as any other expenses incurred by the funds. These fees may vary from one year to another.

7.2 Fees Charged to Contractholders

7.2.1 Fees Related to Sales Charges

Purchases made do not include any purchase fees, meaning that the total amount of the contribution is applied to the purchase of units. Regardless of the remuneration mode chosen by your financial security advisor, redemptions also do not include any fees.

7.2.2 Guarantee Fees

Fees related to the guarantees are paid through a redemption of units on a quarterly basis and are included on your periodic financial statements. Currently, no additional fees are attached to the 75 - 75% Basic guarantee option. Current fees and maximum limits are shown in the *Fund Facts*.

Guarantee fees are expressed on an annual percentage basis of the Fund's net assets. They are calculated daily. To calculate daily ratios, these percentages must be divided by 365 or 366, depending on the number of days in the year in question.
Where applicable, they are charged against the market value of the assets you hold in the fund.
Guarantee fees are not subject to sales taxes.

SSQ may modify guarantee fees by notifying you in writing by regular mail, unless the maximum limit of the guarantee fee, as indicated in the above table, is surpassed. If this is the case, the change shall be subject to written notice of at least 60 days and the terms and conditions for a fundamental change shall apply as set out in section 2.8 "Administrative Practices".

7.2.3 Other Fees

A $35 fee is charged for a transfer to another financial institution, a tranfer to a Lifelong Learning Plan (LLP) or a Home Buyers' Plan (HBP), a cancellation of a purchase in the case of non-sufficient funds or for any payment not honoured, or in the case of an inactive contract. A yearly fee is charged for inactive contracts valued at less than $1,000 if there have been no transactions in the previous two years and if the mailing address is not known. These fees are paid through a redemption of units held in the contract.

Fees are also applicable to all extraordinary work requiring significant additional effort on the part of SSQ; for example, work that is done to recuperate unclaimed assets in conformity with the application of the *Public Curator Act*.

SSQ reserves the right to modify fees subject to the present section of this document. You receive written notice of any change by regular mail.

7.3 Taxes

Except if indicated to the contrary, any sales taxes required under applicable legislation shall be added to the fees collected.

VIII. INCOME FROM YOUR SÉCURI**FONDS** FUND UNIT INVESTMENT

The SÉCURI**FONDS** Fund produces returns that include interest income, dividend income, capital gains or losses, distributions received from underlying funds and any other income. Management and administration fees, taxes and performance fees and foreign taxes, where applicable, are deducted from this income.

Income is held and reinvested in the funds for the benefit of shareholders and contribute to increasing the fund's unit value. Income realized for the SÉCURI**FONDS** Fund will be attributed to you proportionally each year.

SSQ reserves the right to change the frequency of fund attributions.

IX. TAXATION RELATIVE TO SÉCURIFONDS FUND UNITS

Our intention is to provide you with a basic overview of the federal tax consequences associated with segregated funds. This information takes into consideration tax legislation in force at the time of publication of this Information Folder. While this Information Folder does not intend to explain every possible tax aspect or provincial tax rule, it does intend to provide a basic understanding of segregated fund taxation.

9.1 Tax Status of the SÉCURIFONDS Fund

The characteristics of the SÉCURI**FONDS** Fund correspond to the those of a "reserve fund" as intended under the *Income Tax Act* and as such is considered to be a "trust fund" under the meaning of the same Act. The assets in the fund are held separately from the insurer's other assets.

The *Income Tax Act* states that any realized income from a fund are deemed to be realized by the unitholders. Consequently, the fund itself is not subject to any income tax, other than foreign tax deducted at source.

9.2 Tax Consequences

This section provides an overview of the tax consequences relative to investing in the SÉCURI**FONDS** Fund, which we recommend you discuss with your tax consultant. This information applies to unitholders who are residents of Canada, who are not exempt from paying income tax, and who hold units as capital assets for tax purposes.

9.2.1 Non-Registered Plans

You must declare income that you receive from the SÉCURI**FONDS** Fund, whether or not this income was distributed to you. At the beginning of the year, SSQ will issue a tax slip specifying the income that you received for the previous year for units you held in your non-registered plans during the previous year.

The cost of your investment is increased by income allocated and the eventual capital gain resulting from the sale of your units will be reduced accordingly. You do not pay taxes in cases where return of capital is allocated to you. The return of capital reduce the cost of your investment, which will increase your capital gains when you sell your units.

If you hold units in a fund that allocated dividends from a taxable Canadian company or that paid foreign taxes on the realized income from funds, you are eligible for credits for dividends or foreign taxes.

You are taxed on your share of income generated by a fund in which you hold units even if this income was generated before you purchased units in this fund.

You are required to declare all capital gains or losses you realize at the time of fund unit redemption or at the time of transfer of the value of fund units.

9.2.2 Registered Plans

RRSP, LIRA and TFSA Plans

As a general rule, if you subscribe to a contract and choose a plan that is established as an RSP and that is registered in compliance with the *Income Tax Act* or any other applicable provincial or territorial tax legislation, contributions are tax deductible up to the maximum allowed under applicable tax legislation, unless the contribution is transferred from another tax-sheltered instrument that permits tax-sheltered transfers. No tax is payable on income from funds at the time it is allocated to you.Benefit payments are fully taxable, except when exempted by law. If you subscribe to a contract established as a LIRA, the tax treatment is basically the same as that for an RSP. For the TFSA, even if it is a registered plan, contributions to investment vehicles are not tax deductible and no tax is payable on income allocated to you. Benefits are not taxable.

RRIF, LIF , PRRIF and LRIF Plans

As a general rule, if you subscribe to a contract and choose a plan that is established as an RIF, LIF , PRRIF or LRIF and that is registered in compliance with the *Income Tax Act* or any other applicable provincial tax legislation, no tax is payable on income from funds at the time it is allocated to you. Benefit payments are fully taxable.

X. SUMMARY OF THE SÉCURIFONDS FUND INVESTMENT POLICY

This section provides a brief description of the SÉCURI**FONDS** Fund investment policy. Any change that is made to the fundamental investment objective of the fund is considered to be a fundamental change. The provisions established for fundamental changes shall apply as set out under section 2.8 "Administrative Practices."

For details about the SÉCURI**FONDS** Fund investment policy, contact SSQ Client Services at 1-855-732-8743.

In order to meet your specific needs, SSQ recommends that you consult your financial security advisor who will be able to help guide you to make the choices best suited to your investment objectives.

10.1 The SÉCURIFONDS Fund

The fundamental investment objective of this diversified fund is to generate regular income and medium- to long-term capital growth. The fund is invested mainly in Canadian fixed-income securities issued by federal, provincial and municipal governments as well as blue chip companies. It is also invested in the equities of large-cap Canadian, U.S. and international companies. The fund may hold units of underlying funds corresponding to the above-mentioned securities.

In order to achieve the investment objectives, the fund is invested in a diversified portfolio of equities and fixed-income securities. The fund's assets are made up of approximately 60% fixed income securities and 40% variable income securities. The asset management philosophy is based on an analysis of fundamentals while adhering to a rigorous risk management approach.

This fund is exposed mainly to stock and bond market risk, interest rate risk, credit risk, foreign currency exchange risk, as well as risk related to the use of financial derivative instruments. It does not use financial leverage or derivative products for speculative purposes.

XI. RISKS RELATIVE TO INVESTMENTS IN THE SÉCURIFONDS FUND

Investing in segregated funds procures many advantages. SSQ offers guarantees relative to the contributions made to funds as described in section V "Benefits Guaranteed for the Variable Capital Portion of Individual Contracts" which are protected by Assuris. However, unlike Daily Interest Accounts (DIAs) and Guaranteed Interest Accounts (GIAs), neither Assuris nor SSQ protects the value of the units purchased in segregated funds. It is therefore important to understand the possible risks associated with the investment choices you make.

The value of units fluctuates daily based on the value of the securities acquired by the various funds. Therefore the value of your investments in segregated funds may increase or decrease depending on the fluctuating value of the securities held.

There is no guarantee that a fund with a higher risk probability will yield greater gains than a lower risk fund. Segregated funds should be considered as long-term investment vehicles. Their comparative performance should always be considered over a period of three to five years or more. It is also important to note that past performance is not a guarantee of future results.

11.1 Factors Influencing Unit Values and Other Risk Factors

Fixed income securities are affected by interest rates, solvency changes of the issuer, economic environment, and financial market conditions. Generally, an increase in interest rates results in a reduction in the value of the securities held by a fund. Conversely, a reduction in interest rates causes securities to increase in value.

Equities are affected by developments in the companies invested in, and also by financial market conditions, economic environment and the financial position of the countries where investments are listed on the exchange. For all of these reasons, equity funds tend to be more volatile than fixed income funds. As a result, the value of their securities may fluctuate more significantly than funds concentrated in fixed income securities.

Investments in foreign securities are affected by international economic factors and exchange rate fluctuations between the Canadian dollar and foreign currencies. Foreign markets may be subject to financial, political or social factors that can have a negative effect on the value of the securities held in a fund. Often, little information is available on foreign companies due to the fact that many are not subject to detailed and standardized accounting, auditing and financial statement presentation practices, government supervision and regulations and obligations to disclose information that applies to Canadian and U.S. companies. In addition, the investment portfolios of these funds must comply with foreign exchange and investment control legislation, foreign withholding tax constraints, and risks of expropriation and possible confiscatory taxation. Finally, securities traded on foreign markets can be less liquid and more volatile than those traded on North American markets, and trading and regulation practices may be less developed, and the income and internal regulation of companies less regulated than in North America. For these reasons, foreign securities funds can be more volatile in the short term, although they may offer superior returns in the long term and above all increase the diversification of your portfolio.

11.2 Strategy for Using Derivative Products

Derivatives represent a type of investment instrument used mainly to manage risk. Several different derivative products exist. A derivative product is usually in the form of a buying or selling contract for an asset or goods, either immediately or in the future. The value of the contract is established on or derived from the goods purchased or sold, such as a currency, a bond, an equity, a commodity, a market index, or an economic indicator such as an interest rate.

Sound fund portfolio management includes using derivative products to achieve investment objectives.

The SÉCURI**FONDS** Fund may use derivative products as a hedge or for other purposes if used in accordance with the investment objectives of the fund. Whether it is for futures, options, warrants or subscription rights, the fund only uses these securities if listed on a recognized stock exchange. Derivative products are used mainly by a fund for the following purposes:

i) as protection against exchange or interest rate fluctuations and sudden stock market movements;

ii) to reduce operating expenses;

iii) to increase the fund's ability to adjust rapidly to market changes;

iv) to increase or reduce exposure to certain markets or asset classes;

v) to cover guaranteed benefits,

vi) to replicate an index.

The SÉCURIFONDS Fund does do not use derivative products for speculative purposes.

However, derivative products do entail some risk. They may not achieve expected results and it is not guaranteed that they will generate losses or produce gains. Here are some of the risks associated with these securities:

i) There may exist a less-than-perfect-hedge in relation to the fluctuation of the market value of fund investments and the derivative products used to cover such investments;

ii) The hedge against stock market and interest rate or exchange fluctuations does not eliminate entirely the risk of losses or variations in the value of the securities in the fund. Hedging may prevent funds from taking advantage of stock market increases or gains resulting from a drop in interest or exchange rates;

iii) Hedging may be ineffective to cover funds due to the constraints of daily trading on some securities;

iv) Securities traded on foreign markets may entail a greater risk than those traded on the North American market and because foreign markets may be less active, securities may be difficult to liquidate rapidly;

v) It is usually impossible to find derivative products as a hedge against foreseeable market variations or the exchange rate variations in countries affected by hyperinflation;

vi) Options on stock market indices and futures contracts present an additional risk. If trading in a large number of securities within an index is interrupted or suspended, funds holding options or futures contracts on that index may be unable to liquidate their positions, or it may skew the index;

vii) The fund is subject to risks where the other contract party is unable to respect its obligations; however, counterparties are carefully chosen by SÉCURI**FONDS** Fund managers;

viii) Funds may lose their margin deposits in the event of the bankruptcy of a broker with whom they have an open position in an option or forward contract to be delivered. For this reason, SÉCURI**FONDS** Fund managers are cautious in their brokerage choice.

11.3 Financial Leverage

The SÉCURI**FONDS** Fund does not use financial leveraging.

XII. GUARANTEED INVESTMENTS

A Guaranteed Investment is an investment vehicle whose capital is guaranteed and which has a pre-fixed interest rate. SSQ offers two types of guaranteed investments: the Daily Interest Account (DIA) and the Guaranteed Interest Account (GIA).

DIA

A DIA is an investment vehicle, which is redeemable at any time, and for which contributions are invested at a daily interest rate fixed by SSQ.

GIA

A GIA is an investment vehicle for which contributions are invested for a fixed period of time, at a rate of interest guaranteed by SSQ on capital only (simple interest) or on capital and interest (compound interest). It may be redeemable during the term or non redeemable before term. The rates and compound interest frequencies are those in effect at SSQ.

12.1 Processing of Guaranteed Investment Transactions

12.1.1 Guaranteed Investment Purchases

SSQ reserves the right to refuse any contribution, in whole or in part. The decision to accept or refuse a contribution is made within two days of receipt of the contribution by SSQ. If a contribution is refused, you are immediately reimbursed the full amount received by SSQ without any fee or interest.

Lump-sum contributions to the DIA or the GIA must be for a minimum value of at least $400, provided that the overall subscription is for a minimum amount of $5,000. SSQ reserves the right to change these minimum requirements at any time.

Except for under certain circumstances, transaction requests are processed in the following manner: all sums received by SSQ before 2 p.m. EST on a business day are processed the same day. However, any sums received after 2 p.m. EST are invested the following business day.

12.1.2 Redeemable Guaranteed Investment Redemptions

When redeeming Guaranteed Investments for, among other reasons, a transfer to another financial institution or conversion of the plan to an annuity, whether it be upon your own initiative or in order to comply with the contract or with applicable legislation, the following terms and conditions apply.

Redeemable Guaranteed Investments may be redeemed, in whole or in part, at any time.

The redemption value of a DIA corresponds to the contribution amount plus any accumulated interest on the date of the redemption.

The redemption value (RV) of a redeemable 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:

$$RV = MV - MVA$$
$$MVA = MV \times (i - j + 1.00\%) \times n/12$$

where MVA is always ≥ 0

Given that:

MV = Market value of the redeemed GIA in whole or in part;
i = Current interest rate offered by SSQ for a 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 complete months until the end of the GIA.

If the redemption of a redeemable GIA occurs following the death of the annuitant, the MVA is equal to zero. In such case, the redemption value of a GIA corresponds to the market value.

12.1.3 Non-Redeemable Guaranteed Investment Redemptions

If, in the case of certain specific events that are provided for in the contract or by law, for example, conversion of an annuity at the end of the contract's investment period, we are obliged to carry out the redemption of a non-redeemable Guaranteed Investment, then the redemption fees charged by SSQ are calculated in conformity with its administrative rules.

If the redemption of a non-redeemable GIA occurs following the death of the annuitant, the market value adjust ment (MVA) is equal to zero. In such case, the redemption value of a GIA corresponds to the market value.

12.1.4 Exemption of Redemption Fees Applicable to RRIF, LIF, PRRIF and LRIF Plans

Option 1

You are entitled to an exemption of redemption fees, i.e. market value adjustment (MVA), for redemptions paid in cash worth up, for each calendar year, to 20% of the market value of the redeemable GIAs held in the contract, calculated as at December 31 of the previous year.

Option 2

Every calendar year, you have one exemption of redemption fees, i.e. market value adjustment (MVA), equal to the larger of the two following amounts: cash payments selected at the purchase of the redeemable GIA or 20% of the market value of redeemable GIAs held in the contract, calculated as at December 31 of the previous year.

12.1.5 Transfer of Guaranteed Investments

For transfers from one contract to another, whether it be upon your own initiative or upon the maturity date of a plan, the remaining investment vehicle period and its terms and conditions are maintained, and its renewal is carried out according to the provisions set out in section 12.4 "Reinvestment at End of GIA Term".

12.2 Management of Income from your Guaranteed Investment

Compound Interest GIAs

Any interest on a compound interest GIA is reinvested at the rate guaranteed at the time of the GIA purchase for the remaining term of the GIA.

Simple Interest GIAs (available only for non-registered and TFSA plans)

Interest on a simple interest GIA is reinvested cumulatively on each anniversary date of the investment at the rate currently offered by SSQ at that time for a one-year term, or may be paid to you as an annual cash payment.

12.3 Fees Related to Your Investment in Guaranteed Investments

A $35 fee is charged for a transfer to another financial institution, a transfer for an LLP or HBP, cancellation of a purchase in the case of non-sufficient funds or for any payment not honoured, or in the case of an inactive contract. A yearly fee is charged for inactive contracts valued at less than $1,000 if there has been no transaction in the previous two years and if the mailing address is not known. These fees are paid through a redemption in your contract.

Fees are also applicable to all extraordinary work requiring significant additional effort on the part of SSQ, for example, work that is done to recuperate unclaimed assets in conformity with the application of the *Public Curator Act*.

SSQ reserves the right to modify the fees that are subject to the present section of this document. You shall receive written notice of any change by regular mail.

Any sales taxes required under applicable legislation are added to the fees collected.

12.4 Reinvestment at End of GIA Term

Unless SSQ receives instructions to the contrary from you or your mandatary at least five days before the end of the investment vehicle term, SSQ reinvests the amounts accumulated according to the same terms and conditions as the previous investment vehicle at the interest rate in force at SSQ on the reinvestment date; if not, an alternative is proposed to you or your mandatary, where applicable.

12.5 Tax Consequences

Our intention is to provide you with a basic overview of the federal tax consequences associated with Guaranteed Investments, which we recommend you discuss with your tax consultant. This information takes into consideration tax legislation in force at the time of publication of this Information Folder. This information applies to contractholders who are residents of Canada and who are not exempt from paying income tax.

While this Information Folder does not intend to explain every possible tax aspect or provincial tax rule, it does intend to provide a basic understanding of the general taxation rules related to Guaranteed Investments.

12.5.1 Non-Registered Plans

SSQ Guaranteed Investments are taxed yearly on the interest earned on the anniversary date of the GIA.

Each year, SSQ sends you a tax slip detailing the total amount of interest earned over the previous year.

12.5.2 Registered Plans

RRSPs, LIRAs and TFSAs

As a general rule, if you subscribe to a contract and choose a plan that is established as an RSP and that is registered in compliance with the *Income Tax Act* or any other applicable provincial tax law, contributions are tax deductible up to the maximum allowed under applicable tax legislation, unless the contribution is transferred from another tax-sheltered instrument that permits tax-sheltered transfers. No tax is payable on interest at the time it is earned. Benefit payments are fully taxable, except when exempted by legislation. If you subscribe to a contract established as a LIRA, the tax treatment is basically the same as those for an RSP. For the TFSA, even if it is a registered plan, contributions to investment vehicles are not tax deductible and no tax is payable on income from investment vehicles at the time they are allocated. Benefits are not taxable.

RRIFs, LIFs , PRRIFs and LRIFs

As a general rule, if you subscribe to a contract and choose a plan that is established as an RIF, LIF , PRRIFs and LRIFs and that is registered in compliance with the *Income Tax Act* or any other applicable provincial tax law, no tax is payable on interest at the time it is earned. Benefit payments are fully taxable.

XIV. INVESTMENT AND TRANSACTION STATEMENTS

You will receive a written confirmation from SSQ each time you make a purchase or redemption of SÉCURI**FONDS** Fund units, or transfer of the value of units in the SÉCURI**FONDS** Fund. If you participate in a periodic purchase, redemption or transfer program, you receive confirmation of your initial transaction and receive written confirmation subsequently only if there is a modification to the program.

You do not receive confirmation of any SÉCURI**FONDS** Fund unit purchases from reinvested distributions of income from the fund.

You will receive an investment statement from SSQ on a regular basis (at least once a year) providing you with details about your investments. This statement includes, among other things:

i) the value of your investments as at the date of the statement;

ii) the transactions amounts that occurred during the statement period.

In addition, management expense ratios (MERs) and other expenses, rates of return on funds, unaudited half-yearly financial statements and audited financial statements (which include a Statement of Operations, Statement of Changes in Net Assets, Statement of Investment Portfolio and other financial information) are available upon request.

ANNUITY CONTRACT

NOTICE: **Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value.**

ANNUITY CONTRACT AND RETIREMENT PLAN RIDER

I. TERMINOLOGY

1. Annuitant

Under this annuity contract, the annuitant is the physical person upon whose life the annuity and guarantee relative to segregated funds are established and upon whose death the death benefit shall be paid. The annuitant may be the contractholder or a person designated as such by the contractholder. In the case of the RSP, RIF, LIRA, LRIF, PRRIF, LIF, and TFSA plans the annuitant is the same person as the Investor.

2. Contract

This annuity contract includes all of the stipulations mentioned herein, rider, amendments, applicable appendices and forms. In the application of a specific rider, the provisions contained in the rider shall take precedence over any provisions in the contract that are incompatible; however all of the other contract provisions shall continue to apply. For more details about individual and group contracts as well as the respective appendices for these documents, refer to the definition of the term "contract" set out under the General Provisions of the Annuity Contract."

3. Contractholder

In the case of an individual plan, the contractholder is the person who subscribes to the individual contract acting as the investor. If more than one contractholder invests in the same contract, these additional contractholders act as co-investors. The contractholder is also the annuity grantee, i.e. the person who is entitled to receive the annuity payments. However, in the case of an SSQ NRSP plan only, the contractholder may designate a person other than himself to receive the annuity payments. In the case where the investor is a "legal person" (company), only a non-registered plan may be opened and the contractholder must attach a copy of the company resolution authorizing the investment along with the application form.

In the case of the registered plans offered, only a "physical person" may subscribe to the contract. In such case, the investor is both annuitant and the annuity grantee. The Social Insurance Number (SIN) is required for Canada Revenue Agency for tax purposes.

4 . Contributions

The contributions paid to SSQ by the investor, also referred to as premiums, are invested in the investment vehicles available through SSQ having been selected by the contractholder, or his mandatary, where applicable. Once these contributions have been invested, according to the instructions given, the contractholder "holds investments" in the investment vehicles selected. The amount of each contribution must not be less than the minimum allowable amount in force at SSQ for each investment vehicle. In the case of a registered plan, the amount of the contributions made must comply with the limits set out in the federal Income Tax Act (Canada). Additional provisions apply to the LIRA, RIF, LRIF, PRRIF and LIF and are described in their own respective rider.

Contributions are paid to the insurer as premiums and are invested in the SÉCURI**FONDS** Fund, or in SSQ's general funds when the investment is guaranteed. SSQ exercises its right to manage its segregated and general funds. You have the right to choose the allocation in relation to the terms offered by SSQ in relation to its guaranteed funds.

5. Income Tax Act

For the purposes of this contract, the expression "*Income Tax Act*" means Canada's *Income Tax Act*, its regulations, as well as any territorial or provincial income tax act and its regulations. When SSQ refers specifically to the federal income tax act, the word "Canada" is added in brackets following the words "*Income Tax Act*".

6. Insurer

SSQ, Life Insurance Company Inc., a duly incorporated legal person (company) established in right of the Quebec private act, Loi concernant Les Services de santé du Quebec, L.Q. 1991, c. 102, holds an insurance permit in every province and territory of Canada. It is also referred to as "SSQ" in this contract and in its riders, amendments and appendices. The insurer is the grantor of the annuity payments.

7. Mandatary

The mandatary (legal representative) is the "physical" person who is duly authorized to represent the contractholder according to the terms and conditions of the mandate given by the contractholder and whom, for the purpose of carrying out transactions, may act in the contractholder's name, but only upon the contractholder's request and according to his instructions. The mandatary may be a life insurance agent or a financial security agent. The mandatary must sign the application form in the location provided for this purpose.

8. Pension legislation

The expression "pension legislation" refers to pension plan legislation that is applicable in Canada, including notably, the following laws and their regulations or guidelines, as the case may be:

Pension Benefits Standards Act, 1985 / Pension Benefits Standards Regulations, 1985	(Federal)
Pension Benefits Act, 1997 / Pension Benefits Act Regulations	(Newfoundland & Labrador)
Pension Benefits Act / Pension Benefits Regulations	(Nova Scotia)
Pension Benefits Act / General Regulation - Pension Benefits Act	(New Brunswick)
Supplemental Pension Plans Act / Regulation respecting supplemental pension plans	(Quebec)
Pension Benefits Act / General Provisions	(Ontario)
Pension Benefits Act / Pension Benefits Regulations under the act	(Manitoba)
Pension Benefits Act, 1992 / Pension Benefits Amendment Regulations, 2002 / Pension Benefits Regulations, 1993	(Saskatchewan)
Employment Pension Plans Act / Employment Pension Plans Regulation	(Alberta)
Pension Benefits Standards Act of British Columbia / Pension Benefits Standards Regulations	(British Columbia)

For the purposes of this contract, when SSQ wants to make a distinction between a legislative "act" or a legislative "regulation" it uses respectively the expression "pension act" or "pension regulation." Further, when SSQ wants to make reference specifically to the Pension Benefits Standards Act, 1985 (Canada) and its regulations, it uses the expression "federal pension legislation" For the purposes of this contract, "federal pension legislation" applies to all pension arrangements prescribed in accordance with the aforementioned Act, into which may be transferred, a pension plan organized to provide pension benefits to currently employed employees,

and former employees, for whom the employment is, or was, related to service in an enterprise or an activity under federal jurisdiction covered under this legislation, with the exception of employment and profit sharing plans, or other agreements, having been excluded from the application of the aforementioned Act. In addition, "federal pension legislation" applies in Yukon, Nunavut and Northwest Territories.

9. Plans

Upon subscribing to this annuity contract, the contractholder is given the choice of investing in a number of different plans offered by SSQ. Each of these different plans is described in a separate rider. The Non-Registered Savings Plan designated the NRSP is described in the NRSP Rider. The Retirement Savings Plan (RSP) designated the RSP is described in the RSP Rider. The Retirement Income Fund (RIF) designated the RIF is described in the RIF Rider. As for the Locked-In Retirement Account (LIRA), the Ontario Locked-In Retirement Account (Ontario- LIRA), the Prescribed Locked-In Retirement Account (Alberta-LIRA), the Locked-In Retirement Savings Plan (LRSP) and the Restricted Locked-in Savings Plans (RLSP) – all of these are grouped together and designated the LIRA and are described in the same LIRA Rider. The Locked-In Retirement Income Fund (LRIF) designated the LRIF is described in the LRIF Rider. The Prescribed Registered Retirement Income Fund (PRRIF) designated the PRRIF is described in the PRRIF Rider. The Life Income Fund (LIF) and the Restricted Life Income Fund (RLIF) are grouped together and designated the LIF and are described in the same LIF Rider The Tax-Free Savings Account (TFSA) designated the TFSA is described in the TFSA Rider.

Plans and riders offered by SSQ according to applicable pension legislation

Riders →	*RSP*	*RIF*	*LIRA*					*LRIF*	*LIF*	*Prescribed RRIF*	*NRSP*	*TFSA*
PLANS →	RRSP	RRIF	LIRA	Albertan LIRA	Ontario LIRA	LRSP	RLSP	LRIF	LIF	PRRIF	Annuity	TFSA
Federal						X	X		X (including the RLIF)			
Newfoundland & Labrador	X	X	X					X	X		X	X
Prince Edward Island	X	X									X	X
Nova Scotia	X	X	X						X		X	X
New Brunswick	X	X	X						X		X	X
Quebec	X	X	X						X		X	X
Ontario	X	X			X				X		X	X
Manitoba	X	X	X						X		X	X
Saskatchewan	X	X	X							X	X	X
Alberta	X	X		X					X		X	X
British Columbia	X	X				X			X		X	X
Nunavut	X	X				X	X		X (including the RLIF)		X	X
Northwest Territories	X	X				X	X		X (including the RLIF)		X	X
Yukon	X	X				X	X		X (including the RLIF)		X	X

X = Plan offered

10. Spouse

Spouse refers to the person defined as the "spouse or common-law partner" under the federal Income Tax Act (Canada). When it comes to application of the pension legislation governing your plan, the spouse or common-law partner must also qualify as such under this legislation. Additional provisions apply to the LIRA, LRIF, PRRIF or LIF and are described in their own respective rider.

11. Subscription

Subscription refers to the agreement between SSQ and the annuitant, whom may act through a mandatary (legal representative), where appropriate, following the signing of the application form. The signing of the application form by the parties to the agreement signifies the subscription to this contract.

12. Welcome Bonus

For the purpose of Section VI. WELCOME BONUS, this term means the reimbursement by SSQ to the client of some sales charges that may have been incurred and paid by the said client to the financial institution from which the amounts were redeemed and transfered to SSQ as contributions. These charges may include back-load sales charges, market value adjustments and early redemption penalties for example.

II. GENERAL PROVISIONS OF THE ANNUITY CONTRACT

1. Scope

This annuity contract covers individual plans.

2. Contract Investment Period

The investment period of the contract starts on the date the contract comes into force. This period ends at the latest on the annuitant's 100th birthday, which is the date the contract investment period must not exceed.

3. Gender

In this contract feminine and masculine references are made without any discrimination with regard to gender; one includes the other, unless the meaning is otherwise intended.

4. Currency

All payments made to SSQ, or by SSQ, under this contract, must be made in the legal tender of Canada.

5. Contract

a. Nature of the Contract

The present contract to which you are subscribing is an annuity contract under the terms of which the investments that you make are contributions paid as premiums acquired by SSQ. This entitles you to an amount corresponding to the value of your contract, determined according to the conditions set forth in your contract and in the appendix pertaining thereto (Information Folder). The same rule applies to any investment that you may make under the terms of your contract subsequent to your contract application.

The following information, included in the *Fund Facts* for the SÉCURI**FONDS** Fund, forms part of the individual variable insurance contract (IVIC) : name of the IVIC, management expense ratio, risk disclosure, fees and expenses and right to rescind.

The *Fund Facts* information is accurate and complies with the requirements of CLHIA's Guideline G2 and AMF's Guideline on Individual Variable Insurance Contracts Relating to Segregated Funds as of the date the information was prepared.

Pursuant to the *Civil Code of Quebec* or any other law that may be applicable to it, theThe remedies for any error in *Fund Facts* information outlined above will include reasonable measures by SSQ to correct the error. However, it will not entitle the Contractholder to specific performance under the contract.

The contract includes all of the stipulations set out herein as well as riders, amendments and applicable appendices and forms. In the application of a specific rider, the provisions in the rider shall take precedence over any provisions contained in the contract that are incompatible; however all of the other contract provisions shall continue to apply.

The annuity contract applies to an individual plan and the "Information Folder" is included as an attachment to this contract. The document applicable to the plan is attached to the contract and is referred to hereinafter as the "Appendix" for reference purposes.

b. Jurisdiction Applicable to Contract, Coming into Force and Taking of Effect

The present annuity contract is subject to the jurisdiction established under applicable legislation. All claims or lawsuits relating either directly or indirectly to the contract are presented before the legal courts under the applicable jurisdiction.

The contract comes into force and takes effect on the date of acceptance by SSQ subject to it meeting all of the requirements set out under applicable legislation and subject to the first contributions having been cashed by SSQ. Once all of the requirements and conditions have been met in accordance with the law, the date of the coming into force and the taking effect of the contract shall correspond to the initial date on which the first contribution is cashed by SSQ.

c. Limitation Period

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the applicable *Insurance Act,* or, in Quebec, set out under the *Civil Code of Quebec*.

6. Alteration of the Contract

SSQ may not make any alteration to this contract without first giving 60 days prior written notice to this effect to the contractholder, or where applicable, his mandatary, subject notably to the specific rules described in riders, amendments, and appendices to the contract and subject to applicable legislation.

7. Assignment, Pledge or Chattel Mortgage

Any contract under which the contractholder has subscribed to a registered plan, and the benefits guaranteed under it, may not be the object of an assignment, pledge or chattel mortgage. No other advantage other than those permitted under the *Income Tax Act* and which depend in any way on the existence of the plan being the object of the contract, cannot be acquired by the contractholder or a person with whom the contractholder is not dealing at arms length.

8. Contract Loan

This contract contains no loan value and thus loans are not available under this contract.

9. Evidence

SSQ reserves the right to require the contractholder, the annuitant, the annuity grantee, the liquidator of the estate of the contractholder or the beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, satisfactory proof of the survival or death of the annuitant, the title of the beneficiary or any other relevant document.

10. Forms

Any application form signed by the contractholder or by his mandatary, where applicable, forms an integral part of this contract. The same is true for any administrative form required by the insurer or required under the relevant legislation, where applicable.

11. Registration and Statements

SSQ assumes responsibility for:

- opening an individual account for each contractholder and holding the contributions allocated to the investment vehicles that have been selected;
- applying for registration of the contract and the applications of each contractholder with the relevant tax authorities and, where applicable, superintendent of pensions or other equivalent agencies or entities in Canada;
- transmitting all tax receipts and slips required under applicable legislative provisions.

12. Personal Information Protection

For the purpose of safeguarding the personal information held by SSQ, including the confidentiality of this information, SSQ sets up a file for the purpose of providing financial services, and which contains information about the application request as well as information related to the administration of the contract. Access to this file is restricted to those employees of SSQ or mandataries or agents or any party to a contract for work or services of the latter who are responsible for the file, or any other duly authorized person, provided the information is needed for the performance of their duties or the carrying out of their mandates or contracts. This file is kept at SSQ's offices.The contractholder may consult the information held in his file in accordance with applicable legislation governing the protection of personal information, and, if necessary, have any errors or inaccuracies rectified, by making a request in writing to the attention of SSQ's Personal Information Protection Officer at the following address:

SSQ, Life Insurance Company Inc.
2525 Laurier Blvd
P.O. Box 10500, Station Sainte-Foy
Quebec QC G1V 4H6

13. Beneficiary or Estate

The contractholder may, by making a request to such effect in writing, allocate the benefits payable upon the death of the annuitant by designating one or more revocable or irrevocable beneficiaries. The contractholder may also choose to allocate payment of this benefit to his estate. If the contractholder has not designated a beneficiary, the death benefit is payable to his estate. In the event that the investor is a corporation, if a designated beneficiary is not indicated, the investor (i.e. the corporation) will be designated as the revocable beneficiary. SSQ assumes no responsibility for the validity of any designation of beneficiary or change of beneficiary.

SSQ assumes no responsibility for the validity of any designation of beneficiary or change of beneficiary. In addition, SSQ is not bound by any designation or revocation of beneficiary that has not been received at its head office on the date on which SSQ makes a payment or takes any other decision related to a death benefit request.

With regard to contracts signed in the Province of Quebec, in the absence of any choice as to the revocable or irrevocable status of the beneficiary designation, the beneficiary designation of the contractholder's married or civil union spouse is irrevocable by default.

Applicable legislation may protect the rights and interests conferred under the annuity contract from seizure.

Notwithstanding the aforementioned, the exemption from seizure of the insurance money, the rights and interests conferred under the annuity contract with respect to LIRA, LRIF, PRRIF, and LIF plans shall be established according to applicable pension legislation.

14. Investment Vehicles

a. Investment Vehicles Offered by SSQ

The investment vehicles offered by SSQ are described in the appendix to this contract. SSQ reserves the right to cease offering certain investment vehicles and to add new ones, which must comply with the provisions of the *Income Tax Act*. Each of the investment vehicles currently available through SSQ has its own particular rules and the same applies to all investment vehicles SSQ may decide to offer in the future.

b. Variable Insurance Contract

The benefits payable under a variable insurance contract are based on the value of the units redeemed. This value fluctuates depending on the market value of the fund's underlying assets on the day of redemption valuation, such as this day is described in the applicable appendix, and is not guaranteed. In the case of the SÉCURI**FONDS** Fund, its value fluctuates based on financial market performance. However, SSQ guarantees, at a minimum, payment upon maturity of a benefit equal to at least 75% of the premiums paid before age 75 in the case of a variable insurance contract issued through a segregated fund. The different options offered by SSQ allow you to choose a more advantageous guarantee if so desired. In the case of the guaranteed investment, the capital is guaranteed according to the provisions provided for in the applicable appendix.

Each segregated fund is divided into units of equal value. The unit value of a segregated fund is calculated based on the per unit value at the end of each valuation day, by dividing the total market value of the fund by the number of units to the credit of all contractholders.

The portion of the contribution allocated to the capitalization of benefits in relation to the market value of the segregated fund depends on the sales charges. When there are no sales charges, the total amount of the contribution is invested.

Management and administrative fees incurred by the SÉCURI**FONDS** Fund are expressed as a percentage of the net assets of the funds and are described in the applicable appendix.

The appendix to this contract explains more fully the terms applicable to the variable insurance contract. In the case of any conflict or inconsistency between a provision contained in the contract and the provisions contained in the Information Folder, these latter shall take precedence.

c. Fundamental Changes

The changes listed below are considered fundamental changes. You are entitled to specific rights if such changes are made and you shall receive written notice at least 60 days prior to the coming into force of any of the following:

- An increase in management fees or in any guarantee fees exceeding the pre-established maximum limits;
- A modification in the fundamental investment objectives of the fund;
- A decrease in the frequency of which the units of the fund are valued.

The prior written notice you receive explains your rights as indicated below:

- You have the right to apply for the redemption of the units held in the segregated fund affected by the fundamental change, without incurring any fees. This may result in tax consequences that must be taken into consideration.

In order to be able to exercise your rights, SSQ must receive notice of your decision in writing at least five days prior to the expiry of the above-mentioned 60-day notice.

During this prior notification period, you are not permitted to transfer the value of units to the fund affected by the fundamental change, unless you agree in writing to waive your rights mentioned above.

In the case where SSQ no longer offers a certain type of individual variable insurance contract, the contracts in force shall continue to be subject to these rules.

15. Right to Rescind

The contractholder may rescind the purchase of the segregated fund contract and any allocation of premiums to a segregated fund by sending written notice requesting the rescission to the insurer within two business days following the date the contractholder received confirmation of the purchase.

For any allocation of premiums to a segregated fund other than the initial contractual purchase, the right to rescind will only apply in respect to the additional allocated premiums and written notice requesting the rescission must be provided within two business days following the date the contractholder received confirmation.

The contractholder will be refunded the lesser of the amount invested and the value of the fund on the valuation day no later than the day following the date the insurer received the request for rescission plus any fees or charges associated with the transaction.

The contractholder will be deemed to have received the confirmation five business days after it has been mailed by the insurer.

III. REDEMPTIONS AND TRANSFERS

Subject to applicable legislation, SSQ shall proceed with the application for the redemption or transfer to another financial institution, within 60 days of receipt of the duly completed request. The redemption or transfer value is established based on the terms of the investment vehicles described in the appendix applicable to this contract and according to the methods and variables described in said appendix. In the case of a registered plan, upon the request of the taxpayer, SSQ pays any amount required to reduce the tax amount payable according to the provision concerning excess contributions under the *Income Tax Act* (Canada). In addition, SSQ shall proceed with the transfer to the RRSP or the RRIF of the spouse or ex-spouse of the contractholder, in accordance with any decree, order or judgment of any court of competent jurisdiction or any written separation agreement, providing for property division between the contractholder and spouse, or ex-spouse, in settlement of rights resulting from the marriage or civil union or of the dissolution thereof.

Subject to applicable pension legislation and the *Income Tax Act* (Canada), the contractholder may not request the redemption or transfer of an investment not yet having reached maturity. However, if applicable pension legislation or the Income Tax Act (Canada) permits the contractholder to request the redemption in a case where the contractholder has chosen, as an investment vehicle related to this plan, a non-redeemable GIA, then SSQ shall proceed with the redemption and apply the redemption fees it determines at its own discretion.

If you have the right to withdraw, partially or in full, the capital accumulated for payment of the annuity, exercising this right shall have the effect of reducing correlatively SSQ's obligations with respect to your investments.

Additional provisions apply to the LIRA, RIF, LRIF, PRRIF, and LIF plans and are described in their respective rider.

IV. INITIATION OF ANNUITY PAYMENT UPON RETIREMENT

For the purpose of this contract, retirement is the date the contractholder requests SSQ to convert the redemption value of the annuity contract to the RIF. Additional provisions applicable to the various plans available are described in each respective rider.

1. Life Annuity Amount on Expiry Date of Contract Investment Period

If the contractholder has not requested SSQ to convert the aggregate redemption value of the contract to a monthly life annuity, by the expiry date of the contract investment period at the latest, then SSQ converts such value to a monthly life annuity, with no guaranteed duration, which is immediate and established based on the life of the annuitant only. The amount of the monthly annuity shall then be equal to:

$$\frac{\textbf{Contract redemption value}}{\textbf{50}}$$

where the contract redemption value used is the one established in compliance with the terms of the investment vehicles described in the appendix.

In addition, if the contractholder is required to choose different payment terms for the annuity in compliance with the *Income Tax Act* (Canada), the annuity offered by SSQ shall be a monthly immediate life annuity. The monthly annuity amount is therefore adjusted on an actuarial basis to reflect the additional cost of this choice. The actuarial adjustment is based on the rates in force at SSQ at that time. These terms are related notably to joint survivorship or the duration of the annuity payment period that SSQ may guarantee based on a certain number of payments, and this, even after the death of the annuitant.

SSQ reserves the right to modify the frequency of payments so as to respect the minimum amount applicable to annuity payments such as determined by SSQ. The interval between payments shall never be longer than one year.

2. Life Annuity Amount Prior to Expiry Date of Contract Investment Period

As of the annuitant's 65th birthday, if the contractholder requests SSQ to convert the redemption value of the annuity contract to a monthly life annuity, with no guaranteed duration and which is immediate and established based on the life of the annuitant only, the amount of the monthly annuity payment shall then be equal to:

$$\frac{\textbf{Contract redemption value}}{\textbf{50 + (8 x [100 – Annuitant's age on conversion date])}}$$

where the contract redemption value used is the one established in compliance with the terms and conditions of the investment vehicles described in the appendix.

Before the annuitant's 65th birthday, if the contractholder requests SSQ to convert the redemption value of the annuity contract to payment of a monthly life annuity, with no guaranteed duration, and which is immediate and established based on the annuitant's life only, the amount of the monthly annuity payment is determined based on the rates in force at that time at SSQ. In addition, when the contractholder is required to choose different payment terms for the annuity in compliance with the *Income Tax Act* (Canada), the annuity offered by SSQ shall be a monthly immediate life annuity. The monthly annuity amount is therefore adjusted on an actuarial basis to reflect the additional cost of this choice. The actuarial adjustment is based on the rates in force at SSQ at that time. These terms are related notably to joint survivorship or the duration of the annuity payment period that SSQ may guarantee based on a certain number of payments, and this, even after the death of the annuitant.

SSQ reserves the right to modify the frequency of payments so as to respect the minimum amount applicable to annuity payments such as determined by SSQ. The interval between payments shall never be longer than one year.

V. BENEFIT PAYABLE UPON DEATH OF ANNUITANT

1. Death of Annuitant before Conversion to Annuity

In the event of the death of the annuitant before conversion of the contract to an annuity, SSQ pays, in a lump sum settlement, the contract redemption value associated with the plan to the beneficiary or, in the absence of a beneficiary, to the estate of the contractholder. This value is established on the settlement date in accordance with the terms of the investment vehicles described in the appendix to this contract, less any mandatory deductions under the *Income Tax Act* (Canada), where applicable.

2. Death of Annuitant after Conversion to Annuity

a. For Non-Registered Plans

If the death of the annuitant occurs after conversion of the contract to an annuity, SSQ does not have to make payment as the duration of the annuity payments is not guaranteed and the annuity is established based on the life of the annuitant only.

b. For Registered Plans

For these plans, the annuitant is the same person as the contractholder.

If the death of the contractholder occurs after conversion of the contract to an annuity, SSQ shall pay benefits upon the death of the contractholder only if the duration of the annuity payments is guaranteed or if there is joint survivorship, such as is required under applicable pension legislation or under the *Income Tax Act* (Canada).

If the benefits remain payable following the death of the contractholder, SSQ shall continue to make annuity payments according to the terms of the annuity, to the contractholder's eligible spouse, if one exists, or, in the absence of such spouse, to the designated beneficiary or, in the absence of such beneficiary, to the contractholder's estate, where applicable. However, if the eligible spouse is entitled, upon the contractholder's death, to receive benefits that must be paid from the plan or under the plan of the contractholder, these payments, where applicable, shall be paid to the contractholder's spouse within the meaning intended under the *Income Tax Act* (Canada) and shall not exceed the amount of the payments made during the year of the contractholder's death. If the beneficiary is not the contractholder's spouse, SSQ pays the value of the remaining anticipated guaranteed payments, where applicable, in a lump sum, to the designated beneficiary, or, in the absence of such beneficiary, to the contractholder's estate in accordance with among other things the *Income Tax Act* (Canada).

In the case where the contractholder has designated the spouse and another person as beneficiaries, the retirement income payments shall continue to be paid to the spouse for the same guarantee duration (where applicable), but only in the proportion of the payments that remain to be paid corresponding to the spouse's portion.

Additional terms may apply to LIRA, LIF, PRRIF, and LRIF, including, notably, joint survivorship of retirement income payments to the spouse such as defined under applicable pension legislation. These terms are described in the respective rider of each plan.

VI. WELCOME BONUS

In some cases, the contractholder could be eligible for a welcome bonus. The welcome bonus may under no circumstances exceed the maximum gross commission paid to the advisor by SSQ.

To be eligible for a welcome bonus, the contractholder and his advisor must complete and sign the form provided for this purpose and submit it to SSQ with the application form. SSQ reserves the right to change or to cancel its welcome bonus policy at any time.

VII. RIDER – Non-Registered Savings Plan (NRSP)

The provisions contained in the NRSP Rider take precedence over the other clauses contained in the contract. In the case of any conflictor inconsistency between a provision contained in the contract and the present provisions, these latter shall take precedence.

1. Retirement and Conversion to Annuity

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 SSQ within 60 days before the annuitant's 100th birthday, SSQ proceeds with the conversion of the redemption value of the contract to a life annuity, which is immediate and without guarantee, payable as of the annuitant's 100th birthday. If the monthly payments are less than the minimum in force at SSQ at the time, SSQ reserves its right to reduce the frequency of payments to attain this minimum or to pay the redemption value of the NRSP in a lump sum instead of allocating this value to an annuity, and this, in conformity with the *Income Tax Act* (Canada). The terms that are applicable are those provided for in appendix to this contract. SSQ may not be held liable for any loss that may result from such conversion.

VIII. RIDER – Retirement Savings Plan (RSP)

1. Registration

The RSP plan is registered as a Retirement Savings Plan (RSP) under the terms of the *Income Tax Act* (Canada) and SSQ assumes responsibility for applying, upon your request, for such registration. The provisions contained in the RSP Rider take precedence over other clauses in the contract. In the case of any conflict or inconsistency between a provision contained in the contract and the present provisions, these latter shall take precedence.

2. Contributions

Contributions are invested in accordance with the investment rules respecting Registered Retirement Savings Plans (RRSPs) under the *Income Tax Act* (Canada).

3. Retirement and Conversion to Annuity

The conversion of the contractholder's SSQ RSP to a retirement product for the purpose of paying an annuity may occur no later than the end of the calendar year during which the contractholder turns age 71 or any other age limit set out under the *Income Tax Act* (Canada).

This retirement product may be a Limited Term Annuity, a life annuity, with or without a guaranteed term, or a Registered Retirement Income Fund.

The limited term annuity must be for a number of years equal to 90, less the age of the contractholder (in whole years) at the time of conversion or, if the spouse is younger than the contractholder and this latter so decides, less the age of the spouse (in whole years) also at the time of conversion.

The life annuity must be payable up to the death of the contractholder or, if the contractholder chooses, up to the death of the eligible spouse. In addition, the guaranteed term of the life annuity may not exceed the maximum allowable term of the limited term annuity.

Payment of retirement income must be in the form of equal payments, made annually or at more frequent intervals, until such time as there is a payment stemming from a total or partial conversion of the retirement income according to the provisions of the *Income Tax Act* (Canada).

If, at least 60 days before the end of the calendar year during which the contractholder turns age 71, or any other age limit provided under the *Income Tax Act* (Canada), such contractholder has not made a application in writing to purchase a retirement product issued by SSQ, then SSQ converts the value of the RSP to an RIF for the minimum annual withdrawal amount provided for under the *Income Tax Act* (Canada), and this, based on the age of the contractholder. If the monthly payments are less than the minimum amount then in force at SSQ, this latter reserves the right to reduce the frequency of payments to attain this minimum or to pay the redemption value of the RSP in a lump sum. The terms that are applicable are those provided for in the appendix to this contract. SSQ may not be held liable for any loss that may result from such conversion.

IX. RIDER – Retirement Income Fund (RIF)

1. Registration

The RIF plan is registered as a Retirement Income Fund (RIF) under the terms of the *Income Tax Act* (Canada) and SSQ assumes responsibility for applying, upon your request, for such registration. The provisions contained in this rider shall apply and take precedence over other clauses in the contract. In the case of any conflict or inconsistency between a provision contained in the contract and the present provisions, these latter shall take precedence.

2. Contributions

Contributions are invested in accordance with the investment rules respecting Registered Retirement Income Funds (RRIFs) under the *Income Tax Act* (Canada).

The only sums that may be invested in this RIF plan are those that originate from:

- a Registered Retirement Savings Plan (RRSP) of which the contractholder is the annuitant;
- another Registered Retirement Income Fund (RRIF) of which the contractholder is the annuitant;
- the contractholder in as much as the compensation is an amount in accordance with subparagraph 60(l)(v) of the *Income Tax Act* (Canada);
- a Registered Retirement Savings Plan (RRSP) or Registered Retirement Income Fund (RRIF) of the contractholder's spouse or ex-spouse, in accordance with any decree, order or judgment of any court of competent jurisdiction or any written separation agreement, providing for property division between the contractholder and spouse, or ex-spouse, in settlement of rights resulting from the marriage or civil union or of the dissolution thereof;
- a Registered Pension Plan (RPP) of which the contractholder is a member as defined in subsection 147.1(1) of the *Income Tax Act* (Canada);
- a pension plan, registered in accordance with subsections 147.3(5) or (7) of the *Income Tax Act* (Canada);
- a specified pension plan under the circumstances defined in subsection 146(21) of the *Income Tax Act* (Canada);
- a Deferred Profit Sharing Plan in accordance with subsection 147(19) of the *Income Tax Act* (Canada);
- all sources permitted under the *Income Tax Act* (Canada), notably those mentioned under paragraph 146.3(2) (f) of this Act.

3. Redemptions and Transfers

Upon the request of the contractholder or his mandatary, where applicable, SSQ transfers, partially or in full, to any person who is an issuer of an RRIF or RRSP, the contract redemption value associated with the RIF plan, as determined by SSQ, as well as all information required to ensure the continuation of this RRIF (where applicable). The *Income Tax Act* (Canada) does not however permit the transfer of amounts to an RRSP after December 31 of the year during which the contractholder turns age 71 or any other age limit stipulated under the *Income Tax Act* (Canada).

SSQ may also transfer, partially or in full, upon the request of the contractholder or of his mandatary, where applicable, the contract redemption value associated with the RIF plan, as determined by SSQ, to a person licensed or otherwise authorized in conformity with the laws of Canada or of a province or territory to carry on business in Canada for the purchase of an annuity as described in clause 60(l) (ii) (a) of the *Income Tax Act* (Canada).

The transfer value used is the one established in compliance with the terms of the investment vehicles described in the appendix.

Notwithstanding the preceding, SSQ keeps the amount required under paragraph 146.3 (2) (e) of the *Income Tax Act* (Canada) in order to guarantee payment of the minimum income amount during the year.

If the contractholder chooses a redeemable GIA as an investment vehicle for this plan and then requests the payment of an income amount from this GIA or a redemption of this GIA then redemption fees may apply.

If the contractholder chooses a non-redeemable GIA as an investment vehicle for this plan and then requests redemption of this GIA then SSQ may not process the redemption request unless it proceeds by applying redemption fees at its own discretion.

4. Payment of Annual Minimum Income Amount

The *Income Tax Act* (Canada) provides for payment of a minimum annual income amount from the Registered Retirement Income Fund (RRIF) for each year subsequent to the issuing of the contract, equal to the result obtained by multiplying the fair market value of the contract associated with the RRIF at the beginning of the year by the percentage factor prescribed under said Act. This value is determined in accordance with the terms of the investment vehicles described in the appendix.

No minimum income amount is applicable to the initial year the contract is issued. It is agreed that no payment shall be less than the annual minimum income amount defined for said year in accordance with the *Income Tax Act* (Canada).

If the contractholder would like the annual minimum income amount to be calculated based on the age of the spouse, SSQ must receive such notification at least 10 days prior to the initial payment, otherwise the minimum income amount shall be calculated based on the age of the contractholder. In addition, this decision related to the age used to calculate the minimum annual amount is irrevocable.

At the beginning of each fiscal year, SSQ sends the contractholder a statement indicating the minimum income amount that must be paid as income for that year.

If the monthly payments are less than the minimum in force at that time at SSQ, then SSQ reserves the right to reduce the frequency of payments in order to attain this minimum or to pay the redemption value of the RIF in a lump sum. The terms that are applicable are those provided for in the appendix to this contract.

X. RIDER – TAX-FREE SAVINGS ACCOUNT (TFSA)

The provisions contained in the TFSA Rider take precedence over the other clauses contained in the contract. In the case of any conflict or inconsistency between a provision contained in the contract and the present provisions, these latter shall take precedence.

Only the provisions applicable specifically to the TFSA are set out in this rider.

I. TERMINOLOGY

1. Owner

For individual plans, the owner is the contractholder, the holder, that is the person, of at least 18 years of age, who subscribes to the individual contract acting as the investor. No more than one contractholder may invest in the same contract. In the case of a group plan, the contractholder is the member who subscribes to the group contract.

The contractholder is also the annuity grantee, that is the person who is entitled to receive the annuity payments.

Only a "physical person" may subscribe to the contract. The investor is also the annuitant. The Social Insurance Number (SIN) is required by the Canada Revenue Agency for tax purposes.

In the event of the death of the owner (contractholder), the survivor may acquire all of the owner's (contractholder's) rights, to the extent allowed by law.

2. Annuitant

Under this annuity contract, the annuitant is the physical person upon whose life the annuity and guarantee relative to segregated funds are established and upon whose death the death benefit shall be paid. The annuitant is the same person as the Investor.

3. Plan

Upon subscribing to this annuity contract, the contractholder is given the choice of investing in a number of different plans offered by SSQ. Each of these different plans is described in a separate rider. The Tax- Free Savings Account (TFSA) Plan designated the TFSA is described in the present TFSA Rider.

4. Distributions

In this rider, the term "distribution" means any withdrawal or payment made in relation to the plan for which the individual is the legal holder of all or any part of the rights held by the contractholder in the plan.

At the request of the contractholder, SSQ may make withdrawals, in whole or in part, prior to the maturity date of the investment, and this, regardless of whether the annuity is in the accumulation phase or service phase. However, in the case of a withdrawal, in whole or in part, reasonable management fees and administration fees may apply in accordance with the terms of the investment vehicles described in the appendix to the contract and according to the methods and variables described in this same appendix.

5. Spouse

Spouse refers to the person defined as the spouse or common-law partner under the federal *Income Tax Act* (Canada). In the event of the death of the contractholder, this person is the contractholder's "survivor."

6. Issuer

The issuer of this TFSA is SSQ.

II. SPECIFIC PROVISIONS OF THE ANNUITY CONTRACT APPLICABLE TO THE TFSA

1. Retirement and Conversion to Annuity

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 SSQ within 60 days before the annuitant's 100th birthday, SSQ proceeds with the conversion of the redemption value of the contract to a life annuity, which is immediate and without guarantee, payable as of the annuitant's 100th birthday. If the monthly payments are less than the minimum in force at SSQ at the time, SSQ reserves its right to reduce the frequency of payments to attain this minimum or to pay the redemption value of the 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. SSQ may therefore not be held liable for any loss that may result from such conversion.

2. Termination of the Contract

SSQ reserves the right to terminate the contract if the value of the

subscription associated with the TFSA is less than the minimum in force at SSQ at that time and the right to close the account associated with the contract.

3. Registration of the Contract

Under the terms herein, the contractholder agrees that SSQ may file an election with the Minister of National Revenue to register the Contract as a TFSA under section 146.2 of the *Income Tax Act* (Canada) in accordance with the applicable tax legislation in force as well as any conditions prescribed under such legislation.

4. Benefit Payable upon Death of Annuitant

i. Death of annuitant before conversion to an annuity:

a. if the designated beneficiary is the survivor, this survivor becomes the owner of the plan; in the event of the death of the survivor the provisions set out in b) below shall apply;

b. if not, the value of the contract associated with the TFSA is payable to the designated beneficiary in one lump sum.

ii. Death of annuitant after conversion to an annuity:

a. if the designated beneficiary is the survivor, this survivor shall continue, where applicable, to receive for his/her lifetime the annuity payments he/she may have a right to under the terms of the annuity payable; in the event of the death of the survivor, the provisions set out in b) below shall apply;

b. if not, SSQ shall pay the designated beneficiary an amount equal to the commuted value of any guaranteed annuity payments not made; the commuted value is calculated based on an interest rate determined by SSQ.

In addition, the total annuity payments to be made in a year following the death of the contractholder must not exceed the total amount paid out in a year prior to the death.

5. Other conditions applicable to the contract

i. The TFSA held by the owner is maintained for the exclusive benefit of the owner.

ii. No one other than the owner may make contributions to the TFSA held by the owner.

iii. For as long as there is an owner, the TFSA prohibits anyone else who is neither the owner nor SSQ from having rights relating to the amount and timing of distributions and the investment of funds.

iv. Notwithstanding the provisions contained herein, the TFSA permits withdrawals to be made to reduce the amount of tax otherwise payable by the owner under sections 207.02 or 207.03 of the Income Tax Act (Canada) and, where applicable, the corresponding provisions of any provincial tax legislation applicable to the owner.

v. Upon instructions received from the owner, SSQ shall transfer, in whole or in part, the value having accumulated associated with the TFSA to another tax-free savings account held by the owner.

vi. Notwithstanding the provisions contained herein, the plan permits withdrawals to be made to reduce the amount of tax otherwise payable by the owner under sections 207.02 or 207.03 of the Income Tax Act (Canada) and, where applicable, the corresponding provisions of any provincial tax legislation applicable to the contractholder. vii. Upon instructions received from the contractholder, SSQ shall transfer, in whole or in part, the value of the contract associated with the TFSA to another tax-free savings account held by the contractholder.

viii. The transfer of an amount from the TFSA to another fax-free savings account of which the contractholder is the spouse or the former spouse of the contractholder may be made provided the following conditions have been met:

(i) the contractholder and the spouse concerned live separately from each other at the time of the transfer;

(ii) the transfer is carried out in accordance with an order or judgment from a court of competent jurisdiction, or in accordance with a written separation agreement, that provides for the division of property between the individuals concerned in satisfaction of any rights stemming from the marriage or common-law union or the dissolution thereof.

6. Termination of the TFSA

The TFSA shall cease to have an owner upon the death of the individual (owner) who entered into it, or, if the owner's survivor has acquired all of the owner's rights in association with the TFSA, shall cease upon the death of the survivor.

*SÉCURI***FONDS FUND FACTS**

EFFECTIVE JUNE 10, 2013
FINANCIAL INFORMATION
AS AT DECEMBER 31, 2012

SSQ Investment and Retirement

SÉCURI**FONDS**

FUND FACTS • Financial information as at December 31, 2012

Quick Facts

Date fund created: December 1, 2010
Net asset value per unit: $10.4147
Portfolio turnover rate: N/A
Management expense ratio (MER): between 2.43% and 2.88%
Including taxes and guarantee fees. Refer to Section 2 for details about guarantee fees.
Portfolio manager(s): Montrusco Bolton Investments Inc.

Total value as at December 31, 2012: $19.01 million
Number of units outstanding: 1,825,416
Minimum investment: $5,000

What does this fund invest in?

The fund is invested mainly in fixed-income Canadian securities. These securities are issued by federal, provincial and municipal governments as well as blue chip companies. It is also invested in the equities of large-cap Canadian, U.S. and international companies. The fund may also hold units of underlying funds corresponding to the above-mentioned securities.

Top 10 investments

Montrusco Bolton Global Equity Fund	15.31%
Montrusco Bolton Canadian Equity Fund	12.57%
Montrusco Bolton Equity Income Fund	5.91%
Montrusco Bolton Quant. Can. Equity Fund	3.50%
Canada Govt RRB 4.25 Dec 01 21	2.19%
Canada Govt RRB 3.0 Dec 01 36	2.04%
Canada Govt 2.25 AUG 01 14	1.74%
Canada Govt RRB 2.0 Dec 01 41	1.67%
Canada Govt RRB 1.50 Dec 01 44	1.47%
Canada Govt RRB 4.25 Dec 01 26	1.47%
Total	**47.87%**

Total investments : not available

Asset Mix

- 0.6% Cash and Cash Equivalents
- 62.2% Fixed Income
- 21.9% Canadian Equity
- 15.3% Foreign Equity

How risky is it?

The value of your investments under your contract can go down. Please see section *A Summary of the* SÉCURI**FONDS** *Fund Investment Policy* of the Information Folder for further details.

Very low	Low	**Low to moderate**	Moderate	Moderate to high	High

How has the fund performed?

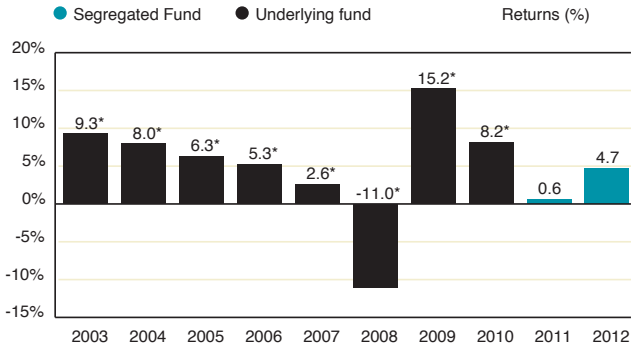
This section tells you how the fund has performed over the past 10 years for an investor who chooses the basic guarantee. Returns are after the MER has been deducted. It's important to note that this doesn't tell you how the fund will perform in the future. Also, your actual return will depend on the guarantee option you choose and on your personal tax situation.

Average return

A person who invested $1,000 in the fund and chose the basic guarantee 10 years ago now has $1,516.21. This works out to an average return of 4.25% a year.

Year-by-year returns

This chart demonstrates the fund's performance over the past 10 years in the case of an investor who chose the basic guarantee. In the past 10 years, the fund was up in value for 9 years and down in value for one year.



* For illustration purposes only, actual segregated fund performance may vary. Includes the product for target fund allocation and the returns of underlying funds in which the fund is invested. Includes, for the bond portion invested in SÉCURI**FONDS** securities, an underlying bond fund (Montrusco Bolton) that had the same mandate as the one awarded as part of the bond asset management of the SÉCURI**FONDS** Fund. In addition, the portion of the Alpha+ Fund (Montrusco Bolton) was allocated proportionally to the other underlying funds before the date the Alpha+ Fund was created, i.e. January 1, 2011.

Are there any guarantees?

This segregated fund is being offered under an insurance contract. It comes with guarantees that may protect a contractholder's investment if the markets go down. The total MER includes the insurance cost for the guarantee. For details please refer to the Information Folder and the contract.

Who is the fund for?

This fund may be right for a contractholder seeking for regular income and medium-to long-term capital growth.

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell units of the fund.

1. Sales Charge

n.a.

2. Ongoing fund expenses

The MER includes the management fee and operating expenses of the fund. The total MER includes the insurance cost for the guarantee. You don't pay these expenses directly. However, they affect you because they reduce the return you get on your investment. For details about how the guarantee works, see your insurance contract.

Actual MER may differ from this amount, given the applicable taxes.

The "Annual Guarantee Fees" indicated in the table that apply to the Enhanced and Optimal guarantee options are deducted from the contract. For details about how the guarantees work, see your insurance contract.

If you have subscribed prior to June 10, 2013, refer to the Information Folder, including *Fund Facts*, received at point of sale and any related amendment, for details about fees applicable to the chosen guarantee.

If you have subscribed after June 10, 2013:

Guarantee options	MER	Limit	Annual Guarantee Fees *	MER (Total)
Basic (75% - 75%)	2.43%	Current	0.00%	2.43%
		Maximum	0.50%	2.93%
Enhanced (75% - 100%)	2.43%	Current	0.20%	2.63%
		Maximum	0.70%	3.13%
Optimal (100% - 100%)	2.43%	Current	0.45%	2.88%
		Maximum	0.95%	3.38%

* % of fund's net assets

Trailer fee commissions

SSQ pays a trailer fee commission of up to 0.50% of the value of your annual investment amount, for as long as you hold fund units. The commission covers the services and advice that are provided to you, and is deducted from the management fees.

3. Other Fees

n.a.

What if I change my mind?

You can change your mind about your investment in a fund within two business days of the earlier of the date you received confirmation or five business days after it is mailed. You have to tell SSQ in writing (by email, fax or letter) that you want to cancel. The amount returned will be the lesser of the amount you invested or the value of the fund if it has gone down. The amount returned only applies to the specific transaction and will include a refund of any fees you paid.

You can also change your mind about subsequent transactions you make under the contract within two business days from the date you received confirmation. In this case, the right to cancel only applies to the new transaction.

For more information

The *Fund Facts* may not contain all the information you need. Please read the contract and the Information Folder or you may contact us.

SSQ, Life Insurance Company Inc.
Trustee and Registrar
1245 Chemin Sainte-Foy, Bldg 1, Suite 210, P.O. Box 10510, Stn Sainte-Foy, Quebec QC G1V 0A3
Tel.: 1-855-SECURIFONDS • Fax: 1-866-559-6871

SSQ Client Services

C/O SSQ, Life Insurance Company Inc.
Registrar and Trustee
1245 Chemin Sainte-Foy, Suite 210
P.O. Box 10510, Station Sainte-Foy
Quebec QC G1V 0A3
Phone: 1-855-732-8743
1-855-SÉCURIFonds
Fax: 1-866-559-6871

BRA1564A (2013-06)