Fondaction
Giving money meaning.

Share redemption application – Upon retirement or reaching 65 years of age

To be completed by the shareholder
For detailed requirements and conditions, or for more information, see the prospectus at fondaction.com/prospectus.

1. Shareholder identification

Last name

First name

Address

City

Province

Postal code

Email

FON
User ID

Le numéro d'identification commence par les lettres FON et se trouve en haut à droite du *Relevé de placements* disponible au fondaction.com/compte.

Application number

Le numéro d'adhésion se trouve sous la section **État de vos placements** du *Relevé de placements* disponible au fondaction.com/compte. **Remplissez un formulaire par numéro d'adhésion.**

2. Eligibility information

Use the attached information booklet to verify your eligibility and determine which documents to provide with your application according to your situation.

The redemption may not be carried out before you reach the age of 65 or if you don't meet a retirement (or pre-retirement) criterion.

I confirm I will have reached the age of 65 at the time of the redemption.

OR

I confirm I qualify for a retirement (or pre-retirement) criterion according to the information and documents submitted as part of this application or of a previous application.

3. Amount of your share redemption

Note: You are allowed a maximum of four applications per year.
To find out the amount of your eligible Fondaction shares or the number of applications submitted, contact Shareholder Services.

Plan

Plan under which you request a redemption of your shares:

- ☐ RRSP (Class "A" shares – Series 1)
- ☐ Spousal RRSP (Class "A" shares – Series 1)
- ☐ Non-registered savings plan (non-RRSP) (Class "A" shares – Series 2)

Amount

If the requested amount leaves a balance in shares of less than $1,500, Fondaction will redeem all the shares in order to close the account.
If the requested amount is greater than the eligible amount, Fondaction will redeem all the eligible shares.

I am asking Fondaction to redeem:

- ☐ All my shares held for at least 2 years
- ☐ A sufficient number of my shares held for at least 2 years for a gross amount (BEFORE withholding taxes) of

  $

- ☐ A sufficient number of my shares held for at least 2 years for a net amount (AFTER withholding taxes) of

  $

Payment method

I request for Fondaction (**select one option only**):

- ☐ To proceed by direct deposit to my bank account as indicated on the sample cheque provided. Attach a personalized sample cheque marked "Void".

  Name of institution

- ☐ To transfer the amount following the instructions of the transfer form provided by my financial institution.
  Attach the transfer application.

  Name of institution

- ☐ To transfer the amount following the instructions below

  Plan name

  Plan number

  Name of institution

  Address

▼ CONTINUED

3. Amount of your share redemption (continued)

Date

If none of the boxes below regarding the date are checked or if I checked the option of a specific date without specifying it, I ask Fondaction to proceed with the redemption immediately unless the application is received during the share valuation period, in which case I ask Fondaction to proceed with the redemption as of the date of the share value change if I am otherwise eligible for this option.

I request for Fondaction to proceed with the redemption:

☐ Immediately

OR

☐ As of Y Y Y Y M M D D,
I acknowledge that the applicable share redemption price will be the price in effect on the date selected and may, in some cases, be lower than the price applicable if I had requested immediate redemption.

The date selected must be within three (3) months of the application date.

☐ As of the date of the share value change (only if the application is submitted during the share valuation period)

Shares are valued twice yearly and the price is generally published toward the 4th week of both December and June.
- First valuation period: December 1st until the value is published in December
- Second valuation period: June 1st until the value is published in June

The transaction will be made at the most favourable price between the price in effect upon receipt of the application and the price in effect after the publication of the new share value.

To take advantage of this option, you must qualify for the redemption criterion before the publication of the new share value.

4. Declarations and consents

Je déclare avoir reçu la version en langue française de ce document préalablement à sa signature et confirme que ma volonté expresse est d'être lié juridiquement par cette version du document en langue anglaise; cette volonté expresse étant également partagée par Fondaction. Conséquemment, tous autres documents qui s'y rattachent peuvent être rédigés en langue anglaise. I declare that I have received the French language version of this document prior to its signature and confirm that my express wish is to be legally bound by this version of the document in English; this express wish being also shared by Fondaction. Consequently, all other related documents may be drafted in English.

I solemnly declare that the information provided in this application, and in particular, information contained in this form and in other documents submitted, is up-to-date, accurate and complete.

I understand that under the tax laws, by requesting the redemption of my shares for reason of retirement (or pre-retirement), I will no longer be eligible for the tax credits offered for the current taxation year and for years to come.

If I am between 45 and 54 years of age and a beneficiary of a retirement pension OR if I am at least 50 years of age and my retirement results from a termination of employment, I solemnly declare that my intention is to retire and that I do not expect my earned income during the 12 months after the beginning of my retirement to exceed 25% of the maximum pensionable earnings from the Québec Pension Plan (QPP). To find out the maximum pensionable earnings, consult revenuquebec.ca and enter Maximum pensionable salary and rate of contribution in the search bar.

I acknowledge that I am responsible for verifying the tax and legal consequences of this application and I exempt Fondaction from all liability in this regard.

I also acknowledge that the amounts payable in consideration for the redemption of my shares will be added to my taxable income or that of my spouse, as the case may be, and that Fondaction will have to withhold the taxes provided for by law from these amounts.

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5. Protection of personal information

I authorize Fondaction to collect directly from me, use and communicate the personal information submitted in connection with this application for the purpose of responding to the application. This includes, for example, identifying me, preparing, analyzing and processing this application, performing transactions incidental to or related to this application, updating records, performing audit and compliance activities, and any other purposes permitted by law. This consent is also requested on behalf of Viaction Assurance Inc., Fondaction's registrar and trustee of Fondaction's registered retirement savings plans. Any personal information collected may be handled by Fondaction's employees or, in some cases, Viaction Assurance Inc.'s employees, and communicated to the competent tax authorities, in accordance with the law, as well as to any service provider or mandatary with whom it is necessary to communicate the information, located in Québec or which may be located outside of Québec, in particular, any financial institution or any company offering cloud services, software, preparation of investment statements or tax slips, scanning, etc. My personal information is used, communicated or kept for as long as necessary to fulfill the stated purposes and as permitted or required by law.

For more information, or to submit a written request for access or rectification of my personal information, I may contact the person in charge of the protection of personal information at Fondaction by mail or email at confidentialite@fondaction.com. I may also withdraw my consent to the communication or use of the information collected, in accordance with the law, by sending reasonable written notice to the same contact information. However, legal or contractual requirements may prevent a withdrawal of consent. Any such withdrawal may also limit Fondaction's ability to respond to this application. To learn more about the protection of my personal information, I may refer to Fondaction's *Policy on privacy and protection of personal information* at fondaction.com/privacy-policy.

6. Signature

_____ Y Y Y Y M M D D

Signature of the shareholder — Date

Submit documents

- **Complete and sign** the form electronically in the PDF document or print and fill in a hard copy. An electronic signature is accepted.
- See the types of signatures that are accepted in our **FAQ: fondaction.com/faq/types-signatures-admis**.
- Send the form and any other required document **through the secure online portal: fondaction.com/en/secure/redemption**

or

by mail: Fondaction – Shareholder Services
2175 De Maisonneuve Blvd. East, suite 103,
Montréal, Québec H2K 4S3

Please note that we may ask you to provide additional information or documents, if needed.

Fondaction
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Information booklet
Share redemption application
– Upon retirement or reaching 65 years of age

INSTRUCTIONS

To provide us with all the information required for processing your share redemption application, please:

1. See the section called "Supporting documents to provide according to your situation", select the criterion that is relevant to your situation AND read the documents you need to attach to your share redemption application.

2. Send us your share redemption application, including:

- the form completed, dated and signed
- the required documents according to your situation
- **your payment instructions (sample cheque or transfer form)**

Supporting documents to provide according to your situation

65 years of age – No supporting document is needed. You must be at least 65 years of age at the time of the redemption.

Retirement – The required information and documents vary according to the applicable criterion. Refer to the table below for more information. Take note that examples of these documents are also available at the following address: http://www.fondaction.com/particulier/retirer-vos-actions.php

Subsequent requests – Supporting documents do not need to be resubmitted, as they have already been provided with the initial cash-out request.

Guidelines for the employer's retirement statement

When a retirement statement is submitted by your employer, the latter must issue this retirement statement on a document by which it can be identified (heading or seal). The following items must appear in the statement:

- your name and contact information;
- the dates of the first and last day worked;
- the reason of your termination (retirement, end of contract or termination of employment);
- your eligibility or ineligibility to a retirement pension (RPP) AND if this is the case, the date on which the first payment will be made;
- date and signature of the authorized person, with their title and contact information.

RETIREMENT CRITERIA

CRITERIA	REQUIREMENTS	REQUIRED INFORMATION AND DOCUMENTS
Retirement at 45 years of age or older[1] AND Beneficiary of a pension under the employer's registered pension plan	The shareholder must be at least 45 years of age **AND** Must have taken or will be taking, within three months of the redemption application, early retirement under a registered pension plan of the employer **AND** The estimated earned income for the 12 months following the beginning of early retirement does not exceed 25% of the maximum pensionable earnings set for the year of the application under the *Act respecting the Québec Pension Plan*.	Completed and signed Fondaction form **AND** A solemn declaration by the shareholder to the effect that his estimated earned income for the 12 months following the beginning of early retirement does not exceed 25% of the maximum pensionable earnings set for the year of the application under the *Act respecting the Québec Pension Plan* **AND** A copy of one of the following documents confirming the retirement: ▶ the employer's declaration (see guidelines above) confirming the shareholder's retirement along with a copy of the text of the employer's registered pension plan ▶ payment of retirement benefits such as a pension cheque, Relevé 2 or T4A slip

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RETIREMENT CRITERIA		
CRITERIA	**REQUIREMENTS**	**REQUIRED INFORMATION AND DOCUMENTS**
Retirement at 60 years of age or older AND Beneficiary of a pension under the *Act respecting the Québec Pension Plan* or a similar plan[2]	The shareholder must be at least 60 years of age **AND** Receives or will receive, within three months of the redemption application, a retirement pension under the *Act respecting the Québec Pension Plan* or a similar plan.	Completed and signed Fondaction form **AND** A copy of proof of payment of pension benefits under the Québec Pension Plan or a similar plan such as: notice of acceptance, pension cheque, confirmation that the pension has been changed, or a Relevé 2 or T4A slip
Retirement at 50 years of age or older as a result of termination of employment	The shareholder must be at least 50 years of age and must have ceased working. A shareholder is deemed to have ceased working if his estimated earned income for the 12 months following the application for redemption does not exceed 25% of the maximum pensionable earnings set for the year of the application under the *Act respecting the Québec Pension Plan.*	Completed and signed Fondaction form **AND** **In the case of a shareholder who has permanently terminated his employment,** provide a solemn declaration certifying that his estimated earned income for the 12 months following the redemption application does not exceed 25% of the maximum pensionable earnings set for the year of the application under the *Act respecting the Québec Pension Plan*, and a copy of one of the following: ▶ For an employee[3]: a copy of the latest record of employment or a declaration from the employer (see guidelines above) confirming the termination of employment **OR** ▶ For a self-employed worker[3]: proof that the shareholder terminated his professional activities as a self-employed worker, such as a copy of the cancellation declaration of the business, a copy of a notice of amendment of professional insurance or a copy of termination of the contracts **OR** ▶ For an owner of a business[3]: a document certifying the closure of the business, such as a certificate of dissolution, an amending declaration or a deed of sale **OR** **In the case of a shareholder who has not terminated his employment relationship but has ceased working,** provide a copy of one of the following: ▶ Employer's declaration (see guidelines above) confirming that the shareholder has taken early retirement[4] ▶ Employer's declaration (see guidelines above) confirming that the shareholder is on disability leave with wage insurance, the benefits of which do not exceed 25% of the maximum pensionable earnings set for the year of the application under the *Act respecting the Québec Pension Plan*

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RETIREMENT CRITERIA		
CRITERIA	**REQUIREMENTS**	**REQUIRED INFORMATION AND DOCUMENTS**
Retirement at 55 years of age or older[1] **AND** **Beneficiary of retirement benefits**	The shareholder must be at least 55 years of age **AND** Receives or will receive, within three months of the application, a life annuity under a pension plan, an annuity under a registered retirement savings plan, a deferred profit-sharing plan or a life income fund (unless such annuity or payment is received because of the death of his or her spouse) or payments under a registered retirement income fund, unless such annuity or payments are received because of the death of his or her spouse.	Completed and signed Fondaction form **AND** A copy of proof of payment of one of the following pension benefits such as a pension cheque, or a Relevé 2 or T4A slip: ▶ pension benefits under an employer's pension plan or a declaration by the employer (see guidelines above) confirming the retirement ▶ periodic payments[5] under a registered retirement income fund (RRIF – LIF) ▶ annuity under a deferred profit-sharing plan (DPSP) ▶ annuity under a registered retirement savings plan (RRSP) ▶ annuity under a life income fund (LIF) unless such annuity or payment is received because of the death of his or her spouse.

1. No disbursement will be made until the effective retirement date.
2. "Similar plan" means the Canada Pension Plan. This similar plan covers persons having worked outside Québec and has similar provisions to the Québec Pension Plan.
3. If the termination of the most recent employment is more than 730 days prior to the receipt of the application by Fondaction, the shareholder must also provide a statement of participation from Retraite Québec, dated not more than 30 days, to prove the absence of income or income under the threshold set by Retraite Québec for all the years that have elapsed since the end of employment.
4. "Early retirement leave" is leave granted by the employer while the employee is still on the payroll, for example, when the shareholder decides to use up all his sick leave before officially retiring.
5. A "periodic payment" means a payment made at least four times a year. Such proof must be dated less than 30 days prior to its receipt by the Fund.

Q&A

Which shares can you redeem?

- For retirement criteria and redemption at the age of 65, Fondaction may redeem all eligible shares, that is, those you have held for at least 2 years.
- Fondaction may redeem all shares in order to close the account when the balance is lower than $1,500.

At what price can you redeem your shares?

- Shares are redeemed at the share price in effect at the time of the redemption.
- Shares are valued twice yearly and the price is usually published toward the 4th week of both December and June.

  First valuation period: December 1st until the value is published in December
  Second valuation period: June 1st until the value is published in June
- **When a transaction is requested during a valuation period under a retirement criterion or under the "65 years of age" criterion,** the shareholder may choose the processing date. They may choose to redeem the shares at their value on the redemption date, or wait until the new share value is published, in which case the shares will be redeemed at the most favourable price for the shareholder.

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Will I be able to purchase Fondaction shares again after this redemption?

Yes, you will be able to purchase shares again; however:

- A redemption for reason of retirement (or pre-retirement) **makes you ineligible for tax credits** for subscriptions **made in the future and subscriptions made** during the year of the redemption.
- As of January 1st of the year you reach the age of 65, you are no longer eligible for tax credits.

May I keep an RRSP with Fondaction my entire life?

No. Under the current tax laws, you must necessarily convert all your RRSPs into retirement income by December 31 of the year during which you reach the age of 71.

Do I have to pay tax on shares redeemed from an RRSP?

- Upon the redemption of shares from an RRSP, the total sum is taxable in accordance with tax laws and must be included in income tax returns of the year in which the redemption is processed. Like any other financial institution, Fondaction has the obligation to withhold taxes according to the applicable amount and remit them to both levels of government.
- No taxes are withheld if you transfer the redemption proceeds from your RRSP with Fondaction to another financial institution into another registered plan such as an RRSP, into an annuity or a registered retirement income fund (RRIF).
- For a spousal RRSP account, the tax consequences of the redemption are generally assumed by the shareholder; however, pursuant to a tax rule commonly called the “three-year” rule, every contribution (with Fondaction or elsewhere) must be invested for a period of at least three calendar years, in order for the contributing spouse to be exempt from taxation on the amount redeemed. This rule does not apply in the case of a transfer to a spousal RRSP with another financial institution.

TAX WITHHELD FROM AMOUNTS WITHDRAWN FROM AN RRSP. THESE NUMBERS ARE SUBJECT TO CHANGE.

	Residents of Québec			Residents of other canadian provinces
Redeemed amount (gross)	Québec	Canada	Total	Canada
$5,000 or less	14%	5%	19%	10%
$5,000.01 - $15,000	14%	10%	24%	20%
$15,000.01 or more	14%	15%	29%	30%

Do I have to pay tax on shares in a non-registered savings plan?

- No taxes are withheld.
- Fondaction issues tax slips following the redemption of shares held in a non-registered plan. When preparing your tax returns, you must submit the capital gain or loss.
- For the purposes of this calculation, this information is available on the tax slips issued by Fondaction.

Once my redemption application is sent, when will the payment be made?

- The share redemption is carried out within a reasonable time frame. This time frame generally does not exceed 30 days after receipt of all documentation and information required for the file. In cases where the application is incomplete or supporting documents are missing or incomplete, you will have 30 days to provide them, in default thereof Fondaction may close your application and you will then need to submit a new one.
- You will receive a transaction notice in the days following the payment.