

Brokerage account number: Name of the Annuitant:

**ADDENDUM TO THE DESJARDINS SECURITIES INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN
DECLARATION OF TRUST (RSP 168-066)
FOR LOCKED IN PENSION (ONTARIO) TRANSFERS TO
A LOCKED-IN RETIREMENT ACCOUNT (LIRA)**

In this Addendum, “Issuer” means Desjardins Trust Inc., “Plan” means the Desjardins Securities Inc. Locked-in Retirement Account (Ontario) and “Declaration of Trust” means the declaration of trust which sets forth the terms and conditions governing Desjardins Securities Inc. Self-directed Retirement Savings Plan. “Annuitant” has the same meaning as this term is used in the Declaration of Trust.

Upon receipt of a locked-in benefit pursuant to the *Pension Benefits Act* (Ontario), the Issuer and the Annuitant agree that these presents shall form part of the terms and conditions of the Plan.

1. **Pension Legislation.** For the purposes of this Addendum, the word “Act” means *The Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended from time to time, and the word “Regulation” means the *Pension Benefits Regulation*, R.R.O. 1990, Reg. 909, as amended from time to time.
2. **Definitions.** For the purposes of this Addendum, all terms defined in section 1 of the Act and all terms defined in the Regulation shall have the same meanings herein as are respectively given to the terms in the Act and the Regulation.
3. **Spouse.** The word “Spouse” means either of two persons who:
 - (a) are married to each other, or,
 - (b) are not married to each other and are living together in a conjugal relationship
 - (i) continuously for a period of not less than three years, or
 - (ii) in a relationship of some permanence, if they are the natural parents of a child as defined in article 4 of the *Children’s Law Reform Act*.

Notwithstanding anything to the contrary contained in the Plan, “Spouse” does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).

4. **Transfers Into the Plan.** The only assets that may be transferred into the Plan with this Addendum are assets originating, directly or indirectly, from:
 - (a) the pension fund of a registered pension plan, including the assets from a variable benefit account,
 - (b) another locked-in retirement account, or
 - (c) a life income fund that is governed by Schedule 1 of the Regulation or locked-in retirement income fund
 that conforms with the *Income Tax Act* (Canada), the Act and the Regulation. Any transfer into the Plan must be made before maturity of the Plan and on a tax deferred basis under the *Income Tax Act* (Canada).
5. **Transfers Out of the Plan.** The Locked-in Assets will not be transferred or withdrawn from the Plan in whole or in part except:
 - (a) to be transferred to the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to a pension plan provided by a government in Canada, including a transfer in a variable benefit account; or
 - (b) to be transferred to another locked-in retirement account that conforms with the Act and the Regulation; or
 - (c) to be transferred to a life income fund that conforms with Schedule 1.1 of the Regulation; or
 - (d) to purchase an immediate or deferred life annuity described in paragraph 7 of this Addendum, that meets the requirements of section 22 of the

Regulation and of the definition of the term “retirement income” contained in subsection 146(1) of the *Income Tax Act* (Canada).

Any transfer out of the Plan must be made on a tax deferred basis under the *Income Tax Act* (Canada).

All of the Locked-In Assets must be transferred or paid on or before the 31st day of December of the year in which the Annuitant reaches age 71 (or such other time for maturity as is permitted by the *Income Tax Act* [Canada]). If the Issuer does not receive instructions from the Annuitant by this time, the Issuer may in its discretion transfer the Locked-In Assets to a life income fund pursuant to paragraph 5(c); and the Issuer will not be responsible for any loss that may result from this action, including but not limited to investment losses or diminution of the Locked-In Assets, or for any related administration expenses.

If assets in the Plan consist of identifiable and transferable securities, the Issuer may transfer the securities with the consent of the Annuitant. The Issuer agrees to make such a transfer within 30 days after the Annuitant requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

6. **Subsequent Transfers.** The Issuer will not permit any subsequent transfer except:
 - (a) where the transfer is permitted under the Act and the Regulation; and
 - (b) the subsequent transferee agrees to administer the assets transferred as a pension or deferred pension in accordance with the Act and the Regulation.

The Issuer will advise any subsequent transferee in writing that the amount transferred must be administered as a pension or deferred pension under the Act and the Regulation.

7. **Annuity Purchased.** An annuity purchased under paragraph 5(d) of this Addendum must not begin before the earlier of:
 - (a) the earliest date on which the Annuitant who is a former member is entitled to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred directly or indirectly into the Plan; or
 - (b) the earliest date on which the Annuitant who is a former member is entitled to receive pension benefits under any pension plan described in subparagraph (a) as a result of termination of employment or termination of membership in the plan.

Despite the preceding paragraph, payments under the life annuity must begin no earlier than the date on which the Annuitant reaches 55 years of age, if none of the money in the Plan used to purchase the annuity is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

For the purposes of the purchase of an immediate life annuity, a determination as to whether the Annuitant has a spouse is to be made on the date the annuity is purchased.

Payments under an immediate life annuity are subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract. An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the Annuitant to a share that exceeds 50 per cent of the

payments under the life annuity, determined as of the family law valuation date. An immediate or deferred life annuity purchased under paragraph 5(d) of this Addendum shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the Plan was determined in a manner that did not differentiate on the basis of sex.

8. An application under paragraph 9, 10, 11, 12, 13, 14, 15 or 16 to withdraw money or transfer assets from a Plan must be made on a form approved by the Superintendent and must be signed by the Annuitant. The form must be given to the Issuer and the Issuer is entitled to rely upon the information provided by the Annuitant in the application. An application that meets the requirements of the applicable paragraph constitutes authorization to the Issuer to make the payment or transfer from the Plan in accordance with that paragraph. The Issuer is required to make the payment or transfer to which the Annuitant is entitled within 30 days after the Issuer receives the completed application and the accompanying documents required by that paragraph.

If the Annuitant is required by paragraph 9, 10, 11, 12, 13, 14, 15 or 16 to give a document to the Issuer, the document is a nullity in the following circumstances:

- (a) If the document is one that must be signed by the Annuitant or by his or her spouse, it is a nullity if it is signed by either of them more than 60 days before the Issuer receives it.
- (b) In any other case, if the document is required by paragraph 13, 14, 15 or 16, it is a nullity if it is signed or dated more than 12 months before the Carrier receives it.

When the Issuer receives a document required by paragraph 9, 10, 11, 12, 13, 14, 15 or 16, the Issuer shall give the Annuitant a receipt for the document stating the date on which it was received.

9. **Withdrawal of Excess Amount.** In this paragraph, "excess amount" means the portion of the assets transferable under clause 42(1)(b) of the Act into the Plan that is greater than the amount prescribed for such a transfer under the *Income Tax Act* (Canada).

If an excess amount has been transferred directly or indirectly into the Plan, the Annuitant may, upon application in accordance with section 22.2 of the Regulation, withdraw money from the Plan in an amount not greater than the sum of:

- (a) the excess amount; and
- (b) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by the Issuer.

The amount that may be withdrawn is calculated as of the date on which the Issuer pays the amount to the Annuitant.

The application form must be accompanied by one of the following documents:

- (a) a written statement from the administrator of the pension plan from which assets were transferred into the Plan setting out the excess amount that was transferred into the Plan; or
- (b) a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the Plan.

10. **Withdrawal Where Small Amount.** The Annuitant may, upon application in accordance with section 6 of schedule 3 of the Regulation, that is given to the Issuer, withdraw all of the Locked-In Assets or transfer the Locked-In Assets to a registered retirement savings plan or a registered retirement income fund if, when the Annuitant signs the application, he or she is at least 55 years of age and the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year.

The application form must be accompanied by one of the following documents:

- (a) a declaration described in section 17 about a spouse; or
- (b) a statement signed by the Annuitant attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

If assets in the Plan consist of identifiable and transferable securities, the

Issuer may transfer the securities with the consent of the Annuitant.

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant when he or she signs the application is to be determined in accordance with the most recent statement about each fund or account given to the Annuitant. Each such statement must be dated within one year before the Annuitant signs the application

11. **Withdrawal Where Shortened Life Expectancy.** The Annuitant may, upon application in accordance with section 8 of schedule 3 of the Regulation, withdraw all or part of the Locked-In Assets if, when the Annuitant signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

The application form must be accompanied by the following documents:

- (a) a statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Annuitant has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years; and
- (b) a declaration described in paragraph 17 of this Addendum about a Spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

12. **Withdrawal Where Non-Resident.** The Annuitant may, upon application in accordance with section 7 of schedule 3 of the Regulation, withdraw all the money in the Plan if:

- (a) when the Annuitant signs the application, the Annuitant is a nonresident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and
- (b) the application is made at least 24 months after the Annuitant's date of departure from Canada.

The application form must be accompanied by the following documents:

- (a) a written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the *Income Tax Act* (Canada); and
- (b) either a declaration described in section 17 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

13. **Withdrawal for Medical Expenses.** The Annuitant may, upon application in accordance with section 8.1 of schedule 3 of the Regulation, withdraw all or part of the money in the account if the Annuitant, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

Only one application may be made under this paragraph during a calendar year in respect of a particular person. The application must specify the amount to be withdrawn from the Plan. The minimum amount that may be withdrawn from the Plan with respect to an application is \$500 and the maximum amount is the lesser of "X" and "G" where,:

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"G" is the sum of the amount of the person's medical expenses that have been incurred and an estimate of the total amount of the person's medical expenses for the 12 months after the date on which the application is signed.

If the maximum amount is less than \$500, no withdrawal from the Plan is permitted with respect to the application.

The application form must be accompanied by the following documents:

- (a) either a declaration described in paragraph 17 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant;
- (b) a statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment. The physician or dentist must be licensed

to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada;

- (c) a copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed; and
- (d) a statement, signed by the Annuitant, that he or she understands that any money released under this paragraph will not be exempt under section 66 of the Act from execution, seizure or attachment.

For the purposes of this paragraph, a person is a “**dependant**” if he or she was dependent on the Annuitant or the Annuitant’s spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.

For the purposes of this paragraph, “**medical expenses**” include,

- (a) expenses for goods and services of a medical or dental nature; and
- (b) expenses incurred or to be incurred for renovations or alterations to the Annuitant’s or the dependant’s principal residence (as defined in paragraph 14) and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the Annuitant, his or her spouse or a dependant.

14. Withdrawal Where Rent or Mortgage Arrears on a Principal Residence.

The Annuitant may, upon application in accordance with section 8.2 of schedule 3 of the Regulation, withdraw all or part of the money in the Plan, if:

- (a) if the Annuitant or his or her spouse has received a written demand in respect of arrears in the payment of rent on the Annuitant’s principal residence, and the Annuitant could face eviction if the debt remains unpaid; or
- (b) if the Annuitant or his or her spouse has received a written demand in respect of a default on a debt that is secured against the Annuitant’s principal residence, and the Annuitant could face eviction if the amount in default remains unpaid.

Only one application may be made under this paragraph during a calendar year. The application must specify the amount to be withdrawn from the Plan. The minimum amount that may be withdrawn from the Plan with respect to an application is \$500 and the maximum amount is the lesser of “X” and “H” where:

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“H” is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

If the maximum amount is less than \$500, no withdrawal from the Plan is permitted with respect to the application.

The application form must be accompanied by the following documents:

- (a) either a declaration described in section 17 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant;
- (b) a copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be; and
- (c) a statement, signed by the Annuitant, that he or she understands that any money released under this paragraph will not be exempt under section 66 of the Act from execution, seizure or attachment.

In this paragraph, “**principal residence**” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as his or her primary place of residence.

15. Withdrawal for First and Last Month’s Rent for a Principal Residence.

The Annuitant may, upon application in accordance with section 8.3 of schedule 3 of the Regulation, withdraw all or part of the money in the Plan if the Annuitant or his or her spouse requires money to pay the first and last months’ rent to obtain a principal residence for the Annuitant.

Only one application may be made under this paragraph during a calendar

year. The application must specify the amount to be withdrawn from the Plan. The minimum amount that may be withdrawn from the Plan with respect to an application is \$500 and the maximum amount is the lesser of “J” and “K” where:

“J” is 5 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“K” is the amount required for the first and last months’ rent.

If the maximum amount is less than \$500, no withdrawal from the Plan is permitted with respect to the application.

The application form must be accompanied by the following documents:

- (a) either a declaration described in section 17 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant;
- (b) a copy of the rental agreement, if available; and
- (c) a statement, signed by the Annuitant, that he or she understands that any money released under this paragraph will not be exempt under section 66 of the Act from execution, seizure or attachment.

In this paragraph, “**principal residence**” means, in respect of an individual, a premises, including a nonseasonal mobile home, that is intended to be occupied by the individual as his or her primary place of residence.

16. Withdrawal Where Low Expected Income.

The Annuitant may, upon application in accordance with section 8.4 of schedule 3 of the Regulation, withdraw all or part of the money in the account if the Annuitant’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year’s Maximum Pensionable Earnings for the year in which the application is signed.

Only one application may be made under this section during a calendar year. The application must specify the amount to be withdrawn from the Plan. The minimum amount that may be withdrawn from the Plan with respect to an application is \$500 and the maximum amount is calculated using the formula:

$X - L$ in which:

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“L” is 75 per cent of the Annuitant’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

If the maximum amount is less than \$500, no withdrawal from the Plan is permitted with respect to the application.

The application form must be accompanied by the following documents:

- (a) either a declaration described in section 17 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant;
- (b) a statement, signed by the Annuitant, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed; and
- (c) a statement, signed by the Annuitant, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

For the purposes of this section, an Annuitant’s expected “**total income**” from all sources, before taxes, does not include:

- (a) a withdrawal under this section;
- (b) a refund or repayment of taxes paid to a Canadian jurisdiction;
- (c) a refundable tax credit;
- (d) a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the *Income Tax Act*;
- (e) the payment of an Ontario child benefit under section 8.6.2 of the *Income Tax Act* or under section 104 of the *Taxation Act, 2007*;
- (f) a payment received by a foster parent under the *Child and Family Services Act*; or

(g) child support payments received under a court order or an agreement.

17. Declaration About a Spouse and Receipt. Any of the following documents constitutes a declaration about a Spouse for the purposes of a withdrawal or transfer from the Plan under paragraph 10, 11, 12, 13, 14, 15 or 16 of this Addendum:

- (a) a statement signed by the Spouse, if any, of the Annuitant that the Spouse consents to the withdrawal or transfer;
- (b) a statement signed by the Annuitant attesting to the fact that the Annuitant does not have a Spouse; or
- (c) a statement signed by the Annuitant attesting to the fact that the Annuitant is living separate and apart from his or her Spouse on the date the Annuitant signs the application to make the withdrawal or transfer.

When the Issuer receives the document, the Issuer shall give the Annuitant a receipt for the document stating the date on which it was received.

18. Subject to Family Law Act. The value of the assets in the Plan is subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

Payments under a life annuity are subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract as defined in Part IV of that Act.

An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the Annuitant to the transfer of a lump sum that exceeds 50 per cent of the assets in the Plan, determined as of the family law valuation date or to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date.

19. No Commutation, Withdrawal, Surrender Except As Permitted. The Locked-In Assets will not be commuted, withdrawn or surrendered in whole or in part, during the lifetime of the Annuitant who is a member or former member, except as permitted in section 49 or 67 of the Act or in sections 22.2 or schedule 3 of the Regulation. Any transaction that contravenes this paragraph is void.

20. No Assignment etc. Except By Family Law Order or Domestic Contract. The Annuitant agrees not to assign, charge, anticipate or give as security money in the Plan except as required by an order under the *Family Law Act*, a family arbitration award or a domestic contract. Any transaction purporting to do so is void.

21. Exemption from Execution, Seizure or Attachment. The Locked-In Assets and any money payable from the Plan are exempt from execution, seizure or attachment, except in satisfaction of an order for support enforceable in Ontario to a maximum of one-half of the money payable.

22. Death of the Annuitant. Upon the death of the Annuitant, the Annuitant's Spouse or, if there is none on the date of the Annuitant's death or the Spouse is otherwise disentitled, his or her named beneficiary or, if there is none, his or her estate is entitled to receive a benefit equal to the value of the Locked-In Assets. The value of the assets in the account includes all accumulated investment earnings, including any unrealized capital gains and losses, of the account from the date of death until the date of payment. The benefit payable to the Spouse may be transferred to a registered retirement savings plan or a registered retirement income fund in accordance with the *Income Tax Act* (Canada).

A Spouse of the Annuitant is not entitled to receive the value of the Locked-In Assets unless the Annuitant was a member or former member of a pension plan from which assets were transferred directly or indirectly to the Plan. A Spouse living separate and apart from the Annuitant on the date of the Annuitant's death is not entitled to receive the value of the Locked-In Assets. A determination as to whether the Annuitant has a spouse is to be made on the date of the Annuitant's death.

A Spouse may waive his or her entitlement to receive a benefit under the Plan by delivering to the Issuer submitting a written waiver in a form approved by the Superintendent. A Spouse may cancel this waiver of a benefit by delivering a written and signed notice of cancellation to the Issuer before the date of

death of the Annuitant.

23. Transfers and Payments; Terms of Investments. All transfers, payments and withdrawals from the Plan are subject to the terms of the investments and will be subject to the withholding of any applicable tax and deduction of all reasonable expenses. Transfers, payments and withdrawals may be made in cash or in kind, in accordance with the instructions of the Annuitant and subject to the terms of the investments and the requirements of the Issuer.

24. Indemnity. Should the Issuer be required to make payments or to provide an annuity or a pension as a result of any Locked-In Assets being paid out or transferred otherwise than in accordance with the provisions of this Addendum, the Regulation or as may be required by applicable law, the Annuitant will indemnify and hold harmless the Issuer to the extent that Locked-In Assets were previously received by or accrued to the benefit of any of them or the Annuitant's estate. This indemnity will be binding upon the Annuitant's legal representatives, successors, heirs and assigns.

25. Determination of Commuted Value on the Basis of Sex. Was the commuted value of the pension benefit that was transferred into the Plan determined in a manner that differentiated on the basis of sex?

- Yes
- No

If the commuted value of the pension benefit that was transferred into the Plan was not determined in a manner that differentiated on the basis of sex, then an annuity purchased with funds from the Plan shall not differentiate on the basis of sex.

26. Amendment. No amendment shall be made to the Plan unless the Plan, as amended, remains in conformity with the Act and the Regulation and with section 146 of the *Income Tax Act* (Canada). When making an amendment that would not result in a reduction in the Annuitant's rights under the Plan, the Issuer must give the Annuitant at least 90 days notice of a proposed amendment.

The Issuer must not amend the Plan if the amendment would result in a reduction in the Annuitant's rights under the Plan unless:

- (a) the Issuer is required by law to make the amendment; and
- (b) the Annuitant is entitled to transfer the assets in the account under the terms of the Plan that exist before the amendment is made.

When making an amendment that would result in a reduction in the Annuitant's rights under the Plan, the Issuer must notify the Annuitant of the nature of the amendment and allow the Annuitant at least 90 days after the notice is given to transfer all or part of the assets in the Plan. Notices under this section must be in writing and must be sent to the Annuitant's address as set out in the records of the Issuer.

27. Information to be Provided by the Issuer. The Issuer must agree to provide the information described in this section to the person indicated.

At the beginning of each fiscal year, the following information must be provided to the Annuitant:

- (a) with respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the Plan, the withdrawals taken out of the Plan and the fees charged against the Plan; and
- (b) the value of the assets in the Plan as of the beginning of the fiscal year.

If the assets in the Plan are transferred as described in section 5, the Annuitant must be given the same information determined as of the date of the transfer.

Upon the death of the Annuitant, the person entitled to receive the assets in the Plan must be given the same information determined as of the date of the Annuitant's death.

28. The Trustee and Annuitant hereby agree to be bound by the provisions contained in the Declaration of Trust and this Addendum.

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