

**N.B. PIPE TRADES
SHARED RISK PLAN**

Effective January 1, 2013

TABLE OF CONTENTS

<u>SECTION</u>	<u>ITEM</u>	<u>PAGE</u>
1	BACKGROUND AND PURPOSE OF THE PLAN	1
2	DEFINITIONS	2
3	ELIGIBILITY AND PARTICIPATION	8
4	FUNDING	9
5	BASE BENEFITS	10
6	COLA	11
7	NORMAL RETIREMENT	12
8	EARLY RETIREMENT	14
9	LATE RETIREMENT	16
10	EMPLOYEE AND EMPLOYER CONTRIBUTIONS	17
11	OPTIONAL FORMS OF PENSION	18
12	BENEFITS ON TERMINATION	22
13	DEATH BENEFITS	24
14	DESIGNATION OF BENEFICIARY	25
15	RECIPROCAL TRANSFER AGREEMENTS	26
16	ADMINISTRATION OF THE PLAN	27
17	DISCLOSURE	30
18	ASSIGNMENT AND COMMUTATION OF BENEFITS	32
19	GOVERNANCE AND RISK MANAGEMENT	34
20	FUNDING POLICY	35
21	AMENDMENT OR DISCONTINUANCE OF THE PLAN	37
22	CONVERSION DETAILS	39
23	GENERAL	40

SECTION 1
BACKGROUND AND PURPOSE OF THE PLAN

The headings of this Plan are inserted for the convenience of reference only and shall not have any effect upon the meaning of the provisions thereof. Words in the singular include the plural and words in the plural include the singular unless the context indicates otherwise.

- 1.01 This Plan is pursuant to an agreement between Local Union 213, Local Union 325, the other participating groups, including Local Union 56, Local Union 740, JATC Instructors, Weekly Indemnity & LTD, the Administrator of N.B. Pipe Trades and the Staff of N.B. Pipe Trades and the Employers of the Members of the Plan.
- 1.02 The Members, represented by the Board of Trustees, the Unions, represented by the Union Trustees, and the Employers, represented by the Employer Trustees, entered into a Memorandum of Understanding, dated June 26, 2013, agreeing to convert the Predecessor Plans to a Shared Risk Plan subject to the Pension Benefits Act effective July 1, 2012. Notwithstanding, and based on discussions with the Superintendent of Pensions, the Board of Trustees agreed to a Resolution, dated April 4, 2014, wherein the Conversion Date was changed to January 1, 2013. For clarity, since the Plan had continued to be administered under the Predecessor Plan rules up to December 31, 2012 as specifically agreed to in the June 26, 2013 Memorandum of Understanding, the change in Conversion Date had no effect on the Members, Retirees, Pensioners and Other Plan Claimants and their Beneficiaries.
- 1.03 Effective January 1, 2013, the Plan converts and replaces the Predecessor Plans.
- 1.04 From and after the Conversion Date, the Plan shall be a Shared Risk Plan and shall comply with and be subject to the Pension Benefits Act.
- 1.05 The primary purpose of the Plan is to provide pensions to eligible Employees after retirement and until death in respect of their service as Employees. A further purpose of the Plan is to provide secure benefits to Members of the Plan without an absolute guarantee, but with a risk-focused management approach delivering a high degree of certainty that Base Benefits will be payable in the vast majority of potential future economic scenarios. As a Shared Risk Plan, all future cost of living adjustments for current and future retirees and other Ancillary Benefits under the Plan shall be provided only to the extent that funds are available for such benefits, as determined by the Board of Trustees in accordance with applicable laws and the Plan's Funding Policy.

SECTION 2 DEFINITIONS

For the purpose of the Plan the following words and phrases shall have the meanings specifically assigned to them in this Section unless a different meaning is plainly required by the context.

- 2.01 **"Accumulated Interest"** means interest on a Member's contributions determined as follows:
- (a) With respect to the period up to the Conversion Date, shall be "Accumulated Interest" as determined and defined under the Predecessor Plan; and
 - (b) As of the Conversion Date, shall be the actual rate of return of the Fund, whether positive or negative. Such interest for a given period shall be calculated in an approximate manner as if the contributions which were made to the Fund throughout the period were instead put into the Fund in one lump sum at the mid-point of the period. Interest which is to be credited on a date other than December 31 shall be calculated using the annual rate of interest established on the December 31 immediately preceding the date in question.
- 2.02 **"Active Member"** means an Employee who has been enrolled in the Plan as a Member and who has not ceased to be an Active Member. A person automatically becomes an Active Member upon enrolling as a Member of the Plan. A person ceases to be an Active Member on the date that the earliest of the following events occurs:
- (a) the person ceases to be a member of the Union in good standing;
 - (b) the person requests that his or her active membership in the Plan cease after no contributions have been made to the Plan by the person, nor have been made nor were required to be made, on behalf of the person, for a period of twenty-four consecutive months;
 - (c) the person receives full and final settlement of all benefits due to him or her from the Plan;
 - (d) the person becomes a Pensioner;
 - (e) the person dies;
 - (f) the Plan is wound up in respect of the person.
- 2.03 **"Actuarial Equivalent"** of a given benefit is the amount of alternative benefit of the required form deemed by the Actuary to be equal in value to the given benefit on the basis of such actuarial assumptions and similar factors as may be adopted by the Board of Trustees from time to time on the advice of the Actuary and which is acceptable under the Pension Benefits Act and the Income Tax Act.

- 2.04 **"Actuary"** means an individual, firm or corporation appointed by the Board of Trustees in accordance with the Agreement and Declaration of Trust to perform the necessary actuarial functions under the Plan. The person so appointed or, in the case of a firm or corporation, a member of the staff of the firm or corporation so appointed shall be a Fellow of the Canadian Institute of Actuaries.
- 2.05 **"Administrator"** shall mean the Board of Trustees or, where the context requires, shall mean any agent appointed by the Board of Trustees to carry out the day-to-day administration of the Plan on behalf of the Board of Trustees.
- 2.06 **"Agreement and Declaration of Trust"** or **"Agreement"** means the Agreement and Declaration of Trust establishing the New Brunswick Plumbers, Pipefitters and Sprinkler Fitters Local Unions 213, 772, 694, 512 and 799 Benefit Plans Trust Fund.
- 2.07 **"Ancillary Benefit"** shall have the same meaning as set out in the Enabling Legislation and, for greater certainty, includes future COLA.
- 2.08 **"Annual Contribution Rate"** has the meaning provided in Section 4.
- 2.09 **"Application"** means a written application filed in such manner, with such person and on such forms as the Board of Trustees may specify together with all information pertinent to the question of eligibility for and determination of the amount of benefit for which the application is made by the Member.
- 2.10 **"Base Benefits"** shall have the same meaning as set out in the Enabling Legislation and shall be determined in accordance with Section 5.
- 2.11 **"Beneficiary"** means the Spouse of a Member or the person or persons designated by the Member to receive any benefits which may fall due on the death of the Member in accordance with the provisions of Section 14.
- 2.12 **"Board of Trustees"** means the Employer Trustees and the Union Trustees collectively and shall include their successors when acting as Trustees.
- 2.13 **"Break in Service"** means a period, not exceeding two years, between termination of employment of a Member with one Employer and commencement of employment of the Member with another Employer or commencement of re-employment of the Member with the same Employer, during which period the Member remains a member of the Union in good standing.
- 2.14 **"Claimant"** means the Spouse or estate of the Member, or the Member's Beneficiary.
- 2.15 **"COLA"** means cost of living adjustments.

- 2.16 **"Collective Agreement"** means any written collective labour agreement by and between the Union and an Employer which provides for contributions to the Fund, with any and all extensions or renewals thereof and succession agreements thereto.
- 2.17 **"Continuous Service"** means an unbroken period of employment as an Employee of an Employer or, if greater, an unbroken period as an Active Member of the Plan and, for the purposes of the Plan, Continuous Service shall be deemed not to be interrupted by periods of temporary suspension of employment, by periods of lay-off from employment, nor by any Break in Service, provided that, for any period prior to such Break in Service, temporary suspension or lay-off, the Member did not receive a lump sum settlement of his or her benefits from the Plan by way of a refund, transfer of funds out of the Plan or purchase of an annuity. Continuous Service shall be measured in years, including fractions of a year. An Active Member shall be deemed to have ceased to be an Active Member where no contributions have been made to the Plan by the Member, nor have been made nor have been required to be made on behalf of the Member, for a period of twenty-four consecutive months.
- 2.18 **"Contribution Holidays"** means the full or partial reduction of the contributions normally paid by Members and Employers into the Plan where reductions are shared in the same proportion as required contributions from the Members and Employers, in accordance with the Funding Policy.
- 2.19 **"Conversion Date"** means January 1, 2013.
- 2.20 **"Disability Pension"** means the pension payable to an eligible Disabled Member as described in 8.04 and 8.05.
- 2.21 **"Disabled Member"** means a Member who has made Application for benefits hereunder while totally disabled by bodily injury or disease so as to be prevented thereby from engaging in any occupation or employment for remuneration or profit and is so certified by a medical practitioner and such Application has been accepted by the Board of Trustees.
- 2.22 **"Early Retirement Pension"** means a pension payable to an eligible Member as described in 8.02 and 8.03.
- 2.23 **"Effective Date"** means January 1, 2013, the effective date of this Plan; whereas November 1, 1972 was the effective date of the Predecessor Plan.
- 2.24 **"Employee"** means:
- (a) a member of the Union in good standing who performs work under the Collective Agreement, who is obligated to make contributions to the Fund or for whom an Employer is obligated to make contributions to the Fund, and

- (b) any full time salaried officer or employee of the Union who is permitted by the Board of Trustees to participate in the Plan.
- 2.25 "**Employer**" means the Union and any company governed by the Collective Agreement between the Union and such company requiring contributions to be made to the Fund and any other company who makes the required contributions to the Fund in accordance with the provisions of Section 16.05.
- 2.26 "**Employer Trustee**" means a Trustee of the Plan appointed by an Employer or an association representing Employers in accordance with the Collective Agreements.
- 2.27 "**Enabling Legislation**" means Part 2 of the Pension Benefits Act, together with any relevant regulations.
- 2.28 "**Fund**" means any fund established under the Agreement or any trust agreement or insurance contract entered into by the Board of Trustees to which contributions in respect of the Plan are deposited and means generally all of the monies and other items of value which comprise the corpus and additions thereto received or held for, or on behalf of, the Board of Trustees for the benefit of the Members of the Plan.
- 2.29 "**Funding Agency**" means a trust or insurance company, designated by the Board of Trustees to hold the whole or a portion of the assets of the Fund at any time under the Funding Contract.
- 2.30 "**Funding Contract**" means a contract between the Funding Agency and the Board of Trustees relating to the management, investment and administration of the Fund.
- 2.31 "**Funding Policy**" means the funding policy for the Plan, as amended from time to time, in accordance with Section 20 and the Enabling Legislation. For greater certainty, references to the Funding Policy shall mean the Initial Funded Policy until amended in accordance with Section 20 and the Enabling Legislation.
- 2.32 "**Income Tax Act**" means the *Income Tax Act*, R.S.C. 1985 c.1 (5th supplement), as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.
- 2.33 "**Initial Funding Policy**" means the initial funding policy established by the Board of Trustees in accordance with the parameters established by the Unions and the Board of Trustees in accordance with Section 20 and the Enabling Legislation.
- 2.34 "**Investment Policy**" means the investment policy established by the Board of Trustees in accordance with Section 19 and the Enabling Legislation.

- 2.35 **"Member"** means an Employee who has become a Member of the Plan in accordance with the provisions of Section 3 and who continues to have an entitlement to benefits under the terms of the Plan.
- 2.36 **"Normal Retirement Date"** of a Member means the first (1st) day of the month coincident with or next following the Member's sixty-first (61st) birthday.
- 2.37 **"Normal Retirement Pension"** means a pension payable to an eligible Member in accordance with Section 7.
- 2.38 **"Other Plan Claimant"** means an eligible claimant in receipt of a pension under the Predecessor Plans immediately prior to the Conversion Date and deferred vested Members under the Predecessor Plans immediately prior to the Conversion Date.
- 2.39 **"Parameters"** has the meaning provided in Section 20.01.
- 2.40 **"Pension Benefits Act"** means the *Pension Benefits Act* (New Brunswick), ch. P-5.1 and any amendments thereto or revisions thereof, together with any regulations and administrative rules made thereunder from time to time.
- 2.41 **"Pensioner"** means a Member who is receiving a pension hereunder.
- 2.42 **"Plan"** means, on and after January 1, 2013, the N.B. Pipe Trades Shared Risk Plan as herein provided and as may be amended from time to time, which converts and replaces the Predecessor Plans as at the Conversion Date under the Enabling Legislation.
- 2.43 **"Plan Year"** means a twelve-month period commencing on January 1 and ending on the following December 31.
- 2.44 **"Postponed Retirement Date"** shall have the meaning assigned in Section 9.01.
- 2.45 **"Predecessor Plan"** means, on and after January 1, 1992, the N.B. Pipe Trades Pension Plan as herein provided and as may be amended from time to time. Prior to January 1, 1992, the "Predecessor Plan" means the Rules or Regulations of the New Brunswick Plumbers, Pipefitters and Sprinkler Fitters Local Unions 213, 772, 694, 512 and 799 Pension Plan.
- 2.46 **"Province"** means Her Majesty the Queen in Right of the Province of New Brunswick, as represented by the Management Board.
- 2.47 **"Retiree"** means a person who is receiving a pension payable from the Predecessor Plan immediately prior to the Conversion Date.
- 2.48 **"Shared Risk Plan"** means a pension plan having all of the characteristics set out in the Enabling Legislation.

- 2.49 **"Spouse"** means "spouse" or "common-law partner", each as defined under the Pension Benefits Act. Where a payment or payments under the Plan is or are to be made to the Spouse of a Member and more than one person satisfies the definition of a Spouse at the time a determination is required, and payments are required to be made to more than one Spouse, the total of the payments made to the Spouses shall in no case exceed the total payment which would be made to the Member's Spouse if only one person satisfied the definition of Spouse.
- 2.50 **"Statement of Risk Management Goals and Procedures"** shall mean the policy established by the Board of Trustees under Section 19.04 as required by the Enabling Legislation.
- 2.51 **"Termination"** means termination of a Member's employment with the Employer (excluding, for greater certainty, retirement or death of a Member prior to retirement).
- 2.52 **"Termination Benefit"** means the relevant Member's or Claimant's share of the Plan's assets as determined by the Board of Trustees from time to time in accordance with the Funding Policy and the Enabling Legislation.
- 2.53 **"Trustee"** means any one of the Employer Trustees or the Union Trustees.
- 2.54 **"Union"** means the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada Locals 213 and 325, as represented by the New Brunswick Pipe Trades Association.
- 2.55 **"Union Trustee"** means a business manager of each of Locals 213 and 325 of the Union appointed as a Trustee by the New Brunswick Pipe Trades Association in accordance with the Collective Agreements and the Union constitution.
- 2.56 **"Vested Member"** means a Member who has completed at least five years of Continuous Service, or in respect of whom contributions have been made to the Plan in accordance with Section 8.02 for a continuous period of at least two years, or who has attained the age of sixty-one years.
- 2.57 **"YMPE"** for a given year shall mean the Year's Maximum Pensionable Earnings as assigned by section 18 of the *Canada Pension Plan*, R.S. 1985, c. C-8.

SECTION 3
ELIGIBILITY AND PARTICIPATION

- 3.01 Each Employee who is a member of the Predecessor Plan as of the Conversion Date is eligible and shall automatically be a Member of the Plan.
- 3.02 Each Retiree and Other Plan Claimant as of the Conversion Date shall be eligible for benefits under the Plan in accordance with Section 5.02.
- 3.03 Each Employee who commences employment on or after the Conversion Date shall become a Member of the Plan on the first day of the calendar month in respect of which a contribution is made by the Member or by his or her Employer on his or her behalf.
- 3.04 On or before his or her effective date of participation in the Plan, any Employee becoming a Member shall be required to complete the prescribed enrolment form which shall include an authorization to his or her Employer to deduct from the Employee's earnings the contributions required to be paid by a Member under the terms of the Plan.
- 3.05 An Employee who previously had been a Member of the Plan but who had ceased to be a Member in accordance with Section 12 and who did not retain an entitlement to any further benefit from the Plan or payment from the Fund shall, upon once again becoming a Member of the Plan in accordance with Section 3.03, be treated for all purposes of the Plan as a new Member who had no previous period of membership in the Plan.

SECTION 4 FUNDING

- 4.01 Effective as at the Conversion Date, each active Member of the Plan shall contribute to the Fund an annual amount equal to the Annual Contribution Rate for the Member, or such other amount as shall be determined from time to time by the Board of Trustees in accordance with the Funding Policy. Effective as at the Conversion Date, the Employers shall contribute annual amount equal to the Annual Contribution Rates for the Employers, or such other amounts as shall be determined from time to time by the Board of Trustees in accordance with the Funding Policy. Such contributions to the Plan must be remitted or made within the time frame required by the Pension Benefits Act.
- 4.02 The Annual Contribution Rates for the Members and the Employers shall be established each year by the Board of Trustees in accordance with the Funding Policy. The initial Annual Contribution Rate as at the Conversion Date shall not be less than the contribution rates pursuant to Section 10.
- 4.03 Effective as at the Conversion Date, the Employers shall have no financial obligations or responsibilities for the Plan save and except for the obligation to make contributions to the Fund as determined from time to time by the Board of Trustees in accordance with the Funding Policy.
- 4.04 Contribution Holidays shall only be permitted if required under the Income Tax Act, shall apply to both the Members and the Employers and will only be applied in the manner described in the Funding Policy.
- 4.05 Subject to the Funding Policy, all reasonable fees and expenses related to the administration of the Plan and the administration and investment of the Fund may be paid from the Fund, including fees and expenses of the Board of Trustees and their agents.

SECTION 5
BASE BENEFITS

- 5.01 The Base Benefits described in this Section 5 are the intended benefits under the Plan. Notwithstanding any other provision of the Plan, the Funding Policy will allow or require the Board of Trustees to make changes to the Base Benefits and Ancillary Benefits. Such changes may be positive or negative and may affect all classes of Members, Retirees and Other Plan Claimants under the Plan.
- 5.02 For Retirees and Other Plan Claimants, the Base Benefit shall be the amount of pension paid or payable as at the Conversion Date, as determined under the Predecessor Plan (without reference to potential future COLA adjustments), plus all COLA adjustments as may be granted under the Plan by the Board of Trustees from time to time in accordance with Section 6 and the Funding Policy, but shall exclude potential future COLA adjustments.
- 5.03 For active Members, the Base Benefit shall be determined as follows:
- (i) the amount determined pursuant to Section 5.04; plus
 - (ii) the amount determined pursuant to Section 5.05; plus
 - (iii) all COLA adjustments as may be granted by the Board of Trustees from time to time, in accordance with Section 6 and the Funding Policy, but shall exclude potential future COLA adjustments.
- 5.04 Base Benefits prior to the Conversion Date shall be equal to the amount of pension benefits accrued in the Predecessor Plan up to the Conversion Date.
- 5.05 Base Benefits on and after the Conversion Date shall be equal to the amount of pension benefits accrued pursuant to Section 7.02.

SECTION 6
COLA

- 6.01 COLA is an Ancillary Benefit and shall be provided annually on a conditional basis. For greater certainty, COLA may be nil in a given year or years, as determined by the Board of Trustees in accordance with the Funding Policy.
- 6.02 Each year, COLA shall be added to the Base Benefits in respect of past periods for Members, Retirees and Other Plan Claimants, only if sufficient funds are available in the Plan to provide such COLA as determined by the Board of Trustees in accordance with the Funding Policy. The Board of Trustees shall determine the amount of COLA to be granted in any given year in accordance with the Funding Policy.
- 6.03 COLA granted in any given year by the Board of Trustees in accordance with the Funding Policy shall be limited to that permitted under the Income Tax Act.
- 6.04 Once COLA is granted to a Member, Other Plan Claimant or a Retiree in accordance with this Section 6 and the Funding Policy, it will become part of the Base Benefits for such Member, Other Plan Claimant or Retiree.

**SECTION 7
NORMAL RETIREMENT**

- 7.01 A Vested Member retiring at his or her Normal Retirement Date shall be entitled to a Normal Retirement Pension payable in equal monthly installments commencing on his or her Normal Retirement Date and continuing thereafter during the lifetime of the Member or until sixty (60) monthly installments have been paid, whichever is longer.
- 7.02 The monthly amount of the Normal Retirement Pension payable to a Vested Member shall be the sum of the pension benefits accrued in the Predecessor Plan and a monthly pension equal to the sum for all periods after the Conversion Date of the amounts calculated for each period equal to "P" multiplied by the total contributions made by the Member and by an Employer on behalf of the Member in respect of such period of Plan membership, where "P" is a percentage for the given period as indicated in the table which follows immediately, subject to Section 7.03. For purposes of this calculation, a Disabled Member shall be credited with total contributions of \$120 per month in respect of any period of his or her disability after the Conversion Date during which he or she was not in receipt of a Disability Pension from the Plan.

<u>Period</u>	<u>Percentage "P"</u>
From January 1, 2013 to December 31, 2013	1.10%
From January 1, 2014 to December 31, 2014	1.05%
From January 1, 2015 to December 31, 2015	1.00%
From January 1, 2016 to December 31, 2016	0.95%
From January 1, 2017 to December 31, 2017	0.90%
From January 1, 2018 to December 31, 2018	0.86%
From January 1, 2019 to December 31, 2019	0.82%
From January 1, 2020 to December 31, 2020	0.78%

For clarity, for periods on and after January 1, 2014, primarily in order to mirror future automatic 5% per annum (compound) increases to contribution rates, the formula shall continue to decrease by 5% per annum (compound), wherein amounts above are only illustrated to December 31, 2020, but continue to reduce for periods on and after January 1, 2021. For further clarity, the calculation methodology to be used shall be equivalent to dividing the previous year's formula by 1.05, with the results rounded to the second decimal using percentage format.

- 7.03 Pursuant to the Funding Policy, unfavorable conditions as outlined in the Funding Policy could result in total contributions made by the Member and by an Employer on behalf of the Member automatically increasing by up to 25%. Should this occur, the Percentage "P" outlined in Section 7.02 shall be decreased in like manner, to be reversed once the increase of up to 25% is no longer required. For clarity, the calculation methodology to be used shall be equivalent to dividing the applicable year's formula by up to 1.25, with the results rounded to the second decimal using percentage format, and vice versa when reversed.

SECTION 8
EARLY RETIREMENT

- 8.01 A Vested Member may retire at any time after his or her fifty-first (51st) birthday.
- 8.02 A Vested Member retiring in accordance with 8.01 shall receive an Early Retirement Pension payable in equal monthly installments commencing on the first (1st) day of the month coincident with or next following the Member's date of early retirement and continuing thereafter during the lifetime of the Member or until sixty (60) monthly installments have been paid, whichever is longer.
- 8.03 The monthly amount of the Early Retirement Pension as at the Vested Member's date of early retirement shall be equal to the Member's accrued Normal Retirement Pension at his or her date of early retirement reduced by a percentage equal to 0.5% times the number of months by which the date of commencement of the Early Retirement Pension precedes the Member's Normal Retirement Date.
- 8.04 An Active Member shall be eligible to receive a Disability Pension if each of the following conditions are met:
- (a) In the opinion of the Board of Trustees, the Member meets the requirements necessary to be classified as a Disabled Member.
 - (b) The Active Member has applied for a long term disability insurance benefit under the Health and Welfare Plan and has been found to be ineligible to receive long term disability benefits under that plan.
 - (c) The Active Member has applied for a disability benefit under the Canada Pension Plan and is eligible for such a benefit.
 - (d) The Active Member is not eligible for benefits under any Workers' Compensation law or any similar law.
- 8.05 The monthly amount of the Disability Pension (if any) payable under Section 8.04 shall be equal to the Active Member's accrued Normal Retirement Pension, without any reduction for early commencement. The effective date of the first payment of the Disability Pension shall be determined by the Board of Trustees but shall in no case be before the earliest date at which the Member had met all of the eligibility conditions in Section 8.04 for receiving a Disability Pension. Subject to Sections 8.06, 11.01 and 11.02, the Disability Pension shall be payable for the lifetime of the Disabled Member, or for a period of sixty months, whichever is longer.
- 8.06 The Board of Trustees may require a Disabled Member to submit to an examination by a physician or physicians acceptable to the Board of Trustees and he or she may also be required to submit to such re-examination as may be necessary for the Board of Trustees to make a determination concerning his or her then physical or mental condition, except

that such medical examinations must not be required of a Disabled Member after the Member's Normal Retirement Date nor more than twice in any one calendar year.

At any time prior to a Member's Normal Retirement Date, the Board of Trustees may deem that the Disabled Member has ceased to be a Disabled Member if one of the following conditions holds:

- (a) The Disabled Member refuses to submit to a medical examination requested by the Board of Trustees, as allowed under the previous paragraph of this Section 8.06.
- (b) On the basis of a written report or reports by a physician or physicians the Board of Trustees determines that the Disabled Member no longer meets the requirements to be classified as a Disabled Member for the purposes of the Plan.
- (c) The Disabled Member engages in any occupation or employment for wage or profit, except for the purpose of rehabilitation (as determined by the Board of Trustees).

If the Board of Trustees deems that the Disabled Member has ceased to be a Disabled Member, any Disability Pension being paid to the Disabled Member shall cease. The person shall retain his or her rights to any benefits accrued to him or her to the date he or she ceased to be a Disabled Member, in accordance with the provisions of the Plan. If the person satisfies the conditions for membership in the Plan and contributions to the Plan by, or on behalf of, the person resume, then the person shall once again become an Active Member of the Plan and shall resume accumulating benefits under the Plan in accordance with the provisions of the Plan.

- 8.07 A Disabled Member who is eligible to receive periodic long-term disability payments under the Health and Welfare Plan does not meet condition (b) of Section 8.04 and is therefore ineligible for a Disability Pension. If such a Disabled Member accepts a lump-sum settlement under the Health and Welfare Plan which, as determined by the Board of Trustees, can reasonably be considered to be the lump-sum value of expected future long term disability payments under that plan then, notwithstanding the fact that the Disabled Member is not receiving periodic long term disability payments under the Health and Welfare Plan, he or she shall not meet condition (b) of Section 8.04 and therefore remains ineligible for a Disability Pension.

SECTION 9
LATE RETIREMENT

- 9.01 Subject to the provisions of any applicable Collective Agreement, a Vested Member may defer the commencement of his or her pension until his or her Postponed Retirement Date, which shall be the first day of the month coincident with or next following the date on which an Application is received, but not earlier than his or her Normal Retirement Date and not later than the December 31st of the year in which the Member attains his or her 71st birthday.
- 9.02 Contributions to the Fund by the Member and in respect of the Member by the Employer shall continue in respect of periods of employment by the Member between the Member's Normal Retirement Date and his or her Postponed Retirement Date.
- 9.03 The monthly amount of the Member's pension at his or her Postponed Retirement Date shall be equal to:
- (a) the amount of the Member's Normal Retirement Pension as at his or her Normal Retirement Date; plus
 - (b) any additional amounts of pension earned by the Member in respect of contributions made by him or her or on his or her behalf after his or her Normal Retirement Date.

SECTION 10
EMPLOYEE AND EMPLOYER CONTRIBUTIONS

10.01 Each Active Member shall contribute to the Plan such amount as is stipulated in any applicable Collective Agreement as at January 1, 2013, with any changes in contribution rates to be limited to those outlined in Sections 10.03 and 10.04.

The Member's contribution shall be deducted from his or her earnings by his or her Employer on a regular basis and shall cease when the Member ceases to be an Active Member.

10.02 Each Employer shall contribute to the Fund such amounts as are stipulated in any applicable Collective Agreement as at January 1, 2013, with any changes in contribution rates to be limited to those outlined in Sections 10.03 and 10.04.

10.03 Further to Sections 10.01 and 10.02, and pursuant to the Funding Policy, the level of initial contributions is equivalent to the current hourly contribution rates that were applicable as at January 1, 2013, which vary considerably by employment group as outlined in the various Collective Agreements. The initial contributions shall be automatically increased at a rate of 5% per annum (compound), with the first such increase on January 1, 2014 and subsequent increases on each of the following January 1sts. For clarity, the calculation methodology to be used shall be equivalent to multiplying the previous year's contribution rate by 1.05, with the results rounded to the second decimal.

10.04 Pursuant to the Funding Policy, unfavorable conditions as outlined in the Funding Policy could result in total contributions made by the Member and by an Employer on behalf of the Member as outlined in Sections 10.01, 10.02 and 10.03 to automatically increase by up to 25%, to be reversed once the increase up to 25% is no longer required. For clarity, the calculation methodology to be used shall be equivalent to multiplying the applicable year's formula by up to 1.25, with the results rounded to the second decimal using percentage format, and vice versa when reversed.

10.05 Each Employer shall pay into the Fund at regular intervals all Member contributions deducted from earnings of Members under 10.01 above together with the Employer contributions specified in 10.02 above. Member contributions under 10.01 shall be paid into the Fund within fifteen days after the last day of the month in which the contribution is received or withheld by the Employer. Employer contributions under 10.02 shall be paid into the Fund within fifteen days after the last day of the month in which the period of employment giving rise to the amount occurs.

10.06 All contributions remitted to the Fund by Employers, whether Member contributions or Employer contributions, are held for the exclusive benefit of Members and their beneficiaries and are governed by the provisions of the Plan as stated herein, and by the provisions of the Agreement.

SECTION 11
OPTIONAL FORMS OF PENSION

- 11.01 Subject to the provisions of 11.02, the normal form of the pension for a Member under the terms of this Plan shall be a monthly pension payable for the lifetime of the Member, with sixty (60) monthly payments guaranteed as described below. Subject to the conditions enumerated in 11.02, a Member (including a Disabled Member who is eligible for a Disability Pension in accordance with 8.04) may elect to receive one of the optional forms of pension described below in lieu of the normal form.

Normal Form – Single life with 60 monthly payments guaranteed

Under the normal form of payment, a monthly pension is payable to the Pensioner for as long as he or she shall live. If the Pensioner dies before sixty (60) monthly payments have been made, the monthly payments shall continue to be made to the Pensioner's Beneficiary until a total of sixty (60) monthly payments have been made, counting from the first payment made to the Pensioner. Notwithstanding, at the Beneficiary's option, the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Beneficiary and no further payments shall be payable. If the Beneficiary dies before the total of sixty (60) guaranteed monthly payments have been made, then the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Beneficiary's estate and no further payments shall be payable. If there is no surviving Beneficiary at the Pensioner's death, then the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Member's estate and no further payments shall be payable. If the Pensioner dies after sixty (60) monthly payments have been made, the last pension payment shall be the monthly payment due on the first day of the month in which the Pensioner's death occurs. No further pension payments shall be payable.

Option A – Single life with no guarantee

Under Option A, a monthly pension is payable to the Pensioner for as long as he or she shall live. The last pension payment shall be the monthly payment due on the first day of the month in which the Pensioner's death occurs. No further pension payments shall be payable.

Option B – Single life with 120 monthly payments guaranteed

Under Option B, a monthly pension is payable to the Pensioner for as long as he or she shall live. If the Pensioner dies before one hundred and twenty (120) monthly payments have been made, the monthly payments shall continue to be made to the Pensioner's Beneficiary until a total of one hundred and twenty (120) monthly payments have been

made, counting from the first payment to the Pensioner. Notwithstanding, at the Beneficiary's option, the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Beneficiary and no further payments shall be payable. If the Beneficiary dies before the total of one hundred and twenty (120) guaranteed monthly payments have been made, then the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Beneficiary's estate and no further payments shall be payable. If there is no surviving Beneficiary at the Pensioner's death, then the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Member's estate and no further payments shall be payable. If the Pensioner dies after one hundred and twenty (120) monthly payments have been made, the last pension payment shall be the monthly payment due on the first day of the month in which the Pensioner's death occurs. No further pension payments shall be payable.

Option C – Joint and last survivor form with 60 monthly payments guaranteed

Under Option C, a monthly pension is payable to the Pensioner for as long as he or she shall live. If the Pensioner dies before sixty (60) monthly payments have been made, the monthly payments shall continue to be made to the person who was the Pensioner's Spouse at the date the Pensioner retired until a total of sixty (60) monthly payments have been made, counting from the first payment to the Pensioner. A monthly pension shall then continue to the Spouse for so long as the Spouse shall live, with the last monthly payment due on the first day of the month in which the Spouse's death occurs. If the person who was the Pensioner's Spouse at the date the Pensioner retired is not alive at the date of the Pensioner's death, then the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Member's estate and no further payments shall be payable. If the surviving Spouse dies before the total of sixty (60) guaranteed monthly payments have been made, then the present value of any remaining monthly payments, calculated on a Termination Benefit basis, shall be paid to the Spouse's estate and no further payments shall be payable.

If the Pensioner dies after sixty (60) monthly payments have been made then monthly payments shall continue to be made to the person who was the Pensioner's Spouse at the date the Pensioner retired for so long as the Spouse shall live, with the last monthly payment due on the first day of the month in which the Spouse's death occurs. If the person who was the Pensioner's Spouse at the date the Pensioner retired is not alive at the Pensioner's death then the last monthly pension payment shall be the one due on the first day of the month in which the Pensioner's death occurs. No further payments shall be payable.

The amount of the monthly payments to the surviving Spouse in the sixty (60) month guarantee period after the Pensioner's death shall be equal to the monthly pension the Pensioner would have received if he or she had still been alive. After the sixty (60) month guarantee period has passed the amount of the monthly payments continuing to the surviving Spouse if the Spouse lives beyond the sixty (60) month guarantee period shall be either 60%, 75% or 100% of the monthly payments that would have been payable to

the Pensioner had he or she still been alive. The percentage continuing to the surviving Spouse shall be elected by the Pensioner prior to his or her pension commencement date.

Option D – Reversionary joint and last survivor form with 60 monthly payments guaranteed

Option D is the same as Option C described above except that, if the Pensioner's Spouse dies before the Pensioner, then, beginning with the first monthly payment due after the date of the Spouse's death, the amount of the pension payable to the Pensioner reverts to the amount that would have been payable under the Normal Form described above had the Pensioner not elected Option D as the form of payment at retirement.

11.02 Conditions of Election

If a Member has a Spouse at the date of his or her retirement and does not elect a joint and last survivor form of pension under Option C or Option D of 11.01, the Member shall be deemed to have elected a joint and last survivor form of pension under Option C of 11.01 under which 60% of the Member's pension continues to his or her Spouse on the death of the Member, unless the Spouse waives rights to the joint and last survivor form by signing the form prescribed under the Pension Benefits Act.

The Member may unilaterally elect a percentage higher than 60% to continue to his or her Spouse under Option C or Option D without his or her Spouse having to sign a waiver.

Election of an option shall be subject to the following conditions:

- (a) The Member's election must be by Application filed prior to his or her actual retirement date. Such election shall become effective:
 - (i) in the case of a Member retiring on or after his or her Normal Retirement Date, on his or her Normal Retirement Date, subject to the provisions of Section 13; and
 - (ii) in the case of a Member retiring before his or her Normal Retirement Date, on his or her actual retirement date, subject to the provisions of Section 13.
- (b) The election of any option may not be rescinded after the effective date of the commencement of the pension. Subject to the provisions of the first paragraph of this Section 11.02, the election of any option may be rescinded before the effective date of the commencement of the pension by filing an Application.
- (c) If the Spouse under Option C or Option D dies before the effective date of the option, the election shall not become effective unless that Member shall within sixty (60) days of the death of the Spouse or prior to the effective date of the option, whichever is the earlier, substitute a new Spouse. If the Beneficiary under Option B dies before the effective date of Option B as the case may be, the

Member may, subject to the provisions of Section 14, rescind his or her election or name a new Beneficiary by filing an Application.

- (d) The death of the Beneficiary under Option B or of the Spouse under Option C after the effective date of the option and while a Pensioner is living shall not affect the amount of pension payable to the Pensioner pursuant to his or her election under this Section 11.
- (e) The amount of pension payable under an option effective under this Section 11 shall be the Actuarial Equivalent, as determined by the Actuary, of the amount of normal form of pension which would otherwise have been payable.

Notwithstanding the foregoing provisions in paragraphs (a) to (e) above, but subject to the requirements of the Pension Benefits Act and the Income Tax Act, the conditions under which any of the optional forms of pension may be elected shall be subject to, and qualified by, any requirements of the Agreement.

SECTION 12
BENEFITS ON TERMINATION

- 12.01 In the event of a Termination by a Member from the Plan and such Member is not a Vested Member, the Member shall be entitled to a refund of the total amount of the Member's own contributions to the Plan and the Predecessor Plan with Accumulated Interest. The Member may direct such refund be paid in any of the following ways, or as otherwise permitted from time to time under the Pension Benefits Act:
- (a) paid as a lump-sum cash refund to the Member;
 - (b) transferred to the Member's registered retirement savings plan, if the transfer is permitted under the Income Tax Act; or
 - (c) transferred to the Member's registered retirement income fund, if the transfer is permitted under the Income Tax Act.
- 12.02 In the event of a Termination by a Vested Member from the Plan and before the Member's attainment of age fifty-one (51), such Member shall be entitled to the Termination Benefit. Subject to Section 18 and the Pension Benefits Act, a Member who has attained age fifty-one (51) shall be excluded from taking a Termination Benefit.
- 12.03 A Member who is entitled to a Termination Benefit may require the Board of Trustees to direct that the Termination Benefit be transferred to:
- (a) another pension plan with the consent of the administrator of that plan;
 - (b) any other prescribed retirement savings arrangement to which such a transfer is permitted under the Pension Benefits Act; or
 - (c) purchase a deferred life annuity for the Member from an insurance company licensed to sell annuities in Canada, with the payments under the annuity to commence no earlier than ten years before the Member's Normal Retirement Date or the date of the Member's Termination, if later.

Any such transfer shall be limited to those permitted under the Income Tax Act.

- 12.04 Unless otherwise elected by the Member in accordance with Section 12.03, the amount referred to in Section 12.02 shall remain in the Plan until the retirement, death or marriage or common law partnership breakdown (in circumstances where a payment to the Member's Spouse or former Spouse from the Plan is required) of the Member.

- 12.05 Upon the payout of a lump-sum value in accordance with Section 12.01 or the transfer of a Termination Benefit in accordance with Section 12.03, the Member has no entitlement to any further benefits or enhancements from the Plan or payment from the Fund and ceases to be a Member of the Plan.
- 12.06 If a Member's contributions with Accumulated Interest up to the date of Termination represents more than 100% of the Termination Benefit, then the Member's contributions with Accumulated Interest in excess of 100% of the Termination Benefit shall be refunded to the Member. The Member may direct that such refund be paid in any of the following ways, or as otherwise permitted from time to time under the Pension Benefits Act:
- (a) paid as a lump-sum cash refund to the Member;
 - (b) transfer to the Member's registered retirement savings plan, if the transfer is permitted under the Income Tax Act; or
 - (c) transferred to the Member's registered retirement income fund, if the transfer is permitted under the Income Tax Act.

SECTION 13
DEATH BENEFITS

- 13.01 If a Member dies prior to the Member's pension commencement date and prior to becoming a Vested Member, the Member's Spouse or Beneficiary shall receive a refund of the Member's own contributions to the Plan and to the Predecessor Plan with Accumulated Interest. For greater certainty, this payment shall be payable to the Member's Spouse if he or she has a Spouse.
- 13.02 If a Vested Member dies prior to the Member's pension commencement date, the Spouse or Beneficiary of the Member shall be paid the Termination Benefit. For greater certainty, the Termination Benefit payable under this Section 13 is payable to the Member's Spouse if he or she has a Spouse.
- 13.03 Payment of the Termination Benefit shall be made as a lump-sum cash payment (subject to any withholding of taxes as required by applicable law).
- 13.04 In the event of the death of a Member who is in receipt of the normal form of pension under Section 7.01, after retirement and before receiving sixty (60) monthly installments of pension, payments shall be continued to the Member's Beneficiary or to the Member's estate, as applicable, until, in total, sixty (60) monthly installments have been paid.
- 13.05 In the event of the death of a Member who is in receipt of the normal form of pension under Section 7.01, after retirement and after receiving sixty (60) monthly installments of pension, no death benefit is payable.
- 13.06 In the event of the death after retirement of a Member who is in receipt of an optional form of pension under Section 11 or in the event of the death prior to retirement but after Normal Retirement Date of a Member who has elected an optional form of pension under Section 11, the death benefit payable shall be determined in accordance with the specific terms of the optional form of pension which the Member elected.

SECTION 14
DESIGNATION OF BENEFICIARY

- 14.01 Subject to the provisions of the Pension Benefits Act and of any other applicable laws or regulations in effect from time to time, by written notice to the Board of Trustees a Member may designate a Beneficiary or Beneficiaries to receive any benefit which may be payable under the terms of the Plan on his or her death, and by similar written notice may alter or revoke such designation.
- 14.02 Notwithstanding the provisions of 14.01, if a Member dies prior to retirement and is survived by a Spouse, the Spouse shall be entitled to any benefit payable on the Member's death regardless of what beneficiary designation the Member has made.
- 14.03 Notwithstanding the provisions of 14.01, if a Member has a Spouse at his or her retirement date then the Spouse shall be the Beneficiary of the Member on the Member's death after retirement, unless the Spouse has signed a waiver acceptable to the Board of Trustees within the twelve months immediately preceding retirement.
- 14.04 If on the death of a Member there is no surviving Spouse and no designated Beneficiary who survives the Member, any death benefits payable under the terms of the Plan shall be paid to the Member's estate.

SECTION 15
RECIPROCAL TRANSFER AGREEMENTS

- 15.01 In this Section 15, "Approved Employer" means any employer which operates or contributes to a superannuation or pension fund or plan for its employees and is designated as an Approved Employer by the Board of Trustees.
- 15.02 Subject to the provisions of the Income Tax Act and the Pension Benefits Act, the Board of Trustees may enter into a reciprocal transfer agreement with any Approved Employer for the transfer of contributions, benefits and periods of service, or any of them, between the Plan and the superannuation or pension plan covering the employees of the Approved Employer.
- 15.03 Reciprocal transfer agreements in effect at the Conversion Date shall be suspended as of the Conversion Date. The Board of Trustees shall have the power to enter into reciprocal agreements with the sponsors of other pension plans from time to time. Such agreements may provide for the transfer of funds in respect of a Member who transfers from one pension plan to the other and may also provide for the transfer of some or all of the Member's accrued pension benefits.

SECTION 16
ADMINISTRATION OF THE PLAN

- 16.01 The Board of Trustees shall be responsible for the overall operation and administration of the Plan. The Board of Trustees shall be made up of an equal number of Union Trustees and Employer Trustees who are appointed in accordance with the provisions of the Collective Agreement and the Agreement and Declaration of Trust.
- 16.02 In the event of a tie vote among the Board of Trustees, the Board of Trustees shall appoint a facilitator to cast a deciding vote.
- 16.03 The Board of Trustees shall be responsible for:
- (a) all measurements and reporting required by the Enabling Legislation, including regular actuarial valuations and stochastic modeling of the assets and liabilities of the Plan;
 - (b) establishing an Investment Policy subject to annual review for the purpose of ensuring that the desired security for the Base Benefits that are expected to be achieved;
 - (c) administering the Plan in accordance with the Funding Policy and, for greater clarity, this includes the power to increase or decrease contributions and benefits in accordance with the Funding Policy as required to comply with the Enabling Legislation and the Income Tax Act; and
 - (d) all other requirements of an administrator under the Enabling Legislation and the Income Tax Act.
- 16.04 In the event a Pensioner who is not receiving a Disability Pension is re-employed by an Employer, his or her pension hereunder shall continue to be paid during the period of such re-employment. Such a Pensioner shall not be credited with additional amounts of contributions or benefits for the period of such re-employment.
- 16.05 Employees who are members of the Union and are employed by a company that is not signatory to the Collective Agreement may be included in the Plan provided that participation is accepted by the Board of Trustees and provided that such acceptance will not adversely affect the actuarial soundness of the Fund, as determined by the Board of Trustees after consultation with the Actuary. If the acceptance of such company will, in the judgment of the Board of Trustees, adversely affect the actuarial soundness of the Fund, then the Board of Trustees may as a condition of acceptance impose any terms and conditions they consider necessary to preserve the actuarial soundness of the Fund and to preserve an equitable relationship between the basis of contributions for all companies contributing to the Plan and the benefits provided for all Members.

- 16.06 The Board of Trustees may enact rules and regulations relating to the administration of the Plan to carry out the terms hereof and may amend such rules and regulations from time to time. Such rules and regulations shall not conflict with any provision of the Plan, the Pension Benefits Act or the Income Tax Act.
- 16.07 The Board of Trustees may appoint one or more agents to carry out any act or transaction required for the administration and management of the Plan and the Fund or may retain advisors. Every agent appointed by the Board of Trustees shall report to and be subject to the direction and continuing supervision of the Board of Trustees.
- 16.08 The Board of Trustees shall be entitled to rely upon all statements and reports furnished by the Actuary, an accountant, an appraiser, a lawyer or other professional advisor retained by the Board of Trustees.
- 16.09 The members of the Board of Trustees shall not be remunerated for the services that they render in carrying out the duties of the Board of Trustees.
- 16.10 The members of the Board of Trustees shall act independently of the person who appointed him or her.
- 16.11 Whenever the records of the Employers are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.
- 16.12 In the absence of actual notice to the contrary, the Board of Trustees shall make payment in accordance with information provided by the Member. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of a benefit, or where a person makes a claim that is inconsistent with information provided by the Member, the Board of Trustees may obtain court directions and the costs thereof may be paid from the Fund in accordance with Section 4.05, or may, in the discretion of the Board of Trustees, be charged to the person entitled to the benefit to be paid.
- 16.13 Every Member shall furnish to the Board of Trustees, when required to do so, proof of age satisfactory to the Board of Trustees.
- 16.14 The duties of the Employers with respect to the administration of the Plan shall be as follows, with the responsibility of any given Employer extending to all Members for who that Employer is the Employer:
- (a) to provide to the Board of Trustees in the form prescribed by the Board of Trustees complete up-to-date information on all matters relating to age, service, eligibility or remuneration of Members, their retirement, death or termination of employment, and all other pertinent facts or information which the Board of Trustees may require for the operation and administration of the Plan.

- (b) to communicate details of the Plan to Members, to inform Employees regarding eligibility requirements for participation in the Plan, and to ensure that all eligible Employees who are required to join the Plan complete the prescribed enrollment form and become Members.

SECTION 17
DISCLOSURE

- 17.01 Within the period prescribed by the Pension Benefits Act, the Board of Trustees shall provide to each Employee who becomes eligible for membership in the Plan (including, for greater certainty, those Members who became eligible as a result of the conversion of the Predecessor Plan), a written description of the Plan. Such description shall explain the terms and conditions of the Plan applicable to the Employee and the rights and obligations of the Employee in respect of the Plan. Such description shall include disclosure of the fact that the Plan is a Shared Risk Plan for the purposes of the Pension Benefits Act. In addition, the disclosure shall set out the purposes and characteristics of a Shared Risk Plan in accordance with the Pension Benefits Act.
- 17.02 Within the period required under the Pension Benefits Act, the Board of Trustees shall provide a written explanation of any amendment to each Member, Retiree or Other Plan Claimant affected by the amendment.
- 17.03 The Board of Trustees or the Employers shall permit a Member, or such person as is required to be permitted under the Pension Benefits Act, to inspect, to make extracts from or to copy the Plan text and any other related documents required to be made available under the Pension Benefits Act at such time and places as may be required under the Pension Benefits Act.
- 17.04 To the extent required under the Pension Benefits Act, the Board of Trustees shall provide, on request, a Member, or such person as is required to be permitted under the Pension Benefits Act, with copies of any of the documents required to be made available under the Pension Benefits Act upon payment to the Board of Trustees of a reasonable fee.
- 17.05 Within the period prescribed under the Pension Benefits Act, the Board of Trustees shall provide each Member a written statement describing the benefits the Member has earned to date and such other information as required under the Pension Benefits Act.
- 17.06 Upon cessation of employment of a Member or upon termination of the Member's active membership in the Plan, the Board of Trustees shall provide to the Member (or person entitled to benefits in the event of the Member's death) within the period prescribed under the Pension Benefits Act, a written statement containing the information prescribed under the Pension Benefits Act in respect of the benefits and options to which the Member or other person is entitled.
- 17.07 The Board of Trustees or the Employers shall provide such other information regarding the Plan, statistical or otherwise, as is required under the Pension Benefits Act and the Income Tax Act.

- 17.08 Such explanation, statement or right of disclosure of the Plan text and other documents provided shall have no effect on the rights or obligations of any person under the Plan, and shall not be referred to in interpreting or giving effect to the provisions of the Plan. None of the Board of Trustees, the Employers, nor any agent thereof, shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

SECTION 18
ASSIGNMENT AND COMMUTATION OF BENEFITS

- 18.01 Where a Member terminates or retires, and where the amount of the pension payable to such Member is less than 10% of the YMPE or such other amount prescribed under the Pension Benefits Act from time to time, the Board of Trustees may require the Member to transfer the Termination Benefit in accordance with Section 12.03.
- 18.02 Upon a Member's termination of employment, the Member may elect, in lieu of the deferred pension, to receive a lump-sum payment (less applicable withholding taxes) equal to the Member's Termination Benefit if the adjusted Termination Benefit, determined in accordance with subsection 34(2) of the Pension Benefits Act, is less than forty percent (40%) of the YMPE for the calendar year of termination of employment reduced by the applicable factor to such calendar year, or such other amount prescribed under the Pension Benefits Act from time to time, provided that if the Member has a Spouse, the Member has provided the Board of Trustees with a written waiver by the Spouse of any rights the Spouse may have under the Plan or under the Pension Benefits Act in the Fund in the form prescribed under the Pension Benefits Act.
- 18.03 Subject to approval of the Board of Trustees, and based on conditions that the Board of Trustees may establish from time to time, and subject to the Pension Benefits Act, a Vested Member at retirement or Termination may elect in lieu of the pension or deferred pension payable hereunder to receive a lump-sum payment equal to the Termination Benefit if:
- (a) the Member establishes to the satisfaction of the Board of Trustees, by a written statement from a duly qualified medical practitioner acceptable to the Board of Trustees, that the Member suffers from a significant physical or mental disability that considerably reduces life expectancy;
 - (b) the Member and his or her Spouse are not resident in Canada for purposes of the Income Tax Act, are not Canadian citizens and have provided a waiver to the Board of Trustees in the form prescribed under the Pension Benefits Act; or
 - (c) the amount of the pension payable to such Member is less than the small benefit commutation amount under the Pension Benefits Act as amended from time to time; provided that if the Member has a Spouse, the Member has provided the Board of Trustees with a written waiver of the Member's Spouse in the form prescribed under the Pension Benefits Act.
- 18.04 Upon the transfer of a Termination Benefit in accordance with Sections 18.01, 18.02 or 18.03, the Member has no entitlement to any further benefits from the Plan or payment from the Fund and ceases to be a Member of the Plan.

- 18.05 In no other event is a Member entitled to receive a lump-sum benefit in lieu of a pension, except that the benefits of a Member may be divided between the Member and the Member's Spouse or former Spouse in accordance with the provisions of the Pension Benefits Act and the Income Tax Act pursuant to:
- (a) a decree, order or judgment of a court of competent jurisdiction; or
 - (b) a written agreement in settlement of rights arising as a consequence of the breakdown of marriage or other conjugal relationships between the Member and the Member's Spouse or former Spouse.

SECTION 19
GOVERNANCE AND RISK MANAGEMENT

- 19.01 The assets of the Fund shall be invested and reinvested solely as permitted by the Pension Benefits Act and by the most current Investment Policy, wherein the Investment Policy is also referred to as the Statement of Investment Policies and Goals, as adopted by the Board of Trustees.
- 19.02 The following considerations apply to the establishment of the Investment Policy:
- (a) the purpose of the Investment Policy is to ensure that the desired security for the Base Benefits is achieved. For clarity, Ancillary Benefits, including the COLA, was not guaranteed in the Predecessor Plan, and is therefore specifically excluded from the goal of achieving desired security for such Ancillary Benefits;
 - (b) sophisticated stochastic financial and economic models that meet stringent statistical reliability criteria must be used to set investment allocations, including target investment durations, from time to time; and
 - (c) the Investment Policy must reflect relevant factors including the maturity of the Plan, the expected contributions into the Plan, the expected benefits payable from the Plan, the Funding Policy and the Plan's current funded status.
- 19.03 The Board of Trustees shall review, and amend as required, the Investment Policy at least once per year. With respect to each such review, the Board of Trustees shall ensure that the considerations under Section 19.02 are applied.
- 19.04 The Board of Trustees shall establish a Statement of Risk Management Goals and Procedures for the Plan. Such Statement of Risk Management Goals and Procedures shall contain the requirements set out in the Enabling Legislation. For clarity, the Statement of Risk Management Goals and Procedures forms part of the Funding Policy (more specifically, Section 3).
- 19.05 The Board of Trustees shall review, and amend as required, the Statement of Risk Management Goals and Procedures at least once per year.

SECTION 20
FUNDING POLICY

- 20.01 The Initial Funding Policy shall be established by the Board of Trustees, in accordance with the parameters established by the Board of Trustees, to provide the rules that shall be followed for determining key features for the Plan, including the timing and level of contribution rates, the level of COLA that may be allowed depending on the financial position of the Plan and the limits under the Income Tax Act, the level of Ancillary Benefits, the deficit recovery period and reductions in Base Benefits and Ancillary Benefits (the “**Parameters**”).
- 20.02 The Initial Funding Policy and the Funding Policy, from time to time, shall at a minimum, contain the following:
- (a) definitions of the key terms used in the Funding Policy;
 - (b) a clear statement of the funding goals. Such funding goals shall meet or exceed the minimum set out in the Enabling Legislation;
 - (c) a description of the cost sharing between the Members and the Employers;
 - (d) a description of the required contributions and changes allowed under what conditions. Such changes in contributions shall be at the sole discretion of the Board of Trustees and shall be implemented when required and in the amounts allowed by the Funding Policy;
 - (e) a clear statement as to responsibility for the Plan expenses;
 - (f) a deficit recovery plan that shall contain both the priority order and the level of changes allowed. The deficit recovery plan shall be such that reduction of Base Benefits would only occur as a last resort;
 - (g) funding excess rules that specify at what funding level excess funds can be used for improvement of benefits and how much of the excess can be allocated for that purpose at each of the annual actuarial valuations of the Plan; and
 - (h) a description of the financial measurement basis adopted by the Plan.
- 20.03 The Board of Trustees shall review, and amend as required, the Funding Policy at least once per year, in accordance with the Parameters and the Enabling Legislation.
- 20.04 By agreement of the Board of Trustees, the Parameters in the Initial Funding Policy may be amended.

20.05 In the administration of the Plan, the Board of Trustees shall adhere to the Funding Policy.

SECTION 21
AMENDMENT OR DISCONTINUANCE OF THE PLAN

- 21.01 Subject to the provisions of any applicable Collective Agreement and subject to Section 21.02, the Plan may be amended by the Board of Trustees as per the Funding Policy from time to time.
- 21.02 Amendments to the Plan related to the following, or which may affect any of the following, may be made by the Board of Trustees:
- (a) Participation or eligibility requirements for the Plan;
 - (b) Composition and powers of the Board of Trustees;
 - (c) Parameters of the Initial Funding Policy.
- 21.03 The Board of Trustees hope and expect to continue the Plan indefinitely. However, if unforeseen circumstances beyond the control of the Board of Trustees result in the Plan being discontinued, the assets of the Fund shall be used to provide benefits for Members, Retirees, Pensioners and Other Plan Claimants and their beneficiaries in accordance with the relevant provisions of the Plan and the Pension Benefits Act.
- 21.04 In the event of the termination of the Plan, all Members shall be deemed to be Vested Members in their accrued benefits for all purposes, whether or not such Members were Vested Members at the date of termination.
- 21.05 Upon discontinuance of the Plan, in whole or in part, any assets of the Fund shall first be used to discharge all liabilities under the Plan for the accrued Base Benefits of the affected Members, Retirees, Pensioners and Other Plan Claimants and their beneficiaries. If there are additional assets, these may be used to provide Ancillary Benefits in accordance with the Funding Policy. If there are surplus assets remaining after the discharge of liabilities for the accrued Base Benefits and any Ancillary Benefits, such assets shall be distributed to the Members, Retirees, Pensioners and Other Plan Claimants and their beneficiaries, in accordance with the Funding Policy and the Enabling Legislation.

21.06 The contribution requirements as outlined in Section 10 include continuous escalation of hourly contribution rates at 5% per annum (compound). When the Plan is sufficiently funded as per the parameters outlined in the Funding Policy, and the risk management parameters outlined in the Pension Benefits Act can be met, the Board of Trustees may amend the Plan in order to decrease or cease this continuous escalation, or reverse previous escalations on a prospective basis. The benefit formula as outlined in Section 7 shall be amended to correspond inversely with such changes in escalation or contribution level. For clarity, and as just one of many examples only to assist in the illustration, hourly contribution rates would be expected to more than triple by January 1, 2036 at the scheduled rate of continuous escalation if the Plan was not amended at some point, wherein the benefit formula would have been reduced accordingly to just less than $1/3^{\text{rd}}$ of the formula in place prior to January 1, 2014. While economic circumstances may warrant this continuous escalation up to a certain Funding Policy actuarial valuation date, the Board of Trustees are concerned about the sustainability of the Plan at such potentially high escalated contribution rate levels in the future and desired to have a relief mechanism put in place accordingly, resulting in the inclusion of this Section 21.06.

SECTION 22
CONVERSION DETAILS

- 22.01 As of the Conversion Date, all assets of the Predecessor Plan shall be transferred from the funding agent for such plan to the Funding Agent for the Plan.
- 22.02 Benefits accrued under the Predecessor Plan shall be converted effective as of the Conversion Date in accordance with Section 5.
- 22.03 Effective as of the Conversion Date, no person who has any entitlement under the terms of the Plan shall have any entitlement or claim under or with respect to the Predecessor Plan.
- 22.04 Effective as of the Conversion Date, the Members and Employers shall have no financial obligations or responsibilities for the Plan save and except for the obligation to make contributions to the Plan as per Section 10, the Funding Policy, and any past contributions outstanding.
- 22.05 Some of the administrative changes required to effect the conversion to a Shared Risk Plan shall be delayed past the Conversion Date in order to allow for a smoother transition from the provisions of the Predecessor Plan.
- 22.06 As such benefits are excluded as ineligible under the Shared Risk Plan rules, the existing defined contribution arrangement for Rehired Pensioners as per the Predecessor Plan shall be fully terminated as at December 31, 2012, with the defined contribution arrangement continuing unchanged until December 31, 2012, with all amounts as at December 31, 2012 to be transferred out of the Plan in full as soon as possible thereafter.
- 22.07 On and after the Conversion Date, purchases of service (including purchases of past service, refunded service and service in respect of leaves of absence or other leaves) shall be suspended. The Board of Trustees shall adopt provisions under the Plan related to the purchases of service as applicable, wherein such rules must be based on the principles underlying the Shared Risk Plan.

SECTION 23
GENERAL

- 23.01 The Fund shall be the sole source of benefits under this Plan and each Member who shall claim the right of any payment or benefit under the Plan shall be entitled to look only to the Fund for such payment of benefit and shall not have any right, claim or demand therefor against the Employer or any officer or director of the Employer, any Trustee, the Administrator, or the Union or an employee of the Union.
- 23.02 The sex of a Member or any beneficiary shall not be taken into account in the determination of a contribution by the Member or any benefit or Actuarial Equivalent.
- 23.03 All contributions and benefit payments under this Plan shall be made in lawful currency of Canada.
- 23.04 The division of benefits of a Member on marriage breakdown shall be in accordance with the Pension Benefits Act and the Income Tax Act.
- 23.05 The provisions of this Plan shall be construed and administered and enforced according to the laws of the Province of New Brunswick and the laws of Canada applicable therein.
- 23.06 Notwithstanding any provision to the contrary in the Plan, the total annual pension payable to a Member or Spouse from the Plan shall in no case exceed the limits imposed under the Income Tax Act. For greater certainty, as set out in the Funding Policy, if sufficient funds are available in the Plan, the intention of the Plan is to provide Members with a pension benefit at retirement that provides the Base Benefits under Section 5 with indexing that does not exceed the Consumer Price Index amount.
- 23.07 Except as specified in Section 18.05, money payable under the Plan is subject to the following restrictions:
- (a) any transaction that purports to assign, charge, anticipate, surrender, or give as security any right to a person under the Plan or money payable under the Plan shall not be enforceable against the Plan; and
 - (b) money payable under the Plan is exempt from execution, seizure or attachment.
- 23.08 If the Board of Trustees receives notice that any person entitled to receive benefits under the Plan is physically or mentally incapable of managing his or her affairs, the Board of Trustees may instruct the Funding Agent to pay the benefits for such Member to the legally appointed representative of the intended recipient and such payment shall act as a full discharge thereof to the Board of Trustees and the Plan.
- 23.09 If any provision of the Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the

Plan and the Plan shall be construed and enforced as if such provision has not been included therein.

- 23.10 Any provision of the Funding Contract that is inconsistent with the terms of the Plan shall, to the extent of the inconsistency, be of no force or effect.
- 23.11 Any determination made by the Board of Trustees with regard to any question of construction or interpretation arising under or in connection with the Plan shall be binding and conclusive on all persons affected thereby.
- 23.12 Participation in the Plan shall not enlarge nor diminish nor establish any rights to employment with an Employer which the Member did or did not formerly possess as an Employee of the Employer.
- 23.13 Any benefits payable hereunder shall be subject to any tax withholdings required by applicable law.