

PLAN TEXT

OF THE

NATIVE BENEFITS PLAN

Effective July 1, 2017

IMPORTANT NOTICE

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July 2017

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PREAMBLE

The following restatement of the Plan Text of the Native Benefits Plan (NBP) is effective on July 1, 2017. In addition to incorporating the amendments that have been adopted by the retirement committee since the last restatement, this plan text restatement aims to consider a new group of members (2R), which applies to a member who, on or after July 1, 2017, becomes a person connected to an employer or who enrolls in a plan as a person connected to an employer.

The previous restatement was to reflect that certain employer members of the NBP are under provincial jurisdiction. Therefore, the plan must be administered in conformity with the provincial legislation, that is the Supplemental Pension Plans Act of Quebec, for members for which the employer is under provincial jurisdiction.

**SECTION I
INTRODUCTION**

ARTICLE 1.1 – SCOPE OF APPLICATION

- 1.1.1 The purpose of this plan is to provide pension benefits to the employees of a band or an organization controlled by one or more native(s).
- 1.1.2 The plan text, which is known as the Plan Text of the Native Benefits Plan, its amendments and updates, shall be replaced by the terms, clauses, conditions and provisions of this plan text as of July 1, 2017.
- 1.1.3 The plan as set out herein, shall apply to all current and future plan members as of July 1, 2017. The benefits to which are entitled members who have terminated their employment before July 1, 2017 are established in accordance with the plan provisions in force at such date, unless otherwise provided for herein.
- 1.1.4 The adoption of these provisions does not and shall not have the effect of reducing the vested rights of current members of the plan. It does not abolish and shall not be interpreted as abolishing the plan in force up to then and as establishing another plan. The same plan is maintained, but according to other terms and conditions, as provided for herein.
- 1.1.5 The pension plan must always be administered in conformity with all applicable legislations.

ARTICLE 1.2 – DEFINITIONS

In this plan text, unless the context indicates otherwise, the terms below have the following meanings:

- 1.2.1 "Temporary leave of absence": any leave authorized by the employer such as a maternity leave, a paternity leave, a parental leave, a sick leave entitling the member to benefits under a short-term disability insurance plan, sick leave or an accident under the Canada Labour Code, a study leave or other leave, as well as a leave to go work with a band or an organization controlled by one or more native(s) for a period of not more than three (3) years, as well as personal leaves of absence.
- 1.2.2 "Actuary": a member of the Canadian Institute of Actuaries who is a Fellow or has a status deemed equivalent by said Institute, chosen as set forth herein.
- 1.2.3 "Age": exact age, calculated in number of years and fractions thereof.
- 1.2.4 "Normal retirement age": age 65.
- 1.2.5 "Year of credited service": a year of service during which the employee is an active member of the plan, excluding any unpaid temporary leaves of absence, periods of disability and periods during which the employee did not contribute to the plan, except as mentioned in 7.1 and 7.2, as well as any year of service recognized under a transfer agreement concluded as set out in 9.3 or a year bought back as set out in Section X.

The years of service subsequent to the normal retirement date are not taken into account in the calculation of the years of credited service. Notwithstanding the foregoing and effective January 1, 2015, an employee may continue to make employee contributions subsequent to the normal retirement date if his or her employer's policy to this regard allows it. The years of service subsequent to the normal retirement date are then taken into account in the calculation of the number of years of credited service. However, the years of service after a member reaches 35 years of credited service shall be taken into account for the calculation of the number of years of credited service, provided the employee continues to make employee contributions.

For the purposes of calculating the years of credited service, each year of service relating to a period of employment during which the member was a part-time employee is adjusted by the ratio of a) over b):

- a) the number of regular hours actually worked by the member during the year of service, as determined by the employer;
- b) the average number of regular hours worked during the year of service by full-time employees with a similar job description as the member, as determined by the employer.

The ratio must not be greater than 1.

- 1.2.6 "Year of participation": a year during which an employee is an active member of the plan or, where applicable, a year of participation in another plan but credited for the purposes of this plan under a transfer agreement entered into under 9.3.
- 1.2.7 "Year of service": a year during which an employee held a position with the employer, including temporary leaves of absence or disability periods.
- 1.2.8 "Native": a status Indian as defined in the Indian Act (R.S.C (1985), c. I-5) and an Inuit.
- 1.2.9 "Appropriate government authorities": the Office of the Superintendent of Financial Institutions of Canada, the Régie des rentes du Québec or the Canada Revenue Agency, as the case may be.
- 1.2.10 "Legal heirs": the member's designated beneficiary, or failing that, his or her estate.
- 1.2.11 "Beneficiary": a person who, upon the member's death, is entitled to benefits under the plan. Such person shall be the spouse, if applicable, for any benefits resulting from years of credited service, as well as any pension paid, unless the spouse has waived his or her right to the death benefits. In all other cases, the beneficiary shall be the legal heirs.
- 1.2.12 "Designated beneficiary": the person or persons designated as such by the member, according with 11.1.1, to receive the death benefit provided for in this plan.
- 1.2.13 "Pension fund" or "fund": the fund established in accordance with 12.2 to provide for the payment of refunds and benefits under this plan. This fund may include one or more trust funds, one or several annuity contracts, or a combination of both.
- 1.2.14 "Termination of membership": any interruption of a period during which a member is considered an active member of the plan, whether it be as a result of retirement, termination of employment or death.
- 1.2.15 "Termination of employment": any interruption of the continuous period of employment not due to retirement or death.
- 1.2.16 "Canada Labour Code": Canada Labour Code (L.R.C. (1985), Ch. L-2) with its amendments and regulations.
- 1.2.17 "Retirement committee" or "committee": the persons who act as members of the retirement committee in accordance with 12.1.

- 1.2.18 "Maternity leave": the meaning given to the expression by *The Canada Labour Code* for a federal member or by *The Act Respecting Labour Standards* for a Quebec member and for a period not exceeding the one allowed for in said code or Act, as applicable.
- 1.2.19 "Paternity leave": the meaning given to this expression by *The Act Respecting Labour Standards* and for a period not exceeding the one allowed for in said Act.
- 1.2.20 "Parental leave": the meaning given to this expression by *The Canada Labour Code* for a federal member or by *The Act Respecting Labour Standards* for a Quebec member and for a period not exceeding the one allowed for in said code or Act, as applicable.
- 1.2.21 "Spouse": except for the application of Section VIII, a person who, at the member's retirement date or the day before his or her death, if earlier:

For a federal member

- a) is, in the event b) does not apply, married to the member or is party to an annulled marriage; or
- b) has been living in a relationship similar to a conjugal relationship with the member for a period of at least one year.

For a Quebec member

- a) is married to or is in a civil union with the member, subject to the Income Tax Act provisions; or
- b) has been living in a conjugal relationship with the member who is neither married nor in a civil union, whether the person is of the opposite sex or of the same sex, for a period of not less than three years, or for a period of not less than one year if:
 - i) at least one child is born, or to be born, of their union;
 - ii) they have adopted, jointly, at least one child while living together in a conjugal relationship; or
 - iii) one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

For the purposes of subparagraph b) above, the birth or adoption of a child during a marriage or civil union or a period of conjugal relationship prior to the period of conjugal relationship existing on the day as of which the spousal status is established may qualify a person as a spouse.

Notwithstanding the foregoing, in case of separation from bed and board, divorce or marriage annulment, dissolution or annulment of civil union or cessation of conjugal relationship, the right of the member's spouse to the death benefit under the plan ceases or continues to exist, subject to the provisions of the Supplemental Pension Plans Act.

- 1.2.22 "Excess contributions": employee contributions that exceed the present value of the benefit which may be funded by the member, in accordance with 3.4.
- 1.2.23 "Employer contribution": the amount paid into the pension fund by the employer.
- 1.2.24 "Employee contribution": the amount that an active member is required to pay into the pension fund.
- 1.2.25 "Additional voluntary contribution": the amount that an active member chooses to pay into the pension fund, without a concurrent contribution by the employer.
- 1.2.26 "Retirement date": date on which payment of the retirement pension begins
- 1.2.27 "Solvency percentage": the percentage resulting from the ratio obtained from the value of the plan's assets over its liabilities, with said values established in accordance with legislation applicable on the date of the last actuarial certificate prepared for this purpose and submitted to the appropriate government authorities, based on the assumption the plan is totally terminated at said date.
- 1.2.28 "Administrator": the plan administrator, as appointed by the retirement committee.
- 1.2.29 "Employee": a federal employee or a Quebec employee.
- 1.2.30 "Part-time employee": an employee whose regular work schedule is less than the number of hours necessary to be deemed a full-time employee by the employer.
- 1.2.31 "Full-time employee": an employee whose regular work schedule is at least the number of hours necessary to be deemed a full-time employee by the employer.
- 1.2.32 "Quebec employee": an employee at the service of an employer subject to the Supplemental Pension Plans Act, registered on the employer's payroll, whose work is required for normal, day-to-day and uninterrupted services provided by the employer, and who is part of a group of employees covered by this plan. The list of these employers is found in Appendix B.
- 1.2.33 "Federal employee": a person at the service of an employer subject to the 1985 Pension Benefits Standards Act, registered on the employer's payroll, whose work is required for the normal, day-to-day and uninterrupted services provided by the employer, and who is part of a group of employees covered by this plan. The list of these employers is found in Appendix C.
- 1.2.34 "Employer": an eligible employer who has joined the plan.

1.2.35 "Eligible employer": a band or an organization controlled by one or more native(s) and whose application for enrolment in the plan has been accepted by the committee.

1.2.36 "Child": any unmarried child of a member or his or her spouse, who is living at the date of the member's death or is born within nine (9) months of his or her death, and who is under age eighteen (18), or is under age twenty-five (25) if he or she is a full-time student enrolled in a learning institution recognized by the committee since his or her 18th birthday or since the member's death, if later.

The plan recognizes traditional adoption as long for a resolution and/or a letter from the Band Council confirms this adoption.

1.2.37 "Actuarial equivalence": the calculation by the actuary of an amount equivalent in value to another, according to the actuarial assumptions approved by the retirement committee, and in accordance with the requirements of applicable legislation.

1.2.38 "Fiscal year": the 12-month period from January 1 of a given year to December 31 of the same year.

1.2.39 "Target indexation": the target indexation for retired members is fixed at an annual rate of 1.5%.

1.2.40 "Effective indexing": the effective indexing for retired members whose payment of their pension started before January 1, 2013 is equal to the target indexation.

For other retired members, the effective indexing is equal to the target indexation for the indexations of January 1, 2014, 2015, 2016, 2017, 2018, 2019 and 2020, and to 0% thereafter.

The effective indexing may be increased following the application of Section XIV. However, when the effective indexing is increased with respect to a retired member under Section XIV, the cumulative effective indexing can not in any case exceeds the cumulative indexing according to CPI since the date of retirement of that member.

The history of effective indexing since January 1, 2013 is presented in Appendix A.

1.2.41 "Indexing according to CPI": 100% of the proportional increase in the Consumer price index for the year compared to the previous year.

The history of indexing according to CPI since January 1, 2013 is presented in Appendix A.

1.2.42 "Consumer price index for the year": the annual average increase calculated on the basis of the monthly consumer price indices in Canada, established by Statistics Canada for each month of the 12-month period ending September 30.

If the method used to calculate the consumer price index changes, the committee, after consulting with the actuary, determines the method of calculating the pension index for the following year.

- 1.2.43 "Interest": the interest determined annually by the actuary is equal to the rate obtained monthly on personal five-year term deposits with chartered banks, as compiled by the Bank of Canada (CANSIM B14045), for the given period, as established by the actuary.

Notwithstanding the foregoing, starting January 1, 2014 for a Quebec member and January 1, 2016 for a federal member, for a given year, the interest determined annually by the actuary is equal to the average rate of return, net of management and administrative fees, obtained by the plan assets during the last four calendar years preceding from one year the given year.

Notwithstanding the foregoing, for additional voluntary contributions, the interest determined annually by the actuary is equal to the rate of return, net of management and administrative fees, obtained by the plan assets during the year in question and calculated on the market value of the assets.

In all cases, contributions accrue with interest as set out in 3.3.

- 1.2.44 "Total disability": a state of disability resulting from an illness or an accident and which makes the employee unable to perform most of the regular duties pertaining to his or her job and, thereafter, which completely prevents the employee from engaging in any gainful occupation for which he or she is reasonably qualified by reason of his or her training, education or experience.

Such a disability must be certified by a physician or, as the case may be, the employer must certify that a disability benefit is or will be payable under a disability insurance plan, if such benefits are not payable under applicable government plans. If deemed appropriate, however, the committee, reserves the right to obtain an expert report on the employee's health from a physician of its choice.

- 1.2.45 "Applicable legislation": the *Pension Benefits Standards Act, 1985* (R.S.C., 1985, Chapter C-8) and its regulations (DORS/87-19, Gazette of Canada, Part II), the *Supplemental Pension Plans Act* (chapter R-15.1) and its regulations, the *Income Tax Act*, or any other legislation governing the plan, as the case may be, together with their amendments, regulations and administrative rules of the Canada Revenue Agency.

- 1.2.46 "*Income Tax Act*": the *Income Tax Act* of Canada (C.S. 1970-71-72, Chapter 63), as well as its amendments and regulations.

- 1.2.47 "*Old Age Security Act*": the *Old Age Security Act* (R.S.C. 1985, Chapter O-9) together with its amendments and regulations.

- 1.2.48 "Canada Pension Plan": the *Canada Pension Plan* (R.S.C. 1985, Chapter C-8), together with its amendments and regulations.

- 1.2.49 "*Quebec Pension Plan Act*": the *Quebec Pension Plan Act* (R.S.Q., Chapter R-9), together with its amendments and regulations.

- 1.2.50 "*Act Respecting Labour Standards*": the *Act Respecting Labour Standards* (C.Q.L.R., Chapter N-1.1), as well as its amendments and regulations.
- 1.2.51 "Maximum pensionable earnings": the meaning given to this expression by the *Canada Pension Plan* or the *Quebec Pension Plan Act*, as the case may be.
- 1.2.52 "Final maximum pensionable earnings": the average maximum pensionable earnings of the last three consecutive years of credited service or the years of credited service if there are less than three.
- 1.2.53 "Member": a federal member or a Quebec member.
- 1.2.54 "Quebec member": a Quebec employee who has joined the plan or a former Quebec employee who is entitled to a refund or to benefits under the plan.
- 1.2.55 "Federal member": a federal employee who has joined the plan or a former federal employee who is entitled to a refund or to benefits under the plan.
- 1.2.56 "Group 1 member": a member as established by the employer in accordance with 12.6.2.
- 1.2.57 "Group 2 member": a member as established by the employer in accordance with 12.6.2, as well as members concerned by the transfer agreement entered into with the Canadian government.
- 1.2.58 "Group 2R member": a member who, on or after July 1, 2017, becomes a connected person or who enrolls in a plan as a connected person, in accordance with 12.6.3.
- 1.2.59 "Active member": a member who has not terminated his or her continuous period of service and who is not paid a pension under the plan.
- 1.2.60 "Non-active member": a member who is paid a pension under the plan or is entitled to a deferred payment of such pension.
- 1.2.61 "Continuous period of service": the period of time during which an employee is in the service of the employer, including periods of temporary leaves of absence or disability periods.

1.2.62 "Connected person": a connected person as defined in the *Income Tax Act*. A person is connected with an employer at any time where, at that time, the person:

- a. owns, directly or indirectly, not less than 10% of the issued shares of any class of the capital stock of the employer or of any other corporation that is related to the employer,
- b. does not deal at arm's length with the employer, or
- c. is a specified shareholder of the employer by reason of paragraph (d) of the definition *specified shareholder* in subsection 248(1) of the *Income Tax Act*.

For the application of the foregoing, a person shall be deemed to own, at any time, each share of the capital stock of a corporation owned, at that time, by a person with whom the person does not deal at arm's length.

For the purposes of this section, the expression "arm's length" has the meaning given to it in the *Income Tax Act*, that is, persons who are related by blood relationship, marriage or common-law partnership or adoption. As a precision, people are related by blood relationship if one is the child or another descendant of the other, or if one is the brother or sister of the other.

1.2.63 "Defined benefits ceiling": the meaning given to this expression by the *Income Tax Regulations*. Notwithstanding the foregoing, for the purposes of 11.2.1.1, it is equal to 2/3 of the defined benefits ceiling as defined in the *Income Tax Regulations* (or \$1,150.00 if higher) for each year of credited service before January 1, 1990, unless, before June 8, 1990, all or part of the year was considered as pensionable service for the individual had the member not been disabled or on a temporary leave of absence.

1.2.64 "Bridging benefit": a temporary annual pension payable from the retirement date until the normal retirement date.

1.2.65 "Plan": the pension plan set out herein and any amendment thereto. The pension plan is known as the Native Benefits Plan.

1.2.66 "Locked-in pension plan": refers to:

- a) another registered pension plan; or
- b) for a federal member, a locked-in registered retirement savings plan (RRSP); or
- c) for a Quebec member, a locked-in retirement account (LIRA); or
- d) a life income fund (LIF); or
- e) an immediate or deferred life annuity purchased from an insurance company.

- 1.2.67 "Government plans": the Quebec Pension Plan or the Canada Pension Plan or the *Old Age Security Act*.
- 1.2.68 "*Income Tax Regulations*": *Income Tax Regulations* (C.R.C. 1978, Chapter 945), and amendments thereto.
- 1.2.69 "Compensation": any wage, salary, premium, bonus, commission, fee, overtime pay, special payment and allowance received from the employer, excluding any reimbursement of expenses. Compensation also includes prescribed compensation, as defined in the *Income Tax Regulations*.
- 1.2.70 "Indexed compensation": compensation received during a fiscal year, multiplied by the proportional increase in the average wage for the year of retirement over the average wage for the year the compensation is received, or for 1986, if later.
- 1.2.71 "Additional pension": the pension, in accordance with 4.2.5, provided by the member's additional voluntary and excess contributions, accrued with interest, other than the contributions for the buyback of past service in accordance with Section X.
- 1.2.72 "Normal pension": the pension whose payment begins or would have begun at the normal retirement date as set out in 4.2.1 and 4.2.5.
- 1.2.73 "Retirement": when a member receives a pension in accordance with the plan.
- 1.2.74 "Postponed retirement": retirement at a date later than the normal retirement date.
- 1.2.75 "Early retirement": retirement at a date earlier than the normal retirement date, under which the pension payable is reduced for early retirement.
- 1.2.76 "Optional retirement": retirement at a date earlier than the normal retirement date under which the pension payable is not reduced for early retirement.
- 1.2.77 "Normal retirement": retirement at the normal retirement date.

1.2.78 "Salary": basic earnings actually received from the employer and appearing on its payroll, excluding any bonuses, fees, premiums, commissions, overtime pay, special payment, allowance or reimbursement of expenses.

Notwithstanding the foregoing, at the request of the member, an employer may allow that he or she contributes on the amount of his or her bonus, understanding that the employer must then also contribute. For clarification purposes, the term "bonus" above is given the meaning given by the Dictionnaire canadien des relations du travail, that is, a supplement pay granted to workers whose production exceeds a predetermined standard.

Also, salary variations for an employee having the same functions within the same employer which exceeds 25% per year, upward or downward, will have to be justified by the employer and considered acceptable by the retirement committee.

1.2.79 "Indexed career earnings": the salary received for a year that is indexed on January 1 of each year according to the average wage for the year until the member's termination of membership, or, if earlier and the member ceases to pay the employee contribution after that age, until the normal retirement age.

1.2.80 "Final five years salary": the average salary for the best five years of credited service during which the salary was the highest or the years of credited service if there are less than five, excluding contribution years as a Group 2R member.

1.2.81 "Average wage": monthly indexes of average weekly wages and salaries of the Industrial Aggregate in Canada, as published by Statistics Canada each month.

1.2.82 "Average wage for year": the annual average based on monthly indexes of average wages for each month of the 12-month period ending on June 30 of the preceding year.

1.2.83 "Service eligible for buyback": service credited for eligibility to benefits, service in a native context before the pension plan came into force as well as any other service approved by the committee.

1.2.84 "Present value": the value of the benefits established at a given date by actuarial equivalence. The present value takes into account the indexing provisions provided for in Article 5.2.

ARTICLE 1.3 – INTERPRETATION

- 1.3.1 For the purposes of the plan, unless the context indicates otherwise, terms written in the masculine gender also include the feminine gender, and terms in the singular also include the plural, and vice versa.
- 1.3.2 For the purposes of this plan, calculations shall take into consideration any fraction of a year in terms of months and days.
- 1.3.3 The establishment and continuation of the plan shall not be interpreted as conferring any right whatsoever to any employee or other person as regards to the continuation of his or her employment nor as impeding the rights of the employer to dismiss any employee and to deal with him or her without regard for the effects that may be suffered by the employee as a member of the plan.
- 1.3.4 The employer's obligations with respect to the pension fund are subject to the provisions of applicable legislation.
- 1.3.5 Any contribution to the plan as well as any benefit resulting therefrom shall be payable in the legal currency of Canada.

ARTICLE 1.4 – EFFECTIVE DATE

1.4.1 The plan came into force November 1, 1979.

1.4.2 This plan text shall come into force in accordance with the applicable legislation, but is effective July 1, 2017.

SECTION II

ELIGIBILITY AND MEMBERSHIP

ARTICLE 2.1 – ELIGIBILITY

- 2.1.1 Subject to 2.1.2, 2.1.3 and 11.7.3, an employee is eligible to join the plan as of the first day of the week immediately following the latest of the following dates:
- a) the effective date of the plan;
 - b) the date of his or her eighteenth birthday or, if earlier, on the date he or she completes two (2) years of continuous service;
 - c) the date he or she has completed his or her probation period, or six (6) months of continuous service, if later.
- 2.1.2 Subject to 2.1.3 and 11.7.3 and notwithstanding the foregoing, the date of eligibility for a Quebec employee cannot be after the first day of the calendar year if, in the preceding calendar year, the Quebec employee has received from his or her employer at least 35% of the maximum pensionable earnings or has performed at least 700 hours of work for his or her employer.
- 2.1.3 Notwithstanding the foregoing, an employer may exclude a group of employees from joining the plan based on the nature of their job.
- 2.1.4 Subject to the employer's consent, an employee may be eligible to join the plan from the date he or she begins his or her service with the employer.
- 2.1.5 As described in 11.7.2, a new employee who has already been a member in the plan during a previous employment and thus entitled to a deferred pension with respect to this period of membership is eligible join the plan from the date he begins his or her service.

ARTICLE 2.2 – ENROLMENT

2.2.1 Subject to 2.2.2, employees must enrol in the plan on the date on which they become eligible, unless they are opposed to it for religious reasons.

Notwithstanding the foregoing, employees who become eligible for Group 2R may join as of the date on which they become eligible.

2.2.2 Employees who are in service at the date a new employer joins the plan or adds a new employee group to the plan may join the plan at any time during the calendar year unless enrolment is compulsory and immediate.

2.2.3 Employees who join the plan must fill out an enrolment form provided for this purpose by the retirement committee within 30 days of joining the plan.

2.2.4 Employees who do not join the plan when their employer joins the plan must fill out a form provided for this purpose by the employer, within 30 days of the date they became eligible to join the plan.

ARTICLE 2.3 – MEMBERSHIP

- 2.3.1 An employee is considered an active member from the date of his or her enrolment in the plan.
- 2.3.2 Termination of membership may not occur before the active member reaches the normal retirement age, except in the event of retirement, termination of employment or death, nor based solely on the fact that the member has earned less than 35% of the maximum pensionable earnings during a given calendar year or has performed less than 700 hours of work for his or her employer during a given calendar year.
- 2.3.3 The pension administrator may not make a refund, transfer or payment of pension other than as set out under 4.1.4, 4.2.7, 4.2.8 or 8.1, before the date on which the member leaves the employer's service or dies.

Subject to 4.2.8, a participant shall not receive a pension benefit from the plan while accruing benefits in the plan.

SECTION III CONTRIBUTIONS

ARTICLE 3.1 – EMPLOYEE CONTRIBUTIONS

3.1.1 Group 1 members

Subject to article 3.1.3, any active Group 1 member who has not reached normal retirement age makes a contribution equal to:

- a) 6.25% of his or her salary, if he or she does neither contribute to the Quebec Pension Plan nor to the Canada Pension Plan; or
- b) 4.6% of his or her salary, if he or she does either contribute to the Quebec Pension Plan or to the Canada Pension Plan, as applicable.

Notwithstanding the foregoing and effective January 1, 2015, a member may continue to make employee contributions subsequent to the normal retirement date if his or her employer's policy to this regard allows it.

3.1.2 Group 2 and Group 2R members

Subject to article 3.1.3, any active Group 2 and Group 2R member who has not reached normal retirement age makes a contribution equal to:

- a) 8.5% of his or her salary, if he or she does neither contribute to the Quebec Pension Plan nor to the Canada Pension Plan; or
- b) 6.8% of his or her salary, if he or she does either contribute to the Quebec Pension Plan or to the Canada Pension Plan, as applicable.

Notwithstanding the foregoing and effective January 1, 2015, a member may continue to make employee contributions subsequent to the normal retirement date if his or her employer's policy to this regard allows it.

3.1.3 Employee contributions are not required from an active member who has 35 years of credited service. He or she may, however, continue to make employee contributions, provided he or she notifies the retirement committee within 30 days of reaching 35 years of credited service.

3.1.4 For the purposes of this article, salary is limited to the amount that entitles the member to the maximum life annuity defined in 11.2.1.1 for the year of payment.

3.1.5 Notwithstanding the foregoing, the employee contribution shall not exceed the maximum amount allowed by Income Tax Regulations.

Accordingly, the employee contribution cannot exceed the lesser of:

– 9% of the employee's salary;

and

– \$1,000 \$ plus 70% of its pension adjustment.

3.1.6 **Additional voluntary contributions**

- a) An active member may make additional voluntary contributions for services rendered during the year, provided his or her total contributions do not exceed the limits permitted by applicable legislation.
- b) Notwithstanding any provision to the contrary, additional voluntary contributions accrued with interest, are refundable at any time at the member's request, unless they are subject to locking-in rules, in which case they shall be transferred in accordance with applicable legislation. Should a member make more than one such request during a same calendar year, the committee may, at its discretion, charge transaction fees.

ARTICLE 3.2 – EMPLOYER CONTRIBUTIONS

- 3.2.1 During each fiscal year, the employer shall contribute:
- a) the amount recommended by the actuary, which, when added to the employee contributions, covers the payment of refunds and benefits under the plan for years of credited service during the said fiscal year, and payment of expenses incurred and payable by the fund during this year; and
 - b) the amounts needed to amortize any unfunded actuarial liability in the pension fund and to ensure the plan's solvency.
- 3.2.2 The amount provided for in 3.2.1 is established in accordance with applicable legislation; said amount is certified by the actuary in an actuarial certificate submitted to the appropriate government authorities.

ARTICLE 3.3 – PAYMENT AND ACCRUAL OF CONTRIBUTIONS

- 3.3.1 Employee contributions must be paid into the fund no later than on the last day of the month following the date they are collected by the employer.
- 3.3.2 Employer contributions must be paid in 12 monthly instalments, no later than on the last day of the month following the month the instalment is due. When the employer contribution is not determined at the beginning of the fiscal year, the employer must, until it is determined, continue to pay the monthly instalments established for the previous year.
- 3.3.3 Contributions which are not made to the fund bear interest from the date of default to the date payment is actually made to the fund.
- 3.3.4 Employee contributions accrue with interest from the date they are made to the pension fund until they are refunded to the member or used to set up a deferred pension. The calculation of interest for the year of payment is based on the assumption that employee contributions made during a period were made in a lump sum in the middle of said period.
- 3.3.5 Additional voluntary contributions accrue with interest, in the member's account, from the date they are made to the pension fund until they are refunded to the member or, where applicable, to his or her beneficiary, transferred to another plan, or used to set up an additional pension.
- 3.3.6 Subject to applicable legislation, contributions made to the pension fund in excess of those permitted by applicable legislation will be refunded to the member in order to avoid revocation of the plan's registration.

ARTICLE 3.4 – EXCESS CONTRIBUTIONS

- 3.4.1 Subject to 3.4.2, excess contributions are equal to any excess employee contributions, accrued with interest, on 50% of the present value of benefits resulting from the years of credited service, accrued by the member, other than those which have been bought back under 10.1.1.

- 3.4.2 For any member whose termination of employment occurred before January 1, 2010, or whose termination of employment occurs after January 1, 2010 after reaching the early retirement date, excess contributions are equal to any excess employee contributions, paid after January 1, 2006, accrued with interest, on 50% of the present value of benefits resulting from the years of credited service since January 1, 2006, other than those which have been bought back under 10.1.1.

- 3.4.3 Excess contributions are calculated on the date of termination of employment, death or retirement, whichever comes first.

- 3.4.4 Excess contributions, if any, accrue with interest until they are refunded to the beneficiary, transferred to another plan, or used to set up an additional pension.

SECTION IV RETIREMENT

ARTICLE 4.1 – RETIREMENT DATE

4.1.1 Normal retirement

The normal retirement date shall be the first day of the month coinciding with or immediately following the date on which a member reaches normal retirement age, that is, age 65.

4.1.2 Optional retirement

- a) Group 1 members may retire on the first day of any month coinciding with or following the earliest of the following dates:
 - i) the date of their 63rd birthday;
 - ii) the date on which the sum of their age and their years of service are at least equal to 95;
 - iii) the date on which they complete 35 years of service, provided they are at least age 55.

- b) Group 2 and Group 2R members may retire on the first day of any month coinciding with or following the earliest of the following dates:
 - i) the date of their 60th birthday;
 - ii) the date on which the sum of their age and their years of service are at least equal to 85;
 - iii) the date on which they complete 30 years of service.

4.1.3 Early retirement

- a) Members may retire on the first day of any month during the 10 years preceding his or her normal retirement date or, if earlier, at the optional retirement date.

- b) For the purpose of the previous paragraph, the optional retirement date of a member who has accumulated years of credited service as a Group 1 and as a Group 2 or 2R member of the plan, is the date of his or her optional retirement as a Group 2 or 2R, as the case may be, for all his or her years of contribution.

4.1.4 **Postponed retirement**

A member may remain in the employer's service beyond his or her normal retirement date. Pension payments, however, shall commence no later than the earliest of the following dates:

- a) December 1 of the year during which the member reaches the maturity age of active participation in a registered pension plan as prescribed by the Income Tax Act and related regulation;
- b) the first day of the month coinciding with or immediately following the date on which the member leaves the employer's service.

The years of service after the normal retirement date are recognized under the plan to the extent that the member continues to pay his employee contributions under an agreement with the employer.

Notwithstanding the foregoing and effective January 1, 2015, a member may continue to make employee contributions subsequent to the normal retirement date if his or her employer's policy to this regard allows it. The years of service after the normal retirement date are then recognized under the plan.

ARTICLE 4.2 – RETIREMENT BENEFITS

4.2.1 Normal retirement

Upon reaching his or her normal retirement date, a member shall be entitled to a normal pension for which the annual amount is equal to the difference between a) and b):

- a)
 - i) For years of credited service as a Group 1 member

1 7/8% of final five years salary, multiplied by the number of years of credited service at the normal retirement date as a Group 1 member;
 - ii) For years of credited service as a Group 2 member

2% of final five years salary multiplied by the number of years of credited service at the normal retirement date as a Group 2 member;
 - iii) For years of credited service as a Group 2R member

2% of the year's indexed career earnings for each year of credited service at the normal retirement date as a Group 2R member.

- b)
 - i) For years of credited service as a Group 1 member

If they are required to make a contribution to the Quebec/Canada Pension Plan, as the case may be, 0.7% of the final five years salary, up to the final maximum pensionable earnings, multiplied by the number of years of credited service at the normal retirement date as a Group 1 member;
 - ii) For years of credited service as a Group 2 member

If they are required to make a contribution to the Quebec/Canada Pension Plan, as the case may be, 0.7% of the final five years salary, up to the final maximum pensionable earnings, multiplied by the number of years of credited service at the normal retirement date as a Group 2 member;
 - iii) For years of credited service as a Group 2R member

If they are required to make a contribution to the Quebec/Canada Pension Plan, as the case may be, 0.7% of the minimum between the year's annualized career earnings and the year's maximum pensionable earnings, multiplied by the year's credited service and indexed on January 1 of each year the same way as the indexed career earnings, for each year of credited service at the normal retirement date as a Group 2R member;

Notwithstanding the above, for any native participant who has used the transfer agreement contracted with the federal government and in force on May 10, 2001, the maximum pensionable earnings applicable are the maximum pensionable earnings used to establish the contributions to the Quebec Pension Plan.

For all other native participants who have used a transfer agreement, the maximum pensionable earnings applicable are the maximum pensionable earnings used at the time of transfer.

4.2.2 **Optional retirement**

An active member who retires in accordance with 4.1.2 shall receive an annual pension equal to the normal pension, taking into account the years of credited service at the retirement date. However, the reduction provided for in 4.2.1 b) shall only apply from the first day of the month coinciding with or immediately following the member's 65th birthday.

4.2.3 **Early retirement**

- a) A member who retires in accordance with 4.1.3 shall receive an annual pension equal to the pension resulting from 4.2.1 a), taking into account the years of credited service at the retirement date, reduced by actuarial equivalence if the termination of employment occurred after January 1, 2010 before reaching the early retirement date, if not, reduced by 5/12% per month of anticipation.

Notwithstanding the foregoing, the annual pension for the years of credited service of a Group 1 member who has accumulated years of credited service as a Group 1 member and as a Group 2 or 2R member, and whose termination of employment occurred after January 1, 2010, before reaching the early retirement date of Group 1 but after reaching the early retirement date of Group 2 or 2R, as the case may be, and who retires in accordance with 4.1.3 b), is reduced by actuarial equivalence for each month between his or her retirement date and his or her first optional retirement date of Group 1 provided for in 4.1.2 or, if earlier, the normal retirement date.

To establish the first optional retirement date, the years of service used are the years of service at the time of retirement. Also, it is taken into account in the calculation of the rules 85/95 that the participant's age changes each year.

- b) The reduction provided for in 4.2.1 b) shall apply from the first day of the month coinciding with or immediately following the member's 65th birthday. Subject to the maximum pension benefits provided for in 11.2, the reduction provided for in 4.2.1 b) shall be apply without any adjustment for early retirement.
- c) This reduction for early retirement cannot be greater than the reduction obtained by actuarial equivalence provided it is not less than the reduction calculated in accordance with 11.2.1.2.

4.2.4 **Postponed retirement**

The amount of pension payable, hereof, which has not been paid to the participant, shall be established so as to represent the actuarial equivalent of the pension accrued at the member's normal retirement date.

Notwithstanding the above and effective January 1, 2015, for a member who has continue to make employee contributions after the normal retirement age, provided that his or her employer' policy to this regard allows it, the amount of postponed pension is determined in accordance with section 4.2.1, taking into account the years of service recognized at the date of postponed retirement. However, in any case the postponed pension must be less than the normal pension determined in accordance with section 4.2.1, given the years of service recognized at the normal retirement date, adjusted on the basis of actuarial equivalence to the date of postponed retirement.

4.2.5 **Additional pension**

A member who retires shall be entitled to an additional pension consisting of his or her additional voluntary contributions paid in accordance with 3.1.6 a) and his or her excess contributions according to article 3.4, accrued with interest, unless, subject to applicable legislation, they have been refunded or transferred to another plan. Such additional pension shall be subject to the same terms and conditions as the normal pension. The pension provided by additional voluntary contributions must be purchased from an authorized financial institution.

4.2.6 **Bridge benefits**

Subject to the maximum pension benefits provided for in 11.2, any active member at December 31, 1998, who retires in accordance with 4.1.2. or 4.1.3 or whose membership ends before retirement, and any retired member at such date, is entitled to a deferred pension at such date, shall receive, in addition to the pension set out in 4.2.1, an annual bridge benefit equal to \$100 per year of credited service at December 31, 1998.

Subject to maximum pension benefits provided for in 11.2, any active member at December 31, 2000 who retires in accordance with 4.1.2 or 4.1.3, 3 or whose membership ends before retirement and any retired member who is entitled at such date to a deferred pension, shall receive, in addition to the pension set out in the previous paragraph, and in addition to the pension set out in 4.2.1, an annual bridge benefit equal to \$175 per year of credited service at December 31, 1998 and equal to \$275 for credited service for 1999 and 2000.

This pension shall end on the first day of the month which coincides or precedes the member's 65th birthday. The normal form of pension described in 6.2 applies in the event of the member's death before such date.

Notwithstanding the foregoing, the bridge benefit for any member who retires in accordance 4.1.3 shall be reduced by the same percentage as the life annuity.

4.2.7 **Early benefits**

Effective January 1, 2016, an active member who is at least 55 years of age and who is entitled to an optional retirement may, pursuant to an agreement to that effect with his or her employer, receive the annual pension and bridge benefit payable under 4.2.2 and 4.2.6 while being in the service of his or her employer, subject for a Quebec member, to a maximum of 60 % of this pension and bridge benefit payable for the period preceding the normal retirement date.

In such case, employee contributions cease and the member shall not accrue new benefits under the plan.

4.2.8 **Phased retirement – Quebec member**

A Quebec member who is eligible to early retirement and whose working time is reduced pursuant to an agreement with his or her employer is entitled to, for each year covered by the agreement, the payment of a single lump sum benefit equal to the lowest of the following amounts:

- a) 70% of the reduction in his or her remuneration resulting from the reduction in his working time during the year;
- b) 40% of the maximum pensionable earnings for the year, adjusted proportionally for the number of months covered by the agreement;
- c) the value of his or her benefits under the plan, established on the assumption that he or she ceases to be an active member on the date on which he or she applies for the payment of the benefit.

As a result of the annual payment of the benefit, the value of the member benefits under the plan shall be reduced at retirement, by actuarial equivalence, to take into consideration the payment of the benefit provided for in this article. However, the value of the reduction may not exceed the amount of the benefit paid to the member.

ARTICLE 4.3 – INDEXING OF PENSIONS BEING PAID

- 4.3.1 The amount of any pension paid to a member under the plan according to articles 4.2.1 to 4.2.4 shall be adjusted annually in accordance with 4.3.2 and 4.3.3.
- 4.3.2 The cumulative adjustment shall be made on January 1 of each year and shall equal the amount of the pension paid to the member at the end of the last fiscal year just ended, multiplied by the effective indexing for this last fiscal year. However, in the case of a pension which began to be paid to a surviving spouse during the fiscal year, the cumulative adjustment shall be based on the pension paid to the spouse and not the pension the member was receiving.
- 4.3.3 If payment of the pension commenced during the previous 12 months, the adjustment shall be based on the number of months elapsed since the first pension payment.

SECTION V
TERMINATION BENEFITS

ARTICLE 5.1 – VESTING OF BENEFITS

5.1.1 Deferred pension

A member shall be entitled, upon termination of employment, to benefits consisting of a deferred pension payable at the optional retirement date subject to the same terms and conditions as the normal pension and equal thereto.

The optional retirement date is determined by considering the number of years of service at his or her termination of employment.

The benefits are subject to locking-in rules under applicable legislation. The member may choose between receiving a deferred pension at the moment of his or her retirement or, in accordance with article 9.1.2, to transfer the value of the deferred pension to a locked-in retirement plan prescribed by applicable legislation.

Notwithstanding the foregoing, a federal member who has not accumulated two years of membership upon termination of employment may choose to receive a refund of the value of his or her deferred pension.

5.1.2 Additional voluntary and excess contributions

In the event a member terminates his or her employment, he or she shall be entitled to a refund of his or her additional voluntary contributions accrued with interest, except where such contributions are the result of a transfer under the locking-in rules under applicable legislation.

The additional voluntary contributions of a member resulting from a transfer under the locking-in rules under applicable legislation, as well as excess contributions, may not be refunded upon the member's termination of employment, and shall be transferred to a locked-in retirement plan prescribed by legislation or used to purchase an additional pension.

However, excess contributions of a federal member who has not accumulated two years of membership to the plan may be refunded.

ARTICLE 5.2 – INDEXING OF DEFERRED PENSIONS

- 5.2.1 For any member whose termination of employment occurred before January 1, 2010, or whose termination of employment occurred after January 1, 2010 after reaching the early retirement date, the amount of deferred pension credited under 5.1.1 in respect of the years of credited service as at December 31, 2005 accumulated as a Group 1 or 2 shall be adjusted annually until the actual date of retirement or the normal retirement date, whichever comes first, to reflect the increase in the consumer price index.
- 5.2.2 The cumulative adjustment shall be made on January 1 of each year and shall equal the amount of the deferred pension in respect of the years of credited service as at December 31, 2005, credited to the member at the end of the last fiscal year, multiplied by the indexing according to CPI for the previous year.
- 5.2.3 If the termination of membership occurred during the previous 12 months, the adjustment shall be based on the number of months elapsed since the date of termination.
- 5.2.4 The last adjustment is made at the retirement date based on the number of months elapsed since January 1 of the year the member retires.
- 5.2.5 Notwithstanding the foregoing, the deferred pension indexing described above shall not in any case be greater than the percentage increase in the average wage for each fiscal year.
- 5.2.6 Notwithstanding the foregoing, upon termination of membership, the pension amount credited in respect with the years of credited service accumulated as a Group 1 member payable under 5.1.1 to a member eligible for early retirement under 4.1.3 b) who has accumulated years of credited service as a Group 1 member and as a Group 2 or 2R member, but that would not have been eligible for early retirement by considering only his optional retirement date as a Group 1 member, is not adjusted for the increase in the consumer price index.

SECTION VI
DEATH BENEFIT

ARTICLE 6.1 – DEATH BEFORE RETIREMENT DATE

6.1.1 Should a member die before retirement, his or her beneficiary shall receive a lump sum equal to the present value of the pension to which the member would have been entitled before his or her death had he or she ceased being an active member or, if applicable, the present value of the deferred pension to which the member would have been entitled had he or she ceased being an active member on the day of his or her death for a reason other than death. The present value includes the value of the bridge benefits provided for in 4.2.6, where applicable.

In addition to the pension calculated in accordance with the previous paragraph, the beneficiary shall be entitled to a refund of the member's additional voluntary and excess contributions, accrued with interest.

If the beneficiary is the spouse of a federal member, the death benefit is locked-in and shall be transferred into a locked-in retirement plan, subject to applicable legislation.

Notwithstanding the foregoing, if the beneficiary is the spouse of a federal member, he or she can surrender in writing the benefit established according to 6.1.1 to any person under his or her charge or at the charge of the member.

6.1.2 Should a member have a spouse when he or she dies before retirement, his or her spouse may choose to receive a pension instead of the benefits provided for in 6.1.1.

If the surviving spouse chooses this option, he or she shall receive 60% of the pension the member would have been entitled for life, from the date of death the member.

In addition, under applicable legislation, to the pension payable to the spouse, the children shall receive 40% of the pension the member would have been entitled, evenly distributed among the children, up to a maximum of 100% of the said pension for all the children and the spouse.

To determine the pension to which the member would have been entitled, the pension provided by excess contributions is included, the reduction provided for in 4.2.1 b) is applicable immediately, regardless of the member's age at his or her death and the bridge benefits provided for in 4.2.6 is excluded.

A pension shall cease to be payable to a child when he or she no longer satisfies the definition of child. In this regard, the remaining eligible children, if there is any, will continue to receive their pension without any adjustment.

In addition to the pension calculated in accordance with the paragraphs above, the spouse shall be entitled to an additional pension from the additional voluntary contributions accrued with interest until the death of the member, subject to the applicable legislation.

The total value of the benefits payable under 6.1.2 shall be at least equal to the value of the benefits payable under 6.1.1. If that is not the case, the benefit payable to the spouse is increased accordingly, subject to the applicable legislation.

ARTICLE 6.2 – DEATH AFTER RETIREMENT DATE

- 6.2.1 According to the normal form of pension, when a member with a spouse at retirement, dies on or during the 5-year period after his or her retirement date, the spouse shall receive a pension equal to the pension the member was receiving at the time of death until the expiration of the five year period. After this delay, the spouse shall receive a lifetime pension equal to 60% of the pension the member was receiving at the time of death. In the case the member dies after the 5-year period from his or her retirement date, the spouse shall receive a lifetime pension equal to 60% of the pension the member was receiving at the time of death.

The bridge benefit is payable only until the first day of the month coinciding with or prior to the date on which the member reached the age of 65.

- 6.2.2 According to the normal form of pension, when a member without a spouse at retirement dies on or during the 10-year period after his or her retirement date, the beneficiary shall receive a pension equal to the pension the member was receiving at the time of death until the expiration of the ten year period or the refund of the certain annuity, at his or her discretion. In the case the member dies after the 10-year period from his or her retirement date, no more benefits are payable.

The bridge benefit is payable only until the first day of the month coinciding with or prior to the date on which the member reached the age of 65.

ARTICLE 6.3 – SPOUSE'S RIGHTS

6.3.1 Spousal Waiver - Quebec Member

The spouse of a Quebec member may waive his or her rights to the death benefit payable before retirement before the settlement of this benefit, or revoke that waiver before the member's death, by notifying in writing the administrator.

The spouse of a Quebec member may also waive his or her rights to the death benefit payable after retirement, or revoke that waiver before the beginning of the payment of the member's pension, by notifying in writing the administrator.

The waiver under this article does not result in a waiver of the death benefit as a designated beneficiary or as a legal heir of the member.

6.3.2 Termination of the Spouse's Right - Quebec Member

The right of a Quebec member's spouse to benefits at member's retirement date is terminated, as the case may be, by separation from bed and board, divorce or marriage annulment, by the dissolution or annulment of their civil union or by the cessation of conjugal relationship except:

- a) in the case where the benefit is payable to the member's beneficiaries or legal heirs and where the spouse is also, on the day of the member's death, the member's beneficiary or legal heir; or
- b) if the member has notified the administrator in writing to pay the pension to the spouse notwithstanding the divorce, the annulment of marriage, the separation from bed and board, the dissolution or annulment of the civil union or the cessation of conjugal relationship.

SECTION VII
TEMPORARY LEAVES OF ABSENCE
AND DISABILITY

ARTICLE 7.1 – TEMPORARY LEAVES OF ABSENCE

- 7.1.1 For the purposes of the plan, a temporary leave of absence shall not constitute a termination of employment or termination of membership in the plan.

- 7.1.2 If the member receives a salary during a temporary leave of absence, employee contributions shall continue to be paid, and the leave shall be included in the calculation of years of credited service under the plan.

- 7.1.3 If the member does not receive a salary during a temporary leave of absence, he or she may, upon returning to work, request that the committee recognize all or part of the unpaid leave of absence if he or she meets the conditions described in Section 10.3.

ARTICLE 7.2 – TOTAL DISABILITY

7.2.1 If a member becomes totally disabled as defined in 1.2.44 and does not receive any compensation from the employer, employee contributions and employer contributions shall cease until the end of the disability, the date of normal retirement, death or termination of employment, whichever comes first. Effective January 1, 2015, employee and employer contributions shall cease until the end of the disability, the date of normal retirement or death, whichever comes first.

Moreover, effective January 1, 2015, a member who is totally and permanently disabled and whose termination of membership occurs before one of the events described in the preceding paragraph and before his or her early retirement date, may, instead of accruing benefits in accordance with 7.2.2 a), choose to receive the payment of his or her accrued benefits under the plan. This choice may be exercised at any time before the member's early retirement date.

For the purposes of this article, "total and permanent disability" means total disability which is likely to last until the member dies. This disability must be certified in writing by a physician.

7.2.2 Accrual of benefits to participants of Group 1, 2 or 2R are as follows:

a) Subject to 7.2.2 b), members with more than two (2) years of membership, who have completed three (3) months of disability, and who receive or would be entitled to receive a disability benefit payable under a long-term disability insurance plan, will be credited one year and a fraction of a year of service for each year and fraction of a year of disability.

Notwithstanding the foregoing, starting April 1, 2017, subject to 7.2.2 b), members with more than six (6) months of membership, who have completed three (3) months of disability and who receive or would be entitled to receive a disability benefit payable under a long-term disability insurance plan, will be credited one year and a fraction of a year of service for each year and fraction of a year of disability after March 31, 2017.

b) For the purposes of this plan, salary and the maximum pensionable earnings during this period of disability are defined as the salary and the maximum pensionable earnings at the beginning of the disability.

c) The cost of benefits credited during this period is fully paid by the pension fund.

7.2.3 A disabled member may opt for the immediate payment of the present value of his or her credited benefits in a lump sum, provided that it has been certified by a physician that his or her life expectancy is not expected to exceed two (2) years. The committee shall be at liberty to have such a certification validated by a physician of their choice.

7.2.4 For each year and fraction of a year of service that is not credited under 7.2.2, a member may request that the committee recognize all or part of his or her disability period by applying the same terms and conditions as provided in 10.3.2.

SECTION VIII
TRANSFER OF BENEFITS
BETWEEN SPOUSES

ARTICLE 8.1 – PARTITION CONDITIONS

8.1.1 In the event of divorce, annulment of marriage, dissolution of civil union or legal separation, pension or other benefits, including pension entitlements provided under the plan, are subject to provincial matrimonial asset laws and, for a Quebec member, to the Supplemental Pension Plans Act and its regulations.

8.1.2 Notwithstanding the provisions herein and provincial matrimonial asset laws, a federal member may transfer to a spouse a part or all his or her pension or other benefits or pension entitlements provided under the plan, with such transfer being effective at the date of divorce, annulment of marriage or legal separation. In the event of such a transfer, the spouse shall be deemed for the benefits or pension entitlements transferred:

- a) to have been a member of the plan;
- b) to have terminated his or her membership at the effective date of transfer.

Any future spouse of the spouse referred to in this section shall not be entitled to any pension or other benefits nor to any pension entitlements provided for in the plan with respect to the part of the benefits or pension entitlements transferred.

8.1.3 In the event, as set out in this article, all or a part of the pension or other benefits or the pension entitlements of a member provided under the plan must be transferred to the member's spouse following a court order or, if permitted, an agreement between spouses, the administrator must, upon receiving the following documents, value and administer said benefits or entitlements in accordance with applicable legislation and the court order or agreement:

- a) a written request from the member or the spouse requesting the division set out in the court order or agreement;
- b) a copy of the court order or agreement.

The plan administrator cannot, however, apply the terms set out in the court order before it is final or the deadline for lodging an appeal has expired.

Notwithstanding the foregoing, a Quebec member and his or her spouse are also entitled, upon written request to the retirement committee, to receive a statement of benefits for the purposes of mediation held in the context of family law proceedings. This statement shall contain the member's accrued benefits under the plan and other prescribed information.

8.1.4 For the purposes of the current article 8.1, the expression "provincial matrimonial asset laws" shall refer to the legislation of a province governing the division of matrimonial assets between spouses in accordance with a court order or, if permitted, an agreement between them following divorce, legal separation or annulment of marriage.

8.1.5 For the purposes of the current article 8.1, spouse shall mean:

- a) with respect to the definition of the expression in the provincial matrimonial asset laws or a court order, the meaning given to the term "spouse" in the applicable provincial matrimonial asset law, regardless of whether or not it contains the same expression.
- b) with respect to a transfer or agreement referred to in this section, the meaning given to this expression in the plan as set out in 1.2.21.

8.1.6 Following a court order or, if permitted by applicable legislations, an agreement between spouses, pension benefits may be payable as two separate benefits, provided that the actuarial value of the two separate benefits is equal to the actuarial value of the joint and survivor pension. Accordingly, pension benefits must not be greater than the present value of the pension or other benefits which would have been paid to the member had there not been a divorce, legal separation or annulment of marriage.

8.1.7 Spouses' statement of pension entitlements

Upon receiving the request set out in 8.1.3, the administrator must inform the other spouse and send him or her a copy of the court order or agreement in support of the request, unless the request or agreement shows that it was presented jointly.

8.1.8 Payment mode

The rights allocated to a spouse following the partition of a member's benefits or for the payment of a compensatory allowance are transferred according to article 9.1.2 or, if their value is lower than 20% of the maximum pensionable earnings, according to article 11.3.4.

8.1.9 Reduction of benefits

The member's rights are reduced according to applicable legislations, based on the amount allocated to the spouse upon partition or transfer of benefits aimed by this article.

ARTICLE 8.2 – PENSION REDETERMINATION

8.2.1 Any member whose pension is in payment may request that his or her pension be redetermined if:

- i) the member's pension was established taking into account the death benefit payable to the spouse pursuant to article 6.2.1 or 11.3.9; and
- ii) the spouse of the member is no longer entitled to the benefits referred to in paragraph i) above following a separation from bed and board, a divorce, an annulment of marriage, a cessation of conjugal relationship or, if permitted by applicable legislations, an agreement between spouses.

If conditions above are met and a partition of benefits with the spouse occurred, the administrator shall proceed to the redetermination of the pension unless a written notice has been received as per article 6.3.2 (b).

In all cases, the pension is then redetermined as of the effective date of the judgment granting the separation from bed and board, the divorce, the annulment of marriage or civil union, the cessation of conjugal relationship, or, if permitted by applicable legislations, the agreement between spouses. The redetermined pension shall be in the same amount and have the same characteristics as the pension that would have been payable to the member at the date of redetermination if the member had not had a spouse on the date the pension payments commenced.

Notwithstanding the foregoing, the redetermination of the member's pension cannot reduce the amount of pension already payable to the member.

SECTION IX TRANSFERS

ARTICLE 9.1 – TRANSFER TO ANOTHER PLAN

9.1.1 When a member is entitled to a refund under the plan, he or she may give the retirement committee written authorization to transfer part or all of the amount refundable to a registered retirement savings plan or to another pension plan, or to a life insurance company in order to purchase an immediate or deferred life annuity.

9.1.2 In the event of termination of employment, a member who is not entitled to early retirement under 4.1.3 may make a written request to the retirement committee to transfer, in accordance with applicable legislation, the present value of the pension which is vested to him or her under the plan, to a locked-in pension plan prescribed by applicable legislation.

Notwithstanding the foregoing or any other provisions of this plan, in the event of termination of employment, a member eligible for early retirement under 4.1.3 b) who has accumulated years of credited service as a Group 1 member and as a Group 2 or 2R member, but who would not have been eligible for early retirement by only considering his or her optional retirement date as a Group 1 member, may make a written request to the retirement committee to transfer, in accordance with applicable legislation, the present value of his or her deferred pension payable at the optional retirement date as a Group 1 member in respect to the years of credited service as a Group 1 member, to a locked-in retirement plan prescribed by applicable legislation.

Notwithstanding the foregoing, a Quebec member who terminates his or her employment, may make a written request to the retirement committee, to transfer the present value of his or her benefits as long as the member is under age 55 or, if before, the member is not eligible to optional retirement under 4.1.2. For clarification purposes, the optional retirement date for transfer purposes for a Quebec member who has accrued years of credited service as a Group 1 member and as a Group 2 or 2R member, is the optional retirement date as a Group 1 member in respect to the years of credited service as a Group 1 member and the optional retirement date as a Group 2 or 2R member, as the case may be, in respect to the years of credited service as a Group 2 or 2R member.

Notwithstanding the foregoing and any other provisions of this plan, in the event of termination of employment, a member who has two years of membership, who is entitled to early retirement under 4.1.3 and the pension accumulated under the plan is less than 4% of the maximum pensionable earnings, may make a written request to the retirement committee to transfer, in accordance with applicable legislation, the present value of the pension to a locked-in retirement plan prescribed by applicable legislation.

Notwithstanding the foregoing, upon termination of membership, a member can transfer the value of his or her benefits to his or her new employer's pension plan, even if the member is

entitled to early retirement under 4.1.3. The transfer is possible only if the pension plan to which the funds are to be transferred recognizes additional years of service in return of the amount transferred.

The benefits granted to a member's spouse under 8.1 which cannot be paid to the spouse shall be transferred to a locked-in pension plan prescribed by applicable legislation. Such a transfer shall, however, be allowed only if the member was not eligible to early retirement as set out in 4.1.3. This amount of transfer is not subject to the prescribed amount established by the Canada Revenue Agency.

9.1.3 When a member leaves the service of the employer, he or she may give the retirement committee written authorization to transfer, in accordance with applicable legislation, his or her additional voluntary contributions, accrued with interest, to a registered retirement savings plan or to another pension plan or, if these contributions are subject to locking-in rules, to any locked-in pension plan prescribed by applicable legislation.

9.1.4 The right of transfer granted to the member hereunder must be exercised within 90 days of the date of termination of his or her membership or within the period and according to the conditions that the retirement committee may prescribe in accordance with applicable legislation.

If a member fails to make his or her choice within a period of 90 days, it is assumed that the member chose the deferred pension.

9.1.5 The participant, who is, hereby, entitled to transfer an amount which exceeds the limits allowed by applicable legislation, shall receive a refund of the excess amount.

9.1.6 Unless it covers only part of the refund or the value of the benefits payable, a transfer hereunder shall constitute, for the committee, full and final payment of any benefits or refund payable to the member or his or her spouse under the plan.

ARTICLE 9.2 – TRANSFER TO PLAN

- 9.2.1 Any employee hired by the employer who was formerly a member of a registered pension plan, a deferred profit-sharing plan, or a registered retirement savings plan may, with the consent of the retirement committee and subject to applicable legislation, transfer to the fund the amounts vested to him or her under the former plan.
- 9.2.2 The transfer provided for in 9.2.1 may be granted to an employee provided he or she has met the eligibility requirements stipulated in the plan text and has joined the plan.
- 9.2.3 Subject to 9.2.4, the amounts transferred from the former plan under 9.2.1 shall be regarded as additional voluntary contributions and consequently be subject to the provisions herein applicable to such contributions.
- 9.2.4 The amounts transferred under 9.2.1 which are subject to a locking-in rule under applicable legislation may not be refunded to the member and must be used to purchase an additional pension or be once again transferred in the event of termination of employment or retirement.

ARTICLE 9.3 – TRANSFER AGREEMENT

- 9.3.1 The retirement committee may enter into an agreement with the Canadian government, a Canadian corporation or a Canadian institution having a pension plan for its employees, or with any organization administering any such pension plan, for the transfer of service credited to the employees and of applicable amounts established in accordance with such agreement.
- 9.3.2 Amounts transferred from one plan to another and which are the subject of a transfer agreement shall be considered employee or employer contributions and shall be governed as such, in accordance with plan provisions and applicable legislation.
- 9.3.3 The retirement committee must, within 30 days of concluding such an agreement, forward a copy to the appropriate government authorities.
- 9.3.4 Notwithstanding 9.1.2, the retirement committee may transfer the amounts to another plan, at all time, as long as permitted under the transfer agreement among between the plans.

SECTION X
SERVICE BUYBACK AND
CREDITED SERVICE DURING A
PERIOD OF ABSENCE

ARTICLE 10.1 – SERVICE PRIOR TO ENROLMENT

10.1.1 Subject to applicable legislation and except for Group 2R members, any active member, according to the terms and conditions established by the retirement committee, may buy back a period of service prior to his or her enrolment in the plan which has not been recognized under a transfer agreement, by paying the amount recommended by the actuary to cover the cost of the resulting pension liability, as established in accordance with the formula provided for in 4.2.1. The tax-deductible amount that may thus be paid by the member is limited to the amount allowable under applicable legislation. The employer does not make any employer contribution for the buy-back of a period of service by the member. Where applicable, the present value of the normal pension in respect of the years of service bought back hereunder shall not be less than the contributions made by the member in respect of this pension, accrued with interest, for the period between the date of the contribution to the pension fund and the termination of employment date, which will be calculate with the rate of return net of management expenses earned by the pension fund as determine by the plan administrator, after consulting with the actuary.

Notwithstanding the preceding, a member can buy back the period between the date he or she begins his or her service with the employer. and his or her plan enrolment date by paying the contribution that would have been due during that period. The employer must pay the employer contribution.

ARTICLE 10.2 – SERVICE AS A GROUP 1, 2 OR 2R MEMBER

10.2.1 Subject to applicable legislation, any active member who changes from a Group 1 member to a Group 2 member may, in accordance with the terms and conditions set out by the retirement committee, buy back all or a part of his or her years of service as a Group 1 member.

In such case, the amount payable by the member will be recommended by the actuary with such amount being equal to the difference between the cost of the pension resulting from the years of credited service as a Group 1 member and the cost of the pension resulting from the years of credited service as a Group 1 member for a Group 2 member, as established in accordance with the formula provided for in 4.2.1.

Any active member who changes from a Group 1 or 2 member to a Group 2R member may not buy back all or a part of his or her years of service as a Group 1 or Group 2 member, as the case may be.

Additionally, any active member who changes from a Group 2R member to a Group 1 or 2 member may not buy back all or a part of his or year years of service as a Group 2R member.

ARTICLE 10.3 – TEMPORARY LEAVE OF ABSENCE

10.3.1 As stipulated under 7.1.3, if the member does not receive a salary during a temporary leave of absence, he or she may, upon returning to work, request that the committee recognize all or part of the unpaid leave of absence if he or she meets the following conditions:

- a) The member did not participate in another registered pension plan during his or her absence;
- b) The unpaid leave is not the result of a suspension from the employer.

The contribution payable is based on the member's salary and the maximum pensionable earnings at the beginning of the temporary leave of absence. Such a period during which a member makes employee contributions, stipulated at 10.3.2, 10.3.3 or 10.3.4 as the case may be, shall be computed for in the calculation of years of credited service for the purposes of the plan. The amount of contributions for temporary leaves of absence depends on the reason for the absence which is stipulated at 10.3.2, 10.3.3 or 10.3.4 as the case may be.

10.3.2 If the member continues to pay his or her contribution during a sick leave or an accident under the applicable legislation, a maternity leave, a paternity leave or a parental leave, the employer is still required to contribute. If the member decides to pay his or her contribution after his or her return to work, as permitted in 10.3.1, the employee and the employer pay their respective portion of the contribution.

10.3.3 The single rate of employee contributions will be required for any part of an unpaid leave of absence taken for the purpose of undergoing training or instruction to the advantage of the employer if the employer agrees to pay its employer contribution. Otherwise, the contribution from the member shall correspond to the sum of the regular employer and employee contributions.

10.3.4 For all other temporary leaves of absence not mentioned at 10.3.2 or 10.3.3, the contribution from the member shall correspond to the sum of the regular employer and employee contributions. No contribution shall be required from the employer.

10.3.5 The employer shall receive a written request to buy back a temporary leave of absence within December 31 in which the temporary leave of absence occurred. Unless, the member chooses to contribute during his or her leave as provided in 10.3.2, if the member does not actively return to work, he will not be eligible for such buy back.

The buyback terms are subject to the limits of the Income Tax Act and its regulation. In particular, in accordance with applicable legislation, a limit on the compensations amounts will be prescribed to all period of reduced pay and temporary leaves. The limit provides up to five years of full-time equivalent remuneration, with a additional three years of full-time equivalent remuneration if the member took one or more parental leaves.

ARTICLE 10.4 – RETURN TO WORK AFTER TERMINATION OF EMPLOYMENT

10.4.1 As described in 11.7.2, a new employee who had already been a member in the plan during a previous employment may have the years of credited service resulting from previous years of membership in the plan included in the years of credited service under the plan. The amount to be refunded to the pension fund by the employee must then be equal to the lump sum payment received, plus interest, for the period between the date of payment and the date of his or her request to buy back into the plan, which shall be calculated at the rate of return net of management expenses earned by the pension fund as determine by the plan administrator, after consulting with the actuary. Such a period during which a member makes a refund allows him or her to receive a credit for his or her previous years of service and credited service to the plan.

ARTICLE 10.5 – RETURN OF AN EMPLOYER

- 10.5.1 As described in 11.8.2 and subject to the restrictions in 10.2.1, the employees of an employer who rejoins the plan and who had already participated in the plan may have the years of credited service resulting from previous years of membership in the plan included in the years of credited service under the plan. The amount to be refunded to the pension fund by the employee must then be equal to the lump sum payment received, plus interest, for the period between the date of payment and the date of his or her request to buy back into the plan, which shall be calculated at the rate of return net of management expenses earned by the pension fund as determine by the plan administrator, after consulting with the actuary. Such a period during which a member makes a refund allows him or her to receive a credit for his or her previous years of service and credited service to the plan.
- 10.5.2 The employees of an employer who rejoins the plan and who had already participated in the plan but do not make the refund mentioned in 10.5.1 are nevertheless entitled to a credit for their previous years of service.

ARTICLE 10.6 – SCHEDULE OF PAYMENTS

- 10.6.1 The committee may allow the member to spread the payment due to the pension fund, under the present section, over a period not exceeding twenty (20) years, being understood that the period of instalments shall end upon the termination of employment of the member. The amount to be refunded to the pension fund by the employee must then be equal to the payment, calculated under the present section, considering interest for the period between the date of his or her request to buy back into the plan and the final date of the instalments period, which shall be calculated at the rate determined by the plan administrator after consulting with the actuary.
- 10.6.2 If the member ends his or her participation, decides to stop paying the required amounts or dies before the end of the buy back, the years of credited service shall be calculated on a pro rata basis of the amount actually paid.

SECTION XI
GENERAL PROVISIONS

ARTICLE 11.1 – PROVISIONS REGARDING BENEFICIARY

11.1.1 Designation of beneficiary

Unless otherwise indicated, a member may, either in writing to the retirement committee by using the form provided for this purpose, or by way of a will, appoint or revoke any beneficiary of the death benefit insofar as applicable legislation does not provide for the automatic assignment of such benefits to the spouse, if any.

11.1.2 Limitation of the rights of an irrevocable beneficiary

The refund or transfer of the member's pension entitlements under the plan is not subject to the consent of the irrevocable beneficiary, if applicable.

ARTICLE 11.2 – MAXIMUM PENSION BENEFITS

11.2.1 The annual life annuity, with the exception of the additional pension provided for in 4.2.5, payable at the retirement date, and which continues to be paid beyond the normal retirement date, is subject to the limit set out in 11.2.1.1, 11.2.1.2 and 11.2.1.3.

11.2.1.1 The limit described in 11.2.1 is determined at the retirement date and is equal to the product of a) and b):

a) The lesser of:

i) the defined benefits ceiling;

and

ii) 2% multiplied by the average of the best 3 years of indexed compensation.

b) the number of years of credited service, subject to a maximum of 35 for years of credited service before January 1, 1992.

11.2.1.2 The amount obtained is reduced, if applicable, by $\frac{1}{4}\%$ for each month that the member's retirement date precedes the first day of the month coinciding with or immediately following the earliest of the following dates:

a) The member's 60th birthday;

b) The date on which the member would have completed 30 years of service had he or she remained in the service of the employer;

c) The date on which the sum of the member's years of service and his or her age would have equalled 80 had he or she remained in the service of the employer;

11.2.1.3 The annual life annuity payable to the member and accrued under the plan is subject, from the date it begins to be payable, to the limits provided for in 11.2.1.1 and 11.2.1.2, adjusted on January 1 of each year from the retirement date to reflect the percentage increase in the consumer price index.

11.2.2 The amount the temporary pension payable until the normal retirement age is subject to the lesser of the limits described in 11.2.2.1 and 11.2.2.2.

11.2.2.1 The first limit provided for in 11.2.2 is determined at the event date and is equal to the excess of the sum of the following over the annual pension obtained in 11.2.1:

- a) the defined benefits ceiling, multiplied by the number of years of credited service, subject to a maximum of 35 years for credited service before January 1, 1992;
- b) 25% of the average maximum pensionable earnings for the year and previous two years, multiplied by the ratio of the number of years of credited service over 35, with such ratio not exceeding 1.

11.2.2.2 The second limit provided for in 11.2.2 is determined at the event date and is equal to the weighted average of the following:

- a) the sum of:
 - i) the maximum annual pension payable under the *Old Age Security Act*;
 - ii) the maximum annual pension at the retirement date that would be payable to the member under the *Québec Pension Plan Act* if the member were age 65, multiplied by the ratio of the average best three years of the member's compensation over the average maximum pensionable earnings for the corresponding years, with such ratio not exceeding 1.
- b) The sum obtained in a) is reduced by 1/4% per month, if applicable, for each month the retirement date precedes the member's 60th birthday and multiplied by the ratio of the number of years of credited service of the member, over 10, with such ratio not exceeding 1.

The weighting applicable to each of the above-mentioned items is based on the number of years of credited service before January 1, 1992 for item a) and the number of years of credited service after December 31, 1991 for item b) over the total number of years of credited service.

11.2.3 Articles 11.2.1 and 11.2.2 shall apply taking into consideration, if applicable, any pension resulting from the allocation of surplus on termination of the plan and any amount transferred to the spouse in accordance with Article 8.1.

- 11.2.4 Articles 11.2.1 and 11.2.2 shall not apply to the portion of the annual pension resulting from a member's additional voluntary and excess contributions.
- 11.2.5 If benefits credited to a member exceed those permitted by applicable legislation, the plan may be amended at any time to reduce benefits payable to a member, if such action is necessary to avoid the plan's deregistration.
- 11.2.6 The benefits provided under this plan and any other registered pension plan of the employer must respect the limits set out in the *Income Tax Act* regarding pension adjustments.

ARTICLE 11.3 – PAYMENT OF BENEFITS

- 11.3.1 A member shall receive a life annuity payable in 12 equal monthly instalments, on the last day of each month beginning on his or her retirement date.
- 11.3.2 In the event of early, optional, normal or postponed retirement, a member shall only be entitled to the pension payable under the plan and not to a refund of contributions, unless otherwise stipulated herein.
- 11.3.3 Except as stipulated in Section VIII, any refund or benefits under the plan are exempt from seizure and cannot be assigned, attached, paid before due or given as security, or waived.
- 11.3.4 Upon termination of employment, retirement or death, in the event the value of the payable pension under the plan is less than 20% of maximum pensionable earnings, at the time of the termination of employment, retirement or death, the member or, if applicable, the spouse may request to have the pension paid in a lump sum equal to the present value of the payable pension. Without such a request, the retirement committee may decide to settle the member's benefits.
- 11.3.5 Before receiving any benefit under the plan, the member or any beneficiary must provide to the retirement committee a proof of age and any other information deemed necessary by the committee.
- 11.3.6 No pension in course of payment can subsequently be reduced to reflect a change in the benefits paid under government plans.
- 11.3.7 Benefits payable in a lump sum following a member's death must be paid out as soon as possible following the death.
- 11.3.8 Within six months of his or her retirement date, a member may change the amount of payable pension according to articles 6.2.1 or 6.2.2, by advising the administrator in writing of his or her choice to elect a pension whose payment is integrated with the pension payable under the Quebec Pension Plan or the Canada Pension Plan, depending on the province in which the member has been in the service of the employer, and with the benefits payable under the *Old Age Security Act*. The amount of pension, in accordance with the options selected, is calculated using the pension equivalent determined by the actuary.

11.3.9 Within six months of his or her retirement date, a member may change the amount of pension payable at retirement, under 6.2.1, by advising the administrator in writing of his or her choice, to change the survivor percentage from 60% to 75% or 100%. The member may also change the amount of pension payable by adding to the survivor percentage of 60%, a guaranteed period of 10 years. The amount of pension, in accordance with the option selected, is obtained by actuarial equivalence determined by the actuary.

11.3.10 Within six months of his or her retirement date, a member may change the amount of pension payable at retirement, under 6.2.2, by advising the administrator in writing of his or her choice, to change the guaranteed period from 10 years to a guaranteed period of 15 years. The amount of pension, in accordance with the option selected, is obtained by actuarial equivalence determined by the actuary.

11.3.11 **Temporary pension**

A member who is eligible to an immediate pension under the plan, whose pension payment did not begin and who certifies to the retirement committee on the form required for this matter that he or she is not receiving any temporary pension from another plan, may replace in whole or in part, this pension by a temporary pension with the following characteristics:

- a) the payment of the temporary pension must end no later than the last day of the month following the month in which the member attains or would have attained the date of normal retirement;
- b) the annual amount of the temporary pension payable to the member may vary from one year to another, subject to the member's instructions before the payment begins.

The annual amount of the pension must not exceed 40% of the maximum pensionable earnings for the year in which payment of the pension begins, that limit being reduced, where applicable, by the annual amount of any other temporary benefit to which he or she is entitled under the plan.

As a result of the payment of the temporary pension, the pension payable under the plan is reduced by actuarial equivalence to take into consideration the payment of temporary pension.

11.3.12 **Non-resident**

A member who has ceased to be an active member, who no longer accrues years of continuous service and who has not been residing in Canada for at least two years is entitled to a refund of the commuted value of his or her accrued benefits.

ARTICLE 11.4 – TERMS OF PAYMENT

11.4.1 The present value of any benefits payable in a single lump sum to which the member or a beneficiary becomes entitled under the plan while it is less than 100% solvent shall be equal to the solvency of the plan, provided it is allowed under applicable legislation.

11.4.2 The present value of any benefits that cannot be paid under the terms of 11.4.1 shall be funded and paid in accordance with applicable legislation.

ARTICLE 11.5 – AMENDMENT OF PLAN

11.5.1 Any member of the retirement committee may submit to the committee a proposal to amend or discontinue the plan. Such proposal is discussed in an extraordinary meeting of the retirement committee where the quorum is constituted of all members of the committee.

11.5.2 Before becoming effective, any amendment adopted by the retirement committee must be submitted to the employers who are members of the plan as soon as practicable and in accordance to the following parameters:

- a) An explanatory document of the proposed plan amendment, objectively stating all relevant facts so that the employer can quickly take a position, must be sent to each employer;
- b) Upon receipt of the above-mentioned document, the employer has a time limit of sixty (60) days to send a written confirmation to the retirement committee of its acceptance or refusal of the amendment;
- c) On the 31st day of the above-mentioned time limit, the retirement committee must send a letter to each employer outlining that it is in their interest to make their position known to the retirement committee;
- d) If an employer does not inform the retirement committee in writing of its position on expiry of the sixty-day (60) time limit, the employer will be deemed as having abstained from taking a position.
- e) To be duly approved, any amendment submitted to the employers requires a majority of employers to take a position and an affirmative response from a majority of the employers.

11.5.3 An eligible employer who has rejected a draft amendment accepted by the majority, may, at its discretion, continue its membership as amended or terminate it at the date the amendment comes into force if the changes entail a significant increase in plan costs. Under any other circumstances, the employer is required to give a twelve (12) month notice. If the employer terminates its membership, he will be considered as having terminated the plan at one or the other dates, as the case may be, and all applicable provisions in the plan text shall apply to the employer and its employees.

11.5.4 Any amendment to the plan shall be registered with the appropriate government authorities.

11.5.5 The retirement committee that intends to apply for the registration of an amendment shall notify the active members and, in the case of federal members, their spouses as provided for by applicable legislation.

11.5.6 Notwithstanding the foregoing, any amendment either required by government authorities or relative to the application of section XIV or which does not have a financial impact on plan members or employers who are members of the plan, adopted by the retirement committee, need not be submitted for approval to employers who are members of the plan.

ARTICLE 11.6 – MEMBERSHIP IN MORE THAN ONE PLAN OF THE EMPLOYER

11.6.1 When a member has participated in more than one of the employer's pension plans, he or she shall be entitled to the sum of the refunds or benefits payable under each of the plans.

ARTICLE 11.7 – RETURN TO WORK AFTER TERMINATION OF EMPLOYMENT

11.7.1 Subject to 11.7.3 and 11.8.2, a former employee who returns to work for the employer shall, for the purposes of the plan, be considered a new employee. For clarification purposes, in the case of an employee who has never participated in the plan, the employment date used to calculate years of service corresponds to the current employment date, and not the previous employment date.

11.7.2 A new employee who had already been a member in the plan during a previous employment may have the years of credited service resulting from previous years of membership in the plan included in the years of credited service under the plan as described in 10.4

Similarly, a new employee who was already a member in the plan during a previous employment and thus entitled to a deferred pension with respect to this period of membership shall be considered a member in service at the beginning of his or her employment, and his or her deferred pension shall end automatically.

In the event of termination of employment, the benefits payable for the years of credited service resulting from previous years of membership will be payable under the terms and conditions at the last termination of membership.

11.7.3 Notwithstanding the foregoing, an employee who returns to the service of an employer while he or she is receiving pension benefits is not entitled to participate in the plan.

ARTICLE 11.8 – RETURN OF AN EMPLOYER

- 11.8.1 Subject to 11.8.2 and 10.5.2, a former employer who rejoins the plan shall, for the purposes of the plan, be considered a new employer.
- 11.8.2 The employees of an employer who rejoins the plan and who had already participated in the plan may have the years of credited service resulting from previous years of membership in the plan included in the years of credited service under the plan in accordance with Article 10.5.1.

SECTION XII

PLAN ADMINISTRATION

ARTICLE 12.1 – RETIREMENT COMMITTEE

12.1.1 The retirement committee administers the pension plan and the pension fund established as set out herein.

12.1.2 The retirement committee shall consist at all times of eight members residing in Canada. Three active members representing the employees, three active members representing the employers, the seventh shall be a retired member representing the retired members, while the eighth is independent, that is he is neither an administrator nor an individual employed by a participating employer, nor a member of the plan. The independent member shall have a pertinent expertise in business and/or in pension plan administration. With the exception of the independent member and the non-active members, retirement committee members must be plan members. The independent member is designated by the members of the committee and has a voting right. A same person cannot represent both active employees and the employers.

Notwithstanding the foregoing, any ex-employee of the NBP who has been fired for a just and sufficient cause cannot be a member of the retirement committee.

12.1.3 Each year at the annual general meeting provided for in 12.5, the retirement committee members shall elect the chairperson, the vice-chairperson and the secretary of the committee from among themselves.

The chairperson and the vice-chairperson must be plan members. As for the secretary, the committee appoints the corporate lawyer as secretary of the retirement committee.

12.1.4 The chairperson is an executive officer of the committee; he or she shall chair all meetings and see to the execution of decisions. He or she shall sign the documents requiring his or her signature, fulfill the duties of his or her position, and carry out the mandates entrusted to him or her.

12.1.5 In the absence of the chairperson, the latter's duties shall be carried out by the vice-chairperson. In such a case, the vice-chairperson shall have the same duties and powers as the chairperson.

12.1.6 The secretary shall prepare the minutes of the committee meetings and keep them in one or more record books maintained for that purpose. He or she shall also be responsible for keeping all registers and books prescribed by the committee.

- 12.1.7 Committee meetings shall be held in the offices of the retirement committee located at the main place of business of a participating employer, or at any other place determined by the committee, following a notice of meeting sent out by the committee chairperson, the vice-chairperson, two committee members or the plan administrator delivered either in person, by regular mail or E-mail at least 15 days before the meeting.
- 12.1.8 The quorum for committee meetings is four members and any decision of the committee shall be made by a majority of the members present having the right to vote. However, the signature of all committee members for any resolution which may be made or adopted by the members of said committee, shall give such resolution the same effect as if it had been made and adopted by a majority of the committee members at a committee regularly called and held at the date appearing on the resolution. Such a resolution shall be considered as the minutes of the committee meeting regularly called and held at the date appearing on the resolution.
- If everyone is in agreement, the committee members may participate in a retirement committee meeting by means, including the telephone, which make it possible for all committee members to communicate verbally amongst themselves. They will then be deemed to have attended the meeting.
- 12.1.9 The committee members shall take up office on the date of their appointment and remain in office until the expiry of their four-year term, unless their mandate is renewed, or until their successors are appointed.
- 12.1.10 A person shall cease to be a committee member in the event of one of the following:
- a) death;
 - b) a physical or mental disability rendering him or her incapable of fulfilling his or her duties; the committee decides that the member is suffering from such a disability;
 - c) his or her resignation or if his or her appointment is revoked by the party he or she represents;
 - d) if he or she ceases to be an active member of the plan. In such case, his or her mandate ends upon payment of the termination of employment benefit or at the date of the annual general meeting, whichever comes first;
 - e) if he or she ceases to be a non-active member of the plan. In such case, his or her mandate ends upon payment of the termination of employment benefit.
- 12.1.11 A committee member may resign by giving the committee a notice in writing at least 30 days before the date of resignation.
- 12.1.12 In the event of the resignation, revocation or end of the term of one of the members, the party who had appointed the member or the retirement committee shall designate a new member to replace him or her.

- 12.1.13 Any committee member, while he or she is a committee member, regardless of reason, shall be entitled to a director's fee, which shall be determined from time to time by the retirement committee.

A committee member will also be entitled to a refund of any reasonable expenses he or she incurs while carrying out his or her duties, in accordance with the plan's prevailing policy.

- 12.1.14 The plan ensures that the committee members are duly covered under a liability insurance policy with a recognized insurer for all risks related to their duties as committee members. Without limiting the generality of the foregoing, such a liability insurance policy shall, among other things, provide at least \$2 million in coverage for all deeds or decisions taken in good faith by committee members while exercising their duties. Such a liability insurance policy shall also cover defence expenses which may be incurred in an legal suit or proceedings taken against one or several committee members.

- 12.1.15 The plan will ensure the defence of committee members, its managers or other representatives who are sued by a third party for an action taken while carrying out their duties and, if applicable, will pay for any damages resulting from such an action, except if he or she has committed a serious offence. The plan also assumes defence costs for committee members, its managers and other representatives who sued for an action taken while carrying out their duties if judgement handed down by the tribunal concerned is not in their favour.

In case of a penal or criminal action, it is understood that the plan shall only assume the cost of the fine, legal expenses, if any, and the defence costs of the retirement committee members its managers and other representatives who had reasonable grounds to believe that their behaviour was within the law or the payment of any legal expenses and defence costs of such committee members, managers or other representatives that have been released or acquitted.

Similarly and to the same extent, the plan assumes any legal and defence costs that may be incurred by any individual who, at its request, has acted as an administrator for a corporation of which it was a shareholder or member or whose committee members are members or shareholders, accrued to their benefit.

- 12.1.16 The committee members are rightfully active members of the "RBA Financial Group" and of any other non-profit organization at non-arm's length with the plan.

ARTICLE 12.2 – PENSION FUND

- 12.2.1 All contributions to the plan as well as any earnings and profits derived therefrom shall be deposited into the pension fund which shall constitute the trust fund.
- 12.2.2 All expenses authorized by the committee for the administration of the plan and the management of the fund, as well as related professional fees shall be paid directly from the pension fund.
- 12.2.3 Subject to applicable legislation, the committee shall be responsible for the fund as trustee and shall manage, own, invest and sell the assets which are part of the fund, with care, diligence and skill, as would a reasonable person under the same circumstances.
- 12.2.4 Without in any way limiting the rights and powers conferred under 12.2.3, the committee is expressly authorized:
- a) to open, operate and close accounts with chartered banks, savings and credit unions or trust companies and issue cheques and drafts on such accounts;
 - b) to entrust, in whole or in part, the management of the pension fund and its investments to a trust or life insurance company registered in the Province of Ontario, or to retain the services of independent financial consultants;
 - c) to authorize all payments to be made by trustees, insurers, or other parties who have custody of any part of the pension fund;
 - d) to determine the nature and extent of the investments to be made and ensure that the investments are made in accordance with the standards prescribed by applicable legislation.
- 12.2.5 The retirement committee shall establish and adopt a written investment policy in accordance with the requirements of applicable legislation and drawn up to reflect the characteristics and financial obligations of the plan.

ARTICLE 12.3 – DUTIES AND POWERS OF THE RETIREMENT COMMITTEE

12.3.1 Without restricting the duties and powers of the plan, the committee shall in particular:

- a) maintain accurate and detailed accounts of the assets and liabilities of the fund, its income and expenses, and subject to applicable legislation, have the financial statements audited once a year by an independent auditor;
- b) submit to each employer an annual report on the operations of the plan;
- c) supply, at a member's request and during regular business hours, information on his or her membership in the plan;
- d) establish standards for the administration of the plan;
- e) calculate the amount of benefits or other amounts payable to any member or beneficiary in accordance with the provisions of the plan and determine to whom said benefits are payable, in accordance with applicable legislation;
- f) until contributions are invested, deposit them as soon as they are received in a special account in the name of the fund in a bank, a savings or credit union, a trust company or a life insurance company;
- g) at least every three years, have an actuary carry out a valuation of the liabilities of the plan;
- h) purchase an annuity from an insurer when the committee exercises its authority to make such a decision;
- i) forward to the appropriate government authorities, within the stipulated deadlines, the documents prescribed by applicable legislation;
- j) notify the Office of the Superintendent of Financial Institutions of Canada and the Régie des rentes du Québec, as applicable, of any contribution that has not been made within 60 days of its due date;
- k) establish the fees payable by the member or his or her spouse as refund for the expenses incurred by the fund regarding an application referred to in Section VIII;
- l) administrate any other pension plan, if necessary, in accordance with its administrative regulations;
- m) allocate, if necessary, the administrative expenses among the plan and any other pension plan administered by the retirement committee;
- n) decide, in good faith, on the interpretation of the provisions of this plan text in the event of uncertainty;

- o) the retirement committee must elect annually an employment evaluation committee, which will be formed of three representatives of the retirement committee, of the general director and an external member specialized in human resources. The roles and duties of this evaluation committee are established in the Human Resources Rules and Procedures of the Native Benefits Plan, section 5.3.1.

12.3.2 The committee may delegate all or part of its powers or ask to be represented by a third party for a specific deed. In addition, the committee shall retain the services of an actuary or a firm of actuaries in which at least one is a Fellow of the Canadian Institute of Actuaries. If deemed appropriate, the committee may retain the services of an accountant or a consultant or an expert to assist it in the administration of the plan and the pension fund.

12.3.3 The retirement committee is not be liable for the deeds or omissions of the party to whom it has delegated powers, unless:

- a) it was aware or should have been aware of the party's incompetence;
- b) it could not validly delegate such powers to said party;
- c) it consented to said deeds or omissions or ratified them.

12.3.4 Each member of the retirement committee shall be deemed to have approved decisions taken by the other members. Each is jointly responsible, unless he or she has immediately shown his or her disagreement.

Such member shall also be deemed to have approved any decision made in his or her absence, unless he or she informs the committee, in writing within a reasonable period of time after having become aware of such a decision.

12.3.5 Subject to the provisions of 12.4, all committee deliberations as well as any documents, reports, opinions, or studies submitted to the committee shall be confidential. The committee may nevertheless adopt internal regulations compatible with the provisions of the plan and applicable legislation to prescribe the information that may be disclosed and the individuals to whom such information can be disclosed.

12.3.6 Subject to the provisions expressly contained herein, the committee's decisions regarding the administration, management, operation and interpretation of the plan and the valuation of the assets of the fund shall be final.

12.3.7 Refunds or payments of benefits made by the retirement committee shall constitute a discharge since they are based on the belief, according to the information at the disposal of the committee, that the persons to whom same are made are those entitled thereto, and that such refunds or payments are also made in accordance with the plan and applicable legislation.

However, such a discharge is only valid for amounts actually paid, or their equivalent.

ARTICLE 12.4 – INFORMATION

12.4.1 The retirement committee shall provide to any member or eligible employee and spouse, in the case of a federal employee or member, to whom the plan applies, within 60 days of his or her enrolment or the date he or she becomes an employee to whom the plan applies, a written summary of the relevant provisions of the plan as well as an outline of his or her rights and obligations and any other information prescribed by applicable legislation.

12.4.2 In the event the plan is amended, the committee shall provide a summary of the amended provisions and the resulting rights and obligations to each member, and his or her spouse, in the case of a federal employee or member, within 60 days of the date the amendment is registered or at any other time allowed under applicable legislation.

Notwithstanding the foregoing, before requesting the registration to government authorities of any modification to the plan, the retirement committee shall distribute to every Quebec member a written notice setting out the object of the proposed amendment and its effective date.

12.4.3 Within six months of the end of each fiscal year, the retirement committee shall forward to each member and, in the case of a federal member, to his or her spouse, an annual statement that contains the information prescribed by applicable legislation, in particular:

- a) the benefits the member has accumulated during the last fiscal year completed and from the date he or she enrolled in the plan until the end of such fiscal year;
- b) the financial position of the plan.

12.4.4 The committee shall provide employees, their spouse, beneficiary or legal representative, with a statement of the pensions, benefits and refunds they are entitled to, within 30 days following the termination of employment or membership, in accordance with applicable legislation.

12.4.1 The retirement committee allows any employee to whom the plan applies, a member, spouse, beneficiary or representative, upon request, to examine the documents prescribed by applicable legislation, during regular business hours, or shall provide a copy of said documents within 30 days of receiving such a request, subject to the terms of applicable legislation.

Such a request must be made in writing and state the documents the employee, member, spouse, beneficiary or representative wishes to examine.

The committee determines the fees to be charged to the employee, member, beneficiary or their representative to meet such a request if it is made more than once per 12-month period.

ARTICLE 12.5 – ANNUAL GENERAL MEETING

12.5.1 Calling of annual general meeting

Within six months from the end of each fiscal year of the plan, the retirement committee shall call, in writing, an annual general meeting:

- a) To allow to examine the plan's financial statements, which will have been already approved by the retirement committee;
- b) To appoint to the retirement committee representatives of the employees, representatives of the employers and representatives of the non active members;
- c) To allow the retirement committee to submit a report on its administration over the previous financial year so that its actions and overall orientation can be approved.

The quorum for an annual general meeting is 33 1/3% of the representatives entitled to participate in such a meeting. However, the quorum for meetings at which a vote would be held requiring a majority's representation, as stipulated in the meeting's notice, is 50% plus one representative eligible to attend such a meeting, of which at least 40% are active members who represent the employer and at least 40% are active members who represent the employees.

The committee may also call a special general meeting when deemed necessary.

12.5.2 Representative of an employer who is not a member of the plan

An employer may appoint to represent him, during a annual general or extraordinary meeting, a person who is not an active member of the plan; this person shall benefit from all rights and privileges of those participating legally to the meeting, however this person may not be elected as a member on the NBP retirement committee, failing to possess the required qualification.

12.5.3 Observers

The members of a NBP annual general meeting may admit, during such meeting, individuals as observers; they do not have the right to vote and to express themselves and shall not participate during the debates or deliberations of the meeting.

12.5.4 **Electoral process**

For the purposes of an electoral process, the retirement committee draws up, for such elections:

- a) A list of eligible employers no later than forty-five (45) days before the planned election date;
- b) A list of non-active members no later than ninety (90) days before the planned election date.

12.5.5 **Holding of elections**

- a) The retirement committee appoints an election clerk for the retirement committee to be elected by non-active members.
- b) For the election of other committee members, the representatives at the general meeting shall appoint an elections president and two (2) scrutineers.

12.5.6 **Elections**

- a) The elections president shall preside over the meeting at which an election of committee members will take place; before proceeding with the election as such, the elections president shall outline the electoral process for electing a retirement committee member, answer any questions raised and remind everyone that he or she is authorized to settle any question of interpretation regarding the rules on the election procedure. Any decision rendered by the president on this subject shall be final and without appeal.
- b) The elections president then submits a list of the individuals entitled to vote; this list is to have been drawn up by the retirement committee in accordance with the plan text provisions; the elections president resolves any problems that may arise regarding the authority of any individual entitled to vote and takes any decisions related thereto.
- c) He or she then proceeds with the acceptance of two (2) nominations for committee members to be elected by and from among the employer representatives, two (2) members to be elected by and from among the employee representatives as well as one (1) member of the committee to be elected from among the employer representatives by employer and employee representatives and one (1) member of the committee to be elected from among the employee representatives by employer and employee representatives. The elections president sets the time limit for accepting such nominations. Once nominations begin to be accepted, the elections president invites the representatives to nominate candidates, and each proposal must be duly seconded. After having accepted, if applicable, the nomination proposal, the elections president shall immediately ask each candidate nominated, who must be present at the meeting, if they accept their nomination. The period for accepting nominations officially ends on expiry of the agreed time limit and the elections president then invites each candidate to make a brief speech to introduce themselves if they wish. The speech cannot exceed the time limit set by the elections president.

12.5.7

a) **Committee members to be elected by and from employer representatives:**

If the number of nominations is greater than the number of positions to be filled, a vote by secret ballot must be held. This vote will be held in accordance with normal discretion and in full compliance of democratic traditions; the elections president shall declare elected the candidates who have received the greatest number of votes following a secret ballot.

b) **Committee members to be elected by and from employee representatives:**

If the number of nominations is greater than the number of positions to be filled, a vote by secret ballot must be held. This vote will be held in accordance with normal discretion and in full compliance of democratic traditions; the elections president shall declare elected the candidates who have received the greatest number of votes following a secret ballot.

c) **A committee member to be elected from among the employer representatives by the employer and employee representatives, and a committee member to be elected from among the employee representatives by the employer and employee representatives:**

If the number of nominations is greater than the number of positions to be filled, a vote by secret ballot must be held. This vote will be held in accordance with normal discretion and in full compliance of democratic traditions; the elections president shall declare elected the candidates who have received the greatest number of votes following a secret ballot.

d) **Committee member to be elected by and from among non-active members:**

By mail or by any other adequate means of communication, the election officer first invites non-active members of the plan to submit their nomination. A list of eligible non-active members is then submitted to such non-active members along with a document explaining how the elections will be held. Any such proposal must be duly seconded by a non-active member. If more than one nomination is received, there will then be a vote by mail. The procedure for such an election will be specified from time to time by the committee members, in compliance with normal rules of discretion, in an independent context, and respecting democratic traditions. The elections officer shall declare elected the candidate who receives the greatest number of votes.

Notwithstanding any other provision to the contrary, the election of the committee member to be elected by non-active members must be held at a date at which may be disclosed, to the extent possible, the name of the member elected at the general annual meeting at which other committee members are elected.

12.5.8 **Miscellaneous provisions**

The elections president drafts the minutes for the election process and the discussions which took place, with such minutes being an integral part of the minutes of the annual general meeting of the plan members.

Notwithstanding any other provision to the contrary, the retirement committee shall consist at all times of a majority of natives who are plan members.

ARTICLE 12.6 – ENROLMENT AND WITHDRAWAL OF AN EMPLOYER

12.6.1 Enrolment terms and conditions

An eligible employer may, at any time, join this plan by resolution of its management or by filling out the retirement committee's enrolment contract. A copy of this resolution or contract, if applicable, is sent to the retirement committee which will take all the required measures.

12.6.2 Contribution rate

Subject to the vested rights of members under a transfer agreement entered into, with the retirement committee, an employer who has joined the Group 1 plan for his employees may, with the consent of the majority of participating employees, or one of the employee groups concerned, decide that at a given date, the member's plan be changed to Group 2 for all plan members or for one of the employee groups concerned.

Subject to the vested rights of members under a transfer agreement entered into with the retirement committee, an employer who has joined the Group 2 plan for his employees may, with the consent of the majority of participating employees, or one of the employee groups concerned, decide that at a given date, the member's plan whether the Group 2 for all plan members.

The plan text provisions applicable to any group of employees covered by this plan shall be applicable for each of the periods concerned.

12.6.3 Several employee groups

A new employer may join this plan by choosing a defined benefit pension plan with a contribution rate of 6.25% (4.6% if the employees of the group concerned are required to contribute to the Quebec Pension Plan or the Canada Pension Plan) or 8.5% (6.8% if the employees of the group concerned are required to contribute to the Quebec Pension Plan or the Canada Pension Plan) for all employees or may choose one of these options depending on the employee group(s) identified by the new employer.

Notwithstanding the foregoing, connected persons of the new eligible employer can only join this plan by joining Group 2R with a contribution rate of 8.5% (6.8% if the employees of the group are required to contribute to the Quebec Pension Plan or the Canada Pension Plan).

12.6.4 Withdrawal of an employer

An employer is excluded as a member of the NBP as soon as there is no longer an active member in the plan for that employer. If the employer wishes to participate again, the employer will need to submit a new application to the committee.

12.6.5 **Withdrawal terms and conditions**

Subject to the applicable government agreement for an employer listed in Appendix B, an employer may terminate its membership in the plan by sending the retirement committee a written notice at least twelve (12) months in advance, after having formally informed its employee plan members. The committee may accept that the notice is sent less than twelve (12) months in advance if the employer's withdrawal is out of its control and is not a voluntary decision from the employer to withdraw its participation from the plan.

If, at the withdrawal date of the employer, the pension fund shows a deficit, the share of the deficit allocated to the employer shall represent a debt that the employer will have towards the plan, subject to applicable legislation. No surplus distribution can take place in the case of the withdrawal of an employer except under the application of article 13.1.1.

Notwithstanding the foregoing, when an eligible employer terminates its membership in the plan without providing for another pension plan for its employees, the following provisions shall be applicable subject to applicable legislation. The vested rights of employee plan members concerned under the plan shall be maintained. Employee plan members, who are entitled to a refund of contributions plus accrued interest, may either retain this option or choose to receive a deferred pension for their period of contribution to the plan.

12.6.6 **Significant reduction in the number of active members of an employer**

If the committee finds that the number of active members of an employer decreases significantly while the plan is in deficit, the committee may require from the employer an additional contribution to ensure that other employers will not have to account for the portion of the deficit that would have normally been accounted for by that employer, had the employer not incurred a decrease in the number of active members. The terms and condition governing the calculation of this additional contribution shall be determined by the committee.

SECTION XIII
TERMINATION OF PLAN

ARTICLE 13.1 – SURPLUS ASSETS

- 13.1.1 Following the termination of the plan, pension fund assets must first be used to fully provide for the payment of pensions, benefits and refunds accrued in respect of the service of members up to the date of termination. Any asset surplus may, at the retirement committee's discretion, be returned to plan members or be used to increase the members' pension credits, to the maximum pension benefits provided for in 11.2.

SECTION XIV
RULES RELATIVE FOR
EFFECTIVE INDEXING

ARTICLE 14.1 – RESTRICTIONS RELATIVE TO EFFECTIVE INDEXING

- 14.1.1 The application of the rules for effective indexing contained in the current Section XIV should not, in any case, at the date of the actuarial valuation on which the application of these rules relies, causes:
- a) the asset market value to be less than 95% of the plan liabilities on both funding or solvency basis; and
 - b) the employers' contributions to exceed 182% of the members contributions.

ARTICLE 14.2 – RULES RELATIVE TO EFFECTIVE INDEXING

- 14.2.1 If the asset market value at the date of an actuarial valuation performs after December 31, 2011 of the existing plan is higher than 95% of the plan liabilities on both funding or solvency basis, then the following rules relative to indexing, in order of priority and subject to applicable legislation, are applicable:
- a) First priority:

The plan is subject to an ad hoc modification to maintain the effective indexing equal to the target indexation for the five (5) fiscal years from the date of the actuarial valuation with respect to the members that are affected by the effective indexing and whose pension payments began after December 31, 2012. If the modification causes that 14.1.1 is not respected, the ad hoc modification shall provide an effective indexing equal to the target indexation but for a smaller number of full fiscal years following the date of the actuarial valuation, but in no case less than the time already established by 1.2.40.

For clarification purposes, no adjustment will be made for a partial fiscal year.

b) Second priority:

With respect to retired members that are affected by the effective indexing and whose pension payments began after December 31, 2012 and after the full implementation of the first priority described in paragraph a) above, the plan is subject to an ad hoc modification in order to provide a target indexation adjustment on January 1 following the actuarial valuation for retirees that have not received adjustments in the past for the target indexation. In such cases, an effective indexing that was zero is adjusted in accordance with the target indexation, and shall be applied for a full number of fiscal years from the oldest fiscal year to the most recent one and subject to 14.1.1.

No adjustment will be made for a partial fiscal year and no lump sum corresponding to a retroactive adjustment to pension amounts paid to retired members for fiscal years preceding the actuarial valuation will be given.

c) Third priority:

With respect to all members and in the event of full implementation of the first two priorities described in paragraphs a) and b) above, considering the situation of a surplus on the funding basis of the plan, a provision for future indexation is established on funding basis. This provision on funding basis is continuously limited for all members by the cost established for the indexation according to the target indexation.

d) Fourth priority:

With respect to all retired members and in the event that after the full implementation of the first three priorities described in paragraphs a) to c) above, the asset market value is greater than 110% of the liabilities on funding basis including the provision described in paragraph c) above and greater than 110 % of the liabilities on solvency basis, the plan is subject to an ad hoc modification to provide an indexation adjustment on January 1 following the actuarial valuation in order to increase the granted effective indexing up to a maximum of the cumulative indexing according to CPI applicable for the years prior to the date of the actuarial valuation. In such case, an effective indexing which was granted according to the target indexation will be adjusted up to a maximum of the cumulative indexing according to CPI, and shall be applied for a full number of fiscal years, subject to article 14.1.1, from the oldest fiscal year to the most recent one as long as the asset market value remains greater than 110% of the plan liabilities.

The application of this priority shall, in no case, have the effect of reducing the pension of a retired member. Furthermore, no adjustment will be made for a partial fiscal year and no lump sum corresponding to a retroactive adjustment to pension amounts paid to retired members for fiscal years preceding the actuarial valuation will be given.

Notwithstanding the foregoing, the pension of the retired member shall not be adjusted according to this article as long as this pension, including an additional pension from the excess contributions provided under article 3.4.4, is higher than the indexed pension in accordance with the current article while including a lower additional pension that would have been calculated had the effective indexing arising from the application of this current article been taken into account.

APPENDIX A
HISTORY OF EFFECTIVE INDEXING AND
INDEXING ACCORDING TO CPI

<i>Indexation date</i>	<i>Indexing according to CPI</i>	<i>Retirement before January 1, 2013</i>		<i>Retirement after December 31, 2012</i>		
		Initial effective indexing	Increased effective indexing	Initial effective indexing	Increased effective indexing #1	Increased effective indexing #2
January 1, 2013	1.93%	1.5%	n/a	n/a	n/a	n/a
January 1, 2014	0.91%	1.5%	n/a	1.5 %	n/a	n/a
January 1, 2015	1.71%	1.5%	n/a	1.5 %	n/a	n/a
January 1, 2016	1.28%	1.5%	n/a	1.5%	n/a	n/a
January 1, 2017	1.35%	1.5%	n/a	1.5%	n/a	n/a
January 1, 2018						
January 1, 2019						

APPENDIX B
QUEBEC EMPLOYERS

LIST OF EMPLOYERS SUBJECT TO THE SUPPLEMENTAL PENSION PLANS ACT:

EMPLOYER
Les Artisans Indiens du Québec
First Nations Adult Education School Council
Centre chiropratique Harold Chantal enr.
Indian Way School
Kanesatake Health Center inc.
K.Z. Freshmart
Mawiomi Treatment Services inc.
Groupe-Conseil Nutshimit
Clinique de Physiothérapie Lynda Cayer Physiotherapy Clinic
Société d'histoire et d'archéologie de Pointe-Bleue
Société touristique des Autochtones du Québec/Quebec Aboriginal Tourism Corporation
Uanan Experts-Conseils inc.
Uisht Construction
Centre Walgwan Center

APPENDIX C

FEDERAL EMPLOYERS

LIST OF EMPLOYERS SUBJECT TO THE 1985 PENSION BENEFITS STANDARDS ACT:

EMPLOYER
Conseil de la Première Nation Abitibiwinni
Algonquin Anishinabeg Nation
Assemblée des Premières Nations du Québec et du Labrador
Conseil de la Nation Atikamekw
Conseil de bande de Pessamit
Société en commandite Carrefour La Tuque (1995)
Corporation de développement économique Ekuanitshitnuat
Corporation de développement économique Montagnaise
Commission de développement économique des Premières Nations du Québec et du Labrador
Développement des Ressources Humaines Abitibiwinni - Kitcisakik (DRHAK)
Commission sur le développement des ressources humaines des Premières Nations du Québec et du Labrador
Conseil en Éducation des Premières Nations
CKAU-FM
First Nations of Quebec and Labrador Health and Social Services Commission
Distribution pétrolière Naskinnu S.E.C.
First Nation – Kipawa
Conseil de la Première Nation des Innus Essipit
Forêt modèle du Lac-Saint-Jean/Milu Nemetatau
Nation Micmac de Gespeg
Grand conseil de la Nation Waban-Aki
Micmacs of Gesgapegiag Band
Institut Tshakapesh
Immobilière Montagnaise
Investissement Premières Nations du Québec
Mohawk Council of Kanesatake
Conseil des Anicinapek de Kitcisakik
Conseil de la nation Anishinabe du Lac Simon (Adm)
Regroupement Mamit Innuat inc.
Conseil Tribal Mamuitun
Kitigan Zibi Anishinabeg Nation
Conseil des Atikamekw de Manawan
Conseil des Innus de Ekuanitshit
NACCA, National Aboriginal Capital Corporations Association

EMPLOYER
Société de développement des Naskapis
Conseil de la Nation Innu de Nutashkuan
Conseil des Atikamekw d'Opitciwan
Conseil d'Odanak
Conseil des Innus de Pakua Shipu
Pekuakamiulnuatsh Takuhikan
Regroupement Petapen inc.
Développement Piékuakami Innuatsh S.E.C.
Régime des Bénéfices Autochtones
Conseil des Montagnais de Unamen Shipu
Conseil de la Nation Innu Matimekush-Lac John
Société de développement économique Innu
Société des entreprises Innues d'Ékuanitshit
Innu TakuaiKAN Uashat Mak Mani Utenam
Société de Crédit Commercial Autochtone
Solutions Nügaz Inc.
Timiskaming First Nation
Centre Miam Uapukun Inc.
Conseil de la Nation huronne-wendat
Voyages Inter-Nations
Corporation Wabak Pimadizi
Centre Wanaki Center
Conseil des Atikamekw de Wemotaci
Long Point First Nation
Wolf Lake First Nation
Abénakis de Wölinak
Kapatakan Gilles Jourdain Inc.
Société Aéroportuaire
Centre de réadaptation Wapan
Step by Step Child & Family Center
Resto bistro du vieux moulin et bistro JM
Algonquin Nation Programs and Services Secretariat
Claudine Ross (Massothérapeute)
Développement Tshikanakun inc.
Épicerie Opitciwonok
Foresterie Nitassinan inc.
Institut du développement durable des Premières Nations du Québec et du Labrador