

Salaried Plan

Final Settlement of Pension Benefits

In December 2018, we asked insurance companies licensed to sell group annuities in Canada to submit competitive quotes on the price of annuities for the Plan. The annuity quotes were submitted for our review at the end of January 2019 and we selected the lowest premiums submitted by Industrial Alliance, Insurance and Financial Services Inc. ("IAFS") and Brookfield Annuity Company ("BAC"). The final funded ratios for the plan fall within the range of 85.77% and 92.85% depending on your province of employment (and applicable pension jurisdiction) and whether or not you are receiving a monthly pension.

Administration by Retraite Quebec

If you elected to have Retraite Quebec ("RQ") administer your pension, Sun Life Financial Services ("Sun Life") will start paying your monthly pension on March 1, 2019. Your pension will be adjusted to the final funded ratio starting with the March 1, 2019 pension payment. If your pension payments were cut-back during the wind up period, you will receive a retroactive pension amount from CIBC Mellon, the plan custodian, in a lump sum by the end of February 2019, less applicable withholding tax. We will write to you in February 2019 to provide you with additional details. You will also receive correspondence from Sun Life and/or the RQ.

Payment of Lump Sum Commuted Values

If you elected a lump sum transfer of your pension benefit and sent us your completed election forms before the end of 2018, we will authorize CIBC Mellon to pay the commuted value of your pension by the end of February 2019. CIBC Mellon will send cheques to your financial institution so please allow a couple of weeks for the cheques to be delivered and deposited into your account(s). We will write to you in February 2019 to provide you with additional details.

Annuity Purchased from IAFS and BAC

If you are a retiree, (and did not choose administration by the RQ) IAFS will start paying your monthly pension on May 1, 2019. If your final lifetime pension amount is more than \$2,000 per month, a portion of your pension was purchased from BAC in order to provide you with additional Assuris protection. Assuris is a not for profit organization that protects your monthly annuity in the unlikely event that the life insurance company that is paying your pension should fail. Their role is to protect policyholders by minimizing the loss of benefits and ensuring a quick transfer of policies to a solvent company, where their protected benefits will continue. Every life insurance company authorized to sell insurance policies in Canada, including group annuity policies, is required, by the federal, provincial and territorial regulators, to become a member of Assuris.

Your pension will be adjusted to the final funded ratio starting with the May 1, 2019 pension payment. If your pension payments were cut-back during the wind up period, you will receive a retroactive pension amount from CIBC Mellon, in a lump sum by the end of April 2019, less applicable withholding tax. CIBC Mellon will continue to pay you pension at the current level in March and April 2019.

If you elected a deferred pension, or were defaulted to a deferred pension election, your pension benefit was included in the group annuity purchased from IAFS, and BAC, if your pension is more than \$2,000 per month.

We will write to you to provide you with additional details. In the coming weeks, you will receive an introductory package from IAFS, and BAC, if applicable, which will include your individual annuity certificate.