

Wabush Pension Plan FAQ – May 2018

Under the proposed CCAA plan of arrangement, how much money would the Wabush Mines Defined Benefit pension plans receive?

Upon successful passing of the proposed CCAA plan of arrangement, each of the Bargaining Unit Employees' pension plan and Salaried Employees' pension plan will receive \$18 million (\$36 million in total). The dollar amount of the wind-up shortfall for the two pension plans are materially similar, and the proposed CCAA recoveries are being divided equally between the two pension plans as negotiated between the monitor and representative counsel.

How certain is the additional CCAA monies?

The CCAA plan of arrangement is in the proposal stage and must be voted upon by the creditors involved in the CCAA process prior to the arrangement becoming final. The vote will take place on June 18, 2018. After this vote it will be known for certain if the proposed CCAA monies will be distributed to the pension plans. Until this vote there is no guarantee that the proposed CCAA monies will be received.

How will the additional CCAA monies affect the wind-up position of the pension plans?

The additional CCAA monies will increase the funded percentage of the pension plans. The estimated funded position as at December 31, 2017 for each of the pension plans would be in the low 90%.

Will my settlement election apply to any additional CCAA monies received?

The settlement election that you make (due to be returned to Morneau Shepell by June 5, 2018) applies to all benefits payable to you. If benefits are settled in two stages, your election applies to both the initial distribution and the second distribution after CCAA monies are received. There will be no opportunity to revise your election after June 5, 2018.

Will my pension payments be increased before settlement?

Your pension will continue to be paid based on the same % amount as your current payment until the time of settlement. (Note that the dollar amount may still be subject to change due to change in bridge or personal status.) At settlement, your monthly pension payments will be adjusted to reflect the funded percentage at settlement, with any necessary adjustments for any underpayments or overpayment since the wind-up date (see next question).

What happens if I have been overpaid or underpaid?

An adjustment will be made for pension benefits paid at a different percentage from the final funded percentage at settlement between the wind-up date (December 16, 2015) and the settlement date.

- If underpaid, you will receive one-time additional payment with interest
- If overpaid, the overpayment will be recovered over your expected future lifetime by purchasing a slightly smaller monthly pension for you

When will my benefits be settled?

If recovery under CCAA anticipated to take some time, settlement is planned to occur in July 2018 with CCAA monies being distributed at a later date

If recovery under CCAA is anticipated to occur soon, settlement may be delayed by a few months into late summer/Fall of 2018.

When will the CCAA monies be paid to the pension plans?

If the proposed CCAA plan of arrangement passes, current indications suggest that the CCAA monies would be paid to the pension plans in August 2018. The expedited payment timing (as compared to other CCAA money distributions to non-pension parties) is due to the design of the proposed CCAA plan of arrangement where a new creditor class has been created for the pension plans. Because the pension plan is the only creditor in its class, the monitor anticipates being able to distribute the money relatively quickly.

How do I know if you have receive my complete election documents?

There are about 2,400 total members in the two pension plans and we are receiving a high volume of member elections on a daily basis at this time. We anticipate having all returned elections reviewed and our records updated by the end of June 2018. By this time, we should know if your returned election documents included all necessary information and we will be contacting you if any information or forms are missing.