

**DISPOSITIONS PARTICULIÈRES APPLICABLES
AUX PARTICIPANTS EN DATE DU 1^{ER} JANVIER 2001
DU
«RETIREMENT BENEFIT PLAN FOR THE EMPLOYEES
OF
IMBROOK PROPERTIES LIMITED AND ASSOCIATED COMPANY»**

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INTRODUCTION

Suite à la fusion du « Retirement Benefit Plan for the Employees of Imbrook Properties Limited and Associated Company » (Régime fusionné) avec le Régime de rentes du Mouvement Desjardins (Régime absorbant) au 1^{er} janvier 2001, les participants du Régime fusionné deviennent des participants du Régime absorbant à compter de cette date.

La présente Annexe décrit les prestations auxquelles ont droit les ex-employés de «Imbrook Properties Limited and Associated Company» qui avaient des droits dans le Régime fusionné au 1^{er} janvier 2001 relativement à leur participation antérieure à cette date.

Les prestations des participants qui, avant le 1^{er} janvier 2001, ont pris leur retraite, ont quitté leur emploi ou sont décédés sont déterminées par les dispositions de la présente Annexe, à moins d'indication contraire dans les dispositions du Régime absorbant.

La présente Annexe ne doit pas avoir pour effet d'augmenter ou de réduire les droits des participants visés eu égard à leur participation (Membership) avant le 1^{er} janvier 2001. À tout événement, les droits eu égard à la participation antérieure au 1^{er} janvier 2001 devront être déterminés comme si le Régime fusionné, tel qu'il était connu à cette date, avait continué d'exister.

1) En vertu de cette Annexe, le règlement du Régime fusionné en vigueur au 1^{er} janvier 2001 est partie intégrante du Règlement du Régime absorbant, à l'exception des dispositions suivantes qui sont sans effet à compter du 1^{er} janvier 2001:

a) Section I - Définitions

Section 1.05	Actuary
Section 1.06	Administrator
Section 1.06.1	Applicable Legislation
Section 1.16.1	Full-Time Employee
Section 1.21	Pension Fund
Section 1.23	Plan Year
Section 1.25	Special Payment
Section 1.26	Spouse

- Section 1.27 Year's Maximum Pensionable Earnings (YMPE)
- Section 1.28 Group
- b) Section II - Eligibility and Membership
 - Section 2.01 Eligibility on the Effective Date
 - Section 2.02 Eligibility after the Effective Date
 - Section 2.03 Participation
 - Section 2.04 Requirements to Join the Plan
 - Section 2.05 Waiving of Eligibility Requirements
 - Section 2.07 Termination of Membership
- c) Section III - Service
 - Section 3.02 Pregnancy and Parental Leave
- d) Section IV - Contributions
 - Section 4.01 Defined Benefit Provision
 - Section 4.02 Defined Contribution Provision (for service prior to January 1, 1996)
 - Section 4.03
 - Section 4.04 Remittance of Contributions
 - Section 4.05 No Withdrawal of Contributions
 - Section 4.06 Return of Contributions
- e) Section VIII - Termination of Employment
 - Section 8.02 Portability Options
- f) Section IX – Portability Transfer Agreement
 - Section 9.01
- g) Section X – Funding and Investment
 - All sections

h) Section XI – Administration of the Plan

Section 11.01	Responsibility for Administration
Section 11.02	Beneficiary Designation
Section 11.04	No Guarantee
Section 11.05	Requirements for Payment of Benefits
Section 11.06	Payment of Transfer of Contributions
Section 11.07	Lawful Currency
Section 11.08	Payment of Fees

i) Section XII – Explanation and Disclosure

All sections

j) Section XIII – Amendment or Termination of the Plan, Refund of Surplus

All sections

k) Section XIV – Advisory Committee

All sections

l) Section XV – Surrender, Commutation, Assignment or Alienation

All sections

m) Section XVI – Miscellaneous Provisions

All sections

2) Afin de définir davantage l'intention au moment de la fusion, les précisions suivantes sont apportées. La liste qui suit n'est pas exclusive. Dans ce qui suit, le terme «Règlement» exclut la présente Annexe :

a) Service et participation avant la fusion

La fusion des deux régimes ne résulte pas en une interruption de service ni de participation pour les employés visés.

Ainsi, aux autres fins que le calcul de la rente normale de retraite du Règlement du Régime absorbant, incluant la présente Annexe, le service et la participation avant le 1^{er} janvier

2001 des participants visés par la fusion doivent être considérés comme s'ils avaient été effectués auprès d'un employeur qui était partie au Régime absorbant avant cette date. Plus précisément :

- i) le service continu d'un participant visé par la fusion au 1^{er} janvier 2001 est égal à la somme du service continu (Continuous Service) tel que défini dans la présente Annexe et du service continu tel que défini au Règlement;
- ii) la participation active d'un participant visé par la fusion au 1^{er} janvier 2001 est égale à la somme de la participation active telle que définie dans la présente Annexe et de la participation active telle que définie au Règlement;
- iii) le service validable d'un participant visé par la fusion au 1^{er} janvier 2001 est égal à la somme du service validable (Eligible Future Service) tel que défini dans la présente Annexe et du service validable tel que défini au Règlement.

b) Statut du participant

Tout participant n'a qu'un seul statut en vertu du Régime absorbant. Le statut au 1^{er} janvier 2001, tel que défini dans la présente Annexe, d'un participant visé par la fusion à cette date est réputé être son statut aux fins du Régime absorbant au 1^{er} janvier 2001.

Tout changement de statut ultérieur au 1^{er} janvier 2001 sera déterminé conformément aux dispositions du Règlement et sera également applicable aux dispositions de la présente Annexe.

Relativement au statut d'invalidité d'un participant visé par la fusion au 1^{er} janvier 2001, il est déterminé comme suit :

- i) le participant, qui est réputé invalide au 1^{er} janvier 2001 conformément à la définition d'invalidité (Disability) de la présente Annexe, est également réputé invalide aux fins du Règlement au 1^{er} janvier 2001.

Ce participant sera réputé invalide tant que son état fera en sorte qu'il aurait été réputé invalide en vertu de la définition d'invalidité de la présente Annexe;

- ii) le participant qui n'est pas réputé invalide au 1^{er} janvier 2001 conformément à la définition d'invalidité de la présente Annexe ne sera réputé invalide qu'au moment où

son état fera en sorte qu'il devienne invalide en vertu de la définition d'invalidité du Règlement.

Le cas échéant, ce participant sera également réputé invalide aux fins de la présente Annexe.

Les droits et les prestations d'un participant réputé invalide au 1^{er} janvier 2001 et visé par la fusion à cette date sont déterminés par les dispositions de la présente Annexe.

Les dispositions de la présente Annexe qui sont particulières à un statut visé continuent d'avoir effet relativement à la participation antérieure au 1^{er} janvier 2001.

c) Salaire

La définition de salaire (Eligible Earnings) de la présente Annexe continue d'avoir effet eu égard aux prestations relatives à la participation antérieure au 1^{er} janvier 2001. Cette définition est sans effet eu égard aux prestations relatives à la participation après cette date.

De plus, toute référence au salaire reçu d'un employeur avant le 1^{er} janvier 2001 doit être interprétée comme un salaire reçu d'un employeur partie au Régime absorbant.

d) Intérêt crédité sur les cotisations

La définition d'intérêt crédité (Interest) de la présente Annexe continue d'avoir effet eu égard aux cotisations volontaires versées avant le 1^{er} janvier 2001. Cette définition est sans effet eu égard à toute cotisation versée après cette date.

Aux fins de la détermination du taux d'intérêt crédité après la fusion sur les cotisations volontaires versées avant le 1^{er} janvier 2001, le rendement obtenu sur la caisse du Régime absorbant, tel que défini au Règlement, est substitué au rendement obtenu sur la caisse du Régime fusionné. Cette modification prendra effet à la date à laquelle l'actif du Régime fusionné sera effectivement versé à la caisse du Régime absorbant.

e) Date de retraite

Le participant visé par la fusion au 1^{er} janvier 2001 qui opte pour une retraite normale, anticipée ou ajournée après cette date est réputé avoir opté pour une retraite normale, anticipée ou ajournée à l'égard de sa participation avant et après le 1^{er} janvier 2001.

Aux fins de la détermination des prestations relatives à la période antérieure au 1^{er} janvier 2001, la date de retraite (Retirement Date) d'un participant visé par la fusion est définie conformément aux dispositions de la présente Annexe.

Aux fins des modalités de paiement de la rente, la date de retraite d'un participant visé par la fusion est définie conformément aux dispositions du Règlement.

f) Retraite ajournée

Le participant visé par la fusion qui est en retraite ajournée (Late Retirement) au 1^{er} janvier 2001 est réputé être en retraite ajournée aux fins du Règlement et de la présente Annexe.

Le participant visé par la fusion qui n'est pas en retraite ajournée au 1^{er} janvier 2001, mais qui le devient après cette date, est réputé être en retraite ajournée aux fins de la présente Annexe dès qu'il le sera en vertu des dispositions du Règlement.

Les droits et les prestations relatifs à la participation antérieure au 1^{er} janvier 2001 d'un participant réputé être en retraite ajournée sont déterminés par les dispositions de la présente Annexe. Ses droits et prestations relatifs à la participation ultérieure à cette date sont déterminés par les dispositions du Règlement.

g) Rente maximale

La rente maximale (Maximum Pension Benefit) telle que définie dans la présente Annexe n'a pas d'effet à l'égard de la participation ultérieure au 1^{er} janvier 2001. Elle doit être appliquée séparément relativement à la participation avant et après cette date.

h) Mode de service de la rente

Le mode de service de la rente (Payment of Retirement Benefit) d'un participant visé par la fusion, eu égard à sa participation antérieure au 1^{er} janvier 2001, est déterminé conformément aux dispositions de la présente Annexe.

Les modes optionnels de service de la rente (Optional Forms) prévus dans la présente Annexe sont offerts uniquement à l'égard des prestations relatives à la participation antérieure au 1^{er} janvier 2001. Les modes optionnels de service de la rente prévus au Règlement sont offerts à l'égard des prestations relatives à la participation avant et après le 1^{er} janvier 2001.

i) Cessation de participation

Le participant visé par la fusion au 1^{er} janvier 2001 qui cesse sa participation au Régime absorbant après le 1^{er} janvier 2001 sans toutefois cesser son emploi n'est pas réputé avoir cessé son emploi aux fins de la présente Annexe.

HISTORY OF THE PLAN

The Retirement Benefit Plan for the Employees of Imbrook Properties Limited and Associated Company was established effective January 1, 1978. It outlined conditions for participation and for payment of benefits on or after the Effective Date. The primary purpose of the Plan is to provide periodic payments to individuals after retirement and until death, in respect of their service as Employees.

Effective January 1, 1988, the Plan was rewritten to bring it into compliance with the revised Pension Benefits Act (Ontario).

Following the closure of the offices mentioned below, the Plan was partially wound up on each office closure date as follows:

- March 30, 1990 (Halifax office),
- January 1, 1991, (Montreal office),
- January 31, 1991 (Vancouver office),
- August 22, 1991 (Calgary office).

Effective January 1, 1992, the Plan was rewritten to bring it into compliance with the promulgation of Revenue Canada's Bill C-52.

Effective January 1, 1996, the Plan was revised and restated with the provision thereof being as set forth in this document.

Effective January 1, 2001, all Employees will join the Régime de rentes du MCPED and start contributing into this plan. This pension plan is registered in the province of Quebec under N° 25171. Consequently, Participants are not required to contribute in this Plan anymore.

SECTION I – DEFINITIONS

- 1.01 Accrual Rate** is determined by dividing 0.4 by the number of anticipated complete months of Eligible Employment rounding the result to the nearest seventh decimal provided that in no event shall a Participant's Accrual Rate be greater than 0.00111111.
- 1.02 Accrued Pension** means on any given date the aggregate amount of annual pension benefit payable to a Participant, as of normal retirement date, which has accrued on such given date under the terms of the Plan.
- 1.03 Accumulated Value** means the value of the participant's contributions made before January 1, 1996 and invested in the pooled funds and the guaranteed funds.
- 1.04 Actuarial Equivalent** means an actuarially equal value computed at the rate of interest and using the actuarial tables recommended by the Actuary for such purposes of the Plan, in compliance with such standards as may be established from time to time by the Canadian Institute of Actuaries and as published in the recommendations of that body. Notwithstanding the foregoing, the calculation of an Actuarial Equivalent value shall be in accordance with the Pension Benefits Act in effect on the date such calculation is being made.
- 1.05 (Repealed)**
- 1.05.1 Additional Pension** means the annual pension purchased from the Excess Participant Contributions accumulated with interest, as per subsection 5.10.
- 1.06 (Repealed)**
- 1.06.1 (Repealed)**
- 1.07 Commuted Value** means an actuarial present value computed on the basis of the actuarial assumptions determined in accordance with the Recommendations for the computation of transfer values from registered pension plans issued by the Canadian Institute of Actuaries and as is acceptable under the application of the Pension Benefits Act. This applies to the Defined Benefit Provision.

- 1.08 Company** means Imbrook Properties Limited and Associated Company.
- 1.09 Continuous**, with respect to employment or participation, includes periods such as jury duty, vacations and statutory holidays, periods of lay off from employment, absences approved by the Company and absences due to sickness or accident during which the Participant continues to receive compensation from the Company.
- 1.09.1 Disability** means a state of incapacity resulting from an illness or an accident which wholly prevents the Participant from performing the usual duties of his occupation, which requires continuous medical care and which, if it persists for more than 28 months, without necessarily requiring continuous medical care, wholly prevents the Participant from engaging in any gainful occupation for which he is qualified by reason of his education, training or experience.
- 1.10 Effective Date** means the effective date of the Plan, January 1, 1978.
- 1.11 Eligible Earnings** means
- a) for years of service prior to January 1, 1996:

that annual rate of remuneration (excluding overtime pay, bonuses, commissions and gifts of an Employee) as indicated by the Company at the beginning of each plan year, or at the Participant's Participation Date, if later. For partial years of service, the Eligible Earnings for that year is prorated based on the actual months of service.
 - b) for years of service since January 1, 1996:
 - i) the Employee's regular remuneration.
 - ii) a lump-sum payment made in lieu of a raise in salary or paid to cover a retroactive raise is part of the Employee's Eligible Earnings for the year in which it is paid.
 - iii) lump-sum payments made to Employees in the year after their retirement, however, are part of the Employees' Eligible Earnings for the year in which they retired.

- iv) Employee's Eligible Earnings do not include:
- a) commissions or fees;
 - b) premiums, bonuses or conditional remuneration, including lump-sum payments for superior or exceptional performance;
 - c) remuneration for overtime;
 - d) expense allowances;
 - e) attendance fees;
 - f) disability benefits;
 - g) any increase in salary paid as compensation for vacation, statutory holidays, floating holidays, sick leave or other kinds of leave or holidays;
 - h) lump-sum payments to reimburse unused sick leave, unless preparatory to retirement;
 - i) lump-sum payments made upon termination of service as severance pay;
 - j) lump-sum payments as vacation pay for unused vacation time;
 - k) any discount granted by the Unemployment Insurance board;
 - l) any dividends under a group insurance contract;
 - m) education grants.

If the Plan, after 1990, permits contributions to be made by and/or on behalf of Plan Participants during unpaid periods of disability, eligible periods of temporary absence, or eligible periods of reduced pay, the definition of Eligible Earnings includes the term «prescribed amount», in order that the pension adjustment limits stipulated in subsections 147.1(8) and (9) of the *Income Tax Act (Canada)* are respected.

1.12 Eligible Employment means the period of an Employee's employment commencing with the Employee's employment with The Imperial Life Assurance Company of Canada or the Company, whichever is the earlier and ending with the termination of employment by reason of retirement, withdrawal from service or death.

1.13 Employee means any person who is employed by the Company on a regular, permanent basis.

1.13.1 Excess Participant Contributions means the Excess Employee contributions since January 1, 1996 as defined in subsection 4.07.

1.14 Final Average Earnings means:

a) for pre-1996 Final Average Earnings:

the monthly equivalent of the average of the best 5 consecutive of the last 10 years of Eligible Earnings prior to retirement, death or termination.

b) for post-1995 Final Average Earnings:

the average monthly Eligible Earnings of an Employee in the 60 months during the months of service in which the highest Eligible Earnings were received, or during his overall period of membership if less than 60 months.

1.15 Final Average YMPE means:

a) for pre-1996 Final Average YMPE:

the monthly equivalent of the average of the last 5 YMPE prior to retirement, death or termination.

b) for post-1995 Final Average YMPE:

the monthly equivalent of the average of the YMPE for the retirement year of an Employee and the YMPE for the two previous years, or during his overall period of membership if less than 36 months.

1.16 Former Participant means a Participant who has terminated participation but who retains an entitlement to receive a benefit under the Plan.

1.16.1 (Repealed)

1.17 Interest means interest at a rate which is at least equal to the rate of return obtained during the plan year on the portion of the Pension Fund that relates to the Defined Benefit Provision of the Plan. Interest applied to contributions made during the Plan Year is applied at one-half of the calculated rate for the Plan Year. Interest is compounded and credited annually.

For the calculation of the retirement benefit, the death benefit, or the termination of employment benefit, Interest for the year in which the retirement, death or termination occurs is the most recently calculated rate of Interest.

Interest commences to accrue on contributions no later than the first of the month following the month in which the contributions were made. Interest is credited at least to the month of retirement, death or termination.

- 1.18 **Participant** means an Employee who has been enrolled in the Plan and whose participation has not ceased due to retirement, disability, death or termination.
- 1.19 **Participant Date** means the date on which an Employee becomes a Participant.
- 1.20 **Pension Benefits Act** means the applicable provincial or federal pension legislation.
- 1.21 **(Repealed)**
- 1.22 **Plan** means the Retirement Benefit Plan for the Employees of Imbrook Properties Limited and Associated Company as set out on the following pages.
- 1.23 **(Repealed)**
- 1.24 **Prior Plan** means The Imperial Life Staff Pension Fund for the employees of The Imperial Life Assurance Company of Canada.
- 1.25 **(Repealed)**
- 1.26 **(Repealed)**
- 1.27 **(Repealed)**
- 1.28 **(Repealed)**

Any reference to the *Income Tax Act (Canada)* includes any administrative rules and regulations made thereunder by Canada Customs and Revenue Agency from time to time.

Whenever the context should so indicate, the masculine gender includes the feminine, and the singular number includes the plural, or vice versa.

SECTION II – ELIGIBILITY AND MEMBERSHIP

2.01 (Repealed)

2.02 (Repealed)

2.03 (Repealed)

2.04 (Repealed)

2.05 (Repealed)

2.06 Reemployment

A Participant whose employment with the Employer is terminated is deemed to be a new Employee on the date of reemployment with the Company. However, at its discretion, the Company may treat the otherwise separate periods of Continuous employment as consecutive and continuous.

2.07 (Repealed)

SECTION III – SERVICE

3.01 Eligible Future Service

Eligible future service means the period of an Employee's employment with the Company commencing with the Employee's Participation Date and ending with the termination from the Plan by retirement, disability, death or termination of employment.

For Participants of this Plan who were participants of the Prior Plan prior to their Participation Date in this Plan, eligible future service includes the period of service commencing on the Participant's employment date with The Imperial Life Assurance Company of Canada and ending on Participant's Participation Date in this Plan.

Prior to January 1, 1996, any leave of absence in excess of 31 days for which remuneration is not received (excluding a pregnancy leave of absence) is not eligible future service for the purpose of this Plan. During a leave of absence of 31 days or less or during a pregnancy leave of absence, eligible future service continues to accrue. Since January 1, 1996, any leave of absence for which remuneration is not received is considered eligible future service provided the Participant contributions and those of the Company are paid into the Pension Fund.

Furthermore, for a Participant who qualifies for Disability as per subsection 1.09.1, subject to any governmental authority having jurisdiction in the matter, the period of disability is considered to be eligible future service and the Participant continues to accrue pension benefits in accordance with Section V until the earlier of:

- a) attainment of early or normal retirement date; and
- b) the date on which payments under the Company's Long Term Disability insurance plan cease.

For the purposes of pension accrual, Eligible Earnings during the period of disability is considered as being equal to the Eligible Earnings as at the date of disability.

During periods of leave, for the purposes of the Plan, the Eligible Earnings of any Participant who leaves after December 31, 1995 are defined as follows:

- i) he shall be deemed to receive Eligible Earnings which during the remainder of the first calendar year of leave shall be at the rate in effect at the beginning of the period of the leave;
- ii) after the first calendar year of leave, the deemed Eligible Earnings shall be increased at the beginning of every calendar year by the pension index increase as defined in subsection 5.11 a), provided that in no event shall the rate of increase exceed 4% per year; and
- iii) he shall be deemed to receive such Eligible Earnings so long as the period of leave shall continue, but not later than his normal retirement date.

For an Employee not working on a full-time basis and who becomes disabled or who leaves temporarily as per this Section after December 31, 1995, his years of service shall be based on the average of his working hours during the 13-week period preceding the period of leave, compared with a normal full-time working week.

For the purposes of the Plan, the total of all periods of reduced pay and temporary absence during which contributions are made and benefits continue to accrue on behalf of the Participant is limited to 5 years. These periods of absence exclude periods of disability and pregnancy and parental leaves that are within the limit of three 12 month periods. For the purpose of this subsection, «period of reduced pay» is defined as «eligible period of reduced pay» in accordance with subsection 8500(1) of the regulations of the Income Tax Act (Canada).

Contributions during the leave are determined based on Eligible Earnings immediately prior to the leave and in accordance with applicable legislation.

3.02 (Repealed)

SECTION IV – CONTRIBUTIONS

4.01 (Repealed)

4.02 (Repealed)

4.03 (Repealed)

4.04 (Repealed)

4.05 (Repealed)

4.06 (Repealed)

4.07 Excess Participant Contributions for years of service since January 1, 1996

- a)** Excess contributions are that part of the regular contributions paid since January 1, 1996 by Participants, with accrued interest, in excess of 50% of the value of any pension accrued since January 1, 1996, to which the Participants are entitled.
- b)** This value must be determined on the date of vesting, or entitlement to a pension, in accordance with the actuarial assumptions and methods as described in subsection 1.07 effective on that date. Excess contributions bear interest as of the date they are determined.
- c)** Participants cannot become entitled to excess contributions any later than the normal age of retirement.
- d)** Subparagraph a) does not apply to voluntary additional contributions or to amounts transferred to the Plan, unless transferred under a transfer agreement. It also does not apply to the pensions corresponding to these amounts or contributions.

SECTION V – RETIREMENTS BENEFITS**5.01 Normal Retirement Date**

The normal retirement date of a Participant is the first day of attainment of age 65.

5.02 Normal Retirement Benefit

Each Participant, upon retiring at the date set out in subsection 5.01, is then entitled to a monthly retirement benefit as follows:

a) Defined Benefit Provision

If the Participant has completed a minimum of 2 years of Continuous participation in the Plan, a monthly retirement benefit, as outlined below:

For each complete month of eligible future service prior to January 1, 1983:

the greater of i) and ii)

- i) the Accrual rate times the pre-1996 Final Average Earnings prior to December 31, 1982,
- ii) 0.625 of the Accrual Rate times the pre-1996 Final Average Earnings up to the pre-1996 Final Average YMPE, plus the Accrual Rate times the pre-1996 Final Average Earnings in excess of the pre-1996 Final Average YMPE.

For each complete month of eligible future service from January 1, 1983 to December 31, 1995:

- i) 0.625 of the Accrual Rate times the pre-1996 Final Average Earnings up to the pre-1996 Final Average YMPE, plus
- ii) the Accrual Rate times the pre-1996 Final Average Earnings in excess of the pre-1996 Final Average YMPE.

For each month of eligible future service since January 1, 1996:

- i) 2% of his post-1995 Final Average Earnings,

less,

- ii) 0.7% of his post-1995 Final Average Earnings as defined in subsection 1.14 but over a period of 36 months instead of 60, or the post-1995 Final Average YMPE if lower. However, for the purpose of this reduction of the pension, the total years of service shall not exceed 35.

b) Defined Contribution Provision

In addition to benefits provided for in subsection 5.02 a) above, a Participant who retires will receive the pension that can be purchased from the Accumulated Value of the contributions made under the Defined Contribution Provision.

5.03 Early Retirement Date

A participant may elect to retire on the first day of any month not more than 10 years prior to normal retirement date.

Notwithstanding the foregoing, if a Participant has not completed 2 years of Continuous participation in the Plan, the consent of the Company is required.

Should a Participant become totally and permanently disabled, confirmed as such by a medical doctor licensed to practice under the laws of a province of Canada or of the place where the Participant lives, the Participant may retire at a date other than as set out above, such date to be determined by the Company.

5.04 Early Retirement Benefit

Each Participant, upon retiring at the date set out in subsection 5.03, is entitled to a monthly retirement benefit as follows:

a) Defined Benefit Provision

For each complete month of eligible future service prior to January 1, 1996:

If a Participant has a minimum of 2 years of Continuous participation in the Plan, a monthly retirement benefit, as outlined in i) or ii) below, depending on the Participant's early retirement date:

- i)** For a Participant retiring at an age from 60 to 64, a monthly retirement benefit, calculated in accordance with subsection 5.02 a), in respect of service accrued to early retirement date.
- ii)** For a Participant retiring at an age from 55 to 59, a monthly retirement benefit equal to the Actuarial Equivalent of the benefit he would have received had he retired at age 60, as detailed in i) above.

Where a Participant retires before the earliest of:

- a)** attaining age 60,
- b)** completing 30 years of continuous employment,
- c)** age plus continuous employment equaling 80,
- d)** the day the Participant becomes totally and permanently disabled (provided at no time the Participant was connected with any employer after 1990), where a total and permanent disability means a Disability that can reasonably be expected to last for the remainder of the individual's lifetime,

the Actuarial Equivalent must reduce the benefit by at least ¼% per month for each month that the commencement date precedes the earliest day the Participant could have received an unreduced pension.

For each month of eligible future service since January 1, 1996:

The monthly retirement benefit is reduced by ¼ of 1% for each month left before the Member turns 65. However, the following formula is used if it results in a higher amount of monthly retirement pension.

i) For a Participant retiring between January 1, 1996 and December 31, 1996:

If the Participant retires at age 58 or after, the monthly retirement benefit is not reduced if the total of his age and years of service is 85 or more; if not, the monthly retirement benefit is reduced by $\frac{1}{4}$ of 1% for each month of service left before the total is 85.

If the Participant retires before having attained age 58, the monthly retirement benefit is reduced by:

a) $\frac{1}{4}$ of 1% for each month left before he turns 58;

plus

b) if the total of his age and years of service is less than 85, $\frac{1}{4}$ of 1% for each month left before the total is 85.

ii) For a Participants retiring on or after January 1, 1997:

If the Participants retires at age 57 or after, the monthly retirement benefit is not reduced if the total of his age and years of service is 85 or more; if not, the monthly retirement benefit is reduced by $\frac{1}{4}$ of 1% for each month of service left before the total is 85.

If the Participant retires before having attained age 57, the monthly retirement benefit is reduced by:

a) $\frac{1}{4}$ of 1% for each month left before he turns 57;

plus

b) if the total of his age and years of eligible service is less than 85, $\frac{1}{4}$ of 1% for each month left before the total is 85.

If the number of months used in the calculation is not a full number, the remaining fraction is not counted if it represents 15 days or less but is counted, as a full month, if it represents 16 days or more.

The minimum reduction prescribed by the Income Tax Act (Canada) must be applied.

- iii) Notwithstanding subsection ii) above, a Participant who retires early with a reduced pension as provided for in subsection ii) may ask to use the amount resulting from pension indexation after his retirement, provided for in subsection 5.11, to redeem this reduction. This pension indexation conversion is made on an Actuarial Equivalent basis. The resulting pension will no longer take the indexation after retirement provision into account set forth in subsection 5.11.

The resulting pension must not be in excess of the maximum pension provided for in subsection 5.08.

If the resulting pension is limited, partial pension indexation will be recognized on an Actuarial Equivalent basis.

A Participant cannot change his mind once pension payments have started.

b) Defined Contribution Provision

The benefit outlined in subsection 5.02 b).

5.05 Late Retirement Date

A Participant may elect to retire on the first day of any month after normal retirement date, but in no event will the annuity payments commence later than the last day of the calendar year in which the Participant attains his 69th birthday (or his 70th birthday if retirement occurred during 1996).

5.06 Late Retirement Benefit

Each Participant, upon retiring at the date set out in subsection 5.05 is entitled to the greater between the following amounts:

- a) an annual retirement benefit calculated as outlined in subsection 5.02, based on Eligible Earnings up to late retirement date and eligible future service earned to late retirement date;
- b) the pension corresponding to the years of service before the normal retirement date, adjusted to take the deferment period plus the pension made up of the regular contributions paid by the Participant since January 1, 1996 during the deferment period and the interest relating thereto into account.

The adjustment ensures that the pension payable at the end of the deferment periods is the Actuarial Equivalent of that which would have been paid as of the normal retirement date if the pension had not been deferred.

5.07 Retirement Benefit Purchased by Additional Contributions

In addition to the benefits described above in this Section, each Participant is entitled to the annual retirement benefit that can be purchased by the Accumulated Value of his additional contributions and contributions made under the Defined Contributions Provision.

Notwithstanding the above, a Participant may request the payment of his additional contributions (if not locked-in) in a lump sum or the transfer of this amount to a registered retirement savings plan.

5.08 Maximum Pension Benefit

The amount of pension benefit of a Participant, including payments to an ex-spouse as a result of a marital breakdown, may not exceed, on a annual basis, for the pension determined according to subsection 5.02 a) and 5.02 b) with respect of years of eligible service before 1992, and for the portion of the pension determined according to subsection 5.02 a) with respect of years of eligible service after 1991:

For each complete year of eligible future service prior to January 1, 1992:

The lesser of the following amounts:

- a) \$1,715 times the number of years of pensionable service, and
- b) the amount that is the product of
 - i) 2% for each year of pensionable service, and
 - ii) the average of the Best 3 consecutive Years of remuneration paid to the Participant by the Company.

Pensionable service is limited to 35 years.

For each year of eligible future service after December 31, 1991 and before January 1, 1996:

The lesser of the following amounts:

- a) the defined benefit limit as prescribed by the *Income Tax Act (Canada)*; and

- b) 2% of the average of his best 3 years of indexed remuneration as prescribed by the Income Tax Act (Canada).

The resulting pension (i.e. the minimum between the normal retirement pension and the above maximum pension) must be reduced if the Participant retires before the earliest of:

- a) attaining age 60,
- b) completing 30 years of Continuous employment,
- c) age plus Continuous employment equaling 80,
- d) the day the Participant becomes totally and permanently disabled (provided at no time the Participant was connected with any employer after 1990), where a total and permanent disability means a Disability that can reasonably be expected to last for the remainder of the individual's lifetime,

by ¼% per month for each month between the date at which pension payment begins and the earlier of the above dates,

but increased on an Actuarial Equivalent basis if the pension payment begins after the date on which the Participant attained age 65.

For each year of eligible future service since January 1, 1996:

The lesser of the following amounts:

- a) the defined benefit limit as prescribed by the *Income Tax Act (Canada)*; and
- b) 2% of the average of his best 3 years of indexed remuneration as prescribed by the *Income Tax Act (Canada)*.

The resulting pension (i.e. the minimum between the normal retirement pension and the above maximum pension) must be reduced if the Participant retires before the earliest of:

- a) attaining age 60,
- b) completing 30 years of Continuous employment,
- c) age plus Continuous employment equaling 80,

- d) the day the Participant becomes totally and permanently disabled (provided at no time the Participant was connected with any employer after 1990), where a total and permanent disability means a Disability that can reasonably be expected to last for the remainder of the individual's lifetime,

by ¼% per month for each month between the date at which pension payment begins and the earliest of the above dates, but increased on an Actuarial Equivalent basis if the pension payment begins after the date on which the Participant attained age 65.

The above rule applies to all pension benefits, including any distribution of surplus to Participants, whether payable on retirement, termination of employment or termination of the Plan.

5.09 Payment of Retirement Benefits

a) Participants without a Spouse

Provided an election in accordance with Section VI has not been made, the retirement benefit of a Participant without a Spouse at the time the pension payments begin will be payable monthly during the Participant's lifetime. The first payment will be made on the date the Participant retires, in accordance with this Section V, and the last payment will be made immediately preceding or coincident with death.

With respect to the Accrued Pension for service before January 1, 1996, if, at the time of death, the Participant has not received 120 payments of monthly retirement benefits, payments will be made to the beneficiary until 120 payments in all have been made.

This retirement benefit is the Actuarial Equivalent of the joint life and last survivor annuity calculated in 5.09 b) below in regard of the Accrued Pension before 1996, assuming a Spouse who is two years younger than a male Participant or a Spouse who is two years older than a female Participant. If there is no appointed beneficiary, the value of the remaining pension benefits is paid to the Participant's estate in a lump sum.

With respect to the Accrued Pension for service since January 1, 1996, if, at the time of death, the Participant has not received 180 payments of monthly retirement benefits, payments will be made to the beneficiary until 180 payments in all have been made.

b) Participants with a Spouse

Provided an election in accordance with Section VI has not been made, the retirement benefit of a Participant with a Spouse at the time the pension payments begin will be payable monthly during the lifetime of the Participant and the Spouse. The first payment will be made on the date the Participant retires in accordance with this Section V and the last payment will be made immediately preceding or coincident with the death of the latter of the Participant or the Spouse.

With respect to the Accrued Pension for service before January 1, 1996, following the death of a Participant, the monthly pension payments are reduced by one third.

With respect to the Accrued Pension for service since January 1, 1996, the normal form of pension should be a pension reducing by 40% upon the Participant's death. In addition, this normal retirement pension includes a guaranteed period of 10 years from the date pension payments begin, for an amount corresponding to 60% of the Member's pension. The amount of pension payable under this normal form of pension cannot exceed the amount of pension payable in accordance with paragraph 8503 (2) (k) of the regulation made under the *Income Tax Act*.

Notwithstanding the above, if the Participant is living separate and part from his or her Spouse on the date the payment of the first installment of the pension is due, the Participant's retirement benefit may be in accordance with 5.09 a) above.

5.10 Additional pensions

- a)** Excess Participant Contributions and the interest on them must be used, as of the date pension payments begin, for the purchase of an additional pension.
- b)** Additional pensions have the same characteristics as normal retirement pensions. In the case of a Participant who chooses an optional form of pension, however, the additional pension has the same characteristics as the elected optional form of pension.
- c)** Additional pensions are determined using the actuarial assumptions and methods as described in subsection 1.07 that are effective on the date these pensions are calculated.

- d) Notwithstanding the above, a Participant not working in the province of Quebec may request, in lieu of the additional pension provided in a), the payment of his Excess Participant Contributions in a lump sum or the transfer of this amount to a registered retirement savings plan.

5.11 Pension indexation

- a) At the end of every year, the pensions payable under the Canada or Quebec Pension Plan are increased by a given percentage to take into account the increase in the pension index. This index is based on Canada's average consumer price index for each month in the 12-month period ending on October 31 of the previous year.
- b) At the end of every year, the pensions paid to retirees for years of service since January 1, 1996 are increased by the percentage referred to in a) above, up to a maximum of 3%.
- c) At the end of every year, the Accrued Pensions for service since January 1, 1996 of Participants entitled to a deferred pension are increased by the percentage referred in a) above, up to a maximum of 4%. However, the annual increase shall not exceed the annual increase in the Industrial Average Wage during the same period as in a) above.
- d) The post-retirement indexation process referred to in the subsections above applies completely to all Participants provided that they have not taken advantage of the provisions of 5.04 a) iii).

SECTION VI – OPTIONAL FORMS OF RETIREMENT BENEFIT

6.01 Optional Forms

A Participant may elect to receive an alternative retirement benefit as follows:

For years of service prior to January 1, 1996:

- i) a life annuity guaranteed on a basis other than as set out in Section V, or
- ii) a life annuity guaranteed to himself and to his Spouse, former Spouse or eligible dependant until the end of the dependant's eligible survivor benefit period in accordance with paragraph 8500 (1) of the regulation made under the Income Tax Act.

For years of service since January 1, 1996:

- i) A Participant without a Spouse or whose Spouse has waived, in writing, the joint life and last survivor pension provided for by subsection 5.09 b) can opt for the following pension in lieu of the normal retirement pension:

A monthly pension adjusted according to the benefit levels payable pursuant to the Canada/Quebec Pension Plan and/or Old Age Security at the time of retirement, resulting in a temporary pension payable until age 65, in order to level out the total pension income during retirement.

- ii) A Participant not affected by subsection i) above can opt for any of the following pensions in lieu of the normal retirement pension:
 - a) a joint life and last survivor pension, with a 10 to 15-years guaranteed payment period and with the pension payable after the member dies being reduced to 60% or 75% of the pension that would have been paid if the member had not died;
 - b) a 60%, 75% or 100% joint life and last survivor pension, with a 100% pension payment guarantee for at least 10 or 15 years;
 - c) the pension provided for in clause i) of subsection b) above.

Any such alternative retirement benefit will be the Actuarial Equivalent of the retirement benefit that would otherwise have been provided in accordance with Section V.

In accordance with applicable legislation, the Participant and the Spouse may waive their entitlement to a joint and survivor pension benefit, as outlined in subsection 5.09 b), by submitting a written waiver. The Participant and the Spouse must waive their entitlement in the prescribed form no earlier than 12 months before the pension is to commence.

6.02 Maximum Guarantee Period

Notwithstanding anything herein contained to the contrary, no retirement annuity may guarantee monthly income payments for a period exceeding the lesser of:

- a)** fifteen years, and
- b)** that period from the date on which payments of the retirement benefit are to commence to the day prior to the date the relevant Participant's 84th birthday would occur.

SECTION VII – DEATH BENEFITS**7.01 Death Benefit Payable Prior to Retirement**

Should a Participant die prior to retirement, a death benefit is paid in accordance with the following:

- a) **Beneficiary** – if the Participant or Former Participant has a Spouse, the death benefit is paid to the Spouse unless the Participant or Former Participant and his or her Spouse are living separate and apart on the date of the death of the Participant or Former Participant, otherwise the beneficiary is in accordance with subsection 11.02.
- b) **Amount of the Death Benefit** – the beneficiary detailed in a) above receives a death benefit of an amount equal to the sum of the following:

- i) **Defined Contribution Provision**

the Accumulated Value of the contributions made in accordance with the Defined Contribution Provision, and

- ii) **Defined Benefit Provision**

- if the Participant has not completed 2 years of Continuous participation in the Plan, the refund of the Participant Contributions made since January 1, 1996 and accumulated with interest as of the date of death;
- if the Participant has completed 2 years of Continuous participation in the Plan, the Commuted Value of the Accrued Pension, as of the date of death, calculated in accordance with subsections 5.02 a) and 5.10.

Notwithstanding the above, if the Participant had attained age 30, the beneficiary is entitled to the Commuted Value of the Accrued Pension, as of the date of death, calculated in accordance with subsection 5.02 a) for years of service prior to January 1, 1996.

Survivor retirement benefits cannot exceed 66 2/3% of the Participant's projected lifetime retirement benefit. The projected lifetime retirement benefit is calculated as the greater of:

- i) the annual amount of lifetime retirement benefits that would have accrued to the Participant to age 65 had the Participant survived to that age and continued in employment and had the Participant's rate of pay not increased, or if lower, 3/2 of the Year's Maximum Pensionable Earnings for the year in which the Participant dies, and
- ii) the annual amount of lifetime retirement benefits accrued to the Participant to the date of the Participant's death (determined without applying any early retirement reduction)

Subject to any applicable provincial pension legislation, the plan may provide pre-retirement surviving Spouse benefits that are greater than that provided in i) or ii) above. For this to happen the pre-retirement survivor benefit must:

- be payable to the Spouse or former Spouse of the deceased Participant, and
- have a present value of all benefits provided as a consequence of the Participant's death not exceeding the present value of all benefits accrued in respect of the Participant to the day of the Participant's death.

c) Payment of the Death Benefit

- i) if the beneficiary is the Spouse, the death benefit is payable as follow:
 - a) a lump sum cash benefit, or
 - b) the value of the death benefit may be used to purchase an immediate or deferred annuity. The deferred annuity must commence no later than the end of the year in which the Spouse attains age 69 (or age 70 if death occurred during 1996).
- ii) if the beneficiary is not the Spouse, the death benefit is payable as a lump sum cash payment.

In the case of a pension payable to the Spouse or former Spouse, or dependent who is under age 18 and is financially dependent on the Participant, the death benefits payable due to the Participant's death prior to retirement and paid before the later of:

- 1 year after the death of the Participant, and

- the end of the calendar year the Spouse or former Spouse attains age 69 (or age 70 if death occurred during 1996).

7.02 Death Benefit Payable Subsequent to Retirement

Should a Participant die subsequent to retirement, and after having elected an annuity, the death benefit, if any, is provided in the relevant annuity contract chosen.

SECTION VIII – TERMINATION OF EMPLOYMENT

8.01 Termination Benefits

A Participant, whose employment with the Company terminates other than by reason of retirement, disability or death, is entitled to the applicable termination benefit outlined below:

a) Defined Contribution Provision

A Participant is entitled to the Accumulated Value of the contributions made under the Defined Contribution Provision. The Accumulated Value of these contributions may be used:

- to purchase a deferred annuity, or
- to exercise one of the portability options, or
- may be refunded in cash.

A cash refund of the contributions made under the Defined Contribution Provision is allowed if the Participant has not completed 2 years of Continuous participation in the Plan. Any contributions that are locked-in, may not be refunded in cash.

b) Defined Benefit Provision

A Participant who has not completed 2 years of Continuous participation in the Plan, is entitled to the refund of his Participant Contributions made since January 1, 1996 and accumulated with interest as of the date of termination. The same portability options outlined in subsection 8.01 a) are available to the Participant.

A Participant, who has completed 2 years of Continuous participation in the Plan, is entitled to a deferred annuity benefit equal to the Commuted Value, as at the date of termination of employment, calculated in accordance with subsections 5.02 a) and 5.10.

Prior to January 1, 1996, a deferred annuity payable in accordance with this subsection 8.01 was ensured through the purchase of annuities from an insurance company licensed to sell annuities in Canada or a Corporation authorized by federal or provincial legislation to operate an annuity business in Canada or through another instrument

acceptable by the minister. Since January 1, 1996, every deferred annuity is payable directly from the Pension Fund.

8.02 (Repealed)

8.03 No Election Made

In the event that no election is made within 180 days after the Participant receives the termination statement, the Participant is deemed to have elected a deferred annuity, payable at normal retirement date.

8.04 Life Expectancy under two years

- a) A Participant who stopped being an active Participant under subsection 2.07 a) is entitled to the benefits provided by subsection 8.01 as if his service were terminated.
- b) A Participant who is entitled to a deferred pension or whose active membership ended under subsection 2.07 a) can receive 100% of the value of his benefits if he meets the following requirements:
 - i) he has a physical or mental disability that reduces his life expectancy to under 2 years;
 - ii) he applies for it in writing to the Administrator;
 - iii) a medical report attesting the state of his health and his life expectancy is sent to the Administrator;
 - iv) he signs an agreement concluded between him and the Company with respect to his benefits; this agreement must also be signed by a witness.

SECTION IX – PORTABILITY TRANSFER AGREEMENT

9.01 (Repealed)

SECTION X – FUNDING AND INVESTMENT

10.01 (Repealed)

10.02 (Repealed)

10.03 (Repealed)

SECTION XI – ADMINISTRATION OF THE PLAN

11.01 (Repealed)

11.02 (Repealed)

11.03 Participant Account

An account is maintained in respect of each Participant indicating the contributions made in accordance with the Defined Contribution Provision.

11.04 (Repealed)

11.05 (Repealed)

11.06 (Repealed)

11.07 (Repealed)

11.08 (Repealed)

11.09 Plan Earnings – Defined Contribution Provision

Earnings related to the Plan – excluding earnings from any Plan surplus or forfeited amounts – are allocated equally to the individual accounts of Participants of Former Participants at least annually.

SECTION XII – EXPLANATION AND DISCLOSURE

12.01 (Repealed)

12.02 (Repealed)

12.03 (Repealed)

SECTION XIII – AMENDMENT OR TERMINATION OF THE PLAN, REFUND OF SURPLUS

13.01 (Repealed)

13.02 (Repealed)

13.03 (Repealed)

SECTION XIV – ADVISORY COMMITTEE

14.01 (Repealed)

SECTION XV – SURRENDER, COMMUTATION, ASSIGNMENT OR ALIENATION

15.01 (Repealed)

15.02 (Repealed)

SECTION XVI – MISCELLANEOUS PROVISIONS

16.01 (Repealed)

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