

**DISPOSITIONS PARTICULIÈRES APPLICABLES
AUX PARTICIPANTS EN DATE DU 1^{ER} JANVIER 2001
DE "THE PENSION PLAN FOR THE EMPLOYEES OF
LAURIER LIFE HOLDINGS LIMITED
AND ITS ASSOCIATED COMPANIES"**

Partie ajoutée : Annexe VII-M
Date de décision : 06-10-2004
Prise d'effet : 01-01-2001

TABLE OF CONTENTS

	PAGES
INTRODUCTION	1
HISTORY OF THE PLAN.....	8
SECTION I – DEFINITIONS	9
SECTION II – ELIGIBILITY AND MEMBERSHIP	13
SECTION III – SERVICE	14
SECTION IV – CONTRIBUTIONS	15
SECTION V – RETIREMENTS BENEFITS	16
SECTION VI – OPTIONAL FORMS OF RETIREMENT BENEFIT	29
SECTION VII – TERMINATION OF EMPLOYMENT BENEFITS	33
SECTION VIII – DEATH BENEFITS	36
SECTION IX – DISABILITY BENEFITS.....	38
SECTION X – FUNDING AND INVESTMENT.....	39
SECTION XI – ADMINISTRATION OF THE PLAN	40
SECTION XII – EXPLANATION AND DISCLOSURE.....	41
SECTION XIII – AMENDMENT, TERMINATION, REFUND OF SURPLUS.....	42
SECTION XIV – ASSIGNMENT OF BENEFITS AND CREDIT SPLITTING.....	43
SECTION XV – ADVISORY COMMITTEE	44
SECTION XVI – TRANSFER AGREEMENT	45
APPENDIX – ASSUMPTION OF A.L.I.C. PARTICIPANTS	46

INTRODUCTION

Suite à la fusion de «The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies» avec le Régime de rentes du Mouvement Desjardins (Régime absorbant) au 1^{er} janvier 2001, les participants de «The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies» deviennent des participants du Régime de rentes du Mouvement Desjardins à compter de cette date.

La présente Annexe décrit les prestations auxquelles ont droit les ex-employés de «Laurier Life Holdings and its Associated Companies» qui avaient des droits dans «The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies» 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 «The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies» tel qu'il était connu à cette date, avait continué d'exister.

1) En vertu de cette Annexe, le règlement de «The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies» 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 1.04	Actuary
Section 1.05	Administrator
Section 1.06	Applicable Legislation
Section 1.13	Employer
Section 1.18	Pension Fund

- Section 1.21 Plan Text Effective Date
- Section 1.22 Plan Year
- Section 1.22.1 Same-Sex Partner
- Section 1.23 Service
- Section 1.24 Spouse
- Section 1.25 Year's Maximum Pensionable Earnings (YMPE)
- b) Section II - Eligibility and Participation
 - Section 2.01 Eligibility
 - Section 2.02 Participation
 - Section 2.03 Requirements to Join the Plan
 - Section 2.05 Waiving of Eligibility Requirements
 - Section 2.06 No Guarantee
 - Section 2.07 Termination of Participation
- c) Section III - Service
 - Section 3.02 Leave of Absence
 - Section 3.03 Worker's Compensation
 - Section 3.04 Pregnancy and Parental Leave
- d) Section IV – Contributions
 - All sections.
- e) Section V – Retirement Benefits
 - Section 5.09 Small Retirement Benefit
- f) Section VII – Termination of Employment Benefits
 - Section 7.04 Small Termination Benefit
 - Section 7.05 Portability Options
 - Section 7.08 No Election Made

- Section 7.09 Reciprocal Transfer Agreement
 - g) Section VIII – Death Benefits
 - Section 8.01 Beneficiary
 - h) Section IX – Disability Benefits
 - Section 9.01 Contributions and Service During Disability
 - Section 9.03 Cessation of Total Disability
 - i) Section X – Funding and Investment
 - All sections.
 - j) Section XI – Administration of the Plan
 - All sections.
 - k) Section XII – Explanation and Disclosure
 - All sections
 - l) Section XIII – Amendment, Termination, Refund of Surplus
 - All sections
 - m) Section XIV – Assignment of Benefits and Credit Splitting
 - All sections
 - n) Section XV – Advisory Committee
 - All sections
 - o) Section XVI – Transfer Agreement
 - All sections
- 2) Afin de préciser davantage l'intention au moment de la fusion, les précisions suivantes sont apportées. La liste qui suit est inclusive mais non 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, pour les fins autres 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 à 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 à 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 (Credited Future Service) tel que défini à 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 à 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 pour les 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 (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.

Pour les 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 de «The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies». Cette modification prendra effet à la date à laquelle l'actif de «The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies» 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.

Pour les 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.

Pour les 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 pour les 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 pour les 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 Retirement Benefits) telle que définie à 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 à 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 Plan was originally established on September 1, 1980, as the Pension Plan for the Employees of Anglo-Permanent Corporate Holdings Limited and its Associated Companies. With the change of name of Anglo-Permanent Corporate Holdings Limited to Laurier Life Holdings Limited in May, 1989, the name of the Plan was likely changed to “The Pension Plan for the Employees of Laurier Life Holdings and its Associated Companies”.

As of January 1, 1988, the Plan was rewritten to incorporate all amendments to that date and to bring it into compliance with the Ontario *Pension Benefits Act*. As October 1, 1989, the Plan was rewritten to incorporate amendments respecting the change of name.

Effective January 1, 1992, the Plan was restated to bring it into compliance with the *Income Tax Act* (Canada).

The primary purpose of the Plan is to provide retirement benefits to Employees in recognition of their years of service.

As of January 1, 1998, Participation in the Plan is limited to the Employees which have elected to participate before January 1, 1998 and are still Participants as of that date.

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 Accrued Pension** means, on the Date of Determination, the aggregate amount of the annual pension payable to a Participant, at the Participant's Normal Retirement Date, which has accrued to the Participant in accordance with subsection **5.02** and as limited by subsection **5.08**.
- 1.02 Accumulated Value** means the total of the contributions plus Interest at the rate provided under Plan provisions.
- 1.03 Actuarial Equivalent** means a corresponding value determined on the basis recommended by the actuary and contained in the most recent valuation report filed in accordance with applicable legislation.
- 1.04 (Repealed)**
- 1.05 (Repealed)**
- 1.06 (Repealed)**
- 1.07 Commuted Value** means the value of a benefit as of the Date of Determination calculated in accordance with the Canadian Institute of Actuaries Recommendations for the Computation of Transfer Values from Registered Pension Plans and as acceptable under the Applicable Legislation.
- 1.08 Continuous**, with respect to service or Participation, includes periods of unbroken service or Participation with the employer and any predecessor or acquired companies. Service or Participation is not to be considered broken by jury duty, vacations and statutory holidays, sick leave or leaves of absence authorized by the employer. Uncompleted years are treated as the exact fraction of one year.
- 1.09 Date of Determination** means the date of calculation of any benefit payable under this Plan.
- 1.10 Disability** means a physical or mental impairment, resulting from an illness or accident, which prevents a Participant from performing the duties of the employment in which he was engaged before the commencement of the impairment or, after a period of 28 months of Disability, a physical or mental impairment, resulting from an illness or accident, which

prevents a participant from engaging in any employment for which he is reasonably qualified by reason of his education, training or experience and which it is expected to last for the remaining of his lifetime. Such Disability shall be certified in writing by a medical doctor licensed to practice under the laws of a province of Canada or of place where the Participant lives.

1.11 Earnings

A. for years of service prior to January 1, 1998:

the compensation actually paid by the employer to the Participant (excluding bonuses, overtime or any incentive compensation) as determined by the employer.

B. for years of service from January 1, 1998:

- 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 Earnings for the year in which it is paid;
- iii) a lump-sum payment made to Employee in the calendar year following retirement, however, is part of the Employee's Earnings for the year in which he/she retired.
- iv) Employee's 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.

1.12 Employee means a person employed by the employer on a salaried basis.

1.13 (Repealed)

1.14 Former Participant means a Participant who has terminated Participation due to retirement or termination of employment but who retains an entitlement to a benefit under the Plan.

1.15 Interest: With respect to Participant's required contributions, Participant's additional voluntary contributions and transfers from other plans, Interest is defined as the rate of return, to be applicable for a period of 12 months from the first day of April in each year, obtained during the preceding fiscal year on the investment of the pension fund, net of investment expenses.

The Interest is credited not less frequently than annually and is applied from the time contributions are received to the end of the month immediately preceding the date a benefit is paid. For the Plan Year in which a benefit is paid, the rate of Interest used is equal to the most recently calculated rate of Interest.

1.16 Participant means an Employee who has joined the Plan and has not ceased his Participation due to retirement, termination of employment or death.

1.17 Participation means the aggregate period(s) of participation in this Plan, while the Participant was rendering Continuous service.

1.18 (Repealed)

1.19 Plan means the Pension Plan for the Employees of Laurier Life Holdings Limited and

Associated Companies and any subsequent amendments which may be made from time to time.

1.20 Plan Effective Date means September 1, 1980.

1.21 (Repealed)

1.22 (Repealed)

1.22.1 (Repealed)

1.23 (Repealed)

1.24 (Repealed)

1.25 (Repealed)

1.26 Group means the Mouvement des caisses populaires et d'économie Desjardins.

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

2.06 (Repealed)

2.07 (Repealed)

SECTION III – SERVICE

3.01 Credited Future Service

Credited Future Service means the period of an Employee's service commencing with the Employee's effective date of Participation in the Plan and ending on the date of his withdrawal from the Plan due to retirement, death, termination of service or termination of the Plan.

For an Employee who is working in a non full-time capacity, Credited Future Service shall increase each year by the fraction corresponding to the actual time worked by the Participant, relative to a full-time Employee engaged in a similar type of work, rounded to two decimals.

3.02 (Repealed)

3.03 (Repealed)

3.04 (Repealed)

SECTION IV – CONTRIBUTIONS

4.01 (Repealed)

4.02 (Repealed)

4.03 (Repealed)

4.04 (Repealed)

4.05 (Repealed)

4.06 (Repealed)

4.07 (Repealed)

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

The Normal Retirement Date of a Participant shall be the first day of his attainment of age 65.

5.02 Normal Retirement Benefit

On the Normal Retirement Date, the Participant is entitled to an annual pension equal to the sum of **a)** and **b)**:

a) For Credited Future Service prior to January 1, 1998

- i) 1.3 % of the average of the best 5 years of Earnings, up to the average of the final 3 years YMPE, plus
- ii) 2 % of the excess, if any,

with respect to each year of Credited Future Service prior to January 1, 1998.

A Participant's best years of Earnings means non-overlapping periods of 12 consecutive months of highest Earnings, for the Participant prior to retirement, Disability, death or termination. For Participants with less than 60 months of Participation, the average is calculated over the whole Participation period.

Final 3 years YMPE means the average of the YMPE's for the last 36 months during the years of Credited Future Service or all years of Credited Future Service if less than 36 months.

b) For Credited Future Service since January 1, 1998

- i) 2 % of his Final Average Earnings, as defined in b) below, multiplied by his Credited Future Service since January 1, 1998, less
- ii) 0.7 % of his Final Average Earnings, as defined in a) below, or the Final Average YMPE if lower, multiplied by his Credited Future Service since January 1, 1998. However, the total years of Credited Future Service shall not exceed 35.

Final Average Earnings shall mean:

- a) The average annual Earnings of a Participant in the 3 years during which his Earnings were highest. Where a Participant has completed less than 3 years of Credited Future Service, Final Average Earnings shall mean the average annual Earnings during his period of Credited Future Service.

For each Participant who terminates his employment with the Employer in the 1998 Plan Year after he has attained age 55, provided that he will not have attained age 60 on December 31, 1998, Final Average Earnings shall mean the average annual Earnings of a Participant in the 5 years during which his earnings were highest. Where a Participant has completed less than 5 years of Credited Future Service, Final Average Earnings shall mean the average annual Earnings during his period of Credited Future Service.

For each Participant who terminates his employment with the Employer in the 1998 Plan Year and who will be at least age 60 on December 31, 1998, Final Average Earnings shall mean the average annual Earnings of a Participant in the 4 years during which his Earnings were highest. Where a Participant has completed less than 4 years of Credited Future Service, Final Average Earnings shall mean the average annual Earnings during his period of Credited Future Service.

For each Participant who terminates his employment with the Employer during or after the 1999 Plan Year, Final Average Earnings shall mean the average annual Earnings of a Participant in the 5 years during which his Earnings were highest. Where a Participant has completed less than 5 years of Credited Future Service, Final Average Earnings shall mean the average annual Earnings during his period of Credited Future Service.

- b) The average annual Earnings of a Participant in the 5 years during which his Earnings were highest. Where a Participant has completed less than 5 years of Credited Future Service, Final Average Earnings shall mean the average annual Earnings during his period of Credited Future Service.

Final Average YMPE shall mean:

The average of the YMPE in the termination year and the 2 previous years.

For each Participant who terminates his employment with the Employer in the 1998 Plan Year after he has attained age 55, provided he will not have attained age 60 on December 31, 1998, Final Average YMPE shall mean the average of the YMPE in the termination year and the 4 previous years.

For each Participant who terminates his employment with the Employer in the 1998 Plan Year and who will be at least age 60 on December 31, 1998, Final Average YMPE shall mean the average of the YMPE in the termination year and the 3 previous years.

For each Participant who terminates his employment with the Employer during or after the 1999 Plan Year, Final Average YMPE shall mean the average of the YMPE in the termination year and the 4 previous years.

c) Excess contributions

With respect to Credited Future Service earned on and after January 1, 1987, the Accumulated Value of the Participant's required contributions must not fund more than 50 % of the Commuted Value of the Accrued Pension on the Date of Determination. Upon termination, any excess contributions shall be refunded in cash to the Participant or used for the purchase of an additional pension having the same characteristics as the normal retirement pension.

5.03 Early Retirement Date

A participant may elect to retire at any time within the ten years preceding his Normal Retirement Date.

5.04 Early Retirement Benefit

a) For Credited Future Service prior to January 1, 1998

A Participant who retires in accordance with subsection **5.03** is entitled to an annual retirement pension equal to the Accrued Pension as described in **5.02 a)** which shall be reduced by $\frac{1}{2}$ of 1 % for each month between his Early Retirement Date and his Normal Retirement Date.

b) For Credited Future Service since January 1, 1998

A Participant who retires in accordance with subsection **5.03** is entitled to an annual retirement pension equal to the Accrued Pension as described in **5.02 b)** which shall be reduced by $\frac{1}{4}$ of 1 % for each month between his Early Retirement Date and his Normal Retirement Date.

However, the following reduction formula is used if it results in a lower reduction. This formula uses the Participant's age and years of Continuous Service as of the date he ceases his active Participation:

For a Participant who is aged 57 or over when his active Participation ends, there is no reduction if the total of his age and years of Continuous service is 85 or more; if not, the reduction is $\frac{1}{4}$ of 1 % for each month left before the total is 85.

For a Participant who is under age 57 when his active Participation ends, the reduction is:

- i) $\frac{1}{4}$ of 1 % for each month left before he turns 57; plus
- ii) if the total of his age and years of Continuous service is less than 85, $\frac{1}{4}$ of 1 % for each month left before the total is 85.

Notwithstanding the above, for an active Participant who retires on his Early Retirement Date in the 1999 or 2000 Plan Years, the reduction described in **i)** above shall not apply.

- c) If the number of months used in the calculations described in **a)** or **b)** above 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.
- d) Notwithstanding paragraphs **a)** and **b)** above, the reduction applicable to the Normal Retirement Benefit shall be at least the minimum reduction of the Maximum Retirement Benefits as described in **5.08 b)**.
- e) Notwithstanding paragraph **b)** above, a Participant who retires early with a reduced pension as provided for in paragraph **b)** may ask to use the amount resulting from pension indexation after he retires, 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 into account the indexation after retirement provision as set forth in subsection **5.11**.

The resulting pension must not be in excess of the lesser of the following pension amounts:

- i) the non-reduced pension at the time of the Participant's early retirement; or
- ii) the Maximum Pension provided for in subsection **5.08**.

If the resulting pension is limited by one of the above pensions, partial pension indexation will be recognized on an Actuarial Equivalent basis.

An election by a Participant under this subsection cannot be cancelled or changed once benefit payments have started.

f) 1998 Temporary Early Retirement Program

A temporary early retirement program is in force from January 1, 1998 to December 31, 1998 and includes the following features:

- i) A Participant who elects to retire before his Normal Retirement Date while the program is in force is eligible for the Temporary Early Retirement Program, except for the Former Participants.
- ii) The following characteristics apply to the additional pension described in **iii)** and **iv)** below:
 - a) The pension is a temporary pension guaranteed until the 65th birthday of the Participant;
 - b) No reduction for early retirement is applicable to the temporary pension;
 - c) At the end of every year, the temporary pension for years of Credited Future Service since January 1, 1998 is increased by the percentage rate referred to in **5.11 a)**, up to a maximum of 3 %.
- iii) An annual additional temporary pension equal to the following is payable to an eligible Participant who avails himself or early retirement before age 60:

- A. From retirement date to age 60, for each year of Credited Future Service up to a maximum of 35 years, 0.7 % of the minimum between Final Average Earnings as defined in **5.02 b) A)** and the average of the YMPE in the retirement year and the 2 previous years.
 - B. From age 60 to age 65, 30 % of the pension described in **A)** above.
- iv) An annual additional temporary pension is payable to an eligible Participant who avails himself of early retirement at age 60 or after, equal, for each year of Credited Future Service up to a maximum of 35 years, to 0.7 % of the minimum between Final Average Earnings as defined in **5.02 b) A)** and the average of the YMPE in the retirement year and the 2 previous years, multiplied by 30 %.
 - v) In no event, the annual additional temporary pension may exceed the limit set out in Regulation 8503(2)(b) of the Income Tax Act (Canada). Also the combined Lifetime retirement benefit and the temporary pension may not exceed the limit set out in Regulation 8504(5) of the Income Tax Act (Canada).
- g) 1999 Temporary Early Retirement Program

A temporary early retirement program is in force from January 1, 1999 to December 31, 1999 and includes the following features:

- i) A Participant who elects to retire before his Normal Retirement Date while the program is in force is eligible for the Temporary Early Retirement Program, except for the Former Participants.
- ii) The following characteristics apply to the additional pension described in **iii)** and **iv)** below:
 - A. The pension is a temporary pension guaranteed until the 65th birthday of the Participant;
 - B. No reduction for early retirement is applicable to the temporary pension;
 - C. At the end of every year, the temporary pension for years of Credited Future Service since January 1, 1998 is increased by the percentage referred to in **5.11 a)**, up to a maximum of 3 %.

- iii) An annual additional temporary pension equal to the following is payable to an eligible Participant who avails himself of early retirement before age 60:
 - A. From retirement date to age 60, for each year of Credited Future Service up to a maximum of 35 years, 0.7 % of the minimum between:
 - 1. With respect to Credited Future Service before January 1, 1998, Final Average Earnings as defined in **5.02 b) A)** and the average of the YMPE in the retirement year and the previous 2 years;
 - 2. With respect to Credited Future Service from January 1, 1998, Final Average Earnings as defined in **5.02 b) B)** and the average of the YMPE in the retirement year and the 4 previous years.
 - B. From age 60 to age 65, 30 % of the pension described in A) above.
- iv) An annual additional temporary pension is payable to an eligible Participant who avails himself of early retirement at age 60 or after, equal, for each year of Credited Future Service up to a maximum of 35 years, to 0.7 % of the minimum between:
 - A. With respect to Credited Future Service before January 1, 1998, Final Average Earnings as defined in **5.02 b) A)** and the average of the YMPE in the retirement year and the 2 previous years;
 - B. With respect to Credited Future Service from January 1, 1998, Final Average Earnings as defined in **5.02 b) B)** and the average of the YMPE in the retirement year and the 4 previous years.

Multiplied by 30 %.
- v) In no event, the annual additional temporary pension may exceed the limit set out in Regulation 8503(2)(b) of the Income Tax Act (Canada). Also the combined Lifetime retirement benefit and the temporary pension may not exceed the limit set out in Regulation 8504(5) of the Income Tax Act (Canada).
- h) 2000 Temporary Early Retirement Program

A temporary early retirement program is in force from January 1, 2000 to December 31, 2000 and includes the following features:

- i) A Participant who elects to retire before his Normal Retirement Date while the program is in force is eligible for the Temporary Early Retirement Program, except for the Former Participants.
- ii) The following characteristics apply to the additional pension described in **iii)** and **iv)** below:
 - A. The pension is a temporary pension guaranteed until the 65th birthday of the Participant;
 - B. No reduction for early retirement is applicable to the temporary pension;
 - C. At the end of every year, the temporary pension for years of Credited Future Service since January 1, 1998 is increased by the percentage referred to in 5.11 a), up to a maximum of 3 %.
- iii) An annual additional temporary pension equal to the following is payable to an eligible Participant who avails himself of early retirement before age 60:
 - a) From retirement date to age 60, for each year of Credited Future Service up to a maximum of 35 years, 0.7 % of the minimum between:
 - 1. With respect to Credited Future Service before January 1, 1998, Final Average Earnings as defined in **5.02 b) A** and the average of the YMPE in the retirement year and the previous 2 years;
 - 2. With respect to Credited Future Service from January 1, 1998, Final Average Earnings as defined in **5.02 b) B** and the average of the YMPE in the retirement year and the 4 previous years.
 - b) From age 60 to age 65, 30 % of the pension described in A above.
- iv) An annual additional temporary pension is payable to an eligible Participant who avails himself of Early Retirement at age 60 or after, equal, for each year of Credited Future Service up to a maximum of 35 years, to 0.7 % of the minimum between:

- A. With respect to Credited Future Service before January 1, 1998, Final Average Earnings as defined in **5.02 b) A.** and the average of the YMPE in the retirement year and the 2 previous years;
- B. With respect to Credited Future Service from January 1, 1998, Final Average Earnings as defined in **5.02 b) B.** and the average of the YMPE in the retirement year and the 4 previous years.

Multiplied by 30 %.

- v) In no event, the annual additional temporary pension may exceed the limit set out in Regulation 8503(2)(b) of the Income Tax Act (Canada). Also the combined Lifetime retirement benefit and the temporary pension may not exceed the limit set out in Regulation 8504(5) of the Income Tax Act (Canada).

5.05 Late Retirement Date

A Participant may elect to retire after his Normal Retirement Date. However, pension payments must commence no later than the last day of the calendar year in which the Participant attains age 69.

5.06 Late Retirement Benefit

A Participant who retires on his Late Retirement Date pursuant to subsection **5.05** shall receive a pension equal to the greater of the following amounts:

- A. The pension established taking into account the Credited Future Service before the Normal Retirement Date and during the postponed period, and calculated according to subsection **5.02** as if the Participant was retiring at his Normal Retirement Date.
- B. The pension established taking into account the Credited Future Service before the Normal Retirement Date, adjusted to take into account the postponed period plus the pension made up of the Participant's required contributions made during the postponed period and the interest relating thereto.

The adjustment ensures that the pension payable at the end of the postponed period is the Actuarial Equivalent of that which would have been paid as of the Normal Retirement Date if the pension had not been postponed.

However, the increase on an Actuarial Equivalent basis does not apply to any pension that the Participant elected to receive prior to the postponed retirement.

5.07 Retirement Benefits Arising from Additional Voluntary Contributions and Transfers from Other Plans

In addition to the pension amounts described in subsections **5.02**, **5.04** or **5.06**, a Participant is entitled to the retirement income which may be provided by his additional voluntary contributions and transfers from other plans, where applicable.

However, monthly retirement benefits arising from additional voluntary contributions and transfers from other plans cannot be paid from the pension fund. The Accumulated Value of any additional voluntary contributions and transfers from other plans may be returned to the Former Participant in a lump sum, transferred to another registered plan, or used to purchase an annuity. Any portion of transfers from other plans designated as locked-in must be used to purchase an annuity or may be transferred in accordance with applicable legislation and provisions.

5.08 Maximum Retirement Benefits

In order to comply with requirements of the Income Tax Act for registered pension plans and notwithstanding any other provisions of this Plan, the annual pension to be provided under this Plan for the year in which payment commences, including any payment to a spouse in the event of marriage breakdown, shall not exceed:

A. For years of service prior to January 1, 1998

The lesser of the following amounts:

- i) 2 % of the Participant's average of the best 3 consecutive years of Earnings multiplied by his Credited Future Service earned prior to January 1, 1998, to a maximum of 35 years; and
- ii) 1 715 \$ multiplied by the Participant's Credited Future Service earned prior to January 1, 1998, to a maximum of 35 years.

The resulting amount of retirement benefit (i.e. the minimum amount between the Normal Retirement Benefit determined in **5.02 a)** and the above maximum amount of

retirement benefit) shall be reduced, if the pension payment begins prior to Normal Retirement Date, in accordance with the rules described in subsection **5.03** and **5.04 a)**

B. For years of service since January 1, 1998

The lesser of the following amounts:

- i) 2 % of the Participant's highest average indexed compensation, as prescribed by the Income Tax Act, multiplied by his Continuous Service since January 1, 1998; and
- ii) the defined benefit limit, as prescribed by the Income Tax Act, multiplied by the Participant's Continuous Service since January 1, 1998.

The resulting amount of retirement benefit (i.e. the minimum amount between the Normal Retirement Benefits determined in **5.02 b)** and the above maximum amount of retirement benefit) shall be reduced, if the pension payment begins prior to Normal Retirement Date, to the earlier of:

- i) the day on which the Participant attains age 60;
- ii) the day on which the sum of the Participant's age and his years of Continuous Service equals or exceeds 80;
- iii) the day on which the participant completes 30 years of Continuous Service; and
- iv) the day on which the Participant becomes totally and permanently disabled;

by 0.25 % 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.

The above rule does not apply to the benefits provided by the excess contributions calculated in accordance with subsection **5.02 c)** and benefits calculated in accordance with

subsection 5.07.

5.09 (Repealed)

5.10 Payment of Retirement Benefits – Normal Forms

- a) For Credited Future Service prior to January 1, 1998

The normal form of pension under the Plan shall be payable monthly commencing on the Participant's retirement date and shall be payable thereafter during the life of such Participant, with the guarantee that, should he die before he has received 120 monthly payments thereof, the payments shall be continued to his beneficiary until 120 monthly payments in all have been made.

- b) For Credited Future Service since January 1, 1998

The normal form of pension under the Plan for a Participant with a spouse upon retirement, shall be payable monthly commencing on the Participant's retirement date and shall be a joint and survivor form of pension which provides that the amount of pension payable to the surviving spouse of the Participant shall be 60 % of the pension payable to the Participant. In addition, the Normal Retirement Benefit includes a guaranteed period of ten years from the date pension payments begin, for an amount corresponding to 60 % of the Participant's pension.

The normal form of pension under the Plan, for a Participant without a spouse upon retirement, shall be payable monthly commencing on the Participant's retirement date and shall be payable thereafter during the life of such Participant, with the guarantee that, should he die before he has received 180 monthly payments thereof, the payments shall be continued to his beneficiary until 180 monthly payments in all have been made.

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 regulations made under the Income Tax Act.

5.11 Pension indexation

- a) At the end of every year, the pensions payable under the Canada/Quebec Pension

Plan are increased by a given percentage to take into account the increase in a 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 Credited Future Service since January 1, 1998 are increased by the percentage referred to in **a)** above, up to a maximum of 3 %.
- c) At the end of every year, the pensions for years of Credited Future Service since January 1, 1998 for Participants entitled to a deferred pension are increased by the percentage referred to in **a)** above, up to a maximum of 4 %. However, the annual increase of pensions shall not exceed the annual increase in the industrial average wage, as defined under the Income Tax Act, 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 e)**.

SECTION VI – OPTIONAL FORMS OF RETIREMENT BENEFIT**6.01 Optional Forms**

A Participant may elect, by notice in writing to the Employer at any time prior to the commencement of pension payments, one of the following optional forms of pension, which shall be the Actuarial Equivalent of the normal form of pension pursuant to subsection **5.10** herein. An election to receive an optional form of retirement benefit may be cancelled or changed, provided notification of such cancellation or change complies with the requirements for an election, as expressed above.

a) For Credited Future Service prior to January 1, 1998

The participant is entitled to the following optional forms:

i) Life

This option provides payments for the entire lifetime of the retired Participant with payments ceasing with the payment immediately preceding the Participant's death, regardless of the number of payments he has received.

ii) Life – Guaranteed Five Years

This option provides payments for the entire lifetime of the retired Participant and guarantees that, should the Participant dies after his pension has commenced but before he has received 60 monthly payments thereof, the payments shall be continued to his beneficiary until 60 monthly payments in all have been made.

iii) Life – Guaranteed Fifteen Years

This option provides payments for the entire lifetime of the retired Participant and guarantees that, should the Participant die after his pension has commenced but before he has received 180 monthly payments thereof, the payments shall be continued to his beneficiary until 180 monthly payments in all have been made.

iv) Joint Annuitant Pension

Under this option a Participant may have his pension continued for the lifetime of a joint annuitant under one of the following formats, provided that the joint annuitant is the spouse or former spouse of the Participant

- A) after his death, the pension shall continue to the joint annuitant in the same amount as had been received by the Participant prior to the date of his death; or
- B) after his death, either 60 %, 66 2/3 % or 75 % of the amount that had been received by the Participant prior to the date of his death shall continue to the joint annuitant. A guaranteed period of not more than 15 years may be added.

In the case of the death of the joint annuitant before the Participant retires under the Plan, the pension will become payable at the retirement date of the Participant as if the optional form had not been elected. In such cases, the Participant may make another election.

- b) For Credited Future Service since January 1, 1998

The Participant is entitled to the following optional forms:

- i) A Participant without a spouse or whose spouse has waived, in writing, the joint life and survivor pension provided for by subsection **5.10**, can opt, in lieu of a Normal Retirement Benefit, for a pension combined with the pensions payable under the Canada/Quebec Pension Plan and/or Old Age Security Act as defined in subsection **6.02**.
- ii) A Participant not affected by **i)** above can opt for any of the following pensions in lieu of a Normal Retirement Benefit:
 - A. a joint and survivor pension, with a 10 to 15 year guaranteed payment period, with the pension payable after the death of the Participant being reduced to 60 % or 75 % of the pension that was paid to the Participant;
 - B. a 60 %, 75 % or 100 % joint and survivor pension, with a 100 % pension payment guarantee for at least 10 or 15 years;

C. the pension provided for in **i)** above.

6.02 Pension Integrated with Government Pensions

Any Participant who retires before he is eligible to receive benefits under the Canada/Quebec Pension Plan or the Old Age Security Act, may elect to receive his pension under the Plan, payable under any of the above optional payment forms, except a joint and survivorship annuity, paid in a greater amount to the date on which he becomes eligible for such statutory benefits, then decreasing to a lesser amount thereafter so as to provide, where possible, a level income after retirement through the integration of pension benefits under this Plan with those payable under the Old Age Security Act and the Quebec/Canada Pension Plan, as amended to the date of retirement.

In no event, the annual additional temporary pension may exceed the limit set out in Regulation 8503(2)(b) of the Income Tax Act (Canada). Also the combined Lifetime retirement benefit and the temporary pension may not exceed the limit set out in Regulation 8504(5) of the Income Tax Act (Canada).

6.03 Automatic Form of Pension

Notwithstanding the foregoing, in respect of years of Credited Future Service prior to January 1, 1998, a Participant who has a Spouse on the date his first pension payment is due, and who is not then living separate and apart from such spouse, shall be required to elect a joint and survivor optional form of pension which provides that the amount of pension payable to the survivor of the participant and his spouse shall be at least 60 % of the pension payable to the Participant during the joint lifetime of such Participant and his spouse. However, the Participant and his spouse may waive the entitlement to the joint and survivor pension as described above by delivering to the Employer within 12 months immediately preceding the commencement of pension payments, written notice by means of either:

- a) The appropriate form as prescribed by the Pension Benefit Act; or
- b) A certified copy of a domestic contract as defined under the Family Law Act.

Such waiver must be jointly cancelled by the Participant and his Spouse by written and signed notice prior to the commencement of pension payments.

6.04 Other Optional Forms

The Employer may adopt or establish from time to time other optional forms of retirement income consistent with the Income Tax Act and Regulations, the Pension Benefits Act and any other legislation affecting the Plan.

SECTION VII – TERMINATION OF EMPLOYMENT BENEFITS**7.01 Termination Benefit**

A participant who terminates employment with the Employer other than by reason of retirement, disability or death, hence becoming a Former Participant, shall be entitled to a termination benefit in accordance with this section.

The termination benefit is the sum of the benefits earned in accordance with subsections **7.02, 7.03** and **7.07**.

7.02 Benefits earned from January 1, 1987

- a) A Participant who terminates his employment prior to completing 2 years of Continuous Participation, is entitled to a refund of the Accumulated Value of the Participant's required contributions made from January 1, 1987.
- b) A former Participant who has completed 2 years of Continuous Participation is entitled to a deferred pension equal to the Accrued Pension for benefits earned from January 1, 1987.

7.03 Benefits earned from September 1, 1980 to December 31, 1986

- a) A Former Participant who has not completed 5 years of Continuous Service, is entitled to a refund of the Accumulated Value of the Participant's required contributions made from September 1, 1980 to December 31, 1986.
- b) A Former Participant who has not attained age 45 and has not completed 10 years of Continuous Service but has completed 5 years of Continuous Service is entitled to a refund of the Accumulated Value of the Participant's required contributions made from September 1, 1980 to December 31, 1986.

However, instead of receiving the above cash benefit, the Former Participant may elect to receive a deferred pension equal to the pension provided by that cash benefit plus a percentage, in accordance with the following table, of the Commuted Value, as at the Date of Determination, of the part of his Accrued Pension earned from September 1, 1980 to December 31, 1986 that is provided by contributions made by the Employer on his behalf.

Completed years of Continuous Service	Vested percentage
5 years but less than 6 years	50 %
6 years but less than 7 years	60 %
7 years but less than 8 years	70 %
8 years but less than 9 years	80 %
9 years but less than 10 years	90 %
10 years or more	100 %

- c) A Former Participant who has attained age 45 and has completed 10 years of Continuous Service, is entitled to a deferred pension equal to the Accrued Pension earned from September 1, 1980 to December 31, 1986.

However, the Commuted Value of the deferred pension shall not be less than the Accumulated Value of the Participant's required contributions made from September 1, 1980 to December 31, 1986.

7.04 (Repealed)

7.05 (Repealed)

7.06 Commencement Date of the Deferred Retirement Benefit

A Former Participant who is eligible to receive a deferred pension, in accordance with subsections **7.02** and **7.03**, may elect to receive the pension at an Early Retirement Date in accordance with subsection **5.03**. Such pension is the Actuarial Equivalent of the pension payable at Normal Retirement Date of Credited Future Service prior to January 1, 1998 but in no event the pension may exceed the limit set out in Regulation 8503(3)(c) of the Income Tax Act (Canada) and in accordance with **5.04 b)** for Credited Future Service since January 1, 1998.

7.07 Additional Voluntary Contributions, Transfers from Other Plans and Excess

Contributions

A former Participant is entitled to the Accumulated Value of any additional voluntary contributions, transfers from other plans and the accumulated value of any excess contributions, as determined in subsection **5.02**.

The Accumulated Value of any additional voluntary contributions and transfers from other plans may be returned to the Former Participant in a lump sum, transferred to another registered plan or used to purchase an annuity.

The Accumulated Value of any Excess Contributions is returned to the Former Participant in a lump sum.

7.08 (Repealed)

7.09 (Repealed)

7.10 Shortened Life Expectancy

A Participant who ceases to be an active Participant because he has a physical or mental impairment that reduces his life expectancy to under two years is entitled to the benefits provided by subsections **7.02** and **7.03** as if his service was terminated.

Notwithstanding the foregoing, such a Participant can receive 100 % of the value of his benefits if he meets the following requirements:

- a) he has a physical or mental Disability that reduces his life expectancy to less than two years;
- b) he applies for it in writing to the Administrator;
- c) a medical report attesting to the state of his health and his life expectancy is sent to the Administrator;
- d) he signs an agreement concluded between him and the Employer with respect to his benefits; this agreement must also be signed by a witness.

SECTION VIII – DEATH BENEFITS**8.01 (Repealed)****8.02 Death Benefit Payable Prior to Retirement**

Shall a Participant or Former Participant die prior to retirement or before a form of annuity has been elected, a death benefit is paid in accordance with the following:

Amount of the Death Benefit

The beneficiary or spouse of a Participant or Former Participant receives the following death benefit:

- a) For benefits earned from January 1, 1987,
 - i) If the Participant or Former Participant has completed at least 2 years of Continuous Participation, the Commuted Value of the Accrued Pension for benefits earned from January 1, 1987, as at the date of death, plus the Accumulated Value of any Excess Contributions determined in accordance with subsection **5.02**;
 - ii) If the Participant has not completed 2 years of Continuous Participation, the Accumulated Value of the Participant's required contributions for the period, plus
- b) For benefits earned prior to January 1, 1987, the Accumulated Value of the Participant's required contributions for the period.

The beneficiary or spouse also receives the Accumulated Value of any additional voluntary contributions and transfers from other plans.

Payment of the Death benefit

Payment of the death benefit is made as follows:

- a) To the spouse as
 - i) a lump sum;
 - ii) an immediate or deferred annuity or

- iii) a transfer to the RRSP of the spouse, to the pension fund of the spouse's registered pension plan if its administrator agrees to accept the transfer or to a RRIF;
- b) to the designated beneficiary or the Participant's or Former Participant's estate as a non-transferable lump sum cash payment.

If the death benefit is payable to the spouse or former spouse, the benefit must be paid before the later of:

- a) one year after the death of the Participant and
- b) the end of the calendar year the spouse or former spouse attains age 69.

8.03 Death Benefit Payable Subsequent to Termination of Employment or Retirement

Shall a Participant or Former Participant die subsequent to termination of employment or retirement and after a form of annuity has been elected, the death benefit, if any, is payable according to the terms of the elected option.

SECTION IX – DISABILITY BENEFITS

9.01 (Repealed)

9.02 Disability Benefit

Upon reaching the Early Retirement Date or the Normal Retirement Date set out in subsections **5.03** and **5.01** respectively, the Participant is entitled to receive the retirement benefit, as applicable, outlined in subsections **5.02** and **5.04**.

9.03 (Repealed)

SECTION X – FUNDING AND INVESTMENT

10.01 (Repealed)

10.02 (Repealed)

SECTION XI – ADMINISTRATION OF THE PLAN

11.01 (Repealed)

11.02 (Repealed)

11.03 (Repealed)

11.04 (Repealed)

11.05 (Repealed)

11.06 (Repealed)

11.07 (Repealed)

11.08 (Repealed)

11.09 (Repealed)

SECTION XII – EXPLANATION AND DISCLOSURE

12.01 (Repealed)

12.02 (Repealed)

12.03 (Repealed)

12.04 (Repealed)

SECTION XIII – AMENDMENT, TERMINATION, REFUND OF SURPLUS

13.01 (Repealed)

13.02 (Repealed)

13.03 (Repealed)

SECTION XIV – ASSIGNMENT OF BENEFITS AND CREDIT SPLITTING

14.01 (Repealed)

14.02 (Repealed)

SECTION XV – ADVISORY COMMITTEE

15.01 (Repealed)

15.02 (Repealed)

SECTION XVI – TRANSFER AGREEMENT

16.01 (Repealed)

16.02 (Repealed)

APPENDIX – ASSUMPTION OF A.L.I.C. PARTICIPANTS

(Repealed)

G:\RD-DSCST\Rentes collectives\MCPED\Règlement du régime\Annexes 2004\ANNEXE VII-M.doc