

**DISPOSITIONS PARTICULIÈRES APPLICABLES  
AUX PARTICIPANTS EN DATE DU 1<sup>ER</sup> JANVIER 2001  
DE "PENSION PLAN FOR THE NON-SALES STAFF OF  
LAURENTIAN FINANCIAL SERVICES INC."**

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

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## INTRODUCTION

Suite à la fusion du « Pension Plan for the Non-Sales Staff of Laurentian Financial Services Inc. » (Régime fusionné) avec le Régime de rentes du Mouvement Desjardins (Régime absorbant) au 1<sup>er</sup> 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 «Laurentian Financial Services Inc.» qui avaient des droits dans le Régime fusionné au 1<sup>er</sup> janvier 2001 relativement à leur participation antérieure à cette date.

Les prestations des participants qui, avant le 1<sup>er</sup> 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<sup>er</sup> janvier 2001. À tout événement, les droits eu égard à la participation antérieure au 1<sup>er</sup> 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<sup>er</sup> janvier 2001 est partie intégrante du Règlement du Régime absorbant, à l'exception des dispositions suivantes qui sont sans effet à compter du 1<sup>er</sup> janvier 2001:

a) Section II - Définitions

Section 2.02	Actuary
Section 2.03	Administrator
Section 2.04	Beneficiary
Section 2.05	Board of Directors
Section 2.07	Compensation
Section 2.15	Employee
Section 2.15.1	Employee on a Full-Time Basis

Section 2.15.2	Employee on a Part-Time Basis
Section 2.16	Family Law Act
Section 2.19	Funding Agency
Section 2.20	Funding Agreement
Section 2.21	Income Tax Act
Section 2.25	Minister
Section 2.26	Money Purchase Limit
Section 2.27	Past Service Pension Adjustment
Section 2.28	Pension Adjustment
Section 2.29	Pension Benefits Act
Section 2.30	Pension Fund
Section 2.31	Pensionable Service
Section 2.33	Plan Year
Section 2.35	Spouse
Section 2.37	Transfer Ratio
Section 2.38	YMPE
Section 2.39	1987 Personal Tier Contributions

b) Section III - Eligibility

Section 3.01
Section 3.02
Section 3.03
Section 3.05
Section 3.06
Section 3.07
Section 3.09

- c) Section IV - Contributions
  - Section 4.01            Member's Contributions
  - Section 4.02            Company Contributions
  - Section 4.03
  - Section 4.04
  - Section 4.05
  - Section 4.06
  - Section 4.08
- d) Section V – Credited Interest
  - Section 5.02
  - Section 5.03
  - Section 5.05
  - Section 5.06
- e) Section VII – Amount of Pension
  - Section 7.04            Supplemental Benefits
- f) Section X – Designated Beneficiary
  - All sections
- g) Section XI – Termination of Employment
  - Section 11.03           Transfers
  - Section 11.04           Transfer Deficiency
- h) Section XIII – Marriage Breakdown
  - All sections
- i) Section XIV – Pension Fund
  - All sections
- j) Section XV – Administration of the Plan

All sections

k) Section XVI – Amendment to or Termination of the Plan

All sections

l) Section XVII – Disclosure to Members

All sections

m) Section XVIII – General Provisions

Section 18.01 Right of Company to Discharge

Section 18.02 Payments to Incompetents

Section 18.03 Proof of Age

Section 18.04 Small Annuities

Section 18.06 Company Records

Section 18.07 Non-Assignment

Section 18.08 Surplus Recapture

Section 18.09 Advisory Committee

Section 18.10 Construction

Section 18.11 Modification to Applicable Legislations

n) Section XIX – Income Tax Requirements

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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> janvier 2001.

Tout changement de statut ultérieur au 1<sup>er</sup> 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<sup>er</sup> janvier 2001, il est déterminé comme suit :

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

Aux fins de la détermination des prestations relatives à la période antérieure au 1<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> 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<sup>er</sup> janvier 2001.

i) Cessation de participation

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

## **SECTION I FOREWORD**

**1.01** Prior to January 1, 1987, Members of this Plan were participants in the Eaton Retirement Annuity Plan, originally established in 1948, which covered employees of the T. Eaton Company Limited and its subsidiary and affiliated companies. Effective January 1, 1987, four companies with employees covered by that Prior Plan were acquired by The Laurentian Group Corporation:

Eaton Financial Services Limited

Eaton Funds Management Limited

Eaton Trust Company

Eaton Life Assurance Company

Benefits accrued under the provisions of the Prior Plan shall remain payable from the Prior Plan.

**1.02** Effective January 1, 1987, Eaton Financial Services Limited, since combined with Eaton Funds Management Limited and renamed Laurentian Financial Services Inc., has established three pension plans, which are as follows:

Pension Plan for the Non-Sales Staff of Laurentian Financial Services Inc.

Pension Plan for Sales Staff of Laurentian Financial Services Inc. (which has subsequently been terminated).

Pension Plan for Designated Employees of Laurentian Financial Services Inc.

**1.03** Members of the Prior Plan who were employed by Eaton Trust Company and by Eaton Life Assurance Company were covered by this Plan with effect from January 1, 1987.

**1.04** Effective January 1, 1991, the Plan was revised and restated with the provisions thereof being as set forth in the document dated December 1990. This version of the plan document incorporated the legislative changes made to the Pension Benefits Act.

**1.05** Effective January 1, 1992, the Plan was again revised and restated with the provisions thereof being as set forth in the document dated December 1993. The pension benefits

for Members who retired, died or otherwise terminated their employment prior to January 1, 1992 shall be determined and payable in accordance with the terms of the Plan as it existed on the date of their retirement, death or other termination of employment, as applicable, with such modifications as may be required pursuant to the Pension Benefits Act and the Income Tax Act.

- 1.06** Effective January 1, 1996, the Plan was again revised and restated with the provision thereof being as set forth in this document.
- 1.07** This Plan as amended from time to time shall remain in effect, except as otherwise provided herein, subject to the continued registration thereof by the relevant tax authorities and under any applicable provincial pension legislation.
- 1.08** Between November 29, 1998 and June 30, 1999, a reorganization of Imperial Life Financial created the need to abolish some jobs which resulted in a partial wind up of the Plan. All Members who terminated their employment during this reorganization period are included in the partial wind up report as of June 30, 1999.
- 1.09** 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 No 25717. Consequently, Participants are not required to contribute in this Plan anymore.

## SECTION II

## DEFINITIONS

The following words and phrases, as used herein, shall have the meaning specified below and words importing the masculine include the feminine and words importing the singular include the plural, and vice versa, as the context requires. References to a Section shall mean a Section in this instrument.

**2.01 «Actuarial Equivalent»** shall mean 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.

**2.02 (Repealed)**

**2.02.1 «Additional Pension»** shall mean the annual pension purchased from the Excess Member Contributions accumulated with interest, pursuant to Section 7.05.

**2.03 (Repealed)**

**2.04 (Repealed)**

**2.05 (Repealed)**

**2.06 «Company»** shall mean Laurentian Financial Services Inc., its successors or assigns, and any subsidiary or associated companies designated by the Board of Directors from time to time for participation in the Plan. As at the Effective Date, the Eaton Trust Company is an associate company which participates in the Plan.

**2.07 (Repealed)**

**2.08 «Continuous service»** shall mean an Employee's period of unbroken service with the Company, including any predecessor or acquired companies. For this purpose, service shall not be considered broken by any sick leave or leave of absence approved by the Company. Completed months shall be treated as one-twelfth of one year in such cases where a Member does not complete a full year of Continuous Service during a Plan

Year.

**2.09** «**Credited Interest**» shall mean interest on a Member's contributions to the Plan and on any transfer deficiency which may arise from time to time, calculated in accordance with Section V herein.

**2.10** «**Credited Service**» shall mean a Member's period of Continuous Service while a Member of the Plan. Notwithstanding the foregoing, there shall be excluded from a Member's Credited Service all periods of unpaid leave with the exception of:

- (a) maternity or parental leave where, with effect from December 20, 1990, in the event a Member is absent without pay on maternity or parental leave, as defined in the Ontario Employment Standards Act, the Member shall receive Credited Service for such period of absence up to the duration required by the Ontario Employment Standards Act and, for the duration so required, Earnings shall be deemed to continue during the absence without pay at the basic rate of salary in effect at the commencement of such period;
- (b) disability leave in respect of which a Member is entitled to accrue benefits under the Plan pursuant to Section XII herein. Any period of Credited Service accrued under subsection (c), below, shall reduce the entitlement to Credited Service otherwise calculated under this subsection (b), herein; and
- (c) where a Member, pursuant to the Ontario Workers' Compensation Act, R.S.O. 1990, c. W-11 is:
  - (i) absent from employment due to personal injury arising out of or in the course of employment;
  - (ii) receiving benefits thereto; and
  - (iii) the personal injury arose after January 2, 1990;

then the Member shall receive Credited Service for such period of absence, and which Credited Service herein shall not exceed one (1) year. Earnings shall be deemed to continue during the absence without pay at the basic rate of salary in effect at the commencement of such period. However, if the Member notifies the Company in writing that he

refuses to contribute during such period of absence, then he shall not receive Credited Service for such period of absence.

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 Member 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 purposes 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)*.

**2.11 «Defined Benefit Pension»** shall mean the amount of pension as determined in Section 7.01 (a).

**2.12 "Defined Contribution Pension"** shall mean the amount of pension as determined in Section 7.01 (b).

**2.13 «Earnings»** shall mean a Member's annual remuneration as determined by the Company, on a Plan Year basis, for purposes of the Plan. Before January 1, 1991, Earnings shall include salary, overtime, commissions and bonuses received from the Company, but exclude other taxable benefits. From January 1, 1991 to December 1995, Earnings shall include salary and overtime, but exclude commissions, bonuses and other taxable benefits.

From January 1, 1996, the Earnings shall include:

- (a) the Employee's regular remuneration;
- (b) 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;
- (c) lump-sum payments made to Employees in the year after their retirement, however, are part of the Employees' Earnings for the year in which they retired.

Furthermore, from January 1, 1996, 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.

Notwithstanding the above, Earnings shall include prescribed amounts pursuant to subsection 147.1(1) of the Income Tax Act.

**2.14** «**Effective date**» shall mean January 1, 1987.

**2.15** «**Repealed**».

**2.15.1** «**Repealed**».

**2.15.2** «**Repealed**».

**2.15.3** «**Excess Member Contributions**» shall mean the Excess Employee contributions since January 1, 1996 as defined in Section 4.07.

**2.16** «**Repealed**».

**2.17 «Final Average Earnings» shall mean:**

(a) Three Years Final Average Earnings:

The annual average of a Member's Earnings for the thirty-six (36) months during which his Earnings were highest. Where a Member has completed less than three (3) years of Credited Service, Final Average Earnings shall mean the annual average of his Earnings during his period of Credited Service.

For the purpose of Subsections 7.01 (a) (i) and (ii), and for the purpose of Subsection 7.01 (a) (iv) for years of Credited Service between January 1, 1996 and January 1, 1998, Final Average Earnings shall mean the annual average of the Member's Earnings for the thirty-six (36) consecutive months during which his Earnings were highest. Where a Member has completed less than three (3) years of Credited Service, Final Average Earnings shall mean the annual average of his Earnings during his period of Credited Service.

For the purpose of Subsection 7.01 (a) (iv), for each Member who terminates his employment with the Company in the 1998 Plan Year, after he has attained age fifty-five (55), provided that he will not have attained age sixty (60) on December 31, 1998, Final Average Earnings shall mean the annual average of the Member's Earnings for the sixty (60) months during which his Earnings were highest. Where a Member has completed less than five (5) years of Credited Service, Final Average Earnings shall mean the annual average of his Earnings during his period of Credited Service.

For the purpose of Subsection 7.01 (a) (iv), for each Member who terminates his employment with the Company in the 1998 Plan Year and who will be at least age sixty (60) on December 31, 1998, Final Average Earnings shall mean the annual average of the Member's Earnings for the forty-eight (48) months during which his Earnings were highest. Where a Member has completed less than four (4) years of Credited Service, Final Average Earnings shall mean the annual average of his Earnings during his period of Credited Service.

For the purpose of Subsection 7.01 (a) (iv), for each Member who terminates his employment with the Company during or after the 1999 Plan Year, Final Average

Earnings shall mean the annual average of the Member's Earnings for the sixty (60) months during which his Earnings were highest. Where a Member has completed less than five (5) years of Credited Service, Final Average Earnings shall mean the annual average of his Earnings during his period of Credited Service.

(b) Five Years Final Average Earnings:

The average annual Earnings of an Employee in the 60 months during the years of Credited Service in which the highest Earnings were received, or during his overall period of membership if less than 60 months.

**2.18** «Final Average YMPE» shall mean for the purpose of Section 7.01 (a) (ii) the annual average of the YMPE for the last 36 months during the years of Credited Service or all years of Credited Service if less than 36 months. Or the purpose of Section 7.01 (a) (iv), it shall mean the average of the YMPE for the retirement year and for the two previous years.

For the purpose of Subsection 7.01 (a) (iv), for each Member who terminates his employment with the Company in the 1998 Plan Year, after he has attained age fifty-five (55), provided that he will not have attained age sixty (60) on December 31, 1998, Final Average YMPE shall mean the average of the YMPE for the termination year and for the four previous years.

For the purpose of Subsection 7.01 (a) (iv), for each Member who terminates his employment with the Company in the 1998 Plan Year and who will be at least age sixty (60) on December 31, 1998, Final Average YMPE shall mean the average of the YMPE for the termination year and for the three previous years.

For the purpose of Subsection 7.01 (a) (iv), for each Member who terminates his employment with the Company during or after the 1999 Plan Year, Final Average YMPE shall mean, the average of the YMPE for the termination year and for the four previous years.

**2.19** «Repealed».

**2.20** «Repealed».

- 2.21** «Repealed».
- 2.22** «Long-Term Salary Continuance Programme» shall mean any plan of insurance established by or for the Company to replace the Earnings of an Employee in the event of his disability, including the long-term disability, short-term disability and weekly indemnity insurance plans, and shall also include the disability benefits under the statutory programmes of Workers' Compensation, the Canada Pension Plan and the Quebec Pension Plan.
- 2.23** «Member» shall mean an Employee who meets the applicable eligibility requirements and who continues to be entitled to benefits and rights under the Plan.
- 2.24** «Member Account» shall mean the account established for a Member and invested in the Pension Fund for the purpose of accumulating the contributions of the Member made before January 1, 1996 pursuant to Section 4.01 herein, and the contributions of the Company for the same period made on behalf of such Member pursuant to Section 4.02 (a) herein, together with Credited interest thereon.
- 2.25** «Repealed».
- 2.26** «Repealed».
- 2.27** «Repealed».
- 2.28** «Repealed».
- 2.29** «Repealed».
- 2.30** «Repealed».
- 2.31** «Repealed».
- 2.32** «Plan» shall mean the Pension Plan for the Non-Sales Staff of Laurentian Financial Services Inc., the terms of which are as set forth in this document, and as it may be amended from time to time.
- 2.33** «Repealed».

- 2.34** «**Prior Plan**» shall mean the Eaton Retirement Annuity Plan, established in 1948, and including amendments to December 31, 1986.
- 2.35** «**Repealed**».
- 2.36** «**Totally and Permanently Disabled**» shall mean a Member who is suffering from a physical or mental impairment that prevents the Member from engaging in any employment for which the Member is reasonably suited by virtue of the Member's education, training or experience and that can reasonably be expected to last for the remainder of the Member's lifetime.
- 2.37** «**Repealed**».
- 2.38** «**Repealed**».
- 2.39** «**Repealed**».
- 2.40** «**Group**» shall mean the Mouvement des caisses populaires et d'économie Desjardins, as described in Supplement G.

## SECTION III

## ELIGIBILITY

**3.01** «Repealed».

**3.02** «Repealed».

**3.03** «Repealed».

**3.04** If an Employee terminates his service with the Company and is later re-employed, he shall, for the purposes of the Plan, be regarded as a new Employee who has not had previous service with the Company, provided that any previously vested rights which the Employee may have had under the Plan shall not be affected by such reemployment.

**3.05** «Repealed».

**3.06** «Repealed».

**3.07** «Repealed».

**3.08** Notwithstanding the foregoing, the Company may conclude a written agreement with any other employer sponsoring a registered pension plan, in order that the years of participation with an Employee's former employer will count, in whole or in part, towards Pensionable Service under the registered pension plan of the Company.

**3.09** «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 Member Contributions for Years of Credited Service since January 1, 1996**»

- (a) Excess contributions are that part of the regular contributions paid since January 1, 1996 by the Member, with accrued interest, in excess of 50 % of the value of any pension to which the Member is entitled for the same period of time.
- (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 Section 2.01 and effective on that date. Excess contributions bear interest as of the date they are determined.
- (c) Members cannot become entitled to excess contributions any later than the normal retirement date.
- (d) Subsection (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.

**4.08** «Repealed».

## SECTION V

## CREDITED INTEREST

**5.01** The rate of interest used in the calculation of Credited interest on and after the Effective Date shall be the net rate achieved by the Pension Fund after allowance for such expenses as are paid out of the Pension Fund, as determined by the Actuary. No portion of Credited interest shall be attributable to forfeitures or to surplus.

Notwithstanding the above, the rate of interest, used in the calculation of Credited interest on Member's contributions made since January 1, 1996, shall be 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 once investment expenses have been deducted.

**5.02** «Repealed».

**5.03** «Repealed».

**5.04** Credited interest with respect to contributions allocated to any Member Account shall also be allocated to such Member Account.

**5.05** «Repealed».

**5.06** «Repealed».



## **SECTION VI**

## **RETIREMENT DATES**

### **6.01 Normal Retirement Date**

The normal retirement date for each Member shall be the first day of his attainment of age sixty-five.

### **6.02 Early Retirement Date**

A Member, including a Member who is entitled to a deferred vested benefit under Section XI herein, may retire early on the first day following his attainment of age fifty-five (55).

A Member who became entitled to short-term or long-term disability income insurance since January 1, 1996 cannot avail himself of early retirement.

### **6.03 Postponed Retirement Date**

At the request of the company, a Member may remain in the service of the Company on a year-to-year basis beyond his normal retirement date but in no event beyond the end of the calendar year in which the Member attains his 69<sup>th</sup> birthday (or his 70<sup>th</sup> birthday if retirement occurred during 1996). For purposes of the Plan, the Member's postponed retirement date shall be the first day of his actual retirement.

## SECTION VII

## AMOUNT OF PENSION

### 7.01 Normal Retirement

- (a) Each Member who retires on his normal retirement date shall receive an annual pension, payable one-twelfth monthly, equal to the sum of the Defined Benefit Pension and the Defined Contribution Pension, as further defined below:

The Defined Benefit Pension is equal to the sum of the following:

For years of Credited Service prior to January 1, 1996

- i) 0.5 % of his Final Average Earnings up as defined in Section 2.17 (a) to the Final Average YMPE multiplied by his Credited Service on and after the Effective Date; plus
- ii) 1 % of his Final Average Earnings as defined in Section 2.17 (a) which is in excess of the Final Average YMPE multiplied by his Credited Service on and after the Effective Date.

For years of Credited Service since January 1, 1996

- i) 2 % of his Final Average Earnings as defined in Section 2.17 (b) multiplied by his Credited Service since January 1, 1996; less
- ii) 0.7 % of his Final Average Earnings, as defined in Section 2.17 (a) or the Final Average YMPE if lower, multiplied by his Credited Service since January 1, 1996. However, for the purpose of this reduction of the pension, the total years of Credited Service shall not exceed 35.

- (b) The defined Contribution Pension is equal to the sum of the following:

- i) The amount of pension which can be purchased by the balance of his Member Account; plus
- ii) The amount of pension which can be purchased by his 1987 Personal Tier contributions, with Credited Interest thereon.

## 7.02 Early Retirement

For years of Credited Service prior to January 1, 1996

Each Member who retires on his early retirement date pursuant to Section 6.02 herein shall receive the Actuarial Equivalent of the normal retirement pension payable in accordance with Section 7.01 hereof.

For years of Credited Service since January 1, 1996

The normal retirement pension as described in Section 7.01 is reduced by  $\frac{1}{4}$  of 1 % for each month left before the Member turns 65. However, the following formula is used if it results in a higher retirement pension. This formula uses the Member's years of continuous service and age as of the date active membership ends.

(a) Member retiring between January 1, 1996 and December 31, 1996

If the Member has attained age 58 or over, the normal retirement pension is not reduced if the total of his age and years of service is 85 or more; if not, the reduction is  $\frac{1}{4}$  of 1 % for each month of service left before the total is 85.

If the Member retires before having attained age 58, the normal retirement pension is reduced by:

- i)  $\frac{1}{4}$  of 1 % for each month left before he turns 58; plus
- ii) 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.

(b) Member retiring on or after January 1, 1997

If the Member has attained age 57 or over, the normal retirement pension is not reduced if the total of his age and years of service is 85 or more; if not, the reduction is  $\frac{1}{4}$  of 1 % for each month of service left before the total is 85.

If the Member retires before having attained age 57, the normal retirement pension is reduced by:

- i)  $\frac{1}{4}$  of 1 % for each month before he turns 57; plus

- ii) 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.

Notwithstanding the above, for an active Member who retires on his early retirement date in the 1999 or 2000 Plan Years, the reduction described in (i) above shall not apply.

- (c) Notwithstanding subsection (b) above, a Member who retires early with a reduced pension as provided for in subsection (b) may ask to use the amount resulting from pension indexation after they retire, provided for in Section 7.06, 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 into account set forth in Section 7.06.

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 Member's early retirement; or
- ii) the maximum pension provided for in Sections 7.03 and 7.04.

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

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

- (d) 1998 Temporary Early Retirement Program

A temporary early retirement program is in force for the 1998 Plan Year and includes the following features:

- i) A Member 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 Members who are entitled to deferred pension benefits under Section XI.
- ii) The following characteristics apply to the additional pension described in Subsections (iii) and (iv) below:

- The pension is a temporary pension guaranteed until the 65<sup>th</sup> birthday of the Member;
  - No reduction for early retirement is applicable to the temporary pension;
  - At the end of every year, the temporary pension for years of Credited Service since January 1, 1996 is increased by the percentage rate referred to in Subsection 7.06 (a), up to a maximum of 3 %.
- iii) An annual additional temporary pension equal to the following is payable to eligible Members who avail themselves of early retirement before age 60;
- From retirement date to age 60, for each year of Credited Service up to a maximum of 35 years, 0.7 % of the minimum between Final Average Earnings as defined in Subsection 2.17 (a) and the average of the YMPE for the retirement year and for the two previous years.
  - From age 60 to age 65, 30 % of the above pension.
- iv) An annual additional temporary pension is payable to Members who avail themselves of early retirement at age 60 or after, equal, for each year of Credited Service up to a maximum of 35 years, to 0.7 % of the minimum between Final Average Earnings as defined in Subsection 2.17 (a) and the average of the YMPE for the retirement year and the two previous years, multiplied by 30 %.

(e) 1999 Temporary Early Retirement Program

A temporary early retirement program is in force for the 1999 Plan Year and includes the following features:

- i) A Member 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 Members who are entitled to deferred pension benefits under Section XI.
- ii) The following characteristics apply to the additional pension described in Subsections (iii) and (iv) below:

- The pension is a temporary pension guaranteed until the 65<sup>th</sup> birthday of the Member;
  - No reduction for early retirement is applicable to the temporary pension;
  - At the end of every year, the temporary pension for years of Credited Service since January 1, 1996 is increased by the percentage rate referred to in Subsection 7.06 (a), up to a maximum of 3 %.
- iii) An annual additional temporary pension equal to the following is payable to eligible Members who avail themselves of early retirement before age 60;
- From retirement date to age 60, for each year of Credited Service up to a maximum of 35 years, 0.7 % of the minimum between:
    - . With respect to Credited Service before January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (a) and the average of the YMPE for the retirement year and for the two previous years;
    - . With respect to Credited Service from January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (b) and the average of the YMPE for the retirement year and for the four previous years.
  - From age 60 to age 65, 30 % of the above pension.
- iv) An annual additional temporary pension is payable to Members who avail themselves of early retirement at age 60 or after, equal, for each year of Credited Service up to a maximum of 35 years, to 0.7 % of the minimum between:
- With respect to Credited Service before January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (a) and the average of the YMPE for the retirement year and for the two previous years;
  - With respect to Credited Service from January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (b) and the average of the YMPE for the retirement year and for the four previous years;
- multiplied by 30 %.

(f) 2000 Temporary Early Retirement Program

A temporary early retirement program is in force for the 2000 Plan Year and includes the following features:

- i) A Member 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 Members who are entitled to deferred pension benefits under Section XI.
- ii) The following characteristics apply to the additional pension described in Subsections (iii) and (iv) below:
  - The pension is a temporary pension guaranteed until the 65<sup>th</sup> birthday of the Member;
  - No reduction for early retirement is applicable to the temporary pension;
  - At the end of every year, the temporary pension for years of Credited Service since January 1, 1996 is increased by the percentage rate referred to in Subsection 7.06 (a), up to a maximum of 3 %.
- iii) An annual additional temporary pension equal to the following is payable to eligible Members who avail themselves of early retirement before age 60;
  - From retirement date to age 60, for each year of Credited Service up to a maximum of 35 years, 0.7 % of the minimum between:
    - . With respect to Credited Service before January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (a) and the average of the YMPE for the retirement year and for the two previous years;
    - . With respect to Credited Service from January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (b) and the average of the YMPE for the retirement year and for the four previous years.
  - From age 60 to age 65, 30 % of the above pension.
- iv) An annual additional temporary pension is payable to Members who avail

themselves of early retirement at age 60 or after, equal, for each year of Credited Service up to a maximum of 35 years, to 0.7 % of the minimum between:

- With respect to Credited Service before January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (a) and the average of the YMPE for the retirement year and for the two previous years;
- With respect to Credited Service from January 1, 1996, Final Average Earnings as defined in Subsection 2.17 (b) and the average of the YMPE for the retirement year and for the four 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).

### **7.03 Maximum Pension**

- (a) Pensionable Service prior to January 1, 1992

In order to comply with the requirements of the income Tax Act for registered pension plans and notwithstanding any other provisions of this Plan, the annual Defined Benefit Pension plus the annual Defined Contribution 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 the lesser of:

- i) 2 % of the Member's highest average indexed Compensation multiplied by his Pensionable Service earned prior to January 1, 1992, to a maximum of 35 years of Pensionable Service; and
- ii) the defined benefit limit of the year multiplied by the Member's Pensionable Service earned prior to January 1, 1992, to a maximum of 35 years of Pensionable Service.



(b) Pensionable Service after December 31, 1991 and prior to January 1, 1996

In order to comply with the requirements of the income Tax Act for registered pension plans and notwithstanding any other provisions of this Plan, the annual Defined Benefit 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 the lesser of:

- i) 2 % of the Member's highest average indexed Compensation multiplied by his Pensionable Service earned between December 31, 1991 and December 31, 1995; and
- ii) the defined benefit limit multiplied by the Member's Pensionable Service earned between December 31, 1991 and December 31, 1995;

(c) Pensionable Service after December 31, 1995

In order to comply with the requirements of the income Tax Act for registered pension plans and notwithstanding any other provisions of this Plan, the annual Defined Benefit Pension to be provided under this Plan including any payment to a Spouse in the event of marriage breakdown, shall not exceed the lesser of:

- i) 2 % of the Member's highest average indexed Compensation multiplied by his Pensionable Service earned after December 31, 1995; and
- ii) the defined benefit limit multiplied by the Member's Pensionable Service earned after December 31, 1995.

For the purpose of determining a Member's maximum pension, highest average indexed Compensation shall be the average of the Member's total indexed Compensation for the three 12-month periods of highest indexed Compensation. The indexed Compensation of a Member is the Compensation received by the Member in any year adjusted to reflect increases after the year in the average wage, as defined under the Income Tax Act.

The defined benefit limit is equal to \$ 1,722.22 for years before 2005. For years after 2004, the defined benefit limit will increase in accordance with increases in the average wage, as defined under the Income Tax Act.

The annual pension payable to a Member for a particular year after the year in which pension payments commence shall not exceed the maximum pension as determined above adjusted from the year of commencement to reflect increases in the average Consumer Price Index.

The pension referred to in 7.03 must be reduced by  $\frac{1}{4}$  % for each month between the date pension payments began and the date the Member would first have met one of the following conditions if he had not retired:

- (i) turned 60;
- (ii) had 30 years of Pensionable Service;
- (iii) arrived at the number 80 when age and Pensionable Service were added.

#### **7.04 (Repealed)**

#### **7.05 Additional pensions**

- (a) Excess Member Contributions and the interest on them must be used, as of the date pension payments begin, for the purchase of an additional pension. However, where permitted by the Provincial Applicable Legislation, Excess Member Contributions can be paid in a lump sum or transferred to a registered savings plan.
- (b) Additional pensions have the same characteristics as normal retirement pensions. In the case of a Member who chooses an optional form of pension, however, his additional pension has the same characteristics as this optional form of pension.
- (c) Additional pensions are determined using the actuarial assumptions and methods in compliance with standards as may be established from time to time by the Canadian Institute of Actuaries that are effective on the date these pensions are calculated.

#### **7.06 Pension indexation**

- (a) At the end of every year, the pensions payable under the QPP/CPP 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 Credited Service since January 1, 1996 with which the Members are credited 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 Service since January 1, 1996 for Members 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 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 Members provided that they have not taken advantage of the provisions of 7.02 (c).

#### **7.07 Postponed Retirement**

A Member who retires on his postponed retirement date pursuant to Section 6.03 herein shall receive a pension equal to the greater of the following amounts:

- (a) The pension established taking into account the Credited Service before the normal retirement date and during the postponed period, and calculated according to Section 7.01 if the Member was retiring at his normal retirement date;
- (b) The pension established taking into account the Credited Service before the normal retirement date, adjusted to take into account the postponed period plus the pension made up of the Member's required contributions made since January 1, 1996 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 basis does not apply to any pension that the Member elected to receive prior to the postponed retirement, pursuant to Section 6.03.

## **SECTION VIII**

## **NORMAL AND OPTIONAL FORMS OF PENSIONS**

### **8.01 Normal Form**

The normal form of pension under the Plan for years of Credited Service prior to January 1, 1996 shall be payable monthly commencing on the Member's retirement date and shall be payable on the first day of each month thereafter during the life of such Member, with the guarantee that, should he die before he has received one hundred and twenty (120) monthly payments thereof, the payments shall be continued to his Beneficiary until one hundred and twenty (120) monthly payments in all have been made.

The normal form of pension under the plan for years of Credited Service since January 1, 1996 for a Member with a Spouse upon retirement shall be a joint and last survivor form of pension which provides that the amount of pension payable to the surviving Spouse of the Member shall be 60 % of the pension payable to the Member. In addition, the normal retirement pension includes a guaranteed period of ten (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.

The normal form of pension under the Plan for years of Credited Service since January 1, 1996 for a Member without a Spouse upon retirement, shall be payable monthly commencing on the Member's retirement date and shall be payable on the first day of each month thereafter during the life of such Member, with the guarantee that, should he die before he has received one hundred and eighty (180) monthly payments thereof, the payments shall be continued to his Beneficiary until one hundred and eighty (180) monthly payments in all have been made.

### **8.02 Optional Forms of Pension**

However, in lieu of the above, a Member may elect by notice in writing to the Company 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 Section 8.01 herein. For years of Credited Service prior to January 1, 1996, no election shall be permitted which would result in a guaranteed

period exceeding fifteen (15) years for a single life pension, or a guaranteed period exceeding five (5) years for a joint annuitant pension. 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.

For years of Credited Service prior to January 1, 1996, the Member is entitled to the following optional forms:

(a) Life

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

(b) Life – Guaranteed Five (5) Years

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

(c) Life – Guaranteed Fifteen (15) Years

This option provided payments for the entire lifetime of the retired Member and guarantees that, should the Member dies after his pension has commenced but before he has received one hundred and eighty (180) monthly payments thereof, the payments shall be continued to his Beneficiary until one hundred and eighty (180) monthly payments in all shall have been made.

(d) Joint Annuitant Pension

Under this option a Member 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 of former Spouse of the Member:

(i) After his death, the pension shall continue to the joint annuitant in the same

amount as had been received by the Member prior to the date of his death; or

- (ii) After his death, either 50 %, 60 %, 66 2/3 % or 75 % of the amount that had been received by the Member prior to the date of his death shall continue to the joint annuitant.

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

For years of Credited Service since January 1, 1996, the Member is entitled to the following optional forms:

A Member without a Spouse or whose Spouse has waived, in writing, the joint life and last survivor pension provided for by subsection 8.01 can opt for the following pension in lieu of a normal retirement pension:

- (a) A pension combined with the pensions payable under the Quebec Pension Plan, Canada Pension Plan or Old Age Security Act as defined in subsection 8.03.

A Member not affected by the subparagraph above can opt for any of the following pensions in lieu of a normal retirement pension:

- (a) A joint life and last survivor pension, with a 10 to 15-year 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 guaranteed for at least 10 or 15 years;
- (c) The pension provided for in clause a) for years of Credited Service prior to January 1, 1996.

### **8.03 Pension Integrated with Government Pensions**

Any Member who retires before he is eligible to receive benefits under the Canada or 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 payments 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 Canada or Quebec Pension Plan, as amended to the date of retirement.

#### **8.04 Automatic Form of Pension**

Notwithstanding the foregoing, in respect of years of Credited Service prior to January 1, 1996, a Member 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 last survivor optional form of pension which provides that the amount of pension payable to the survivor of the Member and his Spouse shall be at least 60 % of the pension payable to the Member during the joint lifetime of such Member and his Spouse. However, the Member and his Spouse may waive the entitlement to the joint and last survivor pension as described above by delivering to the Company, within twelve (12) months immediately preceding the commencement of pension payments, written notice by means of either:

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

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

#### **8.05 Other Optional Forms**

The Company 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.

**9.01 Death Prior to Normal Retirement Date**

If a Member should die while in the service of the Company prior to his normal retirement date, or if a Member entitled to a deferred vested benefit pursuant to Section XI herein should die prior to his normal retirement date and before his pension payments have commenced, his Beneficiary shall receive a lump sum settlement equal to the sum of the following:

- (a) An amount equal to the portion of his Member Account which is attributable to his required contributions to the Plan made before January 1, 1996; plus
- (b) An amount equal to the portion of his Member Account which is attributable to the contributions made by the Company on his behalf before January 1, 1996, provided he has completed at least two years of membership in the Plan or the Prior Plan; plus
- (c) An amount equal to his Member Contribution made since January 1, 1996 accumulated with interest; provided the Member has not completed two years of membership in the Plan ; plus
- (d) An amount equal to the commuted value of the pension benefit accrued to the Member pursuant to Sections 7.01 (a) and 7.05 herein, calculated as the lump-sum Actuarial Equivalent value of such pension benefit, provided the Member has completed two years of membership in the Plan; plus
- (e) An amount equal to his 1987 Personal Tier Contributions with Credited Interest thereon.

**9.02 Offset**

Notwithstanding the foregoing, the amount of the benefit payable in accordance with Section 9.01(d) hereof shall be reduced in whole or in part by any additional benefit provided outside the Plan at Company expense, as may be permitted under the Pension Benefits Act from time to time.



### **9.03 Death After Normal Retirement Date**

If a Member should die while in the service of the Company after his normal retirement date and before his pension payments have commenced, he shall be deemed to have retired on the day before the date of his death. Such Member's Beneficiary shall receive the benefit provided under the normal form of pension payment. If the Member has a Spouse on the date of his death, he shall be deemed to have elected the automatic form of pension pursuant to Section 8.04 herein. Notwithstanding the foregoing, the commuted value of the death benefit payable in accordance with this Section 9.03 shall not be less than the value of the death benefit which would be payable in accordance with Section 9.01 hereof.

### **9.04 Death After Retirement**

If a Member should die after his retirement benefits have commenced, the death benefit, if any, payable to such Member's Beneficiary shall be governed by the type of normal or optional benefit which the Member was receiving pursuant to Section VIII herein.

### **9.05 Spousal Option**

Notwithstanding Section 9.01, if a Member in the Plan who is entitled to a deferred pension dies before commencement of payment of the deferred pension, the person who is the Spouse of the Member on the date of death is entitled to:

- (a) A lump-sum payment equal to the commuted value of the deferred pension; or
- (b) An immediate or deferred pension, the commuted value of which is at least equal to the commuted value of the deferred pension.

This Section 9.05 does not apply where the Member and his Spouse are living separate and apart on the date of death of the Member.

**SECTION X**

**DESIGNATED BENEFICIARY**

**10.01 Repealed**

**10.02 Repealed**

**10.03 Repealed**

**10.04 Repealed**

**10.05 Repealed**

**11.01 Termination Prior to Completion of Two Years of Membership**

If a Member terminates his employment with the Company for any reason other than death, disability or retirement prior to his completion of two years of membership in the Plan or the Prior Plan, he shall receive a lump-sum settlement equal to the sum of:

- (a) An amount equal to the portion of his Member Account which is attributable to his required contributions to the Plan made before January 1, 1996; plus
- (b) An amount equal to his Member Contribution made since January 1, 1996 and accumulated with interest; plus
- (c) An amount equal to his 1987 Personal Tier Contributions with Credited Interest thereon.

A lump-sum settlement payable in accordance with this Section 11.01 may be taken in cash, transferred to the Member's registered retirement savings plan, transferred to the pension fund of another registered pension plan where the administrator of such plan agrees to accept the transfer, or to an insurance company for the purpose of purchasing a life annuity.

**11.02 Termination After Completion of Two Years of Membership**

- (a) If a Member terminates his employment with the Company for any reason other than death, disability or retirement after he has completed at least two years of membership in the Plan or the Prior Plan, he shall receive a deferred pension to commence on his normal retirement date in the amount accrued to him as determined in accordance with Sections 7.01 and 7.05.
- (b) In lieu of the above deferred pension, such Member may elect to receive a lump-sum settlement equal to the commuted value of his deferred pension benefit determined on an Actuarial Equivalent basis. With the exception of benefits derived from his 1987 Personal Tier Contributions and from the Additional Pensions, any lump-sum be considered as locked-in funds within the meaning of the Pension Benefits Act, and may not be taken in cash. A lump-sum settlement payable in

accordance with this Section 11.02 may be transferred to the Member's registered retirement savings plan, or (where applicable) to the Member's locked-in retirement account (LIRA), or (where applicable) to the Member's life income fund, or to the pension fund or another registered pension plan where the administrator of such plan agrees to accept the transfer, or to an insurance company for the purpose of purchasing a life annuity.

**11.03 Repealed**

**11.04 Repealed**

**11.05 Early Retirement Option**

Notwithstanding the foregoing, a Member who terminates his employment after December 31, 1995 and who has attained age fifty-five (55) as at his date of termination must, in lieu of lump-sum settlement as described in this Section XI, elect to either retire early pursuant to Section 6.02 herein or be entitled to a deferred pension.

## SECTION XII

## DISABILITY ACCRUAL

**12.01** A Member who becomes Totally and Permanently Disabled, as certified in writing by a medical practitioner who is licensed to practice under the laws of a province or of the place where the Member resides, on the basis of evidence satisfactory to the Company, and who is entitled to benefits under any Long-Term Salary Continuance Programme of the Company, shall not be considered to have terminated his employment with the Company.

**12.02** While a Member is entitled to benefits under any Long-Term Salary Continuance Programme of the Company, including any applicable elimination periods and who became disabled before January 1, 1996, he shall not be required to contribute to the Plan pursuant to Section 4.01 herein. However, he shall continue to accrue benefits under Sections 7.01(a) and 7.01(b) herein and contributions by the Company pursuant to Section 4.02(a) herein shall continue. His period of disability shall be included in his Continuous Service and in his Credited Service for all purposes of the Plan.

A Member who became disabled on or after January 1, 1996, shall continue to make his contribution for the first four months of disability. Service is not credited to disabled members for the full disability period if their contributions are not paid.

**12.03** For the purposes of benefit accruals and contributions by the Company pursuant to Section 12.02 hereof, the Earnings of a disabled Member who became disabled before January 1, 1996 shall be deemed to continue at the annual rate in effect on the day before his date of disability, and YMPE shall be deemed to be that in effect on the same date.

For the purposes of benefit accruals and contributions by the Company pursuant to Section 12.02 hereof, the Earnings of the disabled Member who became disabled after December 31, 1995 are defined as follows:

- (a) He shall be deemed to receive 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;
- (b) After the first calendar year of leave, the deemed Earnings shall be increased at the

beginning of every calendar year by the pension index increase as defined in Section 7.06 (a), provided that in no event shall the rate of increase exceed 4 % per year; and

- (c) He shall be deemed to receive such Earnings so long as the period of leave shall continue, but not later than his normal retirement date.

For an Employee not working of a full-time basis and who becomes disabled as per this Section after December 31, 1995, his years of Credited 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.

**12.04** Benefit accruals pursuant to Section 12.02 hereof shall continue until the earlier of:

- (a) The Member's date of recovery and the cessation of benefits under any Long-Term Salary Continuance Programme of the Company;
- (b) The Member's date of death; or
- (c) The Member's normal retirement date.

**SECTION XIII**

**MARRIAGE BREAKDOWN**

**13.01 Repealed**

**13.02 Repealed**

**13.03 Repealed**

**13.04 Repealed**

**13.05 Repealed**

**SECTION XIV**

**PENSION FUND**

**14.01 Repealed**

**14.02 Repealed**

**14.03 Repealed**

**14.04 Repealed**

**14.05 Repealed**

**14.06 Repealed**



**SECTION XV**

**ADMINISTRATION OF THE PLAN**

**15.01 Repealed**

**15.02 Repealed**

**15.03 Repealed**

**15.04 Repealed**

**SECTION XVI**

**AMENDMENT TO OR TERMINATION OF THE PLAN**

**16.01 Repealed**

**16.02 Repealed**

**16.03 Repealed**

**16.04 Repealed**

**16.05 Repealed**

**SECTION XVII**

**DISCLOSURE TO MEMBERS**

**17.01 Repealed**

**17.02 Repealed**

**17.03 Repealed**

**17.04 Repealed**

**17.05 Repealed**

**17.06 Repealed**

**17.07 Repealed**

**17.08 Repealed**

## **SECTION XVIII**

## **GENERAL PROVISIONS**

### **18.01 Repealed**

### **18.02 Repealed**

### **18.03 Repealed**

### **18.04 Repealed**

### **18.05 Shortened Life Expectancy**

Where a Member establishes, by a written statement from a qualified medical practitioner, that his life expectancy is materially shorter than the life expectancy for his age and sex in accordance with the Canadian Life Tables, 1980-82 as updated from time to time, the Company may direct that a lump-sum settlement be made in lieu of any pension and other benefits under the Plan.

A Member who stopped being an active Member under Section 3.09 (a) is entitled to the benefits provided by Section 11.01 or 11.02 as if his service was terminated.

Notwithstanding the foregoing, a Member whose active membership ended under Section 3.09 (a) 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 under 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 Company with respect to his benefits; this agreement must also be signed by a witness.

### **18.06 Repealed**

### **18.07 Repealed**

**18.08 Repealed**

**18.09 Repealed**

**18.10 Repealed**

**18.11 Repealed**

**SECTION XIX**

**INCOME TAX REQUIREMENTS**

**19.01 Repealed**

**19.02 Repealed**

**19.03 Repealed**

**19.04 Repealed**

**19.05 Repealed**

**19.06 Repealed**

**19.07 Repealed**

**19.08 Repealed**

**19.09 Repealed**

**19.10 Repealed**

**19.11 Repealed**

**SUPPLEMENT «A»**

**PENSION PLAN FOR THE NON-SALES STAFF OF  
LAURENTIAN FINANCIAL SERVICES INC.**

**Supplement «A» covers special provisions of the Plan applicable only to Members who are permanently employed in the Province of Alberta**

## **SUPPLEMENT «A»**

### **SPECIAL PROVISIONS FOR MEMBERS EMPLOYED**

#### **IN THE PROVINCE OF ALBERTA**

The purpose of this Supplement is to modify the terms of the Plan in certain respects, as outlined herein, for Members employed in the Province of Alberta, in order to comply with the requirements of the Alberta Employment Pension Plans Act, S.A. 1986, E-10.05, and regulations thereunder, and as it may be amended from time to time.

#### **1. Vesting on Termination of Employment**

Notwithstanding the terms of the Plan with respect to benefit accruals on and after the Effective Date, the vesting and locking-in provisions of Section XI therein shall apply upon a Member's completion of two years of membership in the Plan or the Prior Plan or upon his completion of five years of Continuous Service, whichever shall first occur.

#### **2. Small Annuities**

If:

- (a) The lump-sum Actuarial Equivalent value of the amount of retirement income or deferred retirement income payable to a Member is less than 4 % of the YMPE in effect on his date of termination or retirement, as applicable; or
- (b) The amount of retirement income or deferred retirement income payable to a Member is less than 2 % of the YMPE in effect on his date of termination or retirement, as applicable; or
- (c) Such other amount as may be permitted from time to time in accordance with the Pension Benefits Act and the Income Tax Act;

The Member may receive such lump-sum Actuarial Equivalent value, at the sole discretion of the Company.

#### **3. Excess Member Contributions**

Notwithstanding the terms of the Plan with respect to the Excess Member Contributions for



years of Credited Service since January 1, 1996, the Member, or Member's beneficiary if applicable, may request one of the following in respect of the Excess Member Contributions, in lieu of the additional pension described in Section 7.05:

- (a) Payment in a lump sum, or
- (b) Transfer to a registered savings plan.

**SUPPLEMENT «B»**

**PENSION PLAN FOR THE NON-SALES STAFF OF  
LAURENTIAN FINANCIAL SERVICES INC.**

**Supplement «B» covers special provisions of the Plan applicable only to Members who are permanently employed in the Province of Manitoba**

**SUPPLEMENT «B»**

**SPECIAL PROVISIONS FOR MEMBERS EMPLOYED**

**IN THE PROVINCE OF MANITOBA**

The purpose of this Supplement is to modify the terms of the Plan in certain respects, as outlined herein, for Members employed in the Province of Manitoba, in order to comply with the requirements of the Manitoba Pension Benefits Act, R.S.M. 1987, c.P32, and regulations thereunder, and as it may be amended from time to time.

**1. Actuarial Equivalent**

«Actuarial Equivalent» shall be as defined pursuant to Section 2.01 of the Plan, except that no distinction shall be made in the life expectancies between males and females with respect to all accrued benefits.

**2. Employee**

Notwithstanding the provisions of Section 2.15 (b) of the Plan, the term «Employee» shall include an individual employed in the part-time service of the Company with Earnings of not less than 25 % of the YMPE in each of the two Plan Years immediately prior to becoming a Member of the Plan, provided that the remaining conditions of Section 2.15 are satisfied.

**3. Spouse**

Notwithstanding the provisions of Section 2.35 (b) (i) of the Plan, the term «Spouse» shall include the Member's common-law spouse who has resided with the Member for a period of at least one year, provided neither of them is prevented by law from marrying the other, and further provided that during such period the Member and the common-law spouse have publicly represented themselves as husband and wife.

**4. Compulsory Membership**

Full-time Employees hired on and after January 1, 1985 shall be required to become Members of the Plan after satisfaction of the eligibility conditions pursuant to Sections 3.01 and 3.02 of the Plan.

## **5. Postponed Retirement Date**

Notwithstanding the provisions of Section 6.03 of the Plan, a Member shall, at his option, be permitted to continue his employment and remain an active Member of the Plan beyond his normal retirement date, subject to his continuing to be able to satisfactorily perform his duties. However, for purposes of the Plan, such Member's postponed retirement date must not occur beyond the end of the calendar year in which the Member attains his 69<sup>th</sup> birthday (or his 70<sup>th</sup> birthday if retirement occurred during 1996).

## **6. Automatic Form of Pension**

Notwithstanding the provisions of Section 8.04 of the Plan, the required form of pension shall provide that the amount of pension payable to the survivor of a Member and his Spouse shall be at least two-thirds (2/3) of the pension payable to the Member during the joint lifetime of such Member and his Spouse. The remaining conditions of Section 8.04 of the Plan shall remain applicable.

## **7. Vesting on Termination of Employment**

Notwithstanding the terms of the Plan with respect to benefit accruals on and after the Effective Date, the vesting and locking-in provisions of Section XI therein shall apply upon a Member's completion of two years of membership in the Plan or the Prior Plan or upon his completion of five years of Continuous Service, whichever shall first occur.

## **8. Excess Member Contributions**

Notwithstanding the terms of the Plan with respect to the Excess Member Contributions for years of Credited Service since January 1, 1996, the Member, or Member's beneficiary if applicable, may request one of the following in respect of the Excess Member Contributions, in lieu of the additional pension described in Section 7.05:

- (a) Payment in a lump-sum, or
- (b) Transfer to a registered savings plan.

**SUPPLEMENT «C»**

**PENSION PLAN FOR THE NON-SALES STAFF OF  
LAURENTIAN FINANCIAL SERVICES INC.**

**Supplement «C» covers special provisions of the Plan applicable only to Members who are permanently employed in the Province of New Brunswick**

## **SUPPLEMENT «C»**

### **SPECIAL PROVISIONS FOR MEMBERS EMPLOYED**

#### **IN THE PROVINCE OF NEW BRUNSWICK**

The purpose of this Supplement is to modify the terms of the Plan in certain respects, as outlined herein, for Members employed in the Province of New Brunswick, in order to comply with the requirements of the New Brunswick Pension Benefits Act, S.N.B. 1987, c.P-5.1, and regulations thereunder, and as it may be amended from time to time.

#### **1. Vesting on Termination of Employment**

Notwithstanding the terms of the Plan with respect to benefit accruals on and after the Effective Date, the vesting and locking-in provisions of Section XI therein shall apply upon a Member's completion of two years of membership in the Plan or the Prior Plan or upon his completion of five years of Continuous Service, whichever shall first occur.

#### **2. Small Annuities**

If the lump-sum Actuarial Equivalent value of the deferred pension to which a Member is entitled upon termination of employment is less than 10 % of the YMPE on effect upon his date of termination, or such other amount as may be permitted from time to time in accordance with the Pension Benefits Act and Income Tax Act, the Company may require such Member to elect to transfer the commuted value of his deferred pension benefit in accordance with Section XI herein.

#### **3. Excess Member Contributions**

Notwithstanding the terms of the Plan with respect to the Excess Member Contributions for years of Credited Service since January 1, 1996, the Member, or Member's beneficiary if applicable, may request one of the following in respect of the Excess Member Contributions, in lieu of the additional pension described in Section 7.05:

- (a) Payment in a lump sum, or
- (b) Transfer to a registered savings plan.

**SUPPLEMENT «D»**

**PENSION PLAN FOR THE NON-SALES STAFF OF  
LAURENTIAN FINANCIAL SERVICES INC.**

**Supplement «D» covers special provisions of the Plan applicable only to Members who are permanently employed in the Province of Quebec**

## **SUPPLEMENT «D»**

### **SPECIAL PROVISIONS FOR MEMBERS EMPLOYED**

#### **IN THE PROVINCE OF QUEBEC**

The purpose of this Supplement is to modify the terms of the Plan in certain respects, as outlined herein, for Members employed in the Province of Quebec, in order to comply with the requirements of the Quebec Supplemental Pension Plans Act, R.S.Q., c. R-15.1, and regulations thereunder, and as it may be amended from time to time.

#### **1. Postponed Retirement Date**

Notwithstanding the provisions of Section 6.03 of the Plan, a Member shall, at his option, be permitted to continue his employment and remain an active Member of the Plan beyond his normal retirement date, subject to his continuing to be able to satisfactorily perform his duties. However, for purposes of the Plan, such Member's postponed retirement date must not occur beyond the end of the calendar year in which the Member attains his 69<sup>th</sup> birthday (or this 70<sup>th</sup> birthday if retirement occurred during 1996).

In order to compensate for any reduction in salary as may occur subsequent to his normal retirement date, such Member may elect to receive full or partial payment of his pension benefits to commence on the first days of any month subsequent to his normal retirement date.

A Member who does not elect to receive full or partial payment of his pension benefit during the period from his normal retirement date to his postponed retirement date shall receive, commencing on his postponed retirement date, a pension benefit equal to the greater of (a) and (b) below:

- (a) The benefit accrued by the Member to his postponed retirement date in accordance with Sections 7.01 and 7.05 of the Plan; or
- (b) The sum of (i) and (ii) as follows:
  - (i) The pension accrued by the Member to his normal retirement date in accordance with Sections 7.01 and 7.05 of the Plan, revalued as an Actuarial Equivalent pension on his postponed retirement date; plus



- (ii) The Actuarial Equivalent on the Member's postponed retirement date of his contributions made pursuant to Section 4.01 of the Plan subsequent to his normal retirement date, with Credited Interest thereon.

A member who does elect to receive full or partial payment of his pension benefits subsequent to his normal retirement date shall cease to make contributions pursuant to Section 4.01 of the Plan and shall cease to accrue further pension benefits and pension contributions pursuant to Sections 7.01 and 4.02 of the Plan. A calculation shall be made of his pension entitlement at such date of election using the methods and formula as set out hereafter.

The pension benefit for a Member who makes an election as defined in paragraph hereabove shall be the Actuarial Equivalent as at his postponed retirement date of the benefit calculation made as at his date of election, reduced by the Actuarial Equivalent of the pension payments he elected to receive prior to his postponed retirement date.

## **2. Death After Normal Retirement Date**

If a Member who postpones his retirement should die subsequent to his normal retirement date but prior to his postponed retirement date, he shall be deemed to have retired on the day before the date of his death. The Member's pension entitlement as at that date shall be revalued in accordance with the preceding paragraphs hereof, and his Beneficiary shall receive any death benefits payable in accordance with Section 9.03 of the Plan.

## **3. Termination After Completion of Two Years of Membership**

Notwithstanding the provisions of subsection 11.02 (b), the benefits derived from the Additional Pensions shall not be considered as an exception in this subsection.

**SUPPLEMENT «E»**

**PENSION PLAN FOR THE NON-SALES STAFF OF  
LAURENTIAN FINANCIAL SERVICES INC.**

**Supplement «E» covers special provisions of the Plan applicable only to Members who are permanently employed in the Province of Saskatchewan**

## **SUPPLEMENT «E»**

### **SPECIAL PROVISIONS FOR MEMBERS EMPLOYED**

#### **IN THE PROVINCE OF SASKATCHEWAN**

The purpose of this Supplement is to modify the terms of the Plan in certain respects, as outlined herein, for Members employed in the Province of Saskatchewan, in order to comply with the requirements of the Saskatchewan Pension Benefits Act, 1992, S.S. 1992, c-6.001, and regulations thereunder, and as it may be amended from time to time.

#### **1. Actuarial Equivalent**

Notwithstanding the provisions of Section 2.01 of the Plan, the term «Actuarial Equivalent» shall mean an actuarially equal value determined in accordance with Section 17.2 of the Saskatchewan Pension Benefits Act and using such tables as prescribed by the regulations thereunder.

#### **2. Credited Interest**

Notwithstanding the provisions of Section 2.09 and Section V of the Plan, «Credited Interest» shall mean interest on a Member's contributions to the Plan as determined in accordance with those Sections or, if greater, the minimum amounts of interest as prescribed by the Saskatchewan Pension Benefits Act and regulations thereunder.

#### **3. Vesting on Termination of Employment**

Notwithstanding the provisions of the Plan, with respect to benefits accrued to a Member on and after January 1, 1989, the vesting and locking-in provisions of the Plan shall also apply when the Member has completed one year of Continuous Service and the sum of his age and Continuous Service equals to at least forty-five (45) years, if satisfaction of such conditions precedes the satisfaction of the conditions pursuant to the terms of the Plan.

#### **4. Excess Member Contributions**

Notwithstanding the terms of the Plan with respect to the Excess Member Contributions for years of Credited Service since January 1, 1996, the Member, or Member's beneficiary if applicable, may request one of the following in respect of the Excess Member Contributions,

in lieu of the additional pension described in Section 7.05:

- (a) Payment in a lump-sum, or
- (b) Transfer to a registered savings plan.

