

1974 PENSION PLAN
FOR
SALARIED EMPLOYEES
OF
SYDNEY STEEL CORPORATION

As Amended to January, 1998

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SECTION I

DEFINITIONS

-) 1.1 The following words and phrases, wherever used in this Plan, shall have the following meanings:
- (a) "Actuary" means a person qualified as a Fellow of the Canadian Institute of Actuaries, or a firm employing such a person, appointed as Actuary to the Plan by the Corporation.
 - (b) "Actuarial Equivalent" means a benefit of equal value computed upon an actuarial basis recommended by the Actuary and approved by the Committee. Such actuarial basis shall not taken into account the sex of the member.
 - (c) "Committee" means the Retirement Committee as established under Section XI.
 - (d) "Consumer Price Index" for any year means the arithmetic average of the monthly Consumer Price Indices for the 12 months ended on December 31 of the immediately preceding year, as calculated by the Dominion Bureau of Statistics for Canada as a whole and, should such index be replaced by another, means the index substituted therefore, arithmetically adjusted to the same basis.
 - (e) "Continuous Service" means continuous employment by the Corporation and employment shall be continuous, notwithstanding:

- (i) Leave of absence of definite duration by written permission of the Corporation, and any extension thereof, of defined period, granted in writing by the Corporation at the request of or with the consent of the Employee, provided employment by the Corporation is resumed forthwith at the end thereof;
- (ii) Service in the armed forces of Her Majesty or Her Allies, excluding periods of enlistment in peace time, provided employment by the Corporation is resumed within 90 days of the termination of said service or within such longer period as may be provided by law for the protection of employment rights following military service;
- (iii) Periods of lay off prior to January 1, 1968, up to a maximum of 48 months, provided that no more than 24 consecutive months may be included, for employees with a minimum of 30 years of service at retirement.

Continuous Service shall also include such other periods as the Committee shall recognize for purposes specifically related to any one or more provisions of the Plan.

- (f) "Corporation" means Sydney Steel Corporation and/or Subsidiary Companies whose participation in the Plan is approved by the Corporation.
- (g) "Employee", for purposes of this Plan, means a person in full-time employment by the Corporation (other than a person included in a bargaining unit) whose remuneration is calculated on a weekly or longer basis and is paid through the salaried payroll of the Corporation.

- (h) "Fund" means the pension fund instituted in accordance with the Trust Agreement, into which all contributions will be placed and from which all benefits shall be paid. The fiscal year of the Fund shall be the calendar year.
- (i) "Government Contributory Pension Plan" means the Canada Pension Plan or the Quebec Pension Plan or any similar Plan instituted by the Government of Canada or of any Province of Canada.
- (j) "Interest" means, in regard to Members' required contributions made in accordance with subsection 4.1 hereof, interest at the rate of 3% per annum up to December 31, 1987, and thereafter at least the average of the yields on five-year personal fixed term chartered bank deposit rates (published as CANSIM Series B14045) over the 12 months in the immediately preceding calendar year.
- (k) "Member" means an Employee or Casual Employee who is enrolled as a Member in the Plan.
- (l) "Plan" means this 1974 Pension Plan for Salaried Employees of Sydney Steel Corporation.
- (m) "Salary" means the basic annual salary of each Employee or Casual Employee as determined by the Committee, and shall exclude premiums, bonuses, commissions or overtime payments, or similar extraneous forms of remuneration.
- (n) "Termination of Service" means interruption of Continuous Service otherwise than by retirement or death.

- (o) "Trustee" means a corporate trust company or such other trustees as are designated under a Trust Agreement made between the Corporation and such Trustee.
- (p) "Trust Agreement" means the agreement made between the Corporation and the Trustee instituting, and determining the administration of, the Fund.
- (q) Credited Service: One year of credited service shall consist of 1,800 hours, and will be earned in 1/10 of a year for the first 90 hours and for each 180 hours thereafter of work performed during the calendar year and for which pay is received from the Corporation. Periods of paid vacation, or paid disability leave shall be included; paid disability leave includes periods of Total Disability for which payments are received from the Corporation, the Workers' Compensation Board, or an insured disability plan arranged by the Corporation. No more than one year of credited service may be earned in any calendar year.

Notwithstanding, Employees with a minimum of 30 years of Continuous Service who were laid off prior to January 1, 1990 because of lack of work shall, at retirement, have such periods of lay off, up to a maximum of 48 months, provided no more than 24 consecutive months may be included, included in Credited Service for retirements occurring on and after January 1, 1995. Such additional Credited Service shall not duplicate any Credited Service under any other pension plan sponsored by the Corporation, and the 48 month maximum shall include any Credited Service accrued under similar provisions of other pension plans sponsored by the Corporation.

- (r) "Act" means the Pension Benefits Act of Nova Scotia.
- (s) "Regulations" means the regulations made pursuant to the Act.

- (t) "Casual Employee", for purposes of this Plan, means a person who is not in full-time employment by the Corporation and who otherwise meets the definition of "Employee" in subsection 1.1(g).
- (u) "Commutated Value" means the Actuarial Equivalent of a pension or deferred pension benefit calculated as prescribed under the Act, or on such other basis established by the Committee that produces a larger value. The Commuted Value shall also be calculated in accordance with the requirements of the Income Tax Act.
- (v) "Spouse" means either of a man and woman who
 - (i) are married to each other,
 - (ii) are married to each other by a marriage that voidable and has not been annulled by a declaration of nullity,
 - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement, or
 - (iv) not being married to each other and neither being married to another person have lived together as husband and wife for three years and are living together as husband and wife at the relevant time.

If a different definition of Spouse is required with respect to a Member under legislation, similar to the Act, of another province, such alternate definition of Spouse shall be applied. Notwithstanding, for all purposes of the Income Tax Act, the definition of spouse therein shall apply.

"Income Tax Act" means the Income Tax Act, Statutes of Canada and the Regulations thereunder, and where applicable includes the provisions of Information Circular 72-13R8 issued by the Department of National Revenue, as amended or replaced from time to time.

"Total Disability" means a disability throughout which the Member is physically or mentally impaired so that he is prevented from performing the duties of employment in which he was engaged prior to the impairment and which is certified, in writing, by a medical doctor licensed in Canada or where the Member resides.

"Total and Permanent Disability" means a physical or mental impairment which prevents a Member from engaging in any employment for which he is reasonably suited by virtue of his education, training, or experience and that can reasonably be expected to continue for the remainder of the Member's lifetime and which is certified, in writing, by a medical doctor licensed in Canada or where the Member resides.

"Pension Adjustment" shall have the meaning as defined in the Income Tax Act. In no event shall the pension accrued in a Plan Year result in a Pension Adjustment in excess of the limits prescribed by the Income Tax Act.

"Plan Year" shall mean the calendar year.

1.2 Unless the context otherwise requires

- (a) words which could designate either the masculine or feminine gender shall be construed as designating both;
- (b) words designating the masculine gender shall also be construed as designating the feminine gender; and

- (c) words designating the plural number shall also be construed as designating the singular number and vice versa.

SECTION II

EFFECTIVE DATE

- 2.1 The Effective Date of the Plan is January 1, 1974.
- 2.2 The provisions of the Plan amend and supersede the provisions of any previous Plan to which the Corporation, or any predecessor Company has contributed on behalf of the Employees.
- 2.3 Previous pension plans include the Dominion Steel and Coal Corporation, Limited, Pension Fund, 1923; the Dominion Steel and Coal Corporation, Limited New Pension Plan 1955; the 1966 Hawker Siddeley Canada Ltd. Pension Plan; and the Sydney Steel Corporation Pension Plan for Salaried Employees.

SECTION III

ELIGIBILITY

- 3.1 All Employees who were members of previous plans to which the Corporation or any predecessor Company were contributing on their behalf automatically become Members as of the Effective Date.
- 3.2 Any other Employee will become a Member upon the first day of the month coincident with or next following the completion of three months Continuous Service in any regular capacity or as soon as thereafter as he becomes an Employee. For greater clarity, a person employed by the Corporation who did not meet the requirements of Employee in subsection 1.1(g), who subsequently meets the requirements of that subsection (e.g., by being transferred to the salaried payroll) will become a Member on the date he first meets the requirements of subsection 1.1(g), provided he has at least three months Continuous Service with the Corporation in any capacity. The Committee may liberalize these eligibility requirements at their discretion.
- 3.3 An Employee or Casual Employee will enrol as a Member by completing such forms as may be specified by the Committee.
- 3.4 The Corporation will provide each Employee or Casual Employee with a written explanation of:
 - (a) the terms and conditions of the Plan and amendments thereto which are applicable to him;
 - (b) his rights and duties with respect to the benefits available to him in accordance with the terms of the Plan; and

(c) any other information required in accordance with any applicable federal or provincial legislation.

3.5 The establishment of the Plan shall not be construed as conferring any legal rights upon any Employee or Casual Employee or other person for a continuation of employment nor shall it interfere with the rights of the Corporation to discharge any Employee or Casual Employee and to treat him without regard to the effect which such treatment might have upon him as a Member of the Plan.

3.6 No Member may withdraw from the Plan while still employed by the Company.

3.7 For all purposes of this Plan, a Member whose service is terminated and who later re-enters the service of the Corporation will thereafter be treated as a new employee.

Notwithstanding, if the former Member is in receipt of a pension from any pension plan sponsored by the Corporation, the Member shall continue to receive said pension and shall not accrue further benefits under this Plan during the period of re-employment.

3.8 All Casual Employees may elect to become Members of the Plan on the first day of any month after the completion of two consecutive calendar years in which their Regular Earnings were at least 35% of the YMPE, provided such date is on or after January 1, 1988.

SECTION IV

CONTRIBUTIONS

- 4.1 Each Member shall contribute to the Fund an amount equal to 3% of his salary up to the Years Maximum Pensionable Earnings (as defined by the Canada Pension Plan) plus 5% of his salary above the Years Maximum Pensionable Earnings. Such contributions shall be made by pay deduction but shall not exceed the maximum amount allowed by the Income Tax Act.

An amount contributed by the Member under this subsection may be refunded at any time to the Member where such action is required to avoid the revocation of registration of the Plan under the Income Tax Act, subject to the approval of the Superintendent of Pensions of Nova Scotia.

- 4.2 The Corporation will contribute to the Fund each year such amounts as are recommended by the Actuary and as are eligible under the Income Tax Act in respect of the future employment of each Member, over and above such Member's required contributions specified in subsection 4.1 above, to meet the cost of benefits arising in respect of that year, and to make such other payments as may be necessary to provide the benefits specified in the Plan and to cover all costs of administering the Plan, all in accordance with the Pension Benefits Act of Nova Scotia.

An amount contributed by the Corporation under this subsection may be refunded at any time to the Corporation where such action is required to avoid the revocation of registration of the Plan under the Income Tax Act, subject to the approval of the Superintendent of Pensions of Nova Scotia.

- 4.3 All contributions made by Members pursuant to subsection 4.1 subsequent to December 31, 1987 must be remitted to the Trustee within the 30 days following the month in which they were made. All contributions made by the Corporation pursuant to subsection 4.2 subsequent to December 31, 1987 must be remitted to the Trustee in monthly instalments within the 90 days following the month to which they are attributable.

SECTION V

RETIREMENT DATE

- 5.1 Each Member will normally retire on the first day of the month next following his sixty-fifth birthday, such day being hereinafter referred to as his Normal Retirement Date.
- 5.2 If a Member remains employed after his Normal Retirement Date and does not retire then he may continue to accrue benefits, subject to any maximum contained in Section VI, and make contributions under the Plan. However, the Member must retire not later than the end of the year in which he attains the age of 69.
- 5.3 A Member may retire on the first day of any month after his fifty-fifth birthday, or after completing 30 years of continuous service.
- 5.4 A Member who, in the opinion of the Corporation, is totally and permanently disabled to the extent that he cannot continue in active employment, may be retired on the first day of any month after becoming so disabled. Such disability must be certified by a qualified medical practitioner. While the Member is in receipt of income disability payments under the Corporation's Income Disability Plan, however, he will not be retired but will be assumed to continue in the service of the Corporation at the same rate of salary as he was last receiving. During this period, he will be relieved of contributions under subsection 4.1. A Member may, after attaining age 62, and who is in receipt of income disability benefits, elect an early voluntary retirement under subsection 6.2 but on such election the pension benefits otherwise payable shall be reduced by any income disability payments under the Corporation's Income Disability Plan that he would be entitled to receive.

SECTION VI

RETIREMENT BENEFITS

- 6.1 Each member who retires on or after his Normal Retirement Date on or after January 1, 1995, shall receive from his actual retirement date an annual pension of
- (a) \$360 for each year of Credited Service to a maximum of 35 years. However a member who has at least 35 years of Credited Service as of September 1, 1997 shall be subject to a maximum of 40 years of Credited Service, **plus**
 - (b) in respect of his Continuous Service between May 1, 1955 and August 1, 1963, 33-1/3% of his required contributions made to and not subsequently withdrawn from a previous Pension Plan during that period, **plus**
 - (c) in respect of his Continuous Service between August 1, 1963 and January 1, 1966, 41-2/3% of his required contributions made to and not subsequently withdrawn from a previous Pension Plan during that period, **plus**
 - (d) in respect of his Continuous Service on and after January 1, 1966, 30% of his required contributions made to and not subsequently withdrawn from a previous Pension Plan on and after that date, reduced by any amounts payable with respect to the same period of service under the Corporation's Non-contributory Union Pension Plan 1968, as amended from time to time, or any other similar plan or plans.
- 6.2 Each Member who retires before the Normal Retirement Date on or after January 1, 1995, in accordance with subsection 5.3 shall receive, as and from the actual retirement date, an annual pension equal in amount to

- (a) The annual pension accrued to the retirement date (otherwise payable from his Normal Retirement Date) reduced by $\frac{1}{2}$ of 1% for each of the first 60 months and by $\frac{1}{4}$ of 1% for each additional month between the actual retirement date and the sixty-second birthday.

If an employee has at least 30 years of continuous service or has attained his sixty-second birthday, the reduction stated above will not apply to pensions provided under the provisions of subsections 6.1(a) and 6.1(d); **plus**

- (b) If the actual retirement date is on or after January 1, 1995, and is concurrent with or subsequent to the sixty-second birthday, or if the member has at least 30 years of continuous service, the member shall receive a pension of \$240 for each complete year of Credited Service up to a maximum of 30 years, payable from the actual retirement date until the Normal Retirement Date.

- 6.3 Each Member who retires in accordance with subsection 5.4 but who does not qualify for benefit under Salary Continuance Insurance Program of the Corporation shall receive, as and from his actual retirement date, an annual pension equal in amount to the annual pension accrued to his retirement date (otherwise payable from his Normal Retirement Date) without reduction.

Such pension shall terminate immediately when he ceases to be totally and permanently disabled, in the opinion of the Corporation, at which time he will revert to the status of an active Member, his period of disability being deemed not to have interrupted his Continuous Service and included in his Continuous Service for purposes of computation of benefit under subsection 6.1(a).

- 6.4 Notwithstanding any other provision of this Plan to the contrary:

The annual lifetime pension payable to a Member under this Plan, including a pension payable to a Member's Spouse or former Spouse pursuant to subsection

10.6, determined at the time of pension commencement, shall not exceed the years of the Member's pensionable service multiplied by the lesser of:

- (a) \$1,722.22 or such greater amount permitted under the Income Tax Act; and
- (b) 2% of the Member's highest average indexed compensation (as defined under the Income Tax Act) in any three non-overlapping periods of 12 consecutive months;

reduced, if the pension commencement date precedes the earlier of the day on which:

- (c) the Member will attain age 60;
- (d) the Member's age plus Continuous Service would have equalled 80;
- (e) the Member would have completed 30 years of Continuous Service; and
- (f) the Member becomes Totally and Permanently Disabled,

by $\frac{1}{4}$ of 1% for each month by which the pension commencement date precedes that day.

- 6.5 (a) When a Member has retired that part of his pension derived from subsections 6.1(b), 6.1(c), and 6.1(d), will be adjusted at the end of each calendar year by the Annual Adjustment Factor for that year, regardless of subsection 6.4 above.
- (b) The Annual Adjustment Factor for any year shall mean the factor obtained by dividing the Annual Adjustment Index for that year by the Annual Adjustment Index for the next preceding year. The Annual Adjustment Factor shall not exceed 1.03.

The Annual Adjustment Index means the average of the Consumer Price Index for the year and for each of the four next preceding years.

6.6 The pensions of all Members of the Previous Plan who have retired between May 1, 1970 and the Effective Date, and all Members of this Plan who have retired, or terminated employment being entitled to a deferred pension under the provisions of subsection 8.1 or 8.2, prior to July 1, 1974, will be recomputed as if this Section VI, as modified in this subsection 6.6 had been in effect at their date of retirement or termination. For purposes of this subsection 6.6, the provision of subsection 6.1(a) will be replaced by the following:

(i) 1% of the Member's salary at May 1, 1955 multiplied by the number of years from the date of commencement of the Member's Continuous Service to his Normal Retirement Date; **or**

(ii) \$1,380; **by the ratio of**

(iii) the Member's Continuous Service to May 1, 1955 to

(iv) the number of years from the date of the commencement of the Member's Continuous Service to his Normal Retirement Date; **plus**

\$75 for each year of Continuous Service subsequent to May 1, 1975.

6.7 The pension of all Members who retire, or terminate employment being entitled to a deferred pension under the provisions of subsection 8.1 or 8.2, after the Effective Date will be computed in accordance with the rules of the Plan in effect as at the date of retirement or termination, unless specifically otherwise provided.

- 6.8 Effective January 1, 1977 all pensioners covered by this plan, alive on that date, and who retired prior to July 1, 1976, will have their monthly pension increased by a supplement of \$10 per month.
- 6.9 Effective January 1, 1979 all pensioners covered by this plan, alive on that date, and who retired prior to July 1, 1978, will have their monthly pension increased by a supplement of \$10 per month.
- 6.10 Effective January 1, 1980, all pensioners covered by this plan who were alive on July 1, 1980, and who retired prior to July 1, 1979 will have their monthly pension increased by a supplement of \$10 per month.
- 6.11 Effective October 1, 1982, all pensioners covered by this plan who were alive on that date, and who retired prior to October 1, 1981, will have their monthly pension increased by a supplement of \$10 per month.
- 6.12 Any pensioner who retired on or after October 1, 1983, but prior to April 1, 1984, shall receive, as of April 1, 1984, a payment equal to \$4.75 multiplied by the number of months between the date of retirement and April 1, 1984, plus in addition, \$4.75 for each such month during which there was a pension payable under the provisions of subsection 6.2(b).
- 6.13 The Commuted Value of the pension provided for service prior to January 1, 1988 may not be less than the Member's contributions made prior to such date. If such Commuted Value be less, then the pension with respect to such service shall be increased so that they are equal.
- 6.14 No more than 50% of the Commuted Value of the pension provided for service after December 31, 1987 may be provided by the Members' required contributions made pursuant to subsection 4.1 after such date. The excess of such contributions over said 50% shall be refunded to the Member in a lump sum at retirement.

- 6.15 (a) Any employee who has at least 35 years of service, or who has attained age 62, may be offered retirement by the Corporation in 1988, but not before May 1, 1988, but may not retire before May 1, 1988. Any such employee shall receive an additional pension as provided later in this subsection 6.15. Notwithstanding any other provisions of this subsection 6.15, no member may retire and receive an additional pension as provided in this subsection 6.15 until such time as a fully trained replacement is available.
- (b) The amount of the additional monthly pension is the amount shown in the table below **reduced** by the pension payable under subsections 6.1 and 6.2 of this Section VI:

Age at Retirement	Amount Payable		
	Prior to Age 60	From Age 60 to Age 65	From Age 65 On
Before 60	\$1,500	\$1,150	\$825
60	N/A	1,150	825
61	N/A	1,120	795
62	N/A	1,090	765
63	N/A	1,060	735
64	N/A	1,030	705
65	N/A	N/A	675

- (c) Any employee who retires under the provisions of subsection 6.15(a) who has at least 40 years of service shall have the figures shown in subsection 6.15(b) increased by \$100.

- (d) Any employee who retires under the provisions of subsection 6.15(a) shall also receive an additional monthly pension payable from age 60 or his actual date of retirement, if later, equal to the excess, if any, of the amount shown in the table below over the amount of the pension that would have been paid to him under the Canada Pension Plan, had the employee elected to receive the Canada Pension Plan pension at age 60 or his date of retirement, if later:

Age at Retirement	Amount
60	\$350
61	380
62	410
63	440
64	470
65	500

- (e) Any employee who retires under the provisions of subsection 6.15(a) shall also receive an additional monthly pension payable from age 65 equal to the excess, if any, of \$325 over the amount of the Old Age Security Pension that would have been paid to the employee, had the employee elected to receive the Old Age Security Pension.

- (f) For non-integral ages between 60 and 65, the appropriate figure in subsections 6.15(b) and 6.15(d) will be determined by linear interpolation.

SECTION VII

DEATH BENEFITS

- 7.1 Should a Member die before his pension commences, all his contributions made under subsection 4.1 with interest to the date of his death shall be paid to his beneficiary or estate.
- 7.2 Except as hereinafter provided, should a Member die after his pension has commenced but before 72 monthly payments have been made, any remainder of such payments not including any benefits payable under subsections 6.1(a) and 6.2(b), will be paid to his beneficiary or estate, unless an optional form of pension has been elected under Section IX.
- 7.3 Should a Member die, after postponing his retirement under subsection 5.2, but before his pension commences it shall be presumed that he retired on the day before the date of his death.
- 7.4 By an election in writing submitted to the Committee and
- (a) made by the Member during his lifetime, or
 - (b) in default of such election by the Member, made after his death by his beneficiary or his electors, administrators, or other legal representatives,
- settlement of any payment under subsection 7.1 may be made
- (i) to his beneficiary or estate in a lump sum, or

(ii) to his beneficiary, if his spouse, as an immediate life annuity with or without a guarantee period, provided such guaranteed period does not exceed the limit set by the Department of National Revenue as it may be from time to time,

provided that any election of an option under (ii) above by the Member's executors, administrators, or other legal representatives shall be made with the written concurrence of the beneficiary entitled to receive the proceeds of settlement.

- 7.5 A Member may, by execution of such forms required by the Committee during his Continuous Service, designate a beneficiary to receive any benefits payable after his death, and may, by execution of such forms required by the Committee, alter or revoke such designation from time to time, subject always to the provisions of any law governing designation of beneficiaries which may apply. Should such designation be legally valid such benefits shall be paid to the said beneficiary, except that the Committee, however, reserves the right in its full discretion, to authorize such payments to be made to the estate of the Member. No nomination of beneficiary will be in force until accepted by the Committee in writing.
- 7.6 Should a Member have a Spouse, such Spouse must be designated as the beneficiary.
- 7.7 Should a Member die in the service of the Corporation before his Normal Retirement survived by a Spouse, there shall be paid to the Spouse, in addition to the benefit payable under subsection 7.1 the excess, if any, of 60% of the Commuted Value of the deferred pension for service after December 31, 1987 to which the Member would have been entitled had he terminated service on the date of death over the refund (with interest) of contributions made after December 31, 1987. Such excess shall be reduced by the amount of any group life insurance payable to the Spouse, and paid for by the Corporation.

- 7.8 Upon the death of a Member who is survived by a Spouse who has terminated service with the Corporation, and who is entitled to a deferred pension under Section VIII, there shall be paid to the Spouse, in addition to the benefit provided in subsection 7.1, the excess, if any, of 60% of the Commuted Value of the deferred pension for service after December 31, 1987 over the refund (with interest) of contributions made after December 31, 1987.

SECTION VIII

TERMINATION BENEFITS

- 8.1 Upon the termination of service of a Member, all his contributions made under subsection 4.1 with interest to his date of Termination of Service will be paid to the Member, except as provided in subsection 8.2. A Member with at least ten years of Continuous Service who receives a refund under this subsection 8.1 will also be entitled to receive a deferred pension payable from his Normal Retirement Date as provided in subsection 6.1(a).
- 8.2 A Member may elect, in lieu of such refund of his required contributions under subsection 4.1 to receive such deferred pension payable from his normal retirement date as the Actuary determines may be provided by his own required contributions and a proportion of the Corporation's contributions made on his behalf in accordance with the following table:

Completed Years of Continuous Service at Date of Termination of Service	Corporation Contribution
1 year but less than 2 years	10%
2 years but less than 3 years	20%
3 years but less than 4 years	30%
4 years but less than 5 years	40%
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 and over	100%

- 8.3 The Annual Adjustment Factor specified in subsection 6.5 shall not apply to pensions provided under subsection 8.1, 8.2, or 8.6.
- 8.4 The provisions of subsection 5.3 apply to pensions provided under subsection 8.1, 8.2, or 8.6. If a Member entitled to a pension under this Section VIII elects to receive it before his Normal Retirement Date under the provisions of subsection 5.3, the annual pension payable from his Normal Retirement Date shall be reduced by $\frac{1}{2}\%$ for each of the first 60 months, and $\frac{1}{4}\%$ for each additional month, between his actual retirement date and his sixty-fifth birthday.
- 8.5 If a Member ceases to be an Employee as defined in subsection 1.1(g), but continues to be employed by the Employer, he shall suspend making any contributions under Section IV and during such suspension, he shall not accrue any pension benefits under Section VI. On subsequently becoming an Employee again, he will be immediately reinstated as a contributing Member. On termination of Service such Member will be entitled to the benefits provided in subsection 8.1, 8.2, or 8.6 counting all years of Continuous Service for determining the vested portion of the Corporation Contribution. If such a member retires without having been reinstated, he shall receive the pension benefits provided under Section VI, based on his Earnings, Contributions, and Continuous Service up to the date he ceased to be an Employee. The amount payable under subsection 6.1(a) shall not be less than the amount payable under that subsection 6.1(a) at the date of termination or retirement, whichever be applicable.
- 8.6 Notwithstanding the provisions of subsection 8.1, upon the Termination of Service of a Member who has been in the service of the Corporation for a continuous period of ten years, or who has been a member of this Plan or a predecessor plan for ten years (whichever occurs first), and who has attained the age of 45 years, such member may not receive a refund of any required contributions made after December 31, 1976, but prior to January 1, 1988, but shall be required to receive a deferred pension commencing at the earliest date at which an unreduced pension

could be paid, pursuant to subsection 6.2, as provided in subsection 8.2, with respect to such service from January 1, 1977 to the date of termination. No pension provided under this subsection 8.6 may duplicate any pension provided under subsection 8.2.

- 8.7 Notwithstanding the provisions of subsection 8.1, upon the Termination of Service of a Member who has been a Member of the Plan, or any other pension plan sponsored by the Corporation for a period of two years, such Member may not receive a refund of any required contributions made after December 31, 1987 but shall be required to receive a deferred pension commencing at the earliest date at which an unreduced pension could be paid pursuant to subsection 6.2, as provided in subsection 8.2, with respect to service from January 1, 1988 to the date of termination. No pension provided under this subsection 8.7 may duplicate any pension provided under subsection 8.2.
- 8.8 For purposes of subsections 8.6 and 8.7 any increase in pension benefits given after December 31, 1987 shall be deemed to be for service in the calendar year of the increase, and not for the specific period of service to which it applies.
- 8.9 No more than 50% of the Commuted Value of the deferred pension provided under subsection 8.8 for service after December 31, 1987 may be provided by the Member's required contributions made pursuant to subsection 4.1 after such date. The excess of the value of such contributions over said 50% shall be refunded to the Member in a lump sum at termination. The deferred pension provided under subsections 8.2 and 8.6 must have a Commuted Value

at least equal to the Member's required contributions with interest made pursuant to subsection 4.1 for the period of service involved. If the Commuted Value is less than the said contributions, then pension shall be increased so it will be equal.

- 8.10 Upon termination of employment, a Member may authorize the Committee in writing to transfer any refund to which the member is entitled under subsection 8.1, or the Commuted Value of any pension to which the member is entitled under any other provisions of Section VIII, to the pension plan of the new employer, or into a retirement savings arrangement as prescribed under the Act or the Regulations, or use it to purchase a deferred life annuity with payments commencing no sooner than age 55, provided that the Member is not entitled to an immediate pension under Section VII, and has not attained the age of 55.

In this event, such transfer shall discharge all liability of the Corporation and the Trustee in regard to the benefit of the said Member under this Plan. All such transfers must be made in accordance with the Income Tax Act, and the Act and Regulations.

SECTION IX

NORMAL AND OPTIONAL FORMS OF PENSION

- 9.1 Normally the first instalment of his annual pension will be payable on the first day of the month coincident with or immediately following the date of retirement of the Member, or his Normal Retirement Date in the case of a deferred pension under Section VIII, and the last instalment on the first day of the month coincident with or immediately preceding the date of death, subject to the guarantee provided in subsection 7.2.
- 9.2 A Member may by an election in writing submitted to the Committee at any time before his Normal Retirement Date, or his actual retirement date if earlier, and duly approved by the Committee, convert the pension otherwise payable on his account into its actuarial equivalent as
- (a) a pension payable to him throughout his life and, after his death, continuing,
 - (i) unchanged
 - (ii) to the extent of two-thirds
 - (iii) to the extent of one-halfthroughout the lifetime of an annuitant (wife, husband, or named dependent) designated in his election; or
 - (b) a pension payable throughout his life (ceasing with the last monthly instalment falling due coincident with or immediately preceding his date of death), or

(c) a pension payable to him throughout his life but guaranteed for a period of

(i) 60 months

(ii) 120 months

(iii) 96 months and providing for a lump sum benefit payable at his date of death equal to 12 times the last pension instalment

always provided that the guarantee period shall not continue past the Member's eighty-fifth birthday.

- 9.3 A Member may by an election in writing at any time before his actual retirement convert the pension otherwise payable under 6.2(b) into a percentage thereof, with 60% of the pension actually being paid continuing to his spouse after his death for the balance of her lifetime. Such percentage is 95% increased or decreased by $\frac{1}{2}\%$ for each full year by which the spouse is more than ten years older or younger than the Member.

For purposes of this subsection 9.3 a spouse is the person to whom the Member has been married for at least three years prior to his retirement in the case of a legal marriage and for at least seven years prior to his retirement in the case of a recognized common-law marriage.

- 9.4 Should a contingent annuitant designated by a Member die before his pension commences, the election of an option under subsection 9.2 or 9.3 shall be deemed null and void.
- 9.5 Notwithstanding subsections 9.1, 9.2, and 9.3 should the Member, at the date of retirement, have a Spouse, the Member must elect, unless the Spouse gives consent in the manner prescribed under the Act or Regulations, a reduced pension

of actuarially equivalent value payable throughout the lifetime of the Member with the provision that, after the Member's death, a stipulated percentage shall continue during the life of, and payable to, the Spouse. Such percentage must be at least 60. Such guarantees may be attached to the pension as may be allowed under the administrative rules of Revenue Canada. This paragraph, however, does not apply to any pension that is payable for a temporary period, or is of a "make-up" nature, such as, but not limited to, Supplementary Pensions payable under paragraph 3(c) of Section II.

SECTION X

PAYMENT OF BENEFITS

- 10.1 Normally, a Member or his contingent annuitant, as the case may be will receive his annual pension in 12 equal instalments.
- 10.2 Should any pension benefit provided under the plan be less than 2% of the YMPE at the date of termination of employment, the Commuted Value of such benefit, may, at the discretion of the Committee, be paid in full discharge of all liability in respect of such benefit.
- 10.3 If the Committee receives evidence satisfactory to it that a person entitled to receive any benefits hereunder is physically or mentally incompetent to receive such a benefit and to give a valid release therefore, or is a minor, and that another person or an institution is then maintaining or has custody of such person and that no tutor, curator, guardian, committee, or other representative of such person has been duly and legally appointed, the Committee may authorize payment of such benefit to such other person or institution, and the release of such other person or institution shall be a valid and complete discharge for the payment of such benefit.
- 10.4 Before becoming entitled to any pension benefits under this Plan, the Member or such other recipient thereof shall furnish the Committee with such information, including but not limited to proof of age, relating to himself and any contingent annuitant, as it shall require.

- 10.5 None of the benefits provided for herein are capable of commutation except to the extent specified in subsection 10.2, nor shall they be subject to the claim of, or to execution, attachment, garnishment, or other legal or equitable process by, and creditor of a Member or any other recipient of benefits. No Member or other recipient of benefits under this Plan shall have any right whatsoever to alienate, encumber, assign, or anticipate any of the benefits herein provided or any interest arising out of or created by this Plan.
- 10.6 Notwithstanding subsection 10.5, part of the pension, or pension benefit credit, may be assigned to the Spouse, as defined in the Act or Regulations pursuant to a court order in the event of divorce, annulment, or separation provided that the value of the pension or pension credit so assigned is no more than 50% of the value of the benefit earned during the period of marriage the Member would have received had employment terminated at the date of divorce, annulment, or separation, whichever be applicable. All such assignments must conform to the applicable sections of the Act and Regulations.
- 10.7 Notwithstanding subsection 10.5, a pension may be assigned if such assignment is allowed under the Act, or a similar act of another jurisdiction, or the Income Tax Act.

SECTION XI

ADMINISTRATION OF THE PLAN

- 11.1 A pension fund shall be established and maintained in accordance with the provisions of the Trust Agreement. All contributions of Members and of the Corporation shall be paid into the Fund. The Fund shall be invested in accordance with the provisions of the Act and Regulations.
- 11.2 All contributions and benefit payments shall be expressed and made in Canadian currency.
- 11.3 The President of the Corporation shall appoint a Retirement Committee to administer the Plan and manage the Fund. The Committee shall be composed of an odd number of persons, but not less than three, who shall hold office during the pleasure of the Corporation.
- 11.4 The Committee shall administer the Plan and shall make such rules as it considers necessary to govern its procedure, and shall have the powers necessary to enable it to carry out properly its duties, including, but not limited to the power.
 - (a) to determine the nature and extent of the investments to be made by the Trustee;
 - (b) to authorize all disbursements made by the Trustees;
 - (c) to insure or reinsure any benefit;
 - (d) to determine matters of fact and policy and questions involving the interpretation of the plan.

11.5 The Corporation shall have no liability to make any payments to the Fund except as expressly provided in the Plan. Each member for himself, his heirs, executors, administrators, and legal representatives expressly releases the Corporation and the Committee from any and all liability for any loss or damage whatsoever arising in connection with the administration and management of the Plan and the Fund, except that arising from their wilful misconduct.

11.6 In this subsection 11.6 "approved employer" means for purposes of this Plan, a previous or subsequent employer for the benefit of whose employees there is an established pension plan approved by the Corporation and includes the administrator of such Plan. The Corporation may enter into an agreement with any approved employer whereby, in consideration of the agreement of that employer to pay into the Fund an amount determined in accordance with the agreement in respect of any employee of that employer who becomes, or has become employed by the Corporation, the Corporation will pay to the pension plan established for the benefit of employees of that employer, an amount also determined in accordance with the agreement of any Member who ceases to be employed by the Corporation to become employed by that employer. Such agreement shall specify

- (i) where a person ceased or ceases to be employed by the approved employer to become employed by the Corporation, the service of that person with such employer which is to be counted as pensionable service under this Plan; and
- (ii) where a Member ceased or ceases to be employed by the Corporation to become employed by an approved employer, the service of that person with the Corporation which is to be counted as pensionable service under such employer's pension plan.

SECTION XII

AMENDMENT OR TERMINATION OF THE PLAN

- 12.1 The provisions of the Plan may be amended at any time and from time to time by the Corporation and, particularly in the event of any significant change in government pension legislation.

No such amendment, however, shall have the effect of diminishing the benefits accrued to each Member at the time such amendment comes into effect, consistent with the Fund then accumulated, unless the reduction is required in order to maintain the Plan's registration under the Income Tax Act, subject to the approval of the Superintendent of Pensions of Nova Scotia.

Where an amendment results in a certifiable past service pension adjustment (as defined under the Income Tax Act) in respect of a Member, the amendment shall not apply to such Member prior to certification of the past service pension adjustment in accordance with the Income Tax Act.

Any such amendment or any other decision or action of or by the Corporation hereunder shall be binding upon all parties having an interest in the Plan.

- 12.2 The Plan may be discontinued at any time by the Corporation but only upon condition that such action shall render it impossible at any time for any part of the Fund to be used for, or diverted to, purposes other than for the exclusive use of Members, retired Members, or other recipients of benefits under the Plan until all liabilities under the Plan are fully discharged. Any surplus then remaining may revert to the Corporation.

- 12.3 If the Plan is discontinued, the Fund, after provision for administration expenses, shall be allocated in an equitable and suitable manner approved by the Committee upon the recommendation of the Actuary among Members, retired Members, and other recipients of benefits under the Plan, and finally, under subsection 12.2 to the Corporation, in accordance with any applicable federal or provincial legislation.
- 12.4 Any surplus in the Plan certified by the Actuary may be withdrawn by the Corporation from the Fund while the Plan continues in existence or used to increase benefits or reduce contributions by the Corporation, but subject to the Act and Regulations.

SECTION XIII

SENIOR MANAGEMENT PROVISIONS

- 13.1 Senior Management Employee or Member means an Employee or Member in a category of employment designated by the Corporation as a Senior Management category.
- 13.2 Senior Management Service means Continuous Service with the Corporation as a Senior Management Employee. If a Senior Management Member has ten years of contributory membership in the Plan, all years of Continuous Service will be deemed to be Senior Management Service. However, in no event will any years of Continuous Service be deemed to be years of Senior Management Service if the Member withdrew contributions made therein from the 1955 Plan, unless such contributions have subsequently been repaid. The Corporation, however, in its sole discretion, may recognize other service with the Corporation, as Senior Management Service.
- 13.3 Senior Management Pensionable Earnings means the average of the Member's annual salary in the five calendar years of his highest salary during his last ten years of Service with the Corporation. Where a Senior Management Member has had less than five calendar years of service, such shorter period of service shall be used for the purpose of calculating his Senior Management Pensionable Earnings.
- 13.4 In lieu of the pension benefits provided in subsection 6.1 for service considered to be Senior Management Service, a Senior Management Member will receive a pension for each year of Senior Management Service, to a maximum of 30 years, equal to 2% of his Senior Management Pensionable Earnings. Such pension will be adjusted as provided in subsection 6.5. Such pension may not be less than that provided in subsection 6.1 and is subject to subsection 6.4.

- 13.5 The early retirement provisions of subsection 6.2 are applicable to Senior Management Members.
- 13.6 Notwithstanding any other provisions of this Plan, if a Senior Management Member retires, his pension will not be reduced as provided in subsection 6.2(a) if either he has attained his sixtieth birthday, or has at least 30 years of Continuous Service, or his age plus years of continuous service is at least 80. Any Senior Management Member who retires under the provisions of this subsection 13.6, shall receive a pension under the provisions of subsection 6.2(b) even if he is not otherwise eligible for such pension.
- 13.7 A Senior Management Member may, by an election in writing at any time before his actual retirement, convert the pension otherwise payable under subsection 13.4 (or subsection 6.1 if applicable) into a percentage thereof, with 60% of the pension actually being paid continuing to his spouse after his death for the balance of her lifetime. Such percentage is 100% decreased by $\frac{1}{2}\%$ for each full year by which the spouse is more than ten years younger than the Member.

For purposes of this subsection 13.7, a spouse is the person to whom the Member has been married for at least three years prior to his retirement in the case of a legal marriage and for at least seven years prior to his retirement in the case of a recognized common-law marriage.

With respect to Senior Management Members, this subsection 13.7 replaces subsection 9.3.

- 13.8 If a Senior Management Member should die while in the service of the Corporation, but on or after his fifty-fifth birthday, his spouse, if living, shall have the right, in lieu of the benefits provided under subsection 7.1 or 7.3 to elect that the Member be deemed to have retired under the provisions of subsection 5.3(a) on the first day of the month preceding his death, and to have elected the option

contained in subsection 9.3. The surviving spouse shall make this election within 90 days of the death of the Senior Management Member, and failing such election, subsection 7.1 or 7.3 shall apply.

13.9 In the event of the termination of employment of a Senior Management Member, any deferred pension to which he may be entitled under the provision of subsection 8.2 will be calculated in accordance with the provision of subsection 13.4 rather than subsection 6.1. With the approval of the Corporation given at the date of termination, the 30 years of Continuous Service required in subsection 13.6 may be deemed to include the period from the date of termination to the date the pension commences. Such additional service shall not, however, be used for calculating pension benefits under subsection 13.4 or any other provision of the Plan. Without such approval only service to the date of termination will be counted for all purposes of this Plan.

13.10 Any Senior Management Employee may elect to have his pension benefits calculated under the regular provisions of the Plan rather than this Section XIII.

APPENDIX A

	Qualification Date
Pension Benefits Act 1965 (Ontario)	January 1, 1965
Supplemental Pension Plans Act (Quebec)	January 1, 1966
The Pension Benefits Act (Alberta)	January 1, 1967
The Pension Benefit Act (Saskatchewan)	January 1, 1969
The Pension Benefits Act (Manitoba)	July 1, 1976
The Pension Benefits Act (Nova Scotia)	January 1, 1977