
**PENSION PLAN
FOR NON-UNIONIZED EMPLOYEES
OF QUEBECOR MEDIA INC. AND ITS PARTICIPATING SUBSIDIARIES**

Effective December 31, 2012

Certified to be a true and complete copy of the text of the Pension Plan for the Non-Unionized Employees of Quebecor Media Inc. and its Participating Subsidiaries as at December 31, 2012.

Isabelle Leclerc
Vice President Human Resources

Date

May 2014

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PART A

PROVISIONS APPLICABLE TO ALL MEMBERS

PART A – SECTION I

INTRODUCTION

Article 1.01 Plan Text

This document constitutes the plan text of the “Pension Plan for Non-Unionized Employees of Quebecor Media Inc. and its Participating Subsidiaries”, effective December 31, 2012.

Article 1.02 Merger of the Quebecor Plan and Sun Media Corporation Plan

With effect from June 30, 2003, Quebecor Media Inc. and Sun Media Corporation have decided to merge into the present Plan the following pension plans sponsored by Quebecor Media Inc. and Sun Media Corporation:

- the pension plan known as the “Régime de rentes pour les employés non assujettis à une convention collective de travail de Quebecor Inc. et ses filiales” (herein called the “Quebecor Plan”);
- the pension plan known as “The Pension Plan for Employees of Sun Media Corporation” (herein called the “Sun Media Corporation Plan”).

The approval of the merger was received on June 22, 2007 from the Financial Services Commission of Ontario and on April 14, 2008 from the Régie des rentes du Québec. The effective date of the merger is April 14, 2008 as these governmental authorities considered the later of the above-mentioned two dates.

Article 1.03 Provisions of the Quebecor Plan

The Quebecor Plan was established on January 1, 1986. Following the transfer of the assets and liabilities of the Quebecor Plan to the present Plan, the benefits accrued by members under the Quebecor Plan and all other rights and entitlements with respect to such benefits continue under the present Plan and the registration of the Quebecor Plan with the Régie des rentes du Québec ceased. For greater certainty, the same applies to benefits accrued since July 1, 2002 by Employees of Sun Media Corporation, as the case may be, who have joined, on that date or any January 1, thereafter, the Quebecor Plan.

Article 1.04 **Provisions of the Sun Media Corporation Plan**

The Sun Media Corporation Plan was established on January 1, 1973. Following the transfer of the assets and liabilities of the Sun Media Corporation Plan to the present Plan, the benefits accrued by members under the Sun Media Corporation Plan and all other rights and entitlements with respect to such benefits continue under the present Plan and the registration of the Sun Media Corporation Plan with the Financial Services Commission of Ontario ceased.

Article 1.05 **Payment of Benefits and Protection of Accrued Benefits**

Benefits payable to Employees who retired before December 31, 2012 and benefits payable to their Spouses or beneficiaries and all deferred pensions payable to Members who terminated their employment with the Employer before December 31, 2012 shall continue to be paid or payable, as applicable, under the provisions of the previous plan text, except as stipulated by the present Plan text.

Notwithstanding the foregoing, the following provisions apply as of the effective dates specified below:

- The changes made in this restated Plan text for Alberta Members at Article 6.14 d) Part A (as indicated in that Article): November 1, 2006;
- The changes made in this restated Plan text to Articles 5.03 Part B and 4.03 Part C: January 1, 2007;
- The changes made in this restated Plan text for Manitoba Members at Articles 4.02 h) Part A, 6.14 c) Part A, 12.01 Part A and 7.03 Part B: May 31, 2010;
- The changes made in this restated Plan text for Ontario Members at Articles 6.14 a) Part A, 7.01 Part B, 7.05 Part B, 6.03 (1) Part C, 6.04 Part C and 7.01 Part C and addition of Articles 8.05 Part B and 7.04 Part C: July 1, 2012.

As the assets and liabilities of the merging plans were consolidated, all benefits payable to Employees who retired before June 30, 2003 and all benefits payable to their Spouses or beneficiaries and all deferred pensions payable to Members who terminated their employment with the Employer before June 30, 2003 became payable from the consolidated assets held under the present Plan.

Should a member or former member of the Quebecor Plan or the Sun Media Corporation Plan have retired, terminated or died prior to the transfer of assets

and liabilities of his pension plan to this Plan, all benefits with respect to his entitlements were paid from the assets held under the applicable pension plan. Furthermore, in order to determine eligibility for and vesting of benefits prior to the transfer of assets and liabilities, all service and membership including service and membership under the present Plan after June 30, 2003 was taken into account. Once the assets and liabilities of the merging plans have been consolidated, all benefits accrued for employees not represented by a bargaining unit under either the present Plan, the Quebecor Plan or the Sun Media Corporation Plan became payable from the consolidated assets held under the present Plan.

Article 1.06 **Members represented by a Bargaining Unit**

In the event that Members become employees represented by a bargaining unit, their benefits accrued under the present Plan and all other rights and entitlements with respect to such benefits will continue under the present Plan until any agreement concluded between the Employer and the bargaining unit which represents the Members.

Article 1.07 Notwithstanding the foregoing, effective December 27, 2008, the following employees are not eligible to participate in the Plan:

- (a) Employees hired or rehired on or after December 27, 2008; and
- (b) Employees transferred on or after December 27, 2008 to employment of the Employer from the employment of a subsidiary, affiliated or associated company not designated as a participating employer under the Plan or transferred from an Other Plan.

Unless the context otherwise require, words designating the masculine gender shall also be construed as designating the feminine gender and words designating the plural number shall also be construed as designating the singular number, and vice-versa. A reference to an Article or a Section without the mention of the applicable Part A, B or C is a reference to an Article or a Section within that Part.

PART A - SECTION II

DEFINITIONS

For the purpose of the Plan, the following terms and expressions have the meaning given below, unless a different meaning is required by the context.

Article 2.01 **Active Member**

An Employee who has joined the Plan in accordance with Section IV and who is in the Service of the Employer or who is suffering from a Disability.

Article 2.02 **Actuarial Equivalent**

An actuarially equivalent value computed using actuarial tables and such other methods and assumptions as recommended by the Actuary for the purposes of the Plan, subject to the laws and regulations of the relevant jurisdiction and the Income Tax Act.

Article 2.03 **Actuary**

A person qualified as a Fellow of the Canadian Institute of Actuaries, or a firm employing such person, appointed as the Actuary for the Plan by the Sponsor.

Article 2.04 **Applicable Pension Benefits Act**

In Ontario, the *Pension Benefits Act* (R.S.O., 1990, c. P.8) and Regulations thereunder and any other similar legislation, as amended or replaced from time to time.

Article 2.05 **Authorized Leave of Absence**

An absence from employment duly authorized by the Employer.

Article 2.06 **Beneficiary**

An individual designated in writing by the Member who is entitled to receive benefits on the death of the Member if:

- (1) the Member has no Spouse,
- (2) the Member's Spouse has waived an entitlement to that benefit, or
- (3) the Member's Spouse has no entitlement to that benefit in accordance with the Applicable Pension Benefits Act.

A Member may revoke or amend a designation in the form and manner prescribed by the administrator from time to time, subject to the terms of the Plan and any applicable laws governing the designation of beneficiaries. If there is no Beneficiary at the date of the Member's death, "Beneficiary" shall mean the estate of the Member.

Article 2.07 **Commissions**

The amount of commissions earned by the Member in the Fiscal Year, as determined by the Employer.

Article 2.08 **Commuted Value**

In relation to benefits that a person has a present or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits determined, as of the time in question, using actuarial tables and such other methods and assumptions as recommended by the Actuary for the purposes of the Plan, subject to the Applicable Pension Benefits Act and the Income Tax Act.

Article 2.09 **Compensation**

Earnings as defined in this section, with the addition of overtime hours, bonuses, commissions, gratuities, employee benefits and any other amount to be included in the Member's income as employment income under the Income Tax Act and the deemed earnings used in calculating the Pension Adjustment limit.

Article 2.10 **Defined Benefit Limit**

Maximum annual pension payable to the Employee for each year of participation in the Plan, as defined in Section 8500(1) of the Income Tax Act.

Article 2.11

Disability

A disability certified by a qualified medical doctor licensed to practice in Canada, or where the Member resides, as being such as to prevent a Member from performing the duties of employment in which the Member was engaged before the commencement of the Disability, provided that the Member is entitled to benefits under a long term disability insurance plan sponsored by the Employer. Such a Disability shall be considered to cease on the earliest of the date at which the Member ceases to be entitled to long term disability benefits under the Employer's insurance plan, the date that the Member returns to the active service of the Employer or the Member's normal retirement date.

If a Member is not entitled to benefits under the Employer's long term disability plan, but is entitled to workers' compensation benefits in respect of an injury incurred on or after January 1, 1990 or any disability program sponsored by any government, as applicable, the Member shall be considered to suffer from a Disability until the earliest of:

- (1) any period of time following the injury, as prescribed by the applicable worker's compensation legislation;
- (2) the date on which the Member ceases to be entitled to workers' compensation benefits; and
- (3) the date on which the Member returns to active employment with the Employer.

Article 2.12

Earnings

The normal remuneration paid by the Employer for actual or deemed Services, excluding overtime, bonuses, gratuities, employee benefits, premiums of any nature, expense allowances or other special payments. Earnings means, in the case of sales representatives paid in whole or in part on a commission basis, 80% of Commissions, or advances on Commissions if that amount is higher, paid during the previous year, to which is added, if applicable, the normal remuneration as defined above, subject to an annual maximum equal to 50 times the Defined Benefit Limit that may be credited for the year plus 30% of YMPE; the above earnings shall be annualized if the Member has fewer than 12 months of Service. However, in the case of the Non-contributory Option, the annual maximum may not be less than \$104,561.

For designated management employees, Earnings as defined above include the bonus paid to a Designated Member.

For the purpose of calculating the benefits and contributions of a part-time Employee, Earnings are the amount the Employee would have received if the Employee was working full time.

From January 1, 1991, Earnings also includes, for the purpose of calculating the credited pension, deemed earnings for unpaid Temporary, Family or Disability leave included in Pensionable Service. The presumed earnings for a period of Temporary or Maternity Leave are calculated in accordance with Articles 12.01 and 12.03, or as above at the start of the leave period, as applicable. The presumed earnings for a period of disability are determined in accordance with Article 12.02.

Notwithstanding the preceding, for purposes of Article 4.07 of Part A and Article 1.03 of Part C, Earnings mean the basic salary and wages, including Commissions or bonuses to the extent appropriate for pension purposes, received by a Member from the Employer.

Article 2.13 **Employee**

A person connected to the Employer by a contract of lease and hire of services, not subject to a collective agreement, who works full or part time and is hired and regularly compensated by the Employer, including sales representatives paid wholly or partially on a commission basis.

Notwithstanding the foregoing, “**Employee**” does not include any person hired or rehired by the Employer on or after December 27, 2008 or any employee transferred on or after December 27, 2008 to employment of the Employer from the employment of a subsidiary, affiliated or associated company not designated as a participating employer under the Plan or transferred from an Other Plan.

Article 2.14 **Employer**

Quebecor Media Inc. as well as each participating employer listed in Appendix I of the Plan.

Article 2.15 **Family Leave**

Leave that starts at the birth of a child of a Member who is the biological mother or father of that child, or upon the adoption of a child by the Member, and ending no later than the period provided for under the applicable employment standards legislation which permits the Employee to maintain his membership in the Plan and subject to the requirements of the Income Tax Act .

- Article 2.16 **Fiscal Year**
- The 12-month period from January 1 of one calendar year to December 31 of the same year.
- Article 2.17 **Former Member**
- A former Employee or an Employee who has terminated membership in the Plan and is entitled to a deferred pension.
- Article 2.18 **Fund**
- The Fund created for the payment of benefits payable under the Plan, including the funds and securities transferred thereto.
- Article 2.19 **Funding Agent**
- An insurance company or trust company and includes any combination or successors thereof appointed by the administrator to hold, administer and invest the Fund.
- Article 2.20 **Funding Agreement**
- Any agreement or agreements now or thereafter executed between the administrator and the Funding Agent for the purposes of this Plan.
- Article 2.21 **Income Tax Act**
- The Income Tax Act, Statutes of Canada and the Regulations thereunder, and where applicable includes the provisions of Information Circular 72-13R8 issued by Canada Revenue Agency, as amended or replaced from time to time.
- Article 2.22 **Maternity Leave**
- Leave granted by the Employer to a female Member of the Plan in case of pregnancy or the birth of a child.
- Article 2.23 **Member**
- An Active Member, and may include, where applicable, a Former Member.
- Article 2.24 **Other Plan**
- Any other supplemental pension plan or registered pension plan in which the Employer participates or has participated and under which an Employee is entitled to pension benefits.

Article 2.25 **Pensionable Service**

With respect to a full-time Employee, the period of years of Service as an Active Member, and shall include periods of Temporary Leaves and of Disability in accordance with Section XII. Periods of Temporary Leave and of short-term disability will be included in accordance with Article 12.01, unless the Member has elected in writing not to continue accruing years of Pensionable Service.

With respect to a part-time Employee, Pensionable Service for each Fiscal Year shall be the ratio of that part-time Employee's actual hours worked to the hours regularly scheduled to be worked by full-time Employees during the Fiscal Year.

For the purpose of Pensionable Service determination, total unpaid Temporary Leave, except for periods of disability, is limited to 5 years. However, if Temporary Leave includes Family Leave, the 5 year limit shall be increased to 8 years, with only Family Leave being counted above the 5 year limit.

In addition, for benefits accruing under Part C, Pensionable Service will be expressed in years and complete calendar months as 1/12ths of a year. Any period of Pensionable Service of less than a full calendar month will be disregarded.

Article 2.26 **Plan**

The "Pension Plan for Non-Unionized Employees of Quebecor Media Inc. and its Participating Subsidiaries", as it may be amended from time to time.

Article 2.27 **Plan Anniversary**

The first day of each Fiscal Year.

Article 2.28 **Prior Service**

The Employee's Service before the date his Employer joined the Plan.

Article 2.29 **Quebecor Plan**

The "Régime de rentes pour les employés non assujettis à une convention collective de travail de Quebecor Inc. et ses filiales", as it read on June 30, 2003.

Article 2.30 **Retired Member**

An Active or a Former Member becomes a Retired Member upon having terminated his employment or membership in the Plan if the Member was an Active Member and is receiving a pension from the Fund, subject to Applicable Pension Benefits Act.

Article 2.31 **Service**

With respect to an Employee, years of Service are calculated from the latest date of employment irrespectively of any period of paid or unpaid Temporary Leaves, Disability Periods, Family Leave, part-time periods of employment and temporary interruption of Service.

Article 2.32 **Sponsor**

Quebecor Media Inc.

Article 2.33 **Spouse**

a) For an Ontario Member, the Spouse is:

the person who, on the Member's death or on the date payment of the Member's pension commences if he dies after his retirement:

- i) is married to the Member; or
- ii) is not married to the Member and has been living with the Member in a conjugal relationship continuously for a period of not less than 3 years whether the person is of the opposite or the same sex; or
- iii) has been living in a conjugal relationship with the Member of some permanence if this person and the Member are jointly the natural or adoptive parents of at least 1 child, both as defined in the Ontario *Family Law Act* whether the person is of the opposite or the same sex.

Notwithstanding the preceding, a person may not achieve Spousal status if the person lives separate and apart from the Member.

b) For a Quebec Member, the Spouse is:

the person who, on the date a determination of spousal status is required:

- i) is married to or in a civil union with the Member;
- ii) has been living in a conjugal relationship with the Member, whether the person is of the opposite or the same sex,

- a. for a period of not less than 3 years; or
- b. for a period of not less than 1 year if at least one child is born, or to be born, of this person and the Member's union, this person and the Member have adopted, jointly, at least one child while living together in a conjugal relationship or one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

Spousal status is determined on the first of the following dates:

1. the day preceding the date of death of the Member; or
2. the date payment of the Member's pension commences, it being understood that payment of the Member's pension has not commenced if the Member has only received payments under a phased retirement program.

In Quebec, a person may not qualify as a Spouse under subsection ii) above if the Member is already married or in a civil union.

Notwithstanding subsection i) above, a person who is legally separated from bed and board with the Member on the day on which spousal status is established is not entitled to a death benefit, unless that person is the Member's Beneficiary or the Member has advised the administrator in writing that the death benefit shall be paid to the spouse despite the separation from bed and board.

Subject to the last paragraph of b) below, the right of a Member's spouse to death benefits under the Plan is terminated upon divorce, annulment of marriage, separation from bed and board, dissolution or annulment of the civil union or upon cessation of conjugal relationship.

Notwithstanding the preceding, upon death of the Member, a person has to meet the requirements to be recognized as a spouse in accordance with the Income Tax Act in order to be entitled to the death benefits payable to the spouse in accordance with the Plan.

Notwithstanding the preceding, the Member may advise the administrator in writing to pay the death benefit normally paid to the spouse under the Plan to the person who has ceased to be the Member's spouse, despite the divorce, annulment of marriage, dissolution or annulment of civil union, separation from bed and board or cessation of the conjugal relationship, to the extent that no other person has spousal status under the Applicable Pension Benefits Act.

c) For a Manitoba Member, the Spouse is:

the person who, on the Member's death or on the date payment of the Member's pension commences if he dies after his retirement:

- i) is married to the Member; or
- ii) is not married to the Member but has been living in a conjugal relationship with the Member, whether the person is of the opposite or the same sex, for a period of:
 - a. at least 3 years, if either of them is married; or
 - b. at least 1 year, if neither of them is married.
- iii) registered, with the Member, a common-law relationship under section 13.1 of The Vital Statistics Act.

d) For an Alberta Member, the Spouse is:

the person who, on the Member's death or on the date payment of the Member's pension commences if he dies after his retirement:

- i) is married to the Member and has not been living separate and apart from that other person for 3 or more consecutive years; or
- ii) if paragraph i) does not apply, a person who, whether the person is of the opposite or the same sex, immediately preceding the relevant time, was living with the Member in a conjugal relationship for a continuous period of at least 3 years, or of some permanence, if there is a child of the relationship by birth or adoption.

e) For a British Columbia Member, the Spouse is:

the person who, on the Member's death or on the date payment of the Member's pension commences if he dies after his retirement:

- i) is married to the Member and who is not living separate and apart from the Member for more than 2 years immediately preceding the relevant time, or
- ii) if paragraph i) does not apply, the person who was living and cohabiting with the Member in a marriage-like relationship, including a marriage-like relationship between persons of the same gender, and who has been living and cohabiting in that relationship for a period of at least 2 years immediately preceding the relevant time.

Article 2.34 **Sun Media Corporation Plan**

The Pension Plan for Employees of Sun Media Corporation, as it read on June 30, 2003.

Article 2.35 **Suspended Member**

An Active Member who has elected to suspend his membership in the Plan in order to participate to the Group RRSP forming part of the Quebecor Media retirement program.

Article 2.36 **Temporary Leave**

Period during which an Active Member is not in the Service of the Employer because the Active Member is on leave or for the reasons set out in Article 12.01, except for periods of disability.

Article 2.37 **YMPE**

The Year's Maximum Pensionable Earnings as defined under the Canada or Quebec Pension Plan.

Whenever in the Plan text a reference is made to an Article, Section or Appendix, such reference shall be to the Article, Section or Appendix of the Part of the Plan in which the reference is made, unless specifically stipulated otherwise.

PART A - SECTION III
EMPLOYER MEMBERSHIP

Article 3.01 **Initial Participating Employers**

An Employer who was participating in the Quebecor Plan and Sun Media Corporation Plan as of June 29, 2003 participates in this Plan on and after June 30, 2003.

Article 3.02 **Membership Application**

An employer may apply to participate in the Plan. Such application shall include the Employer's acceptance of all provisions of this Plan and its amendments, including any future amendments. Subject to the acceptance of the Sponsor, the application shall be accompanied, as applicable, by any special provisions included in the Plan specifying the pensions credited for Prior Service and a certificate from the Actuary.

Article 3.03 **Resolution of the Board**

An employer becomes a participating employer under this Plan upon acceptance of the employer's application by resolution of the Sponsor.

Article 3.04 **Employer Contribution**

The Employer Contribution required under Articles 5.01 and 5.02 shall be divided among participating Employers according to the actuarial certificate, on a basis determined from time to time by the Sponsor.

Article 3.05 **Termination of Participation**

A participating Employer may terminate participation in the Plan on any Plan Anniversary date, upon 3 months advance written notice to the Sponsor.

The Sponsor may also terminate the participation of an Employer on any Plan Anniversary date upon 3 months advance written notice or on any other date, if in the opinion of the Sponsor the continuation of such participation might be prejudicial to the interests of other participating Employers and their Employees who are Members of the Plan. In such event, the active membership of the Employees of such an Employer is terminated and therefore, the termination of active membership shall, upon the Member's request, be treated as a termination of employment for the purpose of the Plan and that the Member's benefits shall be established as at that date, unless the Member requests that the benefits be established at a later date, which may be no later than the employment termination date.

PART A - SECTION IV

EMPLOYEE ELIGIBILITY AND MEMBERSHIP

Article 4.01 **Plan Closure to New Hires**

Notwithstanding the foregoing, effective December 27, 2008, the following employees are not eligible to participate in the Plan:

- a) Employees hired or rehired on or after December 27, 2008; and
- b) Employees transferred on or after December 27, 2008 to employment of the Employer from the employment of a subsidiary, affiliated or associated company not designated as a participating employer under the Plan or transferred from an Other Plan.

Article 4.02 **Eligibility Requirements**

A full-time Employee is eligible to join the Plan on the first day of the month following the date on which:

- a) the Employee has earned at least 35% of YMPE or has worked at least 700 hours in the calendar year, subject to the requirement of Applicable Pension Benefits Act, and
- b) the Employee's Employer has joined the Plan pursuant to Section III.

A part-time Employee is eligible to join the Plan on the first day of the month following the date on which:

- c) the Employee has earned at least 35% of YMPE or has worked at least 700 hours during each of 2 consecutive calendar years, and
- d) the Employee's Employer has joined the Plan pursuant to Section III.

Notwithstanding the preceding, in Quebec, a part-time Employee is eligible to join the Plan on the first day of the month following the date on which:

- e) the Employee has earned at least 35% of YMPE or has worked at least 700 hours in the calendar year, and
- f) the Employee's Employer has joined the Plan pursuant to Section III.

Notwithstanding the preceding, in Manitoba, a part-time Employee shall join the Plan on the first day of the month following the date on which the Employee has fulfilled the following 3 conditions:

- g) completed 2 full years of Service;
- h) earned at least 25% of YMPE in each of 2 consecutive calendar years; and
- i) the Employee's Employer has joined the Plan pursuant to Section III.

Article 4.03

Membership in the Plan

An Employee who is eligible to join the Plan may join on the first day of the month in which the Employee fulfils the requirements under Article 4.02 and shall join the Plan on such date if he works in Manitoba unless he elects to be a Suspended Member.

An Employee who does not join the Plan upon becoming eligible is entitled to join the Plan on January 1 of any subsequent calendar year, providing the Employee fulfils the requirements in Article 4.02. An Employee may not, however, defer Plan membership any later than the January 1 following the fifth anniversary of the Employee's date of hire. As of that date, the Employee shall become a Member of the Plan.

An Employee who defers Membership in the Plan is not entitled to any benefits under the Plan for Service prior to the date of Plan membership, unless otherwise stipulated in any special provisions specific to an Employer included in the Plan.

Article 4.04

Transfer from a Quebecor Media Inc. Other Plan

Subject to Article 4.01, if an employee was a member of an Other Plan and becomes an Employee under Article 2.13, the Employee's membership in the Other Plan is terminated and he joins this Plan unless he elects to be a Suspended Member.

The Employee's Other Plan benefits shall be determined on the date of termination in the Other Plan and are subject to the provisions of Section IX.

Article 4.05

Obligations of the Employee

Upon becoming a Member, the Employee shall provide the Employer with the information that the administrator requires to apply Plan provisions and the information that the Employer requires to make at-source deductions and Plan contributions, as applicable. An Employee's participation in the Plan means that the Employee is definitively and irrevocably subject to all Plan

provisions, unless the Employee terminates active membership in the Plan by electing to be a Suspended Member as provided by Article 3.03 of Part B.

An Employee who becomes eligible to join the Plan shall fill out the Option Election form in accordance with Article 3.02 of Part B, indicating the options selected and whether he wishes to commence or delay participation.

Notwithstanding the above paragraph, when the form is not completed within 30 days of the date the Employee becomes eligible to join the Plan, the following rules apply:

- a) an eligible Employee who has not reached the mandatory membership date is presumed to have decided to delay participation; and
- b) all Employees who have reached the mandatory membership date are presumed to have decided to join the Contributory Option under Part B of the Plan.

Article 4.06

Specific Provisions with respect to Members of the Sun Media Corporation Plan

Any Employee who is not participating on June 29, 2003 in the Sun Media Corporation Plan shall not be eligible to join Part C of the present Plan.

Notwithstanding Article 4.05, an Employee who is an Active Member of the Sun Media Corporation Plan on June 29, 2003 continues, on and after June 30, 2003, to participate in the Plan in accordance with the provisions of Part C.

Notwithstanding the preceding, on July 1, 2002 or on any January 1 thereafter, an Employee who participates in the Plan in accordance with the provisions of Part C may choose to participate, from the date of his election, in the Non-contributory Option or the Contributory Option of the Plan. If the Employee makes such an election, benefits and entitlements to benefits in respect of his years of Service on and after the effective date of his election are determined in accordance with the provisions of Part B. The Employee may also elect to become a Suspended Member of the Plan in accordance with Article 3.03 of Part B.

Article 4.07

Financial Post Employees

Each Member of the Sun Media Corporation Plan who was an employee of the Financial Post Company as of September 4, 1998 shall:

- a) cease to accrue benefits under the Sun Media Corporation Plan in respect of service after September 4, 1998. For greater certainty, the Member's Earnings and Pensionable Service shall be frozen as at September 4, 1998. However, service with a successor employer of the

Financial Post Company shall count for purposes of determining eligibility for an entitlement to benefits under Part C of the Plan.

- b) for greater clarity, each Member who was an employee of the Financial Post Company as of September 4, 1998 shall be entitled to receive benefits payable under Part C of the Plan on the Member's subsequent termination of employment, retirement or death, as applicable, with the successor employer of the Financial Post Company.

Article 4.08 **Termination of Membership**

No Active Member may terminate membership in the Plan while still an Employee, unless that Active Member has elected to be a Suspended Member. When an Employee leaves the Service of one Employer and enters the Service of another employer or loses the status of Employee without leaving the Service of the Employer, this does not constitute termination of Service or termination of active membership, subject to the provisions of the following paragraph. If the Member is not designated as an Employee by the new employer or if the Member loses the status of Employee, the period of absence shall be considered a period of unpaid Temporary Leave. Plan membership may only be terminated upon application of the relevant Plan provisions.

If an Active Member terminates his membership before employment termination because the Active Member no longer satisfies the definition of Employee or because the Active Member has elected to be a Suspended Member, the termination of active membership shall, upon the Active Member's request or as required by Applicable Pension Benefits Act, be treated as a termination of employment for the purpose of the Plan and the Active Member's benefits shall be established as at that date, unless the Active Member requests that the benefits be established at a later date, which may be no later than the employment termination date, subject to the provisions of Applicable Pension Benefits Act.

Article 4.09 **Discretion of the Sponsor**

The Sponsor reserves the right, in exceptional circumstances, to override the above conditions in order to allow an Employee to join the Plan as of the date of hire or any subsequent date.

Article 4.10 **Winnipeg Sun, a division of Sun Media Corporation**

Employees who work for the Winnipeg Sun are not eligible to join the Plan.

Notwithstanding the preceding and subject to Article 4.01, a senior management employee of the Winnipeg Sun is considered an Employee for the purposes of the present Plan. For the purpose of determining eligibility and membership in the Plan of such a senior management employee, Articles 4.02 and 4.03 apply making the necessary adaptations.

PART A - SECTION V
EMPLOYER CONTRIBUTIONS

Article 5.01 **Employer Contributions**

- (1) Subject to Articles 5.01(2) and 5.02, the Employer shall pay to the Funding Agent for deposit to the Fund such amounts certified by the Actuary as being sufficient to provide:
 - a) the normal cost of the benefits currently accruing to Members under the Plan; and
 - b) the proper amortization of any unfunded liability or solvency deficiency, both in accordance with the *Ontario Pension Benefits Act* (R.S.O., 1990, c. P.8), after taking into account any surplus assets of the Fund, in accordance with Article 5.02 and all relevant factors.
- (2) No contribution shall be made by the Employer to the Fund, in accordance with paragraph 5.01(1), unless it is an eligible contribution as defined by the Income Tax Act.
- (3) The payments referred to in paragraph 5.01(1) shall be remitted to the Funding Agent as follows:
 - a) Employer contributions in respect of current service costs for any period, in monthly instalments within 30 days following the month for which contributions are payable;
 - b) all other special payments, in equal monthly instalments throughout the Fiscal Year, or

such greater period of time as may be permitted under the *Ontario Pension Benefits Act* (R.S.O., 1990, c. P.8) and Regulations thereunder, as amended or replaced from time to time.
- (4) Subject to the prior approval of the Financial Services Commission of Ontario and the Canada Revenue Agency, excess contributions made in the Fiscal Year or payments made by the Employer that should have been paid out of the Fund may be returned to the Employer out of the Fund, but only where such return is necessary to avoid revocation of the registration of the Plan under the Income Tax Act.

- (5) Contributions made by the Employer shall not constitute an improvement of the amount of any benefit defined in the Plan and shall not at any time create for any person other than the Employer any right, title or interest in the assets of the Employer or the Fund, except as specifically provided in the Applicable Pension Benefits Act.

Article 5.02

Contribution Holiday

Notwithstanding Article 5.01, the Employer may suspend his contributions, in whole or in part, to the extent that the last actuarial valuation filed with the Financial Services Commission of Ontario shows that the Plan funding and solvency are sufficient to allow a contribution holiday.

PART A – SECTION VI
GENERAL PROVISIONS

Article 6.01 **Unseizability and Unassignability**

Unless otherwise provided for by law, contributions, as well as the interest accrued thereon, pensions, refunds or other benefits payable under the Plan are unseizable and unassignable. Also, any amounts attributed to the Member's Spouse following the splitting or assigning of rights, as mentioned herein, plus the accrued interest and benefits purchased with these amounts are unassignable and unseizable.

The right of any person under this Plan shall not be assigned, charged, anticipated, given as security or surrendered.

An assignment is not:

- i) that which is carried out by a deceased Member's legal representative, when the estate is being settled;
- ii) that which is pursuant to an order, judgment or decision by a competent court or a written settlement, following a marriage breakdown or similar situation in a conjugal relationship between the Member and his Spouse or former Spouse of the rights resulting from the marriage or similar situation, in accordance with the Applicable Pension Benefits Act.

Article 6.02 **Amendment or Termination of the Plan**

The Sponsor intends to maintain this Plan in force but reserves the right to amend or terminate the Plan without the consent of Members, should future circumstances so require. Such amendment or termination shall not reduce the Members' vested benefits arising from Employee and Employer contributions to the date of the amendment or termination. If this Plan is terminated, the Fund shall be used first to pay the pension for any Retired Member or Former Member, and for any Active Member as if that Member's Service had terminated on the date the Plan was terminated, all in accordance with applicable legislation. Where applicable, any surplus not necessary to fulfill the commitments of the Plan will be refunded to the Employer.

Article 6.03 **Employer's Commitment**

The Fund makes no commitment to pay benefits over and above the funds available and the Plan's obligations are not obligations of the Employer. The Employer's obligations are limited to the contributions payable under the provisions of the Plan in effect at that time.

Article 6.04 **Right to Employment**

The creation and continuation of this Plan shall not be interpreted as granting any right whatsoever to an Employee with respect to continued employment, nor will it hinder the Employer's rights to dismiss any Employee and to deal with him regardless of the consequences an Employee could be subject to as a Member.

Article 6.05 **Transfer Agreement**

The administrator may conclude an agreement, subject to the approval of the Employer, with any other registered supplemental pension plan, in order to count, for the purpose of this Plan, all or part of the period from the time an Employee started working for his former employer until he joined the Plan and to allow the Fund to receive the amounts or values from that other plan, as well as to provide for the payments to be made by the Fund to another fund for Employees who start working for a new employer in return for similar treatment.

The provisions of the transfer agreement and the amount to be transferred shall be determined by the Sponsor after consultation with the Actuary.

Article 6.06 **Primary Purpose of the Plan**

The primary purpose of the Plan is to fund and pay regular lifetime pension benefits to Members for their years of Pensionable Service under the Plan.

Article 6.07 **Effective Date**

Except where another effective date is stipulated for a specific clause, the provisions of this Plan text take effect on December 31, 2012.

Article 6.08 **Information to be Provided before the Administrator Pays Benefits**

Payment of benefits shall not be made until the person entitled to payment of the benefit delivers to the administrator,

- (1) satisfactory proof of age of the person or persons who may become entitled to payment of the benefit and such other information as may be required to calculate and pay the benefit, and

(2) a signed declaration as to the marital status of the Member.

Article 6.09 **Provision of Benefits**

All benefits shall be paid out of the Fund. At the discretion of the administrator and subject to any restrictions in the Applicable Pension Benefits Act, benefit obligations may be discharged by using the assets of the Fund to purchase annuities from an Employer authorized to carry on a life insurance business in Canada.

Article 6.10 **Non-Duplication of Benefits**

Benefits payable under the Plan shall be reduced by the amount of any benefit paid under any other superannuation or pension plan of the Employer or under such plan of affiliated, associated or related companies in respect of the same period of employment.

Article 6.11 **Beneficiary**

A Member may designate in writing a Beneficiary to receive any amount payable in the event of the Member's death and shall be permitted to change the Beneficiary by making the change in writing provided there is no statutory restriction. If no Beneficiary has been designated or is surviving at the Member's death, any payment due shall be made in a lump sum to the executors and administrators, if any, of the Member's estate and otherwise such amounts shall be paid and distributed in accordance with the law of the Province in Canada which governs the estate.

Article 6.12 **Incompetent**

If the administrator receives satisfactory evidence that any person receiving a benefit or entitled to receive any benefit under the Plan is physically, mentally or legally incompetent to receive the benefit and to give a valid receipt therefor and that no guardian, committee or other representative of the estate of that person has been duly appointed, the benefit may be paid, at the discretion of the administrator,

- a) where an individual or an institution is then maintaining or has custody of the person, to that individual or institution; or
- b) to the court of proper jurisdiction for the credit of the person pursuant to the laws governing such payments into court;

and any such payment will be deemed a payment for the account of the person and will constitute a complete discharge for the payment of the benefit.

Article 6.13

Shortened Life Expectancy

Notwithstanding Article 6.14, a pension or deferred pension entitlement payable under this Plan shall be capable of being commuted, as permitted in accordance with the Applicable Pension Benefits Act, in the event that the life expectancy of the Member is likely to be considerably shortened by reason of his mental or physical disability.

Article 6.14

Refund

A pension required to be paid hereunder shall not be surrendered or commuted, in accordance with the Applicable Pension Benefits Act, except if:

- a) the annual amount of the benefit is not greater than 4% of the YMPE or the Commuted Value of the benefits is less than 20% of the YMPE (or such other percentage or amount as may be prescribed by Applicable Pension Benefits Act), in the year in which the Ontario Member terminates employment with the Employer. In such event, the Commuted Value of the pension is paid in a lump sum in lieu of such pension. The Ontario Member may elect to transfer such lump sum to a non locked-in registered retirement savings plan or registered retirement income fund by delivering a direction to the administrator within the prescribed period.

Notwithstanding the preceding, an Ontario Member who terminates employment while a Member of the Plan, may elect to receive 25% of the Commuted Value of his vested pension accrued and granted prior to January 1, 1987 in a lump sum or as a transfer to a non locked-in registered retirement savings plan or registered retirement income fund by delivering a direction to the administrator within the prescribed period.

- b) the Commuted Value of the benefits is less than 20% of the YMPE in the year for which the Quebec Member terminates employment with the Employer. In such event, the Quebec Member may request that the Commuted Value of the benefits be payable in a lump sum.

The preceding paragraph also applies to Quebec Members who ceased to be active prior to January 1, 2001 and Quebec Members whose pension benefits have not yet commenced.

The administrator may pay a Quebec Member's pension benefits in a lump sum when the Commuted Value is within the limit set out in the first paragraph herein, if the administrator has not received instructions regarding the method of refund within 30 days of mailing a request to that effect.

A Quebec Member who is no longer active and whose Service has terminated may request a refund of the Commuted Value of his pension benefits if he has not lived in Canada for at least 2 years.

If the Commuted Value of the benefits assigned to the Spouse in the event of marriage breakdown, dissolution or annulment of civil union, or cessation of conjugal relationship is less than 20% of the YMPE for the year in which the benefits are split, the Commuted Value of his benefit entitlement shall be paid to the Spouse in a single lump sum.

- c) the annual amount of the benefit at normal retirement date is not greater than 4% of the YMPE or the Commuted Value of the annual amount of the benefit is not greater than 20% of the YMPE in the year in which the Manitoba Member terminates employment with the Employer. Moreover, the administrator shall authorize payment of the Commuted Value of the pension in a lump sum in lieu of such pension, if the Manitoba Member's retirement, termination of employment or death occurs on or after January 1, 1998. The Manitoba Member may also elect to make a transfer to a registered retirement savings plan; and

the Commuted Value of the pension is 25% or less in respect of Plan membership from July 1, 1976 to December 31, 1984 and the Manitoba Member is at least 45 years old but has not reached the normal retirement date under the Plan, has ceased to be an Active Member and, has completed a period of continuous employment under the Plan of at least 10 years, or was an Active Member for a continuous period of 10 years. In such event, the Manitoba Member may withdraw such amount as a lump sum in partial payment of the pension.

A Manitoba Member who is no longer active and whose Service has terminated and whose pension has not commenced may request a refund of the Commuted Value of his pension benefits if he is a non resident of Canada as defined in the Income Tax Act.

- d) the annual amount of the benefit at normal retirement date is not greater than 4% of the YMPE or the Commuted Value of the annual amount of the benefit is not greater than 20% of the YMPE in the year in which the Alberta Member terminates employment with the Employer. Moreover, the administrator may, in its sole discretion, force payment of the Commuted Value of the pension in a lump sum in lieu of such pension, if the Commuted Value of the annual amount of the benefit is not greater than 20% of the YMPE in the year in which the Alberta Member terminates employment with the Employer.

An Alberta Member who is no longer active and whose Service has terminated and whose pension has not commenced may request a refund of the Commuted Value of his pension benefits if he is a non resident of Canada as defined in the Income Tax Act.

Effective November 1, 2006, an Alberta Member who has attained age 50 but not age 55 and who elects, within the 90 day period after receipt of the

termination option statement provided by the Employer, to transfer the Commuted Value of his deferred pension to a life income fund pursuant to paragraph i) of Article 6.16, or to purchase a life annuity from a life insurance company pursuant to paragraph iv) of Article 6.16, shall be permitted at the time of such transfer or purchase, to make a one time election to unlock and take up to 50% of the Commuted Value of such pension in a lump sum payment or alternatively, transfer such Commuted Value to a registered retirement savings plan or registered retirement income fund. If the Alberta Member has a Spouse, the information required to be furnished by the Alberta Member's Spouse for this purpose must be completed in the prescribed time and in the prescribed manner as required under the Applicable Pension Benefits Act.

- e) the annual amount of the benefit at normal retirement date is not greater than 10% of the YMPE or the Commuted Value of the annual amount of the benefit is not greater than 20% of the YMPE in the year in which the British Columbia Member terminates employment with the Employer. Moreover, the administrator may, in its sole discretion, force payment of the Commuted Value of the pension in a lump sum in lieu of such pension, if the Commuted Value of the annual amount of the benefit is not greater than 20% of the YMPE in the year in which the British Columbia Member terminates employment with the Employer.

A British Columbia Member may request a refund of the Commuted Value of his pension benefits if he is a non resident of Canada as defined in the Income Tax Act for at least 2 years, subject to the requirements of the Applicable Pension Benefits Act.

Article 6.15 **Pension Commencement**

Any pension is payable on the first day of each month starting on the first day of the month coincident with or next following the retirement date, the amount of each payment being equal to 1/12 of the annual pension.

Article 6.16 **Transfer of Pension Entitlements**

A Member who terminates employment with the Employer prior to 10 years before his normal retirement date and who is entitled to a deferred pension as described in the relevant Articles of Part B and C, as the case may be, may elect to have one of the following options:

- i) to transfer the Commuted Value of his deferred pension to a locked-in or a non locked-in eligible prescribed retirement savings vehicle; or
- ii) to transfer the Commuted Value of his deferred pension to another registered pension plan of which he is a member, providing the administrator of the other pension plan accepts such transfer; or

- iii) to leave the Commuted Value of his deferred pension in this Plan, and receive a pension from this Plan commencing on his normal retirement date; or
- iv) to transfer the Commuted Value of his deferred pension to purchase from a life insurance company licensed to transact business in Canada, an immediate or deferred life annuity, in accordance with the Applicable Pension Benefits Act.

In lieu of an immediate or deferred pension payable under this Plan and subject to Article 7.03 of Part C, the administrator may at its discretion, extend the transfer option set out in Article 6.16 above to a Member whose termination of employment with the Employer occurred within 10 years of his normal retirement date.

A Member's entitlement shall not be transferred pursuant to subsection (i), (ii) or (iv) above until the financial institution receiving the transfer agrees to administer the transferred monies as being locked-in in accordance with applicable federal and provincial legislation.

Transfers shall be subject to any legislation or regulations limiting such transfers when the solvency of the Plan may be impaired. Upon transfer of a Member's entitlements pursuant to subsection (i), (ii) or (iv) of this Article 6.16, the Member shall have no further entitlement under the Plan.

Article 6.17

Maximum Value Eligible for Transfer

Amounts transferred in accordance with Article 6.16 to a registered defined contribution pension plan and amounts transferred to a locked-in or a non locked-in eligible prescribed retirement savings vehicle shall not exceed the maximum amount prescribed for this purpose by the Income Tax Act. The excess of the Commuted Value, plus credited interest, if any, over the amount transferred shall be paid to the Member as a lump sum payment or in a prescribed retirement savings vehicle in accordance with Applicable Pension Benefits Legislation.

PART A - SECTION VII
ADMINISTRATOR OF THE PLAN

Article 7.01 **Administrator of the Plan**

The administrator of the Plan is the Sponsor.

The administrator shall be responsible for all matters relating to the administration, interpretation and application of the Plan.

The administrator shall make reasonable efforts to ensure that the Plan and the Fund are administered in accordance with the Applicable Pension Benefits Act and the Income Tax Act.

The administrator may employ one or more agents to exercise any of the powers conferred hereunder.

Article 7.02 **Rules for Administration**

The Sponsor may enact rules and regulations relating to the administration of the Plan that are necessary to properly carry out the terms hereof and may amend such rules and regulations from time to time. Such rules and regulations shall not conflict with any provision of this Plan.

Article 7.03 **Plan Summary**

The administrator shall provide each Employee with a written explanation of the terms and conditions of the Plan and amendments thereto applicable to him, together with an explanation of the rights and duties of the Employee with reference to the benefits available to him under the terms of the Plan.

Article 7.04 **Notice of Amendment**

The administrator shall provide a notice and written explanation of an amendment to the Plan to each Member, or other persons entitled to payment from the Fund who are affected by the amendment, within the time prescribed under the Applicable Pension Benefits Act.

Where an amendment results in a past service event which 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.

Article 7.05 **Annual Statement**

The administrator shall provide annually to each Member and to any other person, as prescribed by the Applicable Pension Benefits Act, a written statement containing the information prescribed under the Applicable Pension Benefits Act in respect of the Plan, the Member's pension benefits and any ancillary benefits.

Article 7.06 **Statement of Termination of Employment**

When an Active Member of the Plan terminates employment or otherwise ceases to be an Active Member, the administrator shall give to the Active Member, or to any person who as a result becomes entitled to a payment under the Plan, a written statement setting out the information prescribed under the Applicable Pension Benefits Act in respect of the benefits, rights and obligations of the Active Member or other person.

Article 7.07 **Inspection of Documents**

Within 30 days of written request or any period that may be prescribed under the Applicable Pension Benefits Act, the administrator shall make available the documents and information prescribed under the Applicable Pension Benefits Act in respect of the Plan and the Fund for inspection without charge by,

- a) a Member;
- b) a Former Member;
- c) the Spouse of a Member or Former Member;
- d) any other person entitled to pension benefits under the Plan; or
- e) an agent authorized in writing by a person mentioned in clause a), b) and c).

An individual set out above in this Article 7.07 is entitled to make such an inspection not more than once in a calendar year.

The administrator shall permit the person making the inspection to make extracts from or to copy the prescribed documents and information. On request, the administrator shall provide the person making the inspection with copies of any of the prescribed documents or information upon payment to the administrator of a reasonable fee, subject to Applicable Pension Benefits Act.

PART A - SECTION VIII

PENSION PLAN AND FUND ADMINISTRATION

Article 8.01 **Authority to Administer the Pension Plan and the Fund**

Subject to the terms of the Plan, the provisions of the Applicable Pension Benefits Act, the Income Tax Act and any other applicable legislation governing the administration, investment or maintenance of pension funds eligible for registration under the Income Tax Act, the Fund shall be administered by the Funding Agent in accordance with the Funding Agreement.

Article 8.02 **Rules, Policies, Procedures and Investments**

The administrator shall adopt rules, policies and procedures for making decisions and proving such decisions and any other matters that shall be settled to properly administer the Plan.

Subject to the provisions of the Applicable Pension Benefits Act and the Income Tax Act the administrator shall direct the investment of the Fund in the manner provided in the Funding Agreement.

Article 8.03 **Expenses**

All normal and reasonable fees and expenses incurred in the operation of the Fund and the Plan shall be paid from the Fund. The Sponsor may, however, decide to pay, for one or several Fiscal Years, any fee or expense that the Sponsor determines to pay. Fees and expenses of the Sponsor and its agents are payable from the Fund unless prohibited under the Applicable Pension Benefits Act.

Article 8.04 **Designation of a Trustee or Custodian**

The administrator may entrust all funds in the Fund to one or more financial institutions, authorized to act as trustee or custodian, and may delegate to any such trustee or custodian its powers and responsibilities in the area of securities safekeeping and execution of investments.

Article 8.05

Insurance

The administrator may purchase liability insurance against errors or omissions made by the administrator or its employees, principals, representatives or appointees while administering the Plan. The administrator may also be insured against any liability with regard to a third party or the Plan. Insurance premiums paid to cover these risks comprise part of the Plan's administration expenses.

Article 8.06

Actuarial Valuation

At least once every 3 years, or more frequently if required by the Ontario *Pension Benefits Act* (R.S.O., 1990, c. P.8), the administrator shall commission an actuarial valuation of the Plan's assets and obligations and a report on this actuarial valuation.

PART A - SECTION IX

TRANSFERS BETWEEN EMPLOYER'S PLANS

Article 9.01 Application

The provisions of this section apply to Employees who are Members of this Plan pursuant to Article 4.04 or who terminated their membership in this Plan to join an Other Plan and who did not avail themselves of any other transfer right they had under the Plan or, with respect to joining this Plan, the equivalent Article in the source plan.

Article 9.02 Employee's Benefit Entitlement

The Employee's benefit entitlement under one or the other of the plans in question shall be established according to the provisions of the respective plans.

Years of service in the plans shall be taken into consideration for the purpose of establishing eligibility for benefits under each plan. However, only Pensionable Service in this Plan shall be taken into consideration for the purpose of calculating benefits under this Plan.

Article 9.03 Indexing after the Transfer Date

When a transfer occurs, the credited pension under the first plan shall be dealt with under the terms of that plan.

Article 9.04 No Earnings Increase after the Transfer Date

Pension credits under the first plan that were based on Final Average Earnings, as defined in Article 2.02 of Part B, shall be computed without regard to any changes in the Employee's Earnings, as defined in Article 2.12, or in the year's YMPE after the transfer date.

Article 9.05 Payment of Benefits

When a transfer occurs, there is no transfer of assets between the correspondent Funds; each fund shall remain the source of funds to pay the Employee's benefits under each respective plan.

PART A - SECTION X

MAXIMUM PENSION

Article 10.01 Maximum Pension

- A) The annual pension for any Member, whether upon retirement, termination of employment, death or Plan wind-up, upon the first of these events to occur, including the allocated surplus where applicable, may not exceed the lesser of the following amounts:
- a) the product of:
 - i) 2% multiplied by the number of years of Pensionable Service;
 - ii) the average annual compensation for the 3 consecutive best-compensated years of Service; however if the Member has fewer than 3 years of Service, this average shall be established, on an annualized basis, for the entire period of Service;
 - b) the Defined Benefit Limit for the year in which retirement, termination of employment, death or Plan wind-up occurs, multiplied by the number of years of Pensionable Service.
- B) Moreover, if the lifetime retirement benefits are payable for years of Pensionable Service completed before January 1, 1990 for which no portion of a year was credited before June 8, 1990 but credited to the Member, in whole or in part after June 7, 1990, the annualized amount of the life pension bought back may not exceed, whether upon retirement, termination of employment, death or Plan wind-up, the lesser of the following amounts:
- a) the higher of:
 - i) 2/3rds of the Defined Benefit Limit for the year in which retirement, termination of employment, death or Plan wind-up occurs, multiplied by the number of years bought back;
 - ii) the amount of \$1,150 multiplied by the number of years bought back;
 - b) 2% of the average annual compensation for the 3 consecutive best-compensated years of Service, multiplied by the number of years of Service bought back.

Article 10.02 **Maximum pension upon early retirement**

The annual pension paid on the early retirement date will be reduced, as applicable, including the allocated surpluses, if any, so as not to exceed the lesser of the following amounts:

- a) the maximum pension as set out in Article 10.01; and
- b) the annual pension as set out in the relevant Articles of Part B or C of the Plan, as the case may be

reduced by 0.25%, multiplied by the number of months remaining between the effective date of retirement and the first of the following events:

- i) the Member's 60th birthday;
- ii) the date on which the Member would have completed 30 years of Service;
- iii) the date on which the sum of the Member's age and number of years of Service would have equalled 80.

Article 10.03 **Maximum Pension following a Transfer of Benefits to an Ex-Spouse**

If the pension has been split with an ex-spouse, under no circumstances may it be adjusted to replace all or part of the pension transferred to the ex-spouse. Moreover, the transferred pension shall be taken into account in the calculation of the maximum pension payable to the Member.

Article 10.04 **Additional Income Tax Requirements**

For each calendar year from 1990 onwards, no pension adjustment may exceed the lesser of:

- a) 18% of the Member's Compensation, or
 - b) the money purchase dollar limit defined in the Income Tax Act,
- and where necessary benefits will be reduced accordingly.

PART A - SECTION XI

OPTIONAL FORMS OF PENSION

Article 11.01 Election of Optional Forms of Pension

A Member who has no Spouse, or a Member whose Spouse has duly waived his right to a joint and survivor pension provided under the relevant Articles of Part B and C, as the case may be, may, upon written notice to the administrator, choose to receive, instead of the normal retirement pension that would otherwise be payable to the Member under the relevant Articles of Part B and C, as the case may be, a pension in a different amount established on an Actuarial Equivalent basis, in an optional form provided under Article 11.02 and in accordance with the Applicable Pension Benefits Act and with the Income Tax Act.

The election of an optional form of pension is limited to forms that do not increase the pension adjustment for all Members.

Article 11.02 Optional Forms of Pension

If a Member elects to receive, instead of the pension that would otherwise be payable to the Member, a pension in a different amount established on an Actuarial Equivalent basis in accordance with Article 11.01, the Member may receive the pension in one of the following forms, subject to Article 11.03:

- a) an Actuarial Equivalent pension payable for the Member's lifetime only;
- b) an Actuarial Equivalent pension guaranteed to continue for a period of 10 years certain or 15 years certain and as long thereafter as the Member lives;
- c) an Actuarial Equivalent joint and survivor pension, payable as long as the Member lives and continuing at the same or a reduced level after his death to the Member's Spouse for as long as such person shall survive the Member;
- d) any other form of pension, payable on an Actuarial Equivalent basis, approved by the administrator and which conforms with the requirements, as amended from time to time, of the Applicable Pension Benefits Act and with the Income Tax Act.

Other Considerations

(1) Guarantee Annuities-Limitations

The maximum guaranteed period that may be provided under the terms of a life annuity, to which a Member or a surviving Spouse may become entitled under this Plan, shall not exceed 15 years.

(2) Joint and Survivorship

- a) Under this option, a Member will receive a reduced amount of pension which will be payable monthly during the Member's lifetime, with the full amount or a specified lesser percentage of the reduced pension being continued after his death to a joint annuitant(s) designated in writing by the Member. The Member may only designate as a joint annuitant(s) his spouse, former spouse or dependent in accordance with the requirements of the Income Tax Act. The survivor benefit payable to a single joint annuitant who is not a Spouse or former Spouse shall not exceed 66-2/3% of the amount payable to the Member before his death. The aggregate survivor benefit paid to all joint annuitant(s) shall not exceed 100% of the amount payable to the Member before his death.
- b) Benefit payments under this option shall terminate with the payment for the month in which the death of the Member occurs, or if the designated joint annuitant(s) outlives the Member, the full amount or specified lesser percentage of the reduced pension, as applicable, will be paid to the joint annuitant(s) for a period not to exceed the period permitted by the Income Tax Act.
- c) If the designated joint annuitant dies before the Member's pension commences, the election of this option shall be void, and the Member's retirement benefit shall be payable as if such election had not been made.
- d) Before pension payments begin, the Member may also choose to guarantee payment of the pension for 10 years. In that case, the amount of the Member's pension shall be calculated on an Actuarial Equivalent basis with reference to the pension normally payable, providing for the 60% surviving spouse pension if the Member dies after the end of the guarantee period and if the Member has a Spouse who has not waived the right to the annuity.

(3) Pension Integrated with Government Sponsored Pensions

Any Member who retires before becoming eligible to receive government sponsored pension benefits may elect to receive a pension which shall be in a greater amount up to his date of becoming eligible for such benefits decreasing to a lesser amount after such date, and shall provide for, as far as possible, a level income from pension benefits under the Plan, the pension payable under the *Old Age Security Act* and/or the pension payable under the Canada or Quebec Pension Plan.

(4) Statutory Levelling Option for Quebec Members

Any person (hereinafter called "eligible person") who:

- is at least age 55 but not yet age 65, and
- is entitled to an immediate pension under the Plan, whether that person is a retiring Quebec Member, a Quebec Member who has left the Service of the Employer and is entitled to a deferred pension and is at least age 55 at the time of the request; or a surviving Spouse of such a Quebec Member,

is entitled to elect to receive a temporary pension. This option may take one of the following forms:

- a) the eligible person is entitled to request, before commencement of any pension, that such pension be replaced, in whole or in part, by a temporary pension the amount of which is set by the Member or surviving Spouse, as the case may be, before commencement of the pension payment and which meets the following conditions:
 - i) the annual amount of the temporary pension may not exceed 40% of the YMPE for the year in which the temporary pension commences, reduced by the amount of the bridge benefit, if any;
 - ii) the annual amount of the temporary pension, including the bridge benefit, if any, may not exceed the maximum bridge benefit allowable under the Income Tax Act and its regulations;
 - iii) payment of the temporary pension shall end no later than the last day of the month following the month in which the eligible person reaches age 65.

The Commuted Value of the temporary pension shall be equal to the value, on an Actuarial Equivalent basis, at the time of replacement, of the pension or portion of the pension it is replacing.

To benefit from the provisions of sub-paragraph a), an eligible person cannot be receiving a temporary pension from another registered pension plan or one that is established by law or from an annuity contract for which the capital comes directly or not from such a plan and shall provide the administrator with a statement to that effect on the appropriate form.

Despite any provision to the contrary, a Member may select the temporary pension option under sub-paragraph a) without the consent of the Spouse. In such case, however, the Spouse is entitled to a surviving spouse pension equal to 60% of the pension payable to the Member.

- b) Upon application to the administrator, an eligible person may request, not more than once a year and before the pension to which he is entitled commences, that the pension to which he is entitled be replaced, in whole or in part, by a lump sum equal to:
 - i) 40% of the YMPE for the year in which the request is made;
minus
 - ii) the total of all temporary income payable during the year under another registered pension plan or a plan established under the Applicable Pension Benefits Act, or an annuity contract purchased using funds from a pension plan or not, or a life income fund.

The application to the administrator shall be accompanied by a statement regarding the other sources of temporary income payable to the eligible person.

The amount of the annual payment is limited to the Commuted Value of the eligible person's benefits under the Plan at the time of the request.

The pension payable to the eligible person shall be reduced, on an Actuarial Equivalent basis, to take into account any payment made under sub-paragraph b) herein.

Article 11.04 **Revocation of Waiver**

The election of an optional form of pension under Article 11.01 may be revoked at any time before the pension commences. If the Member or, in the case of a joint and survivor form of pension, the Member's Spouse, dies before the pension commences, the election is automatically revoked.

PART A - SECTION XII

TEMPORARY LEAVES AND DISABILITY

Article 12.01 Temporary Leave and Short-term Disability

Temporary Leave, Authorized Leave of Absence, periods of absence or leave during which any applicable employment standards legislation permits the Employee to maintain his membership in the Plan, including Family Leave, periods of disability during which the Member receives benefits under a group short-term disability insurance plan contracted by the Employer or interruptions in Service of up to 2 years or up to 54 weeks for a Manitoba Member do not terminate Plan membership for the purpose of determining a Member's benefits under Section VIII of Part B or Section VII of Part C. The period in question shall be included in the calculation of the credited pension provided the Employee continues to pay required contributions under the Plan and therefore accrues years of Pensionable Service, based on the Member's last option election in the Plan, if applicable, and on the Member's Earnings and the YMPE at the beginning of the period of absence.

However, subject to the requirements of any applicable employment standards legislation, temporary or unpaid leave taken after December 31, 1990 cannot be recognized except to the extent provided for in Article 2.25 of Part A.

Article 12.02 Long-term Disability

Membership in the Plan shall continue during a Disability period. Such Disability period shall be included in the calculation of the credited pension based on the Employee's last option election in the Plan and on the Member's Earnings and the YMPE at the beginning of such period of absence. Furthermore, payments of contributions from the Employee are suspended during such Disability period.

Article 12.03 Maternity Leave

Membership in the Plan shall continue during Maternity Leave, subject to the time limit prescribed under any applicable employment standards legislation. The period in question shall be included in the calculation of the credited pension based on the Member's last option election in the Plan and on the Member's Earnings and the YMPE at the beginning of the period of absence. Furthermore, payments of contributions, where applicable, from the Employee are suspended during the period in question.

PART A - SECTION XIII

RETURN AFTER TERMINATION OF EMPLOYMENT

Article 13.01 New Employee

A Member who ceased to be a Member for a reason other than retirement or death and who withdrew his contributions plus interest or requested the transfer of his deferred pension pursuant to Article 8.04 of Part B and is subsequently rehired shall be deemed a new Employee.

Article 13.02 Discretion of the Sponsor

Notwithstanding the provisions of Article 13.01, the Sponsor may recognize a Member's years of Service and Pensionable Service accrued prior to the Member's termination of employment. In this case, the Member shall transfer to the Fund an amount equal to the amount that was refunded to the Member in a lump sum or as a transfer, plus accrued interest, at the interest rate and under terms of payment set by the Actuary.

Such a transfer shall be made from a registered retirement savings plan, a deferred profit-sharing plan, or another registered pension plan.

PART B

**PROVISIONS APPLICABLE TO THE NON-CONTRIBUTORY
AND CONTRIBUTORY OPTIONS OF THE PLAN**

PART B – SECTION I
INTRODUCTION

Article 1.01 **Application of Part B**

The provisions of Part B apply to all persons who elect to participate under the Contributory Option or the Non-Contributory Option of the Plan.

PART B - SECTION II

DEFINITIONS

For the purpose of Part B of the Plan, the following terms and expressions have the meaning given below, unless a different meaning is required by the context.

Article 2.01 **Designated Member**

Management employee as designated by the Sponsor.

Article 2.02 **Final Average Earnings**

Average Earnings for the best 5 consecutive Years of Pensionable Service, under no circumstances to include any period after the date of termination of membership. If a Member has less than 5 Years of Pensionable Service, the real number of Years of Pensionable Service is used.

Article 2.03 **Final Average Maximum Pensionable Earnings**

The average of the YMPEs for the years used to calculate the Final Average Earnings.

Article 2.04 **Financial Indicator**

The average over 5 years ending the prior September 30 of the average yield on long-term (10 or more years) Government of Canada bonds (series B14013 of the Bank of Canada Review).

Article 2.05 **Interest on Contributions**

The interest corresponds to the rate of return on Plan assets, net of investment and administration fee; the terms for calculating and applying such interest are established by the Actuary.

Interest accrues from the first day of the month following the date on which at-source payroll contributions commence to the day the Employee terminates membership in the Plan or starts to receive a pension under the Plan.

PART B - SECTION III

PLAN OPTIONS

Article 3.01 Options

The Plan has 2 options:

- a) the Non-contributory Option provides a retirement benefit under the Plan and the Employee does not contribute to the Plan;
- b) the Contributory Option provides a retirement benefit under the Plan to the extent that the Employee makes the contributions required under Articles 4.01 and 4.02.

Article 3.02 Option Election

The Employee chooses an option in the manner described in Article 4.05 of Part A.

The Employee may elect a new option on each January 1 after completion of 3 years of Service under the same option. An Employee may make such election only if he is under age 50.

Article 3.03 Specific Provisions with respect to Suspended Members

When an Employee elects to suspend his membership under the Plan after participating in the Non-contributory Option or the Contributory Option of the Plan to become a Suspended Member, the pension credited to that Employee under the Non-contributory Option or the Contributory Option, as applicable, is determined on the election date, without taking into account any future changes in the Employee's Earnings or the YMPE. The Employee's retirement benefit is however determined, as applicable, upon the Employee's termination of Service, retirement or death.

If an Active Member terminates his membership in the Plan before employment termination because the Member no longer satisfies the definition of Employee or because the Active Member has elected to be a Suspended Member, the termination of membership shall, upon the Active Member's request, be treated as a termination of employment for the purpose of the Plan and the Active Member's benefits shall be established as at that date, unless the Active Member requests that the benefits be established at a later date, which may be no later than the employment termination date.

A Suspended Member is entitled to the following benefits:

- a) in case of early retirement, to the early retirement reduction set out in Article 5.02;
- b) in case of death after retirement, to the death benefit set out in Article 7.04.

Article 3.04

Specific Provisions with respect to the Non-contributory and Contributory Options

When an Employee switches to the Non-contributory Option or the Contributory Option of the Plan immediately after having been a Suspended Member, only the portion of the Employees' credited pension benefit for the new period of participation in the Non-contributory Option or the Contributory Option shall take into account any future changes in the Employee's Earnings or the YMPE.

PART B - SECTION IV
EMPLOYEE CONTRIBUTIONS

Article 4.01 **Regular Employee Contribution**

The regular contribution of a Member under the Contributory Option of the Plan is determined as follows:

- a) 3.5% of the Member's Earnings up to the YMPE, plus
- b) 5.0% of the portion of the Member's Earnings that exceed the YMPE.

However, as required under the Income Tax Act, no such Member shall contribute, pursuant to this Article 4.01, to the Plan in any Fiscal Year an amount exceeding the lesser of:

- a) 9% of the Member's total Compensation received from the Employer; and
- b) \$1,000 plus 70% of the pension credit for the calendar year as defined under the Income Tax Act.

The Earnings used for the purpose of this Article shall, however, be limited to 50 times the Defined Benefit Limit that may be credited for the year, plus 30% of the YMPE.

Article 4.02 **Designated Members**

Notwithstanding the provisions of Article 4.01, a Designated Member shall pay regular contributions equal to 5% of the Member's Earnings.

However, as required under the Income Tax Act, no such Member shall contribute, pursuant to this Article 4.02, to the Plan in any Fiscal Year an amount exceeding the lesser of:

- a) 9% of the Member's total Compensation received from the Employer; and
- b) \$1,000 plus 50% of the pension credit for the calendar year as defined under the Income Tax Act.

The Earnings used for the purpose of this Article shall, however, be limited to 50 times the Defined Benefit Limit that may be credited for the year.

Article 4.03

Payment of Contributions

The Employer shall pay the Employee contributions into the Fund within the time limit prescribed in the Ontario *Pension Benefits Act* (R.S.O., 1990, c. P.8).

The administrator shall keep a register for each Member to record the contributions and other amounts received or paid on the Member's behalf.

PART B - SECTION V

RETIREMENT DATES

Article 5.01 Normal Retirement Date

A Member's normal retirement date is the first day of the month coincident with or next following the Member's 65th birthday.

Except when payment of a Member's pension is postponed because the Member is still in the Employer's service, the Member is entitled to begin the payment of the normal retirement pension credited to the Member on the Member's normal retirement date.

Article 5.02 Early Retirement Date

An Active Member may retire before the normal retirement date as of the age of 55.

The pension payable to a Member who has attained age 61 or more at his retirement is the pension credited at his retirement date.

The pension payable to a Member who has not attained age 61 at his retirement is the pension credited at his retirement date, reduced by 1/2 of 1% for each full month between the effective retirement date and the first day of the month coincident with or next following the Member's 61st birthday.

However, the reduction applied may not be greater than that obtained on an Actuarial Equivalent basis nor lesser than the reduction set out in Article 10.02 of Part A.

Article 5.03 Postponed Retirement Date

If a Member remains in the service of the Employer after the Member's normal retirement date, the Member's credited pension is then postponed to the Member's effective retirement date or no later than December 31 in the year in which the Member reaches age 71 or such other age limit or date as may be provided under the Income Tax Act.

Subject to Applicable Pension Benefits Act, the Member may, upon request, receive all or part of the Member's pension during the postponement period, but only to the extent required to compensate for any permanent reduction in remuneration that occurs during the postponement period. Upon commencement of part of the pension benefit, the Member's contributions and pension amounts shall no longer accumulate, but the indexing as provided under Article 6.03 shall apply. The Member may exercise this right only once in any 12-month period. If such pension is equal to the Member's total pension entitlement, the pension commencement date shall constitute the end date of the postponement period.

Subject to Applicable Pension Benefits Act, upon agreement with the Employer, the Member may receive the full pension benefit without reference to the limit set in the second paragraph in this Article. The date this pension commences shall constitute the end date of the postponement period.

At the end of the postponement period, the pension payable to the Member is equal to the sum of:

a) the adjusted normal pension

This pension is adjusted on an Actuarial Equivalent basis and reduced to take into account, as applicable, amounts paid during the postponement.

The adjusted pension is equal to the amount such that the present value of future payments of such a pension is equal to the sum of the following 2 values:

- i) the Commuted Value of the normal pension payments that would have been made after the postponement period if the Member had retired on the normal retirement date, plus
- ii) the value, plus interest to the end of the postponement period, of the normal pension payments that would have been made from the normal retirement date to the end of the postponement period if the Member had retired on the normal retirement date, such payments being reduced to take into account, as applicable, the amounts that were paid during the postponement period under the second paragraph herein.

- b) the pension credited during the postponement period

This pension is equal to the pension credited under Section VI for membership from the normal retirement date to the end of the postponement period. The Commuted Value of this pension may not be less than the contributions made by the Member during the postponement period, plus interest as provided under Article 2.05.

The present and accrued values in a) ii) shall be calculated using the same assumptions as are used to compute the Commuted Values.

Article 5.04

Phased Retirement

A Quebec Member or an Alberta Member whose working time is reduced pursuant to an agreement with the Employer and who is age 55 or older is entitled to request, in each year covered by the agreement, the lump-sum payment of a benefit equal to the lesser of the following amounts:

- a) 70% of the reduction in Earnings related to the reduction in the Member's working time during the year;
- b) 40% of the YMPE for the year in question, reduced proportionate to the number of months covered by the agreement;
- c) the value of the Member's benefits under the Plan established as if the Member's Service had terminated on the date on which the Member requests payment of the benefit.

The pension eventually payable to the Member shall be reduced, on an Actuarial Equivalent basis, to take into account payment of the benefit specified herein. However, the Commuted Value of the pension reduction may not be higher than the amount of such benefit. Any other benefit that may be paid by the Plan after payment of the benefit provided for herein shall also be reduced accordingly.

The Member shall remain an Active Member and the Member's pension benefits shall continue to accrue in the Plan during the period covered by the agreement, in accordance with Section VI, even if the Member receives a lump-sum under this Article.

PART B - SECTION VI
PENSION BENEFITS

Article 6.01 **Normal Retirement Pension**

a) Non-contributory Option

The credited pension for years of Pensionable Service in the Non-contributory Option of the Plan is equal to 0.80% of the Final Average Earnings up to the Final Average Maximum Pensionable Earnings plus 1.25% of the Final Average Earnings in excess of the Final Average Maximum Pensionable Earnings, multiplied by the number of years of Pensionable Service in the Non-contributory Option of the Plan.

For the purpose of applying the provisions herein for the Non-contributory Option, Earnings are limited to an annual maximum of 50 times the Defined Benefit Limit that can be credited for the year plus 30% of the YMPE. However, the annual maximum may not be less than \$104,561.

b) Contributory Option

The credited pension for years of Pensionable Service in the Contributory Option of the Plan is equal to 1.4% of the Final Average Earnings up to the Final Average Maximum Pensionable Earnings plus 2.0% of the Final Average Earnings in excess of the Final Average Maximum Pensionable Earnings, multiplied by the number of years of Pensionable Service in the Contributory Option of the Plan.

c) Designated Member

The credited pension for years of Pensionable Service as a Designated Member equals 2% of the Final Average Earnings multiplied by the number of years of Pensionable Service as a Designated Member.

For Years of Pensionable Service between January 1, 1986 and December 31, 1991 as a Designated Member, the Commuted Value of the credited pension under Article 6.01 b) may not be less than the accrual plus interest, of an amount equal to 5% of the Designated Member's Earnings subject to a maximum of \$3,500 by the number of years of Pensionable Service in the Contributory Option of the Plan. The interest is calculated at the rate and in the manner set out in Article 2.05.

In accordance with Article 2.12 of Part A, the earnings used to calculate the Final Average Earnings in the previous paragraph include the bonus paid to a Designated Member.

d) Service before January 1, 1989

The provisions of Articles 6.01 b) apply to years of Pensionable Service before January 1, 1989 for all Active Members.

Notwithstanding the preceding, the credited pension for Pensionable Service at December 31, 1985 may not be less than 1.4% of the average Earnings for the years 1987, 1988 and 1989 up to the average of the YMPE for these same years plus 2.0% of the excess of the average Earnings for the years 1987, 1988 and 1989 over the average of the YMPE for these same years, multiplied by the number of years of Pensionable Service at December 31, 1985. The credited pension thus calculated may not be less than the credited pension at December 31, 1985 under the provisions of the “Régime de rentes pour les employés de Quebecor inc. et ses filiales”, as it read on December 31, 1985.

Article 6.02 **Pension Buy-Back**

The Sponsor reserves the right to permit an Active Member to buy back the years of Service during which the Active Member was employed by an Employer who participates in the Plan. The amount to be paid and the methods of payment are determined by the Actuary at the request of the Sponsor and are subject to the Income Tax Act.

Article 6.03 **Indexing**

On February 1 of each year, the pensions of Retired Members as at December 31 of the previous year shall be increased by a percentage equal to the amount, if any, by which the Financial Indicator for the year in question exceeds 7%; however, for a Member who becomes a Retired Member during the 12 months prior to February 1 of the year in question, the percentage will be prorated based on the months that have elapsed since the Member's retirement.

The indexing in the preceding paragraph may not be less than the indexing calculated based on the most generous formula, if any, prescribed by the Applicable Pension Benefits Act.

Notwithstanding the preceding, the pension payable to a Retired Member, excluding the adjustment set out in Article 5.03 if applicable, may not exceed the maximum pension described in Article 10.01 of Part A indexed to reflect increases in the Consumer Price Index since the retirement, termination of employment or Plan wind-up. Under no circumstances may the indexing exceed the maximum permitted by the Income Tax Act.

Article 6.04

Excess Contributions

Upon termination of employment, death or retirement, the excess of the regular contributions made by the Member and accrued plus interest on 50% of the Commuted Value of the credited pension for participation under which these contributions were made, shall be refunded to the Member or, if the Member is deceased, to the Beneficiary of the other death benefits provided under Section VII or, if provided for by Applicable Pension Benefits Act, shall be transferred to the Member's registered retirement savings plan or registered retirement income fund.

However, if the Member is subject to an Applicable Pension Benefits Act that does not permit the refund of the excess for some or all of the Pensionable Service, the credited pension under Article 6.01 for said participation shall be increased by the pension that the excess amount may provide on an Actuarial Equivalent basis, such increase being determined in the manner and at the time prescribed by the Applicable Pension Benefits Act.

Article 6.05

Bridge Benefit

A Designated Member who retires before age 65 and who has at least 10 years of Pensionable Service in the Plan shall receive a bridge benefit equal to the annual pension as determined under Article 5.02 minus the annual pension as determined under Article 10.02 of Part A. This difference cannot be negative and cannot exceed the interim benefit established according to the following rules:

- a) the interim benefit shall be equal to the maximum benefit payable under the terms of the *Old Age Security Act* plus the benefit payable under the Canada Pension Plan or the Quebec Pension Plan for which the Designated Member would be eligible had the Designated Member reached age 65 when the payment of these benefits began;
- b) when the interim benefit becomes payable, it shall be reduced as necessary to comply with the stipulations of the Income Tax Act;
- c) the payment of interim benefits shall cease at the end of the month following the month in which the Designated Member reaches age 65.

Notwithstanding the preceding, the bridge benefit set forth in this Article shall be reduced, if necessary, so that the total of the annual lifetime pension plus the bridge benefit does not exceed the total of:

- a) the Defined Benefit Limit times the years of Pensionable Service in the Plan, and
- b) the Canada Pension Plan/Quebec Pension Plan benefit times the years of Pensionable Service in the Plan, with a maximum of 35 years;

where the Canada Pension Plan/Quebec Pension Plan benefit is equal, for each year of Pensionable Service, to 1/35th of the benefits payable under the Canada Pension Plan or the Quebec Pension Plan to which the Designated Member would be entitled had he reached age 65 upon commencement of such benefit payments.

Should the Designated Member die before payment of this bridge benefit ends, the Member's Spouse shall receive a bridge benefit equal to 60% of the bridge benefit the Member was receiving before death. This benefit shall be paid to the end of the month in which the Spouse dies or in which the Designated Member would have turned 65, whichever comes first. If there is no Spouse, or if the Spouse has signed a waiver, the benefit shall terminate at the end of the month in which the Designated Member dies or turns 65, whichever comes first.

Article 6.06

Minimum benefits in the event of termination of employment, death before retirement, and retirement

The Commuted Value of the credited pension cannot be less than 2 times the accrued contributions plus interest for years of Pensionable Service as a Designated Member.

PART B - SECTION VII

DEATH BENEFITS

Article 7.01 Death before Retirement

Subject to the paragraphs below, if a Member dies before retirement, the Commuted Value of the credited pension under Section VI and including, if any, the additional pension benefit provided under Article 8.02 shall be paid to the Member's Spouse or, if there is no Spouse or the Spouse has signed a waiver, to the Beneficiary.

If the beneficiary is the Spouse of an Ontario Member, the benefit shall be paid, at the Spouse's election, in the form of an immediate or deferred pension, in a lump sum payment equal to the Commuted Value of the benefit or as a transfer to a non locked-in registered retirement savings plan or registered retirement income fund, within 90 days of being informed of these options. Payment of the deferred pension shall commence on the first day of the month coincident with or next following the Spouse's attainment of age 65.

If the beneficiary is the Spouse of a Manitoba Member, of an Alberta Member, or of a British Columbia Member, the benefit shall be paid in the form of an immediate pension unless the Spouse requests that it be transferred to a locked-in RRSP, another registered pension plan, if such plan allows this, or to an annuity contract or such other retirement vehicles as may be permitted under the Applicable Pension Benefits Act.

Provided that a waiver is permitted by the Applicable Pension Benefits Act, the Spouse may waive the benefit entitlement set out in this Article or in Article 7.02, in the manner and in the form prescribed by the Applicable Pension Benefits Act. Such waiver shall be in writing and sent to the administrator before the date of the Member's death in accordance with Applicable Pension Benefits Act. The Spouse may revoke the waiver, provided the administrator receives written notice thereof before the date of the Member's death.

Article 7.02 Death when Eligible for Retirement

Notwithstanding the provisions of Article 7.01, if a Member dies before retirement at a time when he could have been retired under Articles 5.01, 5.02 or 5.03, the Member is deemed to have retired on the day before his death, and his Spouse shall be entitled to the benefit set out in Article 7.04. If there is no Spouse or the Spouse has signed a waiver in accordance with Article 7.01, the Member's accrued regular contributions, if any, plus interest shall be paid to the Beneficiary.

In any case, the amount provided under the preceding paragraph shall not be less than the Commuted Value of the benefit set out in Article 7.01.

If the beneficiary is the Spouse of an Ontario Employee, the same pension payment options apply as specified in the second paragraph of Article 7.01.

Article 7.03

Death after the Normal Retirement Age

If a Member dies after the normal retirement age and at least part of the Member's pension is still deferred, the person who was the Member's Spouse on the date of death shall receive a pension, unless the Spouse has waived payment in the form of a pension, in which case the benefit shall be paid in a lump sum equal to the value of the benefit otherwise payable to the Spouse or at the option of the Spouse of a Manitoba Member, as a transfer to a registered retirement savings plan. The Spouse of an Ontario Member has the same pension payment options as those specified in the second paragraph of Article 7.01.

The pension shall take the form of a surviving spouse pension payable under the terms and conditions set out in Article 7.05 as if the Member had retired on the day before his death. The Actuarial Equivalent value of the pension payable may not be less than the Actuarial Equivalent value of the benefit payable under Article 7.01. Any required adjustment shall be prorated on the basis of the Commuted Values.

If the Member is receiving a partial pension under Article 5.03, the death benefit payable under the above provisions shall be based solely on the portion of the pension that has not yet been paid.

The death benefit payable for the portion of the pension that has already been paid shall take the form of a surviving spouse pension subject to the terms and conditions of payment set out in Article 7.05.

If there is no Spouse or if the Spouse has signed a waiver, the benefit shall be paid to the Beneficiary in a lump sum equal to the value of the benefit otherwise payable to the Spouse.

Article 7.04

Death after Retirement

Upon the death of a Retired Member, his Spouse shall receive a pension equal to 60% of the pension payable to the Retired Member at that time.

If a Member has a Spouse at the time of retirement and the Member and/or Spouse has not signed a waiver as described below, failure to elect to receive a form of payment other than the joint and survivor pension shall be deemed an implied election of the joint and survivor pension.

The Member's Spouse (and the Member, if required under the Applicable Pension Benefits Act) may waive this right or revoke such waiver, provided the administrator receives written notice thereof before pension payments commence in accordance with the Applicable Pension Benefits Act.

However, if the Member has no eligible Spouse or if there is a signed waiver as described above, the benefits payable on the death of a Retired Member shall be subject to Article 7.06.

Article 7.05

Pension Paid to Surviving Spouse

The pension payable to the surviving Spouse under Article 7.02 or 7.04 or, if applicable, Article 7.01 shall be paid on a monthly basis beginning the first day of the month next following the Member's death. The final payment shall be made on the first day of the month in which the Spouse dies.

Notwithstanding the above, if the annual amount of the benefit payable to the surviving Spouse of an Ontario Member under Section 7.04 is not greater than 4% of the YMPE or the Commuted Value of such benefit is less than 20% of the YMPE (or such other percentage or amount as may be prescribed by Applicable Pension Benefits Act), in the year in which the Ontario Member dies, the Commuted Value of the benefit is paid in a lump sum in lieu of such pension.

The surviving Spouse of an Ontario Member may also elect to transfer such lump sum to a non locked-in registered retirement savings plan or registered retirement income fund by delivering a direction to the administrator within the prescribed period.

Article 7.06

Minimum Benefits

If the total benefits paid to the Retired Member and, where applicable, to the Member's Spouse are less than the Member's accrued regular contributions plus interest to the Member's retirement date, the Member's Beneficiary shall receive the balance in the form specified by the administrator and consistent with Article 8503(4)(d) of the Income Tax Act.

PART B - SECTION VIII
TERMINATION BENEFITS

Article 8.01 **Deferred Pension**

When active Membership is terminated for a reason other than death or retirement, the Member shall receive a deferred pension that becomes payable on the normal retirement date, and is equal to the credited pension as at the termination date pursuant to Section VI.

Article 8.02 **Additional Pension Benefit**

A Quebec Member who ceases to be an Active Member before age 55 is entitled to an additional pension benefit, determined as set forth in the Quebec *Regulation respecting supplemental pension plans*. The value of this additional pension benefit is equal to the difference between A and B below, where:

- A is the value of the pension determined in accordance with the second paragraph of this Article and its related benefits, increased by the excess contributions determined as set forth in the *Regulation respecting supplemental pension plans*.
- B is the value of the benefit to which the Member would have been entitled irrespective of this Article and its related benefits, increased by the excess contributions determined as set forth in this Plan.

For the purpose of calculating A above, the value of a pension with the same characteristics as the normal pension is calculated as if the pension payment were to begin on the Member's normal retirement date and as if it were indexed from the time the Member ceased to be active to the date the Member turns 55. The indexing rate is 50% of the change in the seasonally unadjusted All-items Consumer Price Index for Canada published by Statistics Canada between the month in which the Member ceased to be active and the month in which indexing ends; the annualized rate of this indexing may not be less than 0% or more than 2%.

When a Quebec Active Member dies, the value of the additional pension benefit shall be established as if the Quebec Member had ceased to be a Quebec Active Member on the date of death for a reason other than death.

The additional pension benefit shall be calculated based on years of Pensionable Service.

The additional pension benefit is payable as a lump sum.

Article 8.03 **Early Retirement**

A Member who is entitled to a deferred pension under Article 8.01 may start to receive it at age 55, in which case the pension shall be reduced on an Actuarial Equivalent basis and subject to the limitations set out in Article 10.02 of Part A.

Notwithstanding the preceding, a Designated Member who is entitled to a deferred pension under Article 8.01 may begin receiving this pension at age 55. In this case, the pension shall be reduced in accordance with Article 5.02, and subsequently shall be subject to the provisions of Article 10.02 of Part A.

Article 8.04 **Transfer of Pension Entitlements**

A Member who is no longer active is entitled to transfer the Commuted Value of his pension entitlements in accordance with Article 6.16 of Part A.

Article 8.05 **Ontario Special Early Retirement Grow in Rights**

For the purpose of this Section, an “activating event” is:

- a) The termination of employment of the Ontario Member by the Employer on or after July 1, 2012 when termination of employment is not due to wilful misconduct, disobedience or wilful neglect of duty by the Ontario Member that is not trivial and has not been condoned by the Employer;
- b) The Plan wind up if the effective date of wind up is on or after April 1, 1987;
- c) The occurrence of such other events as may be prescribed in such circumstances as may be specified by the Applicable Pension Benefits Act.

From July 1, 2012, an Ontario Member whose combination of age plus years of Service or years of participation in the Plan equals at least 55 on the effective date of an activating event is entitled to:

- a) An immediate pension in accordance with the terms of the Plan, if the Ontario Member is eligible for immediate payment of the pension, and calculated using years of Pensionable Service up to the activating event;
- b) A pension in accordance with the terms of the Plan, calculated using years of Pensionable Service up to the activating event, beginning at the earlier of:
 - i) the normal retirement date; or
 - ii) the date on which the Ontario Member would be entitled to an unreduced pension under the Plan if the activating event had not

occurred and if the Ontario Member's membership continued up to that date; or

- c) A reduced pension in the amount payable under the terms of the Plan, calculated using years of Pensionable Service up to the activating event, beginning on the date on which the Ontario Member would be entitled to the reduced pension under the Plan if the activating event had not occurred and if the Ontario Member's membership continued up to that date.
- d) If his years of Service or years of participation in the Plan equal at least 10 on the date of the activating event, any bridging benefits offered under Part B of the Plan to which the Ontario Member would be entitled if the activating event had not occurred and if his membership were continued.

A benefit described above for which the Ontario Member has met all eligibility requirements under this Article shall be included in calculating the Ontario Member's pension benefit or the Commuted Value of his pension benefit.

PART C

**PROVISIONS APPLICABLE TO FORMER MEMBERS
OF THE SUN MEDIA CORPORATION PLAN**

PART C - SECTION I

INTRODUCTION

Article 1.01 Application of Part C

The provisions of Part C apply to persons who were covered by the Sun Media Corporation Plan on June 29, 2003.

Therefore, benefits in respect of any year of Service are determined solely in accordance with the provisions of Part C of the Plan. Entitlements to benefits in respect of any year of Service are determined in accordance with the entitlement rules included in the provisions of Part C of the Plan, but taking into account all years of Service and the continuation of membership under the Plan.

Article 1.02 Election to participate to Part B

Notwithstanding Article 1.01, if Employees elect to participate in the Non-contributory Option or the Contributory Option of the Plan in accordance with Article 4.05 of Part A, benefits and entitlements to benefits in respect of their years of Service on and after the effective date of their election are determined in accordance with the provisions of Part B. For greater certainty, Pensionable Service under Part C shall be frozen on the date of effect of the member's election.

Article 1.03 Specific Provisions with respect to Suspended Members

When an Employee elects to be a Suspended Member after participating under Part C of the Plan, the pension credited to that Employee under Part C of the Plan is determined on the election date, without taking into account any future changes in the Employee's Earnings or the YMPE. The Employee's retirement benefit is however determined, as applicable, upon the Employee's termination of Service, retirement or death.

In addition, Pensionable Service under Part C shall be frozen on the date of effect of the Member's election.

If an Active Member terminates his membership before employment termination because the Active Member no longer satisfies the definition of Employee or because the Active Member has elected to be a Suspended Member, the termination of membership shall, upon the Active Member's request, be treated as a termination of employment for the purpose of the Plan and the Active Member's benefits shall be established as at that date, unless the Active Member requests that the benefits be established at a later date, which may be no later than the employment termination date, subject to the provisions of Applicable Pension Benefits Act.

A Suspended Member is entitled, in case of early retirement, to the early retirement reduction set out in Article 4.02.

PART C - SECTION II

DEFINITIONS

For purposes of Part C of the Plan, the following terms and expressions shall have the meanings given below, unless a different meaning is clearly required by the context.

Article 2.01 **Plan Earnings**

The Member's basic annual rate of remuneration in effect on June 30th of the Fiscal Year, multiplied by the Member's number of month of Pensionable Service in the Fiscal Year then divided by 12, plus Commissions, all as determined by the Employer, and does not include any bonus, overtime, or any other compensation received from the Employer, except as noted below:

- (1) For an Employee who ceases to be an Active Member in the Plan due to termination of employment, transfer to a non-participating subsidiary, affiliated or associated Employer, death or retirement prior to June 30th of the Fiscal Year, Plan Earnings shall mean the Member's basic annual rate of remuneration in effect on June 30th of the year immediately preceding the Fiscal Year, multiplied by the Member's number of months of Pensionable Service in the Fiscal Year then divided by 12, plus Commissions, all as determined by the Employer, and which does not include any bonus, overtime or any other compensation received from the Employer.
- (2) For an Employee who becomes a Member after June 30th of the Fiscal Year, Plan Earnings shall mean the Member's basic annual rate of remuneration upon enrolment in the Plan multiplied by the Member's number of months of Pensionable Service in the Fiscal Year then divided by 12, plus Commissions, all as determined by the Employer, and which does not include any bonus, overtime or any other compensation received from the Employer.

PART C – SECTION III
EMPLOYEE CONTRIBUTIONS

Article 3.01 **Employee Contributions Not Required**

Employee contributions to Part C of the Plan are not required or permitted.

PART C – SECTION IV
RETIREMENT DATES

Article 4.01 **Normal Retirement Date**

A Member's normal retirement date is the first day of the month coincident with or next following the Member's 65th birthday.

Article 4.02 **Early Retirement Date**

A Member who completes 2 years of Service while a Member of Part C of the Plan may elect to retire from employment with the Employer on an early retirement date, which for purposes of the Plan, means the first day of any month following the month in which the Member attains age 55 and preceding the month in which the Member's normal retirement date occurs and on which the Member retires pursuant to this Article 4.02.

Each Member who retires on the early retirement date may elect to receive his pension benefits commencing on the first day of any month following the Member's early retirement date and preceding the normal retirement date. Such pension shall be calculated in accordance with Article 5.01, subject to the maximum pension as provided in Article 10.02 of Part A, and shall be reduced by:

- (1) 1/4 of 1% for each of the first 60 months by which the payment commencement date precedes the normal retirement date, and
- (2) 1/2 of 1% for each of the next 60 month by which the payment commencement date precedes the normal retirement date;

provided that the benefits payable shall be at least the Actuarial Equivalent of the pension deferred to the Member's normal retirement date.

Notwithstanding any provision to the contrary, an Alberta Member who has elected to suspend his membership in the Sun Media Corporation Plan to participate in a group RRSP sponsored by the Employer and whose age plus years of Service or membership in the Sun Media Corporation Plan was at least 55 on the effective date of the partial wind-up (June 30, 1997), shall be entitled to receive a reduced pension payable in accordance with this Article 4.02 beginning on the date on which the Member would be entitled to the reduced pension if the partial wind-up was not declared and his membership in the Plan continued to that date.

Article 4.03

Postponed Retirement Date

If a Member remains in the employ of the Employer beyond his normal retirement date he may retire on a postponed retirement date. Postponed retirement date means the earliest of:

- (1) the first day of the month following the Member's normal retirement date and upon which the Member retires pursuant to this Article 4.03, and
- (2) December 31 of the calendar year in which the Member attains age 71 or such other age limit or date as may be provided under the Income Tax Act.

Each Member who retires on a postponed retirement date shall receive a benefit payable in equal monthly instalments commencing on the postponed retirement date equal to the greater of:

- a) the benefit accrued to the postponed retirement date calculated in accordance with Article 5.01, and
- b) the Actuarial Equivalent of the benefit accrued to the Member's normal retirement date.

PART C – SECTION V
PENSION BENEFITS

Article 5.01 **Normal Retirement Pension**

Each Member who retires on the normal retirement date shall receive an annual pension, payable in equal monthly instalments, in an amount equal to:

- (1) For executive Members so designated by the Employer prior to January 1, 1991:
 - a) 2% of the Member's basic annual rate of pay on June 30, 1994, plus 1994 Commissions, all multiplied by his period of Pensionable Service from January 1, 1973 to December 31, 1994, plus
 - b) 2% of total Plan Earnings during the period of Pensionable Service on and after January 1, 1995.

- (2) For executive Members so designated by the Employer on and after January 1, 1991:
 - a) 1% of the Member's basic annual rate of pay on June 30, 1994, plus 1994 Commissions, all multiplied by his period of Pensionable Service from January 1, 1973 Date to December 31, 1994, plus
 - b) 1% of the Member's basic annual rate of pay on June 30, 1994, plus 1994 Commissions, all multiplied by his period of Pensionable Service from the January 1st coincident with or next following the date on which the Member became an executive Member, as designated by the Employer, to December 31, 1994; plus
 - c) 1% of the total Plan Earnings during the period of Pensionable Service on and after January 1, 1995 and prior to the January 1st coincident with or next following the date on which the Member became an executive Member as designated by the Employer; plus
 - d) 2% of total Plan Earnings during the period of Pensionable Service on and after the January 1, 1995 and on and after the January 1st coincident with or next following the date on which the Member became an executive Member as designated by the Employer.

- (3) For each other full-time Member:
 - a) 1% of the full-time Member's basic annual rate of pay on June 30, 1994, plus his 1994 Commissions, all multiplied by his period of Pensionable Service from January 1, 1973 to December 31, 1994; plus
 - b) 1% of total Plan Earnings during the period of Pensionable Service on and after January 1, 1995.
- (4) For each other part-time Member:
 - a) 1% of the part-time Member's Plan Earnings in 1994, multiplied by his period of Pensionable Service to December 31, 1994; plus
 - b) 1% of total Plan Earnings during the period of Pensionable Service on and after January 1, 1995.

Notwithstanding the above, the amount of benefit under Article 5.01(1)a), 5.01(2)a) and b), 5.01(3)a) and 5.01(4)a) shall not be less than the Member's accrued benefit as at December 31, 1994, pursuant to the provisions of the Sun Media Corporation Plan then in effect.

PART C – SECTION VI

DEATH BENEFITS

Article 6.01 Normal Form of Pension

Subject to Article 6.02, if a Member does not have a Spouse on the date on which pension payments commence, his pension shall be payable in equal monthly instalments for the life of the Member. If the Member dies before having received 120 monthly payments, then such payments will continue to his Beneficiary until a total of 120 payments have been made to the Member and his Beneficiary.

Article 6.02 Joint and Survivor Pension

- (1) If a Member has a Spouse, on the date on which pension payments commence, his pension shall be payable in equal monthly instalments until the first date of the month in which the Member dies, and 60% of the amount payable to the Member shall continue to be paid to such surviving Spouse of the Member, commencing on the first day of the month following the month in which the death of the Member occurs and ending on the first day of the month in which such Spouse dies.
- (2) The benefit payable under this Article 6.02 shall be equal to the Actuarial Equivalent of the benefit described in Article 6.01.
- (3) A Member who has a Spouse may not elect any other form of pension payment unless:
 - a) the amount of the pension payable to the survivor of the Member and the Member's Spouse is at least equal to 60% of the benefit that was payable to the Member during the Member's lifetime, or
 - b) the Member delivers to the administrator, within the 12 month period immediately preceding the date upon which payment of the pension is to commence or such other period as may be prescribed by Application Pension Benefits Act, the written consent of the Member's Spouse, in the form prescribed under the Applicable Pension Benefits Act.

Article 6.03

Death Before Retirement

- (1) If a Member or Former Member dies before payment of his pension benefit commences, the Spouse of the Member or Former Member, shall receive a death benefit having a Commuted Value equal to the benefit to which the Member or Former Member had a vested entitlement under Article 7.01, if applicable. In the case of the Member, the benefit shall be calculated as if he had terminated employment on the date of death.

The Spouse of an Ontario Member may elect to receive the death benefit as a lump sum payment or in the form of an immediate or deferred life annuity or as a transfer to a non locked-in registered retirement savings plan or registered retirement income fund by delivering a direction to the administrator within the prescribed period. Payment of the deferred annuity shall commence on the first day of the month coincident with or next following the Spouse's attainment of age 65.

However, if the beneficiary is the Spouse of an Alberta Member or of a British Columbia Member, the benefit shall be paid in the form of an immediate pension unless the Spouse requests that it be transferred to a locked-in RRSP, another registered pension plan, if such plan allows this, or to an annuity contract or such other retirement vehicles as may be permitted under the Applicable Pension Benefits Act.

The Spouse may waive his right to the death benefit or revoke such waiver, provided the administrator receives written notice thereof before the Member's or Former Member's death in accordance with the Applicable Pension Benefits Act.

- (2) If a Member or Former Member dies before payment of a pension benefit commences and has no Spouse or is living separate and apart from his or her Spouse at the date of death, within the meaning of the Applicable Pension Benefits Act, the Beneficiary of the Member or Former Member shall receive a lump-sum payment of the benefit as determined in this Article 6.03.

Article 6.04

Death after Retirement

If a Retired Member dies after payment of benefits commence, the Spouse, Beneficiary or joint annuitant of the Retired Member shall receive a death benefit, if any, in accordance with the form of pension to which the Retired Member became entitled under Articles 6.01, or 6.02 or Section XI of Part A, as the case may be, while a Member of Part C of the Plan.

Notwithstanding the above, if the annual amount of the death benefit payable to the surviving Spouse of an Ontario Member is not greater than 4% of the YMPE or the Commuted Value of such benefit is less than 20% of the YMPE (or such other percentage or amount as may be prescribed by Applicable

Pension Benefits Act), in the year in which the Ontario Member dies, the Commuted Value of the benefit is paid in a lump sum in lieu of a pension.

The surviving Spouse of an Ontario Member may also elect to transfer such lump sum to a non locked-in registered retirement savings plan or registered retirement income fund by delivering a direction to the administrator within the prescribed period.

Article 6.05

Death of the Surviving Spouse

If the surviving Spouse, who is entitled to a benefit under Article 6.03(1), dies before electing the form of payment of the benefit, or before commencement of any annuity or payment of the benefit, or before commencement of any annuity or payment of any lump sum amount, a lump sum payment of the benefit determined in Article 6.03(1) shall be made to the Spouse's beneficiary.

PART C – SECTION VII
TERMINATION BENEFITS

Article 7.01 **Deferred Pension**

An Ontario Member who terminates employment while a Member of the Plan shall be entitled to receive a deferred pension, commencing on his normal retirement date, in the amount accrued and granted under the Plan, calculated in accordance with Article 5.01.

Notwithstanding the above, a British Columbia Member who terminates employment and who has completed 2 years of continuous membership in the Plan shall be entitled to receive a deferred pension, commencing on his normal retirement date, in the amount accrued and granted under the Plan, calculated in accordance with Article 5.01.

Notwithstanding the above, an Alberta Member who terminates Service for any reason other than death, disability or retirement after the earlier of the completion of 24 months of continuous membership in the Plan and 5 years of Service is entitled to receive a deferred pension that becomes payable on the normal retirement date, in the amount accrued or granted subsequent to December 31, 1986, calculated in accordance with Article 5.01.

Article 7.02 **Early Retirement**

A Member who is entitled to a deferred pension under Article 7.01 may elect to receive it following the attainment of age 55, in which case the pension shall be reduced on an Actuarial Equivalent basis and subject to the limitations set out in Article 10.02 of Part A.

Article 7.03 **Transfer of Pension Entitlements**

A Member who is no longer active is entitled to transfer the Commuted Value of his pension entitlements in accordance with Article 6.16 of Part A.

Notwithstanding Article 6.16 of Part A, a Member who is a member of the Sun Media management committee, who terminates employment on or after September 1, 2000 and after attainment of age 55, may elect to have the Commuted Value of any pension he is entitled to under Part C of the Plan transferred in the manner set out in Article 6.16 of Part A, provided that the Member has not already commenced receipt of this pension.

Ontario Special Early Retirement Grow in Rights

For the purpose of this Section, an “activating event” is:

- a) The termination of employment of the Ontario Member by the Employer on or after July 1, 2012 when termination of employment is not due to wilful misconduct, disobedience or wilful neglect of duty by the Ontario Member that is not trivial and has not been condoned by the Employer;
- b) The Plan wind up if the effective date of wind up is on or after April 1, 1987;
- c) The occurrence of such other events as may be prescribed in such circumstances as may be specified by the Applicable Pension Benefits Act.

From July 1, 2012, an Ontario Member whose combination of age plus years of Service or years of participation in the Plan equals at least 55 on the effective date of an activating event is entitled to:

- a) An immediate pension in accordance with the terms of the Plan, if the Ontario Member is eligible for immediate payment of the pension, and calculated using years of Pensionable Service up to the activating event;
- b) A pension in accordance with the terms of the Plan, calculated using years of Pensionable Service up to the activating event, beginning at the earlier of:
 - i) the normal retirement date; or
 - ii) the date on which the Ontario Member would be entitled to an unreduced pension under the Plan if the activating event had not occurred and if the Ontario Member’s membership continued up to that date; or
- c) A reduced pension in the amount payable under the terms of the Plan, calculated using years of Pensionable Service up to the activating event, beginning on the date on which the Ontario Member would be entitled to the reduced pension under the Plan if the activating event had not occurred and if the Ontario Member’s membership continued up to that date.

A benefit described above for which the Ontario Member has met all eligibility requirements under this Article shall be included in calculating the Ontario Member’s pension benefit or the Commuted Value of his pension benefit.

APPENDICES

APPENDIX I

LIST OF PARTICIPATING EMPLOYERS

- Quebecor Media Inc.
- Groupe Librex Inc.
- Groupe Archambault Inc.
- Imprimerie Mirabel Inc.
- Groupe Ville-Marie Littérature Inc.
- Messageries ADP Inc.
- Sun Media Corporation
- Réseau Québecor Média inc.
- Groupe Sogides inc.

APPENDIX II

SPECIAL PROVISIONS WITH REGARD TO CERTAIN MEMBERS

1. Daniel Paillé

The annual pension in the amount of \$30,310.64 paid to Mr. Daniel Paillé for his years of Pensionable Service prior to February 21, 1992 in a prior pension plan that was subject to a transfer agreement between the CARRA and QUEBECOR INC. shall be increased in accordance with the provisions of Article 6.03 of Part B except that the prescribed percentage shall equal the amount by which the Financial Indicator exceeds 3.6%, rather than 7% as stipulated in Article 6.03 of Part B. In the event that the Commuted Value of this adjustment to the benefit settlement amount under the Plan is less than \$66,628 plus interest accrued since February 21, 1992 at the rate set out in Article 2.05 of Part B, the difference shall then be transferred to a locked-in retirement savings vehicle. The value of the benefits so granted may not, however, exceed any acceptable maximum value under applicable income tax legislation.

2. Jacques Girard

The annual pension in the amount of \$29,041.81 paid to Mr. Jacques Girard for his years of Pensionable Service prior to August 29, 1988 in a prior pension plan that was subject to a transfer agreement between the CARRA and QUEBECOR INC. shall be increased in accordance with the provisions of Article 6.03 of Part B except that the prescribed percentage shall equal the amount by which the Financial Indicator exceeds 2.6%, rather than 7% as stipulated in Article 6.03 of Part B. In the event that the Commuted Value of this adjustment at the time benefits are settled under the Plan is less than \$50,980 plus interest accrued since June 1, 1989 at the rate set out in Article 2.05 of Part B, the difference shall then be transferred to a locked-in retirement savings vehicle. The value of the benefits so granted may not, however, exceed any acceptable maximum value under applicable income tax legislation.

APPENDIX III

ADDITIONAL RIGHTS AND BENEFITS WITH REGARD TO TORONTO SUN PRESSES REORGANIZATION ON SEPTEMBER 30, 2007

All employees affected by the Toronto Sun Presses reorganization on September 30, 2007 are granted additional rights and benefits provided by Appendix III.

Employees eligible are all employees who lost their job (voluntary or involuntary) from August 29, 2005, date of the first announcement of the reorganization up to September 30, 2007 and without restriction any other date thereafter if related to the event.

Additional rights and benefits

1. Transfer of Pension Entitlements (rights of portability) provided by Article 6.16 of Part A are not restricted to Member who terminates employment with the Employer prior to 10 years before his normal retirement date, except for a Retired Member.
2. The Deferred Pension entitlement under Article 7.01 of Part C are fully granted even for a Member who terminates employment and who has not completed 2 years of Service.
3. Members are granted Grow In benefits under Section 74 of the Pension Benefits Act.

A Member whose age plus Service or Pensionable Service equals 55 or more when he terminates employment is eligible to receive:

- a) For pension entitlement under Part B: Notwithstanding Article 8.03, a Member who is entitled to a deferred pension under Article 8.01 may begin receiving this pension at age 55. In this case, the pension shall be reduced in accordance with Article 5.02, and subsequently shall be subject to the provisions of Article 10.02 of Part A.
- b) For pension entitlement under Part C: Notwithstanding Article 7.02, a Member who is entitled to a deferred pension under Article 7.01 may begin receiving this pension at age 55. In this case, the pension shall be reduced in accordance with Article 4.02, and subsequently shall be subject to the provisions of Article 10.02 of Part A.

A Member whose age plus Service or Pensionable Service equals 55 or more and has at least 10 years of Service or Pensionable Service when he terminates employment is eligible to receive for pension entitlement under Part B the bridge benefit under Article 6.05 of Part B.

Without any restriction, all pension entitlement under this Article 3 are included in transfer rights described in Article 1 above.