

1986 Retirement Plan
For The Unionized Employees of
London Free Press, a division of Sun Media Corporation

Restated Effective June 30, 2003
(to incorporate all amendments made prior to June 30, 2003)

Certified to be a true and complete copy of the text of the 1986 Retirement Plan for the Unionized Employees of London Free Press, a division of Sun Media Corporation as at June 30, 2003.

Jacques Mallette
Vice-President and Chief Financial Officer

Date

March 2004

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SECTION 1 – INTRODUCTION

- 1.01 Prior to January 1, 1986, certain employees or former employees of London Free Press Printing Company Limited were entitled, subject to the satisfaction of eligibility requirements, to be Members of the Employees' (1964) Pension Plan of The London Free Press Holdings Limited. The Prior Plan is administered through a contract with Standard Life. Contributions to that plan were discontinued effective December 31, 1985, and benefits earned up to that date are payable under and in accordance with the terms of that plan.
- 1.02 Effective January 1, 1986, Employees of London Free Press Printing Company Limited are entitled, subject to the satisfaction of eligibility requirements, to be Members of this Plan. Benefits earned on and after that date are payable under and in accordance with the terms of this Plan.
- 1.03 The objective of the Plan is to provide long service Members with a reasonable retirement income, after taking into consideration payments from the Plan, all predecessor plans and government programs. In this regard, the Employer may apply any surplus funds that may develop under this Plan towards the enhancement of benefits earned under prior Employer plans or to improving benefits being paid to retired Employees. The use of such surplus funds shall not be restricted to enhancing benefits earned under this Plan.
- 1.04 Effective January 1, 1990, membership in the Plan of Members who have been designated by the Board of Directors as designated executives was terminated.
- 1.05 Effective May 18, 1997 Sun Media assumed sponsorship of the Plan as a result of an asset purchase agreement between Sun Media, the London Free Press Printing Company Limited, Netmar Inc. and The Blackburn Group Inc.

- 1.06 Effective May 18, 1997, some Members designated as an LFP Transfer Member, ceased to participate in this Plan. The assets and liabilities in respect of the pension benefits accrued to each such person, including employee contributions with interest, as determined by the Actuary, have been transferred to the 1986 Retirement Plan for Employees of Head Office Staff of the Blackburn Group Inc. (the “BGI Plan”).
- 1.07 Effective May 18, 1997 and in accordance with Section 3.10, a BGI employee designated as a BGI Transfer Member, as set out in Appendix A hereto, ceased to participate in the BGI Plan. The assets and liabilities in respect of the pension benefits accrued to each such person, including any required employee contributions plus interest, as determined by the Actuary, have been transferred to the Plan.
- 1.08 Effective June 30, 2003, the part of the Plan with respect to employees or former employees not represented by a bargaining unit will be split from the Plan and merged with the Pension Plan for Non-Unionized Employees of Quebecor Media Inc. and its Participating Subsidiaries (referred herein as to the “Quebecor Media Plan”). As a result, the Plan is amended to reflect the fact that employees or former employees not represented by a bargaining unit will cease to be Members under the Plan with effect on June 30, 2003.

However, until the assets and liabilities of the Plan with respect to Members who are employees or former employees not represented by a bargaining unit will be transferred to the Quebecor Media Plan, the following applies:

- (a) The benefits accrued by such Members and all other rights and entitlements with respect to such benefits will continue under this Plan.
- (b) Payment of contributions by Members and the Employer will continue to be paid to the Plan until the Financial Services Commission of Ontario approves the split and the merger and therefore, the establishment of the Quebecor Media Plan.

- (c) The Plan applies to the vested benefits payable with respect to Members' credited Service under this Plan. Benefits payable to Members who retired before July 1, 2003 and benefits payable to their Spouses or beneficiaries and all deferred pensions payable to Members who terminated their employment with the Employer before July 1, 2003 shall continue to be paid or payable, as applicable, under the provisions of the Plan, except as otherwise stipulated by the present Plan text.
- (d) Should a Member or former Member retire, terminate or die prior to the transfer of assets and liabilities of the Plan to the Quebecor Media Plan, all benefits with respect to his entitlements will be paid from the assets held under the 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 Quebecor Media Plan after June 30, 2003 will be taken into account.

Once the assets and liabilities of the Plan with respect to employees or former employees not represented by a bargaining unit will be transferred to the Quebecor Media Plan, the following applies:

- (a) Benefits of members who were active on June 30, 2003 are determined solely in accordance with the provisions of Part C of the Quebecor Media Plan. Entitlements to benefits of members who were active on June 30, 2003 are determined in accordance with the entitlement rules included in the provisions of Part C of the Quebecor Media Plan, but taking into account all years of Service and the continuation of membership under the Quebecor Media Plan.
- (b) Benefits accrued for employees or former employees will be payable from the consolidated assets held under the Quebecor Media Plan.

1.09 Any vested rights and entitlements to benefits under the Plan by the Members will not be affected by the split and the merger with the Quebecor Media Plan.

SECTION 2 – DEFINITIONS

The following words and phrases, when used herein, shall have the following meanings unless the context clearly indicates otherwise:

- 2.01 **Actuary** shall mean 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 Board.
- 2.02 **Actuarial Equivalent** shall mean a pension of an actuarial equivalent value, computed using actuarial tables and such other methods and assumptions as may be adopted by the Employer on the recommendation of the Actuary for purposes of the Plan, subject to the provisions of the *Pension Benefits Act of Ontario, R.S.O. 1990*, as amended. For greater clarity, the actuarial tables and such other methods and assumptions shall be based on annuity factors that do not differentiate as to sex for all their years of Service.
- 2.03 **Average Pensionable Earnings** shall mean the average of a Member's best Earnings in any five years of Plan membership. In the event that a Member has less than five years of Plan membership on the date that a determination is required, his Average Pensionable Earnings shall mean the average of his Earnings for all of his complete and partial years of Plan membership.
- 2.04 **Average Year's Maximum Pensionable Earnings** shall mean the average of the Year's Maximum Pensionable Earnings during the same period used in the calculation of the Average Pensionable Earnings.
- 2.05 **Board** shall mean the Board of Directors of Quebecor Media Inc. or its Compensation Committee.

2.06 **Commuted Value** shall mean, 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, computed at the rate of interest and using actuarial tables adopted by the Employer on the recommendation of the Actuary, subject to the provisions of the *Pension Benefits Act of Ontario, R.S.O. 1990*, as amended. For greater clarity, the actuarial tables shall be based on annuity factors that do not differentiate as to sex for all their years of Service.

2.07 **Credited Interest** shall mean interest credited on a Member's contributions to the Plan. In respect of contributions made by the Members prior to January 1, 1988, Credited Interest shall be determined and credited in the manner specified under the terms of the Plan as then in effect. Effective January 1, 1988, Credited Interest on Member required contributions shall mean interest calculated on the basis of the yields of five-year personal fixed term chartered bank deposit rates as determined from CANSIM B14045, published monthly in the Bank of Canada Review, averaged over a reasonably recent period, such averaging period not to exceed twelve months. Effective January 1, 1988, Credited Interest on Member Additional Voluntary Contributions shall be at the estimated fund rate. Interest shall be credited at the end of each Plan Year. The method of crediting interest for each Plan Year shall be as follows:

- (i) In respect of the balance of a Member's contributions with Credited Interest outstanding at January 1 of that Plan Year, the full rate of interest described above.
- (ii) In respect of a Member's contributions made during that Plan Year, one half the rate of interest described above, multiplied by the fraction of the year (in completed months) during which such contributions were made.

2.08 **Early Retirement Date** shall be as defined in Section 8.01.

2.09 **Earnings** shall mean the basic salary of a Member, as determined by the Employer and paid to the Member during any year, excluding bonuses, overtime pay, talent fees or other special payments. With respect to a part-time Employee as defined in Section 2.11, and only for the purposes of determining the amount of benefits payable under the Plan, Earnings shall mean the part-time Employee's basic salary (as determined by the Employer, excluding bonuses, overtime pay, talent fees or any other special payments), multiplied by the ratio of the hours regularly scheduled to be worked by full-time Employees in the Plan Year to the part-time Employee's actual hours worked during the Plan Year.

For the purpose of determining the Member's level of contributions and pension accrual during periods of unpaid absence, Earnings shall be deemed to continue during the absence without pay at the basic rate of salary in effect at the commencement of such period.

Effective January 1, 1998, Earnings for the purpose of determining a Member's required contributions under Section 4.01 shall not exceed the amount necessary to produce the maximum pension permitted under the Income Tax Act.

2.10 **Effective Date** shall mean January 1, 1986.

2.11 **Employee** shall mean a person, represented by a bargaining unit providing for participation in this Plan, employed by the Employer either:

- (a) on a full time basis; or
- (b) on a part time basis, such that the person either:
 - (i) earned not less than 35% of the Year's Maximum Pensionable Earnings,
 - or
 - (ii) worked 700 or more hours,

in the immediately preceding year.

Effective January 1, 1990, an Employee in this Plan shall exclude any persons eligible for membership in the 1990 Retirement Plan for Executive Employees of The Blackburn Group Inc.

- 2.12 **Employer** shall mean London Free Press, a division of Sun Media Corporation.
- 2.13 **Fund** shall mean the Fund established in accordance with Section 14 of the Plan.
- 2.14 **Inflation Adjustment Factor** shall mean, as determined for January 1, 1987 and each subsequent January 1st, the lesser of:
- (i) 8%; and
 - (ii) one-half of the percentage change in the Consumer Price Index during the twelve month period ending on the October 1st preceding the determination date.
- 2.15 **Income Tax Act** shall mean the Canadian Income Tax Act and the Regulations thereto.
- 2.16 **Late Retirement Date** shall be as defined in Section 7.01.
- 2.17 **Lifetime Retirement Benefits** shall mean periodic payments which, once they commence to be paid to a Member of a pension plan, will continue to be paid until death unless suspended or commuted before that time.
- 2.18 **Member** shall mean an Employee who has completed the eligibility requirements under Section 3 hereof.
- 2.19 **Minister** means the Minister of National Revenue.
- 2.20 **Normal Retirement Date** shall be as defined in Section 6.01.
- 2.21 **Pension Adjustment** shall be as defined in the Income Tax Act.
- 2.22 **Pensionable Service** shall mean, with respect to a full-time Employee, the period of years of Service (completed months count as an appropriate fraction of a year) during which the Member contributed to the Plan on and after January 1, 1986, and shall include any

period during which the Member is in receipt of a benefit under the Employer's insured long term disability income program while Totally Disabled, as certified by a medical doctor.

With respect to a part-time Employee as defined in Section 2.11, Pensionable Service for each Plan Year shall be the ratio (rounded to the nearest 1/12th) of that part-time Employee's actual hours worked to the hours regularly scheduled to be worked by full-time Employees during the Plan Year. Pensionable Service will also include (a) and (b) below, unless the Member has elected in writing not to make contributions in accordance with Section 4.01 in respect of such period of absence.

- (a) Effective from January 2, 1990, absence without pay, not exceeding one year, due to personal injury or illness arising out of or in the cause of employment with the Employer, as defined in the *Ontario Workers' Compensation Act*, and
- (b) Effective from December 20, 1990, absence without pay on maternity or parental leave, as defined in the *Ontario Employment Standards Act*.

With respect to an Employee represented by The London Free Press General Unit, on October 6, 2003, Pensionable Service shall include any period of past Service purchased under the Plan with funds transferred from the Employer's sponsored Group RRSP.

In addition, with respect to an Employee represented by The London Free Press Editorial Unit or represented by any other bargaining unit providing for participation in this Plan, Pensionable Service shall include any period of past Service purchased under the Plan with funds transferred from the Employer's sponsored Group RRSP.

2.23 ***Plan*** shall mean the 1986 Retirement Plan for the Unionized Employees of London Free Press, a division of Sun Media Corporation.

2.24 ***Plan Administrator*** shall mean Quebecor Media Inc.

2.25 ***Plan Year*** shall mean the calendar year.

- 2.26 **Prior Plan** shall mean the Employees' (1964) Pension Plan of The London Free Press Holdings Limited as well as group annuities with Standard Life under GA 17256 and GA 10859 and any subsequent group annuity contract.
- 2.27 **Service** shall mean continuous employment as an Employee with the Employer as determined by the Employer and shall be deemed continuous notwithstanding temporary suspensions of employment, provided employment is resumed forthwith at the end thereof and notwithstanding periods of lay-off, but not exceeding a temporary suspension of 24 months.
- 2.28 **Spouse** shall mean the person, at the Member's death or at the Member's retirement date if he dies after his retirement, from whom the Member is not living separate and apart at that date and:
- (a) to whom the Member is legally married; or
 - (b) with whom the Member has been living in a conjugal relationship for a continuous period of at least one year; or
 - (c) with whom the Member has been living in a conjugal relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the *Family Law Act, 1986 of Ontario*.
- 2.29 **Totally Disabled** shall mean an individual who suffers from a physical or mental impairment which prevents the individual from performing any occupation for which the individual is reasonably suited by virtue of his or her education, training or experience and for which there is no reasonable expectation of the individual recovering from the impairment.
- 2.30 **Upgraded Prior Plan Benefits** shall mean the additional benefits arising from time to time under the Prior Plan and credited to a Member under this Plan as a result of the Member's participation in the Prior Plan.

2.31 *Year's Maximum Pensionable Earnings* (YMPE) shall have the meaning attached thereto under the Canada Pension Plan as applicable.

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.

SECTION 3 – ELIGIBILITY AND MEMBERSHIP IN THE PLAN

- 3.01 Each Employee who was a Member of the Prior Plan on December 31, 1985 and who had attained age thirty at that date shall become a Member of this Plan on January 1, 1986.
- 3.02 Each Employee who was a Member of the Prior Plan on December 31, 1985, and who had not attained age thirty at that date may elect to become a Member of the Plan on January 1, 1986 or on attainment of age twenty-five. Should such Employee elect not to become a Member of this Plan at that time or at a later date, the Employee shall automatically become a Member of this Plan on the first day of the month following attainment of age thirty-five.
- 3.03 Each full-time Employee hired before January 1, 1986 who was not a Member of the Prior Plan on December 31, 1985, may elect to become a Member of this Plan on the later of (i) January 1, 1986, or (ii) the first day of the month following the completion of one year of Service. Should such Employee elect not to become a Member of this Plan at that time or at a later date, the Employee shall automatically become a Member of this Plan on the first day of the month following attainment of age thirty-five and completion of one year of Service.
- 3.04 Each part-time Employee hired before January 1, 1986 shall be entitled to elect to become a Member of this Plan on the later of (i) March 1, 1986 or (ii) the first day of the month following the completion of one year of Service. Should such Employee elect not to become a Member of this Plan, the Employee shall not be required to become a Member of this Plan.
- 3.05 Each Employee hired on or after January 1, 1986 may elect to become a Member of the Plan on the first day of any month following the completion of one year of Service. However, a full-time Employee must become a Member of the Plan no later than the first day of the month following attainment of age thirty and completion of one year of Service.

3.06 Each Employee, who was not a Member of the Plan on December 31, 1987, and each Employee hired by the Employer on or after January 1, 1988, must become a Member of this Plan upon the first day of the month following attainment of age thirty-five and the completion of one year of Service, unless the Member has joined the Company's group registered retirement savings plan.

However, each Employee represented by The London Free Press General Unit, who is hired by the Employer on or after October 6, 2003, may elect to become a Member of the Plan on the first day of the month following completion of one year of Service.

Moreover, each Employee represented by The London Free Press General Unit, on October 6, 2003, became a Member of the Plan as at that date.

Part-time Employees are not required to become Members of the Plan.

The membership of a part-time Employee shall not cease by reason only that he or she has Earnings below 35% of the Year's Maximum Pensionable Earnings, or hours of work below 700, in any year following the year in which he or she becomes a Member of the Plan.

3.07 To become a Member, an eligible Employee must make written application for membership of the Plan on forms to be provided by the Employer. Such forms shall contain such information as may be required for the administration of the Plan, and shall authorize the appropriate deductions from Earnings.

3.08 Any Member whose Service has been terminated and who is subsequently re-employed by the Employer shall, for purposes of the Plan, be considered a new Employee.

3.09 Membership of any Member in the Employer's sponsored Group RRSP shall count for the purposes of eligibility, vesting and locking-in of benefits under the Plan.

3.10 BGI Transfer Member

Effective May 18, 1997, a BGI employee designated as a BGI Transfer Member, as set out in Appendix A hereto, ceased to participate in the BGI Plan. The assets and liabilities in respect of the pension benefits accrued to each such person, including any required employee contributions plus interest, as determined by the Actuary have been transferred to this Plan. For each BGI Transfer Member, the period of membership in the BGI Plan and the period of service with BGI will be recognized for the purposes of eligibility, vesting and locking-in of benefits under this Plan.

3.11 The Employer may, in its discretion, waive the eligibility requirements described in this Section 3 for certain Employees or groups of Employees, provided that such waiver is not based on grounds that would constitute discrimination at law, and provided further that Employees whose nature and type of employment are similar are treated in a similar fashion.

3.12 When a Member becomes an employee not represented by a bargaining unit, while the Member stays in employment of Quebecor Media Inc. or any of its subsidiaries, his active membership in the Plan is terminated. In such event, the termination of membership shall, upon the Member's request, be treated as a termination of employment for the purpose of the Plan and 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 date of his termination of employment with the Employer.

If the Member elects to leave his accrued benefits in the Plan, the Member's years of membership under the Quebecor Media Plan shall count for the purposes of eligibility, vesting and locking-in of benefits under this Plan. For greater certainty:

- (a) Earnings for years of Plan membership used in the calculation of the Average Pensionable Earnings shall be frozen on the date of termination of membership,
- (b) Pensionable Service shall be frozen on the date of termination of membership,
and
- (c) The Member shall cease contributing to the Plan on the date of termination of membership of his election.

SECTION 4 – REQUIRED CONTRIBUTIONS TO THE PLAN

4.01 Subject to 9.01, a Member shall contribute by payroll deduction an amount equal to 3.5% of his Earnings up to the YMPE and 5% of his Earnings in excess of the YMPE.

These required contributions shall cease on the earliest of:

- (a) that date on which the Member's Service with the Employer is terminated;
- (b) the Member's retirement date; and
- (c) the date on which the Member begins to receive benefits under the Employer's insured long term disability program.

Member's contributions shall be remitted to the Fund within the periods of time prescribed under the *Pension Benefits Act of Ontario, R.S.O. 1990*.

Notwithstanding the foregoing, a Member's total required contributions in a year that does not include a period of disability or an eligible period of reduced pay or temporary absence shall not be allowed to exceed the lesser of (a) 9% of the Member's Earnings in the year, and (b) \$1,000 plus 70% of the sum of the Member's pension credit for the year.

4.02 Required contributions shall be deducted from Earnings commencing with the first complete pay period in the month in which an Employee becomes a Member of the Plan.

4.03 The Employer shall contribute at regular intervals, but not less frequently than annually, and within 120 days of the end of each Plan Year, such amounts as are recommended by the Actuary to provide the benefits accruing to Members of the Plan during the current year, to a maximum Employer contribution equal to the total of the Members' required contributions averaged over the Plan Year and the two immediately preceding Plan Years, but in no event shall the Employers' contributions exceed the amount permitted as a deduction in computing the taxable income of the Employer for such year under the Income Tax Act. The Employer shall also make such further contributions as are necessary to provide for the amortization of any unfunded liability or experience

deficiency with respect to benefits previously accrued as may be required to meet the standards of funding or solvency prescribed by applicable legislation. In the event that the amounts recommended by the Actuary exceed such maximum, the Board, after advising the union (s), may elect to:

- (i) require the Employer and Employee to pay such higher contributions, or
- (ii) adjust future benefit accruals accordingly.

Notwithstanding the foregoing, the Employer's contributions pursuant to this Section 4.03 shall be remitted to the Fund in equal instalments throughout the Plan Year at such intervals and within such periods of time as are prescribed in the *Pension Benefits Act of Ontario, R.S.O. 1990*, as amended.

- 4.04 If at any time while the Plan continues in existence, the Actuary certifies that the assets of the Fund exceed the actuarial liabilities of the Plan in respect of benefits defined in the Plan, such surplus assets or any portion of such assets, may be used by the Employer to reduce its contribution obligations under Section 4.03, subject to any limitations prescribed by the *Pension Benefits Act of Ontario, R.S.O. 1990*, as amended.

SECTION 5 – ADDITIONAL VOLUNTARY CONTRIBUTIONS

- 5.01 (i) No Additional Voluntary Contributions other than as permitted by 5.01(ii) may be made by the Member after October 8, 1986,
- (a) in respect of eligible Service prior to becoming a Member of this Plan or the Prior Plan, or
 - (b) in respect of eligible past Service while a Member of this Plan or the Prior Plan.
- (ii) In addition, and with the consent of the Employer, a Member may elect that all or part of amounts received as a non-locked-in cash refund from a previous employer's registered pension plan, be transferred to this Plan as a lump sum contribution, in accordance with the Income Tax Act. Such contributions shall be referred to as Additional Voluntary Contributions and may not be withdrawn by the Member while the Member remains in the employ of the Employer.
- 5.02 On termination of Service or on retirement, the Member may elect to receive an Additional Voluntary Contributions with Credited Interest thereon in a lump sum cash payment or to transfer such amount to:
- (i) a Registered Retirement Savings Plan; or
 - (ii) a registered pension plan in which the Member is a member, provided that such plan permits such transfer.
- 5.03 On the death of a Member, the Member's beneficiary, or if none, the Member's estate, shall receive a lump sum cash settlement of Member's Additional Voluntary Contributions with Credited Interest thereon.

SECTION 6 – NORMAL RETIREMENT

6.01 Normal Retirement Date is the first day of the month immediately following a Member's 65th birthday.

6.02 Subject to Section 15.01, the annual pension payable to a Member on retirement at Normal Retirement Date shall be an annual pension equal to the sum of (a) and (b):

(a) his Pensionable Service on and after January 1, 1998, multiplied by,

(1) 1.25% of his Average Pensionable Earnings up to the Average YMPE;

plus

(2) 1.75% of his Average Pensionable Earnings in excess of the Average YMPE.

(b) his Pensionable Service prior to January 1, 1998, multiplied by,

(1) 1% of his Average Pensionable Earnings up to the Average YMPE;

plus

(2) 1.5% of his Average Pensionable Earnings in excess of the Average YMPE.

In addition, a Member may be entitled to Upgraded Prior Plan Benefits and a Member who was a Member of the Prior Plan may also be entitled to benefits from the Prior Plan subject to the provisions of that plan.

6.03 In the event that a Member is transferred to another pension plan sponsored by an employer of another division of Sun Media Corporation, such Member's membership in the Plan shall cease.

No benefits shall be payable or earned under the Plan during such period when membership has ceased until such time as the Member subsequently terminates employment, retires or dies.

When such transferred Member subsequently terminates employment, retires or dies, he or his beneficiary shall receive the benefits to which such former Member was entitled on his date of transfer based on Pensionable Service accrued to his date of transfer and his Earnings as determined as of his date of termination of employment, retirement or death.

If such transferred Member is subsequently transferred back to the Plan, his membership in the Plan will resume, and he will resume accruing Pensionable Service from the date of retransfer. For purposes of computing benefits at his subsequent date of termination of employment, retirement or death the Pensionable Service accrued after the date of retransfer shall be aggregated with Pensionable Service accrued prior to the date of original transfer and his Average Pensionable Earnings shall be those as determined on his date of termination of employment, retirement or death.

- 6.04 In the event that a Member is transferred to the Plan from an employer of another division of Sun Media Corporation such Member will be eligible to join the Plan on the date of the transfer. Pensionable Service in the Plan will commence to accrue from the transfer date, however his Service will include service while employed with the employer of such other division of Sun Media Corporation for the purpose of determining his eligibility for benefits under this Plan.

SECTION 7 – LATE RETIREMENT

- 7.01 A Member may, with the consent of the Employer, continue in active Service after his Normal Retirement Date. A Member who continues in active Service following his Normal Retirement Date shall be required to continue making contributions to the Plan in accordance with Section 4. Pension accrual shall continue under the Plan in accordance with Section 6.02, until actual retirement or death, but in no event shall such contributions and accrual continue beyond December 31st of the year in which the Member attains age 69, unless a later date is otherwise permitted by the Income Tax Act and other applicable legislation governing the Plan and approved by the Employer, at which time payment of the Member's pension shall commence. The Member shall receive, commencing on his Late Retirement Date, an annual pension determined in accordance with Section 6.02, based upon his Pensionable Service, Average Pensionable Earnings and Average Year's Maximum Pensionable Earnings at his Late Retirement Date.
- 7.02 Notwithstanding Section 7.01 the Member may, at his option, elect any time after his Normal Retirement Date to terminate active Service and receive payment of his accrued pension payable at any time between his Normal Retirement Date and his actual retirement date, in which case contributions and accrual shall cease at the end of the month immediately preceding the Normal Retirement Date. Such Member shall receive, commencing on his Late Retirement Date but not beyond December 31st of the year in which the Member attains age 69, unless a later date is otherwise permitted by the Income Tax Act and other applicable legislation governing the Plan and approved by the Employer, an annual pension determined in accordance with Section 6.02, based upon his Pensionable Service, Average Pensionable Earnings and Average Year' Maximum Pensionable Earnings at his Normal Retirement Date, and adjusted to reflect the Actuarial Equivalent value of such postponement.

SECTION 8 – EARLY RETIREMENT

8.01 A Member may elect to retire on the first day of any month following his attainment of age 55. Furthermore, by mutual agreement between the Member and the Employer, a Member may elect to retire on the first day of any month prior to his Normal Retirement Date if the Member is in ill health or for other reasons, does not qualify for benefits under the Employer's insured long term disability income program.

The date on which a Member retires pursuant to this Section 8.01 shall be his Early Retirement Date.

8.02 Subject to the provisions of Section 8.03, a Member who retires early pursuant to Section 8.01 shall receive, at his option:

- (i) a deferred pension commencing on his Normal Retirement Date, the amount of which shall be determined in accordance with Section 6.02, based upon the Member's Pensionable Service, Average Pensionable Earnings and Average Year's Maximum Pensionable Earnings at his Early Retirement Date; or
- (ii) a reduced pension commencing on the first day of any month between his Early Retirement Date and his Normal Retirement Date. In such event, the Member's pension shall be determined as the lesser of (a) the pension determined in accordance with Section 8.02(i) above and (b) the pension under 15.01. The lesser of (a) or (b) shall be reduced by 5/12ths of 1% for each month by which the date of commencement of pension payments precedes his Normal Retirement Date. In no event shall the Commuted Value of the reduced pension payable under this Section 8.02(ii) be less than the Commuted Value of the deferred pension to which the Member would otherwise be entitled under Section 8.02(i).

8.03 Canada Customs and Revenue Agency Requirement – Minimum Early Retirement Reduction

The following paragraph is to meet the Income Tax Act and is not intended to improve benefits outlined in any of the early retirement provisions in Section 8.

Where a Member commences pension payments prior to his earliest unreduced date, as defined below, the level of such Member's Lifetime Retirement Benefits must be reduced, by at least ¼ percent for each month (3% per year) that the commencement date precedes the Member's earliest unreduced date. For the purpose of this paragraph, the Member's earliest unreduced date shall be the earlier of (a) the date the Member attains age 60, (b) the date the Member has completed at least 30 years Service (excluding periods of layoff), or (c) the date the Member's age plus years of Service (excluding periods of layoff) equals a total of 80, assuming for (b) and (c) that the Member had continued to be employed.

SECTION 9 – DISABILITY PENSION

9.01 A Member who is receiving benefits under the Employer's insured long term disability income program shall not be required to contribute as set out in Section 4.01, but shall be deemed to have received Earnings for each complete Plan Year (with completed months thereof computed as fractions of a year) while in receipt of such long term disability benefits prior to his Normal Retirement Date, based on his Earnings in the calendar year prior to the date of disablement, increased to reflect changes in the average industrial wage each year, and, at subsequent retirement, shall receive a retirement benefit calculated as if such Earnings had been received. For this same benefit calculation, the Year's Maximum Pensionable Earnings will be based upon the actual Year's Maximum Pensionable Earnings in effect on the date of the retirement calculation.

Notwithstanding the foregoing provisions of this Section 9.01, a Member who becomes disqualified for retirement income accruals prior to Normal Retirement Date under this Section 9.01, and who returns to employment with the Employer, will be required to resume contributions to the Plan, pursuant to Section 4.01, effective the first day of the month following such return to employment. In the event such Member fails to return to employment with the Employer within one (1) month of the date of his disqualification, and unless he then qualifies for retirement pursuant to Section 6.01 or 8.01, his Service will be deemed to have been broken at the date he became so disqualified, and settlement of his right to benefits under the Plan will be made in accordance with the provisions of Section 12.

9.02 In the event that a Member receiving benefits under the Employer's insured long term disability income program dies, the Member shall be deemed to have died while in the Service of the Employer and any death benefits owing shall be as determined under Section 11.02.

SECTION 10 – PAYMENT OF PENSIONS

10.01 A Member's pension shall be payable in equal monthly instalments. Unless another form of pension is required or elected, the pension is guaranteed to continue for a period of five years certain and as long thereafter as the Member lives.

10.02 Notwithstanding Section 10.01, should the Member have a Spouse at the date of commencement of the pension, the benefit shall automatically be paid as a joint and survivor pension. The amount payable to the surviving Spouse on the death of the Member shall equal 60% of the amount being paid to the Member. The initial amount of such benefit shall be reduced in order to make the actuarial value of the joint and survivor benefit equal to the actuarial value of the regular benefit payable in accordance with Section 10.01.

The Member and his Spouse may jointly waive the requirements of this Section 10.02 by completing a written, witnessed declaration to that effect in a form as prescribed by the Employer. Benefits shall then be paid in accordance with Section 10.01 or Section 10.03, as elected by the Member and his Spouse. The waiver is not effective unless it is delivered to the Employer within the period of twelve months immediately preceding the commencement of payment of the pension.

10.03 Subject to Section 10.02, a Member may, by completing an optional pension form and submitting evidence of age of the nominated beneficiary (for joint and survivor pensions only) and a declaration of marital status signed by the Member prior to retirement, elect to receive the pension in one of the following forms:

- (i) an Actuarial Equivalent pension payable for the Member's lifetime only;
- (ii) an Actuarial Equivalent pension guaranteed to continue for a period of ten years certain or fifteen years certain and as long thereafter as the Member lives;
- (iii) 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;

- (iv) any other form of pension, payable on an Actuarial Equivalent basis, approved by the Employer and which conforms with the requirements, as amended from time to time, of the Income Tax Act.

For the purpose of this Section 10.03 “nominated beneficiary” shall mean the Member’s Spouse, or such Member’s dependent(s), as defined under the Income Tax Act.

- 10.04 The election of an optional form of pension under Section 10.03 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 nominated beneficiary, dies before the pension commences, the election is automatically revoked.
- 10.05 On each January 1 following the commencement of a pension, as long as the pension continues to be paid to the Member, Spouse or beneficiary, as applicable, such pension shall be adjusted on a percentage basis by the Inflation Adjustment Factor described in Section 2.14, based on the benefits determined in Section 6.02, but excluding any benefits from the Prior Plan and any Upgraded Prior Plan Benefits. On the first January 1 following the commencement of the pension, the adjustment shall be reduced to reflect only the portion of a year represented by the period from the date of pension commencement to that January 1.
- 10.06 At no time shall the pension forms, stated in this Section 10, exceed the maximum benefits payable as stated in Section 15 of this Plan and any other maximums as may be required from time to time in the Income Tax Act.

SECTION 11 – DEATH BENEFITS

11.01 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.

11.02 Notwithstanding Section 11.01, if a Member dies

- (a) while in the Service of the Employer with two (2) or more years of combined Plan or Prior Plan participation, but prior to his retirement, he shall be deemed to have terminated employment on his date of death, or
- (b) after termination of employment and having elected option (iii) under Section 12.02,

the Commuted Value of the deferred pension benefit calculated in accordance with Section 12.01(b) shall be paid either,

- (i) if the Member has a surviving Spouse, to the Spouse in the form of a lump sum, or transferred to a Registered Retirement Savings Plan, or
- (ii) if no surviving Spouse, to the Member's designated beneficiary, or if none, his estate in a lump sum.

In the event that Section 12.01(b) does not apply, the deceased Member's surviving beneficiary or, if none, his estate shall receive a lump sum refund of the Member's required contributions with Credited Interest thereon.

The surviving Spouse is entitled to transfer the Prior Plan benefits, in accordance with Section 12.02.

- 11.03 If the date of death of a Member is subsequent to the Member's retirement date, but before the date of commencement of pension payments, such Member will be deemed to have actually retired on the first day of the month coincident with or next following the date of death. Payment will be made in accordance with the form of pension elected by the Member, or in accordance with 10.01 hereof if no election had been made at the date of death.
- 11.04 Notwithstanding Section 11.01, if a Member dies after retirement, 60% of his pension benefit shall continue to his surviving Spouse in accordance with Section 10.02, unless both the Member and the Spouse jointly waived this right and elected an optional form of benefit, in which case the benefit will be paid in accordance with the form chosen under Section 10. A pension payable to the surviving Spouse of a deceased Member shall not terminate by reason only of the remarriage of the Spouse.

In the event that there was no surviving Spouse at retirement date, the Commuted Value of the remaining pension benefit to which the Member was entitled, if any, shall be paid in a lump sum to the Member's beneficiary, or if none, his estate, or if the Member had elected an optional form of benefit under Section 10.03, in accordance with the provisions of the form of pension elected.

- 11.05 The surviving Spouse of a Member who becomes entitled to a benefit due under this Plan may transfer the value of any benefits owing to a Registered Retirement Savings Plan in a manner as prescribed by the Income Tax Act and any applicable legislation.
- 11.06 If the Employer 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 therefore 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 Employer,

- (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.

11.07 A surviving Spouse to whom a death benefit is payable under Section 11.02 may elect, in lieu of a lump sum payment thereunder, to receive settlement of the death benefit in the form of an immediate or deferred annuity, with or without a guaranteed period, provided that such guaranteed period shall not exceed 15 years or, if less, the period ending on the Spouse's 86th birthday, and further provided that the deferred annuity commence not later than the day preceding the Spouse's 65th birthday.

SECTION 12 – TERMINATION OF EMPLOYMENT

- 12.01 (a) A Member who terminates employment for reasons other than retirement or death with less than two (2) years of combined Plan or Prior Plan participation shall receive a refund of his required contributions with Credited Interest thereon, accumulated to the date of termination.
- (b) A Member whose Service terminates for reasons other than retirement or death and who has two (2) or more years of combined Plan and Prior Plan participation at the time of termination, shall receive a deferred paid-up pension at Normal Retirement Date calculated as described in Section 6.02.
- 12.02 Notwithstanding the above, a Member who terminates employment with the Employer prior to 10 years before his Normal Retirement Date who is entitled to a deferred pension as described in Section 12.01(b) may elect to have one of the following options:
- (i) to transfer the Commuted Value of his deferred paid-up pension to his eligible prescribed Registered Retirement Savings Plan; or
 - (ii) to transfer the Commuted Value of his deferred paid-up 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 paid-up 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 paid-up pension to purchase from a life insurance company licensed to transact business in Canada, an immediate or deferred life annuity.

In lieu of an immediate or deferred pension payable under Section 6 hereof, the Employer may at its discretion, extend the transfer option set out in 12.02 above to a Member whose terminations 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 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 Section 12.02, the Member shall have no further entitlement under the Plan.

A Member who is eligible for a transfer in accordance with the provisions of this Section 12.02 and who elects such a transfer, is also entitled to a transfer of the Commuted Value of the benefits, if any, he has earned under the Prior Plan.

The Commuted Value of the benefits earned under the Prior Plan is equal to the greater of

- a) the Employee contributions under the Prior Plan with Credited Interest, accumulated to the date of termination, and
- b) the Commuted Value of the basic pension plus, if applicable, any upgrades, under the Prior Plan.

12.03 A Member who leaves the Commuted Value of his deferred paid-up pension in the Plan pursuant to subsection (iii) of Section 12.02 may elect to receive a reduced monthly pension commencing on the first day of any month following attainment of age 55. If he elects to do so, his pension shall be reduced to reflect the Actuarial Equivalent at the earlier commencement date in such manner as is deemed appropriate by the Employer in consultation with the Actuary, provided that the Commuted Value of the Member's early pension is at least equal to the Commuted Value of the Member's deferred pension. The same Canada Customs and Revenue Agency Restrictions, as stated in Section 8.03 of this Plan, shall apply to early retirement benefits for Members with deferred paid-up pensions.

SECTION 13 – MINIMUM EMPLOYER-PAID RULE

13.01 On the retirement, death or termination of employment of a vested Member, the Employer shall determine the Commuted Value on that date of the total benefit earned by the Member under this Plan, exclusive of any benefits under the Prior Plan, or any Upgraded Prior Plan Benefits. The Commuted Value shall be calculated in such manner and using such tables as is deemed appropriate by the Employer in consultation with the Actuary. Should the value of the Member's required contributions with Credited Interest thereon, including the value of the funds that have been transferred from the Employer's sponsored Group RRSP, accumulated to the date of retirement, death or termination of employment, as applicable, exceed 50% of such Commuted Value, such excess shall be paid in a lump sum to the Member, his beneficiary or estate, as applicable.

SECTION 14 – PENSION FUND

- 14.01 The Employer has established, and shall maintain during the existence of the Plan, a Fund for the purpose of receiving the contributions and providing the benefits required by the terms of the Plan.
- 14.02 The Board has the right to select and contract with an insurance company authorized to carry on a life insurance business in Canada or a Canadian trust company to act as the funding agency pursuant to the Plan and be responsible for the investment and administration of the assets of the Fund. The Board reserves the right to remove such funding agency, to select a successor, and to determine the form and terms of the funding agreement to be entered into with the funding agency.
- 14.03 The Fund shall be invested and administered by the funding agency in accordance with the terms of the funding agreement and applicable legislation.
- 14.04 The Fund shall have a fiscal year ending on December 31st each year.

SECTION 15 – GENERAL PROVISIONS

15.01 Notwithstanding anything contained herein to the contrary, under this Plan and any other registered pension plan sponsored by the Employer, at retirement, termination of employment prior to retirement, upon marriage breakdown, or on termination of the Plan the total amount of annual pension to which a Member will be entitled under the Plan and any other registered pension plan sponsored by the Employer, will not exceed the lesser of:

- (a) 2 percent of the Member's highest average indexed compensation, and
- (b) \$1722.22 or any other defined benefit maximum permitted by the Income Tax Act, multiplied by the sum of:
 - (1) the number of years, not exceeding thirty-five (35) years, of Pensionable Service up to December 31, 1991, plus
 - (2) the number of years of Pensionable Service after December 31, 1991.

Such maximum benefits are inclusive of any amounts paid out to the Member's Spouse as a result of marriage breakdown.

Such maximum benefits are exclusive of (a) benefits resulting from Member's voluntary contributions, if any, and Credited Interest thereon, and (b) benefits resulting from excess Member contributions provided that the portion of the pension so derived is determined on the defined contribution basis.

For the purpose of determining a Member's maximum pension, highest average indexed compensation shall be the average of the Member's total indexed compensation for the three (not necessarily consecutive) non-overlapping 12 consecutive month periods of highest indexed compensation. The indexed compensation of a Member is the compensation received by the Member in a year adjusted to reflect increases after the year in the average wage, as defined under the Income Tax Act.

Where a Member commences pension payments prior to his earliest unreduced date, as defined below, the level of such maximum Member's Lifetime Retirement Benefits must be reduced by at least ¼ percent for each month (3% per year) that the commencement date precedes the Member's earliest unreduced date. For the purpose of this paragraph, the Member's earliest unreduced date shall be the earlier of (a) the date the Member attains age 60, (b) the date the Member has completed at least 30 years of Service (excluding periods of layoff) or (c) the date of the Member's age plus years of Service (excluding periods of layoff) equals a total of 80. This shall be the maximum pension payable at the Member's Early Retirement Date under the provisions of Sections 8 and 16.02.

- 15.02 If the total of the annual pension hereunder and under any other registered pension plan of the Employer would be less than 2 percent of the Year's Maximum Pensionable Earnings, for the calendar year in which the Member ceases to be a Member of the Plan or dies, the amount available will be paid to the Member in cash.
- 15.03 Subject to applicable government legislation, the pensions and other benefits provided under the terms of the Plan are not capable of being assigned, surrendered, charged, anticipated, given as security or conferred on a Member or Former Member, that person's personal representative or dependent, or any other person, any right or interest therein that is capable of being assigned, charged, anticipated or given as security.
- 15.04 Evidence of age and marital status satisfactory to the Employer must be produced if requested.
- 15.05 Participation in the Plan shall not be considered as guaranteeing continuation in the Service of the Employer nor shall any provision or condition of the Plan restrict the right of the Employer to terminate the employment of any Member.
- 15.06 The Employer shall be the Plan Administrator. The Employer will remit the Members' and its own contributions to the Fund.

15.07 Expenses of the operation and administration of the Plan shall be paid from the assets of the Fund.

15.08 On or before the date an Employee becomes eligible for membership in the Plan the Employer shall provide to such Employee a written explanation of the terms and conditions of the Plan and any amendments thereto applicable to the Employee, together with an explanation of his rights and duties and such other information as may be prescribed from time to time by applicable legislation.

Not later than six (6) months after the registration on any amendment to the Plan with the appropriate regulatory authorities, the Employer shall provide a similar explanation of the amendment to each Employee affected by the amendment.

The Employer shall permit a Member, former Member, the beneficiary or Spouse of a Member or former Member, or an authorized agent of any of these inspect, or make extracts from the Plan text and any other related documents required to be made available under applicable legislation, at any reasonable time at such offices of the Employer including its principle office in each province as are designated by the Employer.

Upon cessation of employment of a Member or upon termination of his active membership in the Plan, the Employer shall provide the Member with a written statement of the benefits to which he is entitled within such periods of time as are prescribed by applicable legislation.

The Employer shall provide such other information regarding the Plan, statistical or otherwise, as is required under applicable legislation, within the periods of time specified by applicable legislation.

Any explanatory materials, apart from the Plan text, prepared or provided by the Employer shall have no effect on the rights or obligations of any person under the Plan, and shall not be referred to in interpreting or giving any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

15.09 Wherever the records of the Employer are used for the purposes of this Plan, such records shall be conclusive of the facts with which they are concerned.

15.10 The Plan and all rights under the Plan shall be governed, construed and administered in accordance with the laws of the Province of Ontario.

SECTION 16 – AMENDMENT TO OR TERMINATION OF THE PLAN

16.01 The Board expects and intends to maintain this Plan in force indefinitely but necessarily reserves the right to amend or discontinue the Plan either in whole or in part, if, in the opinion of the Board, future conditions warrant such action, subject always to the requirements of the Canada Customs and Revenue Agency and applicable provincial legislation. No such amendment shall operate to reduce the benefits which have accrued to any Member or other individual entitled to benefits under the Plan prior to the date of such amendment, as the case may be, nor shall the Board have the power to make any amendment which would cause or permit any portion of the contributions made prior to that date to be diverted for purposes other than as prescribed by the provisions of the Plan, the requirements of the Canada Customs and Revenue Agency and the provisions of applicable provincial pension legislation. In the event of termination of the Plan, the Employer shall not be obligated to make further contributions to the Plan save and except those which it was required to make and has not made in respect of benefits accrued prior to the date of such termination.

16.02 In the event that the Plan is terminated in whole or in part, the assets of the Fund shall be used, subject to the provisions of any applicable legislation, to provide the benefits to which the Members are entitled at the effective date of the termination, in respect of Service and Earnings to the date of termination. Subject to the prior written approval of the Financial Services Commission of Ontario, if there are any assets remaining in the Fund after provision has been made for these benefits, such surplus assets shall revert to the exclusive benefit of the Employer or be used as the Employer may direct.

In the event that the Plan is terminated and the assets in the pension fund are insufficient to provide the benefits to which the Members are entitled, the assets shall be allocated and each Member's benefits shall be protected or reduced, all in accordance with the requirements of the *Pension Benefits Act of Ontario, R.S.O. 1990* and the corresponding Regulations and subject to the approval of the Financial Services Commission of Ontario.

- 16.03 At the discretion of the Board, any actuarial surplus amount in the Fund, as determined by the Actuary, may be paid from the Fund to the Employer provided that the amount of the payment is first approved for reversion to the Employer by the Financial Services Commission of Ontario.
- 16.04 In the event the Employer shall have been wound up or become bankrupt, all assets held in the Fund pursuant to or for the purposes of the Plan will be applied first for the benefit of current retirees and the Members, their respective beneficiaries, Spouses and estates pro rata in accordance with their respective interest in the Plan to be determined by the liquidator or trustee in bankruptcy in consultation with an Actuary and in a manner permitted by the *Pension Benefits Act of Ontario, R.S.O. 1990*, which benefits shall be provided through the purchase of immediate or deferred annuity contracts from an insurance company licensed to do business in Canada, or by the transfer of the obligation to pay benefits to which the respective Members are entitled to the pension plans of subsequent Employers, or to approved Registered Retirement Savings Plans or by the continuation of the Fund for the provision of such deferred pensions, all as determined by the liquidator or trustee in bankruptcy in consultation with an Actuary, subject to the requirements of the Canada Customs and Revenue Agency, the *Pension Benefits Act of Ontario, R.S.O. 1990*, and the funding agreement.
- 16.05 No liability shall attach to the Employer, or the Board of Directors, the Employer or its Board of Directors, or to the liquidator or trustee in bankruptcy in connection with an application of the Fund pursuant to this Section 16, provided such application was made in good faith and in accordance with the requirements of the Canada Customs and Revenue Agency and the provisions of the *Pension Benefits Act of Ontario, R.S.O. 1990* and the funding agreement.

SECTION 17 – MARRIAGE BREAKDOWN IN ONTARIO

17.01 Notwithstanding Section 15.03, in the event of the marriage breakdown or dissolution of a common law relationship of a Member or former Member and his spouse occurring in the Province of Ontario on or after January 1, 1987, the pension benefit shall be subject to a domestic contract or a court order pursuant to the *Family Law Act, 1986 of Ontario*, effective as of divorce, annulment or separation, but such domestic contract or court order is not effective to require payment of a pension benefit before the earlier of:

- (i) the date on which payment of the pension benefit commences pursuant to the terms of the Plan; or
- (ii) the Normal Retirement Date of the Member or former Member.

17.02 A domestic contract or court order, as referred to in Section 17.01 is not effective to reduce the pension benefit of a Member or former Member to less than 50% of the pension benefit accrued during the period the Member or former Member and the other person were spouses. For the purpose of this Section 17, the pension benefit accrued during the marriage of an active Member shall be determined as if the Member had terminated employment as of the date of termination of the marriage or termination of the declared common-law relationship with the Spouse.

In no event will the settlement to the Spouse and the Member exceed the amount, which the Member would receive from the Plan had the Marriage Breakdown not occurred.

17.03 The date of termination of a legal marriage shall be the date specified in the domestic contract or court order effective as of divorce, annulment or separation. The date of termination of a common-law relationship shall be the date specified in such written evidence of termination of the relationship as is acceptable to the Employer.

17.04 Notwithstanding any other Section of this Plan, upon termination, retirement or death of a Member, the value of the Member's pension benefit payable under the Plan shall be reduced to reflect any amount paid or payable to the Member's Spouse or former Spouse pursuant to Section 17.01, in a manner to be determined by the Employer.

17.05 When a Spouse or former Spouse becomes entitled under this Section 17 to a portion of the pension benefit credit of a Member, or becomes entitled under this Section 17 to a portion of the payments payable under the Plan to a Member, the Spouse or former Spouse shall elect as follows:

- (i) to receive a portion of the pension payments under the same terms and conditions as the Member; or
- (ii) to transfer the Commuted Value of the portion of the pension benefit credit to which the Spouse or former Spouse is entitled:
 - (a) to another pension plan in which the Spouse or former Spouse is a member or former member, providing the terms of the other pension plan permit such a transfer and will administer the credit on a locked-in basis; or
 - (b) to a locked-in Registered Retirement Savings Plan under which the Spouse or former Spouse is an annuitant.

Notwithstanding the foregoing, where the Member would have been entitled to transfer all or a portion of his pension benefit to another registered pension plan or a Registered Retirement Savings Plan on a non-locked in basis, the Spouse or former Spouse shall also be entitled to transfer all or a portion of payments payable under this Section 17 on a similar basis.

The transfer to another Plan shall operate as a complete discharge of all liability to the Ontario Spouse under this Plan.

SECTION 18 – ADDITIONAL INCOME TAX REQUIREMENTS

18.01 The primary purpose of the Plan is to provide periodic payments to Members after retirement and until death in respect of their Service as Employees.

18.02 The Administrator of the Plan shall:

- (a) administer the Plan in accordance with the terms of the Plan as registered except that, where the Plan fails to comply with the prescribed conditions for registration or any other requirements of the Income Tax Act, the Administrator shall administer the Plan as if it were amended so to comply; and
- (b) within 30 days after becoming the Administrator, inform the Minister in writing:
 - (i) of the name and address of the Administrator; or
 - (ii) of the names and addresses of the persons who constitute the body that is the Administrator; and
- (c) where there is any change, inform the Minister in writing, within 60 days after the change of the new information.

18.03 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.

18.04 It is hereby stipulated that:

- (a) the Plan may be amended at any time to reduce the benefits provided in respect of a Member; and
- (b) a contribution made under the Plan by a Member or by the Employer may be returned to the person who made the contribution;

to whatever extent necessary to avoid the revocation of the registration of the Plan by the Minister.

- 18.05 The funding arrangement under which assets are held in connection with the Plan, shall at all times, be maintained or amended so as to be acceptable to the Minister.
- 18.06 The assets shall at no time include any property that is either a prohibited investment under the Income Tax Act or a prohibited investment under the *Pension Benefits Act of Ontario, R.S.O. 1990*.
- 18.07 No further benefits shall accrue to a Member in respect of a period that is after the day on which defined benefit retirement benefits commence to be paid to the Member under either (a) this Plan or (b) any other registered pension plan in which (i) the Employer participates or (ii) another Employer who does not deal at arm's length with the Employer participates.
- 18.08 Except as otherwise expressly provided in the Income Tax Act, each amount determined in connection with the Plan shall be determined, where the amount is based on assumptions, using such reasonable assumptions as are acceptable to the Minister, and, where actuarial principles are applicable to the determination, in accordance with generally accepted actuarial principles.
- 18.09 Each single amount that becomes payable under the Plan, by reason of death, commutation, termination of employment, marriage breakdown, or otherwise, shall be paid as soon as is practicable thereafter.

Appendix A

BGI Transfer Members

<u>Name</u>	<u>ID</u>	<u>Date of Joining BGI Plan</u>
Stuart C. Buck	978	January 1, 1986
Mary Arrand	1022	October 1, 1987
Barry D. Israel	1077	April 1, 1996
Maureen Brown	1085	December 1, 1995
Shannon Thompson	1097	April 1, 1995
Alan Hillman	1235	January 1, 1986
Joan Kerrigan	1729	January 1, 1986
Glen. E. Besley	3083	March 1, 1987
Robert MacMillan	3263	January 1, 1986
John C. Verker	3385	January 1, 1986
Susan McGugan	3447	June 1, 1991
Cindy Masse	3603	January 1, 1991
Bonnie Mulligan	3699	January 1, 1986
David, Acal	3967	January 1, 1986
Patricia Delaney	4109	October 1, 1986
Lori E. Addley	4476	April 1, 1994
Andrew Michalski	4493	June 1, 1986