

# CANADIAN CHRISTIAN SCHOOL PENSION PLAN

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# **CANADIAN CHRISTIAN SCHOOL PENSION PLAN**

## **INTRODUCTION**

The purpose of the Canadian Christian School Pension Plan (the "Plan") is to provide retirement benefits for eligible Employees of a Participating Employer.

Effective September 4, 1943, CSI established the Former Plan under which Employees previously accrued benefits up to and including August 31, 1972. This Plan was established effective September 1, 1972, and has been restated September 1, 1986, September 1, 1987, September 1, 1992 and September 1, 1998.

It is intended that the Plan and related Trust Fund meet all requirements for registration under the Income Tax Act and the Pension Benefits Act so that the income of the Trust Fund may be exempt from taxation. Any modifications or amendment of the Plan may be made retroactive, as necessary or appropriate, to establish and maintain such registration.

Except as otherwise provided herein, the provisions of this amended and restated Plan shall apply to an Employee whose employment terminates on or after September 1, 1998. The eligibility for benefits of a former Employee whose employment terminated before September 1, 1998, and the amount of benefits, if any, payable to or on behalf of such former Employee shall be determined in accordance with the provisions of the Plan in effect on the date employment terminated, unless otherwise specifically stated herein.

# Section 1

## DEFINITIONS

Wherever used herein, the following words and phrases shall have the respective meanings stated below unless a different meaning is plainly required by the context:

1.01 **Accrued Benefit** means the amount of the annual pension payable in the form pursuant to Section 7.04 beginning at or after the Participant's Normal Retirement Date. The annual amount of the Accrued Benefit will equal the greater of:

- (a) the sum of:
  - (i) with respect to Vesting Service completed prior to September 1, 1992, the sum of:
    - (A) \$33 multiplied by the number of the Participant's years of Vesting Service, to the next highest 1/12th, credited for service prior to September 1, 1951; plus
    - (B) 66-2/3% of such Participant's total contributions pursuant to Section 5.01 that have been made from September 1, 1951, through August 31, 1992; plus
    - (C) 2% of the amount accrued under the foregoing paragraph (B) as of August 31, 1983, multiplied by the number of the Participant's years of Vesting Service (without the adjustment described in Section 3.02), to the next highest 1/12th earned during the period from September 1, 1951, through August 31, 1983; plus
    - (D) 2% of the amount accrued under the foregoing paragraphs (B) and (C) as of August 31, 1985, multiplied by the number of the Participant's years of Vesting Service (without the adjustment described in Section 3.02) between September 1, 1983, and August 31, 1985, rounded to the next highest 1/12th; plus
    - (E) 2% of the amount accrued under the foregoing paragraphs (B), (C) and (D) as of August 31, 1987, multiplied by the number of the Participant's years of Vesting Service (without the adjustment described in Section 3.02) between September 1, 1985, and August 31, 1987, rounded to the next highest 1/12th; plus
    - (F) For a Participant who is an Employee as of September 1, 1990, 3% of the amount accrued under the foregoing paragraphs (B), (C), (D) and (E) as of August 31, 1990, multiplied by the number of the Participant's years of Vesting Service (without the adjustment described in Section 3.02) between September 1, 1987, and August 31, 1990, rounded to the next highest 1/12th; plus

(G) For a Participant who is an Employee as of September 1, 1992, the lesser of:

(1) 66-2/3% of such Participant's total contributions pursuant to Section 5.01 that have been made from September 1, 1991, through August 31, 1992, multiplied by the number of the Participant's years of Vesting Service (without the adjustment described in Section 3.02) from September 1, 1951, through August 31, 1992, rounded to the next highest 1/12, minus the amount of pension benefit determined in the foregoing paragraphs (A) - (F) above, but not less than \$0.00; and

(2) the amount of pension benefit determined under the foregoing paragraphs (A) - (F) as of August 31, 1992, multiplied by 5%; plus

(ii) 1.84% of the Participant's Final Average Earnings multiplied by the Participant's Adjusted Credited Participating Service completed on or after September 1, 1992; and

in no event will the additional amount of pension benefit determined under the above paragraph (G) exceed the applicable limits set under the Income Tax Act; and

(b) 1.84% of the Participant's Final Average Earnings multiplied by the Participant's total Adjusted Credited Participating Service.

1.02 **Actuarially Equivalent** means, with respect to two different forms of payment of benefits, equal monetary value on the date of determination. Equality in value shall be determined by the Actuary on the basis of actuarial table UP1994 projected to 2015 with a unisex blend of 45% male and 55% female rates and interest of 6.75% per annum, compounded annually, subject to any requirements of the Pension Benefits Act.

1.03 **Actuary** means the individual actuary or firm of actuaries se who is, or one of whose employees is, a Fellow of the Canadian Institute of Actuaries, and who is selected by the Trustees to provide actuarial services in connection with the administration of the Plan.

1.04 **Additional Benefit** is as defined in Section 4.07.

1.05 **Adjusted Credited Participating Service** is as defined in Section 3.02.

1.06 **Alternative Spouse Pension** is a pension payable to a qualifying Spouse on the death of a Participant in lieu of the Preretirement Surviving Spouse Benefit, and is equal to 60% of the pension the Participant would have received had the Participant retired immediately before his or her death and elected a pension payable in the normal form.

1.07 **Administrator** means the Trustees.

- 1.08 **Beneficiary** means the Participant's Surviving Spouse at the date of the Participant's death and the Spouse's estate with respect to any benefit due but not paid at the subsequent death of the Spouse. If the Participant did not have a Spouse at the time of death or if the Participant's Spouse consents in writing to, and acknowledges the effect of, a designation of another Beneficiary, then "Beneficiary" means the first of the following classes of Persons in the order named with a living member on the respective dates that benefits are payable:
- (a) The Beneficiary designated by the Participant, as herein provided, in the proportions and in the order provided in the designation, or if no provision is made, in equal shares;
  - (b) The Spouse to whom the Participant was married at the time of his or her death and the Spouse's estate with respect to any benefit due but not paid at the subsequent death of the Spouse;
  - (c) The Participant's natural and adopted children in equal shares, provided that the then living issue of any deceased child shall take their parent's share by right of representation;
  - (d) The Participant's parents, in equal shares;
  - (e) The Participant's brothers and sisters, in equal shares.
- 1.09 **Board of Directors** means the Board of Directors of CSI.
- 1.10 **Break in Service** means a period of 12 consecutive months or longer commencing on the date of an Employee's Termination of Employment.
- 1.11 **CSI** means Christian Schools International, a Michigan nonprofit corporation.
- 1.12 **Commuted Value** means, 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 using rates of interest, the actuarial tables and other assumptions that are adopted by the Trustees on the recommendation of the Actuary for purposes of the Plan, subject to any requirements of the Pension Benefits Act and Income Tax Act.
- 1.13 **Compensation** means amounts paid to an Employee by the Employer, in cash or cash equivalent, for personal services, which must be reported on Income Tax form T-4. The term does not include reimbursements, fringe benefit payments or amounts taxable to the Employee which are not direct salary or wages and includes severance payments up to a maximum of three months of salary.
- 1.14 **Continuous Service** means a Participant's uninterrupted period of employment since the Participant's last date of hire by the Employer, including any period of temporary suspension of active employment.

1.15 **Contingent Annuitant** means a Spouse, former Spouse or a "dependent" of the Participant as of the date of the Participant's death, as such latter term is defined in the Income Tax Act. "Dependent" includes:

- (a) a parent, grandparent or sibling;
- (b) a child or grandchild of the Participant who is:
  - (i) 18 years or younger;
  - (ii) In full-time attendance at school; or
  - (iii) mentally or physically infirm.

1.16 **Contribution Account** is as defined in Section 5.04.

1.17 **Credited Interest** means the "Credited Interest" included in a Participant's Contribution Account which shall be determined as follows:

- (a) No interest shall be credited for any period before September 1, 1963.
- (b) In respect of Participants who are employed by a Participating Employer at the end of the Plan Year, interest at one-half the rates hereinafter specified for each Plan Year, compounded annually, shall be credited at the end of each Plan Year on their contributions made during the Plan Year.
- (c) In respect of Participants who cease to accrue Credited Participating Service during a Plan Year and who elected to leave their benefit entitlement in the Plan, interest at one-half the rates hereinafter specified, compounded annually, shall be credited for the period during which Credited Participating Service is accruing, and interest at the rates hereinafter specified, in full, compounded annually, shall be credited for the remainder of the Plan Year.
- (d) Interest at the rates hereinafter specified, compounded annually, shall be credited on the balance of contributions in a Participant's Contribution Account at the end of the previous Plan Year.

The crediting of interest will end on the first to occur of the following dates:

- (i) the first day of the month in which a refund of contributions is made;
- (ii) the first day of the month in which the Participant's death occurs;
- (iii) the date of commencement of the Participant's pension under the Plan.

The rate of interest shall be 2-1/2% per annum for all periods before September 1, 1968, 3-1/2% per annum for periods between September 1, 1968, and August 31, 1973, 4-1/2% per annum for periods between September 1, 1973, and August 31, 1977, 5% per annum during the period from September 1, 1977, through August 31, 1982. The rate of interest shall be 7-1/2% for the period September 1, 1982, through August 31, 1984, and 8% for the period September 1, 1984, through August 31, 1986. On and after September 1, 1986, the rate of interest shall be established from time to time by the Trustees and shall be not less than the minimum rate specified pursuant to the Pension Benefits Act. The interest rate established by the Trustees for

a particular Plan Year or period of time shall continue until modified by further action of the Trustees. The interest rate established by the Trustees for a particular Plan Year shall not be reduced retroactively following the close of that Plan Year.

Credited Interest shall also mean interest on lump sum payments out of the Trust Fund, other than payments of Commuted Values, compounded annually and calculated from the date at which determination is required to the beginning of the calendar month of payment, or to such other date as may be required under the Pension Benefits Act, at the rate that is credited on Participant contributions as outlined above. Credited Interest means interest on the payment of a Commuted Value out of the Trust Fund compounded annually and calculated from the date at which the Commuted Value was determined to the beginning of the calendar month of payment, or to such other date as required under the Pension Benefits Act, at the same rate that was used to determine the Commuted Value, or at such other rate as may be required by the Pension Benefits Act.

- 1.18 **Credited Participating Service** is as defined in Section 3.01, and, subject to the exceptions and limits set out in Section 3.01, means the periods during which the Participant was an active contributor to the Plan.
- 1.19 **Declaration of Trust** means the Agreement and Declaration of Trust made as of September 1, 1972, as the same has been, and from time to time may be, amended. The Trust constitutes a part of the Plan.
- 1.20 **Disabled** means having a disability throughout which the Participant is physically or mentally impaired so that the Participant is prevented from performing the duties of employment in which the Participant was engaged prior to the impairment and which is certified, in writing, by a medical doctor licensed to practice in Canada or where the Participant resides.
- 1.21 **Early Retirement Benefit** is as defined in Section 6.02.
- 1.22 **Early Retirement Date** means the first day of the month coincident with or next following the date the Participant actually retires, if the Participant retires after earning a Vested Percentage of 100% and not more than ten years prior to, but not later than, such Participant's Normal Retirement Date.
- 1.23 **Employee** means any Person employed by one or more Participating Employers, as follows:
  - (a) on a regular full-time salaried or hourly basis, or
  - (b) on a regular part-time basis, provided such Person's Compensation is at least 35% of the Y.M.P.E. (25% if employed in Manitoba) in the year preceding his or her eligibility to participate in the Plan.
- 1.24 **Employer** means CSI or any member of CSI in Canada.

1.25 **Final Average Earnings** means the average of a Participant's Compensation as follows:

- (a) in the event that a Participant has been a Participant for 3 full years or longer prior to the Participant's Termination of Employment, death or Retirement, whichever first occurs, the annual average of the Participant's Compensation while a Participant during the best 3 consecutive years out of the last 20 years with respect to the period ending not later than August 31, 2008; and
- (b) in the event that a Participant has been a Participant for less than 3 full years prior to the Participant's Termination of Employment, death or Retirement, whichever first occurs, the annual average of the Participant's Compensation during his or her entire period as a Participant but with respect to the period ending not later than August 31, 2008.
- (c) Notwithstanding the foregoing, in the event a Participant terminates employment prior to the end of the Plan Year, "Final Average Earnings" shall be determined as the greater of (i) and (ii) as follows:
  - (i) the annual average of the Participant's Compensation while a Participant during the 36 consecutive months of employment immediately preceding the Participant's Termination Date; and
  - (ii) the annual average of the Participant's Compensation while a Participant during the best 3 consecutive full Plan Years out of the last 20 years up to and including the Plan Year immediately prior to the Plan Year in which the Participant terminates,

with respect to the period ending not later than August 31, 2008.

Notwithstanding the above, the Final Average Earnings of a Participant who is a Part-Time Employee will be determined based on Compensation which is annualized for each Plan Year of Part-Time employment, such that the Participant's Compensation is multiplied by the ratio of 1 to Credited Participating Service completed within such Plan Year as determined by the Participating Employer with no adjustment for service under the 4% Plan.

The Final Average Earnings of a Participant who takes a Maternity Leave or Parental Leave as provided in Section 3.04 and who continues to make contributions during such leave will be determined taking into account the Compensation that would have been paid during the leave had the Participant been actively at work during such period based on the level of Compensation in effect at the commencement of the leave.

The Final Average Earnings of a Participant who has a Break in Service and who elected to receive a deferred vested pension from the Plan at the time of Termination of Employment will be determined by ignoring the period of the Break in Service. Compensation paid prior to the Break in Service to such a Participant will be included in determining Final Average Earnings to the extent that the Participant has not been rehired for 3 full years. As a point of clarification, Final Average Earnings determined on this basis will be applied to determine the amount of pension payable for all years of service including service prior to the Break in Service.

- 1.26 **Former Plan** means the Christian School Pension Plan under which Employees previously accrued benefits up to and including August 31, 1972.
- 1.27 **Income Tax Act** means the Income Tax Act, Canada, and Regulations thereunder, as amended from time to time.
- 1.28 **Maternity Leave** is as defined in Section 3.04.
- 1.29 **Minimum Benefit** means the remaining balance in the Participant's Contribution Account, determined under Sections 5.04 and 5.05, upon the completion of all benefit payments to or with respect to the Participant under Sections 6.01, 6.02, 6.05 or Section 4, whichever applied including any supplement under Section 6.03. The Minimum Benefit shall be paid to the Participant's Beneficiary at the time and in the manner specified in Section 7.09.
- 1.30 **Normal Retirement Benefit** is as defined in Section 6.01.
- 1.31 **Normal Retirement Date** means the first date of the month coincident with or next following the date on which the Participant attains age sixty-five (65). For purposes of this definition, "Participant" includes a Participant who terminated prior to the effective date of this amendment with a Vested Benefit.
- 1.32 **Parental Leave** is as defined in Section 3.04.
- 1.33 **Participant** means an Employee of a Participating Employer who is eligible for participation in the Plan under the provisions of Section 2. The term "Participant" shall also include an individual whose employment has terminated but who retains a right to benefits under the Plan.
- 1.34 **Participating Employer** means an Employer located in Canada which has notified CSI, including the Trustees, in a written agreement that it wishes to participate in the Plan and agrees to be bound by the provisions of the Plan and the Declaration of the Trust.
- 1.35 **Part-Time Employee** means an Employee who does not work on a regular full-time basis.
- 1.36 **Pension Benefits Act** means the Pension Benefits Act of Ontario and Regulations thereunder, as amended from time to time, together with such other regulatory legislation as may be enacted by any provincial government designated under such Act, as having in force legislation substantially similar thereto, from the effective date of such designation.
- 1.37 **Person** means an individual, (committee, proprietorship, partnership, corporation, trust, estate, association, organization), or similar body or entity that is recognized by law as the subject of rights and duties.

1.38 **Plan** means the pension plan described in this instrument and known as "Canadian Christian School Pension Plan" as amended from time to time.

1.39 **Plan Year** means each 12-consecutive-month period beginning September 1 and ending August 31.

1.40 **Preretirement Surviving Spouse Benefit** means, on and after September 1, 1986, the benefit payable to the Surviving Spouse of a Participant who dies within the period beginning on the date the Participant is first eligible for a Vested Benefit and ending on the date benefits payments to or with respect to the Participant begin under Section 6 (whether or not the Participant is employed by a Participating Employer at the time of death), and who is entitled to a Vested Percentage of 100%.

The Preretirement Surviving Spouse Benefit shall be payable in accordance with Sections 6.05 and 7.06.

1.41 **Regulations** means Regulations issued by the Financial Services Commission of Ontario under the Pension Benefits Act or by Canada Revenue Agency under the Income Tax Act, as the context indicates.

1.42 **Retirement** means Termination of Employment for any reason other than death, while a Participant is eligible for a Normal Retirement Benefit or an Early Retirement Benefit.

1.43 **Spouse** means

(a) for Participants in the Province of Ontario, either

(i) a Person who is legally married to the Participant;

(ii) a Person of the opposite sex who is living with the Participant in a conjugal relationship,

(A) continuously for a period of not less than three (3) years, or

(B) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Ontario Family Law Act, 1986; or

(iii) a Person of the same sex who is living with the Participant in a conjugal relationship,

(A) continuously for a period of not less than three (3) years, or

(B) of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Ontario Family Law Act, 1986;

(b) for Participants in the province of Alberta, either

(i) a Person who is legally married to the Participant and who has not been living separate and apart from the Participant for three (3) or more years, or

(ii) if (i) does not apply, a Person who, immediately preceding the relevant time, has lived with the Participant in a conjugal relationship:

- (A) for a continuous period of three (3) years; or
  - (B) of some permanence, if there is a child of the relationship by birth or adoption;
- (c) for Participants in the province of British Columbia, either
- (i) a Person who is married to the Participant and is not living separate and apart from the Participant, or
  - (ii) a Person who has lived and cohabited with the Participant in a marriage-like relationship for the two (2) year period immediately preceding the relevant time;
- (d) for Participants in the province of Prince Edward Island, either
- (i) a Person who is married to the Participant, or
  - (ii) a Person who is married to the Participant under a voidable marriage that has not been annulled, or
  - (iii) a Person who has, in good faith, gone through a form of marriage with the Participant that is void and has cohabited with the Participant within the twelve (12) month period immediately preceding the relevant date,
  - (iv) a Person who has lived with the Participant as husband and wife for at least three (3) years at the relevant date where neither party is married to another person; or
  - (v) a Person of the same gender who has lived with the Participant for at least three (3) years at the relevant date where neither party is married to another person;
- (e) for Participants in the province of Saskatchewan, either
- (i) a Person who is married to a Participant or former Participant, or
  - (ii) if a Participant or former Participant is not married, a Person with whom he or she is cohabiting as spouses at the relevant time and for at least one year;
- (f) for Participants in the province of Manitoba, either
- (i) a Person who is married to the Participant and is not living separate and apart from the Participant, or
  - (ii) a Person of the opposite sex who has been publicly represented as the Participant's Spouse for at least three (3) years, if the Participant and that Person are prevented by law from marriage, or
  - (iii) a Person of the opposite sex who has been publicly represented as the Participant's Spouse for at least one (1) year, if the Participant and that Person are not prevented by law from marrying,

and who qualifies as a spouse or common-law partner under the Income Tax Act for purposes of registered pension plans.

- 1.44 **Supplemental Spouse Pension** means the additional benefit payable to a Participant who has a Spouse and who is entitled to a Normal Retirement Benefit or an Early Retirement Benefit under Sections 6.01 and 6.02 respectively. Such Supplemental Spouse Pension shall be payable in accordance with Section 6.03.
- 1.45 **Surviving Spouse** means the Spouse of the Participant on the date the first monthly benefit is payable to the Participant. If the Participant dies before commencement of benefit payments hereunder, "Surviving Spouse" means the Participant's Spouse.
- 1.46 **Surviving Spouse Annuity** for a retired Participant who has a Spouse means equal monthly pension benefit payments in a reduced amount (compared with the amount of a Life, Guaranteed Ten (10) Years annuity) to the Participant for such Participant's lifetime and continuing payments to the Participant's Surviving Spouse for life of 60% (66-2/3% in Manitoba) of the reduced monthly amount paid to the Participant. The amount of the Surviving Spouse Annuity shall be such that the Commuted Value of the expected payments to the Participant and the Surviving Spouse is Actuarially Equivalent to the benefit otherwise payable thereunder (excluding the supplement under Section 6.03).
- 1.47 **Termination Date** means the date a Participant's employment terminates for any reason.
- 1.48 **Termination of Employment** is as defined in Section 4.03.
- 1.49 **Transferred Participant** means a Person who was an active Participant in this Plan (or the U.S. Plan) and who, after September 1, 1972, left the service of his or her Employer and entered the service of an Employer participating in the U.S. Plan (or this Plan), and became an active Participant in the latter Plan, provided that the Participant's transfer from one Employer to the other would not have constituted Termination of Employment under the provisions of Section 1.48 and 4.03, if both Employers had been participating in the same Plan.
- 1.50 **Trustees/Trustee** means, collectively, the members of the Canadian Christian School Pension Trust Fund Board of Trustees, who are appointed by the Board of Directors pursuant to the Declaration of Trust and the Plan, and are responsible for the management of the Trust Fund and the administration of the Plan.  
"Trustee" means any individual one of such Trustees.
- 1.51 **Trust Fund** means the fund established under the Declaration of Trust, known as the "Canadian Christian School Pension Trust Fund," from which benefits under the Plan are to be paid.
- 1.52 **U.S. Plan** means the Christian School Pension Plan in the United States of America.

1.53 **Vested Benefit** means in respect of a Participant's Termination of Employment, prior to eligibility for an Early Retirement Benefit or Normal Retirement Benefit, and provided such Participant's Vested Percentage is 100%, an annual pension for life only in the amount of the Participant's Accrued Benefit plus lump sum Additional Benefit, if applicable.

In the event a Termination of Employment occurs in respect of a Participant who has not withdrawn or cashed out the Contribution Account prior to his or her Normal Retirement Date, but who has a Vested Percentage of "none", such Participant shall not be entitled to a Vested Benefit under the Plan.

1.54 **Vested Percentage** is as defined in Section 4.01.

1.55 **Vesting Service** is as defined in Section 4.02.

1.56 **Y.M.P.E.** means the Year's Maximum Pensionable Earnings as defined under the Canada/Quebec Pension Plan.

## **Section 2**

### **ELIGIBILITY AND PARTICIPATION**

#### **2.01 Eligibility**

Each Person who is an Employee of a Participating Employer on September 1, 1986, and who was a Participant in the Plan as of August 31, 1986, shall continue as a Participant in the Plan as of September 1, 1986.

Subject to the provisions of the following paragraph, effective September 1, 1986, any Employee of a Participating Employer, other than a Part-Time Employee, shall become a Participant as of such Employee's date of employment or as of the date the Employer elects to participate, if later. Except as set out below, each eligible Employee must participate in the Plan as a condition of employment.

An Employee who is an ordained minister, eligible to participate in a retirement plan maintained for employees of a church or other denominational organization, may be excluded from participating in this Plan by such Employee's Participating Employer.

An Employee who is employed with a Participating Employer in Manitoba is not required to join the Plan as a condition of employment if the Employee so elects and the Employee is either a student who studies on a substantially full-time basis, or the Employee is a member of a religious group whose articles of faith forbid membership in a Plan.

A Part-Time Employee shall be required to become a Participant upon the completion of one year of employment. Once this service condition has been satisfied, a Participant will not have to re-qualify should the Participant transfer to the employ of another Employer.

Once an Employee is a Participant in the Plan, such Employee shall remain in the Plan as long as the Participant is employed by a Participating Employer.

#### **2.02 Participation**

Each Participant must make the required Employee contributions hereunder and shall sign an application authorizing required Employee contributions by payroll deduction.

#### **2.03 Explanation of Plan**

Each eligible Employee and Part-Time Employee shall be provided with a written explanation of the terms and conditions of the Plan and amendments thereto, together with an explanation of his or her rights and duties with respect to the benefits available under the Plan.

## Section 3

### CREDITED SERVICE

#### 3.01 Credited Participating Service

A Participant's Credited Participating Service is the total number of years (including fractions to the next highest 1/12th) of employment with one or more Participating Employers, during which he was a Participant in the Plan subject to the following conditions, adjustments and limitations:

- (a) A Participant earns Credited Participating Service only for periods during which he was an active contributor to the Plan.
- (b) Temporary absences arising from vacations or illness shall not reduce the length of Credited Participating Service, provided that the Trustees shall establish certain limits beyond which no further credit is granted in cases of extended disability.
- (c) The Credited Participating Service of any Participant who received a full refund of all contributions made by him to the Plan shall be cancelled as of the date of such refund.
- (d) Notwithstanding the above, with respect to a Part-Time Employee, Credited Participating Service is determined as described above for each Plan Year and then multiplied by the percentage of the Part-Time Employee's hours worked during each Plan Year to the number of hours regularly scheduled for a full-time Employee for a full Plan Year as determined by the Participating Employers.
- (e) The Credited Participating Service of any Participant granted with respect to a period represented by payment of severance in lieu of notice is limited to a period of three months.

With respect to a Participant who terminates employment, dies or retires, Credited Participating Service is determined as described in this Section 3.01 and is then adjusted to the percentage of a full Plan Year worked based upon the date of separation and, if applicable, a further adjustment for part-time employment as described above.

In respect of periods of absence before January 1, 1991, each period of Credited Participating Service granted in respect of temporary absences during which the Participant does not receive Compensation, is limited to a maximum full-time equivalent of two years. In respect of temporary periods of absence after December 31, 1990, the aggregate of Credited Participating Service granted in respect of temporary absences during which the Participant does not receive Compensation, including Maternity Leaves and Parental Leaves in accordance with Section 3.04, is limited to a maximum full-time equivalent of 5 years, plus an additional 3 years credited in respect of absences that occur within the twelve month period which commences at the time of birth or adoption of a child of the Participant.

The phrase, Credited Participating Service, when used in this Section 3.01, shall, in respect of any period of employment prior to September 1, 1972, of an individual who

becomes a Participant on September 1, 1972, include any and all periods of participation in the Former Plan.

### **3.02 Adjusted Credited Participating Service**

A Participant's Adjusted Credited Participating Service is the sum of the following:

- (a) The number of years of such Participant's Credited Participating Service; minus
- (b) One-quarter multiplied by the number of years of such Participant's Credited Participating Service which is not under the 4% Plan; minus
- (c) One-quarter multiplied by the number of years of such Participant's Credited Participating Service between September 1, 2004 and August 31, 2006, under the 2% Plan.

### **3.03 Requirement of Contributions**

Except as otherwise provided herein, a Participant's Credited Participating Service shall not include service during which the Participant or the Participant's Employer failed or refused to make the Employee contributions required under the Plan.

### **3.04 Maternity Leave and Parental Leave**

For the purposes of the Plan, "Maternity Leave" means an unpaid pregnancy leave of absence of 17 weeks or less commencing no earlier than 17 weeks prior to the expected birth date. In the case of an Employee who is not entitled to a Parental Leave, however, the Maternity Leave will end not later than 6 weeks after the leave commences or the day that is 6 weeks after birth, still-birth or miscarriage, even if the total leave would then be greater than 17 weeks in length.

For the purposes of the Plan, "Parental Leave" means an unpaid parental leave of absence of 18 weeks or less commencing no more than 35 weeks following the birth date of the Employee's child or the coming of a child into the custody, care and control of the Employee for the first time.

A Participant who is on a Maternity Leave or Parental Leave, as determined by the Employer may elect in writing to continue to make contributions to the Plan during the period of the Maternity Leave or Parental Leave. If such a Participant elects not to continue making contributions during such leave, the Participant's contributions will cease at the commencement of such leave and no Credited Participating Service shall accrue during such leave. The accrual of the Participant's Credited Participating Service shall resume upon expiration of the Maternity Leave or Parental Leave provided such Participant returns to active service with the Employer immediately following the end of such leave.

If a Participant who is on a Maternity Leave or Parental Leave, as determined by the Employer, elects to continue making contributions to the Plan during such leave, the Participant's Credited Participating Service shall continue to accrue during the period of such leave, subject to the Income Tax Act limits outlined in Section 3.01. The Participant's contributions shall be made based on the Participant's annual rate of Compensation in effect at the commencement of such leave.

The period of a Participant's Maternity Leave or Parental Leave shall count as a period of employment with the Employer for the purpose of Vesting Service as determined in accordance with Section 4.02.

### 3.05 Sabbatical and Partnership Program Leaves of Absence

#### (a) Sabbatical Leaves of Absence

A Sabbatical Leave of Absence is an extended leave of up to one year granted in writing to a Participant by a Participating Employer. During such leave, the Participant either does not provide services to the Participating Employer or provides services on a reduced basis. Compensation is paid to the Participant during the leave. In the event that Compensation is reduced for a period of time either leading up to or following a Sabbatical Leave of Absence and the portion of Compensation not paid during such period is paid to the Participant during the Sabbatical Leave of Absence:

- (i) the Participant's and the Participating Employer's contributions to the Plan during the period of reduced Compensation leading up to the Sabbatical Leave of Absence will be determined and remitted to the Plan based on the Participant's regular level of Compensation on an unreduced basis;
- (ii) the Participant and the Participating Employer shall make no contributions to the Plan during the period of the Sabbatical Leave of Absence;
- (iii) the period of reduced Compensation leading up to the Sabbatical Leave of Absence will be included in Credited Participating Service on an unreduced basis, provided that the total amount of Compensation to be included in Credited Participating Service in respect of the period of reduced Compensation, including amounts prescribed under either Section 3.01 or Section 3.04, is limited to:
  - (A) 5 years of full-time equivalent Compensation; plus
  - (B) the number of years of full-time equivalent Compensation in respect of periods of parenting to a maximum of 3 years.

The period of the Sabbatical Leave of Absence will not be included in Credited Participating Service; and

- (iv) in the event of Termination of Employment, death, Retirement or disability during the period of reduced Compensation leading up to the Sabbatical Leave of Absence, during the leave or within the 3 year period following the leave:
  - (A) the period of the leave will be excluded from the 3 year period on which Final Average Earnings are to be based; and
  - (B) Compensation paid at the reduced level during the period leading up to the leave will be included at the full regular rate with no reduction in the determination of Final Average Earnings.

For further clarity, in the event that Compensation is reduced for a period of time leading up to a Sabbatical Leave of Absence and the portion of Compensation not

paid during such period is paid to the Participant during the leave, even if the Participating Employer and the Participant make contributions to the Plan in respect of the portion of Compensation paid during the leave, the period of the Sabbatical Leave of Absence will not be included in the determination of Credited Participating Service.

Notwithstanding points (i) through (iv) noted above, in the event that the Participating Employer pays additional Compensation during the leave in addition to the portion of Compensation not paid for a period of time leading up to the Sabbatical Leave of Absence that is paid to the Participant during the leave:

- (v) the Participant and the Participating Employer will continue to make contributions to the Plan during the leave based on the level of additional Compensation paid during the leave;
- (vi) the period of the leave will be included in Credited Participating Service. If the additional Compensation is paid on a reduced basis during the leave, Credited Participating Service will be adjusted as provided under Section 3.01(d); and
- (vii) in the event of Termination of Employment, death, Retirement or disability during the period of the Sabbatical Leave of Absence or within the three year period following the leave, the additional Compensation paid during the period of the leave will be included in the determination of Final Average Earnings in accordance with Section 1.25.

In the event that Compensation is not reduced for a period of time either leading up to or following a Sabbatical Leave of Absence and the Participating Employer continues to pay Compensation to the Participant during the leave:

- (viii) the Participant and the Participating Employer will continue to make contributions to the Plan during the leave based on the level of Compensation paid during the leave;
- (ix) the period of the leave will be included in Credited Participating Service. If Compensation is paid on a reduced basis during the leave, Credited Participating Service will be adjusted as provided under Section 3.01(d); and
- (x) in the event of Termination of Employment, death, Retirement or disability during the period of the Sabbatical Leave of Absence or within the three year period following the leave, Compensation paid during the period of the leave will be included in the determination of Final Average Earnings in accordance with Section 1.25.

(b) Teacher/Administrator Partnership Program Leave of Absence

A Teacher/Administrator Partnership Program Leave of Absence (TAPP Leave of Absence) is an extended leave granted through a program by the Board of Directors to a Participant who is employed by a Participating Employer as either a teacher or an administrator. During such TAPP Leave of Absence, the Participant does not provide services to the Participating Employer or provide services to the Participating Employer on a limited basis, and instead provides services to an approved organization.

If the Participant does not provide services to the Participating Employer during the TAPP Leave of Absence, Compensation will not be paid to the Participant by the Participating Employer during such period. Benefits earned by the Participant during such leave shall be based on the level of regular Compensation paid by the Participating Employer to the Participant and on his or her status as a regular full-time or Part-Time Employee in the 12 months immediately prior to the TAPP Leave of Absence.

If the Participant provides some services to the Participating Employer during the TAPP Leave of Absence, Compensation will be paid to the Participant by the Participating Employer commensurate with the services provided. Benefits earned by the Participant during such leave shall reflect services provided to both the Participating Employer and the approved organization but shall be equal to both the level of Compensation paid by the Participating Employer to the Participant and on his or her level of employment as a regular full-time or Part-Time Employee in the 12 months immediately prior to the TAPP Leave of Absence.

In respect of a TAPP Leave of Absence:

- (i) The Participant's and the Participating Employer's contributions to the Plan during the period of the TAPP Leave of Absence that is recognized as Credited Participating Service in accordance with (iii) below will be determined and remitted to the Plan based on the Participant's regular level of Compensation immediately prior to the TAPP Leave;
- (ii) the Participant and the Participating Employer shall continue to make contributions to the Plan during the period of the TAPP Leave of Absence that is recognized as Credited Participating Service in accordance with (iii) below;
- (iii) the period of the TAPP Leave of Absence will be included in Credited Participating Service, provided that the total amount of Compensation to be included in Credited Participating Service in respect of the TAPP Leave of Absence, including amounts prescribed under either Section 3.01, Section 3.04 or Section 3.05(a) is limited to:
  - (A) 5 years of full-time equivalent Compensation; plus
  - (B) the number of years of full-time equivalent Compensation in respect of periods of parenting to a maximum of 3 years;

- (iv) during the TAPP Leave of Absence, the Participant and Participating Employer contributions shall be remitted to the Plan in the normal manner. To the extent such Participant contributions are not obtained by payroll deductions, the Participating Employer and the Participant shall agree on how the Participant will submit the Participant Contributions to the Participating Employer for remittance to the Plan.

## **Section 4**

### **VESTING AND TERMINATION OF EMPLOYMENT**

#### **4.01 Vested Percentage**

A Participant's Vested Percentage shall be "none" until the Participant has completed two years of Vesting Service, excluding any service properly excludable under the Break in Service rules and other provisions of Section 4.02. However, for the purpose of determining a Participant's Vested Percentage, Vesting Service will include any period of participation in the Plan during which the Participant is an Employee whether or not the Participant makes contributions to the Plan for such period. When a Participant has completed at least two years of Vesting Service as described above, the Participant's Vested Percentage shall be 100% and the Participant thereafter shall have a non-forfeitable right to his or her Accrued Benefit. As specified in Section 4.06, a Participant's Vested Percentage also shall be 100% upon attainment of age 65 provided such Participant is still participating in the Plan at that time or participates in the Plan until the month immediately preceding the month in which the Participant attains age 65. The terms "vested" and "non-forfeitable" shall have the meaning stated in Section 4.06.

#### **4.02 Vesting Service**

Vesting Service is the total number of years (and fractions to the next highest 1/12th) of employment with one or more Participating Employers subject to the following conditions and limitations:

- (a) The amount of a Participant's Vesting Service as of September 1, 1986, shall be the Participant's total number of years of employment during which the Participant was an active contributor to the Plan.
- (b) Subject to the other conditions and limitations herein, after August 31, 1986, Vesting Service shall be earned for each period of employment with a Participating Employer. For this purpose, employment with a Participating Employer shall be deemed to terminate pursuant to the provisions of Section 4.03.
- (c) Except as otherwise provided herein, after August 31, 1986, notwithstanding any other provisions herein, an Employee shall not earn Vesting Service for any period during which such Employee fails or declines to make the required Employee contributions under this Plan.
- (d) Notwithstanding (b) and (c) above, a Participant shall continue to earn Vesting Service, effective September 1, 1986, even though absent from work as a result of being Disabled, as defined in Section 1.20 if the Participant is receiving (or is eligible to receive after a waiting period) disability benefits under Section 6.06, under an Employer-sponsored long-term disability income plan (including disability benefits under Workers' Compensation) and/or under the Canada Pension Plan.

- (e) After August 31, 1986, if a former Employee resumes employment with a Participating Employer before incurring a Break in Service, for the purpose of determining such Employee's Vested Percentage and not for the purpose of determining the Accrued Benefit in Section 1.01, the Employee's Vesting Service shall be computed as if the interruption of employment with Participating Employers had not occurred.

#### 4.03 Termination of Employment

An Employee's employment with a Participating Employer shall be considered terminated as of the date the Employee ceases to render active service to the Participating Employer, subject to the following:

- (a) Except as otherwise provided herein, employment shall terminate on the date a Participant ceases to be employed by a Participating Employer (and does not continue employment without a break in continuity with any other Participating Employer) because the Participant resigns (or retires), is discharged or dies.
- (b) During the normal summer vacation period, and any other regular vacation period, when regular work is not expected of an Employee by a Participating Employer, the Employee shall retain his or her status as an active Employee of a Participating Employer, regardless of other temporary employment during such period, provided such Employee has been engaged by a Participating Employer for and actually begins active service as an Employee at the end of such vacation period. If, at the end of the vacation period, the Employee fails, for any reason, other than those enumerated in (a) above, to resume the active service for which such Employee had been engaged, the Employee's employment with a Participating Employer shall be considered to have terminated as of the beginning of such vacation period.
- (c) If an Employee renders to a Participating Employer the services expected during the regular school year but has not been engaged by any Participating Employer for work during the following school year, such Employee's employment with a Participating Employer shall be considered terminated as of the date no further active services are expected of the Employee by any Participating Employer. If the circumstance described in the preceding sentence occurs during the Participant's second year of Vesting Service, the Participant's Vested Percentage shall be 100% notwithstanding (b) above.

#### 4.04 Termination of Service Before Vesting

If, for any reason other than death, the employment of a Participant with any and all Participating Employers is terminated before Retirement and while such Participant has a Vested Percentage of "none", the following rules shall apply in the determination of the Participant's rights under the Plan:

- (a) If the Participant subsequently becomes an Employee of a Participating Employer, the Participant shall resume participation in the Plan immediately. The

Participant's Vesting Service shall be determined under Section 4.02 and the Participant's Credited Participating Service shall be determined under Section 3.

- (b) The Participant's options with respect to the Contribution Account shall be governed by Section 5.06.

#### **4.05 Termination of Service After Vesting**

If for any reason other than death, the employment of a Participant terminates after accruing a Vested Percentage of 100%, the Participant's rights shall be governed by Section 5.07 and Sections 6 and 7.

#### **4.06 Vesting at Normal Retirement**

A Participant's right to an Accrued Benefit shall be non-forfeitable upon the earlier of the Participant's Normal Retirement Date and the date the Participant attains age 65.

For purposes of this Plan, the terms "vested" and "non-forfeitable" mean the right of a Participant or Beneficiary to receive a pension commencing at a date permitted hereunder, payable for life only or in some other applicable or elected form. A Participant who does not live to the date benefit payments commence shall not be eligible for a benefit hereunder, except to the extent specified herein with respect to the Surviving Spouse Annuity, the Minimum Benefit, and the Preretirement Surviving Spouse Benefit or as provided in an optional form of payment.

#### **4.07 Additional Benefit**

Notwithstanding the foregoing provisions of this Section 4, the Employer's share of the cost of pension benefits provided to a vested Participant on death, Termination of Employment or Retirement shall not be less than 50% of the total cost of such benefits. To the extent that the Employer's share is less than 50%, the Participant shall be entitled to an Additional Benefit which may be payable in various forms pursuant to Section 5.07. The present value of the Participant's Additional Benefit shall be equal to the Contribution Account at such Participant's Termination Date less 50% of the Commuted Value of the Accrued Benefit to which the Participant is entitled under the Plan.

## Section 5

### CONTRIBUTIONS

#### 5.01 Contributions by Participants

Each Employee who becomes a Participant shall contribute to the Plan a percentage of all Compensation received from the Employer during such Employee's period of participation in the Plan.

Such percentage for any period of the Employee's participation prior to September 1, 2004, shall be 3% unless the Employer has elected the 4% Plan, in which case such percentage shall be 4%.

Commencing September 1, 2004, Employee contributions under the 3% Plan and the 4% Plan will increase by 50%. In addition, a 2% Plan option will be made available for a two-year period only, from September 1, 2004, to August 31, 2006. The new Employer contribution rates effective September 1, 2004, are shown in the table below:

<u>Option Chosen by Employer</u>	<u>Employee Contribution Rate</u>
2% Plan	3.0%
3% Plan	4.5%
4% Plan	6.0%

The rate of contribution is subject to adjustment pursuant to the provisions of Section 5.08.

Notwithstanding the above, the contributions made by the Participants to the Plan in any Plan Year shall not exceed the maximum amount that is permitted under the Income Tax Act for that Plan Year.

#### 5.02 Contributions by Employers

Except as otherwise provided herein, each Participating Employer shall contribute to the Plan, based on the recommendation of the Actuary, an amount equal to the contributions made hereunder by the Participants who are Employees of such Participating Employer.

Each Participating Employer shall transmit to the Trustee at regular intervals, as specified by the Trustees, the contributions collected from Participants since the last transmittal date, together with a matching contribution from such Employer. All such contributions shall be made a part of the Trust Fund.

Benefits shall be credited to a Participant under the terms of the Plan only to the extent that the contributions required hereunder from both the Participant and his Employer are actually transmitted to the Trustees.

If a Participant is Disabled and is receiving disability benefits under a disability income plan sponsored by the Employer (including disability benefits under Workers' Compensation) or under the Canada/Quebec Pension Plan, the Participant and the Employer will be deemed to be contributing at the required rate after August 31, 1982, even though no contributions are being made. In such event no contributions shall be required of the Participant or the Employer. The preceding sentences only apply as of September 1, 1982, even if the Participant became Disabled prior to that date. The contributions deemed made by the Participant and the Employer under this paragraph shall be credited only for the purposes of calculating the Participant's Accrued Benefit, and shall not apply in calculating the amount of any withdrawal under Section 5.06.

Notwithstanding the above, the contributions made by the Employees of the Plan in any Plan Year shall not exceed the maximum amount that is permitted under the Income Tax Act for the Plan Year.

In the event of failure by a Participating Employer to remit contributions to the Plan as required, the Trustees, pursuant to policies and procedures established for this purpose, shall notify in writing the Participating Employer of the delinquency and upon continuing failure to pay required amounts to the Plan shall take such action as the Trustees deem necessary and appropriate, including, in the event of continuing delinquency, termination of status as a Participating Employer. If a Participating Employer's status is terminated, the Trustees shall provide notice to the Participating Employer and to all eligible employees of the employer and shall specify the effective date of termination of Participating Employee status.

### **5.03 Requirements for Contributions by Participants**

Except as otherwise provided herein, a Participant's contributions shall be made by regular payroll deductions. A Participant may not withdraw any contributions which the Participant has made to the Plan while in the employ of a Participating Employer. No contribution may be made by a Participant after Termination of Employment, unless such Participant shall again become an active Employee of a Participating Employer.

### **5.04 Contribution Account**

A "Contribution Account" shall be established for each Participant. At any time, the balance in a Participant's Contribution Account shall be the excess, if any of (a) over (b):

- (a) The aggregate of the Participant's contributions made after September 1, 1951, (but excluding any contributions made before the date of any full refund of contributions which the Participant may have received from the Trust Fund), together with Credited Interest as hereinafter defined.
- (b) The aggregate of any benefit payments made to the Participant or to any other Person on account of the Participant's participation in the Plan, including any supplement under Section 6.03.

#### 5.05 Credited Interest

The "Credited Interest" which shall be included in Participant's Contribution Account shall be as described in Section 1.17.

#### 5.06 Withdrawal on Termination of Employment Before Vesting

Effective September 1, 1986, a Participant whose employment terminates before Retirement and who has a Vested Percentage of "none", shall choose among the following alternatives:

- (a) No Withdrawal. The Participant may leave the Contribution Account in the Trust Fund. The Contribution Account will continue to be credited with interest as specified in Sections 5.04 and 5.05. A record of the Accrued Benefit will be preserved in the event the Participant subsequently resumes participation and earns a Vested Percentage of 100%.
- (b) Withdrawal of Contribution Account. The Participant may elect to withdraw the Contribution Account in which case all rights and entitlements accrued to the Participant under the Plan shall be cancelled.

A withdrawal may be elected at any time following the Termination of Employment. A Participant who has not withdrawn the balance of the Contribution Account prior to the date which is 30 days prior to the Participant's Normal Retirement Date, shall be required to withdraw the amount, credited with interest in accordance with Section 5.05, on the first day of the month coincident with or immediately following the Participant's Normal Retirement Date.

A Participant who has withdrawn the balance of the Participant's Contribution Account may repay to the Trust Fund, upon re-employment by a Participating Employer, by direct transfer from a registered retirement savings plan, deferred profit sharing plan or other registered pension plan, the full amount of the withdrawal, plus interest, on or before the earlier of the fifth anniversary of the date of the withdrawal and the second anniversary of the date of re-employment. Interest shall be at the initial rate used in the calculation of a lump sum payable upon Termination of Employment at September 1st of the Plan Year in which the repayment is made, calculated for the period from the date the withdrawal is paid to the date the repayment is made. The repayment shall be made by direct transfer in one single lump sum which includes the withdrawn amount and interest thereon. The repayment shall restore in full the Participant's Accrued Benefit otherwise forfeited by reason of the withdrawal.

#### 5.07 Withdrawal on Termination of Employment After Vesting

A Participant whose employment terminates after accruing a Vested Percentage of 100% and prior to becoming eligible for an Early Retirement Benefit may elect to have the Commuted Value of the Accrued Benefit transferred in a single lump sum to a locked-in Registered Savings Plan, a Locked-in Retirement Account, the registered pension plan of a successor employer if that plan accepts the transfer or, provided the Participant's Spouse signs the applicable waiver form and files it with the Trustees

prior to the transfer, a Locked-In Retirement Income Fund or a Life Income Fund, as the case may be. Alternatively, such lump sum may be applied to purchase an immediate annuity from a life insurance company licensed to carry out annuity business in Canada. Moreover, the annuity could not commence more than 10 years before the Participant's Normal Retirement Date. If a withdrawal is made under this Section 5.07, all of the Participant's Credited Participating Service and any other rights accrued to the Participant under the Plan, excluding the right to any Additional Benefit, shall be cancelled as of the date of such withdrawal.

In addition, if the Participant elects to transfer such Vested Benefit to another registered plan as outlined above the Participant may elect to withdraw in cash or transfer to a Registered Retirement Savings Plan the Participant's Additional Benefit. Such election will not be permitted where prohibited due to locking-in requirements concerning Additional Benefits under the Pension Benefits Act. If the Participant elects to receive a deferred vested pension, the Additional Benefit must be withdrawn in cash, except where prohibited due to locking-in requirements under the Pension Benefits Act, and may not be transferred to another registered plan.

Amounts transferred in accordance with this Section 5.07 shall not exceed the maximum amount prescribed under the Income Tax Act. The excess of the lump sum that is the Commuted Value of the Accrued Benefit, plus Credited Interest, if any, over the amount transferred shall be paid directly to the Participant in cash, as permitted under the Income Tax Act and the Pension Benefits Act.

#### **5.08 Revision of Contribution Rates**

Up to August 31, 2004, the total contributions required hereunder by Participants and Participating Employers are 6% of Compensation under the 3% Plan and 8% of Compensation under the 4% Plan.

Commencing September 1, 2004, the total contributions required hereunder by Participants and Participating Employers are 6% of Compensation under the 2% Plan, 9% of Compensation under the 3% Plan, and 12% of Compensation under the 4% Plan.

If, in the opinion of the Trustees, the financial condition of the Trust Fund is such that additional contributions are required in order to provide all benefits specified by the Plan, the Board of Directors can amend the Plan to increase all contribution rates stated in the preceding paragraph, applicable both to Participant and Employer contributions, by up to 25%. Such contribution rates shall become effective 30 days after each Participating Employer shall have been notified of the change.

#### 5.09 Special Termination Benefit

Notwithstanding Section 4.01, a Participant whose employment terminates prior to completing two years of Vesting Service and who:

- (a) was an Employee of a new Participating Employer at the time the new Participating Employer first joined the Plan, provided the new Participating Employer joined the Plan on or after September 1, 2003; and
- (b) was continuously employed by the Participating Employer until the date on which he or she terminates; and
- (c) terminates employment on or after the date the Participant attains age 55 but before the date he or she attains age 65,

shall have the balance in his or her Contribution Account adjusted so it is equal to the excess, if any, of 200% of the amount in 5.04(a) over the amount in 5.04(b).

## **Section 6**

### **BENEFITS—ELIGIBILITY AND AMOUNT**

#### **6.01 Normal Retirement Benefit**

The Normal Retirement Benefit for a Participant who retires on or after the Normal Retirement Date is an annual pension payable in the form pursuant to Section 7.04 in the amount of the Participant's Accrued Benefit. The Normal Retirement Benefit shall be paid at the time and in the manner specified in Section 7.01.

Notwithstanding the foregoing, the annual amount of a Participant's Normal Retirement Benefit shall not be less than the greatest amount of any Early Retirement Benefit to which such Participant would have been entitled if the Participant had retired at any time on or after such Participant's earliest Early Retirement Date.

A Participant who works beyond the Normal Retirement Date shall be subject to and notified in accordance with the provisions of Section 8.06.

A Participant who has a Spouse shall be entitled to the Supplemental Spouse Pension described in Section 6.03.

#### **6.02 Early Retirement Benefit**

The Early Retirement Benefit for an eligible Participant who retires on an Early Retirement Date is an annual pension payable in the form pursuant to Section 7.04 beginning at the Participant's Early Retirement Date in the amount of the Participant's Accrued Benefit. The Early Retirement Benefit shall be paid at the time and in the manner specified in Sections 7.01 and 7.02.

A Participant who has a Spouse shall be entitled to the Supplemental Spouse Pension described in Section 6.03.

#### **6.03 Supplemental Spouse Pension**

A Participant who is entitled to a Normal Retirement Benefit or an Early Retirement Benefit under Section 6.01 or 6.02 shall be entitled to a Supplemental Spouse Pension payable monthly at 1/12th the annual rate. The annual amount of such supplemental pension shall be \$20 multiplied by the sum of (a) and (b) below:

- (a) The number of years and fraction of years of the Participant's Vesting Service rendered before September 1, 1973, under the 2% Plan; plus
- (b) One and one-half multiplied by the number of years and fraction of years of Vesting Service completed before September 1, 1973, under the 3% Plan.

#### **6.04 Vested Benefit**

If a Participant's employment terminates, as described in Section 4.05, prior to eligibility for an Early Retirement Benefit or Normal Retirement Benefit and the Participant's Vested Percentage is 100%, the Participant shall be eligible for a Vested

Benefit. The Vested Benefit shall be an annual pension for life only in the amount of the Participant's Accrued Benefit. In addition, the Participant may be entitled to the Additional Benefit, payable in a lump sum. The Vested Benefit shall be paid at the time and in the manner specified in Sections 7.01, 7.03 and 7.04.

#### **6.05 Preretirement Surviving Spouse Benefit**

If a Participant who has a Spouse and who has a Vested Percentage of 100% dies within the period beginning on the date such Participant is first eligible for a Vested Benefit and ending on the date benefit payments to or with respect to the Participant begin under Section 6 (whether or not the Participant is employed by a Participating Employer at the time of death), the Participant's Surviving Spouse shall be paid a Preretirement Surviving Spouse Benefit.

The Preretirement Surviving Spouse Benefit shall be equal to the lump sum amount the Participant would have received under Section 5.07, inclusive of the Additional Benefit, had the Participant terminated employment and elected a transfer of all vested entitlements to a Registered Retirement Savings Plan immediately before death. Subject to Section 1.43, the Preretirement Surviving Spouse Benefit may be transferred in a lump sum to a locked-in Registered Retirement Savings Plan or to the registered plan of the Spouse's employer if that plan accepts the transfer. Alternatively, the Preretirement Surviving Spouse Benefit may be applied to purchase an annuity from a life insurance company licensed to carry out an annuity business in Canada.

Notwithstanding the preceding paragraph, for a Participant employed in a province in which the Preretirement Surviving Spouse Benefit is not required to be locked-in, the Preretirement Spouse Benefit may be received as a lump sum amount, or may be applied to purchase an annuity from a life insurance company licensed to carry out an annuity business in Canada, commencing at any time prior to the end of the calendar year in which the Spouse attains age 69, (or, if the Spouse has already attained age 69, within one year after the death of the Participant).

The Preretirement Surviving Spouse Benefit shall be paid in the manner and subject to the conditions specified in Section 7.06.

The Preretirement Surviving Spouse Benefit described herein shall be effective on and after September 1, 1986. If a Participant does not have a Spouse, the Preretirement Surviving Spouse Benefit shall be paid to the Participant's Beneficiary. If the Participant does not have a Beneficiary the benefit shall be paid to the Participant's estate.

Notwithstanding the foregoing, a qualifying Surviving Spouse shall be entitled to an Alternative Spouse Pension payable for life. This Alternative Spouse Pension will be paid in lieu of the Preretirement Surviving Spouse Benefit if it provides a better benefit to the qualifying Surviving Spouse.

The Surviving Spouse qualifies for the Alternative Spouse Pension if the Participant dies prior to Retirement and on or after age forty-five (45) with a Vested Percentage of 100%, provided either of the two following conditions are met:

- (a) the Participant dies while in active service with a Participating Employer after September 1, 1989; or
- (b) the Participant dies while Disabled and receiving (or eligible to receive after a waiting period) disability benefits under Section 6.06 of the Plan, under a long-term disability income plan sponsored by the Employer (including disability benefits under Workers' Compensation) and/or under the Canada/Quebec Pension Plan.

#### **6.06 Disability Benefits**

A Participant who is Disabled and receiving disability benefits under a disability income plan sponsored by the Employer shall continue to accrue Credited Participating Service, provided that the Trustees shall establish certain limits beyond which no further credit is granted in cases of extended disability.

#### **6.07 Minimum Benefit**

Upon completion of all benefit payments to or with respect to the Participant under Sections 6.01, 6.02, 6.04 or 6.05, whichever applies, including any supplement under Section 6.03, any remaining balance in the Participant's Contribution Account, determined under Sections 5.04 and 5.05, shall be paid to the Participant's Beneficiary. The Minimum Benefit shall be paid at the time and in the manner specified in Section 7.09.

#### **6.08 Increase in Past Benefits**

The amount of any pension payable on or after September 1, 1973, under Sections 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), to a Person who was receiving a pension as of August 31, 1973, shall be 110% of the amount which was payable as of August 31, 1973.

The amount of any pension payable on or after September 1, 1979, under Section 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), to a Person who was receiving a pension as of August 31, 1979, shall be 110% of the amount which was payable as of August 31, 1979.

The amount of any pension payable on or after September 1, 1982, under Section 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), shall be a percentage of the amount which was payable as of August 31, 1982, such percentage being determined in accordance with the following table:

<u>Pension Commencement Date</u>	<u>Percentage</u>
Before September 1, 1980	115%
After August 31, 1980, but before September 1, 1981	110%
After August 31, 1981, but before September 1, 1982	105%

The amount of any pension payable on or after September 1, 1983, under Sections 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), to a Person who was receiving a pension as of August 31, 1983, shall be 110% of the amount which was payable as of August 31, 1983.

The amount of any pension payable on or after September 1, 1985, under Sections 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), to a Person who was receiving a pension as of August 31, 1985, shall be 105% of the amount which was payable as of August 31, 1985.

For a Person who was receiving a pension as of August 31, 1987, the amount of any pension payable on or after September 1, 1987, under Sections 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), shall be 105% of the amount which was payable as of August 31, 1987.

For a Person who was receiving a pension as of September 1, 1990, the amount of any pension payable on or after September 1, 1990, under Sections 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), shall be 110% of the amount which was payable as of September 1, 1990.

For a Person who was receiving a pension as of August 31, 1995, the amount of any pension payable on and after September 1, 1995, under Sections 6.01, 6.02, 6.04 or 6.05, including any supplement under Section 6.03 (or the predecessor provisions), shall be increased by the amount shown in the following table:

<u>Pension Commencement Date</u>	<u>Percentage Increase</u>
Prior to September 1, 1991	2.5%
After August 31, 1991, and prior to September 1, 1992	2.0%
After August 31, 1992, and prior to September 1, 1993	1.5%
After August 31, 1993, and prior to September 1, 1994	1.0%
After August 31, 1994, and prior to September 1, 1995	0.5%

In no event shall the percentage increase granted under this Section 6.08 cause the Participant's pension payment to exceed the Participant's pension payable in the year of pension commencement plus adjustments to reflect increases in the average Consumer Price Index from the date of commencement of pension payments as published by Statistics Canada.

#### **6.09 Reduction for Benefits Previously Paid**

Notwithstanding any other provision herein, the amount of a benefit payable hereunder shall be reduced by the amount of benefits previously paid to or with respect to the Participant, including a cash out under Section 7.10. All such reductions shall be computed on a uniform basis by calculating and offsetting the Commuted Value of the benefit previously paid.

#### **6.10 Post Retirement Indexation of Benefits**

Commencing September 1, 2007, for a Person who was receiving a pension as of August 31 of the previous Plan Year, the amount of pension payable at the beginning of each Plan Year shall be increased by 0.8% over the pension otherwise payable at the beginning of such Plan Year.

## **Section 7**

### **BENEFITS—FORM AND TIME OF PAYMENT**

#### **7.01 Method of Payment**

Except as otherwise provided herein, benefits shall be payable in equal monthly installments of 1/12th of the annual amount payable. The first monthly installment shall be as of the 30th day of the month in which the Participant's Early or Normal Retirement Date occurs or, if later, the 30th day of the month following the month in which the last contribution is deducted from such Participant's pay. Subsequent monthly installments shall be payable on the 30th day of each succeeding month, ceasing with the installment due on the 30th day of the month in which the Participant (or other Contingent Annuitant) dies. If the Participant dies within the first 15 days of the month, the final payment shall be 1/2 of the normal monthly amount; otherwise, the final payment shall be the full monthly amount.

#### **7.02 Early Retirement Benefit**

Upon the election of the Participant, or the Participant's Surviving Spouse if benefits are payable only to the Surviving Spouse, the Early Retirement Benefit shall commence on the 30th day of the month which includes the Participant's Early Retirement Date, or the month in which the Participant elects early payment, whichever is later. In such event the amount of the benefit, including the Supplemental Spouse Pension, if applicable, shall be reduced by a percentage calculated as follows:

- (a) 0% if the Participant had attained age 60 and completed 10 years of Vesting Service on the Participant's Early Retirement Date;
- (b)  $5/12\%$  times the number of months that the actual date of the first payment precedes the 30th day of the month in which the Participant would attain age 60, if the Participant had completed 10 years of Vesting Service on the Participant's Early Retirement Date but had not attained age 60; or
- (c)  $1/3\%$  times the number of months that the actual date of the first payment precedes the Participant's Normal Retirement Date, if the Participant had not completed 10 years of Vesting Service on the Participant's Early Retirement Date.

Notwithstanding the foregoing, the Early Retirement Benefit outlined above shall not exceed the pension payable to the Participant under Section 7.01 reduced by  $1/4$  of 1% for each month by which the date of the Participant's Early Retirement Benefit precedes the earliest of:

- (d) the Participant's attainment of age 60,
- (e) the Participant's completion of 30 years of Continuous Service (excluding periods of layoff and temporary suspension of employment), and
- (f) the date on which the Participant's age plus Continuous Service (excluding periods of layoff and temporary suspension of employment) would have totaled at least 80 years.

### 7.03 Vested Benefit

The Participant may elect commencement of the Vested Benefit on the 30th day of the month which includes the Participant's earliest Early Retirement Date, or the 30th day of any month thereafter, but the amount of the Vested Benefit shall be reduced by the percentage equal to  $1/3\%$  times the number of months that the date of pension commencement precedes the Participant's Normal Retirement Date, and shall not be less than a Vested Benefit determined by applying the early retirement reduction factors set out in Section 7.02 above.

Notwithstanding any other provision herein, the Vested Benefit for an eligible Participant hereunder shall not be paid until the Participant has properly completed and filed with the Trustees a timely written application for the benefit on the form provided for such purpose by the Trustees.

### 7.04 Form of Payment

(a) "Normal Form of Payment" The retirement benefit payable under Sections 7.01, 7.02 and 7.03 shall be determined according to the normal form of pension and is payable in that normal form of pension unless the automatic form of pension applies under Section 7.04(b) or the Participant elects an optional form of pension.

The normal form of pension is a retirement benefit in the form of Life, Guaranteed Ten (10) Years. If the Participant dies before receiving 120 monthly payments of pension benefit, the payments shall be continued to the Participant's Beneficiary until a total of 120 such payments has been made.

(b) "Automatic Form for a Participant With a Spouse" For a Participant who has a Spouse on the date on which pension payments commence, the pension will be paid in the form of a Surviving Spouse Annuity, unless the Participant and the Participant's Spouse confirm the waiver of the Surviving Spouse Annuity form in the manner specified in Section 7.07.

### 7.05 Supplemental Spouse Pension

While payable, the Supplemental Spouse Pension shall be paid as an integral part of the benefit otherwise payable to or with respect to the Participant. The Supplemental Spouse Pension shall not be subject to the Preretirement Surviving Spouse Benefit or the Surviving Spouse Annuity requirements hereunder and shall not be considered in calculating the value of either of those benefits.

### 7.06 Preretirement Surviving Spouse Benefit

The Preretirement Surviving Spouse Benefit shall be paid at the time specified in Section 6.05, subject to the applicable rules, including the appropriate reduction for early payment, as specified in Sections 7.01, 7.02 and 7.03.

The benefit described in Section 6.05 shall be paid under either of the following circumstances:

- (a) If the Participant has retired under the Normal or Early Retirement provisions and dies prior to the date of the first benefit payment hereunder; or
- (b) If the Participant has a Vested Percentage of 100% and dies, whether or not employed by a Participating Employer at the time of death, prior to the commencement of benefit payments hereunder.

#### **7.07 Election Not to Take Surviving Spouse Annuity Form**

When the Surviving Spouse Annuity is specified as the automatic form of payment under Section 7.04(b), the Participant, with the consent of the Spouse, may elect not to receive benefits in the Surviving Spouse Annuity form but to receive instead a monthly pension in the form of Life, Guaranteed Ten (10) Years or another optional form under Section 7.08. The election must be made within the 90-day period ending on the date benefit payments would begin.

The Administrator shall provide each Participant, within a reasonable period prior to the commencement of benefits, a written explanation of:

- (a) the terms and conditions of a Surviving Spouse Annuity;
- (b) the Participant's right to make, and the effect of, an election to waive the Surviving Spouse Annuity form;
- (c) the rights of a Participant's Spouse; and
- (d) the right to make, and the effect of, a revocation of a previous election to waive the Surviving Spouse Annuity form.

An election not to take a Surviving Spouse Annuity form of payment must be delivered to the Administrator in writing in the form prescribed under the Pension Benefits Act and must have the consent of the Participant's Spouse in the presence of a witness. A revocation of a prior election may be made by a Participant with the consent of the Spouse at any time before the commencement of benefits. The number of revocations shall not be limited. Any new election or change of Beneficiary will require a new spousal consent.

#### **7.08 Optional Forms of Benefits**

In lieu of the normal form of payment, a Participant may elect an optional form of benefit under (a), (b) or (c) below:

- (a) **Life Only, Life Guaranteed Five (5) or Fifteen (15) Years Options.** A Participant may elect a Life Only, Life Guaranteed Five (5) or Fifteen (15) Years Option so that, should the Participant die payments will cease or should the Participant die before the Participant has received either 60 or 180 monthly payments of pension benefits, the payments shall be continued to the Participant's Beneficiary until a total of either 60 or 180 such payments has been made.
- (b) **Joint and Surviving Spouse Option.** A Participant may elect a joint and surviving spouse option in respect of Spouse or former Spouse. Benefits payable under this

option shall consist of an Actuarially Equivalent amount of pension payable during the lifetime of the Participant and continuing after the Participant's death in an amount equal to 50%, 60%, 66-2/3%, 75% or 100% of such amount during the remaining lifetime of a Surviving Spouse or former Spouse. The percentage to be continued to the Surviving Spouse or former Spouse after the death of the Participant must be designated by the Participant at the time this option is elected.

- (c) Contingent Annuitant Option. A Participant may elect a Contingent Annuitant option. Benefits payable under this option shall consist of an Actuarially Equivalent amount of pension payable during the lifetime of the Participant and continuing after his death in an amount equal to 50%, 60%, 66 2/3%, 75% or 100% of such reduced amount during the lifetime, or eligible survivor period, as applicable, of a surviving contingent annuitant. The contingent annuitant and the percentage to be continued to the contingent annuitant after the death of the Participant must be designated by the Participant at the time this option is selected. A Participant may designate as his contingent annuitant his Spouse or former Spouse in respect of a pension which is in an amount equal to 50%, 60% 66-2/3%, 75% or 100% or a Participant may designate his dependent (as such term is defined in the Income Tax Act) in respect of a pension which is in an amount equal to 66 2/3%, 60% or 50% of the Participant's pension amount.
- (d) Pop-Up feature. A Participant who elects an optional form of benefit under (b) or (c) above may also elect to add a pop-up feature which, in the event that the Spouse (or former Spouse or Contingent Annuitant as the case may be) predeceases the Participant, restores the pension benefit amount to such amount that would be payable under the normal form of payment for the remainder of the Participant's lifetime.

The pension benefit under any of the above options will be Actuarially Equivalent to the normal form of pension benefit otherwise payable to the Participant pursuant to Section 7.04. For a Participant who has a Spouse, election of an option shall be effective only if the Participant and his Spouse elect not to take the benefit in the form of the Surviving Spouse Annuity in the manner specified in Section 7.07 at the time of election of the option and confirm the waiver of the Surviving Spouse Annuity form in the manner specified in Section 7.07 within the 90-day period described therein.

The optional forms of payment described in the above are not available to the Surviving Spouse or other contingent beneficiary.

No option shall become effective prior to the earlier of the Participant's Normal Retirement Date and the commencement of his pension hereunder.

No optional form of pension shall be allowed which would reduce the Actuarially Equivalent present value of the pension expected to be paid to the Participant below 50% of the Actuarially Equivalent present value of the pension otherwise payable to or with respect to the Participant unless the optional form of benefit payment is the Joint and Surviving Spouse Option.

No election of any optional form of pension shall affect the payment of the supplemental benefit described in Section 6.03.

#### 7.09 **Minimum Benefit**

The Minimum Benefit, if applicable, shall be paid in a lump sum to the Beneficiary as soon as administratively feasible.

#### 7.10 **Cash Out**

Notwithstanding any other provision herein, a lump sum payment of the Commuted Value of the Accrued Benefit for a Participant whose employment has terminated for any reason other than death or of the benefit payable to the Surviving Spouse in the event of the death of a Participant shall be paid to the Participant or Surviving Spouse if the Participant has a Vested Percentage of 100% and if the Participant's Accrued Benefit, expressed as an annual amount, does not exceed 2% of the Y.M.P.E. in the year of the Participant's retirement, termination or death, or such other amount as may be permitted in accordance with the Pension Benefits Act. In lieu of the lump sum payment, the Participant or the Surviving Spouse may transfer the amount to his or her personal registered retirement savings plan. The lump sum payment is in full satisfaction of the Participant's entitlement to a pension under the Plan.

Notwithstanding the foregoing, in respect of a Participant who is employed in a province other than Ontario, or in respect of the Participant's Surviving Spouse, a lump sum payment of the Commuted Value of the Accrued Benefit shall be payable in accordance with this Section 7.10 but subject to the applicable provincial pension legislation (and as may otherwise be permitted in accordance with such legislation from time to time), as follows:

(a) **Alberta Participants**

Effective March 1, 2000, if the Participant's Accrued Benefit, expressed as an annual amount, does not exceed 4% of the Y.M.P.E. or the Commuted Value does not exceed 20% of the Y.M.P.E. in the year of the Participant's retirement, termination or death, the Participant may elect to receive the lump sum payment or transfer that amount to a personal registered retirement savings plan in full satisfaction of the Participant's entitlement under the Plan.

(b) **British Columbia Participants**

Effective July 15, 1999, if the Participant's Accrued Benefit, expressed as an annual amount, does not exceed 10% of the Y.M.P.E. or the Commuted Value does not exceed 20% of the Y.M.P.E. in the year of the Participant's retirement, termination or death, the Participant may elect to receive the lump sum payment or transfer that amount to a personal registered retirement savings plan in full satisfaction of the Participant's entitlement under the Plan.

(c) **Manitoba Participants**

Effective September 1, 1998, if the Participant's Accrued Benefit, expressed as an annual amount, does not exceed 4% of the Y.M.P.E. in the year of the Participant's retirement, termination or death, the Participant may elect to receive the lump

sum payment or transfer that amount to a personal registered retirement savings plan in full satisfaction of the Participant's entitlement under the Plan.

(d) Saskatchewan Participants

Effective June 1, 2005, if the Participant's Accrued Benefit, expressed as an annual amount, does not exceed 4% of the Y.M.P.E. or the Commuted Value does not exceed 20% of the Y.M.P.E. in the year of the Participant's retirement, termination or death, the Participant may elect to receive the lump sum payment or transfer that amount to a personal registered retirement savings plan in full satisfaction of the Participant's entitlement under the Plan.

(e) Prince Edward Island Participants

Effective September 1, 1998, if the Participant's Accrued Benefit, expressed as an annual amount, does not exceed 2% of the Y.M.P.E. in the year of the Participant's retirement, termination or death, the Participant may elect to receive the lump sum payment or transfer that amount to a personal registered retirement savings plan in full satisfaction of the Participant's entitlement under the Plan.

#### 7.11 Overriding Requirements Applicable to Benefit Payments

Except as otherwise provided with respect to the Preretirement Surviving Spouse Benefit and the Surviving Spouse Annuity, the requirements of this Section 7.11 shall apply effective September 1, 1986, to all payments and distributions of a Participant's benefits under Sections 6 and 7.

(a) Limits on Settlement Options

Distributions, if not made in a lump sum, may only be made over one of the following periods or a combination thereof:

- (i) The life of the Participant;
- (ii) The life of the Participant and a designated Beneficiary.

(b) Commencement of Benefits

Distribution to a Participant must begin no later than the December 1 of the calendar year in which the Participant attains age 69.

(c) Death Distribution Requirements

- (i) If the Participant dies after payment of benefits has commenced, the remaining portion will continue to be distributed at least as rapidly as under the method of payment being used prior to the Participant's death.
- (ii) If the Participant dies before payment of benefits commences, the Participant's entire interest will be distributed no later than five years after the Participant's death except that if any portion of the Participant's interest is payable to a designated Beneficiary who is not the Participant's Spouse, distributions shall be made in one lump sum.

## 7.12 Shortened Life Expectancy

Notwithstanding any other provision herein, in the event a Person who is receiving a pension from the Plan, or a former Participant who is entitled to a defined Vested Benefit under the Plan, has an illness or physical disability that is likely to shorten his or her life expectancy to less than two (2) years, the Person or former Participant shall be permitted to apply for a withdrawal from the Trust Fund of the Commuted Value of the Person's pension or defined Vested Benefit, provided:

- (a) an application for a withdrawal which has been signed by the Person or former Participant is submitted to the Employer;
- (b) the application is supported by the following documentation:
  - (i) a statement signed by a medical doctor licensed to practice in Canada that the Person or former Participant has an illness or disability that is likely to shorten his or her life expectancy to less than two years;
  - (ii) a signed declaration by the Person's or the former Participant's Spouse providing a consent to the withdrawal, or where the Person or former Participant does not have a Spouse, a statement signed by the Person or former Participant that he or she does not have a Spouse, or is living separate and apart from such Spouse at the date the application to the Employer is made; and
- (c) the spousal declaration in support of the application described in Section 7.12(b)(ii) is received by the Employer within sixty (60) days of its being signed.

## **Section 8**

### **BENEFITS—GENERAL PROVISIONS AND LIMITATIONS**

#### **8.01 Application of Benefit Provisions**

The eligibility for, and amount of, a benefit provided herein for any Participant, Surviving Spouse or other Beneficiary, if any, shall be based upon the terms of the Plan in effect at the Participant's Termination Date and shall not be affected by any amendment which is effective thereafter unless retroactive effect is expressly stated in the amendment; provided, however, that benefit payments to a Participant, Surviving Spouse or other Beneficiary shall be paid in the form and at the time described in Section 7 for such payments. A Participant or Beneficiary shall not be eligible for more than one benefit under the Plan or payment of the benefit in more than one form hereunder, and the benefit provisions and forms of payment shall be mutually exclusive to that extent. The preceding sentence does not apply to the continuing benefit for a Surviving Spouse or other Contingent Annuitant, the Supplemental Spouse Pension, the disability benefit, the Minimum Benefit, all of which shall be paid as provided herein, or to receipt of a benefit as a Participant and a different benefit as the Beneficiary (including Surviving Spouse) of another Participant.

#### **8.02 Method of Election or Designation**

Except as otherwise provided herein, when a Participant or other individual is permitted to make an election or a designation hereunder, the action by the Participant or other individual must be evidenced by a written instrument in the form approved by the Trustees. The written instrument must be signed and witnessed by at least one witness. The written instrument shall be effective only when delivered to the Trustees or to a Person designated by the Trustees. The written instrument shall be null and void if delivered after the occurrence of an intervening event, such as death, which would render the Participant or other individual unable to take the action intended in the instrument.

#### **8.03 Information Required to be Furnished by Participants**

Each Participant and Beneficiary will furnish the Trustees with information reasonably necessary for the proper administration of the Plan, including, without limitation, proof of age and a current mailing address. In the absence of this information, the Trustees may use and rely on information they deem reliable regardless of the source of the information. The Participant or Beneficiary shall be entitled to no greater benefits hereunder than the Participant or Beneficiary would be entitled to receive if the Trustees used the current information to determine the amount of the benefits.

The Trustees and each other Person responsible for the administration of the Plan and Trust shall be entitled to rely upon the address of the Participant or Beneficiary last furnished to the Trustees by the Participant or Beneficiary. If no such address has been furnished, the Trustees may rely upon the last known address shown on the records of the Employer.

#### 8.04 Small Benefits

If a pension benefit is less than 2% of the Y.M.P.E. per annum in the year of the Participant's retirement, termination or death, or such other amount prescribed by the Pension Benefits Act, and subject to any other limits prescribed by applicable provincial pension legislation as outlined in Section 7.10, the pension benefit may be paid in a single lump sum cash payment in accordance with Section 7.10.

#### 8.05 Facility of Payment

If the Trustees shall determine that any retired Participant or other Person to whom any benefit is payable is unable to care for his or her affairs because of illness, accident, minority, or other incapacity, any payment due (unless prior claim shall have been made by a duly qualified guardian, committee, or other legal representative) may be made to such retired Participant's or Person's Spouse, parent, brother or sister, or any other Person as the Trustees may determine. Any such payment shall be a payment for the account of such retired Participant or other Person entitled thereto and shall, to the extent thereof, be a complete discharge of any liability under the Plan to such Person.

#### 8.06 Suspension of Benefits

##### (a) Suspended Benefits

A normal, late or early retirement benefit which is being paid (or which would be payable if the Participant elected to retire) will be suspended and forfeited for each calendar month of each Plan Year during which the individual qualifies as an Employee with a Participating Employer.

##### (b) Resumption of Payment

If benefit payments have been suspended, payments shall resume no later than the first day of the third calendar month after the calendar month in which the Participant ceases to be employed in service with an Employer. Benefits payable upon resumption shall be the same as the suspended benefit plus any additional benefit accrued during the period of re-employment. In no event shall a benefit be actuarially increased by reason of a period of suspension and forfeiture hereunder.

##### (c) Notification

No payment shall be withheld by the Plan pursuant to this Section 8.06 unless the Administrator notifies the Participant by personal delivery or first class mail during the first calendar month or payroll period in which the Plan withholds payments that his or her benefits are suspended. Such notifications shall contain a description of the specific reasons why benefit payments are being suspended, a

description of the Plan provisions relating to the suspension of payments and a copy of such provisions.

(d) Amount Suspended

(i) Life Annuity

With respect to benefits payable on a monthly basis for as long as life or lives continues, such as a single or a qualified joint and survivor annuity, an amount equal to the monthly benefit payments derived from Employer and Participant contributions.

(ii) Other Benefit Forms

With respect to benefits payable in a form other than the form described in (i) above, an amount of the benefit payments for a Plan Year in which the Participant is employed by an Employer, equal to the lesser of:

- (A) The amount of benefits which would have been payable to the Participant during the Plan Year if he had been receiving monthly benefits under the Plan since his actual retirement based on a single life annuity beginning at his actual retirement age; and
- (B) The actual amount paid or scheduled to be paid to the Participant for such month. Payments scheduled to be paid less frequently than monthly may be converted to monthly payments for purposes of the preceding sentence.

**8.07 Designation of Beneficiary; Priority; No Designation**

If a Participant does not have a Spouse, the Participant may designate a Beneficiary by filing a signed designation in the form approved by the Trustees. The Participant may change or revoke the designation in the same manner by filing a new designation with the Trustees. The will of a Participant is not effective for this purpose.

If a Participant has a spouse, the Participant may not designate a Beneficiary other than his or her Spouse unless the Participant's Spouse consents in writing to, and acknowledges the effect of, the designation. The consent and acknowledgment must be witnessed by a Trustee, a Person designated by the Trustees for such purpose or a notary public, unless it is established that consent of a Spouse may not be obtained because the Spouse cannot be located. A Participant may not designate a different Beneficiary without a new consent by the Spouse. A Participant may designate the Spouse as a successor Beneficiary, without the Spouse's consent.

A Beneficiary designation by a Participant who has no Spouse will not be effective upon a subsequent marriage or spousal relationship unless the consent and acknowledgment of the Spouse is obtained. Consent by a Participant's Spouse shall be irrevocable. A consent and acknowledgment will be effective only with respect to the consenting Spouse and will not be effective with respect to a subsequent Spouse.

The Trustees shall determine the proper individual or individuals to whom payment should be made hereunder, and the decision of the Trustees shall be final and binding on all Persons.

If distribution is being made to a Beneficiary who dies prior to complete distribution, the remaining amount of the benefit shall be paid to the successor Beneficiary determined hereunder. If distribution is being made to more than one Beneficiary, distribution shall continue to the survivor or survivors of them, and any remaining amount in the account upon the death of the last survivor shall be paid to the successor Beneficiary determined hereunder.

If no Beneficiary, as defined in Section 1.08, exists hereunder on the date a distribution is payable, the entire balance remaining to be distributed shall be paid to the estate of the Participant, if then under the active administration of a probate court, or if not, to those Persons who would then take the Participant's personal property under the applicable intestate laws then in force and in the proportions provided therein, as though the Participant had died at such time.

#### **8.08 Maximum Benefits**

The annual pension payable to a Participant in a Plan Year may not exceed the following:

(a) **Pre-1992 Service Maximum Pension**

The annual lifetime pension payable to a Participant under this Plan in respect of pensionable service prior to January 1, 1992, including a pension payable under any other registered pension plan sponsored by a Participating Employer and any pension payable to a Participant's Spouse or former Spouse in accordance with Section 8.09, at retirement, disability, termination of employment or termination of the Plan, shall not exceed the Member's years of pensionable service, prior to January 1, 1992, to a maximum of 35 years multiplied by the lesser of:

- (i) \$1,722.22 or such greater amount permitted under the Income Tax Act; and
- (ii) 2% of the average of the Participant's best 3 consecutive years' Compensation.

This Section 8.08(a) shall not apply to annual pension benefits of \$300 or less per year of pensionable service.

(b) **Pre-1992 Service Maximum Value**

The value of an annual pension benefit provided upon early retirement under this Plan in respect of pensionable service prior to January 1, 1992, shall not exceed the value of the maximum pension as set out in Section 8.08(a) payable at the earliest of age 60, Normal Retirement Date and the age at date of disability, in the form of a single life annuity guaranteed for 10 years.

(c) **Post-1991 Service Maximum Pension**

The annual lifetime pension payable to a Participant, Participant's Spouse or a Participant's former Spouse in accordance with Section 8.09 under this Plan in respect of pensionable service after December 31, 1991, determined at the time of

pension commencement shall not exceed the years of the Participant's pensionable service on and after January 1, 1992, multiplied by the lesser of:

- (i) \$1,722.22 or such greater amount permitted under the Income Tax Act; and
- (ii) 2% of the average of the Participant's best 3 consecutive years' Compensation, reduced, if the pension commencement date precedes the earliest of the date on which:
  - (iii) the Participant will attain age 60;
  - (iv) the Participant's age plus Continuous Service (excluding any periods of lay-off and temporary suspension of employment) would have equaled 80;
  - (v) the Participant would have completed 30 years of Continuous Service (excluding any periods of lay-off or temporary suspension of employment); and
  - (vi) the Participant becomes totally and permanently disabled, as prescribed under the Income Tax Act, by 1/4 of 1% for each month by which the pension commencement date precedes that day.

This Section 8.08(c) shall not apply to any actuarial increases payable as a result of postponed retirement or excess contributions payable under Section 4.07.

- (d) For the purposes of this Section 8.08, the term "pensionable service" shall mean the Participant's period of employment with the Employer in respect of which lifetime retirement benefits are provided to the Participants under the Plan, subject to any restrictions on such periods as prescribed under the Income Tax Act.

#### **8.09 Splitting of Pension Credits on Marriage Breakdown**

On the breakdown of a spousal relationship, the pension benefit credit may be partitioned between the Participant and the Spouse within the limits imposed by the legislation of the applicable province.

The term "pension benefit credit" means the Commuted Value of the Accrued Benefit and the Additional Benefit which have accrued during the period of the spousal relationship, as if the Participant had terminated employment as of the date of termination of the spousal relationship with the Spouse.

Where a Spouse becomes entitled to a portion of the pension benefit credit of the Participant, the Spouse may elect:

- (a) to receive a portion of the Participant's pension payments once they commence in accordance with the terms of the Plan; or
- (b) to transfer the portion of the pension benefit credit to which such Spouse is entitled to:
  - (i) another registered pension plan in which the Spouse is a member or former member, provided the terms of the other pension plan permit such a transfer, or
  - (ii) to a Registered Retirement Savings Plan that is not capable of surrender, assignment or commutation.

#### **8.10 Pension Adjustment**

In no event shall the benefit accrued in a Plan Year, under Section 1.01, result in a pension adjustment (as defined under the Income Tax Act) in excess of the limits prescribed by the Income Tax Act.

#### **8.11 Past Service Pension Adjustment**

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

#### **8.12 Pension Adjustment Reversal**

In the event of the payment or transfer of a lump sum from the Plan due to separation of employment, a pension adjustment reversal (as defined in the Income Tax Act) will be reported in respect of the former Participant, if any, as required under the Income Tax Act.

## **Section 9**

### **ADMINISTRATION**

#### 9.01 Responsibility for Administration

The Trustees shall be responsible for the general administration of the Plan and for carrying out the provisions thereof and shall have all powers necessary to carry out such provisions. The Trustees may, from time to time, establish rules for the administration and interpretation of the Plan, which rules shall be applied uniformly, so as not to discriminate in favor of or against any Employee or group of Employees.

The Trustees' powers and duties shall include the following but shall not be limited thereto:

- (a) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder;
- (b) To prescribe forms and procedures to be followed by Participants in filing applications for benefits;
- (c) To establish procedures for and supervise the establishment and maintenance of all records necessary and appropriate for the proper administration of the Plan;
- (d) To obtain to the extent reasonably possible, all information necessary for the proper administration of the Plan;
- (e) To prepare and distribute, in such manner as required by law or as the Trustees determine appropriate, information concerning the Plan;
- (f) To make available for examination, upon request of the Participant or Beneficiary, copies of documents, reports, or other information concerning the Plan;
- (g) To establish or approve the manner of making an election, designation, application or claim permitted hereunder;
- (h) To make a necessary interpretation of this instrument for the purpose of resolving an inconsistency or ambiguity, correcting an error, or supplying an omission which may appear herein;
- (i) To employ on behalf of the Plan or the Trustees, to the extent reasonably necessary for operation, administration and management of the Plan, attorneys, Actuaries, accountants, clerical employees, agents or other Persons;
- (j) To pay from the Trust Fund all reasonable and necessary expenses, fees and charges, including fees for attorneys, Actuaries, accountants, clerical employees, agents or other Persons, incurred in connection with the administration or operation of the Plan;
- (k) To prepare and file, within the time limit required, all necessary reports required by law;

- (l) To delegate any of its authority and allocate any of its responsibilities for the administration and operation of the Plan to any one or more Employees of a Participating Employer by written instruction to that effect;
- (m) To exercise all other powers and duties conferred upon the Administrator herein or pursuant hereto or necessary or appropriate hereunder, except those powers and duties allocated to another named fiduciary hereunder.

The Trustees shall have no power to add to, subtract from or modify any of the terms of the Plan, nor to change or add to any benefits provided by the Plan nor to waive or fail to apply any election or requirement of eligibility for a benefit under the Plan.

Notwithstanding the foregoing, the Trustees shall administer the Plan in compliance with the Pension Benefits Act and the Income Tax Act. Except as may be required to ensure that the Plan complies with the Pension Benefits Act and the Income Tax Act, the Trustees shall have no power to add to, subtract from or modify any of the terms of the Plan, nor to change or to add to any benefits provided by the Plan, nor to waive or fail to apply any election or requirement of eligibility for a benefit under the Plan

#### **9.02 Appointment of Trustees**

There shall be a minimum of six Trustees, who shall be appointed by the Board of Directors. Each Trustee shall be appointed for a term of three years with a limit of three reappointments for a total of four terms, counting as one term any partial term resulting from an appointment to complete the unexpired term of another Trustee. If any Trustee dies, resigns, or otherwise fails to serve the Trustee's full term, the Board of Directors shall appoint a successor, who shall hold office until the end of that Trustee's predecessor's term. The Board of Directors may, at any time, remove any Trustee and appoint a successor to complete the Trustee's term.

One-half of the Trustees must be board members or former board members of Christian school societies that are Participating Employers under the Plan or must be other non-employee individuals who have been actively involved in the administration of a Participating Employer or its educational function. At least one of the Trustees must be independent in accordance with the Regulations of the Pension Benefits Act. The remaining Trustees must be active Participants in the Plan. Notwithstanding the foregoing, the majority of the Trustees must reside in Canada and the majority of the active Participant Trustees must reside in Canada.

#### **9.03 Administrative Organization and Operations**

The Trustees shall adopt a set of bylaws governing their organization. The bylaws shall provide for the hiring of certain administrative officials who will have charge of the day-to-day operation of the Plan and the Trust Fund. The bylaws shall also cover the details of meetings of the Trustees and the specific procedures by which the Trustees shall take action with respect to the Plan and the Trust Fund. The bylaws shall be subject to approval by the Board of Directors.

#### 9.04 Indemnification of the Trustees

The Trustees and any Person performing administrative services for the Plan shall be indemnified by CSI against any and all liabilities arising by reason of any act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses incurred in the defense of any claim relating thereto.

#### 9.05 Appeal Procedures

- (a) Any Participants (or Beneficiaries of deceased Participants) who believe that they are entitled to receive benefits under the Plan greater than that determined by the Trustees may, within 120 days after such determination, file an appeal in writing with the Trustees disputing their benefit entitlement.
- (b) The Trustees shall, within 60 days after the receipt of an appeal, either approve or reject the appeal in writing. A rejection of an appeal shall be written in a manner that can be understood by the Participants and shall include:
  - (i) the specific reason or reasons for the rejection;
  - (ii) specific reference to pertinent Plan provisions on which the rejection is based;
  - (iii) a statement outlining additional material or information necessary to approve the appeal and why such material or information is necessary; and
  - (iv) an explanation of the Plan's appeal procedures.
- (c) Participants whose appeals are rejected (or their duly authorized representatives), within 60 days after receipt of rejection of their appeals:
  - (i) may request a review upon written request to the Board of Directors;
  - (ii) may review pertinent documents; and
  - (iii) may submit issues and comments in writing.
- (d) The Board of Directors shall make its decision no later than 60 days after receipt of a request for review unless a greater period is agreed upon by the Participants and the Board of Directors. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner that can be understood by the Participants, and specific references to the pertinent Plan provisions on which the decision is based.

#### 9.06 Errors in Participant's Benefits

When an error, omission or deficiency is discovered under the Plan, including but not limited to errors, omissions and deficiencies relating to contributions under the Plan, correct enrollment in the Plan, the vesting or payment of a Participant's benefits under the Plan or the crediting of interest to Participants' Contribution Accounts under the Plan, the Trustees shall correct, to the extent appropriate and based on the recommendation of the Actuary, the error, omission or deficiency by making necessary adjustments to Plan records and corrective distributions as required. To the extent that there has been a failure by a Participating Employer to pay the proper amount of

contributions to the Plan with respect to any Participant, the Trustees shall notify the Participating Employer of the amount of the additional contribution and interest necessary to correct the deficiency. For this purpose, applicable interest shall be calculated at the rate of return actually experienced by the Trust Fund for each applicable period of time, including the estimated rate of return for any final period for which investment performance is not yet available. The Trustees shall adopt such policies and procedures as the Trustees deem necessary or appropriate to implement the foregoing powers and duties under the Plan.

#### **9.07 Provision of Information**

In order for the Trustees to carry out their various duties as described in Section 9.01, Participating Employers shall provide to the Trustees in a timely manner such information as may be reasonably requested by the Trustees for the purpose of complying with the terms of the Plan, the Pension Benefits Act and the Income Tax Act.

## **Section 10**

### **TRUST FUND**

The Trust Fund has been established by CSI and the Trustees as the funding medium of the Plan. Under the provisions of the Declaration of Trust, the Trustees shall receive contributions of the Participants and the Participating Employers to the Plan and shall hold, invest, and distribute the Trust Fund in accordance with the terms and conditions of the Plan and Declaration of Trust.

The Participating Employers intend that the Plan shall be a permanent plan for the exclusive benefit of their Employees and expect to contribute with the Participants to the Trust Fund the amounts which will provide in full the benefits payable under the Plan. Any Participating Employer may, however, elect to terminate its participation in the Plan at the end of any school year and shall have no further obligation to make contributions to the Trust Fund thereafter. Neither the Board of Directors, nor any Participating Employer, nor the Trustees shall be liable in any manner if the assets of the Trust Fund shall be insufficient to provide for the payment of the benefits specified in the Plan. Such benefits are to be payable only from the Trust Fund and only to the extent that the Trust Fund shall suffice for the purpose.

The Trust Fund shall be used for the exclusive benefit of Participants, their Spouses, or other Beneficiaries. No Participating Employer shall have any right, title, or interest in or to the contributions made to the Trust Fund, and no part of the assets of the Trust Fund shall ever revert to or be repaid to any Participating Employer. The provisions of this Section 10 shall not be construed to prevent the use of Trust Fund assets to pay the reasonable administrative expenses of the Plan.

## **Section 11**

### **GENERAL PROVISIONS**

#### **11.01 Nonalienation of Benefits**

The assets held under the Plan shall not in any manner be liable for or subject to the debts or liabilities of any Participant. No retirement pension or other benefit at any time payable under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, or incumbrance of any kind. If a Participant or other Person entitled to benefits hereunder attempts to or does alienate, sell, transfer, assign, pledge, or otherwise incumber such Participant's retirement pension or other benefits payable hereunder, or any part thereof, or if, by reason of bankruptcy or other event happening at any time, such benefits would be received by anyone else or would not be enjoyed by the Participant, the Participant's interest in any such benefits shall thereupon terminate and the Trustees shall hold or apply such interest to or for the benefit of such Person, such Person's Spouse, children or other dependents, or any of them, as the Trustees shall see fit.

#### **11.02 No Enlargement of Employment Rights**

Participation in the Plan is strictly a voluntary undertaking on the part of the Employers and shall not be deemed to constitute a contract between any Employer and its Employees or to be consideration for, or an inducement to, the employment of any Employee. Nothing contained herein shall be deemed to give any Employee the right to be retained in the service of the Employer or to interfere with the right of claim to a retirement pension except upon reaching such Employee's Retirement Date, and no Employee shall be entitled to any right or claim to any benefit except to the extent such right is specifically fixed under the terms hereof and there are funds available in the Trust Fund.

#### **11.03 Employment After Retirement**

Except as provided herein, a Person receiving a pension under the Plan shall continue to receive such pension regardless of any earnings from employment (other than with a Participating Employer) or self-employment. Pension payments hereunder on re-employment with a Participating Employer are governed by Section 8.06.

#### **11.04 Law Governing**

The Plan shall be construed, regulated and administered under the laws of the province of Ontario to the extent not pre-empted by the laws of Canada.

#### **11.05 Severability**

If any provision(s) of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, but this Plan shall be construed and enforced as if said illegal and invalid provisions had never been included herein.

#### **11.06 Construction**

In this Plan, the singular shall include the plural, and the plural shall include the singular, unless the context clearly indicates the contrary.

#### **11.07 Revocation of Registration**

With the approval of the Financial Services Commission of Ontario, the Plan may, at any time, be amended to reduce the benefits provided hereunder where such action is required to avoid the revocation of registration of the Plan under the Income Tax Act.

## **Section 12**

### **AMENDMENT AND TERMINATION**

#### **12.01 Right to Amend or Terminate**

CSI reserves the right at any time or times, by action of its Board of Directors, to alter, amend, modify, revoke, suspend, or terminate the Plan or the Declaration of Trust, or both, provided that no amendment or modification may be made which shall enlarge the rights of any Participating Employer.

Except as may be permitted by applicable law, no amendment shall decrease the amount of a Participant's Accrued Benefit as of the effective date of the amendment.

If an amendment directly or indirectly changes the requirements for vesting set forth in Section 4, the Vested Percentage of any Participant whose Vested Percentage would be affected by the amendment and who is a Participant at the effective date of the amendment shall not be less at any time than the Vested Percentage of such Participant determined under the Plan without regard to the amendment.

Each Participating Employer reserves the right, by action of its Board of Directors or other governing body, to terminate its participation in the Plan at the end of any school year, in which event such Employer shall have no obligation or liability to make further contributions to the Trust Fund.

If the Plan is terminated (in whole or in part) by either CSI or any regulator authorized to take such action, Participants affected by such Plan termination will not be entitled to the enhanced early retirement benefits provided under either Section 7.02 or Section 7.03 but will instead be entitled to an actuarially reduced early retirement benefit. Each affected Participant shall continue to have a fully vested, non-forfeitable (to the extent funded) right to an Accrued Benefit, as defined in Section 1.01. The sole recourse for the payment shall be the assets of the Trust Fund.

Termination of participation in the Plan by a Participating Employer also may result from delinquency in payment of contributions to the Trust Fund, as provided in Section 5.02.

#### **12.02 Distribution Upon Termination**

If the Plan is terminated, no further contributions shall be made by any Participating Employer or any Participant after the date of termination. The Trustees shall give timely notice to the Financial Services Commission of Ontario and shall comply with its rules and procedures. As soon as is permitted, the Trustees shall thereupon cause all amounts in the Trust Fund to be allocated and applied to the payment or provision for payment of benefits, in the manner and order set forth in the Pension Benefits Act.

If, after the payment of all benefits to which Participants affected by a Plan termination are entitled, there are assets attributable to such Participants remaining in the Trust Fund, such assets will first be used to provide benefits described in Sections 7.02 and 7.03 of the Plan to affected Participants who are eligible for such benefits.

### **12.03 Exclusive Purpose; Return of Contributions; Reversion**

The Trust Fund is established and shall be administered for the exclusive benefit of the Participants, Beneficiaries and Contingent Annuitants, and no part shall be diverted to other purposes, except as expressly provided herein. Notwithstanding the preceding, the Trust Fund may be used to defray reasonable expenses of administering the Plan and Trust.

If a contribution by a Participating Employer is conditioned on the registration of the Plan as amended and the Plan fails to qualify for registration, the contribution shall be returned by the Trustee, upon demand by the Participating Employer, within one year after the date of denial of registered status. This provision shall not be effective unless the amendment is submitted to Canada Revenue Agency and the Financial Services Commission of Ontario within one year of the date that the amendment is adopted.

Upon the request of a Participating Employer, and subject to applicable law, a contribution or portion thereof made by mistake of fact shall be returned upon demand, within one year after payment of the contribution. If such overpayment cannot, for administrative reasons, occur within the same fiscal year, such amount may be applied against future contributions to the Plan.

For purposes of the foregoing, the amount which may be returned is the excess of the amount contributed over the amount that would have been contributed if the mistake in determining the deductible amount or other mistake of fact had not occurred. Earnings attributable to the excess contribution may not be returned. Losses attributable to the excess contribution must reduce the amount returned. Values shall be determined as of the most recent valuation date which coincides with or precedes the date of repayment.

Except as provided herein, no part of the assets of the Plan shall revert or be repaid to the Participating Employer prior to termination of the Plan, payment or provision for payment of all liabilities for Accrued Benefits, including any supplement under Section 6.03, and the Minimum Benefit, and receipt of the written approval of the Financial Services Commission of Ontario.

### **12.04 Effect of Merger or Consolidation**

In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, provisions shall be made so that each Participant in the Plan would (if the Plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit such Participant would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

## **Section 13**

### **TRANSFERS BETWEEN THE PLAN AND THE U.S. PLAN**

#### **13.01 Transfer of Employment with Transfer of Funds**

Pursuant to an agreement made between the Trustees of this Plan and the Trustees of the U.S. Plan, a payment shall be made, as of the date of transfer of each Transferred Participant, from the trust fund of the plan in which he or she formerly participated to the trust fund of the plan to which such Transferred Participant transferred. The amount of such payment shall be equal to twice the amount of such Transferred Participant's Contribution Account under the former plan, calculated as of the first day of the month in which the Transferred Participant becomes a Participant in the other plan.

Once the payment described in the preceding paragraph has been made, the Transferred Participant shall have no further rights under the plan from which the Transferred Participant transferred. Under the new plan, the Transferred Participant shall have the same Vesting Service and Adjusted Credited Participating Service as under the former plan, and the Transferred Participant's rights under the new plan shall be determined as if all of the contributions which were made under the former plan had been made under the new plan.

Notwithstanding the foregoing, a transfer of funds between pension plans is no longer permitted effective September 1, 1987.

#### **13.02 Transfer of Employment With No Transfer of Funds**

If, because of termination of the agreement referred to in the first paragraph of Section 13.01, or for any other reason, the payment described in such paragraph is not made, the rights under this Plan of a Transferred Participant who transferred from this Plan to the U.S. Plan shall be determined as if (while the Transferred Participant continues as an active participant in the U.S. Plan) the Transferred Participant had continued as an active Participant in this Plan, subject to the following exceptions:

- (a) The Transferred Participant will not make any contributions under this Plan while a participant in the U.S. Plan.
- (b) The Transferred Participant's credited service accrued under the U.S. Plan will be deemed to be Vesting Service under this Plan for the purpose of determining Vested Percentage and eligibility for early retirement but such credited service under the U.S. Plan will not count in the calculation of any pension under Section 6.
- (c) If the Transferred Participant becomes Disabled while employed in the U.S., the Transferred Participant will not be entitled to disability benefits under Section 6.06 of the Plan.

If a Transferred Participant moves from the U.S. Plan to this Plan, and if the payment described in the first paragraph of Section 13.01 is not made, such Transferred Participant's credited service accrued under the U.S. Plan shall be combined with Vesting Service under this Plan for the purpose of determining Vested Percentage and

eligibility for early retirement but such credited service under the U.S. Plan will not count in the calculation of any pension under Section 6.

## **Section 14**

### **PARTICIPATION WITH PAST SERVICE**

#### **14.01 Past Service**

Subject to approval by the Trustees and to the provisions of this Section 14 and any additional conditions or requirements imposed by the Trustees, an Employer may become a Participating Employer or resume Participating Employer status as of a retroactive effective date. In respect of a Participating Employer resuming its status under the Plan, such retroactive date shall not be earlier than the date on which the Participating Employer previously terminated participation in the Plan.

#### **14.02 Contributions**

Participation as of a retroactive date shall be effective only upon payment in full of all Employee contributions and corresponding Participating Employer contributions for the period from the retroactive date to the date of payment together with applicable interest. For this purpose, Employer contributions shall be made pursuant to the recommendation of the Actuary and the applicable interest shall be calculated at the rate of return actually experienced by the Trust Fund for each applicable period of time, including the estimated rate of return for any final period for which investment performance is not yet available.

#### **14.03 Eligibility and Participation**

Employees of the Participating Employer shall become Participants under the terms of Section 2 upon fulfilling the requirements of Section 2 applied as though the Participating Employer were joining the Plan currently without a retroactive date.

#### **14.04 Service Credits**

Service credits for Participants of the Participating Employer shall be determined as though the Participating Employer had joined the Plan as of the retroactive effective date. Such retroactive service credits shall apply only to Participants actively employed by the Participating Employer on or after the date the Trustees approve the retroactive effective date. A former Employee of the Participating Employer who had service with the Participating Employer during the retroactive period and is subsequently rehired shall be granted retroactive Credited Participating Service upon payment in full to the Trust Fund of the required contributions and applicable interest. The required contributions and applicable interest shall be paid to the Trust Fund promptly by the Participating Employer upon rehire and enrollment of the former Employee.

#### **14.05 Vesting**

Vesting Service shall be determined and credited for each Participant under Section 4 as though the Participating Employer had joined the Plan on the retroactive effective

date and the required contributions had been paid to the Trust Fund when due during the retroactive period.

#### **14.06 Additional Requirements**

The Trustees may impose such additional uniform, nondiscriminatory conditions and requirements as the Trustees deem necessary or appropriate for proper administration of the Plan and compliance with the Income Tax Act and applicable Regulations, and for fulfillment of their fiduciary responsibilities, with respect to past service credit hereunder.

#### **14.07 Deferred Vested Participants**

The Final Average Earnings of an Employee of a Participating Employer resuming participation in the Plan, who upon termination of participation in the Plan, elected to retain his or her deferred vested pension benefit in the Plan, shall be determined by ignoring the period of the Break in Service.

#### **14.08 Income Tax Act Requirements**

- (a) Notwithstanding the foregoing, amounts contributed under this Section 14 for past service credits shall be administered in compliance with the Income Tax Act, and in particular the prescribed provisions for past service pension adjustment.
- (b) In no event shall a Participant who is a "connected person", as such term is defined under the Income Tax Act, be permitted to receive past service credit under the Plan.

# BYLAWS

## Organization

### (a) Officers

The officers of the Board of Trustees of the Canadian Christian School Pension Plan (the "Plan") and the Canadian Christian School Pension Trust Fund (the "Trust Fund") shall be the President, Vice President, Secretary, and Treasurer, who shall perform the duties devolving upon officers of any organization, subject, however, to the direction and control of the Trustees. Subject to confirmation by the Board of Directors of Christian Schools International, the Board of Trustees shall appoint an Executive Secretary-Treasurer, who shall be an employee of Christian Schools International, to be in charge of the day-to-day operation of the Plan and the Trust Fund, under the direction of the Trustees, and who shall serve as advisory member of the Board of Trustees in the following capacities:

- (i) Under the direction of the Secretary, the Executive Secretary-Treasurer shall be responsible for the permanent file of minutes, be in charge of all correspondence, serve as chief liaison with the Christian Schools International Board of Directors, and assist the Secretary in carrying on the ordinary functions of the office.
- (ii) Under the direction of the Treasurer, the Executive Secretary-Treasurer shall maintain accurate and detailed records of accounts of all properties held in the Trust Fund and of all investments, receipts, disbursements, and other transactions hereunder and shall prepare regular financial reports as instructed.

The officer, or such other person(s) as may be designated by bylaw or by resolution of the Board of Trustees, assisting the Treasurer in carrying on the ordinary functions of the office, shall sign all checks, drafts, orders for payments of money, or any other documents.

### (b) Election of Officers

The Board of Trustees shall each year at its first meeting after the beginning of a new fiscal year elect officers who shall serve until the end of the year.

### (c) Meetings

The Board of Trustees shall meet quarterly. At the request of any two (2) of its members a special meeting will be called by the Secretary.

### (d) Quorum

Four Trustees present at a regular or special meeting shall constitute a quorum. All action of the Trustees shall be lawfully taken upon the vote of a majority of the membership of the Board of Trustees.

### (e) Method of Transacting Business

The powers granted to the Trustees shall be exercised at any regular meeting, or at any meeting of which the Secretary shall have given at least five (5) days written

notice. In an emergency, business may be transacted by mail or telephone, provided any proposed action is approved by a majority of the membership of the Board of Trustees, and voting recorded.

(f) Committees

The President shall, with the advice and consent of the Trustees, appoint such committees as from time to time are required or deemed desirable by the President.

### **Administration**

- (a) The office and place of the records of the Plan and the Trust Fund shall be Christian Schools International, 3350 East Paris Avenue, SE, Grand Rapids, Michigan 49512-3054.
- (b) The seal of the Plan and the Trust Fund shall be circular in form with the name of the Trust Fund imprinted on the face.
- (c) The fiscal year of the Plan and the Trust Fund shall commence on the first day of September in each year and end the following thirty-first day of August, except that for the purpose of government reporting, records shall also be kept on a calendar year basis. The Trustees may require an annual audit of the Treasurer's books.
- (d) Christian Schools International shall be compensated for any reasonable expenses it incurs in connection with the administration and operation of the Plan and the Trust Fund. Such Compensation is to include, in addition to a reasonable charge for overhead expense, the appropriate salaries and expenses paid to the Executive Secretary-Treasurer and staff for carrying out the responsibilities of that office.
- (e) The Executive Secretary-Treasurer shall be accountable for all funds and securities of the Trust Fund. When necessary and proper, the Executive Secretary-Treasurer shall endorse on behalf of the Trust Fund for collection, checks, notes, and other obligations, and shall deposit the same to the credit of the Trust Fund in such bank(s) or depository as the Board of Trustees may designate.
- (f) The Board of Trustees shall have power to establish a reserve fund (or reserve funds) for any proper purpose and to increase, decrease, or abolish any such reserve so established.
- (g) At the expense of the Trust Fund, the Treasurer, the Executive Secretary-Treasurer and any other member of the Board of Trustees and others authorized to sign checks, drafts, orders for payments of money, and other documents shall be required to furnish surety bonds to the satisfaction of the Board of Trustees and the Board of Directors of Christian Schools International.
- (h) The Trustees shall be reimbursed for expenses involved in attending meetings or otherwise discharging the functions of their offices.
- (i) These bylaws may be amended at any lawful meeting of the Board of Trustees by a majority vote of the membership, provided the proposed amendment(s) shall have been described fully in the notice of the meeting. Such amendments shall be subject to the approval of the Board of Directors of Christian Schools International.