

**CHRISTIAN EDUCATION
PENSION PLAN
(Restated as at September 1, 2021)**

CHRISTIAN EDUCATION BENEFITS SOLUTIONS SOCIETY

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CHRISTIAN EDUCATION PENSION PLAN

INTRODUCTION

The primary purpose of the Christian Education Pension Plan (the "Plan") is to provide periodic payments to eligible Employees of a Participating Employer after retirement and until death in respect of their service as employees.

Effective September 4, 1943, Christian Schools International (CSI), the predecessor Plan sponsor, 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 was previously restated effective September 1, 1986, September 1, 1987, September 1, 1992, September 1, 1998 and September 1, 2012.

Effective September 1, 2021, CSI transferred and assigned all rights and interests in the Plan to the Christian Education Benefits Solutions Society (CEBSS), a not for profit association providing health and pension products and services to Christian educational organizations in Canada, such that CEBSS became the sponsor of the Plan.

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 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.

The Plan is hereby restated effective September 1, 2021 to incorporate all amendments made since the Plan was restated as at September 1, 2012. Except as otherwise provided herein, the provisions of the restated Plan shall apply to an Employee whose employment terminates on or after September 1, 2021. The eligibility for benefits of a former Employee whose employment terminated before September 1, 2021, 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 6.04 beginning at or after the Participant's Normal Retirement Date. The annual amount of the Accrued Benefit will equal (a) plus (b) as follows:

- (a) With respect to Eligibility Service completed prior to September 1, 2010, the greater of:
 - (i) The sum of:
 - (A) with respect to Eligibility Service completed prior to September 1, 1992, the sum of:
 - (1) \$33 multiplied by the number of the Participant's years of Eligibility Service, to the next highest 1/12th, credited for service prior to September 1, 1951; plus
 - (2) 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
 - (3) 2% of the amount accrued under the foregoing paragraph (2) as of August 31, 1983, multiplied by the number of the Participant's years of Eligibility 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
 - (4) 2% of the amount accrued under the foregoing paragraphs (2) and (3) as of August 31, 1985, multiplied by the number of the Participant's years of Eligibility 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
 - (5) 2% of the amount accrued under the foregoing paragraphs (2), (3) and (4) as of August 31, 1987, multiplied by the number of the Participant's years of Eligibility 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

(6) For a Participant who is an Employee as of September 1, 1990, 3% of the amount accrued under the foregoing paragraphs (2), (3), (4) and (5) as of August 31, 1990, multiplied by the number of the Participant's years of Eligibility 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

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

(aa) 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 Eligibility 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 (1) - (6) above, but not less than \$0.00; and

(bb) the amount of pension benefit determined under the foregoing paragraphs (1) - (6) as of August 31, 1992, multiplied by 5%; plus

(B) 1.84% of the Participant's Final Three Average Earnings multiplied by the Participant's Adjusted Credited Participating Service completed on or after September 1, 1992; and prior to September 1, 2010; and

in no event will the additional amount of pension benefit determined under the above paragraph (7) exceed the applicable limits set under the Income Tax Act; and

(ii) 1.84% of the Participant's Final Three Average Earnings multiplied by the Participant's Adjusted Credited Participating Service completed prior to September 1, 2010;

Plus

- (b) With respect to Eligibility Service earned on and after September 1, 2010, 1.90% of the Participant's Final Five Year Average Earnings multiplied by the Participant's Adjusted Credited Participating Service completed on and after September 1, 2010.
- 1.02 **Actuarially Equivalent** means, with respect to two streams of pension payments, equal present value on the date of determination. The actuarial assumptions to be used in such calculation in each Plan Year shall be the discount rate assumption and mortality table, with a unisex blend, used for the purpose of the valuation of the Plan on a going-concern basis, as shown in the actuarial valuation report dated as at August 31 of the calendar year immediately preceding the Plan Year in which the present value is being determined, or as at the valuation date of the most recently filed actuarial valuation report, if earlier. The calculation of the Actuarial Equivalent is subject to any requirements of the Pension Benefits Act.
- 1.03 **Actuary** means the individual actuary or firm of actuaries 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 5.07.
- 1.05 **Adjusted Credited Participating Service** is as defined in Section 3.02.
- 1.06 **Administrator** means the Trustees.
- 1.07 **Beneficiary** means a beneficiary designated by a Participant in accordance with Section 7.06.
- 1.08 **Board of Directors** means the Board of Directors of CEBSS.
- 1.09 **Break in Service** means a period of 12 consecutive months or longer commencing on the date of an Employee's Termination of Employment.
- 1.10 **CEBSS** means Christian Education Benefits Solutions Society, a not for profit association providing health and pension products and services to Christian educational organizations in Canada.
- 1.11 **Commutated 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.
- 1.12 **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. For purposes of the Plan, the term does not include any amounts paid to an

Employee on a deferred basis and reported on Income Tax form T-4 that, pursuant to the Income Tax Act, should have been reported on an Income Tax form T-4 in respect of the Employee in a previous year. The term includes, if the Employee is no longer rendering active service, amounts paid to the Employee in the form of a salary continuance prior to Termination of Employment, and amounts payable, at Termination of Employment, in respect of the minimum statutory notice period as required under the *Employment Standards Act* (Ontario) or such other applicable provincial employment standards legislation that requires a continuation of pension benefits during a minimum statutory notice period. For further clarity, the term does not include reimbursements, fringe benefit payments, ad-hoc payments or other amounts taxable to the Employee that are not salary or wages.

Where the minimum statutory notice period applies, in Ontario it is as follows, unless otherwise provided in the *Employment Standards Act* (Ontario) as amended from time to time:

- (a) none if the length of employment is less than 3 months;
- (b) 1 week if the length of employment is 3 months or more but less than 1 year;
- (c) 2 weeks if the length of employment is 1 year or more but less than 3 years;
- (d) 3 weeks if the length of employment is 3 years or more but less than 4 years;
- (e) 4 weeks if the length of employment is 4 years or more but less than 5 years;
- (f) 5 weeks if the length of employment is 5 years or more but less than 6 years;
- (g) 6 weeks if the length of employment is 6 years or more but less than 7 years;
- (h) 7 weeks if the length of employment is 7 years or more but less than 8 years;
or
- (i) 8 weeks if the length of employment is 8 years or more.

1.13 **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.

- 1.14 **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 **Contribution Account** is as defined in Section 4.04.
- 1.16 **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 equal to the average of the yields of 5-year personal fixed-term chartered bank deposit rates (CANSIM series V122515) for the period from July 1 to June 30 preceding the end of the Plan Year, unless another rate is required by the applicable Pension Benefits Act.

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.

- 1.17 **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.
- 1.18 **Declaration of Trust** means the Agreement and Declaration of Trust, originally made as of September 1, 1972, as amended from time to time, and as assigned and assumed by CEBSS effective September 1, 2021. The Trust constitutes a part of the Plan.
- 1.19 **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.
- 1.20 **Early Retirement Benefit** is as defined in Section 5.02.
- 1.21 **Early Retirement Date** means the first day of the month coincident with or next following the date the Participant commences to receive a pension, if the Termination of Employment occurs not more than ten years prior to, but not later than, such Participant's Normal Retirement Date.
- 1.22 **Eligibility 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 Eligibility 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, Eligibility 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 5.04.

- (c) A Participant earns Eligibility Service for each period that is a Prescribed Statutory Leave, a Sabbatical Leave of Absence or a TAPP Leave of Absence, provided the Participant continues to make contributions to the Plan during or for such leaves.
- (d) Notwithstanding Section 1.22(a), a Participant who is Disabled and does not contribute to the Plan during such period, earns Eligibility Service during the period of such absence if:
 - (i) he is receiving or is waiting and eligible to receive long-term disability benefits from a long-term disability plan sponsored by a Participating Employer;
 - (ii) he is receiving benefits under a provincial workers' compensation legislation; or
 - (iii) he is receiving benefits under the Canada/Quebec Pension Plan.

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. in the Plan Year preceding his or her eligibility to participate in the Plan.

1.24 **Employer** means CEBSS or any member of CEBSS in Canada.

1.25 **Final Average Earnings** means either, as applicable:

"Final Three Year Average Earnings" which 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,
 - (i) if 3 full years were completed as a Participant prior to September 1, 2023, 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, 2023; or
 - (ii) if 3 full years were completed as a Participant after August 31, 2023, the annual average of the Participant's Compensation as of the date on which 3 full years as a Participant were completed;

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.
- (c) Notwithstanding the foregoing, in the event a Participant terminates employment prior to the end of the Plan Year, "Final Three Year 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 the later of August 31, 2023 and the date on which 3 full years as a Participant were completed.

Notwithstanding the above, the Final Three Year Average Earnings of a Participant whose temporary absences from employment are such that the Participant's months of employment are not successive, but in each case a Break in Service does not occur, shall be the annual average of the Participant's Compensation during a cumulative 36 months attributable to successive periods of employment without a Break in Service immediately preceding the Participant's Termination Date.

Notwithstanding the above, the Final Three Year 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.

The Final Three Year Average Earnings of a Participant who takes a Prescribed Statutory 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.

All periods of employment, and all periods of temporary absence that do not qualify as a Break in Service, are recognized for the purpose of determining the Final Three Year Average Earnings of a Participant. For Participants with a Break in Service, the Final Three Year Average Earnings will be determined based on a Participant's Compensation while a Participant without regard to the Break in Service. As a point

of clarification, the Final Three Year 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.

"Final Five Year Average Earnings" which means the average of a Participant's Compensation as follows:

- (a) in the event that a Participant has been a Participant for 5 full years or longer prior to the Participant's Termination of Employment, death or Retirement, whichever first occurs,
 - (i) if 5 full years as a Participant were completed prior to September 1, 2023, the annual average of the Participant's Compensation while a Participant during the best 5 consecutive years out of the last 20 years with respect to the period ending not later than August 31, 2023, or
 - (ii) if 5 full years as a Participant were completed after August 31, 2023, the annual average of the Participant's Compensation as of the date on which 5 full years as a Participant were completed;

and

- (b) in the event that a Participant has been a Participant for less than 5 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.
- (c) Notwithstanding the foregoing, in the event a Participant terminates employment prior to the end of the Plan Year, "Final Five Year 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 60 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 5 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 the later of August 31, 2023 and the date on which 5 full years as a Participant were completed.

Notwithstanding the above, the Final Five Year Average Earnings of a Participant whose temporary absences from employment are such that the Participant's months

of employment are not successive, but in each case a Break in Service does not occur, shall be the annual average of the Participant's Compensation during a cumulative 60 months attributable to successive periods of employment without a Break in Service immediately preceding the Participant's Termination Date.

Notwithstanding the above, the Final Five Year 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.

The Final Five Year Average Earnings of a Participant who takes a Prescribed Statutory 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.

All periods of employment, and all period of temporary absence that do not qualify as a Break in Service, are recognized for the purpose of determining the Final Five Year Average Earnings of a Participant. For Participants with a Break in Service, the Final Five Year Average Earnings will be determined based on a Participant's Compensation while a Participant without regard to the Break in Service. As a point of clarification, Final Five Year 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.

Any Participant who is receiving a pension as at September 1, 2014 or, commences to receive a pension after September 1, 2014, and whose Termination Date occurred after August 31, 2011 and prior to September 1, 2014 shall have monthly pension payments payable from September 1, 2014 recalculated using the definition of Final Average Earnings in effect as at September 1, 2014.

Any Participant whose Termination Date occurred after August 31, 2020 and prior to April 1, 2021, shall have their Final Average Earnings and pension benefits recalculated using the definition of the Final Average Earnings in effect as at April 1, 2021. Any Participant whose Termination Date occurred after August 31, 2020 and who commences to receive a pension after September 1, 2020 and before April 1, 2021, shall receive monthly pension payments payable from April 1, 2021 equal to their recalculated pension benefits.

- 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 **Minimum Benefit** means the remaining balance in the Participant's Contribution Account, determined under Sections 4.04 and 4.05, upon the completion of all benefit payments to or with respect to the Participant under Sections 5.01, 5.02, 5.05 or 5.08, whichever applied including any supplement under Section 5.03. The Minimum Benefit shall be paid to the Participant's Beneficiary at the time and in the manner specified in Section 6.10.
- 1.29 **Normal Retirement Benefit** is as defined in Section 5.01.
- 1.30 **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).
- 1.31 **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.
- 1.32 **Participating Employer** means an Employer located in Canada which has notified CEBSS, 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.
- 1.33 **Part-Time Employee** means an Employee who does not work on a regular full-time basis.
- 1.34 **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.
- 1.35 **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.
- 1.36 **Plan** means the pension plan described in this instrument and known as " Christian Education Pension Plan" as amended from time to time.
- 1.37 **Plan Year** means each 12-consecutive-month period beginning September 1 and ending August 31.
- 1.38 **Pre-Retirement Surviving Spouse Benefit** means the benefit payable to the Surviving Spouse of a Participant who dies prior to commencement of pension benefits (whether or not the Participant is employed by a Participating Employer at the time of death).

The Pre-Retirement Surviving Spouse Benefit shall be payable in accordance with Section 6.09.

- 1.39 **Prescribed Statutory Leave** is as defined in Section 3.04.
- 1.40 **Regulations** means Regulations issued by the Financial Services Regulatory Authority of Ontario under the Pension Benefits Act or by the Canada Revenue Agency under the Income Tax Act, as the context indicates.
- 1.41 **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.
- 1.42 **Spouse** means
- (a) for Participants in the province of Ontario, either
 - (i) a Person who is legally married to the Participant;
 - (ii) a Person 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 parents of a child as set out in section 4 of the Children’s Law Reform Act,who, at the date of determination, is not living separate and apart from the Participant;
 - (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 a continuous period longer than three (3) years; or
 - (ii) if (i) does not apply, a Person who, immediately preceding the relevant time, has lived with the Participant in a marriage-like 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 who has not been living separate and apart from the Participant for a continuous period longer than two (2) years; or

- (ii) a Person who has been living with the Participant in a marriage-like relationship for a period of at least two (2) years 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
 - (ii) if a 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 or who, with the Participant, is party to a common-law relationship registered under Section 13.1 of the *Vital Statistics Act* (Manitoba) (a “registered common-law relationship”) and is not living separate and apart from the Participant; or
 - (ii) not being married to or in a registered common-law relationship with the Participant, has resided with the Participant in a conjugal relationship:
 - (A) for at least three years if either of them is married; or
 - (B) for at least one year if neither of them is married,

and is not living separate and apart from the Participant at the relevant time,

and who qualifies as a spouse or common-law partner under the Income Tax Act for purposes of registered pension plans. Spousal status is determined at the date of pension commencement or death, as applicable.

- 1.43 **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 5.01 and 5.02 respectively. Such Supplemental Spouse Pension shall be payable in accordance with Section 5.03.
- 1.44 **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.
- 1.45 **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 Surviving Spouse for life of 60% 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 5.03).
- 1.46 **Termination Date** is date of Termination of Employment.
- 1.47 **Termination of Employment** is as defined in Section 5.04.
- 1.48 **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 Sections 1.47 and 5.04, if both Employers had been participating in the same Plan.
- 1.49 **Trust Fund** means the fund established under the Declaration of Trust, known as the " Christian Education Pension Trust Fund", from which benefits under the Plan are to be paid.
- 1.50 **Trustees/Trustee** means, collectively, the members of the Christian Education 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 **U.S. Plan** means the Christian School Pension Plan in the United States of America.
- 1.52 **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

- (a) Each Person who is an Employee of a Participating Employer on September 1, 2012, and who was a Participant in the Plan as of August 31, 2012, shall continue as a Participant in the Plan as of September 1, 2012.
- (b) Subject to Sections 2.01(c) or (d) and Section 2.04, any Employee of a Participating Employer, inclusive of a Part-Time Employee of a Participating Employer in Manitoba but excluding any other 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 in Sections 2.01(c), and (d), or as set out in Section 2.04, each eligible Employee must participate in the Plan as a condition of employment.
- (c) Notwithstanding Section 2.01(b), 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 the Plan.
- (d) Notwithstanding Section 2.01(b), 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.
- (e) Subject to Section 2.01(c), a Part-Time Employee, who is not a Part-Time Employee of a Participating Employer in Manitoba, 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.
- (f) 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.

Notwithstanding the foregoing paragraphs of this Section 2.01, effective from September 1, 2006 to August 31, 2011, only Employees of Milton Christian School in the class of principal are eligible to participate in the Plan.

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.

2.04 **Individual Election Not to Participate in the Plan**

- (a) Notwithstanding the other provisions of this Section 2, and subject to the provisions of Section 2.04(d) and the requirements of any applicable Pension Benefits Act, if a new Participating Employer, in its sole discretion, elects to allow waiver of participation on adoption of the Plan, an existing Employee of the new Participating Employer has the option to elect to waive and forgo participation in the Plan. For purposes of this Section 2.04 only, a new Participating Employer means an Employer that is becoming a Participating Employer for the first time, or that is becoming a Participating Employer for a second or additional time but has not been a Participating Employer for at least two full Plan Years as at the date of re-entry (hereinafter referred to in this Section 2.04 as “New Participating Employer”).
- (b) The ability to waive participation in the Plan will only be available to Employees of an Employer at the time that the Employer becomes a New Participating Employer in the Plan and will not be available to a Person who is subsequently hired after the Employer is no longer a New Participating Employer under the Plan. An Employee of a Participating Employer who is not eligible to waive participation in the Plan, or who is eligible to waive participation in the Plan but fails to do so on timely basis or in the required manner shall become a Participant in the Plan in accordance with Sections 2.01 and 2.02.
- (c) An Employee's waiver of participation will be effective only if the following conditions are satisfied:
 - (i) The Employee completes and executes an election form provided for that purpose by the Administrator that includes acknowledgement by the Employee of the voluntary completion of the waiver, the full understanding of the consequences of not participating in the Plan and the conditions for enrolling in the Plan at a later date.

- (ii) The completed and signed documentation described in paragraph (i) above is delivered to the Administrator no later than the date that the Employee would become a Participant or he or she completes the requirements of a retroactive participation date as the Employee of a New Participating Employer in accordance with Section 13.
 - (iii) At least 60 days elapse between the date when he or she receives a written notice of the option to waive the participation in the Plan and the date when such Employee must return the election to opt out of the Plan.
- (d) An Employee who successfully waives participation under this Section 2.04 will join the Plan on the earlier of:
 - (i) the date he or she subsequently becomes an Employee of another Participating Employer if the provisions of this Section 2.04 do not apply to such subsequent Employer; or
 - (ii) September 1st of 2015 or September 1st of any subsequent Plan Year provided that the Employee submits the completed enrollment form.
- (e) This Section 2.04 does not apply in respect of an Employee who is employed by a New Participating Employer in the Province of Manitoba and who is governed by the requirements of the Manitoba Pension Benefits Act.
- (f) This Section 2.04 does not derogate from the Trustees' right in its absolute discretion, to revoke, amend or otherwise limit this opt out provision, subject to the applicable Pension Benefits Act.

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) Except as otherwise provided in the Plan, a Participant earns Credited Participating Service only for periods during which such Participant was an active contributor to the Plan.
- (b) A Participant earns Credited Participating Service for each period that is a Prescribed Statutory Leave, a Sabbatical Leave of Absence recognized in Sections 3.05(a)(ii) and (iii) or a TAPP Leave of Absence, provided that the Participant continues to be an active contributor to the Plan.
- (c) 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.
- (d) Notwithstanding Section 3.01(a) and subject to Section 4.02(c)(vii), a Participant who is Disabled and does not contribute to the Plan during such period, earns Credited Participating Service during the period of such absence if:
 - (i) he is receiving or is waiting and eligible to receive long-term disability benefits from a long-term disability plan sponsored by the Participating Employer;
 - (ii) he is receiving benefits under a provincial workers' compensation legislation; or
 - (iii) he is receiving benefits under the Canada/Quebec Pension Plan.
- (e) 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.
- (f) The Credited Participating Service of any Participant granted on Termination of Employment shall include, if applicable, a period of the

minimum statutory notice period as required under the *Employment Standards Act* (Ontario) as summarized under Section 1.12, or other applicable provincial employment standards legislation, provided required contributions are remitted to the Plan in respect of such notice period.

- (g) Credited Participating Service continues to accrue during the entire period a Participant is in receipt of a salary continuance that immediately precedes a Termination of Employment, provided that during this period the Participant remains an active contributor to the Plan.

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 Termination Date 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 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, other than periods described in Section 3.01(d), the aggregate of Credited Participating Service granted in respect of temporary absences during which the Participant does not receive Compensation, including Prescribed Statutory 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:

- (a) For Service prior to September 1, 2010:

The number of years of such Participant's Credited Participating Service prior to September 1, 2010,

minus,

- (i) One-quarter multiplied by the number of years of such Participant's Credited Participating Service under the 3% Plan; and

- (ii) One-half multiplied by the number of years of such Participant's Credited Participating Service after August 31, 2004 under the 2% Plan.
- (b) For Service on and after September 1, 2010:

The number of years of such Participant's Credited Participating Service on and after September 1, 2010,

minus

 - (i) 13/100ths multiplied by the number of years of such Participant's Credited Participating Service under the 7.00% Plan; and
 - (ii) 31/100ths multiplied by the number of years of such Participant's Credited Participating Service under the 5.55% 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 **Prescribed Statutory Leaves**

For the purposes of the Plan, a "Prescribed Statutory Leave" means:

- (a) in respect of Participants employed by a Participating Employer in Ontario, British Columbia or Saskatchewan, an unpaid leave of absence prescribed by applicable provincial or federal law, including a pregnancy or parental leave, a compassionate care leave or an emergency leave during which leave the legislation states that pension benefits must continue to accrue; or
- (b) in respect of Participants employed by a Participating Employer in Alberta, Manitoba or Prince Edward Island, an unpaid pregnancy or parental leave.

A Participant may elect in writing to continue making contributions to the Plan during a Prescribed Statutory Leave. In that event, during such leave, the Participating Employer shall continue making contributions and the Participant's Credited Participating Service shall continue to accrue, subject to the Income Tax Act limits outlined in Section 3.01. The Participant's and the Participating Employer's contributions shall be made based on the Participant's annual rate of Compensation in effect at the commencement of such leave.

If a Participant elects in writing not to continue making contributions during a Prescribed Statutory Leave, the Participant's and the Participating Employer's contributions shall 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 Prescribed Statutory Leave provided such Participant returns to active service with a Participating Employer immediately following the end of such leave.

A Prescribed Statutory Leave does not include a leave during which a Disabled Participant is absent from work and is receiving benefits under a provincial workers' compensation legislation and/or under the Canada/Quebec Pension Plan.

3.05 **Sabbatical and Partnership Program Leaves of Absence**

(a) Sabbatical Leaves of Absence

(i) 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:

(A) 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;

(B) the Participant and the Participating Employer shall make no contributions to the Plan during the period of the Sabbatical Leave of Absence;

(C) 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:

(1) 5 years of full-time equivalent Compensation; plus

(2) 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

- (D) 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 or 5 year period following the leave, as applicable:
 - (1) the period of the leave will be excluded from the 3 year period on which Final Three Year Average Earnings are to be based or from the 5 year period on which Final Five Year average Earnings are based, as applicable; and
 - (2) 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.

- (ii) Notwithstanding Section 3.05(a)(i), 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:
 - (A) 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;
 - (B) 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(e); and
 - (C) in the event of Termination of Employment, death, Retirement or disability during the period following the

leave, the additional Compensation paid during the period of the leave will be included in the determination of Final Three Year Average Earnings or Final Five Year Average Earnings, as applicable, in accordance with Section 1.25.

- (iii) Notwithstanding Section 3.05(a)(i), 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:
 - (A) 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;
 - (B) 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(e); and
 - (C) 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 or five year period following the leave, Compensation paid during the period of leave will be included in the determination of Final Three Year Average Earnings or Final Five Year Average Earnings, as applicable, in accordance with Section 1.25.

- (b) A Teacher/Administrator Partnership Program Leave of Absence (TAPP Leave of Absence) is an extended leave granted through a program administered by the Trustees to a Participant who is employed by a Participating Employer as either a teacher or an administrator. Each TAPP Leave of Absence granted to the Participant may not exceed 24 consecutive months. During a TAPP Leave of Absence, the Participant does not provide services to the Participating Employer and receives no Compensation, or provides services to the Participating Employer on a reduced basis for which he receives Compensation commensurate to the level of services received. In lieu of providing services to the Participating Employer, during a TAPP Leave of Absence, the Participant provides services to an approved organization. For the purposes of a TAPP Leave of Absence, an approved organization is a Christian educational institution, a Christian non-profit organization, or an educational institution.

Benefits earned by the Participant during the TAPP Leave of Absence shall be based on the level of Compensation, if any, 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.

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 level of Compensation immediately prior to the TAPP Leave of Absence;
- (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; and
- (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 — CONTRIBUTIONS

4.01 Contributions by Participants

Subject to Section 4.02 with respect to deeming contributions for a Disabled Participant, 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 Employee 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%

Commencing September 1, 2010, the Plan options in effect prior to such date will no longer be available and each Employee will contribute at a rate determined by a new Plan option available from September 1, 2010 elected by the Employer. The new Employee contribution rates are shown in the table below:

<u>Option Chosen by Employer</u>	<u>Employee Contribution Rate</u>
8.05% Plan	8.05%
7.00% Plan	7.00%
5.55% Plan	5.55%

The rate of contribution is subject to adjustment pursuant to the provisions of Section 4.06.

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.

4.02 **Contributions by Employers**

(a) General

Except as otherwise provided herein, each Participating Employer shall contribute to the Plan 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 Trustees 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 Participating 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 the Participant's Employer are actually transmitted to the Trustees.

The contributions made by the Participating Employers to 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 Participants who are Employees and eligible Employees of the Employer and shall specify the effective date of termination of Participating Employee status.

(b) Disability Period

(i) For the purposes of this Section 4.02(b), "Disability Period" means a period during which a Participant:

(A) becomes Disabled prior to September 1, 2014 and is receiving (or is eligible but waiting to receive) disability benefits, under any disability income plan sponsored by the Participating Employer; or

- (B) becomes Disabled on and after September 1, 2014 and is receiving (or is eligible but waiting to receive) disability benefits under the Christian Education Health Plan (the “CEHP”); or
 - (C) is receiving benefits under a provincial workers’ compensation legislation and/or under the Canada/Quebec Pension Plan.
- (ii) During a Disability Period, the Participant and the Participating Employer will be deemed to be contributing under Sections 4.01 and 4.02(a), respectively, at the contribution rate in effect for the Participant and the Participating Employer immediately prior to the commencement of the Disability Period even though no contributions are being made. In respect of a Disability Period that commenced prior to, and continues on and after September 1, 2010, the contribution rate in effect for a Disabled Participant and the Employer shall increase effective September 1, 2010:
- (A) for those who were accruing under the 3% Plan on August 31, 2010, to 7.00%; and
 - (B) for those who were accruing under the 4% Plan on August 31, 2010, to 8.05%.
- (iii) In the event that the Employer of a Disabled Participant ceases to participate in the Plan, prior to the end of a Participant’s Disability Period and without regard to the ongoing status of the Employer as a Participating Employer in the Plan, benefit accrual will continue in respect of the Disability Period.

In respect of a Disability Period, the Participant and the Participating Employer will be deemed to be contributing to the Plan to the earliest of:

- (A) the date that the Disabled Participant attains age 65;
- (B) the date that the Disabled Participant no longer qualifies to receive disability benefits under a provincial workers’ compensation legislation and/or under the Canada/Quebec Pension Plan;
- (C) in respect of a Participant who becomes Disabled prior to September 1, 2014, the date that the Disabled Participant no longer qualifies to receive a disability benefit under any disability income plan sponsored by the Participating Employer;

- (D) in respect of a Participant who becomes Disabled on and after September 1, 2014, the date that the Disabled Participant no longer qualifies to receive a disability benefit under the CEHP; and
 - (E) the date of death of the Disabled Participant.
- (iv) The contributions deemed made by the Participant and the Participating Employer under the preceding paragraphs shall be credited only for the purposes of calculating the Participant's Accrued Benefit. In any such event, no contributions shall be required of the Participant or the Participating Employer. For purposes of calculating a Disabled Participant's deemed contributions during the Disability Period, the Disabled Participant's Compensation will be deemed to be received at the rate in effect immediately prior to the Disability Period.
- (c) Non-CEHP Disability Period
- (i) For the purposes of this Section 4.02(c), "Non-CEHP Disability Period" means a period:
 - (A) which commences not earlier than September 1, 2014; and
 - (B) where a Participant becomes Disabled on or after September 1, 2014 and is receiving (or is eligible to receive but waiting to receive) disability benefits under a disability income plan sponsored by the Participating Employer other than the CEHP.

The provisions of Section 4.02(b) do not apply to a Non-CEHP Disability Period.

- (ii) For the purposes of this Section 4.02(c), "Electing Participating Employer" means a Participating Employer that prior to the commencement of each Plan Year (commencing with the September 1, 2014 to August 31, 2015 Plan Year) elects in writing to fund and remit contributions to the Plan in accordance with Sections 4.02(c)(iv), 4.02(c)(v) and 4.02(c)(vi) with respect to each Disabled Participant who commences a Non-CEHP Disability Period in that Plan Year (for the purposes of this Section 4.02(c), an "Eligible Disabled Participant").
- (iii) A Participating Employer that terminates its status as a Electing Participating Employer shall continue to fund and remit contributions in each Plan Year in accordance with Sections 4.02(c)(iv), 4.02(c)(v) and 4.02(c)(vi) with respect to any Eligible

Disabled Participant until the earliest of the dates set out in Section 4.02(c)(iv).

- (iv) During a Non-CEHP Disability Period, Participant and Participating Employer contributions made under Sections 4.01 and 4.02(a), respectively, are required to be made to the Plan in respect of an Eligible Disabled Participant.

The Employer of an Eligible Disabled Participant shall fund and remit these contributions until the earliest of:

- (A) the date that the Eligible Disabled Participant attains age 65;
 - (B) the date that the Eligible Disabled Participant no longer qualifies to receive disability benefits under a disability income plan sponsored by the Participating Employer other than the CEHP;
 - (C) the date of death of the Eligible Disabled Participant; and
 - (D) the date that the Participating Employer ceases to participate in the Plan.
- (v) The Participant's and the Participating Employer's contributions shall be made to the Plan during a Non-CEHP Disability Period with respect to an Eligible Disabled Participant at the contribution rate in effect for the Participant and the Participating Employer immediately prior to the commencement of the Non-CEHP Disability Period.
 - (vi) For purposes of calculating an Eligible Disabled Participant's contributions during the Non-CEHP Disability Period, the Eligible Disabled Participant's Compensation will be deemed to be received at the rate in effect immediately prior to the Non-CEHP Disability Period.

A Non-CEHP Disability Period is excluded from Credited Participating Service for a Disabled Participant who does not meet the criteria of being an Eligible Disabled Participant.

4.03 **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.

4.04 **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 5.03.

4.05 **Credited Interest**

The "Credited Interest" which shall be included in Participant's Contribution Account shall be as described in Section 1.15.

4.06 **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 and up to August 31, 2010, the total contributions required hereunder by Participants and Participating Employers are 6% of Compensation under the 2% Plan (not available after August 31, 2006), 9% of Compensation under the 3% Plan, and 12% of Compensation under the 4% Plan.

Commencing September 1, 2010, the total contributions required hereunder by Participants and Participating Employers are 11.10% of Compensation under the 5.55% Plan, 14.00% of Compensation under the 7.00% Plan, and 16.10% of Compensation under the 8.05% 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 shall have the power 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.

SECTION 5 — BENEFITS—ELIGIBILITY AND AMOUNT

5.01 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 6.04 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 6.01, and subject to Section 6.03.1.

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 has a Spouse shall be entitled to the Supplemental Spouse Pension described in Section 5.03.

5.02 Early Retirement Benefit

The Early Retirement Benefit is an annual pension payable in the form pursuant to Section 6.04 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 6.01 and 6.02.

A Participant who has a Spouse shall be entitled to the Supplemental Spouse Pension described in Section 5.03.

5.03 Supplemental Spouse Pension

A Participant who is entitled to a Normal Retirement Benefit or an Early Retirement Benefit under Section 5.01 or 5.02 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 Eligibility 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 Eligibility Service completed before September 1, 1973, under the 3% Plan.

5.04 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 Service 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.
- (c) If an Employee renders to a Participating Employer the services expected during a 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.
- (d) A Termination of Employment shall not occur until the end of a period of salary continuance, if any, granted to a Participant by a Participating Employer, even though no services are rendered by the Participant to the Participating Employer during this period.
- (e) Notwithstanding the requirement of active service, a Participant who is absent from work as a result of being Disabled and who, during the period of such absence, is receiving or is waiting and eligible to receive long-term disability benefits from a long-term disability plan sponsored by the Participating Employer, or is receiving benefits under a provincial workers' compensation legislation and/or under the Canada/Quebec Pension Plan, shall retain his or her status as an active Employee of a Participating Employer until the earliest of:
 - (i) the date that the Disabled Participant attains age 65;
 - (ii) the date that the Disabled Participant no longer qualifies to receive long-term disability benefits from a long-term disability plan sponsored by the Participating Employer or under a provincial

workers' compensation legislation and/or under the Canada/ Quebec Pension Plan; and

- (iii) the date of death of the Disabled Participant.
- (f) Notwithstanding the requirement of active service, a Participant on a Prescribed Statutory Leave shall not be considered terminated, provided the Participant remains employed by the Participating Employer during such leave.

5.05 **Termination Benefit**

A Participant who, upon Termination of Employment is not eligible for an Early Retirement Benefit or Normal Retirement Benefit, or who is eligible for an Early Retirement Benefit or Normal Retirement Benefit but elects not to commence the receipt of his pension immediately upon Termination of Employment, shall be entitled to a deferred pension. The deferred pension is an annual pension payable at the time and in the manner specified in Sections 6.01, 6.02, 6.03 and 6.04, as applicable, in the amount of the Participant's Accrued Benefit, and if applicable, subject to the provisions of Section 6.03.1.

5.06 **Withdrawal on Termination of Employment**

- (a) A Participant who, at Termination of Employment, is not yet eligible for an Early Retirement Benefit may elect to transfer the Commuted Value of the Accrued Benefit to:
 - (i) another registered pension plan of a successor employer, provided that the plan accepts the transfer;
 - (ii) a locked-in retirement account;
 - (iii) a life income fund, provided the Participant's Spouse signs any applicable waiver form and files it with the Trustees prior to the transfer and provided that the Participant satisfies any prescribed age eligibility criteria; or
 - (iv) a life insurance company licensed to carry out annuity business in Canada for the purchase of life annuity authorized by the terms of the Plan that does not commence more than 10 years before the Participant's Normal Retirement Date.
- (b) Notwithstanding the foregoing, a Participant who, at Termination of Employment, is not yet eligible for an Early Retirement Benefit and who is employed in a province other than Ontario may elect to transfer the Commuted Value of the Accrued Benefit as follows:

- (i) Alberta Participants
 - (A) to another registered pension plan of a successor employer, provided that the plan accepts the transfer; or
 - (B) to a locked-in retirement account.
- (ii) British Columbia Participants
 - (A) to another registered pension plan of a successor employer, provided that the plan accepts the transfer;
 - (B) to a locked-in registered retirement savings plan; or
 - (C) to a life income fund, provided the Participant's Spouse signs any applicable waiver form and files it with the Trustees prior to the transfer and provided that the Participant satisfies any prescribed age eligibility criteria for a transfer to a life income fund.
- (iii) Manitoba Participants
 - (A) to another registered pension plan of a successor employer, provided that the plan accepts the transfer;
 - (B) to a locked-in registered retirement savings plan;
 - (C) to a life income fund, provided the Participant's Spouse signs the applicable waiver form and files it with the Trustees prior to the transfer and provided that the Participant satisfies the prescribed age eligibility criteria; or
 - (D) to a life insurance company licensed to carry out annuity business in Canada for the purchase of life annuity authorized by the terms of the Plan that does not commence more than 10 years before the Participant's Normal Retirement Date.
- (iv) Saskatchewan Participants
 - (A) to another registered pension plan of a successor employer, provided that the plan accepts the transfer,
 - (B) to a locked-in registered retirement savings plan,
 - (C) to a registered retirement income fund, provided the Participant's Spouse signs the applicable waiver form and files it with the Trustees prior to the transfer and provided

that the Participant satisfies the prescribed age eligibility criteria; or

- (D) to a life insurance company licensed to carry out annuity business in Canada for the purchase of life annuity authorized by the terms of the Plan that does not commence more than 10 years before the Participant's Normal Retirement Date.

If a withdrawal is made under this Section 5.06, 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.

Amounts transferred in accordance with this Section 5.06 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.

An Alberta Participant may also transfer the Commuted Value of the Accrued Benefit to any combination of vehicles listed in Section 5.06(b)(i) provided that the amount transferred to each such vehicle is sufficiently large so as to not qualify as a small benefit in accordance with Section 6.11.

5.07 Additional Benefit

The Employer's share of the cost of pension benefits provided to a 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, upon the Termination of Employment or Retirement, or, upon the Participant's death, a Surviving Spouse or a Beneficiary shall be entitled to an Additional Benefit payable in various forms specified in Sections 6.07 and 6.09, as applicable. 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.

5.08 Pre-Retirement Surviving Spouse Benefit

If a Participant dies prior to commencement of pension payments (whether or not the Participant is employed by a Participating Employer at the time of death), the Pre-Retirement Surviving Spouse Benefit shall be payable to the Surviving Spouse, if any, or, subject to the waiver described in Section 6.09, to the Participant's Beneficiary.

The Pre-Retirement Surviving Spouse Benefit shall be equal to the Commuted Value of the Accrued Benefit the Participant would have received, inclusive of the

Additional Benefit determined under Section 5.07, had he terminated employment on the date of his death and elected to transfer his Accrued Benefit out of the Plan pursuant to Section 5.06. The Pre-Retirement Surviving Spouse Benefit shall be paid at the time and in the manner specified in Section 6.09.

5.09 Minimum Benefit

Upon completion of all benefit payments to or with respect to the Participant under Section 5.01, 5.02, 5.05 or 5.08, whichever applies, including any supplement under Section 5.03, any remaining balance in the Participant's Contribution Account, determined under Sections 4.04 and 4.05, shall be paid to the Surviving Spouse, if any, or subject to the waiver described in Section 6.09, to the Participant's Beneficiary. The Minimum Benefit shall be paid at the time and in the manner specified in Section 6.10.

5.10 Increase in Past Benefits

Benefit increases have been provided under the Plan from time to time on an ad hoc basis. In no event shall any percentage increase granted under this Section 5.10 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.

5.11 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 cash out under Section 6.11. All such reductions shall be computed on a uniform basis by calculating and offsetting the Commuted Value of the benefit previously paid.

SECTION 6 — BENEFITS—FORM AND TIME OF PAYMENT

6.01 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.

6.02 Early Retirement Benefit

- (a) Upon the election of a Participant, who at Termination of Employment has attained age 55, 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 to commence the Early Retirement Benefit, whichever is later. Unless provided otherwise in this Section 6.02, the amount of the benefit, including the Supplemental Spouse Pension, if applicable, shall be the Actuarial Equivalent of the Participant's Accrued Benefit determined in accordance with Section 1.01.
- (b) A Participant who has attained age 55 at Termination of Employment and who commences to receive a pension on an Early Retirement Date shall receive the amount of the Early Retirement Benefit, including the Supplemental Spouse Pension, if applicable, that is reduced by ½% for each month that the actual date of the first payment precedes the Participant's Normal Retirement Date, provided that the total amount of the benefit is not less than the Actuarial Equivalent of the Participant's Accrued Benefit.
- (c) A Participant who has completed at least 30 years of Eligibility Service at Termination of Employment shall receive the amount of the Early Retirement Benefit, including the Supplemental Spouse Pension, if applicable, that is reduced by ½% for each month that the actual date of the first payment precedes the attainment of age 62. A Participant who has both attained at least age 62 and has completed at least 30 years of Eligibility Service at Termination of Employment shall receive the amount of the Early Retirement Benefit, including the Supplemental Spouse Pension, if applicable, that is unreduced.
- (d) The Early Retirement Benefit outlined above shall not exceed the pension payable to the Participant under Section 6.01 reduced by 1/4 of 1% for each

month by which the date of the Participant's Early Retirement Benefit precedes the earliest of:

- (i) the Participant's attainment of age 60;
- (ii) the Participant's completion of 30 years of Continuous Service (excluding any periods of lay-off or temporary suspension of employment that are not recognized as the Credited Participating Service); and
- (iii) the date on which the Participant's age plus Continuous Service (excluding any periods of lay-off or temporary suspension of employment that are not recognized as the Credited Participating Service) would have totaled at least 80 years.

6.03 Early Commencement of Deferred Pension

A Participant who at Termination of Employment has not attained age 55 and who is entitled to receive a deferred pension pursuant to Section 5.05 may elect to commence the deferred pension 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 deferred pension shall be reduced by $\frac{1}{2}\%$ multiplied by the number of months that the date of pension commencement precedes the Participant's Normal Retirement Date, provided that such reduction is not less than the prescribed early retirement reduction factors set out in Section 6.02(d) and the total amount of the pension is not less than the Actuarial Equivalent of the Participant's Accrued Benefit.

Notwithstanding any other provision herein, the deferred pension 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.

6.03.1 Actuarial Equivalent Adjustment

- (a) If a Participant terminates employment with a Participating Employer before attaining the Normal Retirement Date and commences receipt of an annual pension under the Plan after the Normal Retirement Date, the Participant shall be entitled to receive an annual pension which is Actuarially Equivalent to the benefit to which the Participant was entitled at his Normal Retirement Date calculated in accordance with Section 5.01, regardless of the date on which the Termination of Employment occurred.
- (b) If a Participant who terminates employment with a Participating Employer after the Normal Retirement Date does not commence receipt of his annual pension immediately upon Termination of Employment, but commences receipt at a later date, the Participant shall be entitled to receive an annual pension which is Actuarially Equivalent to the benefit to which the Participant was entitled at his Termination of Employment calculated in accordance with

Section 5.01, regardless of the date on which the Termination of Employment occurred.

- (c) Notwithstanding the foregoing, an Actuarially Equivalent adjustment shall not be applied with respect to any pension amounts that a Participant did not receive and that are attributable to any year after the year in which the Participant attains age 71; the total of such amounts shall be paid as a lump sum payment.

6.04 **Form of Payment**

- (a) Normal Form of Payment

The retirement benefit payable under Sections 6.01, 6.02 and 6.03 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 6.04(b) or the Participant elects an optional form of pension.

The normal form of pension for a retirement benefit accrued by a Participant in respect of his Adjusted Credited Participating Service completed prior to September 1, 2010 is a monthly annuity payable in the form of a Life, Guaranteed Ten (10) Years. If the Participant dies before receiving 120 monthly payments, the payments shall be continued to the Participant's Beneficiary until a total of 120 such payments has been made.

The normal form of pension for a retirement benefit accrued by a Participant in respect of his Adjusted Credited Participating Service completed on or after September 1, 2010 is a monthly annuity payable in the form of Life Only, so that, should the Participant die payments will cease.

The retirement benefit payable under Sections 6.01, 6.02 and 6.03 accrued by a Participant in respect of his total Adjusted Credited Participating Service shall be determined in accordance with this Section 6.04 on a combined basis based on the normal form of pension in effect on and after September 1, 2010; the retirement benefit accrued by the Participant in respect of his Adjusted Credited Participating Service completed prior to September 1, 2010 shall be adjusted accordingly.

- (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 6.05.

6.05 **Election Not to Take Surviving Spouse Annuity Form**

When the Surviving Spouse Annuity is specified as the automatic form of payment under Section 6.04(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 6.06. The election must be made within the 90-day period ending on the date benefit payments would begin.

The Administrator shall provide to 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, as follows:

- (e) Alberta Participants

In the form prescribed under the Alberta pension legislation and signed by the Participant's Spouse in the presence of a witness and outside the presence of the Participant within 90 days preceding the commencement of benefits.

- (f) British Columbia Participants

In the form prescribed under the British Columbia pension legislation and signed by the Participant's Spouse in the presence of a witness and outside the presence of the Participant within 90 days preceding the commencement of benefits.

- (g) Manitoba Participants

In the form approved by the Superintendent of Pensions in Manitoba and signed by the Participant's Spouse in the presence of a witness and outside the presence of the Participant within 60 days preceding the commencement of benefits.

- (h) Ontario Participants and Prince Edward Island Participants

In the form approved by the Chief Executive Officer of the Financial Services Regulatory Authority in Ontario and signed by the Participant and the Participant's Spouse in the presence of a witness within 12 months preceding the commencement of benefits.

- (i) Saskatchewan Participants

In the form prescribed under the Saskatchewan pension legislation and signed by the Participant's Spouse in the presence of a witness and outside the presence of the Participant within 90 days preceding the commencement of benefits.

A revocation of any prior election or waiver may be made by the Participant and his Spouse at any time before the commencement of benefits. The number of revocations shall not be limited.

6.06 **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 Guaranteed Five (5), (10) or Fifteen (15) Years Options.** A Participant may elect a Life Guaranteed Five (5), (10) or Fifteen (15) Years Option so that, should the Participant die before the Participant has received either 60, 120 or 180 monthly payments of pension benefits, the payments shall be continued to the Participant's Beneficiary until a total of either 60, 120 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 6.04. 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 6.05 at the time of election of the option and confirm the waiver of the Surviving Spouse Annuity form in the manner specified in Section 6.05 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 5.03.

6.07 Additional Benefit

- (a) A Participant who is entitled to an Additional Benefit pursuant to Section 5.07 is entitled to receive it as a lump sum payment or in another form as provided in Section 6.07(c). An Ontario Participant, Manitoba Participant or Saskatchewan Participant who does not notify the Administrator of his election within 90 days after receiving a statement describing the options for receiving the Additional Benefit shall receive the Additional Benefit as a lump sum payment. An Alberta Participant or a British Columbia Participant who does not notify the Administrator of his election within 90 days after receiving a statement describing the options for receiving the Additional Benefit will not be entitled to receive the Additional Benefit until pension commencement at which time it will be recalculated in accordance with the applicable Pension Benefits Act and paid as a lump sum payment.
- (b) Notwithstanding Section 6.07(a), a Participant who elects to transfer the Commuted Value of his Accrued Benefit out of the Plan pursuant to Section 5.06, may, instead of a cash payment, elect to receive the Additional Benefit as a direct transfer to a registered retirement savings plan or a registered retirement income fund.

- (c) Notwithstanding the foregoing, a Participant who elects to transfer the Commuted Value of his Accrued Benefit out of the Plan pursuant to Section 5.06 and who is employed in a province other than Ontario may, in lieu of receiving the Additional Benefit as a cash lump sum payment, elect to receive it as follows:
- (i) Alberta Participants
 - (A) a transfer to a registered retirement savings plan or a registered retirement income fund;
 - (B) a transfer to another registered pension plan of a successor employer, provided that the plan accepts the transfer; or
 - (C) a transfer to a life insurance company licensed to carry out annuity business in Canada for the purchase of a deferred life annuity.
 - (ii) British Columbia Participants
 - (A) a transfer to a registered retirement savings plan or a registered retirement income fund;
 - (B) a transfer to another registered pension plan of a successor employer, provided that the plan accepts the transfer; or
 - (C) a transfer to a life insurance company licensed to carry out annuity business in Canada for the purchase of a deferred life annuity.
 - (i) Manitoba Participants
 - (A) a transfer to a registered retirement savings plan; or
 - (B) a transfer to a registered retirement income fund.
 - (ii) Saskatchewan Participants
 - (A) a transfer to a registered retirement savings plan;
 - (B) a transfer to life insurance company licensed to carry out annuity business in Canada for the purchase of a deferred life annuity; or
 - (C) a transfer to another registered pension plan of a successor employer, provided that the plan accepts the transfer.

For the purpose of calculating the present value of the Additional Benefit for a Participant who is employed in Manitoba, retroactive Eligibility Service and

retroactive Credited Participating Service accrued or granted pursuant to Section 13 are not included in the value of the Accrued Benefit.

6.08 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 Pre-Retirement Surviving Spouse Benefit or the Surviving Spouse Annuity requirements hereunder and shall not be considered in calculating the value of either of those benefits.

6.09 Pre-Retirement Surviving Spouse Benefit

A Surviving Spouse who is entitled to the Pre-retirement Surviving Spouse Benefit pursuant to Section 5.08 shall elect to receive the Pre-retirement Surviving Spouse Benefit in the form of either a pension payable from the Plan for the Surviving Spouse's lifetime, a lump sum payment or a direct transfer to a registered retirement savings plan or registered retirement income fund.

Notwithstanding the foregoing, a Surviving Spouse of a Participant employed in a province other than Ontario shall receive the Pre-retirement Surviving Spouse Benefit as a pension payable from the Plan for the Surviving Spouse's lifetime or, as follows:

- (a) Alberta
 - (i) a transfer to a registered pension plan of the Participant's Surviving Spouse's employer, if that plan accepts the transfer; or
 - (ii) a transfer to a locked-in retirement account.
- (b) British Columbia
 - (i) a transfer to a life income fund;
 - (ii) a transfer to a locked-in registered retirement savings plan; or
 - (iii) a transfer to a registered pension plan of the Surviving Spouse's employer, if that plan accepts the transfer.
- (c) Manitoba
 - (i) a transfer to a life income fund; or
 - (ii) a transfer to a locked-in retirement account.
- (d) Saskatchewan
 - (i) a transfer to a registered pension plan of the Surviving Spouse's employer, if that plan accepts the transfer;

- (ii) a transfer to a life income fund;
- (iii) transfer to a locked-in retirement account;
- (iv) a transfer to a life insurance company licensed to carry out annuity business in Canada for the purchase of life annuity authorized by the terms of the Plan; or
- (v) a lump sum payment.

If a Participant's Surviving Spouse elects or is deemed to elect to receive the Pre-retirement Surviving Spouse Benefit in the form of a pension from the Plan, the Commuted Value of such pension shall be equal to the Commuted Value of the Accrued Benefit determined pursuant Section 5.08 and shall commence at any time on or before the later of:

- (a) December 1 in the calendar year in which the Spouse attains age 71 (or such other age provided under the Income Tax Act); and
- (b) The first day of the eleventh calendar month following the month in which the Participant's death occurs,

and end with the payment for the month in which the Surviving Spouse's death occurs.

Any amount of Additional Benefit payable to a Surviving Spouse shall be in any of the forms of a transfer available to a Participant with respect to the Additional Benefit under Section 6.07. Any amount of Additional Benefit payable to a Beneficiary or the Participant's estate shall be in a form of a cash payment.

If a Participant does not have a Spouse, or the Spouse has waived the Pre-retirement Surviving Spouse Benefit in the form required under the applicable Pension Benefits Act and the Spouse has not revoked the waiver, the Pre-retirement 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, if a Surviving Spouse qualifies for the "Alternative Spouse Pension" (as described below), the Surviving Spouse may elect instead to receive an Alternative Spouse Pension from the Plan payable on the death of the Participant for the Surviving Spouse's lifetime. The Alternative Spouse Pension is equal to 60% of the pension the Participant would have received had the Participant retired at age 55 and elected to receive the Early Retirement Benefit in the amount calculated in accordance with Section 6.02 and payable in accordance with Section 6.04(b).

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

- (a) the Participant dies while in active service with a Participating Employer; or

- (b) the Participant dies while Disabled and:
 - (i) receiving or is in a waiting and eligible to receive long-term disability benefits from a long-term disability plan sponsored by a Participating Employer;
 - (ii) is receiving benefits under a provincial workers' compensation legislation; or
 - (iii) receiving benefits under the Canada/Quebec Pension Plan.

6.10 **Minimum Benefit**

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

6.11 **Cash Out**

- (a) Notwithstanding any other provision herein, a Participant whose employment has terminated or, if the Participant died prior to pension commencement, a Surviving Spouse, who is entitled to an Accrued Benefit that qualifies as a Small Pension as defined in Section 6.11(b), may elect to receive the Commuted Value of the Accrued Benefit as a lump sum payment or as a transfer on a non-locked-in basis to a registered retirement savings plan or a registered retirement income fund. The lump sum payment or a transfer is in full satisfaction of the entitlement of the Participant or Surviving Spouse, as applicable, under the Plan.
- (b) For the purpose of this Section 6.11, the Accrued Benefit qualifies as a “Small Pension” if:
 - (i) in respect of an Ontario Participant or Surviving Spouse, expressed as an annual amount it does not exceed 4% of the Y.M.P.E. or the Commuted Value of the Accrued Benefit is less than 20% of the Y.M.P.E. at the earliest of retirement, termination or death, or such other amount as may be permitted in accordance with the applicable Pension Benefits Act;
 - (ii) in respect of an Alberta Participant or Surviving Spouse, the Commuted Value of the Accrued Benefit does not exceed 20% of the Y.M.P.E. in the year a determination of such Commuted Value is made for the purpose of applying this test, or such other amount as may be permitted in accordance with the applicable Pension Benefits Act;
 - (iii) in respect of a British Columbia Participant or Surviving Spouse, the Commuted Value of the Accrued Benefit does not exceed 20% of the Y.M.P.E. in the year a determination of such Commuted Value is made for the purpose of applying this test, or such other amount as may be permitted in accordance with the applicable Pension Benefits Act;

- (iv) in respect of a Manitoba Participant or Surviving Spouse, expressed as an annual amount it does not exceed 4% of the Y.M.P.E. or the Commuted Value of the Accrued Benefit is less than 20% of the Y.M.P.E. at the earliest of retirement, termination or death, or such other amount as may be permitted in accordance with the applicable Pension Benefits Act;
- (v) in respect of a Saskatchewan Participant or Surviving Spouse, expressed as an annual amount it does not exceed 4% of the Y.M.P.E. or the Commuted Value of the Accrued Benefit does not exceed 20% of the Y.M.P.E. in the year in which payment occurs, or such other amount as may be permitted in accordance with the applicable Pension Benefits Act.

This provision also applies to a Participant or Surviving Spouse who became entitled to an Accrued Benefit prior to September 30, 2015.

6.12 **Overriding Requirements Applicable to Benefit Payments**

Except as otherwise provided with respect to the Pre-Retirement Surviving Spouse Benefit and the Surviving Spouse Annuity, the requirements of this Section 6.12 shall apply to all payments and distributions of a Participant's benefits under Sections 5 and 6.

(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 71, or such other age limit permitted under the Income Tax Act.

(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 within a reasonable time following the death of the Participant 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.

6.13 Shortened Life Expectancy

- (a) Notwithstanding any other provision herein, and subject to Section 6.13(b), in the event a Participant who is entitled to a deferred pension under the Plan has an illness or physical disability that is likely to considerably shorten his or her life expectancy, the Participant shall be permitted to apply for a withdrawal from the Trust Fund of the Commuted Value of the Accrued Benefit on a non-locked-in basis, subject to the requirements under the applicable Pension Benefits Act, and provided:
 - (i) an application for a withdrawal which has been signed by the Participant;
 - (ii) the application is supported by the following documentation:
 - (A) a statement signed by a medical doctor licensed to practice in Canada that the Participant has an illness or disability that is likely to considerably shorten his or her life expectancy (to less than two (2) years for Ontario and Manitoba Participants);
 - (B) a signed declaration in a form, if any, prescribed under the applicable Pension Benefits Act by the Participant's Spouse providing a consent to the withdrawal, or where the Participant does not have a Spouse, a statement signed by the 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 Administrator is made; and
 - (iii) the spousal declaration or a Participant's statement referred to in Section 6.13(a)(ii)(B) are received by the Administrator within sixty (60) days of being signed.
- (b) Once a pension is in pay, only a Participant whose Accrued Benefit was earned while in employment of a Participating Employer in Ontario is permitted to apply for a withdrawal from the Trust Fund of the Commuted Value of the Participant's pension in accordance with Section 6.13(a).
- (c) A Surviving Spouse of a British Columbia Participant may also apply under Section 6.13(a) for a withdrawal from the Trust Fund on a non-locked-in basis of the Pre-Retirement Death Benefit payable under Section 6.09. All requirements in Section 6.13(a), except the provision of a spousal declaration or a statement referred to in Section 6.13(a)(ii)(B), apply to the Surviving Spouse.

6.14 **Payment and Transfer of Lump Sums**

- (a) Where so entitled under the Pension Benefits Act, a Participant, Surviving Spouse or Beneficiary entitled to a lump sum payment under the Plan may elect, within the time prescribed by the Administrator or, if longer, the applicable Pension Benefits Act, to have the amount otherwise payable as a lump sum transferred to a registered retirement savings plan or registered retirement income fund, if applicable, provided that such transfer is permitted under the Income Tax Act.
- (b) Any amount paid from the Plan as a lump sum shall be net of taxes withheld as required by law.

6.15 **Non-Resident Commutation**

An Alberta, British Columbia or Ontario Participant who is entitled to a deferred pension, or a Surviving Spouse of an Alberta or British Columbia Participant who is entitled to a Pre-Retirement Surviving Spouse Benefit, and in each case whose pension has not commenced to be paid (and for an Ontario Participant only, who has not otherwise attained age 65), shall be permitted to apply for a withdrawal from the Trust Fund of the Commuted Value of the Accrued Benefit on a non-locked-in basis, subject to any requirements under the applicable Pension Benefits Act, and provided that the Administrator receives:

- (a) written evidence that the Canada Revenue Agency has confirmed the person's non-residency; and
- (b) where an Alberta, British Columbia or Ontario Participant has a Spouse, a spousal waiver in a form prescribed under the applicable Pension Benefits Act.

SECTION 7 — BENEFITS—GENERAL PROVISIONS AND LIMITATIONS

7.01 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 6 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.

7.02 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.

7.03 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.

7.04 **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.

7.05 **Suspension of Benefits**

(a) **Suspended Benefits**

An Early Retirement Benefit that is being paid to a retired Participant will be suspended and forfeited for each calendar month of each Plan Year from the date upon which such a retired Participant is rehired by a Participating Employer and qualifies as a "Suspended Pensioner". For the purposes of this Section 7.05, a retired Participant in receipt of an Early Retirement Benefit who is rehired by a Participating Employer becomes a Suspended Pensioner in any Plan Year upon the later of the date on which he:

- (i) completes 60 full time equivalent working days in a Plan Year; or
- (ii) earns Compensation equal to 35% of the Y.M.P.E. in a Plan Year.

(b) **Upon becoming a Suspended Pensioner:**

- (i) and notwithstanding Section 7.05(e), the Early Retirement Benefit payable to a Suspended Pensioner will be suspended and payments forfeited (the "Suspended Payments") commencing as of the month immediately following the month in which the retiree qualified as a Suspended Pensioner; such suspension shall apply for each month in which re-employment occurs but shall not continue beyond the end of the Plan Year;
- (ii) and notwithstanding Section 2.01, a Suspended Pensioner will re-commence participation in the Plan upon the suspension of the payment of his Early Retirement Benefit, and contributions will be made to the Plan by the Suspended Pensioner in accordance with

Section 4.01 and by the Participating Employer in accordance with Section 4.02;

- (iii) the Suspended Pensioner will commence to accrue Credited Participating Service as a Suspended Pensioner.
- (c) With respect to the foregoing in this Section 7.05:
- (i) Subject to Section 7.05(c)(iii), qualification as a Suspended Pensioner re-commences at the beginning of each Plan Year.
 - (ii) Subject to Section 7.05(c)(iii), there is no limit on the number of years during which a retired Participant in receipt of an Early Retirement Benefit can be employed by one or more Participating Employers and become a Suspended Pensioner.
 - (iii) A retired Participant in receipt of an Early Retirement Benefit who is rehired by a Participating Employer will no longer qualify as a Suspended Pensioner as of December 1st of the calendar year in which the individual attains age 71.
- (d) Resumption of Payment and Additional Accrued Benefit
- (i) Payments that are suspended when a retired Participant qualifies as a Suspended Pensioner pursuant to Section 7.05(a) or Section 10.03(b)(iii)(A) shall resume the first day of the calendar month after the calendar month in which the Suspended Pensioner ceases to be a Suspended Pensioner.
 - (ii) Benefits payable upon resumption shall be the same as the suspended benefits and will not be re-adjusted in respect of the period of suspension and forfeiture, with the exception of the indexation of post retirement benefits pursuant to Section 5.12.
 - (iii) The additional Accrued Benefit earned as a Suspended Pensioner during the period of re-employment will be based on Credited Participating Service and Final Average Earnings earned after the date that Plan participation resumes and any early retirement reductions applicable pursuant to Section 6.02 at the date that the additional pension commences. The additional benefit earned while participating in the Plan as a Suspended Pensioner will be payable in the same form as the suspended benefit.
- (e) Notification and Acknowledgement

The Administrator shall notify an individual who qualifies as a Suspended Member that his or her benefit payments are suspended by personal delivery

or first class mail during the first calendar month or first payroll period in which the Plan commences to withhold Suspended Payments.

If such notification is received by the qualifying individual after the date when, pursuant to Section 7.05(b), the Suspended Pensioner's retirement benefits should be suspended and forfeited, the Suspended Pensioner must repay an amount equal to the Suspended Payments paid out contrary to Section 7.05(b) to the Trust Fund.

Such notification shall include, but not be limited to, 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.

7.06 Designation of Beneficiary; Priority; No Designation

- (a) 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.
- (b) If a Participant dies prior to commencement of pension payment, the Pre-Retirement Surviving Spouse Benefit shall only be payable to a Beneficiary if the Participant has no Surviving Spouse or the Surviving Spouse has waived his or her entitlement to the Pre-Retirement Surviving Spouse Benefit in accordance with Section 6.09.
- (c) A Beneficiary designation by a Participant may become unenforceable upon a subsequent marriage or spousal relationship of the Participant, or if the Spouse revokes the waiver of the Pre-Retirement Surviving Spouse Benefit prior to the Participant's death.
- (d) If distribution is being made to a Beneficiary who dies prior to complete distribution and the Participant has designated a contingent Beneficiary, the remaining amount of the benefit shall be paid to such contingent Beneficiary and otherwise, to the estate of the Beneficiary. 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 contingent Beneficiary determined hereunder.
- (e) If all of the persons who have been named by the Participant as Beneficiary(ies), or contingent Beneficiaries, predecease(s) the Participant, any benefit payable under the Plan to a Beneficiary upon the Participant's death shall be payable to his estate.

7.07 **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 7.08, at retirement, disability, termination of employment or termination of the Plan, shall not exceed the Participant's years of pensionable service, prior to January 1, 1992, to a maximum of 35 years multiplied by the lesser of:

- (i) \$3,245.56 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 7.07(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 7.07(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 7.08 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) \$3,245.56 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 or temporary suspension of employment that are not recognized as the Credited Participating Service) would have equaled 80; and
- (v) the Participant would have completed 30 years of Continuous Service (excluding any periods of lay-off or temporary suspension of employment that are not recognized as the Credited Participating Service),

by 1/4 of 1% for each month by which the pension commencement date precedes that day.

This Section 7.07(c) shall not apply to any actuarial increases payable as a result of postponed retirement or excess contributions payable under Section 5.07.

- (d) For the purposes of this Section 7.07, the term "pensionable service" shall mean the Participant's period of employment with the Participating Employer in respect of which lifetime retirement benefits are provided to the Participant under the Plan, subject to any restrictions on such periods as prescribed under the Income Tax Act.

7.08 Splitting of Pension Credits on Breakdown of Spousal Relationship

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

For the purpose of this Section 7.08, the "pension benefit credit" that is to be divided will be calculated in accordance with the applicable Pension Benefits Act or related pension division legislation and means the Commuted Value of the Accrued Benefit earned during the period of the spousal relationship, either with or without the Additional Benefit, as prescribed.

If a former Spouse is entitled to a share of the Participant's pension benefit credit, the former Spouse will be entitled to receive it:

- (a) if the Participant's pension payments have not yet commenced, and the Pension Benefits Act so prescribes, as an immediate lump sum payment that must be transferred on a locked-in basis to a vehicle prescribed under the applicable Pension Benefits Act, or

(b) if the pension is already in pay, as a portion of the Participant's monthly pension payments,

or, as otherwise prescribed under the applicable Pension Benefits Act or related pension division legislation.

7.09 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.

7.10 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.

7.11 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 8 — ADMINISTRATION

8.01 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, including where permissible, through electronic transmission with the consent of the recipients, 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,

lawyers, 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 lawyers, 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 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.

8.02 **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.

At least one half of the Trustees must represent the Participants and such individuals may be active Participants in the Plan, inactive Participants or retirees, provided that the majority of such Participant representative Trustees reside in Canada. The remaining Trustees must be board members or former board members of Christian school societies that are Participating Employers under the Plan at the time of

Trustee appointment or must be other non-employee individuals who have been actively involved in the administration of a Christian school society, or its educational function, that is a Participating Employer under the Plan at the time of Trustee appointment.

8.03 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.

8.04 Indemnification of the Trustees

The Trustees and any Person performing administrative services for the Plan shall be indemnified by CEBSS 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.

8.05 Appeal Procedures

- (a) Any Participant, Surviving Spouse, Beneficiary or other person entitled to a benefit under the Plan who believes that he or she is 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 his or her benefit entitlement.
- (b) The Trustees shall, within 120 days after the receipt of an appeal, or such longer period agreed upon by the appellant and the Trustees, 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 appellant 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) Appellants 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 120 days after receipt of a request for review unless a greater period is agreed upon by the appellant 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 appellant, and specific references to the pertinent Plan provisions on which the decision is based.
- (e) If an appellant is not satisfied with the decision of the Board of Directors and the issue cannot be resolved internally he or she is entitled to contact the Financial Services Regulatory Authority of Ontario to pursue other options.

8.06 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.

8.07 Provision of Information

In order for the Trustees to carry out their various duties as described in Section 8.01, 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.

8.08 **Repurchase of Service**

Notwithstanding any other provision herein, a former Participant, or the Surviving Spouse of the former Participant, who qualified for a lump sum payment of the Commuted Value of their Accrued Benefit under Section 6.11 and who received such amount as a cash lump sum payment or as a direct transfer to a registered retirement savings plan on or after January 1, 2015 at the direction of the Administrator, shall be granted the right to recontribute the amount of the Commuted Value that was received by or transferred to such person from the Plan. Upon the re-contribution to the Plan of the appropriate amount by lump sum deposit or by direct transfer from a registered retirement savings plan, inclusive of interest calculated from the date that the Commuted Value payment was received to the date that the re-contribution is made, such person's Accrued Benefit under the Plan will be re-instated. The ability to repurchase an Accrued Benefit under this Section 8.08 is subject to any requirements of the Pension Benefits Act and the Income Tax Act.

SECTION 9 — TRUST FUND

The Trust Fund was established by the former sponsor of the Plan, Christian Schools International, and the Trustees as the funding medium of the Plan. The Trust Fund will continue to be the funding medium of the Plan under the sponsorship of CEBSS. 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 9 shall not be construed to prevent the use of Trust Fund assets to pay the reasonable administrative expenses of the Plan.

Investment of the assets of the Trust Fund shall be made in the best financial interests of Participants, their Spouses, or other Beneficiaries, as applicable, for the primary purpose of providing periodic payments to Participants after retirement and until death in respect of their Continuous Service. Plan investments consistent with the mission of CEBSS shall be encouraged and investment in companies primarily engaged in the manufacture and sale of tobacco products, the production and sale of alcoholic products, the preparation and sale of salacious material, or gambling activities shall be excluded in accordance with a statement of investment policies and procedures governing the investment of the Trust Fund assets approved by the Trustees.

SECTION 10 — GENERAL PROVISIONS

10.01 Non-alienation 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 encumbrance of any kind. If a Participant or other Person entitled to benefits hereunder attempts to or does alienate, sell, transfer, assign, pledge, or otherwise encumber 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 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.

10.02 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.

10.03 Re-Employment

(a) Re-Employment After Termination of Employment

Subject to Section 10.03(b), a former Participant who has terminated employment pursuant to Section 5.04 and is rehired by a Participating Employer shall be considered a new Employee for purposes of the Plan and shall re-commence participation in the Plan in accordance with Section 2.01. If, at the date of rehire, such former Participant had not transferred his previously acquired benefits under the Plan out of the Plan, such benefits shall not be affected by his subsequent re-employment by a Participating Employer. Any benefits earned under the Plan on and after the date of rehire shall be calculated based on Continuous Service, Eligibility Service, and Credited Participating Service earned after that date, subject to any applicable provisions of the Plan then in effect.

(b) Re-Employment after Retirement

- (i) A former Participant in receipt of an Early Retirement Benefit or a Normal Retirement Benefit from the Plan shall continue to receive such pension payments regardless of any earnings from employment (other than with a Participating Employer) or self-employment;
- (ii) A former Participant in receipt of an Early Retirement Benefit from the Plan who is re-hired by a Participating Employer shall be subject to the provisions of Section 7.05.
- (iii) A former Participant in receipt of a Normal Retirement Benefit from the Plan who is re-hired by a Participating Employer, must, upon being re-hired, make an irrevocable election to either:
 - (A) be treated as a Suspended Pensioner, in which case such individual shall be subject to the provisions of Sections 7.05(b), (c), and (d); or
 - (B) continue to receive pension payments from the Plan uninterrupted, in which case such individual shall not be considered an Employee for purposes of the Plan and shall be ineligible to rejoin the Plan or to accrue further benefits hereunder.

For further clarity, a former Participant who is rehired by a Participating Employer on or after attaining the age of 71 shall not be eligible to make the foregoing election and shall continue to receive pension payments from the Plan uninterrupted, in which case such individual shall not be considered an Employee for purposes of the Plan and shall be ineligible to rejoin the Plan or to accrue further benefits hereunder.

10.04 Law Governing

The Plan shall be construed in accordance with the laws of the province of Ontario.

10.05 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.

10.06 Construction

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

10.07 **Revocation of Registration**

With the approval of the Financial Services Regulatory Authority of Ontario, the Plan may be amended at any time 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 11 — AMENDMENT AND TERMINATION

11.01 Right to Amend or Terminate

CEBSS 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.

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 Participating Employer shall have no obligation or liability to make further contributions to the Trust Fund, except for their contributions that are due but not yet paid and where such a withdrawal triggers a partial wind-up and a requirement for funding of the solvency deficiency under the applicable Pension Benefits Act. To the extent that such Participating Employer fails to make the contributions required to fund any solvency deficiency resulting from the partial wind up on withdrawal from the Plan, the benefits of the Participants affected by such withdrawal shall be reduced accordingly to eliminate the solvency deficiency.

If the Plan is terminated (in whole or in part) by either CEBSS 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 6.02 or Section 6.03 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 4.02.

11.02 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 Regulatory Authority 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 6.02 and 6.03 of the Plan to affected Participants who are eligible for such benefits.

11.03 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 Regulatory Authority 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 5.03, and the Minimum Benefit, and receipt of the written approval of the Financial Services Regulatory Authority of Ontario.

11.04 **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 12 — TRANSFERS BETWEEN THE PLAN AND THE U.S. PLAN

12.01 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 Eligibility 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.

12.02 Transfer of Employment With No Transfer of Funds

If, because of termination of the agreement referred to in the first paragraph of Section 12.01, 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 Eligibility Service under this Plan for the purpose of determining eligibility for early retirement but such credited service under the U.S. Plan will not count in the calculation of any pension under Section 5.
- (c) If the Transferred Participant becomes Disabled while employed in the U.S., the Transferred Participant will not be entitled to accrue Credited Participating Service pursuant to Section 3.01(d) 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 12.01 is not made, such Transferred Participant's credited service accrued under the U.S. Plan shall be combined with Eligibility Service under this Plan for the purpose of determining eligibility for early retirement but such credited service under the U.S. Plan will not count in the calculation of any pension under Section 5.

SECTION 13 — PARTICIPATION WITH PAST SERVICE

13.01 Past Service

Subject to approval by the Trustees and to the provisions of this Section 13 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.

13.02 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.

13.03 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.

13.04 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.

13.05 Eligibility Service

Eligibility Service shall be determined and credited for each Participant under Section 1.22 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.

13.06 **Additional Requirements**

The Trustees may impose such additional uniform, non-discriminatory 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.

13.07 **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.

13.08 **Income Tax Act Requirements**

- (a) Notwithstanding the foregoing, amounts contributed under this Section 13 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 Christian Education Pension Plan (the "Plan") and the Christian Education Pension Trust (the "Trust") shall be the President, Vice-President, Secretary, and Treasurer, who shall perform the duties devolving upon officers of any organization, subject to the direction and control of the Trustees. The Board of Trustees shall appoint an Executive Secretary-Treasurer to be in charge of the day-to-day operation of the Plan and the Trust, under the direction of the Trustees. The Executive Secretary-Treasurer 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 Education Benefits Solutions Society Board of Directors, and assist the Secretary in carrying on the ordinary functions of that office.
- (ii) Under the direction of the Treasurer, the Executive Secretary-Treasurer shall maintain accurate and detailed records of accounts of all Trust assets and of all investments, receipts, disbursements, and other transactions, and shall prepare regular financial reports as instructed.

The Executive Secretary-Treasurer, or such other person(s) as may be designated by resolution of the Board of Trustees to assist the Secretary or Treasurer in carrying on the ordinary functions of the offices of Secretary or Treasurer, may do all things and sign all documents necessary or expedient to facilitate or assist in carrying out the functions of Secretary or Treasurer, including without limitation, making deposits, authorizing, initiating or certifying the taking of actions, certifying the validity of Trust documents or the grant of rights, responsibilities, or other matters authorized by the Trustees, and may endorse checks, drafts, orders and other documents for payment, transfer or investment that have been authorized by the Trustees or that are necessary or reasonable to carry out the functions of these offices or for the ordinary business and affairs of the Trust.

(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 of its members a special meeting shall be called by the Secretary.

(d) Quorum

50% of the Trustees present at a regular or special meeting shall constitute a quorum. Any action of the Trustees shall be shall be lawful if authorized by a vote of a majority of the Board of Trustees present at the meeting.

(e) Method of Transacting Business

The powers granted to the Trustees shall be exercised at a regular meeting, or at any meeting of which the Secretary provides at least five days written notice. In an emergency, business may be transacted by mail, telephone or other electronic means, if a majority of the Trustees consent thereto pursuant to a recorded vote.

(f) Committees

(i) Christian Education Employee Benefits Committee

To facilitate prudent and efficient administration of the Plan, a Christian Education Employee Benefits Committee has been established pursuant to a Plan Administration Services Agreement among Christian Schools International and boards of trustees of each of the Plan, the Christian Education Health Plan, the Christian School Pension Plan, and the CSI Insurance Plan. For as long as the Plan Administration Service Agreement remains in force, the Board of Trustees shall appoint or confirm the continuing appointment of at least one member of the Board of Trustees to the Christian Education Employee Benefits Committee at the first meeting of the Board of Trustees in each fiscal year of the Plan.

(ii) Other 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 of the Plan and the Trust shall be the same as the Christian Education Benefits Solutions Society.

(b) The seal of the Plan and the Trust shall be circular in form with the name of the Trust imprinted on the face.

- (c) The Executive Secretary-Treasurer shall maintain appropriate records and accounts for all assets held under the Trust.
- (d) The Board of Trustees shall ensure appropriate documentation and procedures are in place to establish or terminate any reserve fund established by the Trustees and for any increase, decrease or abolishment of any such reserve so established.
- (e) At the expense of the Trust, 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.
- (f) The Trustees shall be reimbursed for expenses involved in attending meetings or otherwise discharging the functions of their offices by submitting receipts or other evidence of the expense as may be determined to be required by the Executive Secretary-Treasurer.
- (g) These bylaws may be amended by a majority vote at any meeting of the Board of Trustees , provided any proposed amendment is described fully in the notice of the meeting. Such amendments shall not be effective until approved by the Board of Directors of Christian Education Benefits Solutions Society.