APPENDIX - A

THE WINNIPEG CIVIC

EMPLOYEES' BENEFITS PROGRAM

AMENDED AND RESTATED PENSION

TRUST AGREEMENT, effective September 1, 2011

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THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

THIS AMENDED AND RESTATED PENSION TRUST AGREEMENT is made effective the 1st day of September, 2011

AMONG: The City of Winnipeg,

AND (in alphabetical order): Amalgamated Transit Union, Local 1505,
Canadian Union of Public Employees, Local 500,
International Union of Operating Engineers, Local 987,
Manitoba Government Employees' Union, Local 911,
Manitoba Nurses' Union, Local 1a,
United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters,
Winnipeg Association of Public Service Officers,
Winnipeg Fire Paramedic Senior Officers' Association,
Winnipeg Police Association (Staff Sector Component), and
Winnipeg Police Senior Officers' Association (Staff Sector Component).

WHEREAS:

A. The City of Winnipeg (the "**City**") and ten unions entered into a Pension Trust Agreement on the 7th day of October, 2002 (the "**2002 Pension Trust Agreement**") and a Disability Plan Trust Agreement on the 14th day of January, 2003 (the "**2003 Disability Plan Trust Agreement**") under which The City of Winnipeg Employee Benefits Program and its constituent plans were retitled "The Winnipeg Civic Employees' Benefits Program" (the "**Program**"), "The Winnipeg Civic Employees' Pension Plan", "The Winnipeg Civic Employees' Long Term Disability Plan" and "The Winnipeg Civic Employees' Early Retirement Benefit Arrangement", respectively;

B. The City and the unions who were parties to the 2002 Pension Trust Agreement agreed to amend the provisions of the Program to provide for benefit improvements, changes in the governance of the Program, changes in the cost–sharing provisions and revisions of the allocation of current and future surpluses and the provisions of The Winnipeg Civic Employees' Long Term Disability Plan;

C. The changes described in Recital B are set forth in a Letter of Understanding dated November 22, 2000 between the City and the unions who were parties to the 2002 Pension Trust Agreement (the "**Letter of Understanding**"), a copy of which is attached to this Agreement as Schedule "A";

D. The conditions for the implementation of the Letter of Understanding and the changes described in Recital B were satisfied;

E. The parties to the Letter of Understanding implemented the Letter of Understanding by entering into and implementing the 2002 Pension Trust Agreement and the 2003 Disability Plan Trust Agreement;

F. On the Effective Transfer Date, the City transferred the "Pension Fund" for The Civic Employees' Pension Plan held in trust by the Employee Benefits Board to the Trustees (as hereinafter defined) to hold in trust for the purpose of providing benefits in accordance with the terms of The Winnipeg Civic Employees' Pension Plan constituted under the 2002 Pension Trust Agreement;

G. The 2002 Pension Trust Agreement has not been amended;

H. Section 13.5 of the 2002 Pension Trust Agreement provides that it may be amended by written agreement of the City and a Double Majority (as hereinafter defined) of the Signatory Unions (as hereinafter defined); and

I. The City and a Double Majority of the Signatory Unions wish to amend and restate the 2002 Pension Trust Agreement effective September 1, 2011.

THEREFORE THE PARTIES AGREE as follows:

ARTICLE 1 - INTERPRETATION

1.1. Definitions. In this Agreement and in the Recitals and Schedules hereto, unless the context or subject matter otherwise requires, the following defined terms shall have the following meanings:

"**Accounts**" means the Main Account, the Plan Members' Account and the City Account established within the Pension Fund pursuant to Article 7. For greater certainty, the Early Retirement Benefits Account does not form part of the "Accounts".

"**Act**" means the *Pension Benefits Act*, C.C.S.M., c. P32, as amended.

"**Actuarial Surplus**" has the meaning given to it in Section 7.6.

"**Actuary**" means the actuary or firm of actuaries appointed by the Board for the purposes of the Program who is, or in the case of a firm of actuaries, at least one of the principals of which is, a Fellow of the Canadian Institute of Actuaries.

"**Administrative Agent**" means the person appointed by the Board in accordance with Section 6.4.

"**Agreement**" means this Amended and Restated Pension Trust Agreement as it may be amended from time to time in accordance with its terms.

"**Appointing Group**" means any organization or group described in Article 3 as being entitled to appoint a Trustee.

"**Auditor**" means any person, firm or corporation as may from time to time be appointed by the Board as auditor of the Program.

"**Best Estimate Assumptions**" means actuarial assumptions adopted by the Board from time to time on the advice of the Actuary that contain no provision for adverse deviations in future experience.

"**Board of Trustees**" or "**Board**" means "The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)" constituted hereunder, which board shall consist of the groups of individuals who from time to time are appointed as Trustees in accordance with this Agreement.

"**By-law**" means By-law No. 5300/89 of the City, as amended.

"**Chair**" means the Chair of the Board elected pursuant to Section 4.1.

"**City**" means The City of Winnipeg as established and constituted by *The City of Winnipeg Charter*, S.M. 2002, c.39.

"**City Account**" means the City Account established within the Pension Fund pursuant to Section 7.2.

"**Collective Agreement**" means any written collective agreement by and between a Participating Employer and a union (as defined in the *Labour Relations Act* (Manitoba)) with collective bargaining rights for Members which provides, among other things, for participation in the Program by any or all such Members, together with any amendments, supplements or modifications thereto or renewals thereof.

"**Committee**" means the Investment Committee or any other committee established by the Board pursuant to Section 9.6.

"**Credited Service**" has the meaning given to it in Part A to the Program Text.

"**Disability Benefits**" means those Program Benefits payable under the Disability Plan.

"**Disability Fund**" means the trust fund constituted and continued under the Disability Plan Trust Agreement.

"**Disability Plan**" means "**The Winnipeg Civic Employees' Long Term Disability Plan**" continued in accordance with the terms of the Disability Plan Trust Agreement. The terms of the Disability Plan are set forth in the Disability Plan Trust Agreement and Part B to the Program Text, as each is amended from time to time.

"**Disability Plan Trust Agreement**" means the trust agreement to continue "the 'Disability Plan".

"**Double Majority of the Signatory Unions**" has the meaning given to it in Section 1.6.

"**Early Retirement Arrangement**" means "**The Winnipeg Civic Employees' Early Retirement Benefits Arrangement**" continued in accordance with the terms of this Agreement. The terms of the Early Retirement Arrangement are set forth in this Agreement and Part C to the Program Text, as each is amended from time to time.

"**Early Retirement Benefits**" means Program Benefits payable under the Early Retirement Arrangement.

"**Early Retirement Benefits Account**" means the account established pursuant to Section 2.4.

"**Effective Transfer Date**" means the date upon which the "Pension Fund" constituted under the By-law was transferred to the Board by the Employee Benefits Board.

"**Eligibility Service**" has the meaning given to it in Part A of the Program Text.

"**Employee Benefits Board**" means the Employee Benefits Board constituted under the By-law.

"**Employer Trustees**" means those Trustees appointed by the City as described in Section 3.2.

"**Enhancement Cost Reserve**" means the Enhancement Cost Reserve established within the Plan Members' Account of the Pension Fund pursuant to Section 7.2.

"**Final Assets**" has the meaning given to it in Section 15.3.

"**Funding Assumptions**" means the actuarial assumptions adopted by the Board from time to time on the advice of the Actuary that are used to determine the actuarial liabilities of each part of the Program.

"**Funding Deficiency**" has the meaning given to it in Section 8.1.

"**Future Contribution Reserve**" means the Future Contribution Reserve established within the Main Account of the Pension Fund pursuant to Section 7.2.

"**General Component of the Main Account**" means the portion of the Main Account known as the General Component created by the subdivision of the Main Account in accordance with Section 7.2.

"**Investment Committee**" means the committee constituted under Section 9.1.

"**Investment Manager**" means any duly qualified person, firm or corporation as may, from time to time, be appointed by the Board to act in the capacity of advisor or manager regarding the investment and management of all or any portion of the assets of the Pension Fund.

"**Investment Policy**" means the written statement of investment policies and procedures adopted by the Board pursuant to subsection 5.1(e).

"**Legal Counsel**" means a person or firm lawfully entitled to practice law in the Province of Manitoba, as may, from time to time, be appointed by the Board for the purpose of consulting with and advising them regarding the Pension Plan and the Early Retirement Arrangement.

"**Letter of Understanding**" means the Letter of Understanding attached as Schedule "A".

"**Main Account**" means the Main Account established within the Pension Fund pursuant to Section 7.2.

"Market Value" means the value of the assets of the Pension Fund or Disability Fund determined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction using acceptable and appropriate Canadian accounting standards.

"**Member**" means:

(i) an employee of a Participating Employer who has joined the Pension Plan and is or may become entitled to Pension Benefits; or

(ii) a former employee of a Participating Employer who has retired or otherwise terminated his or her employment with the Participating Employer, but who retains a right to Pension Benefits; or

(iii) a person who does not satisfy paragraphs (i) or (ii) who had accrued benefits or entitlements under the terms of the Pension Plan and whose benefits or entitlements were an obligation of the Pension Plan immediately before the Effective Transfer Date; or

(iv) a present or former employee of an entity that ceased to be a Participating Employer after the Effective Transfer Date, but who retains a right to Pension Benefits.

"**Member Required Pension Contributions**" means Pension Contributions by Members made in accordance with the Program Text, other than any Pension Contributions by Members that the Participating Employers are not required by the Program Text to match, determined without regard to any reduction in such Pension Contributions resulting from the application of amounts in the Plan Members' Account.

"**Member Trustees**" means those Trustees appointed on behalf of the Members in accordance with Section 3.3.

"**Participating Employer**" means:

(i) the City; or

(ii) any employer other than the City who participated in the Program as at the Effective Transfer Date and who enters into a Participation Agreement; or

(iii) any employer acceptable to the Board (including any corporation or other entity controlled by the Board) who did not participate in the Program as at the Effective Transfer Date and who enters into a Participation Agreement; or

(iv) the Board of Trustees.

"**Participation Agreement**" means a written agreement in the form attached as Schedule "B", or in such other form as is approved by the Board, signed and delivered by an employer and by the Board which, among other things, binds the employer to all of the rights, duties, responsibilities and obligations conferred or imposed upon a "Participating Employer" in this Agreement, the Program Text and the respective amendments thereto including, without limitation, the obligation to make contributions to the Pension Fund and the Early Retirement Benefits Account on behalf of itself and its employees in accordance with the Program Text.

"**Pension Benefits**" means those Program Benefits payable under the Pension Plan.

"**Pension Contributions**" means sums of money paid or payable to the Pension Fund:

(i) by a Participating Employer, in accordance with this Agreement, Part A to the Program Text, a Collective Agreement, a Participation Agreement or other agreement requiring contributions in respect of the Pension Plan;

(ii) by a Member pursuant to this Agreement, Part A to the Program Text, a Collective Agreement or other agreement requiring employee contributions in respect of the Pension Plan; or

(iii) pursuant to any reciprocal agreement as referred to in Part A to the Program Text.

"**Pension Fund**" means The Winnipeg Civic Employees' Pension Fund constituted and continued pursuant to Section 2.2.

"**Pension Plan**" means "**The Winnipeg Civic Employees' Pension Plan**" continued in accordance with this Agreement. The terms of the Pension Plan are set forth in this Agreement and Part A to the Program Text, as each is amended from time to time.

"**Plan Members' Account**" means the Plan Members' Account established within the Pension Fund pursuant to Section 7.2.

"**Program**" means "**The Winnipeg Civic Employees' Benefits Program**" continued by this Agreement and the Disability Plan Trust Agreement. The Program consists of the Pension Plan, the Disability Plan and the Early Retirement Arrangement.

"**Program Benefits**" means all pension and related benefits, including disability, death and termination benefits, among others, as may from time to time be set forth in the Program Text.

"**Program Contributions**" means:

(i) Pension Contributions; and

(ii) any sums of money paid or payable by a Participating Employer to the Disability Fund in accordance with this Agreement, Part B to the Program Text, a Collective Agreement, a Participation Agreement or other agreement regarding contributions in respect of the Disability Plan; and

(iii) any sums of money transmitted by a Participating Employer through the Early Retirement Benefits Account in accordance with this Agreement, Part C to the Program Text, a Collective Agreement, a Participation Agreement or other agreement regarding the Early Retirement Arrangement.

"**Program Text**" means the text which, among other things, specifies the various pension and disability benefits which will be provided through the pension plans and the disability plan continued by this Agreement and the Disability Plan Trust Agreement, as such text is amended from time to time. A true copy of the current Program Text is annexed hereto as Schedule "C".

"**Program Year**" means, in relation to the Program, each 12 month period ending December 31.

"**Program's 1999 Terms**" means the terms of Schedules "A", "B" and "C" to the By-law dealing with the payment of pension and disability benefits which were in effect on December 31, 1999, as those terms would have been amended in respect of pre-2000 Credited Service as a result of changes in the Act, the *Income Tax Act* (Canada) or other applicable legislation which came into effect after 1999. For the purposes of this definition, as of December 31, 1999 Schedule "A" to the By-law shall be deemed to have provided for cost of living adjustments in pensions at a rate equal to 50% of the percentage change in the Consumer Price Index for Canada, and Section 8(3) of that Schedule shall be deemed to be of no application.

"**Reserves**" means the Future Contribution Reserve and the Enhancement Cost Reserve established within the Pension Fund pursuant to Article 7.

"**Signatory Union**" means a union (as defined in the *Labour Relations Act* (Manitoba)) that signs this Agreement or such other union as is designated as a "Signatory Union" by agreement of a Double Majority of the Signatory Unions (other than the union being so designated).

"**Trustees**" means the individual signatories to this Agreement who have each agreed to act as a trustee of the Pension Fund in accordance with this Agreement and those persons appointed from time to time as their successors under the provisions of this Agreement.

"**Unallocated Portion of the Plan Members' Account**" means the portion of the Plan Members' Account known as the Unallocated Portion created by the subdivision of the Plan Members' Account pursuant to Section 7.2.

"**Union**" means a Signatory Union or any other union (as defined in the *Labour Relations Act* (Manitoba)) that is party to a Collective Agreement.

"**Vice-Chair**" means the Vice-Chair of the Board elected pursuant to Section 4.1.

1.2. Use of Plural or Gender Specific Terms. In this Agreement and the Program Text, according to the context:

(a) gender specific terms include both genders and include a corporation, partnership, society, association or union;

(b) words in the singular include the plural and words in the plural include the singular; and

(c) where a word or expression is defined, other parts of speech and grammatical forms of the same word or expression will have corresponding meanings.

1.3. Headings. The headings used herein are for ease of reference only and shall not be deemed to form part of this Agreement.

1.4. Use of Certain Terms. The expressions "herein", "hereof", "hereto", "above", "below" and similar expressions used in any Article, Section, subsection or paragraph of this Agreement refer and relate to the whole of this Agreement and not to that Article, Section, subsection or paragraph only, unless otherwise expressly provided.

1.5. Statutory References. In this Agreement and the Program Text, any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto and promulgated thereunder and any final judicial decisions interpreting the same, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

1.6. Consent, Approval or Agreement of a Double Majority of the Signatory Unions. Whenever this Agreement provides that an action requires the consent, approval or agreement of a "Double Majority of the Signatory Unions", such action may be undertaken if the following occurs:

(a) a majority, by number, of the then Signatory Unions consents to, approves of or agrees to the action; and

(b) Signatory Unions who represent more than 50% of the Members who are then active members of a Signatory Union employed by a Participating Employer consent to, approve of or agree to the action.

Unless this Agreement otherwise provides, the Board shall specify how such consents, approvals or agreements shall be given or expressed, and within what periods of time. Any disputes regarding whether any of the foregoing requirements have been satisfied shall be resolved by the Board, whose determination shall be binding upon all persons.

1.7. Successors to Signatory Unions.

(a) If a union is, by reason of a merger, amalgamation or transfer of jurisdiction, the legal successor of any Signatory Union, that union shall assume all of the powers, duties and responsibilities of the Signatory Union hereunder.

(b) If a Signatory Union ceases to operate for any reason other than as described in subsection (a), the powers, duties and responsibilities of the Signatory Union hereunder shall thereupon pass to the then remaining Signatory Unions.

(c) If a Signatory Union ceases to be a certified bargaining agent for employees of a Participating Employer who are Members, the powers, duties and responsibilities of the Signatory Union hereunder shall thereupon pass to the then remaining Signatory Unions.

1.8. Conflict Between Program Text and Agreement. In the event of any conflict between the provisions of Articles 1 through 18 of this Agreement and the provisions of the Program Text, the provisions of Articles 1 through 18 of this Agreement shall prevail and govern.

ARTICLE 2 - CONTINUATION OF THE PROGRAM AND CONTINUATION OF PENSION FUND

2.1. Program Continued. The Program is hereby continued and shall continue to be known as "The Winnipeg Civic Employees' Benefits Program". The terms of the Program are set out in Parts A, B and C of the Program Text. The trust relationship created by the 2002 Pension Trust Agreement in respect of the Pension Fund, as defined in and constituted under the 2002 Pension Trust Agreement, is hereby continued.

2.2. Continuation of Pension Fund. The trust fund known as "The Winnipeg Civic Employees' Pension Fund" established on the Effective Transfer Date through the 2002 Pension Trust Agreement for the purpose of providing Pension Benefits in accordance with the terms of the Pension Plan is hereby continued and shall continue to be known as "The Winnipeg Civic Employees' Pension Fund" (which shall be referred to elsewhere in this Agreement as the "**Pension Fund**"). The Pension Fund shall consist of all the assets of the Pension Fund on the Effective Transfer Date consolidated with all Pension Contributions and other payments received from time to time by the Board, together with all increments, earnings and profits associated with the administration of the said Pension Fund less all authorized payments therefrom. The 'Pension Fund shall be divided into Accounts as further provided in this Agreement.

2.3. Interests in Pension Fund. None of the Trustees, nor any Union, Participating Employer, Member, beneficiary of a Member or any other person, association, firm or corporation shall have any right, title or interest in or to the assets of the Pension Fund, except as specifically provided by this Agreement, the Program Text, the Act or other applicable

law; provided, however, that nothing in this Agreement shall prevent a Program Contribution which is made by mistake, together with any income earned thereon, from being returned by the Board to the maker of such Program Contribution or from being credited by the Board against other obligations of the maker of such Program Contribution to the Pension Fund.

2.4. Early Retirement Benefits Account. The Early Retirement Benefits Account for the Early Retirement Arrangement is hereby continued and shall continue to be known as "Early Retirement Benefits Account". The Early Retirement Benefits Account shall not form part of the Pension Fund.

2.5. Pension Contributions. Members shall only make contributions to the Pension Plan as required in Part A of the Program Text. The City and the other Participating Employers shall make contributions in respect of the Pension Plan and the Early Retirement Arrangement as required in Parts A and C of the Program Text.

2.6. Financial Responsibility of Participating Employers for Program. Despite anything to the contrary in this Agreement, each Participating Employer's sole financial obligation in respect of the Program is to make those contributions attributable to such Participating Employer for its own behalf and remit to the Board those contributions collected from its employees who are Members, in the amounts and at the times specified from time to time in the Program Text.

2.7. Payment of Early Retirement Benefits. Any contributions the Participating Employers are required to make in respect of the Early Retirement Arrangement pursuant to Part C of the Program Text shall be transmitted through the Early Retirement Benefits Account and immediately used to pay Early Retirement Benefits in accordance with the terms of this Agreement and Part C of the Program Text.

2.8. Transfers from Pension Fund.

(a) To the extent the contributions the Participating Employers make in respect of the Early Retirement Arrangement pursuant to Section 2.6 are insufficient to pay Early Retirement Benefits or expenses chargeable to the Early Retirement Benefits Account as any of them come due, the Board shall, subject to s. 95 of *The City of Winnipeg Charter*, pay the requisite amount from the Main Account of the Pension Fund to the City, and the City shall thereupon immediately transmit such amount through the Early Retirement Benefits Account where it shall be immediately disbursed to pay such Early Retirement Benefits and expenses.

(b) To the extent the contributions the Participating Employers make in respect of the Disability Plan are insufficient to pay Disability Benefits or expenses chargeable to the Disability Fund as any of them come due, the Board shall, subject to s. 95 of *The City of Winnipeg Charter*, pay the requisite amount from the Main Account of the Pension Fund to the City, and the City shall thereupon immediately contribute any such amounts received to the Disability Fund.

2.9. Prohibition on Payments to Participating Employers. Notwithstanding any other provision of this Agreement, except as provided in Section 2.8 and Section 7.7 of this Agreement, assets shall not be paid from the Pension Fund to a Participating Employer while the Pension Plan is ongoing without the agreement of the City and a Double Majority of the Signatory Unions.

ARTICLE 3 - APPOINTMENT AND REPLACEMENT OF TRUSTEES

3.1. Fourteen Trustees. Except as otherwise described herein, the Board of Trustees shall consist of fourteen Trustees, which Board of Trustees will be comprised of seven Employer Trustees and seven Member Trustees. The following are not eligible to be a Trustee:

(a) a person who is less than eighteen (18) years of age;

(b) a person who has the status of a bankrupt;

(c) a person who has been determined to be mentally incompetent in accordance with the requirements of applicable legislation; and

(d) a person who is not bondable.

3.2. Employer Trustees. Except as otherwise described herein, the seven Employer Trustees shall be appointed by the City.

3.3. Member Trustees. Except as otherwise described herein, the seven Member Trustees are appointed by the following Appointing Groups on behalf of the Members as follows:

(a) two Member Trustees shall be appointed by the Canadian Union of Public Employees, Local 500;

(b) one Member Trustee shall be appointed by the Winnipeg Association of Public Service Officers;

(c) one Member Trustee shall be appointed by the United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters;

(d) one Member Trustee shall be appointed by the Amalgamated Transit Union, Local 1505;

(e) one Member Trustee shall be appointed by a majority of the Signatory Unions on behalf of the Members employed by a Participating Employer who are not members of a union or are members of a union that is not referred to in subsections (a) through (d); and

(f) one Member Trustee shall be appointed by a majority of the Signatory Unions on behalf of the Members and the beneficiaries of Members who are not employees of a Participating Employer (which individuals will be collectively referred to in

this subsection (f) as the "**Retirees**") in accordance with the following procedures:

(i) the Board will notify all of the then Retirees of any vacancy in the office of the Trustee appointed pursuant to this subsection (f) or of any impending expiration of the term of the incumbent Trustee appointed pursuant to this subsection (f);

(ii) any Retiree who wishes to be appointed a Trustee pursuant to this subsection (f) as a result of a vacancy in such office, or the impending expiration of the term of the then incumbent in such office, shall submit an application to the Board, via its Administrative Agent, which indicates his or her desire to be appointed to such office, and sets out his or her qualifications for such office;

(iii) to be considered effective, an application received pursuant to paragraph (ii) must be submitted with the written endorsement of fifty other Retirees; and

(iv) any Retiree who submits an application pursuant to paragraph (ii) must participate in an interview and selection process established from time to time by the Signatory Unions.

3.4. Trustee Need Not Be a Member. Except as provided in subsection 3.3(f), to be appointed a Trustee an individual need not be a Member.

3.5. Four Year Term. Trustees shall serve for terms ending on December 31st. The term of each Trustee shall be four years. The execution of this Agreement by the City and a Double Majority of the Signatory Unions shall not impact the terms of those Trustees who are in office at the time of such execution. A person appointed as a Trustee shall, subject to such person's death, resignation or removal as hereinafter provided or ceasing to be eligible to be a Trustee as provided herein, serve until the expiration of his or her term or any subsequent term. On the expiration of any such term the Trustee shall cease to be a Trustee unless reappointed in accordance with this Agreement. A Trustee may be re-appointed for an unlimited number of terms and may continue to serve until his or her death, resignation or removal, all as hereinafter provided, or ceasing to be eligible to be a Trustee as provided herein. If an individual is appointed Trustee pursuant to Section 3.8, his or her term shall be for the balance of what would have been the remainder of the term of the Trustee whose death, resignation or removal from office or ceasing to be eligible to be a Trustee necessitated the appointment of that Trustee.

3.6. Acceptance of Trusts. Each individual Trustee who has signed this Agreement is deemed to have been validly appointed by his or her respective Appointing Group and has by his or her signature confirmed or reconfirmed, as applicable, his or her consent to act as a Trustee, and agrees that:

(a) he or she shall hold the Pension Fund in trust in accordance with the trusts continued under this Agreement; and

(b) he or she is bound by this Agreement for the purposes set forth herein and in the Program Text.

The execution of this Agreement by the Trustees is not a pre-condition to this Agreement becoming legally effective. Rather, this Agreement shall become legally effective when the City and a Double Majority of the Signatory Unions have signed this Agreement.

3.7. Appointment of Trustees on Expiration of Term. No later than six months prior to the expiry date of a Trustee's term, the Board shall give written notice to the Appointing Group who appointed the Trustee, and that Appointing Group shall renew the appointment of the Trustee or appoint a successor Trustee. If the Appointing Group does not renew the appointment of the incumbent Trustee or appoint a successor Trustee within 120 days after the commencement of what would have been the next four year term, the Trustees then in office shall meet, a majority of the Trustees in office on the date the meeting is held constituting a quorum, despite anything in this Agreement to the contrary, and appoint, by resolution passed by a majority of the Trustees present at that meeting, a successor to fill the vacant position. The successor, when appointed, shall have the same power, authority and right to hold office as if that person had been appointed by the Appointing Group which failed to appoint such successor Trustee, except that such person shall not be removed pursuant to Section 3.12 by such Appointing Group unless such removal is first agreed to by the Board. Despite the foregoing, in no event shall a Trustee appointed pursuant to subsection 3.3(f) be appointed other than in accordance with the procedure set out in subsection 3.3(f), and the procedure set out above for filling a vacancy in such office shall not be applicable.

3.8. Appointment of Trustees on Death, etc. If a Trustee dies, resigns or is removed from office as provided for herein or ceases to be eligible to be a Trustee as provided herein, the Appointing Group who appointed the Trustee must forthwith appoint a successor Trustee. If that Appointing Group fails to appoint a successor Trustee within one month of the Trustee's death, resignation or removal from office or ceasing to be eligible to be a Trustee, the Board shall give written notice to that Appointing Group who appointed the Trustee. The Appointing Group who appointed the Trustee shall have a further two months from the date upon which the notification is received to appoint a successor Trustee, failing which the remaining Trustees shall thereupon meet, a majority of the Trustees in office on the date the meeting is held constituting a quorum, despite anything in this Agreement to the contrary, and appoint, by resolution passed by a majority of the Trustees present at the meeting, a successor to fill the vacant position. The successor, when appointed, shall have the same power, authority and right to hold office as if that person had been appointed by the Appointing Group having the authority to appoint such successor Trustee, except that such person shall not be removed pursuant to Section 3.12 by such Appointing Group unless such removal is first agreed to by the Board. Despite the foregoing, in no event shall a Trustee appointed pursuant to subsection 3.3(f) be appointed other than in accordance with the procedure set out in subsection 3.3(f), and the procedure set out above for filling a vacancy in such office shall not be applicable.

3.9. Successor Trustees. Each successor Trustee, upon signing an Acceptance of Trust in the form set forth in Schedule "D" attached hereto, is deemed to accept the trusts created and established by this Agreement and to consent to act as a Trustee. Any successor Trustee

appointed pursuant to the provisions hereof shall, upon signing an Acceptance of Trust, become vested with all the rights, powers and duties of a Trustee under this Agreement, with the like effect as if such person had executed this Agreement as a Trustee, and without the necessity of the execution of any conveyance, assignment, transfer or other documentation.

3.10. Resignation of a Trustee. A Trustee may resign by giving written notice thereof to the Administrative Agent who shall promptly notify all the other Trustees. The effective date of such resignation shall be stated in the notice of resignation (which date may be no earlier than the date the Trustee signs the resignation), failing which it shall be the date when the Administrative Agent receives such notice of resignation.

3.11. Death of a Trustee. If a Trustee dies, his or her heirs, administrators, executors and assigns shall be fully discharged from all future duties and responsibilities in respect of this Agreement as of the date of such Trustee's death. A deceased Trustee's estate shall not be discharged from, and shall remain liable for, any of the deceased's duties and responsibilities arising hereunder prior to the date of death.

3.12. Removal of a Trustee. An Appointing Group may remove any Trustee appointed by it at any time by sending written notice to the Trustee being so removed and to the Administrative Agent. For greater certainty, a Trustee appointed pursuant to subsection 3.3(e) or 3.3(f) may be removed by action of a majority of the Signatory Unions. Any such written notice shall certify that all internal requirements of the Appointing Group which need to be complied with to effect the removal have been complied with prior to the giving of the written notice. Such removed person shall cease to be a Trustee effective as of the date the notice is received by the Administrative Agent. The Administrative Agent shall upon receipt of such notice from an Appointing Group promptly notify all Trustees.

3.13. Discharge of Trustees. If a Trustee resigns, is removed, ceases to be eligible to be a Trustee or the Trustee's term has expired, as the case may be, he or she shall be fully discharged from any future duties and responsibilities in respect of this Agreement as of the date of such resignation, removal, cessation of eligibility to be a Trustee or the expiry of his or her term, as the case may be. Further, a Trustee who resigns, is removed, ceases to be eligible to be a Trustee or whose term has expired shall not be discharged from, and shall remain liable for, any of such Trustee's duties and responsibilities arising hereunder prior to the effective date of his or her resignation, removal, cessation of eligibility to be a Trustee or the expiry of his or her term, as the case may be.

3.14. Termination of Trusteeship. Any Trustee that resigns, is removed, ceases to be eligible to be a Trustee pursuant to subsection 3.1(a), (b), or (d) or whose term expires without being reappointed and the personal representatives of any deceased Trustee or any Trustee who has ceased to be eligible to be a Trustee pursuant to subsection 3.1(c), all as the case may be, shall forthwith turn over to the Administrative Agent any and all records, books, documents, money and other property and assets in his or her possession, forming part of the Pension Fund or incidental to his or her duties as Trustee under this Agreement or relating to the administration of the Pension Plan. In addition, any such individual shall be deemed to have conveyed, assigned or transferred to the then remaining Trustees any

or all rights or property of that individual in the Pension Fund and shall, if necessary, convey, assign or transfer to the then remaining Trustees any or all rights or property of that individual in the Pension Fund as the remaining Trustees may direct.

3.15. Former Trustee Purporting to Act. If a Trustee resigns, is removed, ceases to be eligible to be a Trustee or is not reappointed upon the expiration of his or her term but purports to continue to act as a Trustee, any of the remaining Trustees may do such things and take such action at law or equity as such Trustee(s) determine to cause such person to cease to purport to act as a Trustee including, without limitation, making application to a court of competent jurisdiction for such relief (including injunctive relief) as may be appropriate in the circumstances.

ARTICLE 4 – BOARD OPERATION

4.1. Chair and Vice-Chair

(a) The Trustees shall, by simple majority, elect a Chair and Vice-Chair from among their number for one year terms. The Board may establish such other offices of the Board and elect such persons (whether Trustees or not) to occupy such offices for such respective terms as determined by the Board from time to time subject to the death, resignation or removal by the Board of such persons as the case may be. Any person occupying any of these offices may be removed by the Board at any time. Any person occupying the office of Chair, Vice-Chair or any other office which the Board has determined must be assumed by a Trustee shall cease to hold such office upon ceasing to be a Trustee in accordance with this Agreement.

(b) The respective terms of such Chair and Vice-Chair shall commence on the date of their election and subject to such person's death, resignation, or removal as herein provided, shall continue until the earlier of the expiry of their respective terms or their respective successors have been duly elected.

(c) The Chair and Vice-Chair positions shall be filled so that at all times an Employer Trustee occupies one of the offices and a Member Trustee occupies the other office. The holding of these offices shall alternate each year from a Member Trustee to an Employer Trustee and vice versa, as the case may be, unless the Board agrees otherwise.

(d) If a Trustee who is Chair or Vice-Chair ceases at any time for any reason to be Chair or Vice-Chair, as the case may be, then his or her position shall be filled for the balance of the term by:

(i) an Employer Trustee, if the position in question was formerly occupied by an Employer Trustee; or

(ii) a Member Trustee, if the position in question was formerly occupied by a Member Trustee,

all as determined by the Board. The term of any replacement Chair or Vice-Chair shall be deemed to have commenced at the commencement or deemed commencement of the predecessor's term and shall be for the remaining portion of such predecessor's term.

4.2. Frequency of Meetings. The Trustees shall meet no less frequently than four times every Program Year. The Chair shall be responsible for setting the date and location of each meeting. Any four Trustees may request the Chair to call a meeting of the Board, which request shall be in writing and shall include such information as is reasonably required by the Chair to fulfil the agenda provisions contained herein. If requested as described above, no later than 14 days following receipt of the written request the Chair shall give notice to the Trustees setting out the date and location of the meeting, which meeting must be held within one month of the date upon which the request to convene a meeting was received by the Chair. If the office of Chair is vacant, or the Chair is incapacitated or otherwise unable to discharge his or her responsibilities as Chair, any two Employer Trustees and any two Member Trustees acting jointly may exercise the powers otherwise given to the Chair to set the date and location of a meeting, and give notice of it to the other Trustees.

4.3. Recording Secretary. The Board shall appoint a recording secretary who shall keep minutes or records of all meetings, proceedings and acts of the Trustees. Such recording secretary need not be a Trustee.

4.4. Notice of Meeting. The Chair, or any other officer of the Board or other person delegated to do so by the Chair, as the case may be, shall cause written notice of each meeting of the Board to be served upon the Trustees no less than seven days prior to the date of such meeting. The notice of a meeting shall specify the date, time and location of the meeting, and shall include an agenda of matters to be addressed at such meeting. The agenda for each meeting shall be distributed with the notice of meeting. Whenever possible, any reports or other documentation to be considered at such meeting shall be provided to the Trustees with the notice of meeting.

4.5. Waiver of Notice. A Trustee may waive notice of a meeting of the Board in writing. Further, a Trustee shall be deemed to have waived notice of a meeting of the Board by attending at such meeting without objection.

4.6. Quorum. A quorum for the transaction of business at any meeting of the Board shall consist of not less than seven Trustees comprised of a minimum of three Employer Trustees and a minimum of three Member Trustees present in person or participating by means of a telephone conference call or other means of communication whereby all persons taking part in the meeting can hear and speak to one another. No proxies shall be permitted at any time. If a quorum is not present within one-half hour of the time specified for a meeting of the Board, the Trustees present may adjourn the meeting to a fixed time and place but may not transact any other business. If during a meeting a quorum is lost, no further business shall be transacted at that meeting by the remaining Trustees other than adjourning the meeting to a fixed time and place. If the Trustees meet when a Trustee position is vacant, the meeting is validly constituted as long as a quorum is present.

4.7. Chair of Meeting. The Chair, or in his or her absence, the Vice-Chair, shall act as chair of a meeting of the Board. If neither the Chair nor the Vice-Chair is in attendance at a meeting, the Trustees present at the meeting shall select a chair for the meeting from their number. If the recording secretary selected by the Board pursuant to Section 4.3 is not present at a meeting, the chair of such meeting shall select a recording secretary for such meeting. Minutes will be prepared and provided to the Trustees for verification at the next meeting of the Board where it is practical to approve of such minutes.

4.8. Procedure at Meetings. Except as otherwise set forth herein, the Board may from time to time make such rules as to conduct and procedures for its meetings and for Committee meetings and may, as well, amend such rules and procedures. Where the Board has not adopted a specific procedure, then the current edition of Robert's Rules of Order Newly Revised (currently the 11th edition (2011)) shall prevail and govern.

4.9. Voting. At any duly called and constituted meeting of the Board, each Trustee present shall be entitled to one vote. All decisions to be made by the Board shall be made by resolution passed by a majority vote of the Trustees present at the meeting, of which two votes in favour of the decision must be cast by Member Trustees and a further two votes in favour of the decision must be cast by Employer Trustees. The Chair shall vote on all resolutions but shall not be entitled to a second vote in the event of deadlock.

4.10. Resolution of Deadlock

(a) Subject to subsection (b) below, a deadlock shall be deemed to exist whenever a proposal, motion or resolution made by a Trustee and seconded by another Trustee is neither adopted nor rejected by a majority vote, or where a proposal, motion or resolution is unable to be made at a meeting due to lack of a quorum at two consecutively called meetings.

(b) A deadlock shall not be deemed to exist where such proposal, motion or resolution is a proposal, motion or resolution to amend this Agreement.

(c) In the event of a deadlock, a further meeting of the Board shall be held no later than 14 days after the deadlock has arisen for the purpose of resolving the matter in dispute. If the matter is not resolved at such meeting, any two Trustees may require at the meeting the naming of a fifteenth Trustee for the purpose of casting a tie-breaking vote on the matter in dispute at the next meeting of the Trustees. The fifteenth Trustee shall be deemed to be a Member-appointed Trustee for purposes of the Act. If two Trustees make such a request at a meeting and the Board fails at that meeting (or any adjournment thereafter) to appoint a fifteenth Trustee, the Chair shall forthwith request that the Chief Justice of Manitoba appoint a person to act as the fifteenth Trustee.

(d) The fifteenth Trustee shall attend a meeting at which he or she shall review all relevant documentation and entertain submissions from the remaining Trustees or any group of Trustees with respect to the matter in dispute. The fifteenth Trustee shall cast a tie-breaking vote on the matter in dispute and shall make his or her determination within seven days of the meeting at which submissions are made.

The decision of the fifteenth Trustee shall be final and binding on all other Trustees, Participating Employers, Unions, Members and their beneficiaries. Upon casting the tie-breaking vote, the function of the fifteenth Trustee shall be completed and such person shall cease to act as a Trustee.

(e) The reasonable expenses and fees of the fifteenth Trustee shall be paid out of the Pension Fund.

4.11. Resolutions in Writing. Despite Sections 4.9 and 4.10, if all of the Trustees then in office could form a quorum if they met, any decision of the Board may be made by unanimous consent in writing signed by all Trustees then in office without a meeting of the Trustees.

4.12. Defect in Appointment, etc. Despite that it is subsequently discovered or determined that there exists some defect in the appointment, removal or qualification of any Trustee, all acts and proceedings of the Board done and carried on in good faith while any such defect existed shall be valid and effective.

4.13. Compensation of Trustees. Except as otherwise provided in this Agreement, a Trustee shall not be compensated for attendance at a Board meeting or otherwise attending to his or her duties under this Agreement. Each Participating Employer and Union shall grant a leave of absence with pay and benefits to any of its employees who is a Trustee, if the Board makes such a request to the Participating Employer. Each Participating Employer and Union further agrees that during the period of any such leave of absence, a Trustee shall not lose any rights or privileges which he or she would have received had he or she not been granted such leave of absence. If a Participating Employer or Union grants such a leave of absence with pay and benefits, but that Participating Employer or Union is not required by a collective agreement to grant a leave of absence with pay and benefits to any of its employees who is a Trustee, the Board shall reimburse such Participating Employer or Union from the Pension Fund for the cost of the pay and benefits provided to the Trustee while on such a leave of absence.

4.14. Reimbursement of Trustees. Each Trustee shall be reimbursed from the Pension Fund for all expenses which have been reasonably incurred by the Trustee in the performance of his or her duties. Such expenses may include reasonable expenses of attendance at any educational conferences by a Trustee to assist such Trustee in carrying out his or her duties. In the event of any dispute as to whether an expense incurred by a Trustee should be reimbursed as herein set forth, the Board shall determine such dispute, which determination shall be final and binding and not subject to appeal.

4.15. Execution of Documents. All agreements and other documents to be executed by the Board after being approved by the Board shall be signed by one Employer Trustee and one Member Trustee, or by such other persons as the Board may direct. All cheques payable out of the Pension Fund shall be signed by one Employer Trustee and one Member Trustee, or by such other persons or in such other manner as the Board may direct.

4.16. Formal Name of Board. The Board shall enter into agreements and act in all matters in the name of "The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)".

ARTICLE 5 - DUTIES OF THE BOARD

5.1. Duties. The Board shall:

(a) operate, administer and interpret the Pension Plan and the Early Retirement Arrangement in accordance with this Agreement, the Program Text, the Act, the *Income Tax Act* (Canada), *The City of Winnipeg Charter* (Manitoba) and any other applicable legislation;

(b) exercise and discharge its rights, duties and responsibilities under this Agreement in accordance with the Act, the *Income Tax Act* (Canada) and any other applicable legislation;

(c) administer the Pension Fund and Early Retirement Benefits Account in accordance with this Agreement;

(d) keep a complete and accurate set of accounts for the Pension Fund and, where necessary, each Account of the Pension Fund;

(e) in consultation with the Investment Committee, adopt a written statement of investment policies and procedures for the Pension Fund which shall be reviewed at least annually by the Board;

(f) regularly monitor the investment performance of the Pension Fund;

(g) establish and review regularly the funding policy for the Pension Plan and the Early Retirement Arrangement;

(h) determine and advise the Investment Committee as frequently as necessary the amounts which are available for investment;

(i) appoint an Auditor, and submit the accounts and financial statements of the Pension Fund at least annually for examination, checking and audit in accordance with Section 5.2;

(j) as soon as possible after January 1 in each year, submit a report to the Participating Employers and the Signatory Unions on the operation of the Pension Plan and the Early Retirement Arrangement during the previous year together with audited financial statements for the Pension Fund and each Account within the Pension Fund; and

(k) as soon as possible after January 1 in each year, make available to the Members a report on the operation of the Pension Plan and the Early Retirement Arrangement during the previous year.

5.2. Annual Audit. The books of account and records of the Board, including the books of account and records pertaining to the Pension Fund, shall be audited at least once every year by the Auditor, as at the end of the Program Year. The Auditor shall submit to the Board financial statements for the preceding Program Year within six months of the end of the Program Year. A statement of the results of the annual audit and copies of all financial statements shall be available for inspection by any Member or his or her authorized representative at the principal office of the Board and at such other suitable place as the Board may designate from time to time. Copies of such statement shall be delivered to each Trustee, Signatory Union and Participating Employer within 60 days after that statement is prepared.

5.3. Actuarial Valuations. The Board shall appoint an Actuary, and cause the Actuary to conduct actuarial valuations of the Program at such times as the Board may determine, but not less frequently than as prescribed in the Act. Each such valuation shall be performed as of the end of a Program Year. A report on the results of each actuarial valuation shall be submitted to the Board at the date of the next meeting of the Board held after the completion of each such valuation.

ARTICLE 6 - POWERS OF THE BOARD

6.1. Discretionary Powers. In addition to any powers conferred by law, the Board is empowered and authorized when acting under this Agreement to do anything reasonably necessary to carry out its duties and responsibilities hereunder, including, without limitation, the following:

(a) establish accounts for the Pension Fund with a chartered bank or other financial institution in Canada;

(b) in consultation with the Investment Committee, appoint one or more Investment Managers to manage the investments of the Pension Fund or a portion thereof and specify the terms and conditions to apply in each case, or terminate any such appointment;

(c) allocate all amounts that may become available for investment or are already invested between the Investment Managers in such proportions as may be determined by the Investment Committee;

(d) invest and reinvest such portion of the Pension Fund as is not required for current expenditures in any type of investments that are permitted by applicable federal and provincial laws and regulations and by the Investment Policy (and without being limited to investments permitted by the *Trustee Act* (Manitoba)), and to take any and all actions with respect to holding, buying, selling or exchanging such investments as the Board, in its sole discretion, may deem appropriate or necessary including, without limitation:

(i) exercising any of the powers of an owner with respect to stocks, bonds, debentures, mortgages or other investments and property held in the Pension Fund including, without limitation, any right there may be to vote in connection therewith;

(ii) giving general or special proxies or powers of attorney with or without powers of substitution;

(iii) exercising any conversion privileges, subscription rights or other options, (and make any payments incidental thereto);

(iv) consenting to or otherwise participating in corporate reorganizations or other changes affecting shares and other securities;

(v) delegating discretionary powers and paying any assessments and other charges in connection therewith;

(vi) accepting and holding any shares or securities which may be issued as a result of corporate reorganizations or changes affecting corporate shares or securities;

(vii) renewing, extending or participating in the renewal or extension of any bond, debenture, mortgage or other investment or instrument upon such terms as may be deemed advisable;

(viii) agreeing to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Pension Fund or the preservation of the value of an investment;

(ix) waiving any default, whether in the performance of a covenant or condition in any mortgage or in the performance of any guarantee or enforce any rights in respect of any such default, in such manner and to such extent as may be deemed advisable;

(x) exercising and enforcing any and all rights of foreclosure;

(xi) bidding on property in a judicial sale;

(xii) taking a deed in lieu of foreclosure, with or without paying consideration therefor (and in connection therewith release any person or persons from their covenant or guarantee given in connection with any mortgage);

(xiii) exercising and enforcing any rights or obligations by any action, suit or proceeding at law or in equity; or

(xiv) taking appropriate measures by way of proceedings at law or otherwise for the enforcement or realization of any investment;

(e) execute all documents of transfer and conveyance that may be necessary or appropriate to carry out the duties and powers herein granted;

(f) register any investments held in the Pension Fund in:

(i) the name of the Board;

(ii) the name of a financial institution acting as custodian of the Pension Fund for the Board (or the nominee, subcustodian or other person acting directly for such financial institution);

(iii) the name of a domestic or foreign depository or clearing agency that is authorized to operate a book based system, or its nominee; or

(iv) bearer form, if the investment is not capable of being registered or registration of it would not be in the best interests of the Pension Plan;

(g) subject to Section 10.3, employ or appoint one or more agents, including Legal Counsel, consultants or other persons, to carry out any act required to be done in the administration of the Program or in the administration and investment of the Pension Fund or as the Board otherwise deems necessary in the performance of its powers, duties and responsibilities;

(h) rent or purchase premises, purchase supplies and equipment and employ such personnel as required for the efficient administration of the Pension Plan and the Early Retirement Arrangement;

(i) pay from the Pension Fund all costs and expenses of the Board attributable to the operation and administration of the Pension Fund, including any compensation or reimbursement to or in respect of Trustees authorized by Sections 4.13 and 4.14, and any compensation or reimbursement of Committee members as determined by the Board;

(j) do all acts that the Board may deem necessary or appropriate for the protection of the property of the Pension Fund;

(k) enter into reciprocal agreements with other authorities responsible for the administration of a pension plan, in accordance with the Program Text;

(l) adopt such policies, procedures, rules and regulations as the Board deems necessary for the carrying out of trusts imposed upon it by this Agreement and the efficient operation of the Pension Plan and the Early Retirement Arrangement, provided that all such policies, procedures, rules and regulations must be consistent with the terms of this Agreement, the Disability Plan Trust Agreement, the Program Text and the Letter of Understanding, as any of those documents are amended from time to time;

(m) compromise, settle, arbitrate or release claims or demands in favour of or against the Pension Fund or the Board (or any present or former Trustee), on such terms and conditions as the Board may deem advisable;

(n) seek the advice, opinion or direction of a court of competent jurisdiction on any matter pertaining to this Agreement, the Program Text, a Participation

Agreement, the administration of the Pension Fund or the operation of the Pension Plan or the Early Retirement Arrangement;

(o) incorporate corporations, the shares of which shall be held by or on behalf of the Board, for the purposes of administering the Pension Fund and operating the Program (or administering other pension or benefit plans pursuant to subsection (v)), making investments of the Pension Fund or holding any investment;

(p) approve the actuarial methods and assumptions to be used in the operation of the Pension Plan and the Early Retirement Arrangement and in the actuarial valuations of the Program prepared by the Actuary;

(q) hold in uninvested cash, without any liability for interest thereon, such sums as the Board deems necessary or advisable for the current cash requirements of the Pension Fund;

(r) appoint a financial institution(s) and/or insurance company(ies) to be a custodian for the Pension Fund, for the purpose of acting as a depository and providing for the safekeeping of all or any portion of the Pension Fund, and to authorize the custodian to:

(i) commingle any monies deposited with it in any pooled investment fund administered or managed by any custodian appointed pursuant to this subsection (s) subject to policies adopted by the Board from time to time; and

(ii) act on the instructions of an Investment Manager for the investment and re-investment of the assets of the Pension Fund;

(s) subject to Section 10.3, delegate any of its administrative powers or duties to any of its agents or employees or a Committee, in such manner and subject to such terms and conditions as the Board may deem necessary or appropriate; provided that such agents, employees or Committee shall report to the Board in a timely fashion as directed by the Board;

(t) enter into cost sharing arrangements with any Union, Participating Employer or the board of trustees of another pension or benefit trust fund to permit the Board to share expenses pertaining to the administration of the Pension Plan or the Early Retirement Arrangement, provided that any amounts paid by the Board to a Union, Participating Employer or the board of trustees of another pension or benefit trust fund in respect of such expenses shall be subject to the approval of the Auditor as being necessary and reasonable; and provided further that such cost sharing arrangement must provide that the Board may terminate such arrangement at any time, with no more than 30 days' notice to all other relevant parties;

(u) enter into Participation Agreements with such employers as the Board considers appropriate;

(v) enter into agreements with the boards of trustees or other sponsors of other pension or benefit plans pursuant to which the Board would administer the other pension or benefit plans for the other boards of trustees or other sponsors; provided that such administration of other pension or benefit plans is to be done solely on a cost recovery basis, with no profit realized, or loss incurred, as a result of the administration of other plans by the Board; and

(w) do all acts and incur any obligations or liabilities (and discharge such obligations and liabilities out of the Pension Fund) that the Board deems necessary or appropriate to carry out its duties and responsibilities hereunder and to accomplish the general objectives of enabling Members and their beneficiaries to obtain Program Benefits under the Program in the most efficient and economical manner.

6.2. Bonding. The Board may procure insurance or fidelity bonds for such persons as the Board considers necessary or proper. Such persons may be insured or bonded in such amounts and in such manner as the Board determines. The cost of such insurance or bonds shall be paid out of the Pension Fund.

6.3. Fiduciary Liability and Other Insurance. The Board may purchase such errors and omissions insurance or fiduciary liability insurance (or insurance of a similar nature or description) as it deems necessary for the Trustees, former Trustees, members of the Investment Committee and anyone else engaged in the administration or operation of the Pension Fund or the Program. The cost of all such insurance shall be paid out of the Pension Fund.

6.4. Administrative Agent. The Board may appoint, hire or retain an Administrative Agent (who may be given a different title by the Board) and may at any time, but subject to any agreement reached between the Board and the Administrative Agent, remove the Administrative Agent and appoint, hire or retain a successor. The Administrative Agent shall assume the responsibility of accounting for Pension Contributions, other payments, Pension Benefits, Early Retirement Benefits and expenses, and such other duties and responsibilities as may be delegated to him or her pursuant to this Agreement or from time to time by the Board, including administering other plans pursuant to agreements entered into by the Board pursuant to subsection 6.1(v).

6.5. Legal Proceedings. The Board may commence such legal proceedings as it deems necessary or appropriate in connection with the enforcement of this Agreement and the administration of the Pension Fund or the operation of the Pension Plan or the Early Retirement Arrangement, as well as defend any legal proceedings which may be brought against the Board or any of the Trustees, and the reasonable expenses the Board or any Trustee incurs doing so shall be paid out of the Pension Fund, except with respect to any proceedings brought against the Board or any Trustee in relation to any matter or thing arising out of the dishonesty, bad faith, wilful misconduct or gross negligence of a Trustee or the Board.

6.6. Borrowing. The Board may, from time to time, borrow money on a short term basis on such terms and conditions as may be necessary and appropriate in the circumstances, provided that such borrowing shall only be for the purposes of:

(a) the payment of Pension Benefits; or

(b) permitting the orderly disposition of investments of the Pension Fund during the planned conversion of any investments;

in order to avoid a distress sale of investments of the Pension Fund that would otherwise be necessary to pay such Pension Benefits or acquire new investments.

6.7. Mortgages or Other Charges on Real Estate. Mortgages may be granted or assumed on real estate investments made by the Board, and are not subject to Section 6.6. For the purposes of any quantitative restrictions on real estate investments, whether imposed by law or otherwise, the value of a real estate investment made directly or indirectly by the Board shall equal the value of the property less any mortgage or other charge placed upon it, if the holder of such mortgage or other charge has no recourse against the Board or the Pension Fund for any shortfall or deficiency associated with such mortgage or other charge.

ARTICLE 7 - STRUCTURE OF THE PENSION FUND

7.1. Pension Fund. The Board shall hold the Pension Fund in trust for the Members, their beneficiaries and the City, and deal with it in accordance with this Agreement.

7.2. Division into Accounts and Reserves.

(a) The Pension Fund shall be divided into:

(i) the Main Account, being the portion of the Pension Fund that is principally and unconditionally available to discharge the obligations of the Pension Plan;

(ii) the Plan Members' Account, being the portion of the Pension Fund allocated pursuant to the Letter of Understanding to fund improvements in the Pension Benefits or to reduce the Members' Pension Contributions; and

(iii) the City Account, being the portion of the Pension Fund allocated pursuant to the Letter of Understanding to reduce the Program Contributions payable by the Participating Employers.

(b) Effective between January 1, 2003 and August 31, 2011, the Main Account was further subdivided into:

(i) the Future Contribution Reserve, being a reserve established within the Main Account pursuant to the Letter of Understanding which was intended to fund the difference between the value of the Program Benefits the

Members were expected to accrue for their future service pursuant to the Program's 1999 Terms and the Program Contributions the Participating Employers and Members were expected to make in respect of such service; and

(ii) the General Component, being the portion of the Main Account not allocated to the Future Contribution Reserve.

Effective on September 1, 2011, the Main Account ceased to be subdivided as described herein into the Future Contribution Reserve and the General Component. All assets within the Future Contribution Reserve and the General Component on August 31, 2011 shall form the Main Account as of September 1, 2011 without any subdivision.

(c) Effective between January 1, 2003 and August 31, 2011, the Plan Members' Account was further subdivided into:

(i) the Enhancement Cost Reserve, being a reserve established within the Plan Members' Account pursuant to the Letter of Understanding which was intended to fund the difference between the value of the Program Benefits the Members were expected to accrue for their future service pursuant to the Program's current terms and the value of the Program Benefits the Members were expected to accrue for their future service pursuant to the Program's 1999 Terms; and

(ii) an Unallocated Portion, being the portion of the Plan Members' Account not allocated to the Enhancement Cost Reserve.

Effective on September 1, 2011, the Plan Members' Account ceased to be subdivided as described herein into the Enhancement Cost Reserve and the Unallocated Portion. All assets within the Enhancement Cost Reserve and the Unallocated Portion on August 31, 2011 shall form the Plan Members' Account as of September 1, 2011 without any subdivision.

7.3. Effect of Division into Accounts. The division of the Pension Fund into Accounts shall be notional only, and all assets of the Pension Fund shall be available to pay Pension Benefits. The Board shall not separate the assets of the Pension Fund into separate Accounts for the purpose of the investment of those assets. Rather, all assets of the Pension Fund shall be commingled together, and invested collectively. However, nothing in this Agreement shall preclude the Board from purchasing annuities with funds from the Pension Fund to discharge (in whole or in part) obligations to pay Pension Benefits otherwise payable from the Pension Fund.

7.4. Account Balances. Within 180 days of the end of each Program Year, the Board shall cause the balance of each Account within the Pension Fund to be determined as of the end of that Program Year as further provided in this Article 7. Every such determination shall be binding upon all persons.

7.5. Account Balances - Annual Calculations. Effective as of the end of each Program Year, the Board shall cause the balances of the Accounts to be adjusted and determined as provided in this Section 7.5. Such adjustments and determination shall be made in the following manner, in the following order:

(a) Past Service Cost Associated with Benefit Enhancements. Effective as of the beginning of each Program Year, an amount equal to the actuarial present value, if any, determined on the basis of Funding Assumptions, of any enhancements adopted during that Program Year to the Program Benefits payable under the Program in respect of Credited Service prior to that Program Year shall be deducted from the balance of the Plan Members' Account and added to the balance of the Main Account. For the purposes of this subsection (a), any enhancement adopted during a Program Year that has an effective date after that Program Year shall be deemed to be adopted during the Program Year in which the effective date occurs.

(b) Adjustment for Cash Flows. Effective as of the end of each Program Year, an amount determined by the Board to appropriately reflect:

(i) the amount of Pension Contributions paid to the Pension Fund during that Program Year,

(ii) the amount of Pension Benefits paid from the Pension Fund during that Program Year,

(iii) any amounts paid from the Main Account pursuant to Sections 2.8 or 7.7, and

(iv) the amount of expenses properly payable from the Pension Fund (other than custodial and investment management expenses recognized in the determinations made pursuant to subsection (e)) during that Program Year,

shall be added or deducted, as the case may be, from the balance of the Main Account.

(c) Refund of Contributions. The amount of any Pension Contributions that are returned to a Participating Employer in accordance with the Program Text to avoid revocation of the registration of the Pension Plan under the *Income Tax Act* (Canada) shall be deducted from the balance of the City Account, provided that no such payment shall be made to a Participating Employer without the prior agreement of the City and a Double Majority of the Signatory Unions pursuant to Section 2.9.

(d) Contribution Subsidy Adjustments. Effective as of the end of each Program Year, the balance in the City Account, the Plan Members' Account and the Main Account shall be adjusted to reflect the difference between the cost of the Program Benefits earned by the Members in respect of that Program Year and the Program Contributions made in respect of that Program Year, as follows:

(i) An amount equal to the excess, if any, of A over B shall be deducted from the City Account balance, where:

A = the Member Required Pension Contributions for that Program Year, and

B = the Program Contributions made by the Participating Employers in respect of that Program Year.

(ii) An amount equal to the excess, if any, of A over B shall be deducted from the Plan Members' Account balance, where:

A = the Member Required Pension Contributions for that Program Year, and

B = the actual amount of Pension Contributions made by the Members in respect of that Program Year.

(iii) All amounts deducted from the balance of the City Account and the Plan Members' Account in accordance with paragraphs (i) or (ii) above shall be added to the balance of the Main Account.

(e) Income Adjustment to Accounts. Effective as of the end of each Program Year, an amount determined by the Board to appropriately reflect the net rate of investment return earned by the Pension Fund (be it positive or negative) during that Program Year shall be added or deducted from the balance of the Main Account, the Plan Members' Account and the City Account. The net rate of investment return shall be based on the gross rate of return (including unrealized capital gains net of unrealized capital losses) earned by the Pension Fund during the relevant period, less custodial and investment management expenses.

(f) Determination of Main Account. Without limiting the application of any of the foregoing subsections, the balance of the Main Account as of the end of each Program Year shall equal the Market Value of the Pension Fund's assets on that date minus the sum of the balance on that date of the Plan Member's Account and the City Account, as those balances have been adjusted since the end of the preceding Program Year pursuant to subsections (a) through (e).

7.6. Identification and Disposition of Actuarial Surpluses.

(a) As of the effective date of each actuarial valuation conducted in accordance with Section 5.3, the Actuarial Surplus in the Program shall be identified and allocated as provided in this Section 7.6 and Section 8.4.

(b) Subject to Section 8.4, the "**Actuarial Surplus"** disclosed by an actuarial valuation of the Program prepared as of the end of a Program Year is the excess, if any, of:

(i) the sum of the actuarial value of the assets attributable to the balance of the Main Account determined pursuant to Section 7.5 and the actuarial value of the assets, if any, of the Disability Fund as of the end of the Program Year; over

(ii) 105% of the actuarial liabilities of the Program as of the end of the Program Year determined on the basis of Funding Assumptions and the terms of the Program in effect as of the end of that Program Year.

(c) An amount equal to one-half of the portion, if any, of the Actuarial Surplus identified pursuant to subsection (b) shall be added to the balance of each of the City Account and the Plan Members' Account as of the effective date of the valuation.

(d) The balance of the Main Account as at the effective date of the valuation determined pursuant to subsection 7.5 shall be decreased by the amount of Actuarial Surplus identified as of that date pursuant to subsection (b).

7.7. Transfers to Disability Fund. As of the effective date of each actuarial valuation of the Program, and subject to s. 95 of *The City of Winnipeg Charter*, the Board may with effect from the effective date of the valuation pay to the City from the Main Account an amount not exceeding:

(a) the actuarial liabilities of the Disability Plan as of the effective date of the valuation determined on the basis of Funding Assumptions and the terms of the Disability Plan in effect on the effective date of the valuation, minus

(b) the actuarial value of the Disability Fund's assets as of the effective date of that valuation,

and the City shall thereupon immediately contribute any such amount so received by it to the Disability Fund.

7.8. Calculation Mistake. Where the Actuary certifies to the Board that a mistake has been made in any calculation required by this Agreement, such certification shall include an explanation of the mistake, the corrected calculation(s) and the Actuary's recommendations to the Board for corrective action to return the Program, the Pension Fund, the Disability Fund and the Accounts to their respective positions as if the mistake had not occurred. The Board shall take appropriate action, including altering the balances of the Accounts, based on such recommendations.

7.9. Extraordinary Power to Modify Account Balances. Despite any other provision of this Agreement, if the Trustees unanimously determine that the balance of an Account should be adjusted for any reason they consider appropriate, the Board may, by unanimous resolution to that effect, and with the approval of the City and a Double Majority of the Signatory Unions, alter any balance, provided that at all times the sum of the balances of the Main Account, the Plan Members' Account and the City Account must equal, as of the end of any Program Year, the Market Value of the Pension Fund's assets on that date.

ARTICLE 8 – TREATMENT OF FUNDING DEFICIENCIES

8.1. Meaning of "Funding Deficiency". The "**Funding Deficiency"** disclosed by an actuarial valuation of the Program prepared as of the end of a Program Year is the excess, if any, of:

(a) the actuarial liabilities of the Program as of the end of the Program Year determined on the basis of Funding Assumptions and the terms of the Program in effect as of the end of a Program Year (as such liabilities may be further modified pursuant to Section 8.2); over

(b) the sum of the actuarial value of the assets attributable to the balance of the Main Account determined pursuant to Section 7.5 (as such balance may be further modified pursuant to Section 8.2) and the actuarial value of the assets, if any, of the Disability Fund as of the end of the Program Year.

8.2. Action in Response to a Funding Deficiency. If in preparing an actuarial valuation of the Program the Actuary determines that the actuarial valuation will reveal that the Program will have a Funding Deficiency, the Actuary shall so advise the Board in writing, and the Board shall cause the following measures to be implemented, in the following order:

(a) Transfers from City Account and Plan Members' Account. An amount equal to the least of:

(i) the balance in the City Account;

(ii) the balance in the Plan Members' Account; and

(iii) one-half of the amount the Actuary determines would have to be added to the balance of the Main Account to cause the Program to not have a Funding Deficiency;

shall be deducted from each of the City Account balance and the Plan Members' Account balance and the sum of the amounts so deducted shall be added to the balance of the Main Account.

(b) Transfers from Plan Members' Account. If after implementing the measure in subsection (a) the balance of the City Account is nil but the balance of the Plan Members' Account is greater than nil, and having regard to the increase, if any, in the balance of the Main Account resulting from the implementation of subsection (a), the Actuary determines that the Program will still have a Funding Deficiency, an amount equal to the least of:

(i) the balance in the Plan Members' Account; and

(ii) the amount the Actuary determines would have to be added to the balance of the Main Account to cause the Program to not have a Funding Deficiency;

shall be deducted from the Plan Members' Account balance and added to the balance of the Main Account.

(c) Use of Best Estimate Assumptions. If after implementing the measures in subsections (a) and (b), and having regard to the increase, if any, in the balance of the Main Account resulting from the implementation of subsections (a) and (b), the Actuary determines that the Program will still have a Funding Deficiency, the actuarial assumptions used in the relevant valuation shall be replaced with Best Estimate Assumptions, or such other set of actuarial assumptions which contain some provision for adverse deviations in future experience as may be adopted by the Board without causing the Program to have a Funding Deficiency. For greater certainty, in no event shall such actuarial assumptions be adjusted pursuant to this subsection (c) in a manner which would cause the actuarial liabilities determined using such assumptions to be less than the actuarial liabilities that would be calculated using Best Estimate Assumptions. All subsequent references in this Section 8.2 to the actuarial liabilities of the Program determined in accordance with the relevant actuarial valuation shall be considered references to the liabilities determined in accordance with the actuarial assumptions adopted pursuant to this subsection (c).

(d) Reduction in Indexing to 75% of CPI. If after implementing the measures described in subsections (a) through (c), and having regard to the decrease, if any, in the actuarial liabilities of the Program resulting from the implementation of subsection (c), the Actuary determines that the Program will still have a Funding Deficiency, the Board shall amend the Program Text so that cost-of-living adjustments to Pension Benefits implemented after the effective date of the valuation are reduced from 100% (or such other rate in excess of 75% as is then in effect) of the percentage change in the relevant measure of the consumer price index to 75% of such change, or such greater percentage as the Actuary determines (after taking into account any changes in the balances of the Main Account and the Plan Members' Account, and the decrease in the actuarial liabilities of the Program which will result from the implementation of this subsection (d)) can be provided without causing the Program to have a Funding Deficiency. An amount equal to the reduction in actuarial liabilities associated with this decrease in cost-of-living adjustments (as determined by the Actuary) shall be deducted from the balance of the Main Account and added to the Plan Members' Account balance, and the measures described in subsections (a) and (b) shall thereupon be reapplied.

(e) Increase in Contributions to 10%. If after implementing the measures described in subsections (a) through (d), and having regard to the increase, if any, in the balance of the Main Account and the decrease, if any, in the actuarial liabilities of the Program resulting from the implementation of subsection (d), the Actuary determines that the Program will still have a Funding Deficiency, the Board shall amend the Program Text so that the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions is increased on the following basis:

(i) Subject to paragraphs (ii) and (iii), the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions shall be increased such that the weighted average rate of Member Required Pension Contributions after any increase pursuant to this subsection (e) is 10% of the Members' Employment Earnings. Without limitation, Members may be required to contribute in excess of 10% of a portion of their Employment Earnings, as long as the weighted average rate of Member Required Pension Contributions by all Members is reasonably expected not to exceed 10% of the aggregate Employment Earnings of all Members in a Program Year.

(ii) If the actuarial present value, determined on the basis of Best Estimate Assumptions, of the additional contributions expected to be made pursuant to paragraph (i) by the Members of the Program at the effective date of the valuation and the Participating Employers in respect of these Members' expected future service under the Program exceeds the amount of the then Funding Deficiency, then the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions shall be increased to the rate that will result in the actuarial present value, determined on the basis of Best Estimate Assumptions, of the additional contributions expected to be made by the Members of the Program at the effective date of the valuation and the Participating Employers in respect of these Members' expected future service under the Program as a consequence of this subsection (e) equalling the amount of the then Funding Deficiency.

(iii) The weighted average rate of Member Required Pension Contributions and matching Participating Employer Program Contributions determined in accordance with this subsection shall not exceed:

(A) 8% of the Members' Employment Earnings prior to September 1, 2011,

(B) 8.5% of the Members' Employment Earnings prior to January 1, 2012,

(C) 9.0% of the Members' Employment Earnings prior to January 1, 2013, and

(D) 9.5% of the Members' Employment Earnings prior to January 1, 2014.

(f) Reduction in Indexing to 50% of CPI. If after implementing the measures described in subsections (a) through (e), the Actuary determines that the Program will still have a Funding Deficiency, the Board shall amend the Program Text so that cost-of-living adjustments to Pension Benefits implemented after the effective date of the relevant valuation are reduced from 75% (or such other rate in excess of 50% as is then in effect) of the percentage change in the relevant

measure of the consumer price index to 50% of such change, or such greater percentage as the Actuary determines (after taking into account any changes in the balances of the Main Account and the Plan Members' Account, and the decrease in the actuarial liabilities of the Program resulting from the implementation of this subsection (f)) can be provided without causing the Program to have a Funding Deficiency. An amount equal to the reduction in actuarial liabilities associated with this decrease in cost-of-living adjustments (as determined by the Actuary) shall be deducted from the balance of the Main Account and added to the Plan Members' Account balance, and the measures described in subsections (a) and (b) shall thereupon be reapplied.

(g) Increase in Contributions in Excess of 10%. If after implementing the measures described in subsections (a) through (f), and having regard to the increase, if any, in the balance of the Main Account and the decrease, if any, in the actuarial liabilities of the Program resulting from the implementation of subsection (f), the Actuary determines that the Program will still have a Funding Deficiency, the Actuary shall determine the rate to which Member Required Pension Contributions and matching Participating Employer Program Contributions would have to be increased to liquidate the Funding Deficiency over a period not exceeding the maximum period permitted to meet the tests for solvency prescribed in the Act, and the Board shall advise the City and the Signatory Unions of that increased rate. If within 60 days of so advising the Signatory Unions and the City, a Double Majority of the Signatory Unions and the City advise the Board that they agree to increase the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions to the rate determined by the Actuary, the Board shall amend the Program Text to reflect the agreed upon increase in the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions.

(h) Reduction in Program Benefits. If the City and the Signatory Unions fail to agree pursuant to subsection (g) to increase the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions in the manner described in subsection (g), the Board shall amend the Program Text so that the Program Benefits payable under the Program in respect of Credited Service before and after the effective date of the relevant valuation are decreased in a manner determined by the Board and which either:

(i) causes the Program to not have a Funding Deficiency; or

(ii) results in the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions being sufficient, as determined by the Actuary, to liquidate the remaining Funding Deficiency over a period not exceeding the maximum period permitted to meet the tests for solvency prescribed under the Act.

An amount equal to the reduction in actuarial liabilities associated with this decrease in the Program Benefits (as determined by the Actuary) shall be deducted from the balance of the Main Account and added to the Plan Members'

Account balance, and the measures described in subsections (a) and (b) shall thereupon be reapplied.

8.3. Alteration to Order of Measures.

(a) With the approval of the City and a Double Majority of the Signatory Unions, the Board may vary the measures described in Section 8.2, add other measures or vary the order in which they will be implemented. Any such change shall be adopted in the same manner that amendments to this Agreement may be adopted.

(b) If the Board is in the process of implementing the measures described in Section 8.2 and the Program is terminated in accordance with Article 15, the Board shall immediately cease implementing the measures described in Section 8.2 and shall commence to implement the terms of Article 15.

8.4. Actuarial Surplus Following a Funding Deficiency. If any of the measures described in subsection 8.2(b) or subsections 8.2(e) through (g) have been implemented, and the Actuary subsequently determines pursuant to subsection 7.6(b) that the Program has an Actuarial Surplus as of the end of a Program Year, such Actuarial Surplus ("**Provisional Actuarial Surplus**") shall, in priority to the measure described in subsection 7.6(c), be applied to reversing the measures previously implemented pursuant to subsection 8.2(b) or subsections 8.2(e) through (g), and, subject to Section 8.5, the Board shall cause the following measures to be implemented in the following order:

(a) Restoration of Plan Members' Account. If an amount was previously deducted from the Plan Members' Account balance and added to the Main Account balance pursuant to subsection 8.2(b), an amount equal to the lesser of:

(i) the Provisional Actuarial Surplus; and

(ii) the sum of all amounts previously deducted from the Plan Members' Account balance pursuant to subsection 8.2(b), minus the sum of all amounts previously added to the Plan Members' Account balance pursuant to this subsection (a), adjusted for interest at the net rate of return earned by the Pension Fund (be it positive or negative) since the effective date of each such deduction or addition,

shall be deducted from each of the balance of the Main Account and the Provisional Actuarial Surplus and added to the Plan Members' Account balance.

(b) Decrease in Contributions to 10%. After implementing the measure described in subsection (a), if applicable, if the rate of Program Contributions has been increased in accordance with subsection 8.2(g), the Board shall amend the Program Text to reduce the rate of Member Required Pension Contributions and matching Participating Employer Program Contributions payable after that Program Year to the rate described in paragraph 8.2(e)(i) or such higher rate as is required to meet the tests for solvency prescribed in the Act.

(c) Increase in Indexing to 75% of CPI. If, after implementing the measures described in subsections (a) and (b), if applicable, there is a remaining Provisional Actuarial Surplus and cost-of-living adjustments to Pension Benefits are less than 75% of the percentage change in the relevant measure of the consumer price index, the Board shall amend the Program Text so that cost-of-living adjustments to Pension Benefits implemented after the end of the Program Year are increased to 75% of the percentage change in the relevant measure of the consumer price index, or such lesser percentage as the Actuary determines (after taking into account any changes in the balance of the Main Account and the increase in the actuarial liabilities of the Program resulting from the implementation of this subsection (c)) can be provided with the remaining Provisional Actuarial Surplus. The following adjustments shall be made to the balances of the Accounts and the Provisional Actuarial Surplus:

(i) an amount equal to A shall be deducted from the balance of the Main Account and added to the balance of the City Account; and

(ii) an amount equal to twice A shall be deducted from the remaining Provisional Actuarial Surplus;

where:

A = the increase in actuarial liabilities associated with this increase in cost-of-living adjustments (as determined by the Actuary).

(d) Remaining Actuarial Surplus. If, after implementing the measures described in subsections (a) through (c), there is a remaining Provisional Actuarial Surplus, the remaining Provisional Actuarial Surplus shall be deemed to be the Actuarial Surplus and the measure described in subsection 7.6(c) shall be applied.

8.5. Materiality Threshold for Application of Section 8.4 Measures. If at any point in the implementation of Section 8.4 the Board determines that because the remaining amount of Provisional Actuarial Surplus has been reduced to such a level that it would be impractical or otherwise inappropriate to apply the remaining amount of Provisional Actuarial Surplus to a measure it would otherwise be required to implement pursuant to Section 8.4, the Board may choose not to apply the remaining Provisional Actuarial Surplus.

8.6. Subsequent Treatment of Account Balances. For the purposes of subsequent calculations of Account balances pursuant to Article 7, any addition to or deduction from an Account pursuant to this Article 8 shall result in an increase or decrease, respectively, in the balance of the Account with effect from the effective date of the relevant calculation, and all subsequent calculations of the balances in the various Accounts pursuant to Article 7 shall reflect such increases or decreases.

ARTICLE 9 – INVESTMENT AND OTHER COMMITTEES

9.1. Composition of Investment Committee. The Investment Committee shall consist of:

(a) three persons appointed by the Member Trustees, at least one of whom must be a Member Trustee, for such term as may be fixed by the Member Trustees; and

(b) three persons appointed by the Employer Trustees for such term as may be fixed by the Employer Trustees.

The following are not eligible to be members of the Investment Committee:

(c) a person who is less than eighteen (18) years of age;

(d) a person who has the status of a bankrupt;

(e) a person who has been determined to be mentally incompetent in accordance with the requirements of applicable legislation; and

(f) a person who is not bondable.

9.2. Change in Structure of Investment Committee. Despite Section 9.1, the Board may increase or decrease the size of the Investment Committee, provided that at all times the Investment Committee must be composed of equal numbers of persons appointed by the Member Trustees and the Employer Trustees, respectively.

9.3. Replacement of Committee Members. If an Investment Committee member dies, resigns, ceases to be eligible to be a member of the Investment Committee or has his or her appointment terminated by the group of Trustees that appointed the member, he or she shall immediately cease to be an Investment Committee member, and a new Investment Committee member shall be appointed in accordance with Section 9.1.

9.4. Decisions of Investment Committee. The Investment Committee shall conduct itself in accordance with such rules and procedures as the Board designates for it pursuant to Section 4.8.

9.5. Duties of Investment Committee. The Investment Committee shall:

(a) recommend to the Board the appointment of one or more Investment Managers to manage the investments of the Pension Fund or portion thereof and recommend the terms and conditions to apply in each case;

(b) recommend to the Board the termination of the appointment of any Investment Manager;

(c) subject to the terms of the Investment Policy, direct the Board to allocate the amounts which may become available for investment or are already invested between the Investment Managers appointed by the Board in such proportions as may be determined by the Investment Committee;

(d) recommend to the Board the Investment Policy or any changes thereto;

(e) review regularly the performance of the Pension Fund and of each Investment Manager which is managing a portion thereof;

(f) monitor compliance with the Investment Policy; and

(g) report regularly to the Board on its activities, compliance with the Investment Policy and such other matters as the Board directs.

9.6. Other Committees. The Board may establish such other committees and their respective procedures as it deems necessary from time to time, and delegate powers or duties to it in accordance with subsection 6.1(s). Such Committees shall consist of an equal number of Employer Trustees and Member Trustees, shall include the Chair and Vice-Chair as ex officio members, and may include observers and such resource persons as the Committee members may deem advisable; provided that only Trustees shall be entitled to vote or make recommendations. Such Committees shall conduct themselves in accordance with the rules and procedures made by the Board pursuant to Section 4.8.

ARTICLE 10 – FIDUCIARY RESPONSIBILITIES

10.1. Duty of Care. Each Trustee, Committee member, Investment Manager, employee of the Board or agent of the Board shall:

(a) exercise the care, diligence and skill in the administration of the Program and in the administration and investment of the Pension Fund that a person of ordinary prudence would exercise in dealing with property of another person;

(b) use in the administration of the Program and in the administration and investment of the Pension Fund all relevant knowledge and skill that he or she possesses or, by reason of each individual's profession, business or calling, ought to possess; and

(c) select all investments with consideration given to the overall context of the portfolio of the Pension Fund, without undue risk of loss or impairment and with a reasonable expectation of fair return given the nature of the investments.

10.2. No Conflict of Interest. No Trustee and no member of a Committee shall knowingly permit his or her other interests to conflict with his or her powers, duties and responsibilities in respect of the Program or the Pension Fund. The Board may adopt a conflict of interest policy whereby conflicts must be disclosed and addressed in accordance with the procedures specified in such policy.

10.3. Restrictions on use of Agents. If the Board employs or appoints an agent to carry out any act required to be done in the administration of the Program and in the administration and investment of the Pension Fund, the Board shall personally select the agent and be satisfied of the agent's suitability to perform the act for which the agent is employed or appointed, and the Board shall carry out such supervision of its agents as is prudent and reasonable. Any agent so appointed or employed is subject to the restrictions in Sections

10.1 and 10.2, and is not entitled to any payment from the Pension Fund other than the usual and reasonable fees and expenses for the services provided by the agent in respect of the Program.

10.4. Restrictions on Program Benefits Payable to Trustees. No Trustee is entitled to any benefit from the Pension Plan other than in the Trustee's capacity as a Member, and any remuneration and reimbursement of expenses related to the administration of the Program or the investment of the Pension Fund permitted by the common law or provided for in this Agreement or the Program Text.

ARTICLE 11 – LIMITATION OF LIABILITY

11.1. Indemnity. The Pension Fund shall indemnify and save harmless each Trustee and Committee member, and his or her heirs, executors and administrators, against:

(a) all claims, liabilities, charges and expenses (including legal expenses on a solicitor and his or her own client basis) whatsoever that the Trustee or Committee member sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her for or in respect of all acts, deeds, matters or things whatsoever lawfully made, done or permitted by the Board, a Committee or by any of their number in the exercise of the powers and duties vested in them by this Agreement, the Program Text or under the law; and

(b) all other claims, liabilities, costs, charges and expenses that the Trustee or Committee member may sustain or incur in or in relation to the exercise of his or her powers and duties, except such claims, liabilities, costs, charges or expenses that are occasioned by the Trustee's or Committee member's dishonesty, gross negligence, wilful misconduct or bad faith.

11.2. Liability for Losses in Pension Fund. The Trustees and Committee members, individually or collectively, shall not be liable for the making, retention or sale of any investment or reinvestment made by them in accordance with this Agreement or in accordance with any other legal duties nor for any loss to or diminution of the Pension Fund, except a loss or diminution that resulted from the dishonesty, gross negligence, wilful misconduct or bad faith of the Trustees or Committee members and no individual Trustee or Committee member shall incur any liability for such loss or diminution unless he or she is a party to such dishonesty, gross negligence, wilful misconduct or bad faith.

11.3. Liability for Other Matters. The Trustees and Committee members, and any of their respective heirs, executors and administrators, shall not be responsible or liable for:

(a) any matter, cause or thing arising due to the invalidity of all or any part of the Program Text or this Agreement;

(b) any delay occasioned by any restriction or provision in this Agreement, the rules and regulations of the Board issued hereunder, any contract procured in the course of the administration of the Program or the Pension Fund, or by any other proper procedure in such administration; or

(c) any Pension Contributions required to be paid to the Pension Fund other than the Pension Contributions a Trustee or Committee member may be required or permitted to make under the Program Text in the Trustee's or Committee member's capacity as a Member.

11.4. Reliance on Documents, etc. The Trustees and Committee members shall incur no liability, either collectively or individually, in acting upon any documents, data or information believed by them to be genuine and accurate and to have been made, executed, delivered or assembled by the appropriate parties.

11.5. Reliance on Advisors. So long as the Trustees and Committee members exercise reasonable care in the selection and instruction of a professional advisor, then subject to Section 10.3, the Trustees and Committee members shall incur no liability, either collectively or individually, in acting and relying upon the opinions or advice of the professional advisor.

11.6. Further Assurances. The Trustees and Committee members shall do such things and execute and deliver such documents in order that any and all funds required to be paid out of the Pension Fund by way of indemnity as herein set forth shall be paid as required from time to time.

11.7. Recourse Solely Against Pension Fund. A Member or person claiming through a Member shall have recourse solely to the Pension Fund for any Pension Benefit or other payment under the Pension Plan.

11.8. No Recourse Against Pension Fund for Early Retirement Benefits. Early Retirement Benefits shall be paid as they come due with moneys transmitted through the Early Retirement Benefits Account for that purpose. In no event shall any person have any recourse against the Pension Fund for any Early Retirement Benefits or other payments under the Early Retirement Arrangement.

11.9. Acting as a Director or Trustee of Other Body.

(a) The Board shall pay from the Pension Fund an amount it considers appropriate in the circumstances to indemnify, fully or partly, a Trustee or Committee member against costs, loss or damages incurred or awarded against him or her as a result of any act or omission done, or omitted to be done, in good faith as trustee of another trust, or as director of a body corporate, to which the Trustee or Committee member was appointed by the Board as trustee or director for the purpose of representing the Board in the operation of that other trust or body corporate.

(b) Despite subsection (a), where a loss suffered by the Trustee or Committee member in serving as trustee of another trust, or as director of a body corporate, as described in subsection (a) results from liability to pay the deductible amount under an insurance policy that insured the other trust or body corporate, or its trustees and directors, against the loss except for the deductible amount, then the Board shall pay from the Pension Fund the amount necessary to indemnify the

Trustee or Committee member for liability to pay that part of the deductible amount that the Board considers was a reasonable deductible amount.

11.10. Liability for Program and Pension Fund. No Union, Member or Participating Employer shall be liable or responsible for any debts, liabilities, obligations, or deficiencies of the Program or the Pension Fund. Without limitation, the sole financial obligation of the Members and the Participating Employers in respect of the Pension Plan and the Program is to make Pension Contributions and Program Contributions in the amounts and at the times specified in the Program Text.

11.11. Liability of Appointing Groups. No Appointing Group shall be liable for any of the acts or obligations of any Trustee or Committee member solely because such Trustee or Committee member is or was an officer, employee or appointee of any such entity, or such entity had any role in the appointment of such Trustee or Committee member.

11.12. Extended Meaning of Trustee, etc. Any reference in this Agreement to the indemnification or other protection of a Trustee or Committee member shall, unless the context clearly indicates otherwise, be deemed to also refer to former Trustees and Committee members, and to individuals who acted in a comparable capacity under the By-law prior to the Effective Transfer Date.

11.13. Indemnification of Administrative Agent, Employees and Agents. Without limiting the powers otherwise given to the Board by this Agreement, the Board may agree to indemnify out of the Pension Fund the Administrative Agent and any other agent or employee it retains or hires on terms no more favourable than those upon which the Board is itself indemnified pursuant to this Article 11.

ARTICLE 12 - VERIFICATION AND COLLECTION OF CONTRIBUTIONS

12.1. Form of Payment to the Pension Fund. All Pension Contributions and other payments to the Pension Fund shall be made payable to "The Winnipeg Civic Employees' Pension Fund" or as the Board may direct from time to time.

12.2. Audit Rights. The Board may provide for an audit, examination or inspection of the relevant records of a Participating Employer which are necessary to determine if the Participating Employer has been complying with the terms of this Agreement or the Program Text or any other agreement binding on the Participating Employer, including, without limitation, complying with its obligations to make Pension Contributions to the Pension Fund. Each Participating Employer agrees that it shall furnish to the Board, in a timely manner, such information, records or reports as are required to properly conduct such audit, examination or inspection.

12.3. Audit Results Confidential. The Board shall not reveal any information, reports or records obtained in an audit, examination or inspection pursuant to Section 12.2, except as is necessary to provide evidence that a Participating Employer has failed to carry out its obligation under this Agreement, the Program Text or any other agreement binding on the Participating Employer.

12.4. Effect of Non-Payment. Non-payment by anyone required to make Pension Contributions to the Pension Fund shall not relieve any other person of his, her or its obligations to make such payments. The Board may take any action necessary to enforce payment of such payments to the Pension Fund and damages due hereunder including, but not limited to, proceedings at law and in equity. Any person who fails to pay Pension Contributions to the Pension Fund which are due and have not been paid shall reimburse the Board on a full indemnity basis for, and indemnify the Board against, all legal, audit and other costs actually incurred by the Board (including, without limitation, legal fees on a solicitor and his or her own client basis) in collecting the unpaid amounts.

12.5. Trust of Member Contributions. Any sum received by a Participating Employer from a Member pursuant to an arrangement for the payment of such sum by the Participating Employer into the Pension Fund as the Member's Pension Contributions thereto shall be deemed to be held by the Participating Employer in trust for payment of the sum after its receipt thereof into the Pension Fund as the Member's Pension Contributions thereto, whether or not the amount thereof has been kept separate and apart by the Participating Employer, and the Participating Employer shall not appropriate or convert any part thereof to its own use or to any use not authorized by the Pension Plan. Any sum withheld by a Participating Employer for pension purposes, whether by payroll deduction or otherwise, from moneys payable to a Member shall be deemed to be a sum received by the Participating Employer from the Member.

12.6. Trust of Participating Employer Contributions. Any sum required to be paid into the Pension Fund by a Participating Employer as the Participating Employer's Pension Contributions shall, when due under the Pension Plan, be deemed to be held by the Participating Employer in trust for the payment of same into the Pension Fund in accordance with the Pension Plan and the Act as the Participating Employer's Pension Contributions, whether or not the amount thereof has been kept separate and apart by the Participating Employer, and the Participating Employer shall not appropriate or convert any part of the amount required to be paid to the Pension Fund to its own use or to any use not authorized by the terms of the Pension Plan.

12.7. Grace Period. The Board may establish a reasonable and lawful grace period by which Pension Contributions to the Pension Fund must be received subject to the provisions of the Act and the *Income Tax Act* (Canada) without prejudicing the Board. If Pension Contributions, or any other amounts owing to the Board pursuant to this Agreement, the Program Text or a Participation Agreement, are not received on their due date (as extended by any grace period granted by the Board), the unpaid amounts shall bear interest at an effective annual rate specified by the Board from such due date to the date of payment. Interest shall be calculated and compounded as of the last day of each month and shall be payable to the Pension Fund by the delinquent contributor on demand. Subject to the requirements of the Act, the Board may, in its discretion, waive, in whole or in part, the requirement to pay interest.

ARTICLE 13 – AMENDMENT OF TRUST AGREEMENT

13.1. General. This Agreement may be amended in accordance with this Article 13.

13.2. Procedure. Any amendment to this Agreement proposed at a meeting of the Board shall be tabled at the meeting at which it is initially proposed. Such amendment shall be considered at the next meeting of the Board unless otherwise agreed by the Trustees at the meeting at which the amendment is initially proposed.

13.3. Actuarial Report. If an amendment to this Agreement would materially affect the Pension Benefits or Early Retirement Benefits payable under the Pension Plan or the Early Retirement Benefits Arrangement, respectively, such amendment shall not be considered by the Board until the Board has first received a report thereon from the Actuary.

13.4. Approval of Amendment by City and Signatory Unions. Upon the approval by the Board of an amendment it must then be submitted in writing to the City and the Signatory Unions, together with the text of the resolution of the Board approving the amendment, any report from the Actuary prepared in respect of the amendment pursuant to Section 13.3 and such other materials as are deemed necessary by the Board, the City or a Signatory Union. If within 180 days after receipt by each of the Signatory Unions and the City of the information requesting approval of the amendment, a Double Majority of the Signatory Unions and the City advise the Board in writing that they agree with such amendment, the amendment will from the date such approvals are obtained become effective in accordance with its terms. If the City and a Double Majority of the Signatory Unions fail to so advise the Board in writing within the 180-day period, the amendment shall not become effective.

13.5. Amendment by Signatory Unions and City. This Agreement may be amended from time to time in any respect by written agreement of the City and a Double Majority of the Signatory Unions. The City and the Signatory Unions adopting any such amendment shall promptly notify the Board of the amendment. The power of amendment reserved under this Section 13.5 is to be construed as being subject to no restrictions other than those imposed by law, provided, however, that no amendment to Article 11 shall be made without the approval of the Board. Without limitation, the power of amendment reserved under this Section 13.5 includes the power to revoke, in whole or in part, the trusts created under this Agreement. In addition, the power of amendment reserved under this Section 13.5 and Section 13.5 of the Disability Plan Trust Agreement includes the power to concurrently amend each of this Agreement and the Disability Plan Trust Agreement so as to permit any of the Pension Plan, the Disability Plan or the Early Retirement Arrangement to be terminated in accordance with Article 15 without terminating one or both of the other arrangements.

13.6. Unilateral Amendment by Board. Despite Sections 13.2 to 13.4, on at least 30 days' prior written notice to the City and the Signatory Unions, the Board may amend this Agreement without the approval of the City and the Signatory Unions in such manner as is necessary to maintain the Pension Plan's registration under the Act or the *Income Tax Act* (Canada), or as is otherwise necessary to comply with those Acts or other applicable

legislation, provided that such amendment is not inconsistent with the Letter of Understanding. Any amendment which could otherwise be adopted by the Board pursuant to this Section 13.6 but is inconsistent with the Letter of Understanding must be adopted pursuant to Sections 13.2 through 13.4 or Section 13.5.

13.7. Restriction on Amendment: Power to Appoint Trustees. Despite any other provision of this Agreement, no amendment to this Agreement may deprive a Signatory Union of its power to appoint one or more Trustees without the consent of such Signatory Union.

13.8. Retroactive Amendment. Any amendment to this Agreement may take effect retroactively, provided that no amendment shall be made which retroactively increases the duty of care required of a present or former Trustee or Committee member or retroactively diminishes their right to indemnity under this Agreement.

13.9. Merger, Consolidation and Division. The Board may merge, consolidate or divide all or part of the Program (and any trust arising thereunder) or the Pension Fund with or into any one or more other pension plans, and any respective trusts arising thereunder, or pension funds, or other arrangements, despite that the Program or such one or more other pension plans or other arrangements may at the time of such merger, consolidation or division have an actuarial surplus or an unfunded liability. Such merger, consolidation or division shall be on such terms and conditions as the Board may determine appropriate, and may be adopted on a retroactive basis. Any merger, consolidation or division of the Program pursuant to this Section 13.9 shall be considered an amendment to this Agreement which must be approved by the City and the Signatory Unions in accordance with Sections 13.2 through 13.4 or Section 13.5.

13.10. Restriction on Amendment. Except as otherwise provided in this Agreement, no amendment, merger, consolidation or division pursuant to this Agreement or the Program Text shall adversely affect the pension benefit credits (as defined in the Act) of any Member in respect of remuneration and service or membership in the Pension Plan prior to the effective date of the amendment, merger, consolidation or division. Except as otherwise provided in this Agreement and subject to the requirements of the Act, in the event of the amendment, merger, consolidation or division of the Pension Fund (and any trust arising under the Pension Plan), no part of the assets of the Pension Fund shall be withdrawn by a Participating Employer without the agreement of the City and a Double Majority of the Signatory Unions.

13.11. Restriction on Amendment: No Derogation from Basic Principles of Letter of Understanding. Despite any other provision of this Agreement, no amendment to this Agreement or the Program Text which:

(a) is inconsistent with the basic principles of the Letter of Understanding, and

(b) reduces the rights of, or the Program Benefits payable to, an individual who, as of the Effective Transfer Date, comprised part of the "class of members" referred to in paragraph (c) of the definition of that term in s. 94(1) of *The City of Winnipeg Charter* to a level less than the Program's 1999 Terms,

may be adopted unless:

(c) the amendment involves a reduction of Program Benefits contemplated by the Letter of Understanding, including, for greater certainty, a reduction in Program Benefits in accordance with Section 8.2 or 15.5, or

(d) the amendment is approved by:

(i) the City and a Double Majority of the Signatory Unions in accordance with this Article 13, and

(ii) an order of the Manitoba Court of Queen's Bench pursuant to s. 94 of *The City of Winnipeg Charter*.

ARTICLE 14 – PROGRAM TEXT

14.1. Program Text. The Program Text is attached to this Agreement as Schedule "C".

14.2. Amendments to Program Text. The Board may amend the Program Text in accordance with the procedures for amendment set out in the Program Text, subject to the following restrictions:

(a) No amendment to the Program Text affecting the Program Benefits payable under the Program can be adopted unless:

(i) the Board first receives a report thereon from the Actuary;

(ii) if the amendment has the effect of enhancing the Program Benefits in respect of Credited Service before the effective date of the amendment, the balance of the Plan Members' Account at the beginning of the Program Year in which the enhancement is to be adopted is not less than the actuarial present value, if any, of the enhancement in respect of Credited Service prior to that Program Year, calculated on the basis of Funding Assumptions; and

(iii) if the amendment has the effect of enhancing the Program Benefits in respect of Credited Service after the effective date of the amendment, the rate of Program Contributions is not less than the cost of the Program Benefits including the effect of the enhancement, determined by the Actuary on the basis of Funding Assumptions.

For the purpose of paragraphs (ii) and (iii), any enhancement that has an effective date after the Program Year in which it is to be adopted shall be deemed to be adopted during the Program Year in which the effective date occurs.

(b) No change may be made to the rates of Program Contributions specified in the Program Text other than as provided for in Article 8, except with the written agreement of the City and a Double Majority of the Signatory Unions; provided that if the balance of the Plan Members' Account is greater than nil, and a Double Majority of the Signatory Unions so agrees in writing, and subject to the terms and conditions specified in the Program Text, the Members may make Pension

Contributions at a level lower than that specified in Part A of the Program Text until the earlier of:

(i) the date specified by the Double Majority of the Signatory Unions; and

(ii) the date the balance of the Plan Members' Account has or will be reduced to nil pursuant to this Agreement.

(c) Without the prior written agreement of the City and a Double Majority of the Signatory Unions, and subject to Section 13.11, no amendment to the Program Text shall be inconsistent with the Letter of Understanding.

(d) No amendment to the Program Text shall be inconsistent with this Agreement, including the restrictions on amendment specified in Article 13.

14.3. Amendments to Program Text to Comply with Law. Subject to Section 14.2, the Board must amend the Program Text to the extent necessary to maintain the Pension Plan's registration under the Act or the *Income Tax Act* (Canada), or as is otherwise necessary to comply with those Acts or other applicable legislation.

14.4. Retroactive Amendment. Any amendment to the Program Text may take effect retroactively or otherwise as the Board may direct.

ARTICLE 15 – TERMINATION OF PROGRAM

15.1. Approvals Needed to Terminate Program. The Program and the trusts created under this Agreement may be terminated in whole at any time as determined by the Board and as approved by the City and the Signatory Unions in the same manner as amendments to this Agreement. Subject to compliance with applicable laws, the Board shall wind up and terminate the Program and the trusts created under this Agreement within six months from the date such approvals are obtained or as soon thereafter as is reasonably practicable. As part of the termination of the Program and the trusts created under this Agreement, the Board shall:

(a) provide for a final audit and accounting of the Pension Fund;

(b) provide for a final actuarial valuation of the Program as of the date of its termination;

(c) provide for payment out of the Pension Fund of all expenses, claims and obligations related to the Pension Plan, including the expenses incidental to the termination of the Pension Plan and this Agreement;

(d) provide for payment of all expenses, claims and obligations related to the Early Retirement Arrangement, including the expenses incidental to the termination of the Early Retirement Arrangement and this Agreement; and

(e) follow the provisions of the Program Text relating to termination, subject always to applicable federal and provincial legislation.

15.2. Impact of Program Termination on Accounts. The Board shall cause the Account balances to be recalculated in accordance with Section 7.5 effective as of the effective date of the Program's termination.

15.3. Final Assets.

(a) The "**Final Assets**" balance shall equal the sum of:

(i) the Market Value of the assets attributable to the Main Account; and

(ii) the Market Value of the Disability Fund's assets.

For greater certainty, the Final Assets balance shall automatically be adjusted to reflect any increases or decreases in the Main Account balance or transfer of assets to or from the Disability Fund pursuant to Sections 15.4 or 15.5 of the Disability Plan Trust Agreement.

(b) If, when the final actuarial valuation of the Program is prepared, payments from the Disability Fund to the City for contribution to the Pension Fund pursuant to subsection 15.4(b) or paragraph 15.5(b)(ii) of the Disability Plan Trust Agreement cannot be made, then the Final Assets balance shall be reduced by the excess, if any, of the Market Value of the Disability Fund's assets over the final actuarial liabilities of the Disability Plan, as they may be decreased pursuant to subsection 15.5(e).

15.4. Actuarial Surplus on Program Termination. If the final actuarial valuation of the Program determines that the final actuarial liabilities of the Program are less than the Final Assets balance, the Actuary shall so advise the Board, the City and the Signatory Unions in writing, and the Board shall cause the following measures to be implemented, in the following order:

(a) Shortfall in Disability Plan. If the final actuarial valuation of the Program indicates that the actuarial liabilities of the Disability Plan exceed the Market Value of the Disability Fund's assets, an amount equal to that excess shall, subject to all applicable regulatory approvals being first obtained, be paid by the Board to the City from the Main Account, and the City shall thereupon immediately contribute such amount to the Disability Fund. The Main Account balance shall be reduced by any amount so paid to the City.

(b) Surplus in Disability Plan. If the final actuarial valuation of the Program indicates that the actuarial liabilities of the Disability Plan are less than the Market Value of the Disability Fund's assets, an amount may be paid to the City from the Disability Fund pursuant to subsection 15.4(b) of the Disability Plan Trust Agreement, in which event the City shall thereupon immediately contribute such amount to the Pension Fund. The Main Account balance shall be increased by any amount so received from the City.

(c) Discharge of Early Retirement Arrangement Liabilities. An amount equal to the final actuarial liabilities of the Early Retirement Arrangement shall, subject to all

applicable regulatory approvals being first obtained, be paid by the Board to the City from the Main Account, the City shall thereupon immediately contribute such amount to the Early Retirement Benefits Account and the Board shall use the resulting balance of the Early Retirement Benefits Account to discharge the final liabilities of the Early Retirement Arrangement. The Main Account balance shall be reduced by any amount so paid to the City.

(d) Determination and Disposition of Actuarial Surplus. Unless the City and a Double Majority of the Signatory Unions otherwise agree, the disposition of the difference between the Final Assets balance (as it may have been increased or decreased pursuant to subsections (a) through (c)) and the final actuarial liabilities of the Program (the "**Final Actuarial Surplus**") shall be determined by an arbitrator. The arbitrator will be selected by a majority vote of the Trustees. If the Trustees cannot select an arbitrator, the Chair shall request that the Chief Justice of Manitoba select an arbitrator, and the selection by the Chief Justice shall be final and binding on the Board. The arbitrator so selected shall consider the following factors in making his or her determination:

(i) the agreement-in-principle (as defined in the Letter of Understanding) between the parties with respect to the sharing of surplus;

(ii) all applicable plan and trust documents, and by-laws; and

(iii) such other factors as the arbitrator may consider relevant that arise on wind-up of the Program.

The arbitrator may determine that:

(iv) all of the Final Actuarial Surplus is to be added to the Plan Members' Account balance, or

(v) all of the Final Actuarial Surplus is to be added to the City Account balance, or

(vi) a portion of the Final Actuarial Surplus is to be added to the balance of one of those Accounts, and the remainder of the Final Actuarial Surplus is to be added to the balance of the other Account,

all as the arbitrator determines.

15.5. Shortfall on Program Termination. If the final actuarial valuation of the Program determines that the final actuarial liabilities of the Program exceed the Final Assets balance, the Actuary shall so advise the Board, the City and the Signatory Unions in writing, and the Board shall cause the following measures to be implemented, in the following order:

(a) Transfers from City and Plan Members' Accounts. An amount equal to the least of:

(i) the then balance in the City Account;

(ii) the then balance in the Plan Members' Account; and

(iii) one-half of the amount by which the final actuarial liabilities of the Program exceed the Final Assets balance,

shall be deducted from each of the City Account balance and the Plan Members' Account balance and the sum of the amounts so deducted shall be added to the Main Account balance.

(b) Reduction in Indexing. If after implementing the measure described in subsection (a), and having regard to the increase, if any, in the Main Account balance resulting from the implementation of subsection (a), the Actuary determines that the final actuarial liabilities of the Program will still exceed the Final Assets balance, the Board shall amend the Program Text so that cost-of-living adjustments to Pension Benefits payable after the effective date of the Program's termination are reduced to 50% of the relevant measure in the consumer price index, or such greater percentage as the Actuary determines (after taking into account any increase in the Main Account balance and any decrease in the actuarial liabilities of the Program resulting from the implementation of this subsection (b)) can be provided without causing the Program's final actuarial liabilities to exceed the Final Assets balance. An amount equal to the reduction in actuarial liabilities associated with this decrease in the cost-of-living adjustments (as determined by the Actuary) shall be added to the Plan Members' Account balance, and the measure described in subsection (a) shall thereupon be reapplied.

(c) Transfer of Remaining Balance in City Account. If after implementing the measures described in subsections (a) and (b), and having regard to the increase, if any, in the Main Account balance and the decrease, if any, in the actuarial liabilities of the Program resulting from the implementation of subsection (b), the Actuary determines that:

(i) the final actuarial liabilities of the Program will still exceed the Final Assets balance;

(ii) the Plan Members' Account balance is nil; and

(iii) the City Account balance is greater than nil,

an amount equal to the lesser of:

(iv) the then balance in the City Account; and

(v) the amount by which the final actuarial liabilities of the Program exceeds the Final Assets balance,

shall be deducted from the City Account balance and added to the Main Account balance .

(d) Transfer of Remaining Balance in Plan Members' Account. If after implementing the measures described in subsections (a) through (c), and having regard to the increase, if any, in the Main Account balance resulting from the implementation of subsection (c), the Actuary determines that:

(i) the final actuarial liabilities of the Program will still exceed the Final Assets balance;

(ii) the City Account balance is nil; and

(iii) the Plan Members' Account balance is greater than nil,

an amount equal to the lesser of:

(iv) the then balance in the Plan Members' Account; and

(v) the amount by which the final actuarial liabilities of the Program exceeds the Final Assets balance,

shall be deducted from the Plan Members' Account balance and added to the Main Account balance.

(e) Reduction in Program Benefits. If after implementing the measures described in subsections (a) through (d), and having regard to the increase, if any, in the Main Account balance resulting from the implementation of subsection (d), the Actuary determines that the Program's final actuarial liabilities will still exceed the Final Assets balance, the Board shall further amend the Program Text so that the Program Benefits payable under the Program are decreased in an equitable manner determined by the Board which causes the Program's final actuarial liabilities to equal the Final Assets balance. The Board shall take such steps as are required under the Act to implement the reduction in Program Benefits contemplated by this subsection (e).

(f) Transfer to or from Disability Plan. When the implementation of the measures described in subsections (a) through (e) causes the Final Assets balance to equal the final actuarial liabilities of the Program an amount equal to:

(i) the excess, if any, of the final actuarial liabilities of the Disability Plan, as they may have been decreased pursuant to subsection (e), over the Market Value of the Disability Fund's assets shall, subject to all applicable regulatory approvals being first obtained, be paid by the Board to the City from the Main Account, and the City shall immediately contribute such amount to the Disability Fund;

(ii) the excess, if any, of the Market Value of the Disability Fund's assets over the final actuarial liabilities of the Disability Plan, as they may have been decreased pursuant to subsection (e), may be paid to the City pursuant to subsection 15.5(b) of the Disability Plan Trust Agreement, in which event the City shall immediately contribute such amount to the Pension Fund.

(g) Discharge of Early Retirement Arrangement Liabilities. When the implementation of the measures described in subsections (a) through (e) causes the Final Assets balance to equal the final actuarial liabilities of the Program an amount equal to the final actuarial liabilities of the Early Retirement Arrangement, as they may have been decreased pursuant to subsection (e), shall, subject to all applicable regulatory approvals being first obtained, be paid by the Board to the City from the Main Account of the Pension Fund, the City shall immediately contribute such amount to the Early Retirement Benefits Account and the Board shall use the resulting balance of the Early Retirement Benefits Account to discharge the final liabilities of the Early Retirement Arrangement.

15.6. Disposition of City Account and Plan Members' Account Balances. If after the implementation of the measures described in Sections 15.3 through 15.5 the City Account balance or the Plan Members' Account balance is greater than nil, the Board shall, with effect from the effective date of the Program's termination,

(a) adopt amendments to the Program Text which enhance the Pension Benefits payable under the Pension Plan in an equitable manner as determined by the Board, and which have an actuarial present value equal to the Plan Members' Account; provided that if such Pension Benefits exceed the maximum amount allowable under the *Income Tax Act* (Canada), the excess must be paid directly to the affected Members in cash or, subject to the *Income Tax Act* (Canada) and the Act, to other retirement income vehicles established for such Members; and

(b) pay an amount equal to the City Account balance to the City from the Pension Fund.

15.7. Board's Powers Continue. Upon the termination of the Program and the trusts created under this Agreement as aforesaid, the Trustees shall continue as Trustees for the purpose of winding up the affairs of the Program and the trusts created under this Agreement.

15.8. No Further Pension Contributions. In no event are Pension Contributions required to be made after the Program is terminated except for amounts due, or that have accrued up to the effective date of the termination and have not been paid into the Pension Fund, as required by this Agreement, the Program Text or the Act.

15.9. Disposition of Pension Fund on Completion of Final Actuarial Valuation. After completing the final actuarial valuation of the Program in accordance with subsection 15.1(b), the implementation (if necessary) of the measures described in Sections 15.4, 15.5 and 15.6, the completion of the final audit contemplated by subsection 15.1(a), and the securing of all necessary regulatory approvals, the Board shall use the assets of the Pension Fund to discharge the liabilities of the Pension Plan in accordance with the final actuarial valuation, the terms of the Program Text and all regulatory approvals so obtained.

15.10. Completion of Termination. Once all approvals of all regulatory bodies have been obtained, all assets of the Pension Fund and the Disability Fund have been properly disbursed and all the obligations of the Program and the trusts created under this

Agreement and the Disability Trust Agreement have otherwise been satisfied, the Program, this Agreement, the Pension Fund and the Disability Fund shall be considered terminated.

ARTICLE 16 – WITHDRAWAL OF A UNION OR A PARTICIPATING EMPLOYER FROM THE PROGRAM

16.1. Notice to Board. If a Participating Employer or a Union desires to have the Members employed or represented by it cease to accrue benefits under the Program, and such Members will remain employed by the same Participating Employer(s) immediately before and after such cessation, the Participating Employer or Union may give written notice to the Board that it desires to have the Members (a "**Withdrawing Group**") employed or represented by it withdraw from the Program in accordance with this Article 16. The notice to the Board must:

(a) state that the party giving the notice wishes to withdraw the Withdrawing Group in accordance with this Article 16;

(b) subject to Section 16.3, identify the Members who make up the Withdrawing Group;

(c) subject to Section 16.4, specify the date (the "**Participation Cessation Date**") as of which the Withdrawing Group will withdraw from the Program in accordance with this Article 16;

(d) state whether the Withdrawing Group will commence to participate in another program after the Participation Cessation Date and, if so, provide a description of such other program;

(e) state whether the Withdrawing Group's accrued Program Benefits will remain in the Program, or whether the Withdrawing Party requests a transfer of assets in respect of the Withdrawing Group's accrued Program Benefits to a new program pursuant to Section 16.8; and

(f) provide a copy of the written notice to be provided in accordance with Section 16.2 to the Members who make up the Withdrawing Group.

The Union or Participating Employer that gives the Board such a notice will be the Withdrawing Group's "**Withdrawing Party**", and shall provide a copy of such notice to:

(g) every Participating Employer that employs any of the Members in the Withdrawing Group, if the Withdrawing Party is a Union; or

(h) every Union that represents any of the Members in the Withdrawing Group, if the Withdrawing Party is a Participating Employer.

16.2. Notices to Affected Members. Concurrently with the giving of the notice to the Board described in Section 16.1, a proposed Withdrawing Group's Withdrawing Party must

give each Member who forms part of the proposed Withdrawing Group written notice of the following:

(a) the Withdrawing Party's desire to withdraw the proposed Withdrawing Group from the Program in accordance with this Article 16;

(b) the Participation Cessation Date specified for the Withdrawing Group by the Withdrawing Party;

(c) that, if the withdrawal proceeds, the Member of the Withdrawing Group will cease to accrue Program Benefits on the Participation Cessation Date;

(d) a description of the implications of the intended withdrawal on the Members' accrued Program Benefits;

(e) whether the Withdrawing Group will commence to accrue benefits under another program after withdrawing from the Program, and, if so, a description of the other program's benefits; and

(f) whether the Withdrawing Party is requesting a transfer of assets in respect of the Withdrawing Group's accrued Program Benefits to another program.

16.3. Restrictions on "**Withdrawing Group**".

(a) Only individuals employed by a Participating Employer on a Withdrawing Group's Participation Cessation Date can form part of a Withdrawing Group. If a Withdrawing Party purports to include any individuals not so employed within a proposed Withdrawing Group, such individuals shall be excluded from the Withdrawing Group.

(b) If a Union is a Withdrawing Party, the Withdrawing Group must consist of all Members who make up one or more bargaining units for whom the Union is the bargaining agent under the *Labour Relations Act* (Manitoba). The Union must also provide evidence to the Board that every Participating Employer that employs any of the Members in such bargaining unit(s) consents to the withdrawal of the Members from the Program in accordance with this Article 16. If such evidence is not provided, no withdrawal shall occur pursuant to this Article 16. For greater certainty, if a Union is the bargaining agent for more than one bargaining unit, the Union may initiate a withdrawal in respect of one or more of the bargaining units it represents without having to initiate a withdrawal in respect of the other bargaining units it represents.

(c) If a Participating Employer is a Withdrawing Party, the Withdrawing Group must consist of all Members employed by it. If any of those Members are represented by a Union, the Participating Employer must also provide evidence to the Board that every Union that represents any of the Members employed by the Participating Employer consents to the withdrawal of the Members from the Program in accordance with this Article 16. If such evidence is not provided, no withdrawal shall occur pursuant to this Article 16.

16.4. Restrictions on "**Participation Cessation Date**". Unless the Board and a Withdrawing Party otherwise agree, a Withdrawing Group's Participation Cessation Date must occur on the last day of a pay period, and must occur no earlier than three months following the date on which the Withdrawing Party gives the notices described in Sections 16.1 and 16.2.

16.5. Impact of Withdrawal on Withdrawing Group's Benefits. The following shall occur as of a Withdrawing Group's Participation Cessation Date:

(a) the Members who make up the Withdrawing Group shall cease to accrue Program Benefits under the Program;

(b) no further Program Contributions shall be made by the Members who make up a Withdrawing Group or their Participating Employer(s), except Program Contributions accrued up to and including the Participation Cessation Date and not yet paid to the Board; and

(c) unless the Board agrees otherwise, the Program Benefits of each Member who forms part of the Withdrawing Group shall be based on his or her earnings and Credited Service under the Program up to the Participation Cessation Date, even though such an individual continues to be employed by a Participating Employer after the Withdrawing Group's Participation Cessation Date.

16.6. Subsequent Actuarial Valuations of Program. Subject to subsection 16.8(e), all actuarial valuations of the Program prepared as of a date after a Withdrawing Group's Participation Cessation Date shall reflect Section 16.5.

16.7. Procedure If Withdrawing Party does not Request a Transfer of Assets from the Program. Unless a transfer of assets in respect of a Withdrawing Group's accrued Program Benefits to another program occurs in accordance with Section 16.8, no further action shall be taken in respect of the Withdrawing Group's Program Benefits, except as may be subsequently required or permitted by this Agreement. The Withdrawing Group's Program Benefits shall remain obligations of the Program, and shall be paid out in the ordinary course when each Member who forms part of the Withdrawing Group retires or otherwise terminates employment with a Participating Employer.

16.8. Procedure If Withdrawing Party Requests a Transfer of Assets from the Program. If

(a) a Withdrawing Party has requested a transfer of assets in respect of a Withdrawing Group's accrued Program Benefits to another program (the "**Other Program**"), and has given notice to that effect to the Board and the Members in accordance with Sections 16.1 and 16.2, and

(b) the Withdrawing Party enters into an arrangement satisfactory to the Board to reimburse the Board for all costs incurred by the Board in connection with the proposed transfer, including an arrangement whereby the assets to be transferred to the Other Program will be reduced by the amount of such costs,

the following shall occur as of the end of the Program Year that follows the Program Year in which the Withdrawing Group's Participation Cessation Date occurs, or such earlier date as is acceptable to the Board, which date will be the Withdrawing Group's "**Withdrawal Date**":

(c) unless the Board and the Withdrawing Party otherwise agree, any Member who formed part of the Withdrawing Group on its Participation Cessation Date but who as of its Withdrawal Date has ceased to be employed by the employer who employed the Member on the Withdrawing Group's Participation Cessation Date shall cease to form part of the Withdrawing Group;

(d) the Board shall have an actuarial valuation of the Program prepared as of the Withdrawing Group's Withdrawal Date, and shall apply all of the provisions of Articles 7 and 8 before proceeding with the calculations described in subsection (e);

(e) after completing the application of Articles 7 and 8 described in subsection (d), the Board shall cause the Actuary to calculate the "**Withdrawing Group's Percentage**" of the assets of the Pension Fund and the Disability Fund, which shall equal the value of the actuarial liabilities associated with Members who make up the Withdrawing Group divided by the value of all actuarial liabilities of the Program, each determined by the Actuary on a going concern basis as of the Withdrawal Date using Funding Assumptions; for greater certainty, despite Sections 16.5 and 16.6, in calculating such actuarial liabilities (but for no other purpose), the Actuary shall make an allowance for expected future salary increases and expected increases in Eligibility Service of the Members who make up the Withdrawing Group after the Withdrawing Group's Participation Cessation Date;

(f) subject to subsection (g), when:

(i) Articles 7 and 8 have been applied as of the Withdrawing Group's Withdrawal Date in accordance with subsection (d);

(ii) the Withdrawing Group's Percentage has been calculated in accordance with subsection (e);

(iii) the Withdrawing Party has provided the Board with proof satisfactory to the Board that the Other Program provides benefits (including benefits that may be payable in a different form than the Program's) to each Member of the Withdrawing Group for his or her pre-Participation Cessation Date service that are of equal or greater actuarial value as the Program Benefits he or she had accrued under the Program, as modified pursuant to Section 16.5;

(iv) the Withdrawing Party has provided the Board with proof satisfactory to the Board that the Other Program is structured in such a manner so that the assets transferred to it from the Program in respect of the Withdrawing

Group will be held in trust in a manner which is consistent with the purposes of the Program;

(v) the Withdrawing Party and the trustee(s) (or other legal fundholder(s)) of the Other Program's assets have jointly and severally indemnified the Board, the remaining Participating Employers, the remaining Unions and all other persons involved in the administration of the Program against any claims by or in respect of any of the individuals who make up the Withdrawing Group, on such terms and conditions as are satisfactory to the Board; and

(vi) the regulatory approvals needed to permit a transfer of assets from the Pension Fund to the trustee(s) (or other legal fundholder(s)) of the Other Program's assets have been obtained;

the Withdrawing Group's Percentage of the assets of the Pension Fund and the Disability Fund shall be transferred from the Pension Fund and the Disability Fund to the trustee(s) (or other legal fundholder(s)) of the Other Program's assets;

(g) despite subsection (f), but only in respect of a transfer of assets requested by a Withdrawing Party who is a Participating Employer (other than Riverview Health Centre Inc., a Union or the Board of Trustees), the City may advise the Board in writing to, and the Board shall, reduce the aggregate of the amounts to be transferred from the Pension Fund and the Disability Fund pursuant to subsection (f) as of the Withdrawing Group's Withdrawal Date by an amount equal to or less than the amount determined by the Actuary to be the sum of:

(i) the Withdrawing Group's Percentage multiplied by the balance of the City Account as of the Withdrawing Group's Withdrawal Date, and

(ii) one-half of the Withdrawing Group's Percentage multiplied by the difference between the Market Value of the assets of the Main Account and the Disability Fund and the actuarial value of such assets as of the Withdrawing Group's Withdrawal Date, which difference may be a positive or negative amount; and

(h) once the amounts determined pursuant to subsection (f), as modified pursuant to subsection (g), have been paid from the Pension Fund and the Disability Fund to the trustee(s) (or other legal fundholder(s)) of the Other Program's assets, the Board, the Pension Fund and the Disability Fund shall be relieved and discharged of all obligations, liabilities and duties to and in respect of the individuals who make up the Withdrawing Group.

16.9. Adjustment to Transfer Amounts. The amounts to be transferred from the Pension Fund and the Disability Fund pursuant to Section 16.8 shall be adjusted for the period between the Withdrawing Group's Withdrawal Date and the date the transfer of assets takes place. Such adjustment shall be made by the Board on the advice of the Actuary, and shall reflect:

(a) changes in the market value of the assets during the period;

(b) relevant cash flows (including Program Benefit payments) during the period; and

(c) any expenses related to the withdrawal, to the extent the Withdrawing Party does not pay such expenses directly.

16.10. Adjustment to Account Balances.

(a) Subject to subsection (b), whenever a transfer of assets from the Pension Fund occurs pursuant to Section 16.8, an amount equal to the relevant Withdrawing Group's Percentage multiplied by the balance of each Account within the Pension Fund shall be deducted from the balance of each such Account as of the relevant Withdrawing Group's Withdrawal Date, and such deductions shall be adjusted in accordance with Section 16.9, and all subsequent calculations of the balances in the various Accounts pursuant to Article 7 shall reflect such deductions and adjustments.

(b) If the amount transferred pursuant to Section 16.8 is reduced pursuant to subsection 16.8(g), the balance of the City Account as of the Withdrawing Group's Withdrawal Date shall be increased by the amount by which the amount transferred was reduced pursuant to subsection 16.8(g), and such increase shall be adjusted in accordance with Section 16.9, and all subsequent calculations of the balance of the City Account pursuant to Article 7 shall reflect such increase and adjustment.

ARTICLE 17 – TERMINATION OF PARTICIPATION IN THE PROGRAM BY A GROUP AS A RESULT OF CEASING TO BE EMPLOYED BY A PARTICIPATING EMPLOYER

17.1. Purpose. If the Board determines that:

(a) a group of no less than 50 Members (or such other number of Members specified by the Board) ceases to be employed by a Participating Employer (the "**Old Employer**") as a result of the Participating Employer discontinuing a part or all of its business operations;

(b) the discontinuance of employment by the group of Members with the Old Employer is not in accordance with the normal ongoing business operations of the Old Employer; and

(c) the group of Members either:

(i) do not become employed, as a group, by another employer immediately after ceasing to be employed by the Old Employer, or

(ii) immediately become employed by another employer that is not a Participating Employer (the "**New Employer**");

the Board shall require the Old Employer to give the notices described in Section 17.2. For greater certainty, any Board determination pursuant to this Section 17.1 must be evidenced by a resolution adopted pursuant to Sections 4.9, 4.10 or 4.11.

17.2. Notice to Affected Members and Board. Forthwith after being required to do so by the Board pursuant to Section 17.1, the Old Employer must give:

(a) to each Member it will cease to employ (collectively, the "**Terminating Group**") written notice advising each of them of the following:

(i) the date the Member will cease to be employed by the Old Employer (the Member's "**Participation Termination Date**");

(ii) that the Member will cease to accrue Program Benefits on his or her Participation Termination Date;

(iii) a description of the implications of the termination of employment with the Old Employer on the Member's accrued Program Benefits;

(iv) if the Member will become employed by a New Employer, whether the Member will commence to participate in another program after terminating employment with the Old Employer, and, if so, a description of the other program's benefits; and

(v) if the Member will become employed by a New Employer, whether the New Employer intends to request a transfer of assets in respect of the Terminating Group's accrued Program Benefits to another program; and

(b) to the Board a copy of the notices given pursuant to subsection (a) to the Members who make up the Terminating Group.

17.3. Impact of Termination on Terminating Group's Benefits. The following shall occur as of the Participation Termination Date of each Member who makes up the Terminating Group:

(a) the Member shall cease to accrue Program Benefits under the Program;

(b) no further Program Contributions shall be made by the Member or the Old Employer in respect of the Member, except Program Contributions accrued up to and including the Member's Participation Termination Date and not yet paid to the Board; and

(c) the Program Benefits of the Member shall be based on his or her earnings and Credited Service under the Program up to the Participation Termination Date.

17.4. Subsequent Actuarial Valuations of Program. Subject to subsection 17.6(f), all actuarial valuations of the Program prepared as of a date after the date the notices described in Section 17.2 were required to be given by the Old Employer in respect of the Terminating Group shall reflect Section 17.3.

17.5. Procedure If New Employer does not Request a Transfer from the Program.

(a) If the Terminating Group does not become employed by a New Employer, the Terminating Group shall become entitled to their Program Benefits in accordance with the Program Text.

(b) If the Terminating Group immediately becomes employed by a New Employer, no transfer of assets in respect of the Terminating Group's accrued Program Benefits to another program occurs in accordance with Section 17.6 and:

(i) if the Act requires that the employment or membership of the Terminating Group not cease for the purposes of the Act or the regulations made thereunder or the Board otherwise deems that the Terminating Group has not terminated employment for the purpose of the Program then, subject to Section 17.3, Eligibility Service under the Program shall be deemed to include service with the New Employer and, except as may be subsequently required or permitted by this Agreement, the Terminating Group's Program Benefits shall remain obligations of the Program, and shall be paid out in the ordinary course when each Member who forms part of the Terminating Group retires or otherwise terminates employment with the New Employer; or

(ii) if the Act does not require that the employment or membership of the Terminating Group not cease for the purposes of the Act or the regulations made thereunder and the Board has not deemed that the Terminating Group has not terminated employment for the purpose of the Program, the Terminating Group shall become entitled to their Program Benefits in accordance with the Program Text.

17.6. Procedure if New Employer Requests a Transfer of Assets from the Program. If:

(a) a New Employer requests a transfer of assets in respect of the accrued Program Benefits of a Terminating Group employed by it to another program (the "**Other Program**"), and gives notice to that effect to the Board and each Member who makes up the Terminating Group;

(b) the Board, the Old Employer and every Union which represents any of the Members who make up the Terminating Group consent in writing to such a transfer; and

(c) the New Employer enters into an arrangement satisfactory to the Board to reimburse the Board for all costs incurred by the Board in connection with the proposed transfer, including an arrangement whereby the assets to be transferred to the Other Program will be reduced by the amount of such costs,

the following shall occur as of the end of the Program Year that follows the Program Year in which the last of the Terminating Group's Participation Termination Dates occurs, or such earlier date as is acceptable to the Board, which date will be the Terminating Group's "**Transfer Date**":

(d) unless the Board and the New Employer otherwise agree, any Member who formed part of the Terminating Group who as of its Transfer Date has ceased to be employed by the New Employer shall cease to form part of the Terminating Group;

(e) the Board shall have an actuarial valuation of the Program prepared as of the Terminating Group's Transfer Date, and shall apply all of the provisions of Articles 7 and 8 before proceeding with the calculations described in subsection (f);

(f) after completing the application of Articles 7 and 8 described in subsection (e), the Board shall cause the Actuary to calculate the "**Terminating Group's Percentage**" of the assets of the Pension Fund and the Disability Fund, which shall equal the value of the actuarial liabilities associated with Members who make up the Terminating Group divided by the value of all actuarial liabilities of the Program, each determined by the Actuary on a going concern basis as of the Transfer Date using Funding Assumptions; for greater certainty, despite Sections 17.3 and 17.4, in calculating such actuarial liabilities (but for no other purpose), the Actuary shall make an allowance for expected future salary increases and expected increases in Eligibility Service of the Members who make up the Terminating Group after the Participation Termination Date;

(g) subject to subsection (h), when:

(i) Articles 7 and 8 have been applied as of the Terminating Group's Transfer Date in accordance with subsection (e);

(ii) the Terminating Group's Percentage has been calculated in accordance with subsection (f);

(iii) the New Employer has provided the Board with proof satisfactory to the Board that the Other Program provides benefits (including benefits that may be payable in a different form than the Program's) to each Member of the Terminating Group for his or her pre-Participation Termination Date service that are of equal or greater actuarial value as the Program Benefits he or she had accrued under the Program, as modified pursuant to Section 17.3;

(iv) the New Employer has provided the Board with proof satisfactory to the Board that the Other Program is structured in such a manner so that the assets transferred to it from the Program in respect of the Terminating Group will be held in trust in a manner which is consistent with the purposes of the Program;

(v) the New Employer and the trustee(s) (or other legal fundholder(s)) of the Other Program's assets have jointly and severally indemnified the Board, the Participating Employers, the Unions and all other persons involved in the administration of the Program against any claims by or in respect of

any of the individuals who make up the Terminating Group on such terms and conditions as are satisfactory to the Board; and

(vi) the regulatory approvals needed to permit a transfer of assets from the Pension Fund to the trustee(s) (or other legal fundholder(s)) of the Other Program's assets have been obtained;

the Terminating Group's Percentage of the assets of the Pension Fund and the Disability Fund shall be transferred from the Pension Fund and the Disability Fund to the trustee(s) (or other legal fundholder(s)) of the Other Program's assets;

(h) despite subsection (g), the City may advise the Board in writing to, and the Board shall, reduce the aggregate of the amounts to be transferred from the Pension Fund and the Disability Fund pursuant to subsection (g) as of the Terminating Group's Transfer Date by an amount equal to or less than the amount determined by the Actuary to be the sum of:

(i) the Terminating Group's Percentage multiplied by the balance of the City Account as of the Terminating Group's Transfer Date, and

(ii) one-half of the Terminating Group's Percentage multiplied by the difference between the Market Value of the assets of the Main Account and the Disability Fund and the actuarial value of such assets as of the Terminating Group's Transfer Date, which difference may be a positive or negative amount; and

(i) once the amounts determined pursuant to subsection (g), as modified pursuant to subsection (h), have been paid from the Pension Fund and the Disability Fund to the trustee(s) (or other legal fundholder(s)) of the Other Program's assets, the Board, the Old Employer the Pension Fund and the Disability Fund shall be relieved and discharged of all obligations, liabilities and duties to and in respect of the individuals who make up the Terminating Group.

17.7. Adjustment to Transfer Amounts. The amounts to be transferred from the Pension Fund and the Disability Fund pursuant to Section 17.6 shall be adjusted for the period between the Terminating Group's Transfer Date and the date the transfer of assets takes place. Such adjustment shall be made by the Board on the advice of the Actuary, and shall reflect:

(a) changes in the market value of the assets during the period;

(b) relevant cash flows (including Program Benefit payments) during the period; and

(c) any expenses related to the withdrawal, to the extent the New Employer does not pay such expenses directly.

17.8. Adjustment to Account Balances.

(a) Subject to subsection (b), whenever a transfer of assets from the Pension Fund occurs pursuant to Section 17.6, an amount equal to the relevant Terminating Group's Percentage multiplied by the balance of each Account within the Pension Fund shall be deducted from the balance of each such Account as of the relevant Terminating Group's Transfer Date, and such deductions shall be adjusted in accordance with Section 17.7, and all subsequent calculations of the balances in the various Accounts pursuant to Article 7 shall reflect such deductions and adjustments.

(b) If the amount transferred pursuant to Section 17.6 is reduced pursuant to subsection 17.6(h), the balance of the City Account as of the Terminating Group's Transfer Date shall be increased by the amount by which the amount transferred was reduced pursuant to subsection 17.6(h), and such increase shall be adjusted in accordance with Section 17.7, and all subsequent calculations of the balance of the City Account pursuant to Article 7 shall reflect such increase and adjustment.

17.9. Reciprocal Agreements. If a New Employer requests a transfer of assets in respect of the accrued Program Benefits of a Terminating Group employed by it to an Other Program in accordance with Section 17.6, any reciprocal agreement described in Section 15 of Part A of the Program Text between the Board and the authority responsible for the administration of the Other Program otherwise applicable to the relevant Members shall not apply to the Members who make up the Terminating Group so long as they are employed by the New Employer, unless the Board declares that such a transfer shall not take place. If the New Employer does not request a transfer of assets pursuant to Section 17.6, or the Board declares as aforesaid that such a transfer will not take place, any applicable reciprocal agreement shall take effect in accordance with its terms.

ARTICLE 18 - MISCELLANEOUS PROVISIONS

18.1. Notices. All notices, requests, demands or other communications provided for herein to be given shall be in writing and shall be effectively given, if delivered, by prepaid post or by facsimile at the last known address or facsimile number of the recipient of the communication.

Such notices, requests, demands and other communications shall be deemed to have been received when delivered, or if mailed, on the fifth business day after the mailing thereof, or, if sent by facsimile, on the day that the sending facsimile machine confirms that the facsimile transmission has been sent; provided that in the event of a strike or other interruption in the normal delivery of the mail after the mailing of any notice, request, demand or other communication hereunder, but before the deemed receipt thereof as provided herein, such notice, request, demand or other communication shall not be deemed to have been received by the party for whom the same is intended, unless the same is actually delivered or sent via facsimile to such party as contemplated herein.

18.2. No Duty to Inquire. All persons dealing with the Board or a Committee do not have to inquire into any decision or authority of the Board or Committee or into the ability of the

Board to receive any monies, securities or other property paid or delivered to the Board and may rely upon any document required to be executed by the Board or Committee which has been executed as provided herein, as having been duly authorized.

18.3. Severance of Illegal Provisions. If any provision of this Agreement, the Program Text, the rules and regulations made pursuant thereto, or any steps in the administration of the Pension Plan or Pension Fund are held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of this Agreement, the Program Text or the said rules and regulations, unless such illegality or invalidity materially prevents the accomplishment of the respective objectives and purposes of the Program Text, a Participation Agreement or this Agreement as determined by the Board.

18.4. Binding Effect. The Program Text and amendments thereto and all of the Board's and Committees' decisions, rules, regulations, policies and procedures made or established in accordance with this Agreement or the Program Text, shall be binding upon the Trustees, the Unions, the Participating Employers, the Members and their respective beneficiaries, dependents, estates, heirs, executors, administrators, successors and assigns.

18.5. Further Assurances. Each Trustee shall from time to time and at any time hereafter, upon each reasonable written request to do so, make, do, execute and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances, things and written instruments as may be necessary in the opinion of any party, for more effectively implementing and carrying out the intent of this Agreement.

18.6. Governing Law. The Province of Manitoba shall be deemed to be the situs of the Pension Fund and all questions pertaining to the validity, construction and administration of this Agreement and of the Program Text shall be determined in accordance with the laws of the Province of Manitoba. Any litigation which arises pursuant to or in connection with this Agreement, the Program Text or any of their respective provisions, shall be referred to the courts in the Province of Manitoba.

18.7. Counterpart Execution. This Agreement may be signed in counterparts.

18.8. Binding Effect. Subject to Section 1.7, this Agreement is binding upon the Trustees, the articipating Employers, the Unions, the Members and their respective heirs, beneficiaries, dependants, executors, administrators, successors and assigns.

18.9. Recitals and Schedules. The Trustees hereby confirm and ratify the matters contained and referred to in the Recitals to this Agreement and agree that the Recitals and the various Schedules hereto are expressly incorporated into and form part of this Agreement.

18.10. Survival of Provisions. The provisions of this Agreement which, by their context are meant to survive the termination of this Agreement, shall so survive the termination of this Agreement.

18.11. Time of Essence. Time shall be of the essence of this Agreement and of every part hereof. All time limits shall be strictly observed.

18.12. Date of Agreement. As provided in Section 3.6, this Agreement shall become legally effective as of September 1, 2011 once the City and a Double Majority if the Signatory Unions have signed this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement on the dates noted below.

THE CITY OF WINNIPEG

_____
Witness

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date: _____

AMALGAMATED TRANSIT UNION, LOCAL 1505

_____
Witness

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date: _____

CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 500

_____
Witness

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date: _____

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 987

Witness

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date: _____

MANITOBA GOVERNMENT EMPLOYEES' UNION, LOCAL 911

Witness

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date: _____

MANITOBA NURSES' UNION, LOCAL 1A

Witness

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date: _____

UNITED FIREFIGHTERS OF WINNIPEG, LOCAL 867 OF INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Witness

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date: _____

) **WINNIPEG FIRE PARAMEDIC**
) **SENIOR OFFICERS'**
) **ASSOCIATION**
)

_____) Per: _____
Witness) Authorized Signing Officer
)
) Per: _____
) Authorized Signing Officer

Date: _____

) **WINNIPEG ASSOCIATION OF**
) **PUBLIC SERVICE OFFICERS**
)

_____) Per: _____
Witness) Authorized Signing Officer
)
) Per: _____
) Authorized Signing Officer

Date: _____

) **WINNIPEG POLICE**
) **ASSOCIATION (STAFF SECTOR**
) **COMPONENT)**

_____)
Witness) Per: _____
) Authorized Signing Officer
)
) Per: _____
) Authorized Signing Officer

Date: _____

) **WINNIPEG POLICE SENIOR**
) **OFFICERS' ASSOCIATION**
) **(STAFF SECTOR COMPONENT)**

_____)
Witness) Per: _____
) Authorized Signing Officer
)
) Per: _____
) Authorized Signing Officer

Date: _____

Signatures of Trustees

Witness

Signature of Trustee

Name of Trustee (please print)

Canadian Union of Public Employees, Local 500
Appointing Group

December 31,●
Expiration of Term

Date of signature

Witness

Signature of Trustee

Name of Trustee (please print)

Canadian Union of Public Employees, Local 500
Appointing Group

December 31, ●
Expiration of Term

Date of signature

Witness

Signature of Trustee

Name of Trustee (please print)

Winnipeg Association of Public Service Officers
Appointing Group

December 31, ●
Expiration of Term

Date of signature

Witness

Signature of Trustee

Name of Trustee (please print)

United Firefighters of Winnipeg, Local 867 of International Association of Firefighters
Appointing Group

December 31, ●
Expiration of Term

Date of signature

Witness

Signature of Trustee

Name of Trustee (please print)

Amalgamated Transit Union, Local 1505
Appointing Group

December 31, ●
Expiration of Term

Date of signature

Witness

Signature of Trustee

Name of Trustee (please print)

Signatory Unions (subsection 3.3(e))
Appointing Group

December 31, ●
Expiration of Term

Date of signature

Witness

Signature of Trustee

Name of Trustee (please print)

Signatory Unions (subsection 3.3(f))
Appointing Group

December 31, ●
Expiration of Term

Date of signature

Witness

Signature of Trustee

Name of Trustee (please print)

The City of Winnipeg
Appointing Group

December 31, ●
Expiration of Term

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SCHEDULE "A"

[Letter of Understanding]

SCHEDULE "B"

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

Participation Agreement

TO: **The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)**

AND TO: **The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund)**

(collectively the "Boards")

FROM: _____ (the "**Applicant**")
Name of Employer

_____
Address

_____
Contact Name and Phone Number

The Applicant acknowledges receipt of a copy of:

- The Winnipeg Civic Employees' Benefits Program Amended and Restated Pension Trust Agreement (the "**Pension Trust Agreement**") which continues The Winnipeg Civic Employees' Pension Fund (the "**Pension Fund**") and the Early Retirement Benefits Account;

- The Winnipeg Civic Employees' Benefits Program Amended and Restated Disability Plan Trust Agreement (the "**Disability Plan Trust Agreement**") which continues The Winnipeg Civic Employees' Disability Fund (the "**Disability Fund**"); and

- the Text of The Winnipeg Civic Employees' Benefits Program (the "**Program Text**").

Capitalised terms used in this Participation Agreement and not defined herein have the meanings ascribed to them in the Pension Trust Agreement and the Disability Plan Trust Agreement (collectively, the "**Trust Agreements**").

In consideration of the Applicant's application to be a "Participating Employer" in The Winnipeg Civic Employees' Benefits Program being accepted by the Boards, the Applicant hereby agrees with the Boards as follows:

1. The Applicant is bound by all of the rights, duties, responsibilities and obligations conferred or imposed upon a Participating Employer by the Trust Agreements, the Program Text, and the respective amendments thereto, including, without limitation, the obligation to make contributions to the Pension Fund, the Early Retirement Benefits Account and the Disability Fund on behalf of itself and its employees in accordance with the Program Text.

2. All contributions and any other amounts owing by the Applicant pursuant to the Trust Agreement, the Program Text or this Participation Agreement not paid when due shall bear interest at an effective annual rate specified by the Boards from such due date to the date of payment. Interest shall be calculated and compounded as of the last day of each month and shall be payable by the Applicant on demand.

3. The Applicant will reimburse the Boards on a full indemnity basis for, and indemnify the Boards against, all legal, audit and other costs actually incurred by the Boards (including, without limitation, legal fees on a solicitor and his or her own client basis) in collecting unpaid contributions and other amounts owing by the Applicant, and the amounts the Applicant owes the Boards in this regard shall bear interest as described in the preceding paragraph from the date the Boards incur such expenses or fees until the date the Applicant reimburses the Boards.

DATED this _____ day of _____, 20____.

_____
Full name of Applicant

By: _____
Authorized Signatory

Do not write below this line – for Trustees' use only

APPROVED AND ACCEPTED by the Boards for participation as a Participating Employer in The Winnipeg Civic Employees' Benefits Program as of the date noted below.

THE BOARD OF TRUSTEES OF THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM (PENSION FUND)

Per:

_____
Authorized Signatory

THE BOARD OF TRUSTEES OF THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM (DISABILITY FUND)

Per:

_____
Authorized Signatory

Effective Date of Participation:_____

SCHEDULE "C"

[Program Text]

[PART A – Pension Plan]

[PART B – Disability Plan]

[PART C – Early Retirement Arrangement]

SCHEDULE "D"

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN
Appointment and Acceptance of Trust

TO: THE BOARD OF TRUSTEES OF THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM (PENSION FUND)

The undersigned acknowledges receipt of a copy of The Winnipeg Civic Employees' Benefits Program Amended and Restated Pension Trust Agreement (the "**Pension Trust Agreement**") pursuant to which The Winnipeg Civic Employees' Pension Plan, The Winnipeg Civic Employees' Early Retirement Arrangement and The Winnipeg Civic Employees' Pension Fund are continued.

The undersigned is hereby appointed to act as a Trustee of the Pension Fund by the Appointing Group described below.

The undersigned has been appointed for a term ending on December 31, _____.

The undersigned consents to act as a Trustee of the Pension Fund pursuant to the terms of the Pension Trust Agreement. The undersigned hereby accepts the trusts created and established by the Pension Trust Agreement, and agrees to administer the Pension Fund and the Early Retirement Benefits Account in accordance with the provisions of that Agreement.

DATED at _____, Manitoba, this _____ day of _____, 20____.

_____ _____
[Name of Appointing Group] Trustee

Per: _____ _____
Witness