

**COLLEGE PENSION PLAN
JOINT TRUST AGREEMENT**

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**COLLEGE PENSION PLAN
JOINT TRUST AGREEMENT**

THIS RESTATED JOINT TRUST AGREEMENT is made the 1st day of October, 2021.

AMONG:

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister Responsible for the *Public Sector Pension Plans Act* (the “**Government**”),

AND:

Post-Secondary Employers' Association,

AND:

Federation of Post-Secondary Educators of BC,

AND:

B.C. Government and Service Employees' Union.

RECITALS

WHEREAS

- A. Pursuant to the *Pension (College) Act*, R.S.B.C. 1996, c. 353 (the “**PCA**”), a pension plan was provided for the benefit of senior administrative staff, faculty and certain other public service employees;
- B. Pursuant to section 3 of the PCA, the College Pension Fund (the “**Pension Fund**”) was continued under the PCA;
- C. The *Public Sector Pension Plans Act*, S.B.C. 1999, c. 44 (the “**Act**”), which received Royal Assent on July 15, 1999, introduced certain changes to British Columbia’s four statutory pension plans, including the plan provided for under the PCA;
- D. Pursuant to section 2 of Schedule A to the Act (“**Schedule A**”), the plan provided for under the PCA was continued effective April 1, 2000 as the College Pension Plan (the “**Pension Plan**”) under Schedule A and the regulations made pursuant to subsection 13(1) of Schedule A (the “**Statutory Pension Plan Rules**”);
- E. Pursuant to section 9 of Schedule A, the Pension Fund constituted under the PCA was further continued under Schedule A effective April 1, 2000;
- F. In conjunction with the continuation of the Pension Plan and the Pension Fund under Schedule A, the PCA was repealed effective April 1, 2000 pursuant to s. 124(a) of the Act;
- G. The Act established an agency known as the British Columbia Pension Corporation to provide pension plan administration services to British Columbia’s statutory pension plans, including the Pension Plan;

- H. The Act also established an agency known as the British Columbia Investment Management Corporation which may provide investment management services to British Columbia's statutory pension plans, including the Pension Plan;
- I. The Act was amended by sections 44, 52 and 53 of the *Miscellaneous Statutes Amendment Act (No.2), 2012* to repeal Part 1 of Schedule A and to provide in section 16.1 of Schedule A that the parties hereto could enter into a joint management agreement for the management of the Pension Plan and the Pension Fund that provides for, but is not limited to, all of the following:
- (a) the continuation of the Pension Plan and the Pension Fund for the benefit of Plan Members;
 - (b) the joint management of the Pension Plan and the Pension Fund;
 - (c) the establishment of who will manage the joint management agreement;
 - (d) the establishment of an arrangement to hold and invest the Pension Fund;
 - (e) the composition of the board of trustees, including the appointment of trustees and the delineation of their powers, functions and duties;
 - (f) the sharing by the employers and plan members of gains or surplus and of liability for deficiencies in the Pension Fund;
 - (g) the method for amending the Pension Plan by the agreement of the Partners;
 - (h) the resolution of disputes; and
 - (i) any other matter on which agreement is reached;
- J. The parties hereto entered into a joint trust agreement on April 4, 2011 (the "**2011 Joint Trust Agreement**"), which was made pursuant to, and constituted a joint management agreement for the purposes of, section 16.1 of Schedule A;
- K. Effective June 22, 2012, the date sections 44, 52 and 53 of the *Miscellaneous Statutes Amendment Act (No.2), 2012* came into force, the joint trust arrangements for the Pension Plan and the Pension Fund moved from Schedule A and the Statutory Pension Plan Rules, and were continued under the 2011 Joint Trust Agreement and the Pension Plan Rules (as hereinafter defined);
- L. Section 16 of the 2011 Joint Trust Agreement provides that the Partners (as hereinafter defined) may by written agreement amend it at any time; and
- M. The Partners have determined that it is desirable to amend and restate the 2011 Joint Trust Agreement in order to incorporate a number of provisions that were not included in the Joint Trust Agreement when it came into force on June 22, 2012.

THEREFORE THE PARTIES AGREE to amend and restate the 2011 Joint Trust Agreement in its entirety to read as follows:

PREAMBLE

The purpose of this Joint Trust Agreement is to provide for the prudent management of the Pension Plan and the Pension Fund in a framework where the Plan Members and Employers share the responsibility of plan governance and share the risks and rewards of plan sponsorship.

ARTICLE 1 – INTERPRETATION

1.1 Definitions

In this Joint Trust Agreement, unless the context requires another meaning, the following defined terms have the following meanings:

“**Act**” means the *Public Sector Pension Plans Act*, S.B.C. 1999, c.44.

“**Basic Account**” means the basic account of the Pension Fund established in accordance with subparagraph 12.1(a)(i)(A).

“**Board**” means the College Pension Board of Trustees continued under Section 3.3.

“**Chair**” means the chair of the Board appointed pursuant to Section 5.2.

“**Effective Date**” means June 22, 2012, the date sections 44, 52 and 53 of the *Miscellaneous Statutes Amendment Act (No.2), 2012* came into force.

“**Employee**” means those persons who are considered eligible employees under section 3 of the Pension Plan Rules.

“**Employer**” means those persons or other bodies who are considered eligible employers under section 2 of the Pension Plan Rules.

“**Family Law Act**” means the *Family Law Act*, S.B.C. 2011, c. 25.

“**Government**” means Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister Responsible for the *Public Sector Pension Plans Act*.

“**ITA**” means the *Income Tax Act* (Canada).

“**Investment Management Corporation**” means the British Columbia Investment Management Corporation established under section 16 of the Act.

“**Joint Trust Agreement**” means this joint trust agreement as amended from time to time.

“**PBSA**” means the *Pension Benefits Standards Act*, S.B.C. 2012, c. 30.

“**Partners**” means the Government, the Post-Secondary Employers' Association, the Federation of Post-Secondary Educators of BC and the B.C. Government and Service Employees' Union.

“**Pension Corporation**” means the British Columbia Pension Corporation established under section 5 of the Act.

“**Pension Fund**” means the College Pension Fund continued under Section 3.2.

“**Pension Plan**” means the College Pension Plan which, pursuant to section 2 of Schedule A (as it then was), was continued under Schedule A and the Statutory Pension Plan Rules, and which is further continued under Section 3.1.

“**Pension Plan Rules**” means the rules made under Section 12.1.

“**Plan Administrative Agent**” means the Pension Corporation.

“**Plan Employer Partners**” means the Government and the Post-Secondary Employers' Association.

“**Plan Member**” has the same meaning as in subsection 1(1) of the Act.

“**Plan Member Partners**” means the Federation of Post-Secondary Educators of BC and the B.C. Government and Service Employees' Union.

“**Rate Stabilization Account**” means the notional account established within the Basic Account for the purpose of stabilizing future contribution rates.

“**Schedule A**” means Schedule A to the Act.

“**Statutory Pension Plan Rules**” means the College Pension Plan Regulation, B.C. Reg. 95/2000, made pursuant to subsection 13(1) of Schedule A (as it then was).

“**Surplus Assets**” means, in respect of the benefits payable from the Basic Account as of a certain date, the amount by which the Going Concern Assets Value exceeds the Going Concern Liabilities Value, as those terms are defined in Appendix B. If the result of the calculation in the preceding sentence is a negative number, the result is deemed to be nil.

“**Trustees**” means the initial persons appointed pursuant to the terms of this Joint Trust Agreement to administer the Pension Plan and manage the Pension Fund and those persons appointed from time to time in accordance with this Joint Trust Agreement as their successors. For greater certainty, a Trustee does not include a person who has ceased to be a Trustee in accordance with the terms of this Joint Trust Agreement.

1.2 Use of Plural and Defined Terms

In this Joint Trust Agreement according to the context:

- (a) words in the singular include the plural and words in the plural include the singular; and

- (b) 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 in this Joint Trust Agreement are for ease of reference only and shall form no part of this Joint Trust 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 Joint Trust Agreement refer and relate to the whole of this Joint Trust Agreement and not to that Article, Section, subsection or paragraph only, unless otherwise expressly provided.

1.5 Statutory References

In this Joint Trust Agreement, any reference to a statute shall include the regulations promulgated under that statute 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 to that statute.

1.6 Recitals, Preamble and Appendices

The recitals, the Preamble and the various Appendices hereto form part of this Joint Trust Agreement.

1.7 Survival of Provisions

The provisions of this Joint Trust Agreement which, by their context are meant to survive the termination of this Joint Trust Agreement, shall so survive the termination of this Joint Trust Agreement.

1.8 Conflict between Pension Plan Rules and Agreement

If there is any conflict between this Joint Trust Agreement and the Pension Plan Rules, this Joint Trust Agreement shall prevail and govern.

1.9 Other Joint Management Agreements

Joint management agreements have been concluded pursuant to s. 18 of each of Schedules B, C and D of the Act. Those agreements are the product of different negotiating processes among different parties, and any similarities or differences between those agreements and this Joint Trust Agreement shall have no bearing on the interpretation of this Joint Trust Agreement.

ARTICLE 2 – JOINT TRUST AGREEMENT

2.1 Acknowledgement by the Partners

This Joint Trust Agreement is made pursuant to, and constitutes a joint management agreement for the purposes of, s. 16.1(2) of Schedule A.

2.2 Effective Date

On the Effective Date, the terms and conditions of the 2011 Joint Trust Agreement and the Pension Plan Rules came into force to govern the Pension Plan and the Pension Fund, which Pension Plan and Pension Fund continue to be governed by this Joint Trust Agreement and the Pension Plan Rules, all as amended from time to time.

2.3 Registration of Joint Trust Agreement with Regulatory Authorities

The adoption of this Joint Trust Agreement shall for the purposes of the PBSA and the ITA be considered an amendment to the 2011 Joint Trust Agreement, and the Board shall make application on that basis to register this Joint Trust Agreement under the PBSA and the ITA.

2.4 Status of Board under PBSA and ITA

It is confirmed that for the purposes of the PBSA and the ITA the Board is the “administrator” of the Pension Plan.

2.5 Status of Agreement under PBSA

This Joint Trust Agreement and the Pension Plan Rules made pursuant to it continue the multi-employer plan constituted under Schedule A. Pursuant to s. 47 of the PBSA, all Employers are bound by this Joint Trust Agreement and by any amendments to it.

ARTICLE 3 – CONTINUATION OF PENSION PLAN, PENSION FUND AND BOARD

3.1 Pension Plan Continued

- (a) The pension plan continued under the 2011 Joint Trust Agreement and the Pension Plan Rules, is now continued as the College Pension Plan under this Joint Trust Agreement and the Pension Plan Rules.
- (b) An “employer” to whom the 2011 Joint Trust Agreement applied immediately before the coming into force of this Joint Trust Agreement continues to be an Employer, and those eligible employees of that Employer continue to be Employees, under the College Pension Plan.
- (c) A person who, immediately before the coming into force of this Joint Trust Agreement, was a “plan member” under the 2011 Joint Trust Agreement, continues to be a Plan Member under the College Pension Plan.

- (d) Any rights vested in each Plan Member or beneficiary under the College Pension Plan prior to the coming into force of this Joint Trust Agreement continue to apply to the Plan Member or beneficiary, in the same manner and to the same extent.
- (e) The fiscal year end of the Pension Plan is August 31, or any other date that the Board may establish as the fiscal year end for the Pension Plan.

3.2 College Pension Fund Continued

- (a) The College Pension Fund continued under the 2011 Joint Trust Agreement is continued under this Joint Trust Agreement.
- (b) The Board, which held the Pension Fund in trust in accordance with the 2011 Joint Trust Agreement, continues to hold the Pension Fund in trust in accordance with this Joint Trust Agreement. The Partners and the Board shall take all necessary steps, including entering into appropriate custodial arrangements to ensure that legal title to the Pension Fund continues to be vested in the Board, and that the Board can exercise and discharge all rights and obligations associated with the ownership of the Pension Fund.
- (c) The Pension Fund consists of cash, investments and other assets held by the Board.
- (d) The contributions from the Employers and Plan Members and the net income from investments and other sources must be paid into the Pension Fund.
- (e) Benefits and disbursements payable under this Joint Trust Agreement and the Pension Plan Rules must be paid from the Pension Fund and, for this purpose, the Pension Fund must be considered one and indivisible.
- (f) The following fees, expenses and disbursements, as are reasonably necessary and approved by the Board, must be paid from the Pension Fund:
 - (i) the fees, expenses and disbursements of the Board incurred in administering the Pension Plan and managing the Pension Fund;
 - (ii) any expenses incurred by a Trustee in attending or participating in any program of trustee education;
 - (iii) the fees, expenses and disbursements of, and amounts requisitioned by, the Plan Administrative Agent and the Investment Management Corporation, or other investment managers, to operate and administer the Pension Plan and to manage the Pension Fund;
 - (iv) the fees, expenses, and disbursements incurred by the Board or a Trustee while participating with the Partners in consulting with the Plan Members and Employers on plan design, including any expenses incurred by the Board in developing or producing related materials or products;

- (v) the fees, expenses and disbursements of the Board incurred in administering the post retirement group plan constituted under the post retirement group benefit plan rules of the College Pension Plan, including the expenses relating to enrollment administration, plan design, and the selection and supervision of a plan carrier, but excluding any expenditure relating to the actual cost of the post retirement group benefits;
- (vi) any other expenses incurred in the administration of this Joint Trust Agreement, and the Pension Plan Rules,
- (g) The Pension Fund is for the sole benefit of the Plan Members. The Partners and the Employers shall have no claim on the assets of the Pension Fund other than expressly provided for in this Joint Trust Agreement. Without limitation, nothing in this paragraph 3.2(g) derogates from the Board's ability to apply Surplus Assets to the reduction of Employer contribution rates in accordance with Sections 11.2 or 13.4 or pay remaining assets to the Employers pursuant to Section 15.5.

3.3 Board of Trustees Continued

- (a) The College Pension Board of Trustees continued under the 2011 Joint Trust Agreement is now continued under this Joint Trust Agreement, and each individual appointed to the College Pension Board of Trustees pursuant to the 2011 Joint Trust Agreement is deemed to have been so appointed pursuant to the corresponding provision of Section 4.1.
- (b) All decisions of the College Pension Boards of Trustees constituted under Schedule A and the 2011 Joint Trust Agreement (the 'old boards') are deemed to be decisions of the College Pension Board of Trustees constituted under this Joint Trust Agreement (the 'new board'). The new board is bound by the decisions of the old boards in the same manner and to the same extent as the old boards were bound by such decisions.

ARTICLE 4 – APPOINTMENT AND REPLACEMENT OF TRUSTEES

4.1 Appointment of the Board

- (a) The Board shall comprise of at least 10 members, 10 of whom shall be appointed as follows:
 - (i) 4 persons appointed by the Government, one of whom is nominated by the Post-Secondary Employers' Association;
 - (ii) 3 persons appointed by the Federation of Post-Secondary Educators of BC;
 - (iii) one person appointed by the BC Government and Service Employees' Union;
 - (iv) one person who is retired from service and receiving a pension under the Pension Plan, appointed by the Plan Member Partners;

- (v) one person who is a Plan Member but not a retired Plan Member nor a member of the Federation of Post-Secondary Educators of BC nor a member of the BC Government and Service Employees' Union, appointed by the Plan Employer Partners.

(b) Each Trustee must be a permanent resident of Canada.

4.2 Acceptance by Trustees

The members of the Board are the trustees of the Pension Plan and the Pension Fund. Each member of the Board, upon signing an Acceptance of Trust in the form set forth in Appendix A attached hereto, thereby accepts the trusts established by this Joint Trust Agreement and consents to act as Trustee.

4.3 Terms of Appointments to the Board

An appointment to the Board under Section 4.1 or subsection 5.2(b) must be made

- (a) for a term not exceeding 3 years, which term shall end on August 31, and
- (b) so that no more than 4 appointments expire in any calendar year,

and the term of a Trustee's appointment shall be stated in the Trustee's Acceptance of Trust.

4.4 Renewal

An appointment under Section 4.1 or subsection 5.2(b) may be renewed by the party that made the appointment.

4.5 Removal

Despite Section 4.1 or subsection 5.2(b), an appointment to the Board may be rescinded at any time by the party that made the appointment.

4.6 Appointment of Trustees on Expiration of Term

No later than six months prior to the expiry date of a Trustee's term, the Chair shall give written notice to the party who appointed the Trustee, and that party shall renew the appointment of the Trustee or appoint a successor Trustee. If the party does not renew the appointment of the incumbent Trustee or appoint a successor Trustee within four months after the expiry of the incumbent Trustee's 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 Joint Trust 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 party who failed to appoint the successor Trustee (the "**appointing party**"). The appointing party may subsequently rescind the appointment of the successor Trustee pursuant to Section 4.5 and, if it does so, must concurrently appoint a replacement Trustee pursuant to Section 4.7.

4.7 Appointment of Trustees on Resignation, Removal or Death

If a Trustee dies, resigns or is removed from office as provided for herein, the party who appointed the Trustee must forthwith appoint a successor Trustee. If that party fails to appoint a successor Trustee within two months of the Trustee's death, resignation or removal from office, the Chair shall give written notice to the party who appointed the Trustee. The party 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 Joint Trust 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 party having the authority to appoint the successor Trustee (the "**appointing party**"). If an individual is appointed Trustee pursuant to this Section 4.7, that Trustee's initial 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 necessitated the appointment of that Trustee. The appointing party may subsequently rescind the appointment of the successor Trustee pursuant to Section 4.5 and, if it does, must concurrently appoint a replacement Trustee pursuant to this Section 4.7.

4.8 Resignation of a Trustee

A Trustee may resign by giving written notice thereof to the party who appointed the Trustee, and to the Chair who shall promptly notify all the other Trustees. The effective date of a 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 party who appointed the Trustee receives the written notice of resignation.

4.9 Death of a Trustee

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

4.10 Discharge of Trustees

If a Trustee resigns, is removed or the Trustee's term expires, that individual shall be fully discharged from all future duties and responsibilities in respect of this Joint Trust Agreement as of the date of such resignation, removal or the expiration of term, as the case may be. However, a Trustee who resigns, is removed or whose term expires shall not be discharged from, and shall remain liable for, any of the Trustee's liabilities arising hereunder prior to the effective date of resignation, removal or the expiration of term, as the case may be.

4.11 Termination of Trusteeship

A Trustee who resigns, is removed or whose term expires without being reappointed and the personal representatives of any deceased Trustee, all as the case may be, must forthwith turn over

to the Board any and all records, books, documents, money and other property and assets in that individual's possession, forming part of the Pension Fund or incidental to that individual's duties as Trustee under this Joint Trust Agreement or relating to the administration of the Pension Fund or the Pension Plan. In addition, any such individual shall convey, assign or transfer to the Board any or all rights or property of that individual in the Pension Fund, excluding any rights or property that individual has in that individual's capacity as a Plan Member, and shall, if necessary, convey, assign or transfer to the Board any or all rights or property of that individual in the Pension Fund as the Trustees may direct. Despite the foregoing, if the Board considers it appropriate, a former Trustee may have reasonable access to any of the former Trustee's records, books or documents turned over to the Board as described above.

4.12 Former Trustee Purporting to Act

If a Trustee resigns, is removed or is not reappointed upon the expiration of the Trustee's term but purports to continue to act as a Trustee, the Board may do such things and take such action at law or equity as it determines necessary to cause the person to cease to purport to act as a Trustee including, without limitation, making application to a court of competent jurisdiction for the relief, including injunctive relief, it considers appropriate.

4.13 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 the defect existed shall be valid and effective.

ARTICLE 5 – OPERATION OF THE BOARD

5.1 Voting

Each Trustee appointed under Section 4.1 has one vote.

5.2 Chair of the Board

The Board must

- (a) designate one of the Trustees appointed under Section 4.1 as chair of the Board, or
- (b) appoint a person, not referred to in Section 4.1, as a Trustee and designate that person as chair of the Board.

5.3 Voting by Chair

The Board must determine whether the chair designated under subsection 5.2(b) has a vote, and any such determination remains in effect until the Trustees appointed under Section 4.1 determine otherwise.

5.4 Term of Chair

- (a) A Chair designated pursuant to subsection 5.2(a) or appointed pursuant to subsection 5.2(b) shall serve for a term determined by the Board, which term shall not exceed three years, subject to that individual's resignation, death or removal in accordance with Section 4.5.
- (b) A designation pursuant to subsection 5.2(a) or an appointment pursuant to subsection 5.2(b) may be renewed by the Trustees appointed under Section 4.1.
- (c) The Trustees appointed under Section 4.1 may remove at any time a Chair designated pursuant to subsection 5.2(a) or appointed pursuant to subsection 5.2(b).
- (d) A Chair designated pursuant to subsection 5.2(a) who ceases to hold office for any reason shall not cease to be a Trustee because that individual ceased to be Chair. The individual who ceased to be Chair shall remain a Trustee until the individual ceases to be a Trustee in accordance with the provisions of this Joint Trust Agreement.
- (e) A Chair designated pursuant to subsection 5.2(a) who ceases to be a Trustee for any reason shall cease to be Chair effective the date upon which the person ceases to be a Trustee.
- (f) A Chair appointed pursuant to subsection 5.2(b) who ceases to hold office as Chair for any reason shall cease to be a Trustee effective the date upon which the person ceases to be Chair.
- (g) If a Chair ceases to hold office at any time for any reason, the Board appointed under Section 4.1 shall forthwith designate a replacement in accordance with Section 5.2.

5.5 Frequency of Meetings

The Board shall meet no less frequently than three times per calendar year. The Chair shall set the date and location of each meeting. Any four Trustees may request the Chair to convene a meeting of the Board, which request shall be in writing and shall include the information 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 two months of the date upon which the request to convene a meeting was received by the Chair. If the office of Chair is vacant, any two Trustees appointed by a Plan Employer Partner and any two Trustees appointed by a Member Employer Partner 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.

5.6 Notice of Meeting

The Chair, or any other person delegated to do so by the Board, shall cause written notice of each meeting of the Board to be given to the Trustees no less than seven days prior to the date of the 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 the 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 a meeting shall be provided to the Trustees with the notice of the meeting. For

greater certainty, nothing in this Section precludes a Trustee from bringing forth any matter for discussion at a meeting, and business not included in the agenda for a meeting may be conducted at a meeting.

5.7 Waiver of Notice

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

5.8 Telephone Meetings

A meeting of the Board or any committee of the Board may be held, or a Trustee may participate in a meeting of the Board, by means of telephone or such other communication facilities which permit all persons participating in the meeting to speak to and hear each other, and a Trustee participating in a meeting by that means is deemed to be present at the meeting and will be counted in determining whether a quorum is present.

5.9 Quorum and Decisions

- (a) Subject to subsection 5.9(b), a quorum of the Board consists of 7 voting Trustees, present at the meeting either physically or pursuant to Section 5.8, and all decisions of the Board must be made by at least 80% of the voting Trustees present at a duly called and constituted meeting of the Board. For greater certainty:
- (i) if there are 11 voting Trustees present at a duly called and constituted meeting of the Board at the time of the vote, at least 9 votes in favour are required to make a decision;
 - (ii) if there are 9 or 10 voting Trustees present at a duly called and constituted meeting of the Board at the time of the vote, at least 8 votes in favour are required to make a decision;
 - (iii) if there are 8 voting Trustees present at a duly called and constituted meeting of the Board at the time of the vote, at least 7 votes in favour are required to make a decision; and
 - (iv) if there are 7 voting Trustees present at a duly called and constituted meeting of the Board at the time of the vote, at least 6 votes in favour are required to make a decision.
- (b) The Board may, by a resolution passed in accordance with subsection 5.9(a), change a requirement of subsection 5.9(a).
- (c) 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, the Trustees remaining at the meeting shall not transact any business except to fix a time and place for a continuation

of the meeting. If the Board meets when a Trustee position is vacant, the meeting is validly constituted as long as a quorum is present.

- (d) For greater certainty, any Trustee appointed pursuant to Section 4.1, and a Chair appointed pursuant to subsection 5.2(b) who has a vote pursuant to Section 5.3, is considered a “voting Trustee” for the purposes of this Section 5.9.

5.10 Resolutions in Writing

Despite subsection 5.9(a), 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 by all Trustees then in office without a meeting of the Trustees.

5.11 Trustee Expenses and Remuneration

The Board may, from the Pension Fund, pay:

- (a) to a Trustee or a person appointed to a committee of the Board an allowance for reasonable travel and other expenses necessarily incurred in carrying out the business of the Board;
- (b) to a Trustee or a person appointed to a committee of the Board, if the Trustee or person is not receiving remuneration from any other source for acting as a Trustee or on a committee, remuneration that has been set by the Board and is consistent with Treasury Board guidelines; and
- (c) to an organization, if the organization is the source of remuneration paid to a Trustee or person appointed to a committee of the Board, remuneration for the services of the Trustee or person at the rate set by the Board under subsection 5.11(b).

5.12 Execution of Documents and Cheques

All agreements and other documents to be executed by the Board shall, after being approved by the Board, be signed by such persons and in such manner as the Board from time to time directs. All cheques payable out of the Pension Fund shall be signed by such persons and in such manner as the Board from time to time directs.

ARTICLE 6 – LEGAL CAPACITY OF THE BOARD

6.1 Legal Capacity of the Board

- (a) For the purposes of assisting the Board with the administration of the Pension Plan and the management of the Pension Fund, the Board may
 - (i) retain the services of persons, as employees or contractors, and

- (ii) enter into agreements, including the agreements contemplated by paragraph 7.2(c)(ii).
- (b) The Board has the necessary legal capacity to sue and be sued in its own name for the purposes of a matter arising under this Joint Trust Agreement or the Pension Plan Rules.
- (c) The Board, on behalf of the Pension Fund, may recover and enforce contributions, deductions and any interest payments that should have been made or are due to the Pension Fund by action in any court in the name of the Board as a debt due to the Board.
- (d) The Board shall enter into agreements and act in all matters in the name of the “College Pension Board of Trustees”.

ARTICLE 7 – POWERS, FUNCTIONS AND DUTIES OF THE BOARD

7.1 General

The Board is responsible for the administration of the Pension Plan and the management of the Pension Fund. The Board has all powers necessary to enable it to administer the Pension Plan and manage the Pension Fund, subject only to the limitations set out in this Joint Trust Agreement, the Pension Plan Rules, the Act, the PBSA and all other applicable laws.

7.2 Functions and Duties

The Board must do all of the following:

- (a) make rules regarding the conduct of the business of the Board, including, but not limited to,
 - (i) respecting voting by the chair at meetings of the Board,
 - (ii) appointing committees of the Board and delegating functions to them,
 - (iii) allowing persons other than Trustees to serve as members of a committee,
 - (iv) setting the remuneration of eligible Trustees and persons serving on committees, and
 - (v) establishing the practice and procedure for appeals to the Board;
- (b) invest and manage the Pension Fund to ensure that the obligations of the Pension Plan are met, including, but not limited to,
 - (i) establishing the investment policy and the asset mix, and
 - (ii) monitoring the performance of the Plan Administrative Agent and the Investment Management Corporation or other investment manager referred to in Section 8.3;
- (c) direct the Plan Administrative Agent respecting

- (i) the application of the Pension Plan Rules,
 - (ii) the negotiation of agreements on behalf of the Board with a person, class of persons or body, including agreements which may differ from the Pension Plan Rules, respecting
 - A. portability of pension benefits,
 - B. pension-based early retirement incentive programs,
 - C. continuation of Pension Plan membership in the case of Employer merger or reorganization,
 - D. provision of benefits in addition to those provided for in the Pension Plan Rules,
 - E. reporting requirements on behalf of Employers under the ITA, and
 - F. any other agreements the Board considers to be advisable,
 - (iii) the implementation of any agreements entered into by the Board, and
 - (iv) the service standards necessary for providing the appropriate quality and level of service to Plan Members;
- (d) approve, in whole or in part and with or without modifications, the annual budget for pension administration and investment activities;
 - (e) prepare an annual report, including audited financial statements, on the Pension Plan and Pension Fund activity;
 - (f) have an actuarial valuation performed every 3 years, or more frequently if appropriate or necessary;
 - (g) establish a written governance policy and, in consultation with the Partners, a written funding policy for the Pension Plan in accordance with the PBSA;
 - (h) assess the administration of the Pension Plan at the times and in the manner required by the PBSA;
 - (i) retain professional, technical and other advisors that it considers necessary and determine the remuneration and reimbursement for expenses to which they are entitled; and
 - (j) provide for the financial administration of the Pension Plan by
 - (i) having an accounting system established for the proper reporting and accountability to the Board in a timely manner and at a reasonable cost,

- (ii) having annual financial statements of the Pension Plan prepared in accordance with generally accepted accounting principles,
- (iii) having a financial reporting audit performed on the financial statements referred to in paragraph 7.2(j)(ii), and
- (iv) providing to the Minister Responsible for the *Public Sector Pension Plans Act* an annual report on the Pension Plan, including the audited financial statements.

7.3 Financial Statements

Despite paragraphs 7.2(j)(ii) and (iii), financial statements for a period other than 12 months, but not exceeding 16 months, may be prepared and audited at the time the fiscal year of the Pension Plan is established in accordance with subsection 3.1(e).

7.4 Management and Investment of Pension Fund

The Board must ensure that:

- (a) the money of the Pension Fund is invested or loaned in the best financial interests of the Plan Members and, in doing that, must
 - (i) exercise the care, diligence and skill that a person of ordinary prudence would exercise when dealing with the property of another person, and
 - (ii) make the investments and loans in accordance with the provisions of the PBSA and other regulatory requirements;
- (b) the Plan Administrative Agent keeps an account of all money received and paid out of the Pension Fund and keeps an accounting of the assets and liabilities of the Pension Fund;
- (c) the Plan Administrative Agent keeps an individual record of contributions made by each Plan Member; and
- (d) the Pension Plan and Pension Fund are administered in compliance with the law.

7.5 Resolutions, Committees and Appointments

The Board may:

- (a) pass resolutions it considers necessary or advisable to manage and conduct its own affairs and to exercise the Board's powers and perform its duties;
- (b) establish committees or panels of the Board, and may determine the composition, duties, responsibilities, limitations and operating procedures of those committees or panels;
- (c) appoint persons other than Trustees to a committee or panel referred to in subsection 7.5(b), and may set the term of appointment to the committee or panel that applies to those persons;

- (d) appoint Trustees to the boards of the Pension Corporation and the Investment Management Corporation;
- (e) make a recommendation to the Plan Member Partners or the Plan Employer Partners, as the case may be, as to which of the Trustees should be appointed to the board of the Pension Corporation; and
- (f) rescind an appointment made under subsections 7.5(c) or (d).

7.6 Power to Settle Claims

The Board may, if and as it thinks fit, compromise, compound, abandon, submit to arbitration or otherwise settle a debt, account, claim or other thing relating to the Pension Plan or the Pension Fund. For any of these purposes, the Board may enter, give, execute and do the agreements, instruments of composition or arrangement, releases and other things that the Board considers expedient.

7.7 Appointment of an Auditor

- (a) The Board must engage the services of an auditor to perform, at least once in each year, an audit of the financial statements of the Pension Plan, including the accounts of the Board.
- (b) Fees of the auditor must be paid from the Pension Fund.

ARTICLE 8 – PLAN ADMINISTRATION AND INVESTMENT

8.1 Pension Corporation

The Board must retain the services of the Pension Corporation upon terms satisfactory to the Board, which terms shall be set out in a service agreement between the Board and the Pension Corporation, to carry out the Board's responsibilities respecting the administration of the Pension Plan.

8.2 Investment Management Corporation

The Board must place the Pension Fund with the Investment Management Corporation for funds management services upon terms satisfactory to the Board, which terms shall be set out in an investment management agreement between the Board and the Investment Management Corporation.

8.3 Other Investment Managers

Despite Section 8.2, the Board may place some or all of the Pension Fund with other investment managers for funds management services if in the opinion of the Board, the alternative funds management services are in the best financial interests of the Plan Members. If the Board appoints investment managers other than the Investment Management Corporation, it shall do so upon terms satisfactory to the Board which terms shall be set out in an investment management agreement between the Board and the investment manager.

ARTICLE 9 – APPEALS TO THE BOARD

9.1 Decision of Plan Administrative Agent

A person or organization directly affected by a decision of the Plan Administrative Agent in the application of the Pension Plan Rules may, by written notice to the Board, appeal all or part of the decision in accordance with the practice and procedure for appeals to the Board.

9.2 Appeals

- (a) The Board must ensure that each appeal is dealt with promptly and efficiently.
- (b) The Board may establish a panel consisting of one or more persons, as determined by the chair, to consider appeals.
- (c) If a panel consists of more than one person, the chair must preside over the panel or designate the person who is to chair the panel.
- (d) For an appeal referred to a panel,
 - (i) the panel has all the jurisdiction and may exercise the powers and perform the duties of the Board, and
 - (ii) a decision or order of the panel is a decision or order of the Board.
- (e) The Board or panel must confirm, vary or reverse the decision, order or ruling being appealed.

ARTICLE 10 – INDEMNIFICATION AND LIABILITY

10.1 Indemnification

The Pension Fund must indemnify a Trustee, against all costs, charges and expenses actually and reasonably incurred by the person, including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which the person is made a party because of being or having been a Trustee or committee or panel member, and including an action brought by the Board, if

- (a) the Trustee acted in good faith, and
- (b) in the case of a criminal action or proceeding, the Trustee had reasonable grounds for believing that the Trustee's conduct was lawful.

10.2 Liability for Losses in Pension Fund

The Trustees, 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 Joint Trust 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 a Trustee not acting in good faith, and no individual Trustee shall incur any liability for any loss or diminution unless the Trustee was a party to the action that resulted in the loss or diminution.

10.3 Liability for Other Matters

The Trustees, individually or collectively, shall not be responsible or liable for:

- (a) any matter, cause or thing arising due to the invalidity of all or any part of this Joint Trust Agreement or the Pension Plan Rules;
- (b) any delay occasioned by any restriction or provision in
 - (i) this Joint Trust Agreement,
 - (ii) the Pension Plan Rules,
 - (iii) any contract procured in the course of the administration of the Pension Plan or Pension Fund, or
 - (iv) by any other procedure;
- (c) any contributions required to be paid to the Pension Fund other than the contributions a Trustee may be required or permitted to make under the Pension Plan Rules in the Trustee's capacity as a Plan Member.

10.4 Reliance on Documents, etc.

The Trustees 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.

10.5 Reliance on Advisors

So long as the Trustees exercise reasonable care in the selection, instruction and supervision of a professional advisor, then subject to Section 16.3 the Trustees shall incur no liability, either collectively or individually, in acting and relying upon the opinions or advice of the professional advisor.

10.6 Further Assurances

The Trustees 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 are paid as required from time to time.

10.7 Recourse Solely Against Pension Fund

A Plan Member or person claiming through a Plan Member shall have recourse solely to the Pension Fund for any benefit or other payment under the Pension Plan.

10.8 Acting as a Director or Trustee of Other Body

- (a) The Board may pay from the Pension Fund an amount it considers appropriate in the circumstances to indemnify, fully or partly, a Trustee against costs, loss or damages incurred or awarded against the Trustee 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 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 10.8(a), where a loss suffered by the Trustee in serving as trustee of another trust, or as director of a body corporate, as described in subsection 10.8(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 for liability to pay that part of the deductible amount that the Board considers was a reasonable deductible amount.

10.9 Financial Responsibility for the Pension Plan

The Employers' and Plan Members' sole financial obligation in respect of the Pension Plan is to make contributions to the Board and the Pension Fund in the amounts and at the times specified in the Pension Plan Rules.

10.10 No Liability for Trustees Appointed

A party who appoints or nominates an individual to be a Trustee is not liable for any of the acts or obligations of that Trustee solely because the Trustee is or was an officer or employee of the party, or the party appointed or nominated the Trustee.

10.11 Extended Meaning of Trustee

- (a) Any reference in this Joint Trust Agreement to the indemnification or other protection of a Trustee shall, unless the context clearly indicates otherwise, include a person appointed to a committee or a panel under subsection 7.5(c) or Section 9.2.
- (b) Any reference in this Joint Trust Agreement to the indemnification or other protection of a Trustee or a person appointed to a committee or panel under subsection 7.5(c) or Section 9.2 shall, unless the context clearly indicates otherwise, be deemed to also refer to individuals who formerly held those positions on or after April 1, 2000, and to the personal representatives of any such individuals.

10.12 Bonding

The Board may procure insurance or fidelity bonds for those persons the Board considers appropriate. Those persons may be insured or bonded in the amounts and in the manner decided by the Board. The cost of the insurance or bonds must be paid out of the Pension Fund.

10.13 Fiduciary Liability and Other Insurance

The Board may purchase and maintain such errors and omissions insurance or fiduciary liability insurance, or insurance of a similar nature or description, as it considers necessary for the Board, any Trustee, or anyone else engaged in the administration or operation of the Pension Plan or Pension Fund. The cost of this insurance must be paid from the Pension Fund.

ARTICLE 11– CONTRIBUTION RATES AND USE OF SURPLUS ASSETS

11.1 Appointment of an Actuary

- (a) The Board must engage the services of an actuary to prepare actuarial reports and valuations and perform all computations required by the Board.
- (b) Fees of the actuary must be paid from the Pension Fund.

11.2 Actuarial Valuation Reports

- (a) The Board must have the Pension Plan reviewed and the results of the review set out in the form of an actuarial valuation report for a going concern valuation in the manner and at the times specified in the PBSA, the regulations under the PBSA and Appendix B.
- (b) In each actuarial valuation report prepared pursuant to subsection (a) the Plan actuary must calculate and identify the following, each effective as of the effective date of the actuarial valuation report:
 - (i) the entry age normal cost of the Plan (the “**EANC**”),
 - (ii) the “**PBSA Contribution Rate**”, being the aggregate Employer and Plan Member contribution rate to the Basic Account calculated in accordance with Appendix B assuming that:
 - A. any unfunded liability identified in the valuation will be amortized over the maximum period permitted by Appendix B, and
 - B. the Basic Account does not include the assets notionally allocated to the Rate Stabilization Account,
 - (iii) the “**Required Contribution Rate**”, being the greater of the EANC and the PBSA Contribution Rate so identified,

- (iv) the Surplus Assets in the Basic Account, if any, and
 - (v) the “**Accessible Going Concern Excess**”, as defined in Appendix B, if any.
- (c) If the Required Contribution Rate identified in an actuarial valuation report of the Plan filed with the Superintendent of Pensions is less than the aggregate Employer and Plan Member contribution rate to the Basic Account then in effect (the “**Current Contribution Rate**”), the Board must reduce the aggregate Employer and Plan Member contribution rate to the Basic Account to the Required Contribution Rate. The decrease must be shared equally between the Employers and the Plan Members, and the Board must amend the Pension Plan Rules accordingly. Despite the preceding two sentences, if the Board determines that a reduction in the aggregate Employer and Plan Member contribution rate to the Basic Account otherwise mandated by this subsection (c) is not material, and would be unduly disruptive to the Employers and Plan Members to implement, the Board may choose to not implement the reduction.
- (d) If the Required Contribution Rate identified in an actuarial valuation report of the Plan filed with the Superintendent of Pensions is greater than the Current Contribution Rate, the Board must increase the aggregate Employer and Plan Member contribution rate to the Basic Account to the Required Contribution Rate. The increase must be shared equally between the Employers and the Plan Members, and the Board must amend the Pension Plan Rules accordingly.
- (e) If the EANC identified in an actuarial valuation report of the Plan filed with the Superintendent of Pensions is greater than the Current Contribution Rate, and there is Accessible Going Concern Excess in the Basic Account as of the effective date of the actuarial valuation report, the Board must use the Accessible Going Concern Excess to fund a reduction in the aggregate Employer and Plan Member contribution rate to the Basic Account determined pursuant to subsection (d) equal to the least of:
- (i) the difference between the EANC and the Current Contribution Rate,
 - (ii) the maximum such reduction that can be funded with the Accessible Going Concern Excess pursuant to Appendix B, and
 - (iii) the reduction that will result in an aggregate Employer and Plan Member contribution rate to the Basic Account equal to the EANC minus 1.0%.

The Accessible Going Concern Excess must be so applied by amortizing it over a 25 year period from the effective date of the valuation assuming an open group of Plan Members. Any such reduction must be shared equally between the Employers and the Plan Members, and the Board must amend the Pension Plan Rules accordingly.

- (f) If an actuarial valuation report of the Plan filed with the Superintendent of Pensions indicates that the Basic Account has Surplus Assets, the Board must transfer from the Basic Account to the Inflation Adjustment Account an amount equal to the least of:
- (i) 50% of the Surplus Assets remaining after the implementation of subsection (e),

- (ii) the amount that has to be transferred to the Inflation Adjustment Account so that it has
 - A. sufficient assets to index all benefits payable from the Basic Account for accrued and future service at a rate equal to the best estimate long term rate of inflation assumed in that actuarial valuation report, and
 - B. a prudent reserve, and
- (iii) the amount that has to be notionally allocated to the Rate Stabilization Account so that it has the target amount set in the funding policy adopted pursuant to subsection 7.2(g).
- (g) If an actuarial valuation of the Plan filed with the Superintendent of Pensions indicates that the Basic Account has Surplus Assets, the Board must notionally allocate from the Basic Account to the Rate Stabilization Account an amount equal to the amount transferred to the Inflation Adjustment Account pursuant to subsection (f).
- (h) If after implementing subsections (f) and (g) there are Surplus Assets remaining in the Basic Account, the objective described in paragraph f(ii) has been achieved, but the objective described in paragraph f(iii) has not been achieved, the Board must notionally allocate from the Basic Account to the Rate Stabilization Account an amount equal to the lesser of:
 - (i) the Surplus Assets remaining after implementing subsections (f) and (g), and
 - (ii) the further amount that has to be notionally allocated to the Rate Stabilization Account to achieve the objective described in paragraph f(iii).
- (i) If after implementing subsections (f) and (g) there are Surplus Assets remaining in the Basic Account, the objective described in paragraph f(iii) has been achieved, but the objective described in paragraph f(ii) has not been achieved, the Board must transfer from the Basic Account to the Inflation Adjustment Account an amount equal to the lesser of:
 - (i) the Surplus Assets remaining after implementing subsections (f) and (g), and
 - (ii) the further amount that has to be transferred to the Inflation Adjustment Account to achieve the objective described in paragraph f(ii).
- (j) If after implementing subsections (f), (g), (h) and (i) there are Surplus Assets remaining in the Basic Account, those Surplus Assets will be considered unallocated Surplus Assets of the Basic Account unless and until the Board elects to apply the Surplus Assets in one or more of the following manners:
 - (i) implement in accordance with Section 13.4 a reduction in the aggregate Employer and Plan Member contribution rate to the Basic Account, which reduction must:
 - A. be shared equally between the Employers and Plan Members,

- B. be in addition to any reduction implemented pursuant to subsection (e), and
 - C. not result in an aggregate Employer and Plan Member contribution rate to the Basic Account that is less than the EANC minus 1.0%;
- (ii) fund changes to the benefit provisions set out in the Pension Plan Rules as provided in Section 13.4.
- (k) Any action taken by the Board under any of subsections (c) through (j) must comply with the funding requirements set out in Appendix B, and must result in the Pension Plan being funded in accordance with such funding requirements.
- (l) Assets notionally allocated to the Rate Stabilization Account shall be notionally allocated back to the Basic Account to stabilize the aggregate Employer and Plan Member contribution rate to the Basic Account in such amounts and at such times as the Plan actuary recommends. For greater certainty, such notional allocations can occur in conjunction with the preparation of an actuarial valuation report, and may occur as of the effective date of that actuarial valuation report. If such a notional allocation occurs on the effective date of an actuarial valuation report, all of the calculations and determinations provided for in this Joint Trust Agreement, including the calculation of the Basic Account's Surplus Assets and the PBSA Contribution Rate, will be performed having regard to the reduced value of the Rate Stabilization Account after such a notional allocation.
- (m) Prior to the Board taking action under any of subsections (e) through (j) the Board will consult with the Partners.

ARTICLE 12– COLLEGE PENSION PLAN RULES

12.1 Pension Plan Rules

- (a) The Board may make rules, applicable generally or to a specified person or class of persons, including, without limitation, rules as follows:
- (i) respecting the Pension Fund, the funding for and payment from different accounts and the establishment of different accounts for different purposes within the Pension Fund, including
 - A. an account for basic pension benefits provided within the ITA maximums for a registered pension plan,
 - B. an account for pension indexing, and
 - C. an account for supplemental benefits not paid from the other accounts;
 - (ii) governing Employer and Employee eligibility to participate in the Pension Plan, including any information required to establish the status of Employers and the

enrollment of particular Employees as members, providing for continuity of service on transfer between different Employers, and providing differently for different Employee groups;

- (iii) prescribing Employer and Plan Member contributions to the Pension Fund, including
 - A. prescribing different rates for different circumstances, and the timing and reporting of contributions,
 - B. prescribing what constitutes the salary of a Plan Member for the purposes of determining contributions,
 - C. imposing restrictions on access to amounts contributed to the Pension Fund and interest on those amounts, including restrictions on demanding or enforcing payment, and
 - D. prescribing contribution limits;
- (iv) respecting pensionable service, including
 - A. prescribing requirements for calculating annual service accrual for full time and less than full time employment,
 - B. the terms and conditions respecting the recognition of periods of short term and long term disability, and
 - C. restricting recognition of pensionable service on partial payment of arrears;
- (v) respecting contributory service, including
 - A. prescribing requirements for calculating service accrual for full time and less than full time employment,
 - B. the terms and conditions respecting the recognition of periods of short term and long term disability,
 - C. the terms and conditions respecting the recognition of periods of child rearing, and
 - D. recognition of contributory service on payment or partial payment of arrears;
- (vi) respecting the purchase of service, including specifying the terms and conditions for the purchase of service, and amounts to be paid and by whom, for periods of
 - A. leave of absence,
 - B. service that can be reinstated,

- C. service during which the Plan Member was not eligible to make contributions or elected not to make contributions, and
 - D. any other service approved by the Board, including service with any employer, whether or not the employer is an Employer under this Joint Trust Agreement;
- (vii) prescribing the earliest retirement age, pensionable age, normal retirement age or latest retirement age applicable to any Plan Member or group or class of Plan Members;
- (viii) respecting benefits, including
- A. the eligibility and entitlement to receive a benefit and the criteria and methods for determining a benefit,
 - B. the calculation of the highest average salary,
 - C. the calculation of the benefit amount on termination of membership, pre-retirement death, disability retirement, early retirement, normal retirement, late retirement, shortened life expectancy and death, and prescribing available options for receiving pension benefits,
 - D. the nature of a benefit, whether pre-retirement, on retirement or post retirement, including spousal benefits, the protection of spousal benefits, the nomination of beneficiaries, a change of beneficiaries or benefit selection, minor beneficiaries, spousal waivers and the nomination of a beneficiary on the breakdown of a marriage or marriage-like relationship,
 - E. subject to paragraph 3.2(f)(v), post retirement group benefits, and the type and level of benefits, entitlement to benefits, terms and conditions of how benefits are provided and funded by participating members, and
 - F. supplemental benefits, including
 - a. benefit calculations and available options for receipt of those benefits with reference to the ITA,
 - b. the terms and conditions of how those benefits are to be provided, funded and paid, and by whom they are funded, and
 - c. the indexing of supplemental benefits;
- (ix) establishing the terms and conditions for pension indexing, including
- A. the eligibility and entitlement to receive indexing and the criteria and methods for determining indexing, and

- B. determining the highest average salary for long term disability, deferred pensions and pensions for Plan Members with less than full time employment;
- (x) respecting the manner of making an application for, and the granting or continuation of, benefits, supplemental benefits and disability benefits, including the information required and the form of proof required for that information;
- (xi) respecting applications for monthly pension benefits, including
 - A. requirements for filing applications,
 - B. the effective date for monthly pension benefits on late filing of applications, and
 - C. exceptions for persons incapable of managing their affairs or other sufficient reason;
- (xii) respecting the requirements for filing written agreements and court orders made under Parts 5 and 6 of the Family Law Act, or similar orders of a court outside British Columbia that are enforceable in British Columbia and, in case of late filing, whether or not adjustments are required;
- (xiii) respecting the methodology and assumptions for any calculations required to administer the Pension Plan;
- (xiv) establishing general administrative requirements and imposing administrative obligations on Employers;
- (xv) prescribing administrative penalties or the payment of interest by Employers, Plan Members or the Pension Plan in the case of delay or noncompliance;
- (xvi) exempting a person or class of persons, or allowing the Board to exempt a person or class of persons, with or without conditions, from any provision of the Pension Plan or Pension Plan Rules;
- (xvii) defining any word or expression used in this Joint Trust Agreement or in the Pension Plan Rules;
- (xviii) providing for any matter necessary or advisable to carry out effectively the intent and purposes of this Joint Trust Agreement.
- (b) In making a rule under this Joint Trust Agreement, the Board may delegate a matter to a person and confer a discretionary power on a person.
- (c) The Board may amend, repeal or replace the Pension Plan Rules made under subsection 12.1(a).

- (d) Pension Plan Rules made under this Joint Trust Agreement may be made retroactive to no earlier than April 1, 2000, and a rule made retroactive is deemed to have come into force on the date specified in the rule
- (e) The Pension Plan Rules made under the 2011 Joint Trust Agreement in effect immediately prior to the entry into this Joint Trust Agreement are confirmed as the Pension Plan Rules made under this Joint Trust Agreement. These rules are effective as of the various dates the corresponding rules made under Schedule A or the 2011 Joint Trust Agreement were effective.

ARTICLE 13 – AMENDMENT OF PENSION PLAN RULES

13.1 Amendment to Comply with Law

Despite subsection 12.1(d) and Sections 13.2 and 13.3, the Board must amend the Pension Plan Rules to the extent necessary to keep the rules in compliance with the *Family Law Act*, the ITA, the PBSA and any other enactment applicable to the Pension Plan, the Pension Fund and the benefits payable under the Pension Plan.

13.2 Amendment Requested by Partners

The Partners may direct the Board to amend the Pension Plan Rules and the Board must amend the rules if

- (a) the Partners have first received and considered the advice of the Board respecting both the cost and the administrative impact of implementing the proposed amendment,
- (b) the proposed amendment is not inconsistent with Section 13.1, the Trustees' fiduciary responsibilities, and
- (c) the proposed amendment will not result in the Pension Plan failing to be funded in accordance with Appendix B.

13.3 Recommendation of Amendments to the Partners by the Board

The Board may make recommendations to the Partners respecting amendments to the Pension Plan Rules that the Board considers to be in the best interests of the Plan Members and, with the approval of the Partners respecting those recommendations, the Board may amend the Pension Plan Rules.

13.4 Amendments by the Board

- (a) Despite subsection 12.1(d) and Sections 13.2 and 13.3, the Board may amend the Pension Plan Rules if
 - (i) there is no resulting increase in the contribution rates for providing the non-indexed basic benefits,

- (ii) there is no resulting increase in the contribution rates for providing for the indexing of benefits,
 - (iii) there is no creation of, or increase in, an unfunded liability,
 - (iv) the proposed amendment is consistent with the Trustees' fiduciary responsibilities, and
 - (v) the proposed amendment does not conflict with Section 15.5.
- (b) For the purposes of subsection 13.4(a), when considering an amendment to the Pension Plan Rules respecting a benefit improvement, the Board must determine the cost of a benefit improvement based on the open group of Plan Members and using a 25 year period for the amortization of a Pension Plan surplus that will be used to fund the benefit improvement.

13.5 Changes to Plan Rules

The Board will inform the Partners of each change to the Pension Plan Rules, providing both a description of the change and the rationale for the change.

ARTICLE 14 – EMPLOYER WITHDRAWAL

14.1 Employer Withdrawal

Withdrawal from the Pension Plan by an Employer is only permitted if

- (a) terms and conditions for withdrawal are established by the Board, and
- (b) those terms and conditions are followed by the Employer wishing to withdraw.

ARTICLE 15 – AMENDMENT AND TERMINATION OF JOINT TRUST AGREEMENT

15.1 Amendment to Agreement

The Partners may by written agreement amend this Joint Trust Agreement at any time after first consulting with the Trustees. This power of amendment is subject to no restrictions other than those imposed by law, and includes the power to revoke, in whole or in part, the trusts created under this Joint Trust Agreement.

15.2 Amendment by Board

Despite any other provision in this Joint Trust Agreement, the Board may after consulting with the Partners amend this Joint Trust Agreement in the manner necessary to maintain the Pension Plan's registration under the PBSA and the ITA, or as is otherwise necessary to comply with applicable law.

15.3 Retroactive Amendment

Any amendment to this Joint Trust Agreement may take place retroactively or otherwise as the Partners or the Board, as the case may be, may direct, provided that no amendment shall be made which retroactively increases the duty of care required of a present or former Trustee or retroactively diminishes their right to indemnity under this Joint Trust Agreement.

15.4 Termination of Joint Trust Agreement or Pension Plan

This Joint Trust Agreement or the Pension Plan may be terminated, in whole or in part, at any time by the Partners but only after first consulting with the Trustees.

15.5 Termination of Entire Pension Plan

If the Pension Plan is terminated in its entirety, the assets of the Pension Fund shall be disbursed in accordance with the Pension Plan Rules, provided that the Pension Plan Rules must always, and shall be deemed to always, provide that if any assets remain in the Pension Fund after full provision has been made for all entitlements to receive a pension in respect of the Plan Members' membership in the Pension Plan, one half of such remaining assets must be used to provide pension improvements or other benefits to the Plan Members, and the other half of such remaining assets must be paid to the Employers.

ARTICLE 16 – FIDUCIARY RESPONSIBILITIES

16.1 No Conflict of Interest

- (a) Except as provided in subsection 16.1(c), no Trustee shall knowingly permit the Trustee's other interests to conflict with the Trustee's powers, duties and responsibilities in respect of the Pension Plan and Pension Fund.
- (b) Entitlement to a pension or other benefit under the Pension Plan does not create a conflict of interest.
- (c) Subsection 16.1(a) does not apply to any determination made by the Trustees pursuant to subsection 11.2(j). In making any determination relating to the application of Surplus Assets, the Trustees are not acting in a fiduciary capacity. When acting under subsection 11.2(j), a Trustee may take into account the financial and other interests of the party that appointed the Trustee to the Board, and any other factor the Trustee considers appropriate, including factors unrelated to the Pension Plan or the Pension Fund.

16.2 Use of Committees or Panels

If the Board appoints a person to a committee or panel under subsection 7.5(c) or Section 9.2, the Board shall personally select the person and be satisfied of the person's qualifications and ability to perform the duties for which such person is appointed, and the Board shall carry out such supervision of the committee and panel members as is prudent and reasonable. A person appointed to a committee or panel under subsection 7.5(c) or Section 9.2 shall be subject to the same duty of

care as the Board, and is not entitled to any payment from the Pension Fund other than the usual and reasonable fees and expenses for services provided by the committee or panel member in respect of the Pension Plan and Pension Fund.

16.3 Use of Agents

Subject to Sections 8.1 and 8.2, the Board may employ or appoint agents to carry out any act required to be done in the administration of the Pension Plan or in the administration and investment of the Pension Fund. If the Board employs or appoints an agent, the Board shall personally select the agent and be satisfied of the agent's qualifications and suitability to perform the duties for which the agent is employed or appointed, and the Board shall supervise these agents. Any agent so appointed or employed is subject to the same duty of care as the Board, and is not entitled to any payment from the Pension Fund other than a pension benefit provided in accordance with the Pension Plan Rules, if applicable, and the usual and reasonable fees and expenses for the services provided by the agent in respect of the Pension Plan and Pension Fund.

16.4 Restrictions on Benefits Payable by Trustees

No Trustee is entitled to any benefit from the Pension Plan or Pension Fund other than a pension benefit provided for in the Pension Plan Rules, and any remuneration and reimbursement of expenses related to the administration of the Pension Plan or the administration and investment of the Pension Fund permitted by the common law or provided for in this Joint Trust Agreement or the Pension Plan Rules.

ARTICLE 17 – TRANSITIONAL PROVISIONS

17.1 Validation of Existing Calculations

All benefit calculations based on the rules that were in effect at the time of the calculation under Schedule A are deemed to have been validly made for the purposes of this Joint Trust Agreement.

17.2 Agreements under Schedule A and the 2011 Joint Trust Agreement

This Joint Trust Agreement continues to apply to all agreements made under Schedule A or the 2011 Joint Trust Agreement as if those agreements had been made by the Board under the authority of this Joint Trust Agreement.

17.3 Rules

The Board may make rules that are necessary or advisable for meeting or removing any difficulty arising out of the transition from Schedule A, and for preserving and giving effect to the rights of all persons accrued or accruing under Schedule A except as those rights are expressly varied by the 2011 Joint Trust Agreement or this Joint Trust Agreement, and the rules may be made to apply generally or to a particular case.

ARTICLE 18 – MISCELLANEOUS PROVISIONS

18.1 Method of Giving Notice

All notices, requests, demands or other communications provided for herein shall be given in writing and shall be effectively given if delivered personally, or sent by e-mail or other electronic transmission to the last known address or e-mail or other electronic address of the recipient of the communication. A notice, request, demand and other communication shall be deemed to have been received when delivered, or if by e-mail or other electronic transmission, on the day that satisfactory proof that the e-mail or other electronic transmission has been sent.

18.2 No Duty to Inquire

All persons dealing with the Board do not have to inquire into any decision or authority of the Board 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 which has been executed as provided herein, as having been duly authorized.

18.3 Severance of Illegal Provisions

If any provision of this Joint Trust Agreement or the Pension Plan Rules is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining portions of this Joint Trust Agreement or the Pension Plan Rules, unless the illegality or invalidity materially prevents the accomplishment of the respective objectives and purposes of the Pension Plan Rules or this Joint Trust Agreement as determined by the Board.

18.4 Binding Effect of Pension Plan Rules, etc.

The Pension Plan Rules and amendments thereto and all of the Board's decisions, rules, regulations, policies and procedures made or established in accordance with this Joint Trust Agreement or the Pension Plan Rules, shall be binding upon the Trustees, the Partners, the Employers, the Plan 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 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 Joint Trust Agreement.

18.6 Governing Law

The Province of British Columbia is the location for legal purposes of the Pension Fund. All questions pertaining to the validity, construction and administration of this Joint Trust Agreement or the Pension Plan Rules shall be determined in accordance with the laws of the Province of British Columbia. Any litigation which arises pursuant to or in connection with this Joint Trust Agreement,

the Pension Plan Rules or any of their respective provisions, shall be referred to the courts in the Province of British Columbia.

*[The remainder of this page is intentionally blank.
The signature page immediately follows.]*

18.7 Counterpart Execution

This Joint Trust Agreement may be signed in counterparts.

18.8 Binding Effect of Pension Plan Rules, etc.

This Joint Trust Agreement and any document prepared in connection with the Pension Plan or the Pension Fund is binding upon the Trustees, the Partners, the Employers and the Plan Members and their respective beneficiaries, dependants, estates, heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties have executed this Restated Joint Trust Agreement as of the date first written above.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister responsible for the *Public Sector Pension Plans Act*



Angie Sorrell, Government Partner
Representative

FEDERATION OF POST-SECONDARY EDUCATORS OF BC



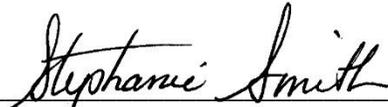
Brent Calvert, President FPSE

POST-SECONDARY EMPLOYERS' ASSOCIATION



Rebecca Maurer, CEO PSEA

B.C. GOVERNMENT AND SERVICES EMPLOYEES' UNION



Stephanie Smith, President BCGEU

Appendix A

THE COLLEGE PENSION PLAN Appointment and Acceptance of Trust

TO: THE COLLEGE PENSION BOARD OF TRUSTEES

The undersigned acknowledges receipt of a copy of the College Pension Plan Joint Trust Agreement (the “**Agreement**”) pursuant to which the College Pension Plan (the “**Pension Plan**”) and the College Pension Fund (the “**Pension Fund**”) are constituted and continued.

The undersigned is hereby appointed to act as a Trustee of the Pension Plan and the Pension Fund by the appointing party described below for a term of _____ years ending on _____.

The undersigned confirms that the undersigned is a permanent resident of Canada, and agrees to immediately notify the other Trustees if this ever ceases to be the case.

The undersigned consents to act as a Trustee of the Pension Plan and Pension Fund pursuant to the terms of the Agreement.

The undersigned hereby accepts the trusts created and established by the Agreement, and agrees to administer the Pension Plan and Pension Fund in accordance with the provisions of the Agreement.

The undersigned agrees that until further notice communications may be sent to the undersigned at the following addresses:

[Street address]

[E-mail address]

DATED at _____, British Columbia, this _____ day of _____, _____.

[Name of Appointing Party]

Trustee

Per: _____

Witness

Appendix B

MINIMUM FUNDING REQUIREMENTS FOR THE COLLEGE PENSION PLAN

1. Background

- (a) Effective December 31, 2019, the regulations under the PBSA were amended to change the funding rules for defined benefit pension plans in British Columbia. The Pension Plan continues to be exempt from the PBSA's funding rules.
- (b) The Pension Plan is funded in voluntary compliance with the PBSA going concern funding requirements, as they existed prior to the amendments made December 31, 2019. To ensure continuity of the framework, this Appendix confirms those funding requirements.

2. Definitions

- (a) Subject to subsection (b), in this Appendix, terms which are defined in the PBSA or the regulations to the PBSA shall have the meaning set out therein and terms which are defined in Section 1.1 of the main body of this Joint Trust Agreement shall have the meaning set out therein.
- (b) In this Appendix, unless the context requires another meaning, the following terms have the following meanings:

"Accessible Going Concern Excess" means the amount by which the Going Concern Assets Value exceeds 105% of the Going Concern Liabilities Value, as those values are determined in the current actuarial valuation report.

"Active Member" means an "active member", as defined in the College Pension Plan Rules made under the Joint Trust Agreement.

"Actuarial Gain" means the amount that represents the improvement, referred to in subsection 5(a), between the projected financial position of the Basic Account and the actual financial position of the Basic Account;

"Establishment Date" means, in respect of an Unfunded Liability:

- (i) the Review Date as at which the existence of the Unfunded Liability was established,
or
- (ii) if the Unfunded Liability resulted from an amendment to the Pension Plan Rules, the effective date of the amendment.

"Going Concern Assets Value" means the value of the assets of the Basic Account, including income due and accrued, which value is determined on a Going Concern Basis, less the value of the assets notionally allocated to the Rate Stabilization Account.

“Going Concern Basis” means a basis for determining the value of the Pension Plan’s assets and liabilities that: (i) is adequate and appropriate; (ii) is in accordance with accepted actuarial practice, and (iii) applies to the Pension Plan if no decision has been made to terminate the Pension Plan.

“Going Concern Liabilities Value” means the actuarial present value of the accrued benefits payable from the Basic Account, including amounts due and unpaid, which actuarial present value is determined on a Going Concern Basis.

“Normal Actuarial Cost” means an amount, excluding special payments, estimated by the Plan Actuary, on a Going Concern Basis, to be the cost of the benefits payable from the Basic Account that accrue to Active Members in that fiscal year of the Pension Plan.

“Plan Actuary” means the actuary engaged by the Board pursuant to Section 11.1 of the Joint Trust Agreement.

“Plan Contributor” means the Employers and the Active Members.

“Review Date” means, in respect of an actuarial valuation report and related cost certificate prepared in relation to the Pension Plan, the date as at which the actuarial valuation report and related cost certificate is or was required to be prepared pursuant to section 45 of the regulations under the PBSA.

“Unfunded Liability” means, in respect of the benefits payable from the Basic Account, the amount, if any, by which the Going Concern Liabilities Value exceed the Going Concern Assets Value, both values determined as at the latest Review Date.

“Unfunded Liability Payment Period” means, in relation to an Unfunded Liability, the 15-year period that begins on the first anniversary of the Establishment Date of the Unfunded Liability.

3. Valuation

In preparing an actuarial valuation report for a going concern valuation as required by subsection 11.2(a) of the Joint Trust Agreement, the Plan Actuary shall value the Pension Plan’s assets and liabilities on a Going Concern Basis as at the Review Date. Such report shall determine the Normal Actuarial Cost and the funded position of the Pension Plan as at the Review Date.

4. Funding of Normal Actuarial Cost and Unfunded Liabilities

- (a) If an actuarial valuation report establishes the existence of an Unfunded Liability that did not exist prior to that report’s Review Date, such Unfunded Liability will be funded in accordance with this Section 4.
- (b) Subject to subsection (c), the Plan Contributor must, in accordance with this paragraph, pay each of the following into the Pension Plan:

- (i) at least monthly, an amount equal to 1/12 of the Normal Actuarial Cost determined on the basis of the current actuarial valuation report or cost certificate, starting in the first month of the second fiscal year of the Pension Plan following the Review Date;
 - (ii) without limiting any other obligation on the Plan Contributor to make payments under this paragraph in relation to any previous Unfunded Liability, if the current actuarial valuation report establishes the existence of an Unfunded Liability, a series of equal payments that are made at least monthly, which series of payments must be sufficient, in the opinion of the Plan Actuary who prepared that actuarial valuation report, to amortize the Unfunded Liability within the Unfunded Liability Payment Period applicable to it.
- (c) Instead of making the payments referred to in paragraph (b)(ii), the Plan Contributor may elect to make payments into the Pension Plan under this subsection if:
- (i) the payments are made at least monthly over the Unfunded Liability Payment Period that is applicable to that Unfunded Liability,
 - (ii) the payment amounts are identical and are calculated as a percentage of the payroll or as an average amount per hour of employment that, as at the Review Date of the actuarial valuation report by which the existence of the Unfunded Liability was established, was projected for the Active Members; and
 - (iii) the actuarial present value of the payments over the period referred to in paragraph (i), or any shorter period selected by the Board for the purposes of this paragraph, is equal to that Unfunded Liability.
- (d) Without limiting subsections (b) and (c), each Unfunded Liability must be funded by a separate series of payments under paragraph (b)(ii) or subsection (c) and must not be combined with any other Unfunded Liability.
- (e) If a Plan Contributor is required under subsections (b) or (c) to make payments in relation to an Unfunded Liability, the Plan Contributor may make larger payments, more frequent payments or earlier payments than what is required, and, in that event, the Plan Contributor may, despite subsections (b) or (c), reduce or eliminate subsequent payments provided that
- (i) the Unfunded Liability is eliminated within the applicable Unfunded Liability Payment Period, and;
 - (ii) the balance of the Unfunded Liability never exceeds the amount of that Unfunded Liability that would have existed had the full amount of the payments required under subsection (b) or (c) been made.

5. Actuarial Gain

- (a) If the current actuarial valuation report of the Pension Plan establishes that the total amount of all Unfunded Liabilities is less than the total amount of all Unfunded Liabilities projected

for the Pension Plan in the previously filed actuarial valuation report, the amount of that Actuarial Gain must be used:

- (i) to eliminate every Unfunded Liability, or
 - (ii) if the amount of that Actuarial Gain is insufficient to eliminate every Unfunded Liability, to reduce the Unfunded Liabilities, with the Unfunded Liabilities being eliminated or reduced chronologically, beginning with the oldest Unfunded Liability.
- (b) If an Actuarial Gain is used in the manner referred to in paragraph (a)(ii) to reduce the amount of an Unfunded Liability, the payments that are, under subsections 4(b) or 4(c), required to be made in relation to that Unfunded Liability must be reduced, on a prorated basis, and paid over the remainder of the applicable Unfunded Liability Payment Period, or a shorter period.

6. Use of Accessible Going Concern Excess to reduce Contributions

- (a) Subject to subsection (b), if the Pension Plan has Accessible Going Concern Excess, it may be applied to reduce or eliminate the contributions referred to in paragraph 4(b)(i).
- (b) Despite subsection (a), not more than 20% of the Accessible Going Concern Excess may be used to reduce or eliminate contributions in the second fiscal year to which the current actuarial valuation report applies, and in each of the 2 following fiscal years.