

# APEX™ SUPPLEMENTARY PENSION PLAN

**APEX™ SUPPLEMENTARY PENSION PLAN  
PLAN TEXT**

EFFECTIVE: January 1, 2003

Amended and restated as of: January 1, 2024



## Table of Contents

---

Article 1 – Definitions.....	4
Article 2 – Eligibility and Participation.....	11
Article 3 – Service.....	13
Article 4 – Retirement Dates.....	15
Article 5 – Retirement Pensions.....	17
Article 6 – Termination of Employment.....	20
Article 7 – Normal and Optional Forms of Pension .....	22
Article 8 – Benefits on Death .....	24
Article 9 – Contributions and Funding.....	26
Article 10 – Cost of Living Adjustments .....	29
Article 11 – Administration .....	31
Article 12 – Future of the Plan.....	34
Article 13 – Unlocking.....	36
Article 14 – Relationship Breakdown .....	38
Article 15 – Miscellaneous Provisions .....	39

## Introduction

The APEX Supplementary Pension Plan (the “Plan”) was established effective January 1, 2003 as a defined benefit pension plan to provide retirement benefits for eligible Employees of Participating Employers.

The Plan is hereby amended and restated effective January 1, 2024 in order to incorporate all amendments to the Plan since the last restatement as at September 1, 2014 and to include revisions of an administrative nature. This restatement will apply to all Members who terminate, retire, or die on and after January 1, 2024. Members who terminated, retired, or died prior to January 1, 2024 will be subject to the provisions of the Plan in effect at the time of the event, except as required by the Act or as may be expressly provided herein.

The Plan is registered under the *Income Tax Act* (Canada) and the Act under registration number **1089796**. The Plan will remain in effect subject to Article 12 and to its continued registration under the *Income Tax Act* (Canada) and the Act.

## Article 1 – Definitions

### 1.01 APEX Governance Agreement

All capitalized terms used in this Plan Text will have the same meaning or meanings as prescribed in the APEX Governance Agreement unless otherwise specified herein.

### 1.02 Definitions

Words and phrases in this Plan Text will have the meaning given below unless the context clearly indicates otherwise:

- a. **“ABmunis”** means the Association of Alberta Municipalities.
- b. **“Act”** means the Employment Pension Plans Act, SA 2012, c. E-8.1 and any future legislation amending, supplementing, superseding, or incorporating the Act as well as any regulations issued pursuant to the Act.
- c. **“Active Member”** means a Member who is making contributions in accordance with Section 9.02.
- d. **“Actuarial Equivalent”** means a benefit of equal value computed upon an actuarial basis recommended by the Actuary and approved by the APEX Board.
- e. **“Actuary”** means the actuary or firm of actuaries retained by the Administrator who is, or in the case of a firm of actuaries at least one of whom is, a Fellow of the Canadian Institute of Actuaries.
- f. **“Administrator”** means the APEX Board acting in its capacity as the “administrator”, as the term is defined under the Act.
- g. **“Alberta Consumer Price Index”** (“Alberta CPI”) means the monthly index values published by Statistics Canada measuring the cost of a defined basket of goods and services.
- h. **“AMSC Board”** means the Board of Governors of the Alberta Municipal Service Corporation.
- i. **“APEX Board”** means the APEX™ Governance Board appointed by ABmunis to serve as the Administrator of the Plan.
- j. **“Average YMPE”** means the average of the YMPE’s during the same period as is used in the determination of the Member’s Highest Average Salary.
- k. **“Beneficiary”** means the person appointed by the Member pursuant to Section 8.05 to receive benefits upon the death of the Member where the benefits are not required to be paid to the Member’s Pension Partner.
- l. **“Commuted Value”** means the actuarial present value of accrued benefits, determined using actuarial assumptions and methods for the transfer values of deferred pensions, subject to the requirement of the Act and the Income Tax Rules, determined as follows:
  - i. If the date of determination is prior to July 1, 2022, the present value will be calculated using actuarial assumptions and methods recommended by the Canadian Institute of Actuaries for the transfer values of deferred pensions,

- ii. If the date of determination is after June 30, 2022, the present value will be calculated based on actuarial assumptions and methods for the transfer values of deferred pensions, using the going concern funding discount rate adopted for the purposes of the most recently filed actuarial valuation report with the Superintendent,
- iii. Subject to the requirements of the Act, at the discretion of the APEX Board, Commuted Value payments may include or exclude conditional indexing for Continuous Service and Pensionable Service on and after January 1, 2020 pursuant to Article 10.
- m. **“Continuous Service”** means service determined pursuant to Section 3.01.
- n. **“Contributory Leave”** means an unpaid Leave of Absence where a Member makes arrangements with the Participating Employer, in advance of going on an approved leave, to have contributions remitted regularly on a pay period basis throughout the duration of the Member’s leave while concurrently contributing to LAPP.
- o. **“Credited Interest”** means interest computed on a Member’s contributions compounded annually, and calculated based on the actuarial funding discount rate assumption from the most recently filed actuarial valuation as follows:
  - i. at the end of each Plan Year, on the balance of the Member’s contributions at the beginning of the Plan Year,
  - ii. at the end of each Plan Year, on each of the Member’s contributions made during the Plan Year prorated for the number of days between the date of the contribution and the end of the Plan Year,
  - iii. on the date that a Member’s benefit becomes payable under the Plan (other than at the end of a Plan Year), on the balance of the Member’s contributions at the beginning of the Plan Year,
  - iv. on the date that a Member’s benefit becomes payable under the Plan (other than at the end of a Plan Year), on each of the Member’s contributions made during the Plan Year prorated for the number of days between the date of the contribution and the date that a Member’s benefit.
- p. **“Deferred Member”** means a Member who is no longer an Employee and who is entitled to receive a deferred pension pursuant to Article 6.
- q. **“Disabled”** means in respect of a Member, a person who has been determined under LAPP to be disabled.
- r. **“Disabled Member”** means a Member who is accruing Pensionable Service pursuant to Section 3.03.
- s. **“Early Retirement Date”** means the date determined pursuant to Section 4.02.
- t. **“Early Retirement Factor”** means, in relation to a Member:
  - i. 100%, if at the Member’s Pension Commencement Date the Unreduced Retirement Date has been attained by the Member,

- ii. 100% if the Member retires pursuant to Section 4.04,
- iii. if the provisions of paragraphs (a) or (b) above do not apply, 100% reduced by 0.25% for each calendar month, including completed months and fractions thereof, by which the Member's Pension Commencement Date precedes the Member's Unreduced Retirement Date,
- iv. The foregoing provisions of this Section 1.02(t) notwithstanding, the Early Retirement Factor in relation to a Member will not reduce a pension to less than the Actuarial Equivalent of the amount of pension which would have otherwise been payable commencing on the Member's Normal Retirement Date subject to the minimum reduction required under the Income Tax Rules.
- u. **"Effective Date"** means January 1, 2003.
- v. **"Eligible Employer"** means an employer who is a participating employer in LAPP and who is a Regular or Associate member of ABmunis as those terms are defined by ABmunis from time to time.
- w. **"Employee"** means a person employed in a class of employees which has been designated by a Participating Employer as being eligible to participate in the Plan and further provided that the person is not in receipt of a pension from the Plan.
- x. **"Enhanced Pension"** means, subject to the limit imposed by Section 5.05, a monthly pension amount equal to  $1/12$  of 2% of the Member's Highest Average Salary multiplied by the Early Retirement Factor, with the result multiplied by the Member's Pensionable Service.
- y. **"Excess Employee Contributions"** means the amount, if any, as of the date the Member terminates employment with the Participating Employer, retires or dies, by which the sum of all contributions for Pensionable Service made by the Member to the Plan under the provisions of Section 9.02, together with Credited Interest thereon, exceeds 100% of the Commuted Value of the Member's pension benefit accrued under this Plan as at that date. For the purpose of this calculation, for any Member electing to become a Retired Member, the Commuted Value used in the determination of Excess Employee Contributions will include the value of any conditional indexing that may be granted for Continuous Service and Pensionable Service on and after January 1, 2020 pursuant to Article 10.

For greater clarity, when calculating Excess Employee Contributions, the Commuted Value used in the calculation of the Excess Employee Contributions will reflect the conditional indexing that may be granted, by type of payment (receipt of pension from the Plan or transfer of value from the Plan) pursuant to Article 10.
- z. **"Fund"** means all sums of money and other property transferred to the Funding Agent to hold for the purposes of the Plan and all earnings and profits thereon, and all proceeds, investments, and reinvestments thereof, less payments made by the Funding Agent from the Fund in accordance with the provisions of the Plan.

- aa. **“Funding Agent”** means the trust company or insurance company appointed by the Administrator.
- bb. **“Funding Agreement”** means the agreement between the Administrator and a Funding Agent.
- cc. **“Highest Average Salary”** of a Member means the average of the Member’s Salary during the 5 consecutive years of the Member’s Pensionable Service which produces the highest average. If the Member has less than 5 consecutive years of Pensionable Service, Highest Average Salary means the average of the Member’s annual Salary over the entire period of the Member’s Pensionable Service.

During a calendar year in which the Member is employed on a less than full-time basis, the Salary of the Member will be adjusted for the purposes of determining the Member’s Highest Average Salary by multiplying the Salary in that year by a fraction, the numerator of which is the number of hours regularly scheduled for a full-time Employee in a comparable position and the denominator of which is the number of hours for which the Member received Salary in that year while a Member of the Plan.

- dd. **“Income Tax Rules”** means the *Income Tax Act (Canada)*, as amended from time to time, the regulations made thereunder and the information circulars, interpretation bulletins and published administrative guidelines of the Canada Revenue Agency.
- ee. **“LAPP”** means the Local Authorities Pension Plan.
- ff. **“LAPP Pension”** means the total monthly pension that would be payable under the LAPP in respect of Pensionable Service, if the pension was calculated on the following basis:
  - i. A monthly amount equal to 1/12 of:
    - (A) 1.4% of the Member’s Highest Average Capped Salary as defined under the LAPP, up to the Average YMPE, plus,
    - (B) 2.0% of the Member’s Highest Average Capped Salary as defined under the LAPP in excess of the Average YMPE,
    - (C) multiplied by the Member’s Early Retirement Factor, and
    - (D) multiplied by the Member’s Pensionable Service.
  - ii. Payment of the pension is deemed to commence as of the Member’s Pension Commencement Date elected under the Plan,
  - iii. The normal pension is payable for life or for 60 monthly installments, however, for the purposes of calculating the APEX pension:
    - (A) If the Member has no Pension Partner at retirement, the pension will be adjusted and paid as a single life pension, payable for at least 120 months calculated as the Actuarial Equivalent of the aforementioned normal pension,
    - (B) If the Member has a Pension Partner at retirement, the pension will be adjusted and paid as a joint life pension calculated as the Actuarial

Equivalent of the aforementioned normal pension with the guarantee that, if the Member dies before receiving 60 monthly payments, the monthly payments will continue without reduction to the Member's Pension Partner until 60 monthly payments have been made in total. After the later of the expiration of the guarantee period and the Member's death, 66 2/3% of the monthly pension continues to the Member's Pension Partner for the duration of the Pension Partner's lifetime. If the Member and the Member's Pension Partner die before receiving 60 months of guaranteed payments, payment of the pension is guaranteed to continue to the designated Beneficiary or Beneficiaries for the balance of the 60-month period.

- gg. **"Leave of Absence"** means a period during which an Employee is not contributing to the Plan pursuant to Section 9.02. The Member will cease to accrue Pensionable Service pursuant to Section 3.02 but will continue to accrue Continuous Service subject to any prescribed limits under the Income Tax Rules.
- hh. **"Matrimonial /Family Property Order"** means a matrimonial property order within the meaning of the Matrimonial Property Act, R.S.A. 2000 c. M-8 as amended and the regulations made thereunder, or a similar order enforceable in Alberta or a court outside Alberta which affects the payment or distribution of a person's benefits under the Plan.
- ii. **"Member"** means an Employee who has joined the Plan pursuant to the provisions of Section 2.02 and who continues to be entitled, either immediately or contingently, to rights or benefits under the Plan.
- jj. **"Normal Retirement Date"** means, in relation to a Member, the date on which the Member becomes 65 years of age.
- kk. **"Participating Employer"** means an Eligible Employer that has completed and filed an enrolment form with the Administrator.
- ll. **"Pension Commencement Date"** means the date on which retirement benefits, as calculated pursuant to Article 5, commence to be paid.
- mm. **"Pension Partner"**, means, in relation to another person,
  - i. a person who, at the relevant time, was married to that other person and had not been living separate and apart from that other person for a continuous period longer than 3 years, or
  - ii. if there is no person to whom subclause (i) applies, a person who, immediately preceding the relevant time, had lived with that other person in a marriage-like relationship.
    - (A) for a continuous period of at least 3 years, or
    - (B) of some permanence, if there is a child of the relationship by birth or adoption.
- nn. **"Pensionable Service"** means in relation to a Member, service determined pursuant to Sections 3.02, 3.03, 3.06 and 3.07.
- oo. **"Plan"** means the APEX Supplementary Pension Plan as amended from time to time.



- pp. **“Postponed Retirement Date”** of a Member means the date determined pursuant to Section 4.03.
- qq. **“Retired Member”** means a Member who is in receipt of a pension pursuant to the terms of the Plan.
- rr. **“Salary”** means, with respect to an Employee:
- i. subject to sub-clause (ii) below,
    - (A) gross basic pay for the performance of the regular duties of the employment,
    - (B) remuneration where the Participating Employer treats the pay as salary under the Participating Employer’s established salary policy for pension purposes and the pay is payable on a uniform and consistent basis in each salary period,
    - (C) remuneration paid specifically for shift work,
    - (D) remuneration paid for working on weekends,
    - (E) acting pay (that is, extra pay for the performance on a temporary basis of duties at a higher level than the duties referred to in paragraph (A) above),
    - (F) the value of the provision of an automobile for personal use, not exceeding the lower of \$3,000 per annum and the amount reported as the taxable benefit for that usage for income tax purposes,
    - (G) variable pay.
  - ii. in the case of an Employee who is Disabled or is on a Leave of Absence without or with full or partial salary, the salary being earned immediately before that Employee commenced to receive those benefits or went on leave, adjusted in accordance with any subsequent general adjustments in respect of the period in question that are applicable to the Employee, but does not include:
    - (A) an overtime payment,
    - (B) an expense allowance,
    - (C) special remuneration or other similar compensation that is not specifically enumerated in subclause (B) and (C) above, or
    - (D) remuneration from the Participating Employer that is not regarded by the Participating Employer as Pensionable Salary for purposes of LAPP.
- ss. **“Solvency Deficiency”** has the meaning prescribed in the Act.
- tt. **“Superintendent”** means the Superintendent of Pensions (Alberta).
- uu. **“Suspended Member”** means a Member who is not on a Contributory Leave and who is not currently accruing benefits under the Plan but whose Continuous Service has not been broken pursuant to Section 2.04 or Section 3.01.
- vv. **“Unreduced Retirement Date”** means, in relation to a Member, at the date of determination, the earlier of:
- i. the Member’s Normal Retirement Date (age 65), and
  - ii. the date the Member has attained age 55 with at least 85 points. For the purpose of this definition, the Member will attain 85 points at a date, either at the date of

determination or in the future, when the Member's pensionable service under LAPP (not allowing for accrual of any further pensionable service beyond the date of determination) plus the Member's age totals 85 points.

ww. "YMPE" means, in any year, the Year's Maximum Pensionable Earnings established for that year under the provisions of the Canada Pension Plan.

### **1.03 Standstill Provision Regarding LAPP Pension**

The LAPP Pension calculation set out in Section 1.02(ff) above shall be the LAPP Pension calculation for all purposes of the Plan notwithstanding any changes to LAPP that may result in a different calculation than that set out in Section 1.02(ff).

## Article 2 – Eligibility and Participation

### 2.01 Eligibility

- a. An Eligible Employer wishing to participate in the Plan will complete and submit to the Administrator an enrollment form in the form prescribed by the Administrator within 60 days of commencing participation in the Plan,
- b. Upon receiving the enrollment form, the Administrator will confirm the Employer is eligible to participate in the Plan and will then sign the form on behalf of the Administrator acknowledging the Employer's enrollment,
- c. The effective date of enrollment will be the date specified in the enrollment form.

### 2.02 Employee Enrollment

An Employee who is eligible to join the Plan may become a Member by completing and filing with the Employee's Participating Employer the information and documents prescribed by the Administrator. An Employee's enrollment in the Plan will not precede the later of the enrollment date of the Participating Employer and the Employee's date of eligibility.

A Participating Employer will provide the Employee's completed prescribed documentation to the Administrator within 30 days of the date that the Employee is eligible to participate in the Plan. The effective date of enrollment will be the date specified in the Employee's enrollment form.

In the event that an Employee does not want to participate in the Plan, the Employee will complete and provide to the Participating Employer, the waiver form prescribed by the Administrator. The Participating Employer will advise the eligible Employee of that Employee's right to participate in the Plan and provide the information required for enrollment purposes on a regular basis.

For greater certainty, an Employee will continue to be a Member of the Plan provided the Employee remains employed in an eligible class of employment, as determined by the valid Participation Agreement of the Participating Employer.

### 2.03 Information for Members

- a. The Administrator will prepare and make available to each Employee who becomes a Member or is eligible to become a Member a written explanation of the terms and conditions of the Plan and amendments thereto applicable to the Employee together with an explanation of the rights and duties of the Employee with reference to the benefits available to the Employee under the terms of the Plan.
- b. The Administrator will provide a Member or other person entitled to payment from the Plan with the other information as may be required by the Act. In the event of any conflict between any statement made in the explanation and the provisions of the Plan, the provisions of the Plan will govern.
- c. A copy of the Plan together with the other documents as are prescribed under the Act will be located at the administrative offices of the Administrator. The documents will be available for inspection by any Member, Pension Partner of a Member or any other

person entitled to the information under the Act. Any person entitled to inspect Plan documents in accordance with this Section will be entitled to make the inspection once only in any 12-month period.

#### **2.04 Suspension of Membership**

- a. A Member who is not on a Contributory Leave may suspend membership in the Plan if taking a leave from employment for the period in which the leave is recorded and approved by his Participating Employer. Upon completion of the leave and recommencement of employment, Suspended Member status will end as of the recommencement of employment.
- b. The Suspended Member will continue to accrue Continuous Service while employed, subject to any limits prescribed by the Income Tax Rules but will not contribute to the Plan or accrue Pensionable Service for any period during which the Member is not making contributions pursuant to Section 9.02.
- c. The Member will continue to be a Suspended Member until the time that the Suspended Member breaks Continuous Service or recommences employment. The Suspended Member's Continuous Service will be broken when the Suspended Member ceases to be an Employee.
- d. The entitlement of a Suspended Member who has broken Continuous Service will be calculated based upon the Suspended Member's Pensionable Service and Highest Average Salary then in effect.
- e. If the Member elects not to become a Suspended Member as set forth above, the Member will be considered to have terminated employment with the Participating Employer and will be entitled to benefits pursuant to Article 6.

## Article 3 – Service

### 3.01 Continuous Service

- a. A Member's Continuous Service will be the period of the Member's continuous employment in Canada with the Participating Employer,
- b. A Member's Continuous Service will neither be broken nor cease to accrue during:
  - i. a Leave of Absence approved by the Participating Employer pursuant to Section 9.02, or
  - ii. a period during which the Member is Disabled and continues to accrue Pensionable Service pursuant to Section 3.03.
- c. A Member's Continuous Service will be broken and will cease to accrue when:
  - i. the Member ceases to be an Employee, subject to the provisions of Section 3.04,
  - ii. the Member fails to return to active employment with the Participating Employer following the expiry of any leave granted by the Participating Employer, or
  - iii. a Participating Employer withdraws from the Plan.

Notwithstanding the provisions of this Section 3.01, a Member's Continuous Service will be neither broken nor cease to have been accrued during a period of absence not exceeding 52 consecutive weeks during which the Member did not provide a service for remuneration with the Participating Employer but following which the Member was, or is again, employed by the Participating Employer.

### 3.02 Pensionable Service

- a. A Member's Pensionable Service will be equal to the Member's Continuous Service, while a Member of the Plan, and contributions made in accordance with the provisions of Section 9.02, plus any service credited pursuant to Section 3.03.
- b. Accrual of Pensionable Service under the Plan will cease when the Member has accrued 35 years of Pensionable Service under the Plan, or if earlier, under LAPP.
- c. Pensionable Service will be expressed as a period of years and parts of a year, rounded to 4 decimals. For any calendar year during which a Member is employed on a less than full-time basis, the Pensionable Service for the year will be equal to the Member's Continuous Service in the year multiplied by a fraction, of which:
  - i. the numerator will be the number of hours for which the Member received Salary and contributed pursuant to Section 9.02 in that calendar year while participating in the Plan, and
  - ii. the denominator will be the number of hours regularly scheduled for a full-time employee in a comparable position.

### 3.03 Pensionable Service While Disabled

- a. The Pensionable Service of a Member who is Disabled will be terminated effective the earliest date the Member:
  - i. ceases making both the required contributions as described in Section 9.02 and concurrent contributions to LAPP,

- ii. ceases to be Disabled,
  - iii. dies,
  - iv. elects' receipt of a pension under the Plan,
  - v. attains his Unreduced Retirement Date, or
  - vi. if earlier, the date the Plan is terminated.
- b. Should the Member affected by the provisions of this subsection 3.03 return to active employment as an Employee, the Member will accrue Pensionable Service at the rate immediately preceding disability to the extent that the Plan continues to receive contributions for the Member pursuant to Section 9.02.
- c. In relation to a Member who is Disabled, the Administrator may by written notice, require the Member to submit written evidence that LAPP has determined that the Member is Disabled at any time prior to attaining the Member's Unreduced Retirement Date.

If LAPP finds that the Member is no longer Disabled, payment of a disability pension pursuant to Section 5.04 will cease effective on the date when LAPP makes the determination. At the time, the Member's entitlement under the Plan will be settled pursuant to Article 5 or Article 6, as applicable, unless the Member returns to active employment with the Participating Employer at that time.

### 3.04 Transfers

A Member will be considered to have terminated employment with the Participating Employer, for purposes of the Plan, and will be entitled to benefits pursuant to Article 6 if either:

- a. the Member has transferred to a collectively bargained position; or
- b. the Member has transferred to an ineligible classification of employment with the Participating Employer.

### 3.05 Re-Employment

- a. A Retired Member's pension will continue should that Retired Member be re-employed as an Employee.
- b. A Retired Member will not be eligible to enroll in the Plan as an Active Member.
- c. A Deferred Member will be regarded as a new Employee for all purposes of the Plan, should that Deferred Member be re-employed as an Employee and become an Active Member. The Deferred Member's entitlement to benefits under the Plan prior to re-employment will remain in place.
- d. The re-employed Deferred Member's benefit will be payable as an aggregate on the basis of the Member's total Pensionable Service and Highest Average Salary at the date of the Member's subsequent retirement or Termination of Employment.
- e. In the event that a former Deferred Member, having accepted payment from the Plan with respect to a previous period of employment is re-employed as an Employee, the former Deferred Member will be treated as a new Employee for the purposes of the

Plan (including as it relates to the determination of periods of Continuous Service and Credited Service in respect of the period of re-employment) and may participate in the Plan if eligible in accordance with the provisions of Article 2.

### **3.06 Limitation on Accrual of Pensionable Service During Certain Absences**

Notwithstanding Section 3.02 and Section 3.03, a Member will not accrue Pensionable Service for Leaves of Absence during which the Member has received less than the full rate of Salary to the extent that the Member's cumulative "prescribed compensation fraction" for the periods, other than periods of parenting, exceeds 5 years, and for all the periods (including periods of parenting) exceeds 8 years, where:

- a. the Member is deemed to have received "prescribed compensation" during each the leave being the difference between:
  - i. the amount the Member would have received but for the leave, and
  - ii. the amount the Member actually received, and
- b. the "prescribed compensation fraction" is determined for each the period with:
  - i. the numerator established as the Member's prescribed compensation for the period, and
  - ii. the denominator established as the Member's compensation actually received plus the Member's "prescribed compensation".

### **3.07 Contributory Leave**

- a. If a Member is on a Contributory Leave, the Member will continue to remit contributions while on an approved leave from a Participating Employer. The contributions will be remitted regularly on a pay period basis throughout the duration of the leave.
- b. The Member cannot defer the decision to purchase the leave until a later date.
- c. If the Member is on a Contributory Leave with LAPP, the Member may but is not required to be on a Contributory Leave with the Plan.
- d. A Member who does not have a Contributory Leave with the LAPP will not have a Contributory Leave under the Plan.
- e. The Member may discontinue Contributory Leave but thereafter will not be reinstated until the Member returns from that leave and resumes regular duties of employment.
- f. There are no provisions in the Plan to purchase past service.

## **Article 4 – Retirement Dates**

### **4.01 Normal Retirement Date**

A Member who terminates employment with the Participating Employer on the Member's Normal Retirement Date will receive a retirement pension calculated in accordance with Section 5.01. In this case, the Member's Pension Commencement Date will be his Normal Retirement Date.

### **4.02 Early Retirement Date**

A Member who terminates employment with the Participating Employer prior to the Member's Normal Retirement Date but following attainment of age 55 is deemed to have reached the Early Retirement Date when the Member terminates the employment. The Member may elect as the Pension Commencement Date the Member's Early Retirement Date, Normal Retirement Date, or any date after the Early Retirement Date and prior to the Normal Retirement Date. The Member's pension will be calculated as of his Pension Commencement Date pursuant to Section 5.02.

### **4.03 Postponed Retirement Date**

A Member who continues employment with the Participating Employer beyond the Normal Retirement Date may postpone commencement of the Member's pension under the Plan. The Member's Pension Commencement Date will be the date when the Member terminates employment with the Participating Employer or has reached the latest pension commencement date as allowed under the Income Tax Rules, if earlier. Pension accrual will continue during the period of postponement, in the same manner as prior to the attainment of the Normal Retirement Date under the Plan.

### **4.04 Disability Retirement Date**

If a Member becomes Disabled and is not eligible to receive a long-term disability benefit under a plan or contract of insurance sponsored by the Participating Employer or a temporary disability benefit under workers' compensation legislation, the Member may elect to retire and receive a disability pension calculated in accordance with Section 5.04, and payable commencing on the last day of the month of the retirement, which date will be the Pension Commencement Date.

For purposes of this Section 4.04, a Member's Pension Commencement Date will not be earlier than the Member's Early Retirement Date.



## **Article 5 – Retirement Pensions**

### **5.01 Normal Retirement Pension**

The monthly pension payable to a Member whose Pension Commencement Date is the Normal Retirement Date will be equal to the excess of the Enhanced Pension over the LAPP Pension.

### **5.02 Early Retirement Pension**

The monthly pension payable to a Member who elects a Pension Commencement Date prior to attaining the Normal Retirement Date pursuant to Section 4.02 will be the excess of the Enhanced Pension over the LAPP Pension. The LAPP Pension and Enhanced Pension for the purposes of this Section 5.02 are based on the Member's Pensionable Service, Highest Average Salary, Average YMPE and Highest Average Capped Salary, as defined under the LAPP, on the Member's Early Retirement Date.

### **5.03 Postponed Retirement Pension**

The monthly pension payable to a Member with a Pension Commencement Date after attaining the Normal Retirement Date will be calculated pursuant to Section 5.01. The LAPP Pension and Enhanced Pension for the purposes of this Section 5.03 are based on his Pensionable Service, Highest Average Salary, Average YMPE and Highest Average Capped Salary, as defined under the LAPP, at the Member's Pension Commencement Date.

### **5.04 Disability Pension**

The monthly disability pension of a Member who retires pursuant to Section 4.04 will be the amount calculated pursuant to Section 5.01. The LAPP Pension and Enhanced Pension for the purposes of this Section 5.04 are based on the Member's Pensionable Service, Highest Average Salary, Average YMPE and Highest Average Capped Salary, as defined under the LAPP, at the date of disability retirement.

For greater certainty, a Member will be entitled to receive an unreduced disability pension pursuant to this Section 5.04 upon submitting written documentation that the Member is entitled to receive an unreduced disability pension under the LAPP.

### **5.05 Maximum Pension Amount**

- a. The monthly Enhanced Pension, calculated pursuant to the provisions of Section 1.02 (x) and payable to a Member in the year of commencement, including any benefit payable to a Pension Partner or former Pension Partner of the Member under Section 14.01, will not exceed the Member's Pensionable Service multiplied by 1/12 of the lesser of:
  - i. the defined benefit limit for the year of termination, indexed to the Pension Commencement Date, and
  - ii. 2 % of the Member's highest average compensation indexed to the year of commencement.

- b. The Pension calculated in subsection (a) will be reduced by 0.25% for each month, if any, by which the Member's Pension Commencement Date precedes the earlier of the date on which:
  - i. the Member attains age 60,
  - ii. the Member's age plus pensionable service under the LAPP would equal 80 had the Member continued in employment,
  - iii. the Member would complete 30 years of pensionable service under the LAPP had the Member continued in employment, and
  - iv. the Member becomes Disabled.
- c. For the purposes of this Section 5.05, "defined benefit limit", "highest average compensation" and "pensionable service" will have the meanings given to the respective terms under the Income Tax Rules.

### **5.06 Excess Employee Contributions**

If Excess Employee Contributions are determined to be payable in respect of the Member as of the date of termination of employment with the Participating Employer pursuant to this Article 5, they will be paid to the Member in a lump sum. This payment is in addition to any pension payable to the Member. Alternatively, the Member may elect not to receive the lump sum payment of the Excess Employee Contributions but instead to increase the amount of the pension provided under the Plan by the amount, as determined by the Administrator, that can be provided by the Excess Employee Contributions.

### **5.07 Pension Adjustments**

The annual amount of the Member's pension accrued under the Plan when combined with the annual amount of pension accrued under the LAPP will be that the pension adjustment limits described in Section 147.1 (8) of the Income Tax Rules are not exceeded.

### **5.08 Payment of Benefits**

A Member's pension will commence on the last day of the month following the Member's Pension Commencement Date. If the Pension Commencement Date falls on a day other than the first of the month, the first monthly payment of pension to the Member will be multiplied by the ratio of the number of days from the Pension Commencement Date to the end of that month, compared to the total number of days in that month.

In lieu of a monthly pension from the Plan, a Member may elect to have an amount equal to the Commuted Value of the accrued pension to which the Member is entitled transferred out of the Fund to:

- a. another registered pension fund, if the administrator of that fund agrees to accept the payment,

- b. a company licensed to provide annuities in Canada, for the purchase of a life annuity that will commence no earlier than age 55, or
- c. a locked-in retirement account or other vehicle registered in the name of the Member that meets the requirements prescribed under the Act,

provided that notice of the election is given to the Administrator within the time limits prescribed under the Act and that the transfer is carried out in accordance with the requirements of the Act and the Income Tax Rules. A Member who elects the transfer will take the Commuted Value in full satisfaction of any right under the Plan and upon the completion of the transfer will have no further entitlement to any benefit under the Plan.

### **5.09 Cost of Living Adjustments**

Any cost of living adjustments applied to a Member's pension or Commuted Value will be done pursuant to Article 10.

## **Article 6 – Termination of Employment**

### **6.01 Deferred Pension**

If a Member terminates employment with the Participating Employer for any reason other than death or retirement, the Member will become a Deferred Member and will be entitled to receive a deferred pension commencing on the Member's Normal Retirement Date. The deferred pension payable to a Member will be a monthly amount calculated pursuant to Section 5.01 based on the Member's Pensionable Service, Highest Average Salary and Average YMPE on the date the Member terminates employment with the Participating Employer.

### **6.02 Early Commencement**

A Deferred Member may elect to begin receiving a deferred pension on or after attaining age 55. The deferred pension payable to a Member will be a monthly amount calculated pursuant to Section 5.02 based on the Member's Pensionable Service, Highest Average Salary and Average YMPE on the date the Member terminated employment with the Participating Employer and using the date selected by the Member as the Pension Commencement Date.

### **6.03 Disability of Deferred Member**

If a Deferred Member becomes Disabled and is not eligible to receive a long-term disability benefit under a plan or contract of insurance sponsored by the Participating Employer or a temporary disability benefit under workers' compensation legislation, the Member may elect to begin receiving a deferred pension. In the case the pension will be calculated in accordance with Section 5.01, based on the Member's Pensionable Service, Highest Average Salary and Average YMPE on the date the Member terminates employment with the Participating Employer, without reduction for early commencement and payable commencing on the first day of the month coincident with or next following the election, which date will be the Pension Commencement Date.

For greater certainty a Deferred Member will submit to the Administrator, written evidence that the LAPP has determined that the Deferred Member is Disabled in order to receive a pension benefit pursuant to this Section.

### **6.04 Application for Pension**

A Deferred Member entitled to a deferred pension will make an application, in writing, to the Administrator at least 90 days prior to the date when the Deferred Member wishes payment of the pension to commence.

### **6.05 Portability**

Subject to Article 13, a Member who terminates employment with the Participating Employer and who is entitled to a deferred pension under the terms of this Plan may elect to have an amount equal to the Commuted Value of the deferred pension to which the Member is entitled transferred out of the Fund to:

- a. another registered pension fund, if the administrator of that fund agrees to accept the payment,
- b. a company licensed to provide annuities in Canada, for the purchase of a life annuity that will commence no earlier than age 55, or
- c. a locked-in retirement account or other vehicle registered in the name of the Member that meets the requirements prescribed under the Act,

provided that notice of the election is given to the Administrator within the time limits prescribed under the Act and that the transfer is carried out in accordance with the requirements of the Act and the Income Tax Rules. A Member who elects the transfer will take the Commuted Value in full satisfaction of any right under the Plan and upon the completion of the transfer will have no further entitlement to any benefit under the Plan.

### **6.06 Excess Employee Contributions**

If Excess Employee Contributions are determined to be payable in respect of the Member as of the date of termination of employment with the Participating Employer pursuant to this Article 6, they will be paid to the Member in a lump sum, or he may elect to transfer them to:

- a. another registered pension fund, if the administrator of that fund agrees to accept the payment,
- b. a company licensed to provide annuities in Canada, for the purchase of a life annuity that will commence no earlier than age 55, or
- c. a Registered Retirement Saving Plan in the name of the Member.

If the Member also elects a transfer of the Commuted Value of the deferred pension pursuant to Section 6.05, subject to the Income Tax Rules. This payment is in addition to any deferred pension payable to the Member. Alternatively, the Member may elect not to receive the lump sum payment or transfer of the Excess Employee Contributions but instead to increase the amount of the deferred pension provided under the Plan by the amount, as determined by the Administrator, that can be provided by the Excess Employee contributions.

### **6.07 Cost of Living Adjustments**

Any cost of living adjustments applied to a Member's deferred pension or Commuted Value will be done pursuant to Article 10.

## Article 7 – Normal and Optional Forms of Pension

### 7.01 Normal Form of Pension for a Member without a Pension Partner

A retirement, disability, or deferred amount of pension payable to a Member will be the difference between the Enhanced Pension and the LAPP Pension payable in arrears as a monthly income for as long as the Member lives, ceasing with the payment for the month in which death occurs, with the guarantee that payments will be made for at least 120 months. If the Member dies before 120 payments have been made, the Commuted Value of the remaining guaranteed payments payable from this Plan will be paid to the Member's Beneficiary, or if none, to the Member's estate in a lump sum in satisfaction of the guarantee.

### 7.02 Normal Form of Pension for a Member with a Pension Partner

- a. Notwithstanding Section 7.01, if a Member has a Pension Partner on the date that payment of the Member's pension is due to commence, the amount payable to the Member will be the difference between the Enhanced Pension and the LAPP Pension, payable in arrears as a monthly income for as long as the Member and Pension Partner are alive, whereas;
  - i. in the event the Member dies prior to receiving 60 monthly payments, the monthly pension payments will continue without reduction to the Member's Pension Partner until 60 monthly payments in all have been received. After the later of the expiration of the guarantee period and the Member's death, the monthly pension payable to the Member's Pension Partner will reduce to the difference between 2/3 of the Enhanced Pension and 2/3 of the LAPP Pension for the Pension Partner's lifetime,
  - ii. if the Member and the Member's Pension Partner die before 60 payments have been made, the Commuted Value of the remaining guaranteed payments payable from this Plan will be paid to the Member's Beneficiary, or if none, to the Member's estate in a lump sum in satisfaction of the guarantee.
- b. In the event that the age difference between the Retired Member and the Retired Member's eligible Pension Partner is greater than 10 years, the amount of the Enhanced Pension payable to the Retired Member will be decreased by 1% for each complete year by which the Pension Partner is more than 10 years younger than the Retired Member.

### 7.03 Alternative Form of Pension

- a. A person who is entitled to receive a pension in the form specified in Section 7.02 is entitled, as an alternative, to select a joint life pension, payable during the joint lives of the pensioner and the Pension Partner which, after the death of either, continues to be payable in the same amount as the amount payable before the death and guaranteed for 60 months in any event,
- b. Where an alternative form of pension is selected under this Section 7.03, the pension is in an amount that is the Actuarial Equivalent of the pension in the form of a normal pension.

#### **7.04 Form of Payment of Pension**

Notwithstanding the above, the pension payable to a Member pursuant to this Section 7 will be in the same form as the pension payable under LAPP.

## Article 8 – Benefits on Death

### 8.01 Death Benefit Prior to Pension Commencement

If a Member dies before beginning to receive a pension under the Plan, a pre-retirement death benefit will be payable to the Pension Partner of the Member equal to:

- a. in the case of an Active or Suspended Member, the Commuted Value of the amount calculated pursuant to Section 6.01 as if the Member had broken Continuous Service immediately prior to the date of death, or
- b. in the case of a Deferred Member, the Commuted Value of the Member's deferred pension calculated pursuant to Section 6.01, and
- c. any Excess Employee Contributions determined to be payable in respect of an Active or Suspended Member as of the date of the Active or Suspended Member's death.

Notwithstanding the above, the pension payable to the Pension Partner under this Article may be waived if the Pension Partner executes the form prescribed by the Act and files it with the Administrator thereafter, in which event the benefit will be paid to the Member's Beneficiary or if none, to the Member's estate in the form of a single lump sum payment.

### 8.02 Form of Pre-Retirement Death Benefit

- a. Subject to the requirements of the Act, a Pension Partner entitled to receive a pre-retirement death benefit pursuant to Section 8.01 may elect to receive the benefit determined pursuant to Section 8.01(a) or (b) in the form of:
  - i. a pension commencing no earlier than the date the Pension Partner attains age 55 and no later than the date the Pension Partner attains age 65 or within one year of the Member's death if later, or
  - ii. an immediate pension commencing prior to the date the Pension Partner attains age 55 that is actuarially equivalent to the pension in Section 8.02(a)(i), or
  - iii. a transfer to a locked-in retirement account in the name of the Pension Partner that meets the requirements of the Act, or
  - iv. a transfer to the Pension Partner's registered pension plan, provided the administrator of the plan accepts the transfer, or
  - v. a transfer to an insurance company to provide an immediate or deferred annuity payable for life with or without a guaranteed period provided the guaranteed period, if any, does not exceed 15 years, and the pension benefit commences no later than December 31 of the calendar year in which the Pension Partner attains age 71, or if later, within one year after the death of the member.
- b. The Pension Partner will elect the form of the benefit within 90 days of receipt, from the Administrator, of notice of entitlement, failing which the Pension Partner will be deemed to have elected a transfer under subparagraph (a)(ii) above,
- c. Any Excess Employee Contributions payable pursuant to Section 8.01 (c) will be paid to the Pension Partner:
  - i. in a lump sum, or
  - ii. if the Pension Partner has elected a transfer of the Commuted Value pursuant to



subsection 8.01 (b) above, as a transfer to a Registered Retirement Savings Plan in the name of the Pension Partner, subject to the Income Tax Rules, or

- iii. in lieu of a lump sum payment or transfer of the Excess Employee Contributions, as an increase in the amount of the pension provided under the Plan by the amount, as determined by the Administrator, that can be provided by the Excess Employee Contributions.
- d. If the Pension Partner dies after becoming entitled to receive a pre-retirement death benefit pursuant to Section 8.01, but before electing the form of the benefit pursuant to this Section, the benefit will be paid in a lump sum to the Beneficiary of the Member, or if no beneficiary has been designated, to the estate of the Member.

### **8.03 Payment to Beneficiary**

If a Member does not have a Pension Partner at the time of death, the pre-retirement death benefit payable under Section 8.01 will be paid to the Beneficiary or, if none, to the estate of the Member, in a lump sum.

### **8.04 Death After Retirement**

If a Retired Member dies, the death benefit, if any, will be the remaining monthly payments or other benefit payable in accordance with the form of pension in effect pursuant to Article 7 at the time of the Member's death.

### **8.05 Designation of Beneficiary**

Subject to the Act, each Member may, from time to time, designate a person or persons to receive the benefits which may be payable to a Beneficiary under the Plan in the event of the death of the Member. Each designation will revoke all prior designations by the Member, will be in writing on a form provided for that purpose and filed with the Administrator, and may name one or more primary beneficiaries. If the Member has not designated a Beneficiary or the Beneficiary pre-deceases the Member, any death benefit payable to a Beneficiary will be paid to the estate of the Member.

## Article 9 – Contributions and Funding

### 9.01 Fund

The Administrator will establish and maintain a Fund with a Funding Agent pursuant to the provisions of the APEX Governance Agreement and will deal with funds received by the Administrator from Participating Employers as set forth in the APEX Governance Agreement.

### 9.02 Member Contributions

- a. The rate at which Members are required to contribute to the Plan by way of regular payroll deduction will be determined by the Administrator from time to time on the advice of the Actuary,
- b. Notwithstanding subsection (a)
  - i. for purposes of determining the amount of the Member's contributions in any calendar year, the Administrator will consider annual Salary only that does not exceed the defined benefit limit in that year (as defined under the Income Tax Rules) divided by 2%,
  - ii. a Member may not contribute to the Plan with respect to any period for which contributions are not concurrently made to LAPP,
  - iii. a Member who is accruing Continuous Service pursuant to Section 3.03 is required to contribute to the Plan based on the Member's deemed Salary, pursuant to the provisions of Section 1.02(rr).
- c. The Administrator, in accordance with the provisions of the Act and the Income Tax Rules, will ensure that Members' contributions are remitted to the Plan within the time period prescribed by the Act.

### 9.03 Participating Employer Contributions

- a. The Participating Employer will:
  - i. Contribute amounts determined by the Administrator which, taking into account the assets of the Plan and the expected Members' contributions for the year, are sufficient to fund the benefits accruing to Members under the Plan for service during the current year (the "current service contributions"),
  - ii. When required pursuant to the current actuarial valuation, make contributions, in the amount indicated by the Administrator to fund any unfunded liabilities and/or solvency deficiencies within the time prescribed by the Act (the "special payments").
- b. The Administrator will, subject to provisions of the Act:
  - i. Ensure that current service contributions are received from Participating Employers and remitted to the Fund within 30 days after the end of the month in which contributions were received,
  - ii. Ensure that special payments are received from Participating Employers and remitted to the Plan within 30 days after the end of the month in which

contributions were received,

- c. The Administrator may apply all or any part of an excess of assets in the Plan over the liabilities of the Plan towards the current service costs of the Participating Employers.
- d. The Administrator will have the right to enforce against a Participating Employer should the Participating Employer fail to make contributions as required.
- e. The Participating Employer contributions made pursuant to this Section will be remitted to the Administrator.

#### **9.04 Payment from the Fund**

All benefits payable under the Plan will be payable only from the Fund however, the Administrator may, in its sole discretion and provided the action would not result in the Plan ceasing to be approved or registered under the Income Tax Rules or the Act, require the Funding Agent to withdraw from the Fund the amount as may be required to purchase from a company licensed to provide annuities in Canada selected by the Administrator, annuity benefits of equal amounts and payable under the same conditions as the retirement pension or deferred pension to which a Member is entitled and to apply the monies so withdrawn for said purposes.

#### **9.05 Sole Liability of Fund Assets**

Any Member or other person having any claim under the Plan must look solely to the assets of the Plan for the benefit. In no event will the Administrator or any of its executive officers be liable, in their individual or other capacities, to any person under the provisions of the Plan, or under the Funding Agreement.

#### **9.06 Use of Surplus**

Any excess of assets in the Plan over the liabilities of the Plan arising at any time or any portion thereof, as determined by the Actuary, may be applied for any purpose as the Administrator may direct and applicable legislation and authorities may allow. The Administrator may receive, for and on behalf of the Participating Employers, on an ongoing basis and upon obtaining any necessary prior approval of the applicable regulatory authorities, any portion of the surplus that may be refunded under the Act.

#### **9.07 Refund of Over-Contributions**

Any contribution made to the Plan by the Administrator may be returned to the Administrator, subject to the approval of the applicable regulatory authorities, where the action is required to avoid revocation of the registration of the Plan under the Income Tax Rules.

#### **9.08 Investment of the Fund**

The Fund will be invested so as to comply with the Act and the Income Tax Rules. The Administrator will adopt a statement of investment policies and procedures and the Fund will be invested by the Funding Agent in compliance with the statement.

### **9.09 Amendment of Funding Agreement and Change of Funding Agent**

The Administrator may amend or revoke the Funding Agreement in accordance with its terms or replace the Funding Agent or appoint an additional Funding Agent as it deems necessary or desirable. Notwithstanding the rights described herein, the Administrator will have a Funding Agreement in place at all times where funds are invested for the purpose of funding the benefits under the Plan.

## Article 10 – Cost of Living Adjustments

### 10.01 Adjustments to Pension

- a. In respect of a Member's Continuous Service and Pensionable Service accrued prior to January 1, 2020:
  - i. The amount of the Enhanced Pension payable to a Member will be adjusted effective the first day of January in each year following the date that the Member terminates employment with the Participating Employer. The adjustment will not alter the Pension Commencement Date otherwise applicable to the Member,
  - ii. Effective the first day of January following the date that the Member terminates employment with the Participating Employer, the amount of pension payable to the Member will be increased by the addition of an amount which is the product of:
    - (A) the amount of pension payable immediately prior to the adjustment,
    - (B) 60% of the increase in the monthly Alberta CPI calculated as the quotient obtained by dividing the sum of the monthly Alberta CPI values as published by Statistics Canada, for each month in the 12 month period ending on October 31 in the previous year by the sum of the corresponding Alberta CPI values for the 12 month period immediately preceding that period, rounded to 3 digits after the decimal point minus 1 (for any year prior to the Member's Pension Commencement Date, the resulting quotient may not exceed the increase in the average Industrial wage, as defined in the Income Tax Rules, during the preceding year),
    - (C) a fraction, the numerator of which is the number of calendar months between the Termination date and the following December 31 and the denominator, which is 12, if the resulting product is less than zero then it will be deemed to be zero.
  - iii. Effective the first day of January of each succeeding year, the amount of pension payable in the preceding year will be increased by the addition of an amount, which is the product of:
    - (A) the amount of pension payable in the preceding year, and
    - (B) the amount referenced in Section 10.01(ii)(B),
    - (C) If the resulting product is less than zero, then it will be deemed to be zero.
- b. In respect of a Member's Continuous Service and Pensionable Service accrued on and after January 1, 2020:
  - i. the amount of any pension paid from the Plan may include or exclude any cost of living increases based on the discretion and administrative policy established by the APEX Board, and
  - ii. the amount of any lump sum or Commuted Value payment paid from the Plan may include or exclude any future cost of living increases based on the discretion and administrative policy established by the APEX Board.

## **10.02 Adjustment to Survivor Benefits**

The indexation pursuant to Section 10.01 will also apply to any survivor pension payable to a Pension Partner or to any guaranteed pension payable to a Beneficiary following the death of a Retired Member.

## **Article 11 – Administration**

### **11.01 APEX Governance Agreement to Govern**

The obligations of the Administrator in the administration of the APEX Supplementary Pension Plan will be as stated in the APEX Governance Agreement.

### **11.02 Actuarial Procedure and Assumptions**

The Actuary appointed by the Administrator will act as technical advisor to the Administrator in all matters in connection with the Plan requiring actuarial computations and valuations. The Administrator will from time to time, upon the advice of the Actuary, adopt the rate of interest and mortality, service and other tables as may be required in connection with the administration of the Plan whether in connection with computations of benefits, contributions by the Participating Employers, the Members, or otherwise. On the basis of the tables as the Administrator may adopt, the Actuary will undertake and complete a triennial valuation of the Plan as the Administrator may direct.

### **11.03 Administration Expenses**

Any expenses arising in respect of the administration of the Plan and Fund, including but not limited to the fees and other expenses and charges of any actuary, auditor or agent employed by the Administrator in connection with the Plan's or Fund's administration, will be paid from the Plan.

### **11.04 Information Required Before Payment**

Payment of benefit will not be made until the person entitled to payment of the benefit delivers to the Administrator:

- a. satisfactory proof of age of the person and any other person who may become entitled to payment of the pension and any other information that is required to calculate and pay the benefit,
- b. if the benefit is payable to a Member or Pension Partner, a signed declaration of partner status,
- c. if the benefit is payable as a result of the death of the Member, a declaration of death of the Member,
- d. if a pension is payable pursuant to Section 4.01, 4.02 or 4.03 (as applicable) a copy of the LAPP pension election form, indicating the pension option selected by the Member, and
- e. if a pension is payable pursuant to Section 4.04, written evidence that LAPP has determined that the Member is Disabled (if applicable).

### **11.05 Timing of Payment of Transfer**

Where a person becomes entitled to have a Member's contributions paid to the person or to have a benefit paid from the Fund in a lump sum or transferred from the Fund, the

payment of contributions with Credited Interest, or the payment or transfer of the benefit as the case may be, will be made within 60 days after the event giving rise to the payment or transfer, or the completion and filing of all documents required to authorize the making of the payment, including any evidence required under Section 11.04, whichever is the later.

#### **11.06 Administrator Records**

The Administrator will maintain adequate records for accounting and actuarial valuation purposes and will adopt the actuarial tables, rates, and procedures to be used for actuarial valuations and determinations as are either necessary or advisable.

Whenever the records of the Administrator are used for the purposes of this Plan, the records will be conclusive of the facts with which they are concerned, and the Administrator will be entitled to rely on the accuracy of those records.



## **Article 12 – Future of the Plan**

### **12.01 Amending the Plan**

- a. The ABmunis Board reserves the right to amend the Plan, either in whole or in part, at any time or times, subject always to the Income Tax Rules and the provisions of the Act. Without limiting the generality of the foregoing, the right to amend will include the right to merge the Plan with another pension plan or plans, to divide the Plan or to convert it to a money purchase (defined contribution) pension plan.
- b. Any amendment or modification to the Plan will be approved by not less than a 75% majority vote of the members of the ABmunis Board or its delegate.

### **12.02 No Reduction in Accrued Benefits**

No amendment to the Plan will operate to reduce the amount or the value of the benefits which accrued to Members prior to the date of the amendment, provided that the Plan may be amended to reduce benefits payable under the terms of the Plan where the amendment is necessary to avoid the revocation of the registration of the Plan under Income Tax Rules and prior approval has been granted by the Superintendent.

### **12.03 Voluntary Termination**

The AMSC Board may, by a unanimous resolution, recommend to the ABmunis Board to terminate the Plan effective as of the date specified in the Resolution (the “Termination Resolution”).

The Termination Resolution will have no force and effect unless and until it is approved by the ABmunis Board.

Immediately upon the passing of the Termination Resolution, the AMSC Board will notify the ABmunis Board of the resolution. The ABmunis Board will, within 30 days of receipt of the Termination Resolution, inform the AMSC Board in writing if the Termination Resolution has been approved, refused, or modified as the ABmunis Board may determine in its unfettered discretion.

Where the Termination Resolution is accepted or modified by the ABmunis Board, the Plan will be terminated effective as of the date specified in the Termination Resolution or as specified by the ABmunis Board.

Where the Termination Resolution is not approved by the ABmunis Board, the Plan will continue notwithstanding the Termination Resolution passed by the AMSC Board.

### **12.04 Lapse in Registration**

The Plan will terminate in the event the Plan fails to receive registration under either the Income Tax Rules or the Act, or in the event that either registration is revoked or is not renewed.

## 12.05 Application of Assets on Termination

The following provisions will apply should the Plan be terminated or otherwise discontinued, subject to the requirements of and in accordance with the Act and the prior approval of the Superintendent:

- a. The assets in the Plan, after providing for the expenses of the Plan attributable thereto, will be applied to provide for the accrued benefits of Members, Pension Partners and Beneficiaries as determined by the Administrator, on the advice of the Actuary and subject to the requirements of the Act,
- b. Any excess assets remaining after the satisfaction of all accrued benefits, as above set out, will be returned to the Participating Employers as determined by the Administrator, on the advice of the Actuary and subject to the requirements of the Act,
- c. If the assets of the Plan are insufficient to fully provide for all accrued benefits and a Solvency Deficiency exists at the time of termination, the deficiency will be amortized:
  - i. as determined by the Administrator on the advice of the Actuary, and
  - ii. funded entirely by those Participating Employers at the time of termination of the Plan.

## 12.06 Rights and Obligations on Partial Termination

- a. The withdrawal of a Participating Employer will be deemed to constitute a partial termination of the Plan,
- b. The Plan will be partially allocated for the part of the Plan being terminated:
  - i. as determined by the Administrator on the advice of the Actuary and in accordance with provisions of the Act, and
  - ii. applied in accordance with provisions of the Plan for the benefit of the Members, Pension Partners and Beneficiaries affected by the partial termination.
- c. Any remaining portion of the amount allocated under paragraph (c), following the satisfaction of all accrued benefits of all persons affected by the partial termination, may be:
  - i. returned to the withdrawing Participating Employer,
  - ii. left in the ongoing Plan, or
  - iii. otherwise applied as determined by the Administrator on the advice of the Actuary and the prior approval of the Superintendent.
- d. Should a Solvency Deficiency exist as of the date of withdrawal, the withdrawing Participating Employer will be held to be expressly liable for the payment of the Participating Employer's share of the deficiency in accordance with the Act,
- e. Members and other persons affected by the partial termination will be entitled to the receipt of benefits forthwith and conditional upon prior approval of the applicable regulatory authorities.

- f. The Administrator may establish policies which will treat all Participating Employers in an even-handed manner, clarifying:
  - i. the basis for withdrawals,
  - ii. the method by which withdrawals are to be made, and
  - iii. other terms and conditions for withdrawals under this Section.

### **12.07 Provision for Benefits**

The benefits determined in accordance with provisions of Section 12.06 may be provided:

- a. through the purchase of annuity contracts from a company licensed to provide annuities in Canada,
- b. by the transfer of the commuted value of the accrued benefits to which the respective Members are entitled to the pension plans of subsequent employers or to Registered Retirement Savings Plans of the Members,
- c. by the payment of cash refunds, if permitted by the Act, or
- d. by a locked-in retirement account in the name of the Member that meets the requirements prescribed under the Act.

all as determined by the Administrator subject to the requirements of the Act or any other applicable legislation.

### **12.08 Continuing Liability**

In the event that a Participating Employer withdraws or is removed from the Plan, the Participating Employer or its successor will continue to be responsible for any assessments or liabilities arising while it was a Participating Employer, unless satisfactory arrangements are made with the Administrator to settle the liability.

## **Article 13 – Unlocking**

### **13.01 Small Pensions**

If the Commuted Value of the pension payable under this Plan is less than 20% of the YMPE in the year that actual payment is made, the Administrator will unlock the benefit and the Member, or the Pension Partner following the death of the Member, may request to receive the Commuted Value of the pension in a single lump sum. Alternatively, the Member or Pension Partner may elect to transfer, to the extent that the Income Tax Rules allow, the Commuted Value to a Registered Retirement Savings Plan or Registered Retirement Income Fund.

### **13.02 Shortened Life Expectancy**

Notwithstanding the locking-in provisions of the Plan, if a Member provides evidence to the Administrator that the Member has an illness or disability which is terminal or is likely to shorten the Member's life considerably and which is certified by a medical doctor licensed to practice in Canada and if the Pension Partner of the Member, if applicable, executes and files with the Administrator a waiver in the form required under the Act, the Administrator may permit payment of the Commuted Value of the Member's benefit in a lump sum or may provide for payment of the benefit in quarterly or annual installments.

### **13.03 Unlocking for Non-Residents**

Where a Member or surviving Pension Partner of a Member has provided written evidence to the Administrator that the Canada Revenue Agency has confirmed the person's status as non-resident for purposes of the Income Tax Rules, a Member may elect, in the prescribed form, to receive any pension entitlements under the Plan as a lump sum cash refund. This unlocking of benefits is subject to the Member's Pension Partner, if applicable, waiving entitlement in the prescribed form and manner.

### **13.04 Transfer to a Registered Retirement Savings Plan**

Notwithstanding any other provision of the Plan, a person who is entitled to a cash lump sum payment under the Plan may transfer the amount to a Registered Retirement Savings Plan or Registered Retirement Income Fund, subject to the Income Tax Rules.

### **13.05 50% Unlocking**

Notwithstanding anything in this Section to the contrary, a Member may elect in writing, to unlock up to 50% of the value of the Member's deferred pension at the time of the transfer provided that:

- a. the Member has attained at least age 50 but has not reached the Member's Early Retirement Date,
- b. the Member's Pension Partner, if any, has signed the corresponding waiver prescribed under the Act, giving up entitlement to a survivor pension from the amount to be unlocked, and

- c. the Member has made an election pursuant to Section 6.05, to transfer the Commuted Value of the deferred vested pension to a life income fund as defined under the Act, or to a life insurance company licensed to transact business in Canada for the purchase of a life annuity.

If a Member elects to unlock a portion of the Commuted Value pursuant to this Section 13.05, the transfer will be subject to the terms and conditions prescribed by the Act and the Income Tax Rules, including the maximum transfer limit.

An unlocked amount may, at the option of the Member, be transferred to the Member's Registered Retirement Savings Plan, Registered Retirement Income Fund or paid as a single lump-sum cash payment, less applicable withholding tax.

The payment will be made in complete satisfaction with respect to the portion that is unlocked, of the rights of the Member or the Member's Pension Partner under the Plan.

## **Article 14 – Relationship Breakdown**

### **14.01 Relationship Breakdown**

Subject to the Act and applicable family law legislation, a pension benefit under the Plan may be subject to entitlements arising under a Matrimonial/Family Property Order or as specified by a court decree, order or judgement issued by a court of competent jurisdiction, or in accordance with a written separation agreement, as permitted under applicable family law legislation.

The determination and payment of the benefit payable to a person will be in accordance with the provisions of the Plan and comply with the Act and applicable family law legislation. The Administrator will adjust the Member's benefit entitlement to account for the value of any settlement made pursuant to this Section 14.01. The adjustment will be determined in accordance with the Act and applicable family law legislation.

A Pension Partner entitled to a division of benefits pursuant to this Section will also be entitled to exercise the payment options available under Section 6.05 and the Act. The transfer will operate as a complete discharge of all liability to the Pension Partner under this Plan.

## **Article 15 – Miscellaneous Provisions**

### **15.01 Non-Alienation of Benefits**

Except as specifically provided in the Plan or the Act, benefits payable under the Plan will be considered to be for the personal use of the person receiving the benefit and may not be subject to anticipation, assigned, charged, anticipated, surrendered, or given as security, and any attempt to do so will be void as against public policy. Except as provided under the Act, no benefit payable under the Plan will be in any manner liable for, or subject to execution, seizure, or attachment or liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of the person entitled to the benefit.

### **15.02 Payment to Minors and Incapable Persons**

If the Administrator determines that a person entitled to receive a benefit under the Plan is either a minor or incapable of managing the person's own affairs, the Administrator will pay the benefit only to that person's properly appointed property guardian, committee or other legal representative.

Any payment will be deemed to be a payment to the person entitled to the pension or other benefit and will constitute a full and complete discharge of the payment of the pension or other benefit under the Plan. If the person dies before receiving a payment to which they are entitled under the Plan, the payment will be made to the personal representative for the person's estate.

### **15.03 Evidence of Survival**

The Administrator will have the right to require satisfactory evidence that a Retired Member, surviving Pension Partner or Beneficiary under the Plan is living on each and every date a pension benefit is due to the Retired Member, surviving Pension Partner or Beneficiary. Failure to provide the evidence to the Administrator will mean that benefits otherwise due will not be paid until the evidence has been received by the Administrator.

### **15.04 Misstatement in Application**

If a Member knowingly or unknowingly submits incorrect information to the Administrator relevant to the amount of benefits the Member is to receive from the Plan, the amount of subsequent benefits payable from the Plan may be adjusted accordingly, subject to the approval of the Canada Revenue Agency if the approval is required pursuant to the provisions of the Income Tax Rules.

### **15.05 Calculation of Time Periods**

Unless otherwise specified herein or in any Participation Agreement issued pursuant hereto, when calculating the period of time within which or following which any act is to be done or step taken pursuant to this Plan, the date which is the reference day in calculating the period will be excluded. If the last day of the period is a non-business day, the period in question will end on the next business day.

### **15.06 Applicable Legislation**

This Plan will be construed and enforced in accordance with the rights of the parties hereunder and will be governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereunder do hereby irrevocably adjourn to the jurisdiction of the courts of the Province of Alberta.

### **15.07 Severability**

If any provision of this Plan will be held to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions of this Plan will not be affected or impaired thereby.

### **15.08 No Partnership**

Nothing in this Plan will be construed to constitute any of the Participating Employers as a partner, agent, or representative of the others or to create any trust or any commercial or other partnership among the Participating Employers.

### **15.09 Currency**

All benefits payable under the Plan will be payable in the lawful currency of Canada.

### **15.10 Headings**

The division of this Plan into articles and sections and the article and section headings are for convenience of reference only and will not affect the interpretation or construction of this Plan.

### **15.11 Gender and Number**

Words imparting the singular number only will include the plural, and vice-versa, and words imparting the masculine gender will include the feminine gender and neuter gender.

### **15.12 Further Acts**

The Administrator, through its duly authorized officer in that behalf, agrees to execute and deliver further and other documents and perform and cause to be performed further and other acts and things as necessary or desirable in order to give full effect to this Plan and every part thereof.

### **15.13 Limitation of Liability**

No member of the APEX Board or any former member of the APEX Board, or any officer or former officer appointed by the APEX Board or its CEO, or any director or officer or any former director or officer of ABmunis or AMSC will be liable for:



- a. the acts or omissions of any other member of the APEX Board in any respect, or for any loss, damage or expense arising in the administration of the Plan,
- b. the insufficiency or deficiency of any security in or upon which any of the monies of the Fund are invested,
- c. any loss or damage arising from the insolvency of any Participating Employer or of the Plan,
- d. any loss or damage arising from the tortious acts of any person with whom any monies, securities, or effects of the Participating Employers, have been given, taken or deposited,
- e. any loss occasioned by any error of judgment or oversight on the part of the member, or
- f. any other loss, damage, or misfortune whatsoever, which will happen in the execution of the duties of the office of APEX Board member, or directly or indirectly in relation hereto.

unless the loss or damage is occasioned by the willful neglect, willful default, fraud, or dishonesty of any member of the APEX Board or any former member of the APEX Board or any officer or former Officer or any Director or Officer or former Director or Officer of ABmunis or AMSC. Nothing herein will relieve any member from a duty to act in accordance with the provisions of this Agreement, or from liability for any breach thereof.

#### **15.14 Indemnities**

Every member and former member of the APEX Board, every officer and former officer appointed by the APEX Board or its CEO, and every director and officer and former director and officer of ABmunis or AMSC, their heirs, executors, legal representatives and assigns, will be indemnified and saved harmless by the Participating Employers from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by the individual in respect of any civil, criminal or administrative action or proceeding to which the individual is made a party by reason of being or having been a party named above if:

- a. the individual acted in good faith, with a view to the best interest of the Plan's Members, Pension Partners, and Beneficiaries, and
- b. in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the conduct of the individual was lawful.

#### **15.15 Liability Insurance**

The APEX Board may purchase and maintain insurance for the benefit of any person referred to in this Article against any liability incurred by the person in any capacity as referred to in this Article, except where the liability relates to the person's failure to act in good faith with a view to the best interests of the Plan's Members, Pension Partners, and Beneficiaries.

**15.16 Disclosure**

The Administrator will provide each Member or other person prescribed by the Act with the information or statement as may be required under the Act and within the time periods prescribed by the Act.

**15.17 Delegation**

ABmunis may delegate to or appoint one or more agents to carry out any act or transaction required for the administration and management of the Plan and the Fund or may retain advisors. Every delegate and agent appointed by ABmunis will report to and will be subject to the direction and continuing supervision of ABmunis. Each delegate may further subdelegate to or appoint one or more agents to carry out any act provided that the subdelegate or agent will report to and will be subject to the direction and supervision of the delegator.