

**EXHIBIT R-24**  
**SALARIED DB PLAN**

**Contributory Pension Plan for Salaried Employees of  
Wabush Mines, Cliffs Mining Company, Managing Agent  
Arnaud Railway Company and  
Wabush Lake Railway Company, Limited**

As Amended and Restated Effective as of January 1, 1997

Revenue Canada / Canada Customs and Revenue Agency  
Registration Number 0343558

Newfoundland Registration Number 021314-000

## Contents

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	Page
<b>Section 7 — Forms of Pension Payment On Retirement</b>	<b>23</b>
7.01 Normal Form of Payment	23
7.02 Surviving Spouse Benefit	23
7.03 Automatic Form of Payment for a Member With a Spouse	23
7.04 Optional Forms of Payment	23
7.05 Election	24
7.06 Defined Contribution Provision	24
<b>Section 8 — Pre-Retirement Death Benefits</b>	<b>25</b>
8.01 Refund of Amount from Defined Contribution Provision	25
8.02 Surviving Spouse Benefit	25
8.03 Optional Pre-Pension Spouse Coverage	25
8.04 Statutory Minimum Benefits	27
<b>Section 9 — Payment of Benefits</b>	<b>28</b>
9.01 Application for Benefits	28
9.02 Proof of Age and Marital Status	28
9.03 Misstatement in Application for Pension Benefit	28
9.04 Method of Payment	28
9.05 Evidence of Survival	28
9.06 Payments to Minors or Incompetents	29
9.07 Beneficiary Designation	29
9.08 Maximum Limits Under the <i>Income Tax Act</i>	29
9.09 Retirement Benefits From Excess Contributions	31
<b>Section 10 — Pension Fund</b>	<b>32</b>
10.01 General	32
10.02 Provision of Benefits	32
10.03 Investment—Defined Benefit Provision	32
10.04 Investment—Defined Contribution Provision	33
10.05 Expenses	33
<b>Section 11 — Administration of the Plan</b>	<b>34</b>
11.01 Administration of the Plan	34
11.02 Officers of Pension Committee	34
11.03 Powers of Pension Committee	34
11.04 Agents of Pension Committee	34
11.05 Actions of Pension Committee	35
11.06 Decisions of Pension Committee	35
11.07 Communication With Pension Committee	35
11.08 Allocation of Responsibilities Among the Employer, the Pension Committee and the Funding Agent	35
11.09 Records of the Employer	36
11.10 Communication	36

## Contents

---

	Page
<b>Section 12 — General Provisions</b>	<b>38</b>
12.01 Employment Rights	38
12.02 Non-Assignability and Non-Commutability of Benefits	38
12.03 No Duplication of Benefits	38
12.04 Notices and Elections	38
12.05 Division of Pension Benefits on Marriage Breakdown	39
12.06 Applicable Law	39
<b>Section 13 — Future of the Plan</b>	<b>40</b>
13.01 Continuation of the Plan	40
13.02 Amendment of the Plan	40
13.03 Termination of the Plan	40
13.04 Wind-Up or Bankruptcy of the Employer	40
13.05 Asset Transfer or Merger	41
13.06 Surplus Assets	41
<b>Section 14 — Special Provisions for Quebec Employees</b>	<b>42</b>
14.01 Application	42
14.02 Early Retirement	42
14.03 Early Retirement Pension	42
14.04 Postponed Retirement	42
14.05 Actuarial Adjustment	42
14.06 Maximum Deferral of Pension	42
14.07 Effect of Maximum Benefit Rule	43
14.08 Partial Payment of Pension	43
14.09 Early Commencement of Deferred Vested Pension	43
14.10 Portability of Benefits	43
14.11 Death in Service After Normal Retirement Date	43
14.12 Commutation of Pension	44
14.13 Temporary Supplementary Benefit	44
<b>Appendix A</b>	<b>45</b>

## **Section 1 — Amendment and Restatement**

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### **1.01 Amendment and Restatement**

Effective as of January 1, 1997, the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited, Revenue Canada registration number 0343558, is amended and restated to allow active Members to choose, on a one-time-only basis, one of two forms of pension benefits:

- a Defined Benefit Provision; or
- a Defined Benefit Provision plus a Defined Contribution Provision.

For active Members who terminated employment, died or retired on or after October 1, 1996 and before January 1, 1997, the Defined Benefit Provision as described in this amended and restated plan text shall apply.

## **Section 2 — Definitions**

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The following words and phrases, when used in this Plan, shall have the following meanings unless the context clearly indicates otherwise:

**2.01 Account**

“Account” means, in respect of a Member, the account established to record the Member’s contributions pursuant to Sections 4.01(b), 4.01(c) and 4.03(a) and the Employer contributions pursuant to Sections 4.02(b), 4.03(b) and 4.04 plus any Credited Interest thereon.

**2.02 Actuarial Equivalent**

“Actuarial Equivalent” means, with respect to a benefit, the equivalent value, computed on the basis of actuarial assumptions last adopted for this purpose by the Employer on the recommendation of the Actuary. The determination of Actuarial Equivalent values shall not differentiate on the basis of gender, unless required by law.

**2.03 Actuary**

“Actuary” means the actuary or firm of actuaries retained by the Employer for the purposes of the Plan 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.

**2.04 Approved Leave of Absence**

“Approved Leave of Absence” means a period of paid or unpaid leave of absence authorized by the Employer for the purposes of the Plan.

**2.05 Beneficiary**

“Beneficiary” means the person last designated by a Member under Section 9.07 by written notice filed with the Employer to receive benefits payable from the Plan upon the Member’s death and who survives the Member.

**2.06 Commuted Value**

“Committed Value” means, with respect to pension benefits that a person has a present or future entitlement to receive, a lump-sum amount of the Actuarial Equivalent value of said benefits as of a specified date as determined by the Actuary in accordance with the Recommendations for the Computation of Transfer Values from Registered Pension Plans issued by the Canadian Institute of Actuaries, or such other basis as may be permitted or required from time to time under the *Pension Benefits Act* and the *Income Tax Act*.

## 2.07 Continuous Service

- (a) "Continuous Service" means the period of regular employment with the Employer from the later of the date of commencement of employment with the Employer or the date of re-employment following the last break in service, if any and shall include service with any subsidiary, affiliated or predecessor employer designated by the Employer.
- (b) Continuous Service shall be broken by an Employee's resignation or other voluntary termination of employment or termination of employment by the Employer or retirement.
- (c) Notwithstanding (a) and (b) above, Employees with eight or more years of Continuous Service as of the date they become eligible for long term disability benefits pursuant to the Employer's program of insurance benefits shall continue to accrue Continuous Service until the earlier of 30 years of Credited Service, Normal Retirement Date, or the date the payment of or eligibility for such benefits ceases.
- (d) Notwithstanding (a) and (b) above, a break in Continuous Service shall occur as of the date:
  - (i) the Employee fails to return to work promptly at the termination of any leave of absence; or
  - (ii) the Employee has been absent from work due to disability for more than 1 year in the case of an Employee with less than 3 years' service at the beginning of the absence, and for more than 2 years in the case of other Employees unless such absence was due to a temporary Disability compensable under workers' compensation laws or similar law in the province of employment and the Employee returns to work within 30 days after the termination of weekly compensation payments in respect of the disability, unless otherwise provided for under (c) above.
- (e) Notwithstanding anything to the contrary in the Plan, a transfer of employment from one Employer to an affiliate or subsidiary of the Employer shall not constitute a break in Continuous Service for the purpose of determining eligibility for benefits pursuant to the Plan.

## **2.08 Credited Interest**

With respect to the Defined Contribution Provision, "Credited Interest" means interest on the amount in a Member's Account including any additional voluntary contributions pursuant to Section 4, compounded annually and computed from the first day of the month following the month in which the contributions were made to the first day of the calendar month in which a determination thereof is to be made, at the rate equal to the rate of return calculated on the portion of the Pension Fund in which the Member's Account and the additional voluntary contributions are deposited. With respect to the Defined Benefit Provision, Credited Interest means interest at the rate of 3% per annum for all periods prior to January 1, 1971, 3 ½% per annum for the period January 1, 1971 through December 31, 1975, 5% per annum for the period January 1, 1976 through May 31, 1989 and the calendar year average of the yields of five-year personal fixed term chartered bank deposit rates published monthly in the Bank of Canada Review as CANSIM Series B14045 for the preceeding calendar year after May 31, 1989, compounded annually at the end of each calendar year and, on and after January 1, 1990, computed from the first day of the month following the month in which contributions were made to the date of retirement, death or other termination of employment.

## **2.09 Credited Service**

- (a) "Credited Service" means a Member's years and completed calendar months (expressed as twelfths of a year) of Continuous Service during which the Member participated in or was credited with participation in the Plan. Credited Service shall also include periods during which a Member is on an Approved Leave of Absence. For the purposes of this section, a "completed calendar month" shall include a calendar month during which an employee has participated or was credited with participation in the Plan for 15 or more days in the month.
- (b) In no event shall the total period of unpaid Approved Leave of Absence on and after January 1, 1991 for the purposes of Credited Service exceed the sum of:
- (i) five years; and
  - (ii) the period of parenting as defined in the Income Tax Act, subject to a maximum of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.
- The limitation on Credited Service set out in this Section 2.09(b) shall not apply to a period of disability.

## **2.10 Deferred Vested Termination Date**

"Deferred Vested Termination Date" means the date described in Section 5.05.

## **2.11 Defined Benefit Provision**

"Defined Benefit Provision" means the pension benefits calculated with reference to Section 6.01(a) and Section 6.01(b)(i) and excludes the pension benefits derived from the Defined Contribution Provision.

## **2.12 Defined Contribution Provision**

"Defined Contribution Provision" means the pension benefits derived from the Members' contributions made pursuant to Section 4.01(b), 4.03(a), and the Employer's contributions made pursuant to Section 4.02(b), 4.03(b) and 4.04, and as calculated with reference to Section

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6.01(b)(ii) and excludes the pension benefits derived from the Defined Benefit Provision .

**2.13 Disability or Disabled**

“Disability ” or “Disabled” means, suffering from a physical or mental impairment, as certified by a medical doctor, that prevents an Employee from performing the duties of employment in which the Employee was engaged before the commencement of the impairment.

**2.14 Early Retirement Date**

“Early Retirement Date” means the date of a Member’s early retirement pursuant to Section 5.02.

**2.15 Earnings**

“Earnings” means the base salary paid by the Employer to a Member, including taxable income from cost of living adjustments, overtime pay, Sunday, shift and holiday premium payments, cash bonuses, the Northern allowance, and special vacation, regular vacation, and out-of-season vacation bonus pay. Earnings excludes lump sum payments paid to an individual as a consequence of the termination of employment of the individual and all other forms of remuneration, including but not limited to, all non-cash benefits, any remuneration resulting from the exercise of a qualified stock option, incentive stock option or other stock option or appreciation right, and all allowances (except the Northern allowance), including but not limited to, the housing, travel and tax equalization allowances. In determining the Earnings of a Member during a calendar month, the Earnings in the calendar year shall be divided by twelve.

**2.16 Effective Date**

“Effective Date” means January 1, 1982.

**2.17 Employee**

“Employee” means an individual who is employed by the Employer and receives a salary.

**2.18 Employer**

“Employer” means Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited.

**2.19 Final Average Earnings**

“Final Average Earnings” means the highest average annual Earnings of a Member during any 60 consecutive months of the last 120 full calendar months of Credited Service, excluding periods of layoff, immediately preceding the date of retirement, termination or death, whichever occurs first, except in the case of a Disabled Member, where Final Average Earnings shall be determined based on Earnings and Credited Service prior to the date the Member becomes Disabled. If, during the last ten consecutive calendar years of Credited Service, the Member was absent from work without pay or with reduced pay because of layoff, the references to “60 consecutive months” in this definition shall be read as the “number of months not exceeding 60”.

**2.20 Funding Agency**

“Funding Agency” means the trust company or insurance company, or any successor trust or insurance company, the Employer may appoint from time to time to hold, invest and administer the assets in the Pension Fund.

**2.21 Funding Agreement**

“Funding Agreement” means the agreement entered into between the Employer and the Funding Agency governing the custody, investment and administration of the assets in the Pension Fund.

**2.22 Income Tax Act**

“Income Tax Act” 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 Revenue Canada or any successor thereto.

**2.23 Member**

“Member” means an Employee who has been enrolled in the Plan pursuant to Section 3 and who continues to have rights or contingent rights to benefits pursuant to the Plan. “Member” includes a former Employee who has retired or terminated employment with the Employer but who retains a right to benefits pursuant to the Plan.

**2.24 Normal Retirement Date**

“Normal Retirement Date” means the date of a Member's normal retirement pursuant to Section 5.01.

**2.25 Pension Benefits Act**

“Pension Benefits Act” means the Newfoundland *Pension Benefits Act 1997*, S.N. 1996, c.P-4.01, as amended from time to time, and the Regulations thereunder as well as any similar statute applicable in a particular circumstance and any regulation pursuant thereto adopted by the federal or any provincial government.

- 2.26 Pension Commencement Date**  
“Pension Commencement Date” means the date upon which a Member's payment of pension benefits is due to commence.
- 2.27 Pension Committee**  
“Pension Committee” means the committee described in Section 11.
- 2.28 Pension Fund**  
“Pension Fund” means the fund established pursuant to the terms of the Plan and the Funding Agreement to which all contributions under the Plan are made and from which the benefits and expenses of the Plan are paid.
- 2.29 Plan**  
“Plan” means the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited.
- 2.30 Plan Year**  
“Plan Year” means each 12 month period ending December 31.
- 2.31 Pre-Pension Spouse Coverage**  
“Pre-Pension Spouse Coverage” means the optional benefit pursuant to Section 8.03.
- 2.32 Québec Member**  
“Québec Member” means a Member who reports for work in the Province of Québec.
- 2.33 Special Early Retirement Date**  
“Special Early Retirement Date” means the date of a Member's special early retirement pursuant to Section 5.03.
- 2.34 Special Postponed Retirement Date**  
“Special Postponed Retirement Date” means the date of a Member's special postponed retirement pursuant to Section 5.04.
- 2.35 Spouse**  
“Spouse” means a person of the opposite sex of a Member who, on the date of determination of marital status, either:
- (a) is legally married to the Member and is not living separate and apart from the Member;
  - (b) is not legally married to the Member but who has been living with the Member in a conjugal relationship continuously for a period of at least 3 years; or
  - (c) is not legally married to the Member, but who is living with the Member in a conjugal

relationship continuously for a period of at least one year and who, together with the Member, is the natural or adoptive parent of a child, both as defined in applicable family law legislation.

It is provided, however, that a person described in (b) or (c) above shall not be considered the Spouse of the Member for the purposes of the Plan if there is also a legal Spouse pursuant to (a) above, unless the Member has submitted a written election to the contrary to the Employer. With respect to same-sex spouses or equivalent, effective June 16, 1999, the definition set out in this section shall not apply where prohibited by the Pension Benefits Act in which case such other definition of spouse or equivalent as set out in the Pension Benefits Act shall apply.

#### 2.36 Surplus Assets

“Surplus Assets” means, at any particular point in time, the excess of assets in the Pension Fund over the liabilities of the Plan, as determined by the Actuary. The assets and liabilities shall be as set out in the most recent going concern valuation report with respect to the determination of Surplus Assets on a going concern basis or the most recent wind-up valuation report with respect to the determination of Surplus Assets on a wind-up basis, as the case may be, filed with the applicable regulatory authorities.

#### 2.37 YMPE

“YMPE” means the Year’s Maximum Pensionable Earnings as defined in the *Canada Pension Plan* or the *Québec Pension Plan*, as applicable.

Words importing the singular number shall include the plural and vice versa depending upon the context.

## **Section 3 — Membership**

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### **3.01 Immediate Membership**

A person who is hired by the Employer as an Employee shall join the Plan as of the Employee's date of hire.

### **3.02 Opting Out of Membership Not Permitted**

A Member shall not discontinue or suspend his or her membership in the Plan while the Member is an Employee.

### **3.03 Change of Employment Status**

If a Member's employment status with the Employer changes such that the Member is no longer an Employee, the Member's active participation in the Plan shall cease as of the date of said change in status and the Member shall cease to accrue further benefits pursuant to the Plan as of the date of said change in status.

### **3.04 Participation in Defined Benefit Provision and Defined Contribution Provision**

#### **(a) Current Members**

An Employee who is a Member as of December 31, 1996 shall participate in the Defined Benefit Provision and may elect to participate in the Defined Contribution Provision, effective as of January 1, 1997, by completing the form prescribed by the Employer.

#### **(b) New Members**

An Employee who becomes a Member on or after January 1, 1997 shall participate in both the Defined Benefit Provision and the Defined Contribution Provision, effective as of the date the Employee becomes a Member.

### **3.05 Transfers of Employment**

(a) A Member who ceases to be an Employee, but who remains employed with the Employer, shall cease accruing benefits pursuant to the Plan; however, such Member shall remain eligible to receive the benefits accrued pursuant to the Plan upon his or her subsequent termination of employment, retirement or death. Employment with the Employer in a capacity other than as an Employee shall continue to count as Continuous Service for the purpose of vesting of benefits, eligibility for retirement, and pre-retirement death benefits, but not as Credited Service for benefit calculation purposes pursuant to the Plan.

- (b) Should an employee of the Employer transfer to a position in which the employee is classified as an Employee pursuant to the Plan, any pension benefits to which the employee is entitled by reason of his or her prior service shall be dealt with pursuant to any pension plan applicable to his or her prior employment. For the purposes of the Plan, such prior service shall be counted as Continuous Service for the purposes of eligibility for participation and benefits, but not as Credited Service for the purposes of benefit calculation.

## **Section 4 — Contributions**

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### **4.01 Member Contributions**

**(a) Defined Benefit Provision**

Members who elect not to participate in the Defined Contribution Provision shall contribute 2% of their Earnings to the Defined Benefit Provision of the Plan by payroll deduction. Once a Member has acquired 30 years of Credited Service, no further contributions shall be required of such Member.

**(b) Defined Contribution Provision**

A Member who elects to participate in the Defined Contribution Provision of the Plan shall contribute 2% of Earnings to his or her Account by payroll deduction.

**(c) Additional Voluntary Contributions**

A Member who participates in the Defined Contribution Provision may, in addition to the contributions pursuant to (b) above, make additional voluntary contributions to the Member's Account, by payroll deduction, up to such amounts as are permissible pursuant to the *Income Tax Act* as deductible contributions to a registered pension plan.

**(d) Remittance of Contributions**

The Employer shall remit Member contributions pursuant to (a) not later than the date specified in the *Pension Benefits Act*, pursuant to (b) and (c) as early as 7 days following the pay date on which they fall due but in any event not later than the date specified in the *Pension Benefits Act*.

### **4.02 Employer Contributions**

The Employer shall have no liability to make any payments to the Pension Fund except as expressly provided in the Plan.

**(a) Defined Benefit Provision**

(i) The Employer shall contribute to the Pension Fund in respect of the Defined Benefit Provision in such amount, based on the latest actuarial valuation report prepared by the Actuary and filed with the Newfoundland pension regulatory authority and Revenue Canada, as is required to provide for the normal cost of benefits accruing in the current Plan Year, after taking into account the assets of the Pension Fund and all other relevant factors, and to provide for the proper amortization of all unfunded liabilities and solvency deficiencies, if any, in accordance with the *Pension Benefits Act* and subject to subsection 147.2(2) of the *Income Tax Act*.

(ii) The employer shall not contribute any amount to the Pension Fund which is not permissible pursuant to subsection 147.2(2) of the *Income Tax Act*.

**(b) Defined Contribution Provision**

The Employer shall contribute each payroll period to the Account of each Member who participates in the Defined Contribution Provision an amount equal to 3% of the Member's Earnings.

**(c) Remittance of Contributions**

The Employer shall remit its contributions in respect of the Defined Benefit Provision in accordance with the Pension Benefits Act, and shall remit its contributions in respect of the Defined Contribution Provision as soon as practical but not later than the date specified in the Pension Benefits Act.

**4.03 Contributions Under Defined Contribution Provision During Approved Leaves of Absence**

**(a) Member Contributions**

- (i) A Member who participates in the Defined Contribution Provision and who is on an Approved Leave of Absence may continue to contribute to the Member's Account pursuant to Section 4.01 (b). Alternatively, the Member may contribute a lesser amount or may cease contributing to the Member's Account. Prior to commencing the Approved Leave of Absence, the Member shall inform the Employer in writing of the amount of the Member's contributions. The contributions shall be made by payroll deduction or, if such method of payment is not possible, by delivering to the Employer post-dated cheques in respect of each month of the Approved Leave of Absence.
- (ii) In lieu of contributing to the Member's Account during an Approved Leave of Absence, the Member may instead elect to contribute to the Member's Account immediately upon returning to work from an Approved Leave of Absence. In such case, the Member may elect to contribute the amount which he would have otherwise contributed pursuant to Section 4.01(b) or a lesser amount, and the Member shall make such contributions within the lesser of the period of time equal to the period of the Approved Leave of Absence or 12 months.



**(b) Employer Contributions**

The Employer shall contribute to the Pension Fund in respect of the Defined Contribution Provision pursuant to Section 4.02 in respect of a Member who participates in the Defined Contribution Provision and who is on an Approved Leave of Absence; however, if a Member elects to contribute a lesser amount than prescribed pursuant to Section 4.01 (b), the Employer's contributions shall be reduced proportionately. The Employer shall not contribute in respect of a Member who elects to cease contributing to the Member's Account during an Approved Leave of Absence. Depending on the manner in which the Member elects to contribute to the Member's Account pursuant to subparagraph (a)(i) or (a)(ii) above, the Employer shall contribute to the Member's Account accordingly.

**4.04 Application of Surplus Assets**

In the event there are Surplus Assets in the Pension Fund, the Employer may in its sole discretion apply the Surplus Assets or any portion of the Surplus Assets toward the amount of Employer contributions pursuant to Section 4.02 or Section 4.03.

**4.05 Transitional Provision**

Any Member who elected to participate in the Defined Contribution Provision pursuant to Section 3.04(a) and who made contributions to the Plan prior to January 1, 1991 shall have such contributions, along with Credited Interest, transferred to his or her Member Account.

**4.06 Maximum Contributions Under Defined Contribution Provision**

The total of the contributions by a Member to the Pension Fund pursuant to Sections 4.01 and 4.03 above and the Employer's contributions in respect of the Member pursuant to Section 4.02 and Section 4.03 above for a calendar year shall not exceed the money purchase limit for the calendar year as prescribed under the *Income Tax Act*.

## **Section 5 — Retirement Dates**

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### **5.01 Normal Retirement Date**

A Member's Normal Retirement Date shall be the first day of the month following the Member's attainment of age 65.

### **5.02 Early Retirement Date**

A Member's Early Retirement Date shall be the date of a Member's retirement from the Employer on the first day of any month prior to the Member's Normal Retirement Date and after the Member has met one or both of the following requirements:

- (a) completion of at least 30 years of Continuous Service; or
- (b) attainment of at least age 55 and completion of at least 15 years of Continuous Service.

### **5.03 Special Early Retirement Date**

A Member's Special Early Retirement Date shall be the date of a Member's retirement from the Employer on the first day of any month prior to the Member's Normal Retirement Date and after the Member has either

- attained at least age 55 and completed at least 15 years of Continuous Service; or
- completed at least 15 years of Continuous Service and the sum of the Member's age and Continuous Service, in years and completed months, equals 80 or more; and

the Member has satisfied one or more of the following requirements:

- (a) the Member's Continuous Service is broken by reason of a permanent shutdown of the operations in which the Member is engaged, or by reason of a layoff or physical disability;
- (b) the Member's Continuous Service is not broken and the Member is absent from work by reason of:
  - (i) a layoff resulting from such permanent shutdown, or
  - (ii) a Disability or layoff other than a layoff resulting from such permanent shutdown and whose return to active employment is declared unlikely by the Employer; or

- (c) the Member considers that it would be in his or her interest to retire and the Employer considers that such retirement would likewise be in its interest and, by applying like rules in a nondiscriminatory manner to like or similar circumstances, approves an application for retirement under mutually satisfactory conditions.

**5.04 Special Postponed Retirement Date**

A Member may, with the consent of the Company, elect to retire on a Special Postponed Retirement Date, which shall be the first day of any month beyond the Member's Normal Retirement Date, provided, however, that the Member's retirement date for purposes of the Plan shall not be postponed beyond December 1st of the year the Member attains age 69.

**5.05 Deferred Vested Termination Date**

A Member's Deferred Vested Termination Date under the Defined Benefit Provision shall be the date of a Member's termination of employment with the Employer for any reason other than death, prior to the Normal Retirement Date, Early Retirement Date or Special Early Retirement Date and after completion of at least (a) ten years of Continuous Service, in respect of benefits accrued prior to January 1, 1990, and (b) two years of Continuous Service, in respect of all other benefits.

A Member's deferred Vested Termination Date under the Defined Contribution Provision shall be the date of a Member's termination of employment with the Employer for any reason other than death, prior to the Normal Retirement Date, Early Retirement Date or Special Early Retirement Date and after the Member joins the Plan.

**5.06 Eligibility**

A Member shall be entitled to receive pension benefits pursuant to only one of Sections 5.01, 5.02, 5.03, 5.04 or 5.05.

## **Section 6 — Retirement Benefits**

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### **6.01 Normal and Special Postponed Retirement Benefits**

#### **(a) Members Who Do Not Participate in the Defined Contribution Provision**

A Member who does not participate in the Defined Contribution Provision and who retires on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive an annual pension benefit payable in equal monthly instalments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, equal to:

- (i) 1.7% multiplied by the Member's Final Average Earnings multiplied by the Member's years of Credited Service, plus
- (ii) any additional benefits applicable pursuant to Sections 6.01(c) and 6.01(d).

#### **(b) Members Who Participate in the Defined Contribution Provision**

A Member who participates in the Defined Contribution Provision and who retires on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a benefit pursuant to (i) and (ii) below:

##### **(i) Benefit in Respect of Defined Benefit Provision**

An annual benefit payable in equal monthly instalments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, equal to:

- (A) 1.5% multiplied by the Member's Final Average Earnings up the YMPE multiplied by the Member's years of Credited Service prior to January 1, 1997

plus

1.6% multiplied by the Member's Final Average Earnings in excess of the YMPE multiplied by the Member's years of Credited Service prior to January 1, 1997; plus

- (B) 1.0% multiplied by the Member's Final Average Earnings multiplied by the Member's years of Credited Service on and after January 1, 1997; plus

- (C) any additional benefits applicable pursuant to Sections 6.01(c) and 6.01(d).

**(ii) Benefit in Respect of Defined Contribution Provision**

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

**(c) Minimum Benefit**

The annual pension benefit payable under this Section 6.01 in respect of the Defined Benefit Provision shall be at least equal to:

(i) the annual pension benefit which would be payable under Section 6.01 of the Pension Plan for Bargaining Unit employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited, if the Member had been a member of that plan instead of this Plan in respect of his Credited Service, plus

(ii) an annual pension benefit, commencing on the Member's Normal Retirement Date and payable for life in accordance with Section 7.01, which is the Actuarial Equivalent of the Member's contributions in respect of the Defined Benefit Provision together with Credited Interest but excluding any amounts transferred to his or her Member Account under Section 4.05.

**(d) Make-up Benefit**

In the event a Member has transferred to the Plan from the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (the "bargaining unit plan") and his Continuous Service is terminated at a time when he has an entitlement to a deferred pension, he shall be eligible for a Make-up Benefit under the Plan, as set out in this Section 6.01(d). A Make-up Benefit shall be determined as a monthly amount determined by multiplying the Member's credited service under the bargaining unit plan by the lifetime benefit formula in effect under the bargaining unit at the time of the termination of Continuous Service under the Plan, less the frozen monthly lifetime benefit amount actually payable to the Member under the bargaining unit plan.

**6.02 Early Retirement Benefits**

**(a) Members Who Do Not Participate in the Defined Contribution Provision**

A Member who does not participate in the Defined Contribution Provision and who qualifies for a pension benefit commencing on an Early Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on an Early Retirement Date and continuing on the first day of each month thereafter, calculated pursuant to one of the following:

- (i) If the Member has completed at least 30 years of Continuous Service, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement;
- (ii) If the Member has attained age 55 and completed at least 15 years of Continuous Service, a pension benefit calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, except the Member's pension benefit shall be reduced by  $\frac{1}{2}\%$  for each month by which commencement of the Member's pension precedes his or her Normal Retirement Date. It is further provided that the amount of the reduction to the monthly benefit shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

**(b) Members Who Participate in the Defined Contribution Provision**

A Member who participates in the Defined Contribution Provision and who qualifies for a pension benefit commencing on an Early Retirement Date shall be entitled to receive a monthly pension benefit pursuant to (i) and (ii) below:

**(i) Benefit in Respect of Defined Benefit Provision**

A benefit payable in equal monthly instalments commencing on an Early Retirement Date and continuing on the first day of each month thereafter, equal to the pension described in (a) above that would be applicable to the Member if the references therein to "Section 6.01(a)" were changed to "Section 6.01(b)(i)".

**(ii) Benefit in Respect of Defined Contribution Provision**

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

**6.03 Special Early Retirement Benefits**

**(a) Members Who Do Not Participate in the Defined Contribution Provision**

A Member who does not participate in the Defined Contribution Provision and who qualifies for a pension benefit commencing on a Special Early Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on a Special Early Retirement Date and continuing on the first day of each month thereafter, equal to the pension calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Special Early Retirement Date, without reduction on account of early commencement except as required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

**(b) Members Who Participate in the Defined Contribution Provision**

A Member who participates in the Defined Contribution Provision and who qualifies for a pension benefit commencing on a Special Early Retirement Date shall be entitled to receive a monthly pension benefit pursuant to (i) and (ii) below:

**(i) Benefit in Respect of Defined Benefit Provision**

A benefit payable in equal monthly instalments commencing on a Special Early Retirement Date and continuing on the first day of each month thereafter, equal to the benefit described in (a) above that would be applicable to the Member if the reference therein in to "Section 6.01(a)" were changed to "Section 6.01(b)(i)".

**(ii) Benefit in Respect of Defined Contribution Provision**

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

**6.04 Deferred Vested Retirement Benefits**

A Member who terminates employment with the Employer on a Deferred Vested Termination Date shall be entitled to receive a monthly pension benefit pursuant to (a) and (b) below or, if the Member has not attained age 55 at the date of transfer, may transfer such benefit out of the Plan pursuant to (c) below. A Member who terminates employment with the Employer prior to a Deferred Vested Termination Date shall be entitled to the refund, if any, pursuant to (d) below.

**(a) Benefit in Respect of Defined Benefit Provision**

(i) A benefit payable in equal monthly instalments commencing on the Member's Normal Retirement Date and continuing on the first day of each month thereafter, equal to the amount of pension calculated pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever is applicable to the Member. The Member may elect to commence his or her pension prior to the Normal Retirement Date, on the first day of any month after attaining age 55, in which case the amount of pension payable from such earlier Pension Commencement Date shall be reduced by  $\frac{1}{2}\%$  for each month by which commencement of the Member's pension precedes his or her Normal Retirement Date if the Member has 15 or more years of Continuous Service, or else shall be the Actuarial Equivalent of the amount of pension payable upon the Member's Normal Retirement Date, provided that the amount of reduction to the monthly pension shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

(ii) Notwithstanding (i) above, the Member may elect to transfer the Commuted Value of the benefit pursuant to (i) above out of the Plan, pursuant to (c) below.

**(b) Benefit in Respect of Defined Contribution Provision**

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to (c) below.

**(c) Transfer of Benefits Out of the Plan**

The Commuted Value of a Member's accrued pension benefit in respect of the Defined Benefit Provision may be transferred out of the Plan and the amount in a Member's Account in respect of the Defined Contribution Provision may be transferred out of the Plan, to one of the retirement savings vehicles described in (i), (ii) and (iii) below, as elected by the Member on the form prescribed by the Employer and filed with the Employer within such time periods as prescribed by applicable provincial pension laws or at such other times as may be acceptable to the Employer:

- (i) a retirement savings plan, locked-in retirement account or life income fund, as prescribed by the *Pension Benefits Act*;
- (ii) the fund of another registered pension plan, if the other pension plan permits such a transfer; or
- (iii) a life insurance company licensed to transact business in Canada for the purpose of purchasing a deferred life annuity.

A transfer pursuant to (i), (ii) or (iii) above shall be made on a locked-in basis and the transferred amount shall be used to provide an annuity which shall not commence payment before the earliest date that the Member would have been entitled to receive a benefit pursuant to the Plan or, if transferred to another pension plan, under that plan.

In the event that a transfer is elected pursuant to this Section 6.04(c), the Member shall have no further rights under the Plan.

**(d) Refund on Termination of Employment Prior to Deferred Vested Termination Date**

A Member who terminates employment with the Employer prior to the completion of (a) ten years of Continuous Service, in respect of benefits accrued prior to January 1, 1990, and (b) two years of Continuous Service in respect of all other benefits, shall be entitled to

- (A) a benefit equal to the amount in the Member's Account, which may be transferred out of the Plan pursuant to (c) above, plus
- (B) a refund of his or her contributions made pursuant to Section 4.01 (a) and 4.03(a) plus Credited Interest thereon in the form of a lump sum payment.



**6.05 Additional Voluntary Contributions**

In addition to the benefits pursuant to Sections 6.01, 6.02, 6.03 and 6.04, a Member who participates in the Defined Contribution Provision and who has made additional voluntary contributions pursuant to Section 4.01(c) may be paid such contributions, plus Credited Interest thereon, in a lump sum payment at any time pursuant to the instructions of the Member or, in the alternative, the Member may elect to transfer such contributions plus Credited Interest thereon out of the Plan, pursuant to Section 6.04(c); however, such transfer shall not be on a locked-in basis.

**6.06 Temporary Supplementary Benefit**

A Member who qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable in equal monthly instalments commencing on the Member's Early Retirement Date or Special Early Retirement Date, as the case may be, and continuing thereafter on the first day of each month, ending with the earlier of the month in which the Member attains age 65 and the month in which the Member dies, equal to one of the following, whichever is applicable to the Member:

- (i) \$18 multiplied by the Member's years of Credited Service, where the Member retires prior to attaining age 60 and has less than 35 years of Credited Service;
- (ii) \$27 multiplied by the Member's years of Credited Service to a maximum of 40 years, where the Member retires prior to attaining age 60 and has 35 or more years of Credited Service;
- (iii) \$18 multiplied by the Member's years of Credited Service, where the Member retires between ages 60 and 65 and has less than 30 years of Credited Service; or
- (iv) \$27 multiplied by the Member's years of Credited Service to a maximum of 40 years, where the Member retires between ages 60 and 65 and has 30 or more years of Credited Service.

If the Member retires on an Early Retirement Date and receives an annual pension pursuant to Sections 6.02(a)(ii), the amount of the temporary supplementary benefit shall be reduced by the same factors used to reduce the monthly pension payable under said provisions, whichever is applicable to the Member.

**6.07 Retirement Benefits for Part-Time Employees**

The retirement benefits pursuant to the Defined Benefit Provision calculated pursuant to this section in respect of a Member who is a part-time Employee shall be reduced in an equitable manner to an amount related to the hours worked by the Member in comparison to the hours worked by other Members who are employed as full-time Employees in a similar capacity.

**6.08 Re-Employment After Retirement, Termination of Employment or Break In Continuous Service**

**(a) Re-Employment After Retirement**

A Member who has retired and is receiving pension benefit payments pursuant to the Plan shall, upon re-employment with the Employer as an Employee, have such payments suspended. The Member shall retain his or her frozen suspended pension benefit which shall be added to any subsequent pension benefit to which the Member may become entitled in respect of service subsequent to the Member's date of re-employment.

**(b) Re-Employment After Termination of Employment But Prior to Retirement**

A Member who has terminated employment with the Employer and is entitled to a deferred vested pension pursuant to the Plan and who is re-employed with the Employer as an Employee prior to commencing receipt of pension benefit payments shall retain his or her frozen deferred vested pension benefit, which shall be added to any subsequent pension benefit to which the Member may become entitled in respect of service subsequent to the Member's date of re-employment.

**(c) Return to Work After Break in Continuous Service**

An Employee who incurs a break in Continuous Service prior to becoming eligible for an immediate or deferred vested pension and who is re-employed by the Employer shall, upon completion of one year of Continuous Service following such re-employment, have such break in Continuous Service removed if the period of Continuous Service accrued prior to the break is in excess of the period between the break and the date of re-employment.

## **Section 7 — Forms of Pension Payment On Retirement**

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### **7.01 Normal Form of Payment**

The normal form of payment of the pension benefit pursuant to the Defined Benefit Provision shall be a lifetime pension payable in equal monthly instalments, ceasing with the payment due for the month in which the Member dies.

If upon the death of the Member after his or her retirement pension has commenced, the Member contributions in respect of the Defined Benefit Provision, together with Credited Interest to his or her retirement date but excluding any amounts transferred to his or her Member Account under Section 4.05, exceed the aggregate of his pension payments, such excess, if any, shall be paid to the deceased Member's Beneficiary, or to the deceased Member's estate if there is no such beneficiary.

### **7.02 Surviving Spouse Benefit**

Notwithstanding Section 7.01, if a Member retires on his or her Early Retirement Date or Special Early Retirement Date at or after age 45, on or after March 1, 1990 and has a Spouse as of the Pension Commencement Date, and subsequently dies prior to reaching his or her Normal Retirement Date, the Member's surviving Spouse shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to 50% of the amount of the pension benefit accrued by the Member pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, or \$140 per month if greater.

### **7.03 Automatic Form of Payment for a Member With a Spouse**

The automatic form of payment of the pension benefit pursuant to the Defined Benefit Provision for a Member with a Spouse as of the Pension Commencement Date shall be a reduced pension payable in equal monthly instalments for the lifetime of the Member, with 60% of the benefit continued after the Member's death to the Spouse for the remaining lifetime of the Spouse, provided that the Spouse survives the Member. Such reduced pension benefit shall be the Actuarial Equivalent of the normal form of payment pursuant to Section 7.01, and shall take into account the Surviving Spouse Benefit payable pursuant to Section 7.02.

### **7.04 Optional Forms of Payment**

In lieu of the form of payment pursuant to Section 7.01 or Section 7.03, a Member with a Spouse as of the Pension Commencement Date may elect to receive

- (a) a reduced pension payable in equal monthly instalments for the lifetime of the Member, with either 50% or 100% of the reduced pension continued after the Member's death for the remaining lifetime of the Member's Spouse, provided that the Spouse survives the Member, or

- (b) a reduced pension payable in equal monthly instalments for the lifetime of the Member, with the provision that in the event the Member dies before receiving 60, 120 or 180 payments, as elected by the Member, such monthly pension will, in any event, be continued to the Member's Beneficiary or his estate, as the case may be, for the remainder of the guarantee period elected by the Member.

Such reduced pension shall be the Actuarial Equivalent of the normal form of pension pursuant to Section 7.01 and shall take into account the Surviving Spouse Benefit payable pursuant to Section 7.02.

#### 7.05 Election

In order to elect the normal form of payment pursuant to Section 7.01 or an optional form of payment pursuant to Section 7.04, a Member and the Member's Spouse, as applicable, shall sign and file the prescribed waiver form with the Employer within the period prescribed by applicable pension legislation.

#### 7.06 Defined Contribution Provision

The form of payment of the pension benefit pursuant to the Defined Contribution Provision shall be the form of payment applicable to the retirement savings vehicle to which the benefit is transferred pursuant to Section 6.04(c), subject to the *Income Tax Act* and the *Pension Benefits Act*.

## **Section 8 — Pre-Retirement Death Benefits**

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### **8.01 Refund of Amount from Defined Contribution Provision**

If a Member dies while employed with the Employer or after termination of employment with the Employer but prior to payment of benefits pursuant to Section 6.04(b), the Member's surviving Spouse shall be entitled to receive a benefit equal to the amount in the Member's Account in a single lump sum cash payment, or may direct the Employer to transfer the amount to a Registered Retirement Savings Plan on the Spouse's behalf. If the Member is not survived by a Spouse, said amount shall be paid to the Member's Beneficiary or, if none, to the Member's estate.

### **8.02 Surviving Spouse Benefit**

If a Member dies either

- (a) while employed with the Employer and after completion of at least 15 years of Continuous Service; or
- (b) after termination of employment with the Employer on or after October 15, 1985, after becoming eligible for retirement and an immediate pension pursuant to the Plan but prior to application therefor,

the Member's surviving Spouse shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to 50% of the amount of the pension benefit accrued by the Member pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, or \$140 per month if greater.

### **8.03 Optional Pre-Pension Spouse Coverage**

A Member who is an Employee and who has a Spouse and who has attained age 55 and completed at least 15 years of Continuous Service may elect Pre-Pension Spouse Coverage, the benefits pursuant to which shall be in addition to any other benefits pursuant to the Plan in the event of the Member's death prior to his or her Pension Commencement Date.

**(a) Election**

At least two years and 90 days prior to becoming eligible to elect Pre-Pension Spouse Coverage, the Pension Committee shall advise each eligible Member of the opportunity to elect such coverage. The Member may elect to obtain such coverage by filing the prescribed form with the Pension Committee, either at the time the Member is first notified by the Pension Committee or at any time thereafter prior to the Member's Pension Commencement Date. A Member who has attained age 65 and completed at least 10 years of Continuous Service shall be deemed to have elected Pre-Pension Spouse Coverage, unless the Member waives such coverage in writing, and shall be so notified by the Pension Committee at least 90 days prior to satisfying the age and service requirements.

**(b) Effective Date**

The effective date of Pre-Pension Spouse Coverage for a Member shall be the later of the date the Member satisfies the required age and service criteria and the date that is two years following the date the Member elects the coverage except that, for a Member who is deemed to have elected Pre-Pension Spouse Coverage, the effective date of such coverage shall be the date upon which such Member shall be so deemed to have elected the coverage. If a Member dies as a result of an accident after having satisfied the required age and service criteria and having elected or being deemed to have elected Pre-Pension Spouse Coverage but prior to the date such coverage becomes effective, such coverage shall be deemed to have become effective as of the date such Member elected the coverage or was deemed to have elected the coverage.

**(c) Termination**

- (i) A Member may terminate Pre-Pension Spouse Coverage at any time by filing the prescribed form with the Pension Committee and the effective date of such termination shall be the date such form is filed with the Pension Committee. The consent of the Member's Spouse to terminate the coverage shall not be required.
- (ii) A Member's Pre-Pension Spouse Coverage shall terminate on the earliest of the date the Member ceases to have a Spouse, the Member's Pension Commencement Date or the date the Member incurs a break in Continuous Service. The Pre-Pension Spouse Coverage of a Member who incurs a break in Continuous Service shall be restored upon the Member's re-employment as an Employee, however, such Member may elect to revoke such coverage effective as of the date of re-employment, within 30 days after such re-employment.

**(d) Amount of Pension Payable to Surviving Spouse in the Event of Member's Death While Pre-Pension Spouse Coverage is in Effect**

The Pre-Pension Spouse Coverage shall be a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, in an amount equal to 50% of the amount of pension accrued by the Member pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, as though the Member had attained his or her Normal Retirement Date on the date of death, multiplied by such actuarial factors as adopted from time to time by the Pension Committee based on the ages of the Member and the Member's Spouse as of the date of the Member's death. However, the amount determined pursuant to Section 6.01 shall be reduced by 0.68% multiplied by the number of years (and fractions thereof calculated to the nearest month) that the Pre-Pension Spouse Coverage was in effect for the Member.

**(e) Adjustment to Amount of Pension Payable to Member On Retirement, if Pre-Pension Spouse Coverage is Elected**

If a Member elects or is deemed to have elected Pre-Pension Spouse Coverage, the amount of the pension benefit payable to the Member upon his or her subsequent retirement pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, shall be reduced by 0.68% multiplied by the number of years (and fractions thereof calculated to the nearest month) that the Pre-Pension Spouse Coverage was in effect for the Member.

**(f) Evidence**

The Member shall provide the Pension Committee with satisfactory proof of spousal status and proof of age of the Member and the Spouse prior to any payment of Pre-Pension Spouse Coverage. In order for Pre-Pension Spouse Coverage to terminate pursuant to Section 8.03(c)(ii), the Member shall provide the Pension Committee with satisfactory proof of loss of spousal status by death, divorce or separation.

**(g) Communication**

The Pension Committee shall make reasonable efforts to inform eligible Members and their respective Spouses of the availability of the Pre-Pension Spouse Coverage.

**8.04 Statutory Minimum Benefits**

In no event shall the Commuted Value of the pension benefit payable upon the death of a Member who has completed at least two years of Continuous Service be less than the Commuted Value of the pension benefit accrued by the Member pursuant to Section 6.01, in respect of Credited Service on and after January 1, 1990.

## **Section 9 — Payment of Benefits**

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### **9.01 Application for Benefits**

Payment of a pension or other benefit under the Plan shall be granted by the Employer and payment shall be made only upon application therefor in the manner prescribed by the Employer, and upon submission of such relevant information and supporting documentation as the Employer in its discretion may reasonably request.

### **9.02 Proof of Age and Marital Status**

A Member shall be required to inform the Employer of his or her age and marital status and the age of the Member's Spouse (if any) and to file such proof thereof as required by the Employer. Pension benefits shall not commence to be paid until such proof of age and marital status has been received and admitted by the Employer. In the event that payment of pension benefits is delayed pending receipt and admittance of satisfactory proof of age and marital status, retroactive payments shall be made once satisfactory proof has been received.

### **9.03 Misstatement in Application for Pension Benefit**

If a Member either knowingly or unknowingly has submitted any information to the Employer relevant to the amount of benefits he or she is to receive from the Plan which is incorrect, the amount of benefits payable from the Plan may be adjusted either, in the case of underpayment, by making additional payments from the Plan or, in the case of overpayment, by requiring repayment from the Member, whichever is appropriate in the circumstances.

### **9.04 Method of Payment**

All retirement income and other benefits payable under the Plan shall be paid by cheque mailed by ordinary prepaid mail to the last known address of the Member, Spouse or Beneficiary as the case may be, or may be deposited directly into an account as directed by the Member, Spouse or Beneficiary. Posting or deposit of the cheque shall be an effective discharge of the Plan for the amount thereof.

### **9.05 Evidence of Survival**

The Employer shall have the right to require satisfactory evidence that a retired Member or other Beneficiary under the Plan is living on each and every date a pension benefit is due the retired Member or other Beneficiary. In the absence of such evidence when required by the Employer, the benefits otherwise due shall not be paid until the evidence has been received.



**9.06 Payments to Minors or Incompetents**

If the Employer receives evidence satisfactory to it that a person entitled to receive any payment under the Plan is physically or mentally incompetent to receive such payment and to give valid receipt therefor, or is a minor, and another person or an institution is then maintaining or has custody of the person and no guardian, committee or other representative of the person has been duly and legally appointed, the Employer may authorize payment of the benefit to be made to such other person or institution and the release of the other person or institution shall be a valid and complete discharge of the liabilities of the Plan therefor.

**9.07 Beneficiary Designation**

A Member may, by written notice communicated to the Employer during the Member's lifetime, designate a Beneficiary to receive any benefits payable pursuant to the Plan in the event of the Member's death. The Member may revise or revoke any such designation from time to time, subject to the provisions of any annuity, insurance or other contract or law governing designation of beneficiaries which may apply to the Member. A Quebec Member may revoke the designation of a beneficiary only if the designation is stated to be revocable. The written notice shall be in such form and executed in such manner as the Employer in its discretion may specify from time to time. In the event a Member has not validly and effectively designated a Beneficiary or, if having done so, the Beneficiary is not living on the date of the Member's death or if the Member revoked the last designation so made, any amount payable pursuant to the Plan shall be paid in a lump sum amount to the Member's estate.

**9.08 Maximum Limits Under the *Income Tax Act***

The *Income Tax Act* imposes conditions in order for a pension plan to maintain registered status under the *Income Tax Act*. Certain restrictions must be specifically stated in the Plan, even though the regular provisions of the Plan may be more restrictive. In administering the Plan, contributions and benefits are first determined pursuant to the regular provisions of the Plan, then tested against the provisions of this Section 9.08 and modified if necessary.

**(a) Maximum Pension**

Notwithstanding any other provision of the Plan, and subject to section (b) below, the annual pension payable to a Member under the Defined Benefit Provision on the date of the Member's retirement, termination of employment, or upon termination of the Plan, including any benefits paid to a Spouse pursuant to Section 12.05, shall not exceed the lesser of:

(i) 2% of the Member's "highest average compensation" multiplied by the Member's years of "pensionable service" with the Employer; and

(ii) the "defined benefit limit" for such year (currently \$1,722.22) multiplied by the Member's years of "pensionable service" with the Employer.

Pensionable service for a Member shall not exceed 35 years during a Member's period of service prior to 1992.

For the purposes of this subsection, the terms "highest average compensation", "defined

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benefit limit" and "pensionable service" shall have the meanings as defined in the *Income Tax Act*.

**(b) Maximum Early Retirement Pension**

The annual early retirement pension payable to a Member under the Defined Benefit Provision, as calculated pursuant to Section 6.02, 6.03 or 6.04 commencing prior to the Member's attainment of age 60, shall not exceed the lesser of the amount payable under the Defined Benefit Provision under Section 6.01 and the maximum amount determined pursuant to section (a) above, except that such maximum amount shall be reduced by 1/4 of 1% for each month by which the Member's Pension Commencement Date precedes the earliest of the first day of the month following:

- (i) the Member's attainment of age 60;
- (ii) the date the Member would have attained 30 years of service had he or she continued in employment with the Employer; or
- (iii) the date the Member would have attained a combined total of 80 years (and fractions of a year) of age and service had he or she continued in employment with the Employer.

**(c) Combined Maximum Pension and Temporary Supplemental Benefit**

In addition to the maximum pension limit described in paragraph (a) above, and notwithstanding any other provision of the Plan to the contrary, the total annual benefit payable to a Member under the Defined Benefit Provision prior to the Member's attainment of age 65, at the time of the Member's termination of employment, retirement, or termination of the Plan, as the case may be, shall not exceed the sum of:

- (i) the defined benefit limit for such year of termination multiplied by the Member's years of "pensionable service", as defined in the *Income Tax Act*; and
- (ii) 25% of the average of the YMPE for such year of termination and the two preceding calendar years, multiplied by a fraction, the numerator of which is the Member's years of pensionable service as defined in the *Income Tax Act* to a maximum of 35 and the denominator of which is 35.

**(d) Maximum Pension Adjustment**

A Member's pension adjustment for a calendar year in respect of the Employer and any employer that does not deal at arm's length with the Employer shall not exceed the maximum pension adjustment permitted under the *Income Tax Act*.

**9.09 Retirement Benefits From Excess Contributions**

**(a) A Member who is eligible to receive benefits under the Defined Benefit**

Provision shall receive additional monthly retirement income that is the Actuarial Equivalent of the amount, if any, by which his contributions made prior to January 1, 1990, together with Credited Interest but excluding any amounts transferred to his Member Account under Section 4.05, exceed the Commuted Value of any retirement income earned in respect of Credited Service prior to January 1, 1990 under the Defined Benefit Provision.

**(b) A Member who is eligible to receive benefits under the Defined Benefit**

Provision shall receive additional retirement income that is the Actuarial Equivalent of the amount, if any, by which his contributions made on or after January 1, 1990, together with Credited Interest but excluding any amounts transferred to his Member Account under Section 4.05, exceed 50% of the Commuted Value of any retirement income earned in respect of Credited Service on or after January 1, 1990 under the Defined Benefit Provision.

## Section 10 — Pension Fund

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### 10.01 General

- (a) The Employer shall establish and maintain a Pension Fund for the purpose of receiving and investing the contributions and providing the benefits pursuant to the Defined Benefit Provision and the Defined Contribution Provision of the Plan.
- (b) The Pension Fund shall be administered and invested pursuant to the terms of the Funding Agreement, and in compliance with the provisions of the *Pension Benefits Act*, the *Income Tax Act* and other applicable laws.
- (c) The Employer shall have the sole right to appoint the Funding Agency and to determine the form and terms of the Funding Agreement.

### 10.02 Provision of Benefits

- (a) No part of the Pension Fund shall be used for or diverted to purposes other than for the exclusive benefit of Employees, pensioners, contingent annuitants and surviving spouses prior to satisfaction of all liabilities to such persons pursuant to the Plan and the Funding Agreement. No Employee, prior to retirement under conditions of eligibility for a pension under the Plan, shall have any right or interest in or to any portion of any funds which may be paid into the Pension Fund and an Employee, contingent annuitant or surviving Spouse shall not have any right to any such pension except to the extent provided in the Plan.
- (b) All benefits pursuant to the Plan shall be paid from the Pension Fund; however, the Employer reserves the right to insure or reinsure any part of the benefits with an insurance company licensed to transact such business. If an annuity is purchased to provide pension benefits, such purchase shall operate as a complete discharge of the Employer and the Plan in respect of the amount purchased.
- (c) All payments pursuant to the Plan shall be made in Canadian currency.

### 10.03 Investment—Defined Benefit Provision

The Employer shall direct the Funding Agency to invest the Pension Fund relating to the Defined Benefit Provision in such manner as the Employer deems appropriate from time to time, subject to the *Pension Benefits Act* and the *Income Tax Act*.

#### 10.04 Investment—Defined Contribution Provision

##### (a) Investment Option Form

- (i) Subject to the *Pension Benefits Act* and the *Income Tax Act*, a Member shall submit to the Funding Agency an investment option form directing the investment of the amount in the Member's Account in such investment options as may be offered by the Employer and the Funding Agency pursuant to the Funding Agreement.
- (ii) The amount in the Member's Account shall be invested in the investment options in such proportion as directed by the Member based on whole number increments from 1% to 100%.
- (iii) If a Member fails to submit an investment option form, the amount in a Member's Account shall be invested in an interest-bearing investment made available by the Funding Agency from time to time.

##### (b) Changes to Member Investment Options

A Member may change all or part of the Member's investment options at any time, subject to any conditions as may be required by the Funding Agency. The Member may direct the Funding Agency to transfer assets from one investment option to another and the Member's Account shall be debited or credited, as the case may be, by the value of the investment bought or sold as of the day the Funding Agency completes the change to a Member's investment options.

#### 10.05 Expenses

Subject to the *Pension Benefits Act*, all reasonable charges, fees, taxes and other expenses incurred in the operation of the Plan and Pension Fund including, but not limited to, investment management fees, registration fees, auditor fees, trustee fees, legal fees, consulting fees and actuarial fees shall be paid from the Pension Fund, unless paid directly by the Employer or the Funding Agency.

## **Section 11 — Administration of the Plan**

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### **11.01 Administration of the Plan**

- (a) The Employer is the administrator of the Plan. The Pension Committee is responsible for the day-to-day operation of the Plan, including the Defined Benefit Provision and the Defined Contribution Provision.
- (b) The Pension Committee shall consist of three or more persons resident in Canada, appointed by Cliffs Mining Company, to serve for such times until their respective successors have been appointed in like manner.

### **11.02 Officers of Pension Committee**

The members of the Pension Committee shall elect a member to act as chairman and shall appoint a secretary who may, but need not be, a member of the Pension Committee.

### **11.03 Powers of Pension Committee**

Subject to the *Pension Benefits Act*, the Pension Committee shall have all such powers and duties as Cliffs Mining Company may at any time grant, impose or delegate including, but not limited to, the following:

- (a) to award the payment of pension benefits pursuant to the Plan;
- (b) to make and enforce such rules and regulations as the Pension Committee deems necessary or appropriate for the efficient administration of the Plan;
- (c) to interpret or apply the Plan or any provision thereof; and
- (d) to do, or cause to be done, all such acts or things necessary or proper to carry out the rights and privileges granted to or the duties imposed upon it under any provision of the Plan or the Funding Agreement.

Except as otherwise provided in the Plan or the Funding Agreement, any act, interpretation or determination made by the Pension Committee shall be final and binding upon all affected persons.

### **11.04 Agents of Pension Committee**

The Pension Committee may appoint or employ such administrative, medical, actuarial, legal and other agents as the Pension Committee deems necessary or appropriate. The fees and expenses of such agents shall be paid from the Pension Fund, unless paid directly by the Employer.

**11.05 Actions of Pension Committee**

Any action of the Pension Committee may be taken by the written approval or the affirmative votes of a majority of the members of the Pension Committee. The Pension Committee may delegate to any of its members, officers, or agents such duties and powers, both ministerial and discretionary, as it deems appropriate, excepting only that any dispute shall be settled by the Pension Committee. The Pension Committee may authorize any one or more of its members to sign on its behalf any instructions, certificates, directions or notices of the Pension Committee to the Funding Agent or others, and the Funding Agent or any other person to whom any such writing is directed shall be fully protected in acting thereon.

**11.06 Decisions of Pension Committee**

The Pension Committee shall make all determinations as to the right of any person to a benefit pursuant to the Plan. Any denial by the Pension Committee of the claim for benefits pursuant to the Plan by a person shall be stated in writing by the Pension Committee and delivered or mailed to such person and shall set forth the specific reasons for the denial. In addition, the Pension Committee shall afford a reasonable opportunity to such person whose claim for benefits has been denied, for a reconsideration of the decision denying the claim.

**11.07 Communication With Pension Committee**

Any designations, elections or waivers pursuant to the Plan shall be in writing to the Pension Committee and, if valid, shall be considered in force as of the date received by the Pension Committee.

**11.08 Allocation of Responsibilities Among the Employer, the Pension Committee and the Funding Agent**

(a) The Employer, the Pension Committee and the Funding Agency shall have only those specific powers, duties, responsibilities and obligations as are specifically provided in the Plan and the Funding Agreement. The Employer shall have the sole authority to appoint and remove the Funding Agency and any investment manager which may be provided for pursuant to the Plan or the Funding Agreement. The Funding Agency shall have the sole responsibility for the administration of the Pension Fund, pursuant to the Funding Agreement. The Employer, the Pension Committee and the Funding Agency may rely upon any direction, information or action of each other as being proper pursuant to the Plan and the Funding Agreement and is not required pursuant to inquire into the propriety of any such direction, information or action. It is intended that the Employer, the Pension Committee and the Funding Agency shall be responsible for the proper exercise of their respective own powers, duties, responsibilities and obligations pursuant to the Plan and the Funding Agreement and shall not be responsible for any act or failure to act of each other.

- (b) The rights of any person entitled to receive any payment or benefit pursuant to the Plan shall be limited to the assets of the Pension Fund as such assets exist from time to time. Neither the Plan nor the Funding Agreement shall create any privity between the Employer and any Employee or other person entitled to receive any payment or benefit pursuant to the Plan, and no right or claim of any such person shall be asserted or made against the Employer by reason of the Plan or the Funding Agreement. No right or claim shall be asserted or made by any person against the Funding Agency or the Pension Fund except in respect of a benefit provided pursuant to the Plan or the Funding Agreement and which has become due and payable pursuant to the Plan or the Funding Agreement.
- (c) The obligations of the Employer pursuant to the Plan shall be limited to the payments required to be made by the Employer in any calendar year pursuant to the Plan.

11.09 Records of the Employer

Wherever the records of the Employer or the Pension Committee are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.

11.10 Communication

**(a) Notice of Plan Provisions and Amendments**

The Employer shall provide to each Member and each Employee eligible for membership in the Plan a written explanation of:

- (i) the provisions of the Plan and any amendments thereto applicable to the Member or Employee;
- (ii) the rights and duties of the Member or Employee with respect to the benefits available pursuant to the Plan;
- (iii) such other information as may be required under the *Pension Benefits Act* or other applicable provincial or federal laws; and
- (iv) amendments to the Plan, within the time period prescribed by the *Pension Benefits Act*.

**(b) Statement of Benefits**

A Member who terminates employment with the Employer and who is entitled to a benefit from the Plan shall be provided with a written statement setting out the benefit to which he or she is entitled or may become entitled pursuant to the Plan.



**(c) Annual Statement of Benefits**

Each year the Employer shall provide each Member who is actively participating in the Plan with a written statement of the Member's benefits pursuant to the Plan and such other information as may be required by the *Pension Benefits Act*.

**(d) Inspection of Documents**

A Member or a Member's agent so authorized in writing may inspect and make photocopies of the following documents, which shall be available, upon written request in advance, at the head office of the Employer during regular business hours:

- (i) the provisions of the Plan applicable to the Member;
- (ii) the amendments to the Plan applicable to the Member;
- (iii) the annual information return;
- (iv) an abstract of the actuarial valuation report indicating the official name of the Plan, the employer actuarial normal cost under the Plan for future service, the balance of all unfunded liabilities, the annual special contributions required to liquidate such liabilities and the amortization periods, and the Surplus Assets in the Plan, if any;
- (v) the Plan's financial statements; and
- (vi) such other documents as prescribed by the *Pension Benefits Act*.

## **Section 12 — General Provisions**

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### **12.01 Employment Rights**

The establishment and implementation of the Plan shall not constitute an enlargement of any rights which a Member may have as an Employee apart from the Plan. Membership in the Plan does not confer a right on a Member to require the Employer to continue the Member in its employment, and if the service of the Member is terminated before the Member's Normal Retirement Date, such Member has only such rights as are provided for under the Plan. The benefits pursuant to the Plan shall not be used to increase damages in respect of the termination of employment of a Member.

### **12.02 Non-Assignability and Non-Commutability of Benefits**

Any benefit payable pursuant to the Plan shall be for the personal use of the person entitled to receive such benefit, and shall not be given as security or be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, surrender or charge, or to attachment or legal process for debts of the person receiving such benefits, except as specifically provided by paragraph 8502(f) of the regulations to the Income Tax Act, by statute and as provided in Section 12.05 below. In no event shall such benefits confer upon any Member, or any other person, any rights or interest therein which is capable of being surrendered or commuted except as specifically provided by the Plan.

### **12.03 No Duplication of Benefits**

There shall be no duplication of the benefits under any one section of the Plan and the benefits under any other section of the Plan, nor of the benefits under the Plan and the benefits under any other Employer-sponsored retirement plan or any other retirement plan sponsored by an affiliate or subsidiary of the Employer with respect to the same period of service.

### **12.04 Notices and Elections**

Any notice or election to be given, made or communicated pursuant to or for any purpose of the Plan shall be given, made or communicated, as the case may be, in such manner as the Employer shall determine from time to time. Without limiting the generality of the foregoing, any person entitled to any benefit under the Plan shall be responsible for notifying the Employer in writing of his or her mailing address and subsequent changes of mailing address.

**12.05 Division of Pension Benefits on Marriage Breakdown**

In the event the Pension Committee is provided with a certified copy of a court order relating to the entitlement to or payment of a Member's pension benefits upon the marriage breakdown of the Member and the Member's Spouse, or a domestic agreement between the Member and the Member's Spouse which has been certified by a court order relating to the entitlement to or payment of the Member's pension benefits upon the marriage breakdown of the Member and the Member's Spouse, such benefits may be paid or divided pursuant to the terms of such court order or domestic agreement, as the case may be, subject to the *Pension Benefits Act*.

**12.06 Applicable Law**

The Plan shall be interpreted pursuant to the laws applicable in the province of Newfoundland.

## **Section 13 — Future of the Plan**

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### **13.01 Continuation of the Plan**

The Employer intends to maintain the Plan in force indefinitely; however, the Employer reserves the right to terminate the Plan, either in whole or in part, at any time or times in the event that future conditions warrant such action, subject to the *Pension Benefits Act* and the *Income Tax Act*.

### **13.02 Amendment of the Plan**

The Employer reserves the right to amend the Plan from time to time. No amendment to the Plan or other instrument established or entered into for purposes of holding and administering funds contributed hereunder, shall operate to reduce the benefits accrued by members or by their Spouses, Beneficiaries or estates up to the date of the amendment nor shall any amendment be made which would cause or permit any portion of the Pension Fund to be used for purposes other than as prescribed by the provisions of the Plan and the requirements of the *Pension Benefits Act* and the *Income Tax Act*.

### **13.03 Termination of the Plan**

In the event the Plan is terminated, the assets of the Pension Fund, after provision for administrative expenses (including any expenses incurred in the termination of the Plan), shall first be used to provide pension benefits for Members, their respective Spouses, Beneficiaries and estates in an equitable manner to be determined by the Employer, with the recommendation of the Actuary, subject to the *Pension Benefits Act* and the *Income Tax Act*. The rights of all Members and their Spouses, Beneficiaries and estates to benefits accrued to the date of such termination, to extent then funded, are non-forfeitable.

### **13.04 Wind-Up or Bankruptcy of the Employer**

In the event the Employer is wound up or becomes bankrupt, the Plan, unless continued by another employer, shall be deemed terminated and the provisions of Section 13.03 shall apply, except to the extent that any termination or action required to be made thereunder by the Employer, shall in such event, be made by the liquidator or trustee in bankruptcy, as the case may be.

### 13.05 Asset Transfer or Merger

- (a) The Employer may transfer or merge the assets of the Plan or the Pension Fund or any part thereof, and the liabilities related to such assets, to or with one or more trusts, pension fund societies or corporations, pension or superannuation plans or funds and which may result in one merged or amalgamated entity with or without termination of the entities merged. Subject to the *Pension Benefits Act* and without limiting the generality of the foregoing, the terms of the transfer or merger may provide for the termination or continuation of all or any part of the entities to be merged, the consolidation of the assets and liabilities of the merged entities, with or without any requirement to maintain a separate accounting in respect thereof, and the application of the assets of the fund or any part thereof to the liabilities related to any new participants or the merged entity, provided that any account maintained in respect of a Member shall continue to be maintained in respect of the Member until such time as the Member terminates employment with no vested benefit remaining to be paid.
- (b) In the event of a merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Pension Fund to, another fund relating to any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Members, the assets of the Pension Fund relating to any transferred Members shall be transferred to the other fund provided that:
  - (i) each Member would be entitled to (if either the Plan or the other plan is then terminated) receive a pension benefit immediately after the merger, consolidation or transfer equal to or greater than the pension benefit he or she would have been entitled to receive pursuant to the Plan immediately prior to the merger, consolidation or transfer;
  - (ii) the Employer, or any new or successor employer of the affected Members authorizes such transfer of assets; and
  - (iii) such other plan and trust agreement are registered with the applicable regulatory authorities.

### 13.06 Surplus Assets

If, after all accrued benefits pursuant to the Plan to Members and their respective Spouses, Beneficiaries or estates, as the case may be, have been paid and all expenses pursuant to the Plan have been paid, Surplus Assets remain in the Pension Fund, the Employer shall have legal title to such Surplus Assets, subject to the *Pension Benefits Act*, the *Income Tax Act* and other applicable laws.

## **Section 14 — Special Provisions for Quebec Employees**

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### **14.01 Application**

This section applies to Employees who report for work in the Province of Quebec and is included in the Plan in order for the Plan to comply with the *Supplemental Pension Plans Act (Quebec)* (the “SPPA”) and shall supplement all other provisions of the Plan which are not inconsistent and shall replace any other provisions which are inconsistent.

### **14.02 Quebec Early Retirement**

A Quebec Member may elect to retire on the first day of the month following his or her 55th birthday, or on the first day of any succeeding month prior to his Normal Retirement Date, provided the Member has completed at least two years of Continuous Service, the date of such retirement being hereunder described as his or her “Quebec Early Retirement Date”. Such Member shall be entitled, upon such early retirement, to receive a pension determined pursuant to Section 14.03.

### **14.03 Quebec Early Retirement Pension**

A Quebec Member who retires pursuant to Section 14.02 may elect to receive a monthly pension commencing on his or her Quebec Early Retirement Date or at the election of the Quebec Member on the first day of any subsequent month (but not later than his or her Normal Retirement Date), in an amount equal to the Actuarial Equivalent of the pension calculated as in Section 6.01 based on his or her Credited Service to his or her Quebec Early Retirement Date.

### **14.04 Postponed Retirement**

A Quebec Member may postpone his or her retirement beyond his or her Normal Retirement Date.

### **14.05 Actuarial Adjustment**

Upon a Quebec Member’s postponed retirement date, which shall be the first day of the month coincident with or next following the date on which the Member retires, the Quebec Member shall be eligible to receive a retirement pension equal to the Actuarial Equivalent of the pension determined pursuant to Section 6.01 based on Credited Service in effect on the Normal Retirement Date. Such Actuarial Equivalent shall be determined as of the date the pension commences and shall be determined on the basis of the method described in Appendix “A” to the Plan entitled “Revalorization of Postponed Retirement Pension”.

### **14.06 Maximum Deferral of Pension**

If a Quebec Member who has elected to postpone retirement after Normal Retirement Date has not effectively retired before his or her 69th birthday, the Member’s postponed retirement pension shall commence on December 1st of the calendar year the Quebec Member attains age 69.

### **14.07 Effect of Maximum Benefit Rule**

If a Quebec Member who has elected to postpone retirement after Normal Retirement Date

shall become entitled to a postponed retirement pension which, after the revalorization described in Section 14.05 above, becomes equal to the maximum pension described in Section 9.08, the Member's postponed retirement pension shall then commence on the first day of the next calendar month.

**14.08 Partial Payment of Pension**

If the wages, as defined in the SPPA, of a Quebec Member who has elected to postpone retirement after Normal Retirement Date are reduced, the Member may elect to receive a partial payment of his or her retirement pension. Such election may be made at the time the Member's wages are reduced and each January 1st thereafter. The amount of the partial payment shall be equal to, if the amount of the retirement pension so permits, the amount of reduction in such wages. The remaining balance, if any, of his retirement pension shall be payable on the Member's effective retirement and shall be calculated according to Section 14.05 above.

**14.09 Early Commencement of Deferred Vested Pension**

A Quebec Member who is entitled to a deferred vested pension pursuant to Section 6.04 may, upon proper application therefor, elect to have the deferred vested pension commence prior to his or her Normal Retirement Date, on the first day of any month subsequent to the Member's 55th birthday, in which event the amount of such pension shall be the Actuarial Equivalent of the deferred pension otherwise payable from such Member's Normal Retirement Date.

**14.10 Portability of Benefits**

A Quebec Member whose employment with the Employer terminates before attaining age 55 and who is entitled to a deferred vested pension pursuant to the provisions of Section 6.04 may, within 180 days following the date of termination, and subsequently every five years, within 180 days from the date of expiry of each fifth year, elect to transfer an amount equal to the value of the deferred pension to a pension plan governed by the SPPA or to a locked in retirement account or annuity contract as prescribed by the SPPA. Any such transfer shall, however, be subject to such conditions and restrictions as may be prescribed by the SPPA, depending upon the solvency status of the Plan from time to time.

In the event that a portability election is completed pursuant to this Section 14.10, the Member shall have no further rights under the Plan.

**14.11 Death in Service After Normal Retirement Date**

If a Quebec Member dies subsequent to the Normal Retirement Date while in active employment leaving a surviving Spouse, the Member's Spouse shall be entitled to receive a pension the value of which shall be equal to the greater of:

- (a) the value of the death benefit under Section 8, or
- (b) the value of the pension the Spouse would have been entitled to receive under Section 7 if payment of the postponed pension had begun on the day preceding the death of the Quebec Member.

- (a) the value of the death benefit under Section 8, or
- (b) the value of the pension the Spouse would have been entitled to receive under Section 7 if payment of the postponed pension had begun on the day preceding the death of the Quebec Member.

14.12 Commutation of Pension

If the value of a retirement pension or deferred vested pension payable under the Plan is less than 4% of the YMPE in the year that the Quebec Member retires, terminates employment or dies, or such other amount as may be permitted from time to time by the SPPA, a lump sum amount equal to the value of the benefit shall be paid to the person entitled to such benefit in lieu of any other benefits under this Plan.

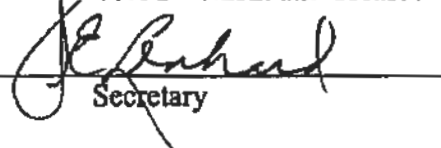
14.13 Temporary Supplementary Benefit

For the purposes of Section 7.03, if the Member was receiving a temporary supplementary benefit pursuant to Section 6.06, such temporary supplementary benefit shall be subject to an actuarial reduction, and such benefit shall continue to be paid to the Member's Spouse ending with the month in which the Member would have attained age 65.

Executed this 14<sup>th</sup> day of May, 2001.

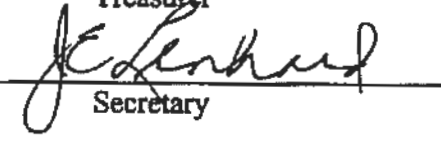
WABUSH MINES, Cliffs Mining Company,  
Managing Agent

By:   
Vice President and Treasurer

And:   
Secretary

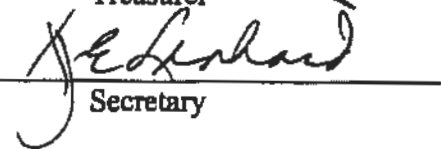
ARNAUD RAILWAY COMPANY

By:   
Treasurer

And:   
Secretary

WABUSH LAKE RAILWAY COMPANY, LIMITED

By:   
Treasurer

And:   
Secretary



## Appendix A

### Revalorization of Postponed Retirement Pension

The retirement pension of a Quebec Member who has elected to postpone retirement after his or her Normal Retirement Date is revalorized as follows:

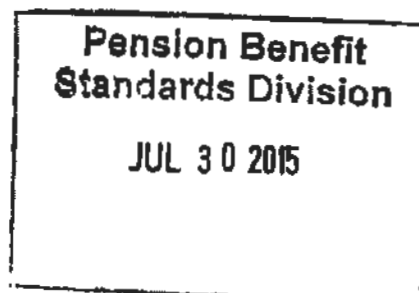
1. A notional account is set up for the Quebec Member.
2. There shall be credited to that account the monthly retirement pension that the Quebec Member would have received (up to but not including the date the Member actually begins to receive the retirement pension) if the Member had retired on his or her Normal Retirement Date.
3. There shall be credited to such account the interest earned on such monthly retirement pension from each due date thereof assuming a rate of interest for each calendar month corresponding to the average yield on "5-year personal fixed term deposits" (CANSIM series B14045) as published by the Bank of Canada Review.
4. When the postponement of the retirement pension ceases, a monthly postponed retirement pension shall be calculated based on the accumulated balance then existing in such account.
5. The accumulated balance in the account shall be divided by the present value of an annuity of \$1 per month payable for the Quebec Member's lifetime calculated by the Actuary and based on the following assumptions:
  - (i) 1983 Group Annuity Mortality Table, as published by the Society of Actuaries; and
  - (ii) Interest for the first 15 years at an annual rate equal to the yield on "long-term Government of Canada Bonds" (CANSIM series B14013) for the month preceding as published in the Bank of Canada Review, and interest at 6% per annum thereafter.
6. The Quebec Member's postponed retirement pension shall be calculated by adding:
  - (i) The monthly normal retirement pension that the Quebec Member would have been entitled to receive had the Member retired on his or her Normal Retirement Date; and
  - (ii) the pension calculated pursuant to paragraph 5 above.
7. In the event of a partial payment of the retirement pension after the Normal Retirement Date but before actual retirement (i.e. with different parts of the retirement pension being postponed for different periods), the foregoing procedure shall be applied separately to each part.

**CERTIFICATE OF ASSISTANT SECRETARY  
OF  
CLIFFS MINING COMPANY, MANAGER  
OF  
WABUSH MINES JOINT VENTURE**

I, T. L. Forrester, Assistant Secretary of Cliffs Mining Company, a Delaware corporation (the "Company"), which is the Managing Agent of Wabush Mines, a Joint Venture, comprised of HLE Mining GP Inc. f/b/o HLE Mining Limited Partnership, Wabush Resources Inc., as successors of interest to Stelco Inc. and Dofasco Inc., respectively, and Wabush Iron Co. Limited, the Joint Venturers, do hereby certify that the attached First Amendment to the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Lake Railway Company, Limited, as Amended and Restated Effective as of January 1, 1997 and executed on May 14, 2001, is a true and correct copy.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company, as of the 27th day of June, 2007.

  
Assistant Secretary



**SALARIED DB PLAN AMENDMENT  
NO. 1**

**First Amendment to the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited**

**as Amended and Restated Effective as of January 1, 1997**

**Amendment No. 1**

**WHEREAS** Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (the "Employer") maintains the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (the "Plan"); and

**WHEREAS** pursuant to the Wabush Mines Management Agreement, dated January 1, 1967 between Wabush Iron Co. Limited, Stelco Inc., Dofasco Inc. and Cliffs Mining Company (the "Management Agreement"), Cliffs Mining Company is delegated authority as Managing Agent to act on behalf of the Employer; and


**WHEREAS** Section 13.02 of the Plan permits the Employer to amend the Plan; and

**WHEREAS** it is necessary to amend the Plan with regard to the definition of "Employer" and to rename the Plan;

**NOW THEREFORE IT IS HEREBY RESOLVED:**

1. The Plan is hereby amended as set forth in Exhibit "A" annexed hereto, with effect from the dates shown therein; and
2. Cliffs Mining Company, Managing Agent, pursuant to the Management Agreement, is authorized and directed to sign all documents and to perform all acts necessary or appropriate to give effect to the foregoing resolution and to maintain registration of the Plan with the regulatory authorities having jurisdiction over the Plan and to implement these resolutions, including any additional minor amendments to be made on the advice of counsel or as may be required to maintain such registration.

**IN WITNESS WHEREOF** Cliffs Mining Company, as Management Agent, authorizes the foregoing Resolutions pursuant to the power granted to it.

  
\_\_\_\_\_  
L. Brías, Senior Vice President-  
C.F.O. and Treasurer  
Cliffs Mining Company, Managing  
Agent of Wabush Mines

**Exhibit "A"**

**Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited**

**AMENDMENT No. 1**

**Effective •:**

- 1. The name of the Plan is amended to be the following:**

Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent

- 2. Section 2.18 is deleted and replaced with the following:**

"Employer" means Wabush Mines, Cliffs Mining Company, Managing Agent.



**SALARIED DB PLAN AMENDMENT  
NO. 2**

**JUL 30 2015**

**CONTRIBUTORY PENSION PLAN FOR  
SALARIED EMPLOYEES OF  
WABUSH MINES, CLIFFS MINING COMPANY, MANAGING AGENT  
AMENDMENT NO. 2**

**WHEREAS** Wabush Mines, Cliffs Mining Company, Managing Agent (the "Employer") maintains the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (the "Plan");

**AND WHEREAS** pursuant to the Wabush Mines Management Agreement, dated January 1, 1967, as amended, between Wabush Iron Co. Limited and Cliffs Mining Company (the "Management Agreement"), Cliffs Mining Company has delegated authority to act on behalf of the Employer;

**AND WHEREAS** pursuant to Section 13.02 of the Plan, the Employer reserves the right to amend the Plan;

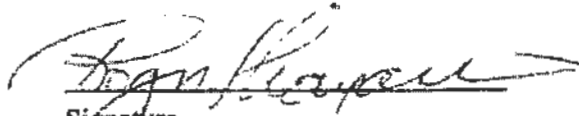
**AND WHEREAS** the Employer wishes to amend the Plan effective May 1, 2007 to increase the contribution rates under the Defined Contribution Provision of the Plan;

**AND WHEREAS** the Employer wishes to amend the Plan effective June 23, 2008 to update the definition of Earnings;

**NOW THEREFORE IT IS HEREBY RESOLVED:**

1. The Plan is hereby amended as set forth in Exhibit "A" attached, with effect from the dates shown therein; and
2. Cliffs Mining Company, Managing Agent, pursuant to the Management Agreement, is authorized and directed to sign all documents and to perform all acts necessary or appropriate to give effect to the foregoing resolution and to maintain registration of the Plan with the regulatory authorities having jurisdiction over the Plan and to implement these resolutions, including any additional minor amendments to be made on the advice of counsel or as may be required to maintain such registration.

IN WITNESS WHEREOF Cliffs Mining Company, as Managing Agent, authorizes the  
foregoing resolution pursuant to the power granted to it.



Signature

ROGER THOMASSIN

Name

H R DIRECTOR

Title

Cliffs Mining Company,  
Managing Agent of Wabush Mines



## **Exhibit "A"**

### **Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent**

#### **Amendment No. 2**

1. Effective May 1, 2007, Section 4.01(b) shall be deleted in its entirety and replaced with the following:

**"(b) Defined Contribution Provision**

A Member who elects to participate in the Defined Contribution Provision of the Plan shall contribute 3% of Earnings to his or her Account by payroll deduction."

2. Effective May 1, 2007, Section 4.02(b) shall be deleted in its entirety and replaced with the following:

**"(b) Defined Contribution Provision**

The Employer shall contribute each payroll period to the Account of each Member who participates in the Defined Contribution Provision an amount equal to 6% of the Member's Earnings."

3. Effective June 23, 2008, Section 2.15 shall be deleted in its entirety and replaced with the following:

**"2.15 Earnings**

"Earnings" means the base salary paid by the Employer to a Member, including taxable income from cost of living adjustments, Sunday, shift and holiday premium payments, regular performance bonuses, the Northern allowance, and special vacation, regular vacation, and out-of-season vacation bonus pay. Earnings excludes lump sum payments paid to an individual as a consequence to the termination of employment of the individual and all other forms of

remuneration, including but not limited to, all non-cash benefits, any remuneration resulting from the exercise of a qualified stock option, incentive stock option or other stock option or appreciation right, overtime pay, and all allowances (except the Northern allowance), including but not limited to, the housing, travel and tax equalization allowances. Notwithstanding the foregoing, for periods prior to June 23, 2008, Earnings shall include overtime pay paid by the Employer to a Member.

In determining the Earnings of a Member during a calendar month, the Earnings in the calendar year shall be divided by twelve."

**SALARIED DB PLAN AMENDMENT  
NO. 3**

**CONTRIBUTORY PENSION PLAN FOR  
SALARIED EMPLOYEES OF  
WABUSH MINES, CLIFFS MINING COMPANY, MANAGING AGENT  
AMENDMENT NO. 3**

**WHEREAS** Wabush Mines, Cliffs Mining Company, Managing Agent (the "Employer") maintains the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (the "Plan");

**AND WHEREAS** pursuant to the Wabush Mines Management Agreement, dated January 1, 1967, as amended, between Wabush Iron Co. Limited and Cliffs Mining Company (the "Management Agreement"), Cliffs Mining Company has delegated authority to act on behalf of the Employer;

**AND WHEREAS** pursuant to Section 13.02 of the Plan, the Employer reserves the right to amend the Plan;

**AND WHEREAS** the Employer wishes to amend the Plan effective November 26, 2010 to change the default investment fund under the Defined Contribution Provision of the Plan;

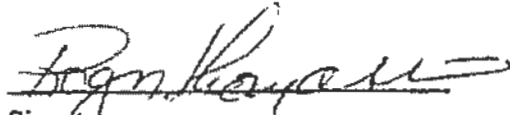
**NOW THEREFORE IT IS HEREBY RESOLVED:**

1. The Plan is hereby amended as set forth in Exhibit "A" attached, with effect from the dates shown therein; and
2. Cliffs Mining Company, Managing Agent, pursuant to the Management Agreement, is authorized and directed to sign all documents and to perform all acts necessary or appropriate to give effect to the foregoing resolution and to maintain registration of the Plan with the regulatory authorities having jurisdiction over the Plan and to implement these resolutions, including any additional minor amendments to be made on the advice of counsel or as may be required to maintain such registration.

**Pension Benefit  
Standards Division**

**JUL 30 2015**

IN WITNESS WHEREOF Cliffs Mining Company, as Managing Agent, authorizes the foregoing resolution pursuant to the power granted to it.

  
Signature

ROGER THOMASSIN  
Name

H R DIRECTOR  
Title

Cliffs Mining Company,  
Managing Agent of Wabush Mines

**Exhibit "A"**

**Contributory Pension Plan for Salaried Employees of Wabush Mines,  
Cliffs Mining Company, Managing Agent**

**Amendment No. 3**

1. Effective November 26, 2010, subparagraph 10.04(a)(iii) shall be deleted in its entirety and replaced with the following:

**"(iii) If a Member fails to submit an investment option form, the amount in the Member's Account shall be invested in a target retirement date fund offered by the Employer and the Funding Agency pursuant to the Funding Agreement, with such target retirement date fund having a target date which is closest to the earlier of the date on which the Member will first attain 30 years of Continuous Service or age 65."**





**SALARIED DB PLAN AMENDMENT  
NO. 4**



**CONTRIBUTORY PENSION PLAN FOR SALARIED  
EMPLOYEES OF WABUSH MINES, CLIFFS MINING  
COMPANY, MANAGING AGENT**

**AMENDMENT NO. 4**

**WHEREAS** Wabush Mines, Cliffs Mining Company, Managing Agent (the "Employer") maintains the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (the "Plan");

**AND WHEREAS** pursuant to the Wabush Mines Management Agreement, dated January 1, 1967, as amended, between Wabush Iron Co. Limited and Cliffs Mining Company (the "Management Agreement"), Cliffs Mining Company has delegated authority to act on behalf of the Employer;

**AND WHEREAS** pursuant to Section 13.02 of the Plan, the Employer reserves the right to amend the Plan;

**AND WHEREAS** it is required, in order to maintain registration of the Plan with the regulatory authorities having jurisdiction over the Plan, to amend the Plan to comply with legal mandatory requirements;

**NOW THEREFORE IT IS HEREBY RESOLVED:**

1. The Plan is hereby amended as set forth in Exhibit "A" attached, with effect from January 1, 2001; and
2. Cliffs Mining Company, Managing Agent, pursuant to the Management Agreement, is authorized and directed to sign all documents and to perform all acts necessary or appropriate to give effect to the foregoing resolution and to maintain registration of the Plan with the regulatory authorities having jurisdiction over the Plan and to implement these resolutions, including any additional minor amendments to be made on the advice of counsel or as may be required to maintain such registration.

**Pension Benefit  
Standards Division**

**SEP 30 2015**

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**IN WITNESS WHEREOF** Cliffs Mining Company, as Managing Agent, authorizes the foregoing resolution pursuant to the power granted to it under the Management Agreement.

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**Signature**

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**Name**

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**Title**

**Cliffs Mining Company,  
Managing Agent of Wabush Mines**

## **Exhibit "A"**

### **Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent**

#### **Amendment No. 4**

Effective January 1, 2001, Section 14 is deleted in its entirety and replaced with the following:

### **Section 14 – Special Provisions for Québec Employees**

#### **14.01 Application**

This section applies to Employees who report for work in the Province of Québec and is included in the Plan in order for the Plan to comply with the Supplemental Pension Plans Act (Québec) (the "SPPA") and shall supplement all other provisions of the Plan which are not inconsistent and shall replace any other provisions which are inconsistent.

#### **14.02 Definition of Spouse**

Notwithstanding Section 2.35, "Spouse" means, in relation to a Québec Member:

- (a) Subject to paragraphs (b), (c) and (d), in relation to a Member, the person who, at the earlier of the commencement of the Member's pension and the date of the Member's death, meets one of the following eligibility requirements:
  - (i) the person who is married to or in a civil union with the Member; or
  - (ii) where the Member is neither married nor in a civil union, the person who has been living together with the Member in a conjugal relationship:
    - 1. continuously for a period of three years or more; or
    - 2. continuously for a period of one year or more if:
      - a. at least one child is born, or to be born, of their union;
      - b. they have adopted, jointly, at least one child while living together in a conjugal relationship; or

- c. one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

For the purposes of subparagraph (ii), the birth or adoption of a child during a marriage, a civil union or a period of conjugal relationship prior to the period of conjugal relationship existing on the day as of which spousal status is established may qualify a person as a Spouse.

- (b) For the purposes of paragraphs (c) and (d) below, "Separation" means in relation to a Member and his Spouse:
  - (i) legal separation from bed and board if the Spouse is married to the Member;
  - (ii) dissolution or annulment of their civil union; or
  - (iii) cessation of conjugal relationship if the Spouse satisfies the eligibility requirement set out in subparagraph (a)(ii).
- (c) If Separation pursuant to subparagraph (b)(i) occurs before the day as of which spousal status is established, the person who would be considered the Member's Spouse in accordance with paragraph (a)(i) shall not be considered as the Member's Spouse when applying any provision of this plan conferring a benefit upon a surviving Spouse.

However, when the Member has notified the Employer in writing that the person should still be considered as the Member's Spouse despite this Separation, such person shall be so considered when applying a provision of this plan purporting to confer a benefit upon a surviving Spouse after the commencement of the Member's pension.

- (d) If, after the commencement of the Member's pension, Separation occurs or the Spouse ceases to be married to or in a civil union with the Member, the person who was the Spouse of the Member on the commencement of the Member's pension shall cease to be the Member's Spouse for the purposes of any contingent pension payable under the form of payment elected by the Member at the time of pension commencement, except where the Member notified the Employer in writing to have such person entitled to the contingent pension despite such Separation or termination of marriage or civil union.

### **14.03 Transfer of Employment**

Notwithstanding Section 3.05, if an Employee who is a Québec Member ceases to be an Employee under this Plan, but remains employed with the Employer, such Member may, as a result of such cessation of active membership,

- (a) elect to transfer the Member's accrued benefits out of the Plan in accordance with the provisions applicable to a Member who terminates employment before Normal Retirement Date or an early retirement date, as if the date on which the cessation of active membership occurred was a Deferred Vested Termination Date; or
- (b) remain eligible to receive the benefits accrued pursuant to the Plan upon the employee's subsequent termination of employment, retirement or death and
  - (i) employment with the Employer in a capacity other than as an Employee shall continue to count as Continuous Service for the purpose of eligibility for retirement and similar matters, but not as Credited Service for benefit calculation purposes pursuant to the Plan;
  - (ii) the employee shall not be authorized to contribute to the Pension Fund in any capacity or in any ways.

### **14.04 Statutory Early Commencement Date**

Notwithstanding Sections 5.02, 5.03 and 5.06, a Québec Member may begin to receive his pension entitlements, on request, from the date the Member's Continuous Service is broken if, on this date, he has attained or exceeded age 55. Such date shall be known as the Member's Statutory Early Commencement Date.

The Member's monthly pension under the Defined Benefits Provision shall be an amount equal to the Actuarial Equivalent of the pension calculated under Section 6.01(a) or 6.01(b)(i), as applicable, based on the Member's Credited Service as at the Statutory Early Commencement Date, plus the benefits arising from excess contributions, if any, as provided under Section 9.09. Under the Defined Contribution Provision, there shall be payable a benefit equal to the amount in the the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

#### **14.05 Continuation of Active Membership after Normal Retirement Date**

Notwithstanding Section 5.04 but subject to Section 14.06, if a Québec Member continues to be employed after the Normal Retirement Date and

- (a) the Member does not participate in the Defined Contribution Provision, he may :
  - (i) postpone commencement of his retirement benefits and continue to contribute to the pension fund under the Defined Benefit provision up until his Special Postponed Retirement Date; or
  - (ii) elect to receive payment of all or a portion of the Member's pension determined as at the Normal Retirement Date, but only to the extent necessary to compensate for a reduction in salaries or wages incurred on or after the Normal Retirement Date; the Member may make such an election not more frequently than once every 12 months;
- (b) the Member participates in the Defined Contribution Provision, he may :
  - (i) continue to contribute to his Account and receive Employer contributions in his Account under the Defined Contribution Provision, continue to contribute to the pension fund under the Defined Benefit provision and postpone commencement of his retirement benefits up until his Special Postponed Retirement Date; or,
  - (ii) elect to receive payment of all or a portion of the Member's pension but only to the extent necessary to compensate for a reduction in salaries or wages incurred on or after the Normal Retirement Date; the Member may make such an election not more frequently than once every 12 months;

if the Member makes such an election, a pension shall be purchased for the Member with the amount in the Member's Account; if such pension is not sufficient to compensate for the reduction in the salaries or wages incurred by the Member, an additional pension shall be paid from the

Defined Benefit Provision of the Plan up to lesser of the entitlements accumulated by the Member under this provision and the amount of pension required to compensate fully the Member for the reduction in salaries or wages.

#### **14.06 Postponed Retirement Benefits**

*(a) Members Who Do Not Participate in the Defined Contribution Provision*

Notwithstanding Section 6.01, a Québec Member who does not participate in the Defined Contribution Provision and who retires on a Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the Special Postponed Retirement Date and continuing on the first day of each month thereafter, calculated as the Actuarial Equivalent of the monthly pension that would have commenced at the Normal Retirement Date, determined in accordance with Section 6.01(a) using Credited Service to the Member's Normal Retirement Date.

Such Actuarial Equivalent shall be determined as of the date the pension commences and shall be determined on the basis of the method described in Appendix "A" to the Plan entitled "Revalorization of Postponed Retirement Pension".

In addition to such monthly pension, the Member is entitled to receive:

- 1) any benefits arising from excess contributions, if any, as provided under Section 9.09;
- 2) an additional amount of pension that is the Actuarial Equivalent of the benefits that could be purchased with the member contributions paid during the period between the Normal Retirement Date and the Special Postponed Retirement Date, including accrued interest.

In the event that the Member has elected to receive the payment of all or a portion of the Member's pension prior to the Member's Special Postponed Retirement Date, the retirement income commencing on the Special Postponed Retirement Date shall be decreased to take into account the Actuarial Equivalent of the retirement income received prior to the Member's Special Postponed

Retirement Date, with interest thereon at a rate determined by the plan administrator.

***(b) Members Who Participate in the Defined Contribution Provision***

Notwithstanding Section 6.01, a Québec Member who participates in the Defined Contribution Provision and who retires on a Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the Special Postponed Retirement Date and continuing on the first day of each month thereafter. The Member's pension shall be determined as follows:

***(i) Benefit in Respect of Defined Benefit Provision***

The benefit in respect of the Defined Benefit Provision of the Plan shall be calculated as the Actuarial Equivalent of the monthly pension that would have commenced at the Normal Retirement Date, determined in accordance with Section 6.01(b)(i) using Credited Service to the Member's Normal Retirement Date.

Such Actuarial Equivalent shall be determined as of the date the pension commences and shall be determined on the basis of the method described in Appendix "A" to the Plan entitled "Revalorization of Postponed Retirement Pension".

In addition to such monthly pension, the Member is entitled to receive:

- 1) any benefits arising from excess contributions, if any, as provided under Section 9.09;
- 2) an additional amount of pension that is the Actuarial Equivalent of the benefits that could be purchased with the member contributions paid during the period between the Normal Retirement Date and the Special Postponed Retirement Date, including accrued interest.

In the event that the Member has elected to receive the payment of all or a portion of the Member's pension prior to the Member's Special Postponed Retirement Date, the retirement income commencing on the Special Postponed Retirement Date shall be decreased to take into account the Actuarial Equivalent



of the retirement income received prior to the Member's Special Postponed Retirement Date, with interest thereon at a rate determined by the plan administrator.

*(ii) Benefit in Respect of Defined Contribution Provision*

The benefit in respect of the Defined Contribution Provision shall be the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

#### **14.07 Effect of Maximum Benefit Rule on Postponement of Pension**

If a Quebec Member who has elected to postpone retirement after Normal Retirement Date shall become entitled to a postponed retirement pension which, after the revalorization described in Section 14.06 above, becomes equal to the maximum pension described in Section 9.08, the Member's postponed retirement pension shall then commence on the first day of the next calendar month.

#### **14.08 120-Month Guarantee Option**

In lieu of the forms of payment described in Sections 7.01 to 7.03, a Québec Member who has become entitled to a pension may elect to receive a reduced monthly pension payable for his life, guaranteed in any event for 10 years.

Where the Québec Member has a Spouse, this option shall be a guaranteed 10-year pension reduced to a joint and survivor pension equal to 60% of the amount of the Québec Member's pension.

The amount of pension payable to the Member shall be the Actuarial Equivalent of the Member's pension pursuant to Section 7.01 and shall take into account the surviving Spouse benefit payable pursuant to Section 7.02.

#### **14.09 Temporary Pension Option**

- (a) A Québec Member who elects to receive his retirement income payable under Section 6 prior to his Normal Retirement Date and who files a duly signed form prescribed by the SPPA with the plan administrator prior to the payment of the first instalment of the benefit, may elect to receive his retirement income (except the temporary supplementary benefit payable

under Section 6.06 and any temporary minimum benefit payable under the plan, as applicable) in the form of a life annuity plus a temporary annuity ceasing in the month preceding the Member's Normal Retirement Date, both payable in equal monthly instalments. The annual amount of the temporary annuity shall be fixed by the Member before payment begins, but shall not exceed (i) minus (ii), where:

- (i) is the lesser of:
    - (A) 40% of the YMPE in the calendar year of payment commencement; and
    - (B) the maximum annual amount of temporary retirement income permitted by the Income Tax Act; and
  - (ii) is the annual amount of the temporary supplementary benefit payable in accordance with Section 6.06 plus the amount of any temporary minimum benefit payable under the Plan, as applicable.
- (b) If the Member elects the temporary pension option described in paragraph (a), any benefits payable to the Member's Beneficiary or Spouse after the Member's death shall be determined in accordance with such form of payment elected by the Member in accordance with Article 7 or Section 14.08, any guarantee or continuance being applied to the annuity payment pattern resulting from the temporary pension option.
  - (c) The value of the benefits payable under the temporary pension option described in paragraph (a) shall be the Actuarial Equivalent of the benefit which would have been otherwise payable had the Member not elected this temporary pension option.
  - (d) A Spouse who becomes entitled to the payment of a retirement income under the Plan may elect the temporary pension option described in the foregoing provisions of this Section, adapted as required.

#### **14.10 Replacement of Pension by an Annual Lump Sum**

A Québec Member who is entitled to a retirement income from the Plan, or the Spouse of the Québec Member who has become entitled to a pension, who has attained or exceeded age 55 but not age 65 is entitled to partially replace his pension before payment begins, by an annual lump sum payment, the amount of which is fixed by him and which meets the following requirements:

- (a) the amount does not exceed 40% of the YMPE for the year in which the application is made, reduced by the total temporary income and other bridge benefits that the Member has received or must receive during the year from any of the following sources :
  - (i) a registered pension plan,
  - (ii) a life income fund,
  - (iii) an annuity contract which is funded by registered pension plan assets;
- (b) the application can only be made once per calendar year and must include a completed declaration in the form prescribed under the SPPA;
- (c) the lifetime pension of the Québec Member or of the Spouse of the Québec Member who has elected such a lump sum replacement benefit will be reduced on an actuarial equivalent basis to take into account the aggregate of the lump sums replacement benefits paid.

#### **14.11 Deferred Vested Termination Date**

Notwithstanding Section 5.06, a Québec Member's Deferred Vested Termination Date shall be the date of a Member's termination of employment with the Employer for any reason other than death, prior to the Normal Retirement Date, Early Retirement Date, Statutory Early Commencement Date or Special Early Retirement Date.

#### **14.12 Additional Pension Benefit**

The deferred pension payable to a Québec Member under Section 6.04 shall be increased as of his Pension Commencement Date to reflect 50 % of the change in the Consumer Price Index for Canada which occurred during the period between the date of termination of his employment and the date that is 10 years prior to

his Normal Retirement Date. The annualized increase shall not be less than 0% nor greater than 2%.

For the purposes of the above paragraph, "Consumer Price Index" means the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the Statistics Act (Canada).

#### **14.13 Redetermination of Form of Pension**

- (a) If a Québec Member receives a pension under a form that provides for the continuance of a portion of his pension to his Spouse after the Member's death and if, after the commencement of the Member's pension, the Member's Spouse ceases to be entitled to the contingent pension by virtue of sub-paragraph (d) of Section 14.02, the Member is entitled, on request to the plan administrator, to a redetermination of the pension. Subject to paragraph (c), the effective date of the redetermination shall be the effective date of the judgment granting the separation from bed and board, the divorce or the annulment of the marriage, or the date of the cessation of the conjugal relationship. The redetermined pension shall be in the same amount and have the same characteristics as the pension that would be payable to the Member at the date of redetermination had the Member not had a Spouse on the date the payment of the pension began.
- (b) Unless the plan administrator has received the notice provided for in sub-paragraph (d) in the definition of Spouse in Section 14.02, the plan administrator shall redetermine the Member's pension in accordance with paragraph (a) if the benefits accrued to the Member under the Plan are partitioned, subsequent to the commencement of the Member's pension, as a result of the break in the marital relationship.
- (c) If the Member requests a redetermination in accordance with paragraph (a) and the effective date of the judgment granting the separation from bed and board, the divorce or the annulment of the marriage, or the date of the cessation of the conjugal relationship, is prior to January 1, 2001, the redetermination shall be effective as of the date of the Member's request.

#### **14.14 Pre-Retirement Death Benefit**

Notwithstanding Sections 8.01 and 8.02, if a Québec Member dies while employed with the Employer or after termination of employment with the Employer but prior to payment of benefits pursuant to the Plan, the Member's surviving Spouse shall be entitled to receive

- (a) if the Member participated in the Defined Contribution Provision, a benefit equal to the amount in the Member's Account in either a lump sum cash payment or as a transfer to a non locked-in RRSP, as the Spouse may elect;
- (b) if the Member's has accumulated 15 years of Continuous Service or more as at the date of his death or if he has become eligible to an immediate pension : a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to the greater of :
  - (i) an amount equal to the Actuarial Equivalent of the pension benefit accrued by the Member and payable as at Normal Retirement Date pursuant to Section 6.04(a) in respect of Credited Service on and after January 1, 1990;
  - (ii) 50% of the amount of the immediate pension benefit accrued by the Member pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable of the Member, or 140\$ per month if greater;
- (c) if the Member has not met the conditions described in paragraph (b): a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to an immediate retirement income which correspond to the Actuarial Equivalent of the amount of the pension benefit accrued by the Member and payable as at Normal Retirement Date pursuant to Section 6.04(a) in respect of Credited Service on and after January 1, 1990; if the Spouse so elects, the

Actuarial Equivalent of this benefit may be paid out as a lump sum or transferred out of the Plan pursuant to Section 6.04(c).

- (d) if the Member is not survived by a Spouse, the amount described in paragraph (a) and a lump-sum amount being the Actuarial Equivalent of the pension described in paragraph (b) or (c), as applicable, shall be paid to the Member's Beneficiary or, if none, to the Member's estate.

#### **14.15 Spousal Waiver of Pre-Retirement Death Benefits.**

If the Spouse of a Québec Member waives entitlement to the benefits set out in Article 8 or Section 14.14 in the manner and form prescribed by the SPPA, the value of said benefits shall be paid in accordance with paragraph (d) of Section 14.14.

#### **14.16 Death in Service After Normal Retirement Date**

If a Québec Member dies after the Normal Retirement Date while in active employment leaving a surviving Spouse, the Member's Spouse is entitled to receive a pension the value of which shall be equal to the greater of:

- (a) the Actuarial Equivalent of the monthly pension that would have commenced at the Normal Retirement Date, determined in accordance with Section 6.01(a) using Credited Service on and after January 1, 1990 up to the Member's Normal Retirement Date; such Actuarial Equivalent shall be determined as of the date the pension commences to be paid to the Member's Spouse, on the basis of the method described in Appendix "A" to the Plan entitled "Revalorization of Postponed Retirement Pension"; such Actuarial Equivalent shall be increased with the amount of excess contributions, if any, as provided under Section 9.09;

- (b) the Actuarial Equivalent of the pension that would have been payable to the Member's Spouse, under the Defined Benefits Provision of the Plan pursuant to Section 7.03, if payment of the postponed defined benefit pension, as determined pursuant to Section 14.06, had begun on the day preceding the death of the Québec Member.

In addition to such benefit, if a Québec Member participated in the Defined Contribution Provision, the Member's Spouse is entitled to a benefit payable in a lump sum equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

If the Member is not survived by a Spouse, a lump sum amount being the Actuarial Equivalent of the benefit described in paragraph (a) or (b) above and a lump sum amount equal to the amount in the Member's Account, as applicable, shall be paid to the Member's Beneficiary or, if none, to the Member's estate.

#### **14.17 Commutation and Unlocking of Small Benefits**

Notwithstanding Section 12.02, if the value of a retirement pension or deferred pension payable under the Plan is less than 20% of the YMPE in the year that the Québec Member retires, terminates employment or dies, or such other amount as may be permitted by the SPPA, from time to time, a lump sum amount equal to the Actuarial Equivalent of the benefit may be paid, on request, to the person entitled to such benefit in lieu of any other benefits under this Plan.

If the requirements set out in the above paragraph are met, the plan administrator may, at his discretion and without the consent of the Member, refund the Québec Member the Actuarial Equivalent of the Member's entitlements, in satisfaction of the Member's rights under the Plan. To this end, the plan administrator must first send a notice to the Member requesting instructions as to the refund formula; where no reply is received within 30 days of the sending of the notice, the plan administrator may make the refund, which possibility shall be mentioned in the notice.

#### **14.18 Refund of Benefits for Non-Residents**

A Québec Member who has terminated employment with the Employer and who has not been residing in Canada for at least two years is entitled, whether he has commenced or not to receive a pension under the Plan, to a refund of an amount being the Actuarial Equivalent of the benefits he has accrued under the Plan.