

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM S-8

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Kraft Foods Inc.

(Exact Name of Registrant as Specified in Its Charter)

Virginia
(State or Other Jurisdiction of
Incorporation or Organization)

52-2284372
(I.R.S. Employer
Identification No.)

Three Lakes Drive
Northfield, Illinois
(Address of Principal Executive Offices)

60093-2753
(Zip Code)

**MONDELEZ CANADA INC. RETIREMENT PLAN FOR CANADIAN SALARIED EMPLOYEES
MONDELEZ CANADA INC. RETIREMENT PLAN FOR FORMER SALARIED EMPLOYEES OF NABISCO LTD.
MONDELEZ CANADA INC. TRUSTEED RETIREMENT PLAN A
MONDELEZ CANADA INC. TRUSTEED RETIREMENT PLAN B
MONDELEZ CANADA INC. EMPLOYEE SAVINGS PLAN
GROUP RETIREMENT SAVINGS PLAN OF MONDELEZ CANADA INC.
MONDELEZ CANADA INC. NON-REGISTERED SAVINGS PLAN**
(Full Titles of the Plans)

Carol J. Ward, Esq.
Vice President and Corporate Secretary
Kraft Foods Inc.
Three Lakes Drive
Northfield, Illinois 60093
(Name and Address of Agent for Service)

(847) 646-2000
(Telephone Number, including Area Code, of Agent for Service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

- | | | | |
|-------------------------|--|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company | <input type="checkbox"/> |

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Title of Plan	Amount to be Registered⁽¹⁾	Proposed Maximum Offering Price Per Share⁽²⁾	Proposed Maximum Aggregate Offering Price⁽²⁾	Amount of Registration Fee
Class A Common stock, no par value	Mondelez Canada Inc. Retirement Plan for Canadian Salaried Employees	27,115,000	\$41.60	\$1,127,984,000	\$129,266.97
Class A Common stock, no par value	Mondelez Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd.	3,701,000	\$41.60	\$153,961,600	\$17,644.00
Class A Common stock, no par value	Mondelez Canada Inc. Trusteed Retirement Plan A	25,000	\$41.60	\$1,040,000	\$119.18
Class A Common stock, no par value	Mondelez Canada Inc. Trusteed Retirement Plan B	25,000	\$41.60	\$1,040,000	\$119.18
Class A Common stock, no par value	Mondelez Canada Inc. Employee Savings Plan	133,000,000	\$41.60	\$5,532,800,000	\$634,058.88
Class A Common stock, no par value	Group Retirement Savings Plan of Mondelez Canada Inc.	2,217,000	\$41.60	\$92,227,200	\$10,569.24
Class A Common stock, no par value	Mondelez Canada Inc. Non-Registered Savings Plan	76,000	\$41.60	\$3,161,600	\$362.32
Total		166,159,000		\$6,912,214,400	\$792,139.77

⁽¹⁾ Pursuant to Rule 416 of the Securities Act of 1933, as amended (the "Securities Act"), this Registration Statement also covers such additional and indeterminate number of shares of common stock as may become issuable by reason of stock dividends, stock splits or similar transactions.

⁽²⁾ Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act pursuant to Rules 457(c) and 457(h), based upon the average of the high and low prices of the Class A Common Stock of Kraft Foods Inc. reported on the NASDAQ Stock Market on September 24, 2012.

In addition, pursuant to Rule 416(c) of the Securities Act, this Registration Statement shall also cover an indeterminate amount of interests to be offered or sold pursuant to the employee benefit plans described herein.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, which Kraft Foods Inc. has filed with the Securities and Exchange Commission (the "Commission"), are incorporated herein by reference:

- (a) our Annual Report on Form 10-K for the year ended December 31, 2011 (including the portions of our proxy statement for our 2012 annual meeting of shareholders incorporated by reference therein);
- (b) our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012 and June 30, 2012;
- (c) our Current Reports on Form 8-K filed on January 9, 2012, January 10, 2012, March 14, 2012, March 15, 2012, March 20, 2012, May 18, 2012, May 22, 2012, May 24, 2012, May 31, 2012, June 8, 2012, July 18, 2012, August 2, 2012, August 14, 2012, August 17, 2012, August 31, 2012, September 14, 2012 and September 24, 2012 (provided that any portions of these current reports that are deemed furnished and not filed pursuant to Form 8-K instructions will not be incorporated by reference in this Registration Statement); and
- (d) the description of our common stock contained in our Registration Statement on Form 8-A, filed with the Commission on June 25, 2012, including any amendment or report filed for the purpose of updating this description.

In addition, all documents that we may file in the future pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold will be deemed to be incorporated by reference in this Registration Statement. We will deem all of these documents to be a part of this Registration Statement from the respective dates of filing these documents.

We further regard any statement contained in a document that is incorporated by reference in this Registration Statement to be modified or superseded if this Registration Statement, or some other subsequently filed document that is also incorporated by reference in this Registration Statement, modifies or supersedes the statement. If this occurs, we regard the statement to be incorporated in this Registration Statement by reference only in the statement's modified or superseded form.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Kraft Foods Inc. is a Virginia corporation. The Virginia Stock Corporation Act (the "VSCA") permits indemnification of a corporation's directors and officers in a variety of circumstances, which may include indemnification for liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Sections 13.1-697 and 13.1-702 of the VSCA generally authorize a Virginia corporation to indemnify its directors and officers in civil or criminal actions if they acted in good faith and believed their conduct to be in the best interests of the corporation and, in the case of criminal actions, had no reasonable cause to believe that the conduct was unlawful. Additionally, Section 13.1-704 of the VSCA provides that a Virginia corporation has the power to make any further indemnity to any director or officer, including under its articles of incorporation or any by-law or shareholder resolution, except an indemnity against their willful misconduct or a knowing violation of the criminal law. Kraft Foods' amended and restated articles of incorporation require Kraft Foods to indemnify its directors, officers and other eligible persons to the full extent permitted by the VSCA.

Kraft Foods' amended and restated articles of incorporation also provide that, to the full extent that the VSCA permits the limitation or elimination of the liability of directors, officers and other eligible persons, no director, officer or such eligible person of Kraft Foods shall be liable to Kraft Foods or its shareholders for monetary damages arising out of any transaction, occurrence or course of conduct. Section 13.1-692.1 of the VSCA permits the elimination of liability of directors and officers in any proceeding brought by or in the right of a corporation or brought by or on behalf of shareholders of a corporation, except for liability resulting from such persons having engaged in willful misconduct or a knowing violation of the criminal law or any federal or state securities law, including, without limitation, any unlawful insider trading or manipulation of the market for any security. Sections 13.1-692.1 and 13.1-696 to -704 of the VSCA are hereby incorporated by reference herein.

Kraft Foods has entered into indemnification agreements with each of its directors pursuant to which Kraft Foods agrees to indemnify, including advancing expenses to, each of them against any liabilities that he or she may incur as a result of his or her service as a Kraft Foods director (and in the case of Irene B. Rosenfeld, Kraft Foods' Chairman and Chief Executive Officer, also as an officer) to the fullest extent permitted by Virginia law and Kraft Foods' articles of incorporation. Kraft Foods carries insurance on behalf of directors, officers, employees or agents that may cover liabilities under the Securities Act.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

- 4.1 Amended and Restated Articles of Incorporation of Kraft Foods Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on January 24, 2011).
- 4.2 Amended and Restated By-Laws of Kraft Foods Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on May 24, 2012).
- 4.3 Mondelez Canada Inc. Retirement Plan for Canadian Salaried Employees.

- 4.4 Mondelez Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd.
- 4.5 Mondelez Canada Inc. Trusteed Retirement Plan A.
- 4.6 Mondelez Canada Inc. Trusteed Retirement Plan B.
- 4.7 Mondelez Canada Inc. Employee Savings Plan, Group Retirement Savings Plan of Mondelez Canada Inc., and Mondelez Canada Inc. Non-Registered Savings Plan.
- 23.1 Consent of PricewaterhouseCoopers LLP.
- 24.1 Power of Attorney.

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Northfield, State of Illinois, on September 28, 2012.

KRAFT FOODS INC.

By: /s/ Carol J. Ward
Carol J. Ward
Vice President and Corporate Secretary

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Irene B. Rosenfeld*</u> Irene B. Rosenfeld	Director, Chairman and Chief Executive Officer	September 28, 2012
<u>/s/ David A. Brearton*</u> David A. Brearton	Executive Vice President and Chief Financial Officer	September 28, 2012
<u>/s/ Kim Harris Jones*</u> Kim Harris Jones	Senior Vice President, Corporate Controller	September 28, 2012
<u>/s/ Myra M. Hart*</u> Myra M. Hart	Director	September 28, 2012
<u>/s/ Peter B. Henry*</u> Peter B. Henry	Director	September 28, 2012
<u>/s/ Lois D. Juliber*</u> Lois D. Juliber	Director	September 28, 2012
<u>/s/ Mark D. Ketchum*</u> Mark D. Ketchum	Director	September 28, 2012
<u>/s/ Terry J. Lundgren*</u> Terry J. Lundgren	Director	September 28, 2012
<u>/s/ Mackey J. McDonald*</u> Mackey J. McDonald	Director	September 28, 2012
<u>/s/ Jorge S. Mesquita*</u> Jorge S. Mesquita	Director	September 28, 2012

/s/ John C. Pope* Director
John C. Pope

September 28, 2012

/s/ Fredric G. Reynolds* Director
Fredric G. Reynolds

September 28, 2012

/s/ Jean-François M. L. van Boxmeer* Director
Jean-François M. L. van Boxmeer

September 28, 2012

*By: Carol J. Ward
As Attorney-in-Fact

EXHIBIT INDEX

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- 4.5 Mondelez Canada Inc. Trusteed Retirement Plan A.
- 4.6 Mondelez Canada Inc. Trusteed Retirement Plan B.
- 4.7 Mondelez Canada Inc. Employee Savings Plan, Group Retirement Savings Plan of Mondelez Canada Inc., and Mondelez Canada Inc. Non-Registered Savings Plan.
- 23.1 Consent of PricewaterhouseCoopers LLP.
- 24.1 Power of Attorney.

Mondelez Canada Inc.
Mondelez Canada Inc. Retirement Plan for Canadian
Salaried Employees
Effective September 29, 2012

Canada Revenue Agency and
Financial Services Commission of Ontario
Registration No.

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Part 1 – General Provisions

Article 1 – Introduction

- 1.01 This document constitutes the Mondelez Canada Inc. Retirement Plan for Canadian Salaried Employees (the “Plan”) effective as of September 29, 2012. The primary purpose of the Plan is to provide retirement income and related benefits for eligible Employees of the Company who are employed on and after the Effective Date.
- 1.02 Effective September 29, 2012, the Company purchased the snack business from Kraft Canada Inc. and the active employees of Kraft Canada Inc. engaged in the snack business transferred to employment with the Company. As a result of the transfer of employment to the Company and as part of the asset purchase agreement, such employees ceased participation in the Kraft Canada Inc. Retirement Plan for Canadian Salaried Employees, registration number 0214668, effective September 28, 2012 and commenced participation in the Plan for service on and after September 29, 2012.
- 1.03 The Plan shall assume the obligation to provide the benefits accrued under the Kraft Canada Inc. Retirement Plan for Canadian Salaried Employees, registration number 0214668, up to September 29, 2012 upon the receipt of pension assets from the Kraft Canada Inc. Retirement Plan for Canadian Salaried Employees, registration number 0214668.
- 1.04 The Plan incorporates and preserves the entitlements and benefits accrued prior to the Effective Date under the Prior Plan to the extent permitted by the Revenue Rules. All assets accumulated and liabilities established under the Prior Plan are therefore assumed by the Plan.
- 1.05 The Plan as contained herein shall be applicable to Members who are in the employment of the Company on or after September 29, 2012.
- 1.06 The Plan is intended to be a pension plan accepted for registration under Applicable Pension Laws and Revenue Rules. The Plan shall be designed, written and administered to comply with the requirements of Applicable Pension Laws and Revenue Rules. If the Plan fails to comply with such requirements, the Company may in its absolute discretion amend the Plan to comply with such requirements or terminate the Plan.

Any amendment to the Plan is conditional upon acceptance for registration under both Applicable Pension Laws and Revenue Rules, and may be modified or withdrawn by the Company, in its sole and absolute discretion, if the amendment is not accepted for registration under either Applicable Pension Laws or Revenue Rules.

Article 2 – Construction, Interpretation and Definitions

- 2.01 This document, as it may be amended from time to time, constitutes the Plan. No statement in any other document or communication, whether or not such document or communication is required by Applicable Pension Laws or Revenue Rules, shall create or confer any right or obligation other than as set out in this document or otherwise as required by Applicable Pension Laws or Revenue Rules, nor may any such document or communication be used or relied upon to interpret or vary any terms or provisions of the Plan.
- 2.02 In the Plan, references to the masculine include the feminine and vice versa, references to the singular shall include the plural and vice versa, as the context shall require, and references to a subparagraph, paragraph, Section, Article or Appendix mean a subparagraph, paragraph, Section, Article or Appendix of the Plan.
- 2.03 The Plan shall be construed in accordance with the laws of the Province of Ontario.
- 2.04 All amounts payable under the Plan are stated and shall be paid in the lawful currency of Canada. If an amount of benefit or earnings entering into the computation of any benefit or contribution hereunder is expressed in a currency other than that of Canada, such amount shall be converted to Canadian currency prior to such computation, based upon exchange rates established by the Company.
- 2.05 Each provision of the Plan is distinct and severable, and if any provision of the Plan or part thereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.06 Headings wherever used herein are for reference purposes only, and do not limit or extend the meaning of any of the Plan's provisions.
- 2.07 Sections in the Plan text containing footnotes are not applicable, or are applicable only as modified in the Appendices for Members who are employed outside of Ontario.

Definitions

In the Plan, the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

- 2.08 “Actuarial(ly) Equivalent” means a benefit of equivalent value, but of different form of payment to a specified benefit, as determined on a basis of calculation adopted by the Company on the advice of the Actuary and in effect on the date such determination is being made. Notwithstanding the foregoing, the Company may adopt a basis that eases the administration of the Plan, including the use of unisex factors, provided that such basis is not precluded by Applicable Pension Laws or Revenue Rules.
- 2.09 “Actuary” means an individual from time to time appointed by the Company to carry out actuarial valuations and provide such actuarial advice and services as may be required from time to time for the purposes of the Plan. The Actuary shall at all times be a person who is a Fellow of the Canadian Institute of Actuaries.
- 2.10 “Applicable Pension Laws” means the Pension Benefits Act (Ontario) and any regulation pursuant thereto and any amendments or substitutes therefor as well as any similar statute applicable to the Plan or an Employee or Member of the Plan and any regulation pursuant thereto adopted by the federal or any provincial government.
- 2.11 “Beneficiary” means the person last designated by the Member, pursuant to Section 10.01, to receive any benefit payable to a Beneficiary under the Plan in the event of the death of the Member, according to the provisions of Article 6 of Part 2 or Article 6 of Part 3 or, in the absence of an effective designation of a Beneficiary, the estate of the Member.
- 2.12 “Board” means the board of directors of the Company.
- 2.13 “Canada/Quebec Pension Plan Benefit” means the annual amount, as determined by the Company, which reflects the retirement income that would be payable to a DB Member under the terms of the Canada Pension Plan or the Quebec Pension Plan, whichever is applicable, calculated as if the Member had attained age sixty-five (65) on his Date of Determination and had spent his entire working lifetime with the Company. For purposes of this calculation, it is assumed that the Canada/Quebec Pension Plan Benefit is based on the Member’s Earnings in the 3-year period preceding his Date of Determination.

- 2.14 “Cangro Agreement” shall mean the asset purchase agreement between Kraft Canada Inc. and 152999 Canada Inc. and 6494536 Canada Inc., dated as of December 31, 2005, in which 6494536 Canada Inc. agreed to purchase the grocery business of Kraft Canada Inc. and 152999 Canada Inc., excluding the beverage division.
- 2.15 “Cangro Member” shall mean a Member who was accruing benefits under the Kraft Plan and who became employed by 6494536 Canada Inc. pursuant to the Cangro Agreement.
- 2.16 “Company” means Mondelēz Canada Inc. and any successor corporation, whether by amalgamation, merger or otherwise.
- 2.17 “Company Basic Contributions” means the contributions made by the Company in respect of a DC Member pursuant to Section 2.01 of Part 2.
- 2.18 “Company Matching Contributions” means the contributions made by the Company in respect of a DC Member pursuant to Section 2.02 of Part 2.
- 2.19 “Continuous Service” means:
- (a) the period of uninterrupted, regular, full-time or part-time employment of a Member with the Company, beginning with the date on which he was last employed by the Company, or any predecessor corporation or division acquired by the Company or any other corporation associated with the Company, and ending on the earliest of:
 - (i) his ceasing to be employed by the Company or any other corporation associated with the Company;
 - (ii) his death;
 - (iii) his Retirement Date;
 - (iv) the discontinuance of the Plan without immediate substitution of a successor registered pension plan.

- (b) The following periods shall be included in the computation of a Member's Continuous Service and shall not constitute an interruption of employment:
- (i) lay-off provided that the Member does not elect to receive benefits in accordance with Article 5 or 7 or Part 2 or Articles 4 or 10 of Part 3 and the period of lay-off does not exceed one year, or such longer period as required under Applicable Pension Laws;
 - (ii) leave of absence for such period as may be duly authorized by the Company, including leave on account of sickness, accident, emergency, maternity or parenting, provided that such leave does not exceed a period of twenty-four (24) months;
 - (iii) Total Disability;
 - (iv) a period of disability in respect of which the Member qualified for benefits under the applicable provincial workers' compensation program, but does not qualify for benefits under the Company's long-term disability income plan;
 - (v) in the event of a national emergency, the Member's joining the Canadian Armed Forces or engaging full-time in national service work for Canada;
 - (vi) uninterrupted employment as a full-time or part-time employee of a foreign or non-participating subsidiary or affiliate of the Company; and
 - (vii) for Cangro Members, periods of unbroken service with 6494536 Canada Inc. and its successors unless such Member has received benefits as permitted under Applicable Pension Laws.

To the extent that periods are included in Credited Service by virtue of paragraph 1.02(c) of Part 3, then such periods shall be included in Continuous Service.

Continuous Service shall recognize periods of continuous service as determined under the Kraft Plan for Kraft Transferred Members prior to September 29, 2012.

- 2.20 “Contributory Member” means a Kraft Transferred Member who was a DB Member under the Kraft Plan who elected to make Required Contributions prior to January 1, 1987 under the DB Provisions of the Kraft Plan.
- 2.21 “Contributory Service” means the service of a Contributory Member used to determine the amount of benefits for which a Contributory Member is eligible under the DB Provisions of the Kraft Plan. Contributory Service means the years and fractions thereof of Credited Past Service during which the Member made Required Contributions. For a Member who has elected to become a Contributory Member, such period shall include the twelve (12) month period prior to his becoming a Member and any other period classified as Contributory Service under the Prior Plan. Contributory Service shall also include any period prior to January 1, 1987 for which the Member had elected to make up Required Contributions. With respect to a Melrose/Dickson Member, Contributory Service shall include service credited under the Melrose/Dickson Prior Plan.
- 2.22 “Credited Service” means
the service of a Member, as defined in Article 1 of Part 3, used to determine the amount of benefits for which a Member is eligible, and equals the sum of the Member’s Credited Past Service, Credited Plan A Service, Credited Plan B Service, Credited Plan C Service, Credited Plan D Service and Credited Plan E Service where:
- (a) “Credited Past Service” means, with respect to a Kraft Transferred Member, the portion of the Member’s credited service prior to January 1, 1987 under the Kraft Plan. With respect to a Melrose/Dickson Member, such service shall include service credited under the Melrose/Dickson Prior Plan.
 - (b) “Credited Plan A Service” means the portion of a Member’s credited service on and after January 1, 1987 and prior to September 29, 2012 under the Kraft Plan and the Credited Service on and after September 29, 2012 under the Plan during which he was a Plan A Member.

- (c) "Credited Plan B Service" means the portion of a Member's credited service on and after January 1, 1987 and prior to September 29, 2012 under the Kraft plan and Credited Service on and after September 29, 2012 under the Plan during which he was a Plan B Member. With respect to a Melrose/Dickson Member, such service shall include service credited between January 1, 1987 and September 4, 1987 under the Melrose/Dickson Prior Plan.
- (d) "Credited Plan C Service" means the portion of a Member's credited service on and after January 1, 1991 and prior to September 29, 2012 under the Kraft Plan and the Credited Service on and after September 29, 2012 under the Plan during which he was a Plan C Member.
- (e) "Credited Plan D Service" means the portion of a Member's credited service on and after January 1, 1991 and prior to September 29, 2012 under the Kraft Plan and the Credited Service on and after September 29, 2012 under the Plan during which he was a Plan D Member.
- (f) "Credited Plan E Service" means the portion of a Member's credited service on and after January 1, 1991 and prior to September 29, 2012 under the Kraft Plan and the Credited Service on and after September 29, 2012 under the Plan during which he was a Plan E Member.

2.23 "Date of Determination" means the date as of which a benefit is to be calculated under the Plan, as specified in each relevant Section, and being one of the following:

- (a) a Member's Retirement Date,
- (b) a Member's date of termination of employment;
- (c) a Member's date of death; and
- (d) the date of amendment or discontinuance of the Plan or the date of consolidation or merger of the Plan with another registered pension plan.

2.24 "DB Account" means the account established in accordance with paragraph 5.04(b) of Part 1.

- 2.25 “DB Member” means a Member who is accruing Credited Service under the DB Provisions.
- 2.26 “DB Provisions” means the defined benefit provisions of the Plan, as described under Part 3 of the Plan.
- 2.27 “DC Account” means the account established pursuant to Section 4.01 of Part 2.
- 2.28 “DC Member” means a Member who is not a DB Member and who joins the Plan in accordance with Section 3.03.
- 2.29 “DC Provisions” means the defined contribution provisions of the Plan, as described under Part 2 of the Plan.
- 2.30 “Early Retirement Date” means the date of a Member’s actual retirement determined in accordance with Section 4.02.
- 2.31 “Early Retirement Eligible Member” means either a Member who became a member of the Kraft Plan prior to 1991 or a Member who became a member of the Kraft Plan after 1990 and was last hired by Kraft Canada Inc. prior to January 1, 2007 and who, at the Date of Determination, has completed at least fifteen (15) years of Continuous Service and whose age plus Continuous Service equals at least sixty (60) years.
- 2.32 (a) “Earnings” means, for the purposes of a DB Member, the amount of regular remuneration, including base salary and one-half (1/2) of an Annual Performance Award, received from and determined by the Company. Notwithstanding the above, Earnings shall include overtime pay, bonuses and premium pay, but shall exclude prizes or awards in cash or otherwise. For Kraft Transferred Members, Earnings shall include earnings as that term is defined under the Kraft Plan immediately prior to the Effective Date. For the purposes of a DC Member, Earnings shall mean the annual base salary, including regular incentive payments, overtime and premium pay and excluding long-term incentive awards, prizes or additional awards in cash or otherwise.

(b) "Average Earnings-5" means the annual average of a DB Member's Earnings during the sixty (60) consecutive months out of the last ten (10) years of employment, during which such Earnings were highest or, where the Member's Continuous Service is less than five (5) years, the annual average of the Member's Earnings during the Member's Continuous Service. For a part-time Employee, the average is computed using the equivalent full-time service performed during the averaging period.

(c) "Average Earnings-3" means the annual average of the DB Member's Earnings in the thirty-six (36) consecutive calendar months of employment immediate preceding such date or, if higher, in the three (3) calendar years of employment prior to the Date of Determination which produce the highest average.

Where the Member's Continuous Service is less than thirty-six (36) consecutive months, "Average Earnings-3" means the annual average of the DB Member's Earnings during the Member's Continuous Service. For a part-time Employee, the average is computed using the equivalent full-time service performed during the average period.

Notwithstanding the above, in the case of a Cangro Member, Average Earnings-3 and Average Earnings-5 shall be determined as of January 13, 2006 or such later dates as provided for in the Cangro Agreement.

2.33 "Effective Date" means September 29, 2012.

2.34 "Employee" means a person who is employed on a full-time or part-time basis in a salaried position by the Company, but shall not, unless Applicable Pension Laws require otherwise, include any person employed on a temporary or casual basis, regardless of the duration of his employment, nor shall it include any person who is specifically eligible to participate in any other registered pension plan of the Company, whether or not he has actually joined such plan, and it shall not include a person who is represented by a union with which the Company has a collective bargaining agreement unless he is specifically included as an Employee under the Plan as a term of such collective bargaining agreement. Notwithstanding the foregoing, Employee shall also mean a person who transfers to a non-unionized hourly paid position with the Company, if such person was a Plan A Member, a Plan B Member, a Plan C Member or a Plan D Member immediately prior to such transfer. An Employee shall include a Kraft Transferred Member.

- 2.35 “Fund” means the fund established for the purposes of the Plan, as set forth herein and established in accordance with the terms and provisions of the Funding Agreement(s), to which all contributions to the Plan shall be made and from which all benefits under the Plan shall be payable.
- 2.36 “Funding Agent(s)” means the trust and/or insurance company and/or any group of individual trustees designated by the Company and holding the whole or a portion of the assets of the Fund at any time, pursuant to the terms of a Funding Agreement(s).
- 2.37 “Funding Agreement(s)” means any trust deed, agreement or agreements executed from time to time between the Company and any Funding Agent(s), including any insurance or annuity contract or contracts issued by a Funding Agent(s) and including any amendments which are from time to time made to any such documents, pertaining to the custody of the investments of the Fund.
- 2.38 “Interest” means the amount of money credited to Member Required DB Contributions in accordance with Article 2 of Part 3 or to Member Voluntary DB Contributions in accordance with Section 12.03 of Part 3, as applicable.
- 2.39 “Investment Earnings” means the investment gains and losses allocated to each OPP Company Account and OPP Member Account under Schedule 6 of Appendix A.
- 2.40 “Kraft Plan” means the Kraft Canada Inc. Retirement Plan for Canadian Salaried Employees, registration number 0214668.
- 2.41 “Kraft Transferred Members” means the members of the Kraft Plan who transferred from employment from Kraft Canada Inc. to the Company effective September 29, 2012 and whose benefits under the Kraft Plan up to September 29, 2012 will be transferred to the Plan upon receipt of regulatory approval, as a result of the Company’s purchase of Kraft Canada Inc.’s snack business.
- 2.42 “Maximum Formula” means the maximum benefit permitted under the Revenue Rules in accordance with Section 3.06 of Part 3.

- 2.43 “Melrose/Dickson Member” means the Member who became an employee of one of the participating employers under the Kraft Plan on September 4, 1987 and immediately prior to that was an employee of Nabisco Brands Ltd. and was a member of the Melrose/Dickson Prior Plan or the Nabisco Brands Ltd. Trusteed Retirement Plan A.
- 2.44 “Melrose/Dickson Prior Plan” means the Nabisco Brands Ltd. Pension Plan for Salaried Employees.
- 2.45 “Member” means an Employee who has joined the Plan in accordance with Article 3 and who continues to be contingently or absolutely entitled to a retirement income under the Plan. A Member includes a DB Member and a DC Member.
- 2.46 “Member Optional DC Contributions” means the contributions made by a DC Member in accordance with Section 1.02 of Part 2, if any.
- 2.47 “Member Required DB Contributions” means the contributions made by a DB Member in accordance with Article 2 of Part 2 and the required contributions, if any, made by the Member to the Prior Plan.
- 2.48 “Member Required DC Contributions” means the required contributions made by a DC Member in accordance with Section 1.01 of Part 2.
- 2.49 “Member Voluntary DB Contributions” means the contributions made by a DB Member in accordance with Article 12 of Part 3.
- 2.50 “Money Purchase Limit” has the meaning assigned under Revenue Rules.
- 2.51 “Normal Retirement Date” means the date specified in Section 4.01.
- 2.52 “OPP” means the set of provisions detailed in Schedule 6 of Appendix A.
- 2.53 “OPP Company Account” means the aggregate of OPP Company Contributions, plus Investment Earnings thereon, in respect of an OPP Member.
- 2.54 “OPP Company Contributions” means the contributions deposited in the OPP Company Account in respect of an OPP Member.

- 2.55 “OPP Member” means a Member who is participating in the OPP pursuant to Schedule 6 of Appendix A.
- 2.56 “OPP Member Account” means the aggregate of OPP Member Contributions, plus Investment Earnings thereon, in respect of an OPP Member.
- 2.57 “OPP Member Contributions” means the contributions made by an OPP Member in accordance with Section A-6.04 of Appendix A.
- 2.58 “Pension Commencement Date” means the date on which a Member starts receiving his retirement income under the Plan.
- 2.59 “Plan” means the Mondelēz Canada Inc. Retirement Plan for Canadian Salaried Employees as amended from time to time.
- 2.60 (a) “Plan A” means the provisions detailed in Schedule 1 of Appendix A.
(b) “Plan B” means the provisions detailed in Schedule 2 of Appendix A.
(c) “Plan C” means the provisions detailed in Schedule 3 of Appendix A.
(d) “Plan D” means the provisions detailed in Schedule 4 of Appendix A.
(e) “Plan E” means the provisions detailed in Schedule 5 of Appendix A.
- 2.61 (a) “Plan A Member” means a Member who is participating in Plan A.
(b) “Plan B Member” means a Member who is participating in Plan B. A Melrose/Dickson Member shall be considered, for the period between January 1, 1987 and September 4, 1987, to have been a Plan B Member.
(c) “Plan C Member” means a Member who is participating in Plan C.
(d) “Plan D Member” means a Member who is participating in Plan D.
(e) “Plan E Member” means a Member who is participating in Plan E.
- 2.62 “Plan Benefit” means the annual lifetime retirement income payable under the DB Provisions of the Plan, determined in accordance with Section 3.07 of Part 3.

- 2.63 “Plan Formula” means the formula used to calculate the annual lifetime retirement income in respect of Credited Service, prior to the application of the Maximum Formula, as set out in Section 3.06 of Part 3.
- 2.64 “Plan Year” means a calendar year.
- 2.65 “Postponed Retirement Date” means the date specified in Section 4.03.
- 2.66 “Prior Plan” means the General Foods Retirement Plan for Canadian Salaried Employees effective January 1, 1986, together with any plan listed thereunder as a “Prior Plan”, succeeded by this Plan as of the Effective Date.
- 2.67 “Reciprocal Agreement” means a written agreement whereby the Company and a previous or future employer of a Member agree that service with the earlier employer shall be recognized as pensionable service with the subsequent employer, to the extent allowed and subject to the conditions specified in the agreement, Applicable Pension Laws and Revenue Rules.
- 2.68 “Retirement Date” means the date on which a Member actually retires or is deemed to be retired, such date being one of an Early Retirement Date, Normal Retirement Date or Postponed Retirement Date.
- 2.69 “Retirement Income Earned After 1986” means the benefit to which the DB Member is entitled for Credited Service on or after January 1, 1987 plus the increase in benefits in respect of Credited Service prior to January 1, 1987 granted under an amendment to the Plan effective on or after January 1, 1987.
- 2.70 “Retirement Income Earned Prior to 1987” means the benefits to which the DB Member is entitled for Credited Service prior to January 1, 1987 calculating using the benefit formula in effect on that date.
- 2.71 “Revenue Rules” means the provisions of the Income Tax Act (Canada) and any applicable provincial income tax act, and any relevant regulations thereto, as they may be amended from time to time, pertaining to pension plans or funds registered under the Income Tax Act (Canada) as they are applicable to the Plan.

- 2.72 “Spouse”¹ means subject to Applicable Pension Laws, the person who, at the earlier of the Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:
- (a) the person who is married to the Member; or
 - (b) the person who is not married to the Member and is living with the Member in a conjugal relationship:
 - (i) continuously for a period of not less than three (3) years; or
 - (ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Family Law Act (Ontario):

provided that the person is not living separate and apart from the Member at that time and provided that not more than one (1) person shall be a Spouse hereunder. In the event of more than one (1) person having claims to be such, the determination of the Company as to which person shall be the Spouse, on the basis of evidence available to it and which it considers sufficient for the purposes of such determination, and on the basis of the requirements of Applicable Pension Laws, shall be final.

- 2.73 “Survivor Benefit Contributor” means a DB Member who was contributing an additional 1.5% of his Earnings immediate prior to January 1, 1987 under the Kraft Plan for the purpose of providing a pre-retirement surviving benefit under the DB Provisions of Part 3.
- 2.74 “Total Disability” means, in respect of a Member, a physical or mental impairment which prevents the Member from performing the duties of the employment in which the Member was engaged before the commencement of the impairment and which meets the qualification criteria for receipt of benefits under the Company’s long-term disability income plan. The determination of such disability shall be based on a written report certified from a medical doctor licensed to practice under the laws of a province of Canada or of the place where the Member resides and if the Company so requests, as determined conclusively by the insurance carrier administering such long-term disability plan.

¹ Applicable as modified in the Appendices for Members employed in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia and Quebec.

- 2.75 “Valuation Date” means the date at which the Funding Agent determines the value of each DC Account within the Fund in accordance with Section 4.03 of Part 2.
- 2.76 (a) “YMPE” means the Year’s Maximum Pensionable Earnings established under the Canada Pension Plan or Quebec Pension Plan, as applicable, as amended from time to time, or under any superseding legislation considered by the Company to be appropriate.
- (b) “YMPE Average” on any date means the annual average of the YMPE in the 36 consecutive calendar months of employment immediately preceding such date, or, where the Member’s Continuous Service is less than 36 consecutive months, the annual average of the YMPE during the Member’s Continuous Service.

Notwithstanding the above, in the case of a Cangro Member, YMPE Average shall be determined as of January 13, 2006, or such later date as provided in the Cangro Agreement.

Article 3 – Membership

3.01 Members on September 29, 2012

Each Kraft Transferred Member shall automatically become a Member effective September 29, 2012.

3.02 New Employees Hired on or after September 29, 2012

Subject to Section 8.02 of Part 2 and Section 10.03 of Part 3, each Employee who is hired on a full-time basis or on a less than full-time basis on and after September 29, 2012, shall become a DC Member on the first payroll period after completing 30 days of Continuous Service.

3.03 Membership at Company's Discretion

Notwithstanding anything to the contrary contained in this Article, the Company may agree to the earlier participation in this Plan of any Employee of the Company in accordance with such other terms and conditions as may be mutually agreed upon between the Company and the Employee.

3.04 Not a Contract of Employment

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or lay-off any Employee at any time and to treat him without regard to the effect which such treatment might have upon him as a Member.

3.05 No Discontinuance of Membership

While a Member remains in employment with the Company, the Member may not terminate or suspend his membership in the Plan.

3.06 **Re-Employment**

- (a) If an Employee terminates employment with the Company, other than by retirement, and is subsequently re-employed with the Company on or after September 29, 2012 and prior to the end of the calendar year in which he attains age seventy-one (71) or such other age permitted under Revenue Rules, he shall become a DC Member upon fulfilling the eligibility requirements under Section 3.02 and his periods of Continuous Service shall be treated separately, and the second period shall be considered to start from the date of his subsequent re-employment for the purposes of the Plan, unless otherwise agreed in writing by the Company under specified applicable conditions or required by Applicable Pension Laws, and as permitted under Revenue Rules.
- (b) If an Employee who is receiving retirement income under the DB Provisions of the Plan or who elected a distribution option under the DC Provisions of the Plan is subsequently re-employed with the Company on or after September 29, 2012 and prior to the end of the calendar year in which he attains age seventy-one (71) or such other age permitted under Revenue Rules, the Employee shall become a DC Member upon fulfilling the eligibility requirements under Section 3.02. The Employee's retirement income under the DB Provisions of the Plan, if any, shall continue to be paid.

Article 4 – Retirement Dates

4.01 Normal Retirement

The Normal Retirement Date of a Member is the first (1st) day of the month coincident with or next following the attainment of age sixty-five (65).

4.02 Early Retirement

A Member may retire prior to his Normal Retirement Date on the first (1st) day of any month following the date on which the Member has attained age fifty-five (55). The date of the Member's actual retirement in accordance with this paragraph shall be his Early Retirement Date.

4.03 Postponed Retirement

A Member who accrues Continuous Service beyond Normal Retirement Date shall retire, or be deemed to have retired for the purposes of the Plan, not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other age permitted under Revenue Rules). The date of the Member's actual or deemed retirement in accordance with this paragraph shall be his Postponed Retirement Date.

Article 5 – Contributions and Funding

5.01 Payment of Contributions

All contributions made to the Plan shall be paid to the Funding Agent(s) for deposit to the Fund within the time period prescribed by Applicable Pension Laws.

5.02 Company Contributions

- (a) With respect to the DB Provisions of the Plan, based upon the estimates of the Actuary and subject to Section 5.05, the Company shall contribute to the Fund such amounts as are required in accordance with, and within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time shall be limited to the maximum contributions as required by the terms of the Plan and Applicable Pension Laws.
- (b) With respect to the DC Provisions of the Plan and subject to Section 5.05, the Company shall contribute in accordance with Sections 2.01 and 2.02 of Part 2.

Notwithstanding the foregoing, contributions made to the Plan by the Company shall only be made if they are eligible contributions in accordance with Revenue Rules.

5.03 Member Contributions

A Member shall make contributions in respect of the DC Provisions in accordance with Article 1 of Part 2, if applicable or in respect of the DB Provisions in accordance with Article 2 of Part 3, if applicable.

5.04 Fund

- (a) The retirement income and other benefits provided under the Plan shall be financed by a Fund established for the purposes of the Plan, under which all contributions and investment income are held to pay such retirement income, other benefits and the fees, costs and expenses of the Plan to be paid from the Fund, as specified in paragraph (f).

Upon the completion of the transfer of assets, the Fund shall include the assets transferred from the Kraft Plan for Kraft Transferred Members

- (b) The Fund shall contain one DB Account and a DC Account for each DC Member as specified in Article 4 of Part 2. The DB Account shall consist of assets in the Fund not allocated to the DC Accounts of DC Members.
- (c) The Company shall be responsible for the selection of a Funding Agent(s). The Fund or a portion thereof shall be maintained and administered by the Funding Agent(s) in accordance with the terms of the Funding Agreement(s) entered into between the Company and the Funding Agent(s). The Company and the Funding Agent(s) may agree to amend the form and the terms of the Funding Agreement(s) at any time. The Company may further appoint an organization licensed to provide investment management services, to manage the investment of any portion of the Fund. The Company may replace any Funding Agent(s) or investment manager at any time, in accordance with the terms of any applicable agreement or contract.
- (d) The Funding Agreement(s) is ancillary to the Plan and is intended to receive contributions made to the Plan and to give effect to the provisions of the Plan relating to the safekeeping and investment of the assets of the Fund and to facilitate the payment of the benefits and other payments properly made under the Plan, in accordance with Applicable Pension Laws and Revenue Rules, and not to create rights to payments from the Fund that are in addition to those payments expressly provided under the Plan. In the case of conflict between the provisions of the Plan and those of the Funding Agreement(s), the provisions of the Plan shall govern.
- (e) Subject to Applicable Pension Laws, the retirement income and other benefits provided under the Plan payable hereunder shall only be paid to the extent that they are provided for by the assets held under the Fund, and no liability or obligation to make any contributions thereto or otherwise shall be imposed upon the Company other than in accordance with Section 5.01.

- (f) All normal and reasonable fees and expenses incurred in the operation of the DB Provisions of the Plan, and the administration and investment of the DB Account of the Fund, shall be paid out of the DB Account, unless paid by the Company. If such expenses are incurred or paid by the Company, the Company may be reimbursed for such expense from the DB Account.

All fees and expenses in connection with the administration, operation and investment of the DC Accounts and the DC Provisions of the Plan, including the investment management fees, investment counsel fees, custodial fees, administrative fees, brokerage fees, commissions and transfer taxes, shall be paid by way of adjustment to the net investment returns of the respective DC Accounts subject to any limits set out in the Funding Agreement(s). Notwithstanding the foregoing, the Company may pay such fees and expenses directly or fees may be paid from the DB Account pursuant to Section 5.05. If such expenses are incurred or paid by the Company, they may be reimbursed for such expenses from the Fund.

Fees related to specific transaction initiated by a DC Member, including penalty fees, shall be deducted from his DC Account in accordance with the terms of the Funding Agreement(s).

A former DC Member or his Spouse or Beneficiary, as applicable, shall be responsible for all fees and charges that are levied from time to time in maintaining and investing his DC Account if such former DC Member has not elected a distribution option in accordance with Sections 5.04 and 7.03 of Part 2 within the prescribed time or within such other time as determined by the Company. Such charges will be periodically deducted from the Member's DC Account.

5.05 **Actuarial Surplus**

At the discretion of the Company and subject to the provisions of Applicable Pension Laws, any surplus determined by the Actuary, or a portion thereof, may be used to determine or to reduce the contributions of the Company under the Plan, including Company Basic Contributions and Company Matching Contributions made pursuant to Part 2 of the Plan or used to pay any fees and expenses or may, to the extent allowed and subject to any conditions or approval procedures under Applicable Pension Laws and Revenue Rules, be returned to the Company.

5.06 **Investments**

- (a) The investment of the Fund shall be made in accordance with Applicable Pension Laws and Revenue Rules.
- (b) The Company shall direct the investment of the DB Account and each DC Member shall direct the investment of his DC Account in accordance with Section 4.02 of Part 2.
- (c) The Company shall establish a written statement of investment policies and procedures for the Plan.

5.07 **Borrowing**

Neither the Company nor the Funding Agent(s) shall borrow money for the purposes of the Plan, except as allowed under Applicable Pension Laws and Revenue Rules.

5.08 **Claims on the Fund**

- (a) Contributions made by the Company shall not constitute an enlargement of the amount of any benefit defined in the Plan, and shall not at any time create for any person other than the Company, the right, title or interest in the assets of the Company or the Fund, except as provided under Applicable Pension Laws.
- (b) No Member or any person claiming through him, by virtue of any provision of the Plan, shall have any right to, or any interest in, any part of the Fund or to any benefit or other payment from the Fund, except to the extent provided from time to time under the Plan, the Funding Agreement(s), or Applicable Pension Laws.

5.09 **Sole Recourse to Fund**

A Member or person claiming through the Member shall have recourse solely to the Fund for any benefit or other payment from the Plan. Under no circumstances shall any liability attach to the Company or any director, officer or employee of the Company, for any benefit or other payment hereunder.

5.10 **Excess Contributions**

If the Company or a Member makes a contribution to the Plan which would cause the Plan's registration to be revocable under Revenue Rules, subject to the conditions or approval procedures under Applicable Pension Laws, such contributions shall be returned to the Company or the Member, as applicable.

5.11 **Discharge of Liability**

Upon distribution of a Member's entitlement under the Plan, including the purchase of a life annuity from an insurance company licensed to transact business in Canada, there shall be no further liability under the Plan in respect of such Member. An acceptance of the benefit or the purchase of a life annuity shall constitute a full acquittal and discharge of the Company, the Fund and the Funding Agent(s) by the recipient.

Article 6 – Protection of Benefits

6.01 Non-Assignability of Benefits

Except as permitted under Section 6.02 and the portability and commutation provisions of any other Article of the Plan, no benefit, right or interest provided under the Plan shall be:

- (a) capable of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, seizure, attachment or other legal or equitable process; or
- (b) capable of being given as security or surrendered;

and, for the purposes of this Section:

- (c) assignment does not include assignment by the legal representative of a deceased individual on the distribution of the individual's estate; and
- (d) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan under Revenue Rules.

6.02 Support and Division of Property on Marriage Breakdown

- (a) Subject to Applicable Pension Laws, a benefit payable under the Plan may be:
 - (i) subject to execution, seizure or attachment, in satisfaction of an order for support or maintenance or a garnishing order, pursuant to a decree, order or judgement of a competent tribunal; or
 - (ii) be assigned, pledged, charged, encumbered or alienated to satisfy a division of matrimonial property, pursuant to a written agreement, decree, order or judgement of a competent tribunal.
- (b) The determination of the benefit payable to a person under paragraph (a) shall be subject to Applicable Pension Laws and Revenue Rules.

- (c) The Member's benefit entitlements shall be reduced to account for the value of any settlement made under paragraph (a). Such reduction shall be determined in accordance with Applicable Pension Laws and Revenue Rules.

6.03 Facility of Payment

If the Company shall receive evidence which in its absolute discretion is satisfactory to it that a person entitled to receive a payment under the Plan is a minor or is physically or mentally incompetent, the Company may direct the payment to any representative, trustee, guardian, attorney or other person or persons entitled at law to receive the payment on the person's behalf. Such payment shall be a complete discharge of the payment obligations under the Plan.

Article 7 – Amendment or Discontinuance

7.01 Amendment

The Company expects to continue the Plan indefinitely, but nevertheless reserves the right to:

- (a) amend the Plan;
- (b) terminate the Plan;
- (c) merge or consolidate the Plan with any other registered pension plan adopted by the Board; or
- (d) transfer any assets or liabilities of the Plan to any other registered pension plan adopted by the Board,

provided that no such action shall adversely affect any right with respect to benefits which have accrued immediately prior to the time such action is taken, except as provided in Section 7.02 and 7.04. The accrued benefits shall be determined using as the applicable Date of Determination, the earliest of the date the Member ceases to accrue Continuous Service and the date of the amendment, termination, merger or consolidation of the Plan, as applicable.

Any amendment of the Plan shall be made by the adoption of a resolution by the Board.

All such amendment shall be binding on the Company and on each Member.

7.02 Amendment Required to Maintain Registration

Notwithstanding any other provisions of the Plan, the Company may amend the Plan as is necessary to maintain the registration of the Plan under Applicable Pension Laws and Revenue Rules. Section 7.01 shall not restrict the Company's ability to make an amendment to the Plan, including, but without limiting the generality of the foregoing, an amendment providing for benefits to be reduced, when the purpose of the amendment is to maintain such registration of the Plan. Any such benefit reduction shall be subject to conditions or approval procedures under Applicable Pension Laws.

7.03 Certification of Post – 1989 Additional Benefits

An amendment to the Plan which creates additional benefits in respect of a period of employment after 1989 and which must be certified by the Minister of National Revenue in accordance with Revenue Rules shall not be effective in respect of a Member until such certification has been received for that Member, and such additional benefits shall not be paid as a result of the amendment prior to certification. The Company shall apply for such certification before the Company makes any contributions to the Plan in respect of such amendment.

7.04 Discontinuance

In the event the Plan shall be discontinued at any time either in whole, or in part with respect to a specified group of Members only, the assets of the Fund (or the interest therein of Members affected by a partial discontinuance) shall be allocated to provide, to the extent of said assets and subject to Applicable Pension Laws, the retirement income and other benefits then accrued under the Plan. The accrued benefits shall be computed using the date the Member ceases to accrue Continuous Service as the applicable Date of Determination. Such allocation shall be made in accordance with an allocation schedule then established by the Company in consultation with the Actuary and filed with and approved by the appropriate authorities in accordance with Applicable Pension Laws.

7.05 Settlement on Discontinuance of Plan

The provisions for the accrued retirement income and other benefits described in Section 7.04 may be in the form of cash, the purchase of annuity contracts, the transfer of monies to other registered pension plans or to approved registered vehicles, or the continuation of the Fund, or a combination thereof, at the discretion of the Company and as permitted under Applicable Pension Laws and Revenue Rules.

7.06 **Surplus on Discontinuance**

- (a) Upon discontinuance of the Plan in whole, assets remaining in the Fund after the discharge of all liabilities under the Plan or under Applicable Pension Laws shall be paid to the Company, subject to Applicable Pension Laws.
- (b) Upon discontinuance of the Plan in part, assets of the Plan shall be used to discharge all liabilities under the Plan or under Applicable Pension Laws to the Members affected by the partial discontinuance, the terms of such payment being subject to Applicable Pension Laws. The Company, with the advice of the Actuary, may allocate the total assets in the Plan between the portion of the Plan that is discontinued and the remaining portion of the Plan. At the option of the Company, the excess of the assets allocated to the discontinued portion of the Plan over the liabilities of the discontinued portion of the Plan in respect of the Members affected by the partial discontinuance, may be paid to the Company or used as the Company may direct, subject to Applicable Pension Laws.
- (c) The expenses related to the discontinuance of the Plan in whole or in part may be paid from the Plan, at the sole discretion of the Company, and subject to Applicable Pension Laws. In the case of a full discontinuance, such expenses may include expenses related to the distribution of assets remaining in the Plan after payment of the liabilities related to the discontinuance. In the case of a partial discontinuance, such expenses may include expenses related to the allocation of assets to the discontinued portion of the Plan and the distribution of the assets so allocated and remaining after the payment of liabilities related to the partial discontinuance.

Article 8 – Disclosure

8.01 Plan Explanation

Within the period prescribed by Applicable Pension Laws, the Company shall provide to an Employee who becomes eligible for membership in the Plan, a written description of the Plan. Such description shall explain the pertinent terms and conditions of the Plan and amendments thereto as applicable to the Employee, and shall outline the rights and obligations of the Employee with reference to the benefits available under the Plan.

Except as otherwise permitted or required under Applicable Pension Laws, the Company shall provide a written explanation of an amendment to each Member who accrues Continuous Service and who is affected by the amendment and to each other person as may be required by Applicable Pension Laws, within the period prescribed by Applicable Pension Laws.

8.02 Inspection

- (a) The Company shall permit a Member, a Member's authorized agent or any other person permitted under Applicable Pension Laws, to inspect, to make extracts from or to copy the Plan text and any other related documents required to be made available under Applicable Pension Laws, at such time and places as may be required by Applicable Pension Laws.
- (b) To the extent required by Applicable Pension Laws, the Company shall provide, on request, a Member, or such person as is required to be permitted under Applicable Pension Laws, with copies of any of the documents required to be made available under Applicable Pension Laws upon payment to the Company of a reasonable fee.

8.03 Benefits Statement

- (a) Within the period prescribed by Applicable Pension Laws, the Company shall provide:

- (i) to each Member who accrues Continuous Service, a written statement describing the benefits the Member has earned to date and containing such other information as required under Applicable Pension Laws; and
 - (ii) to each other person as may be required by Applicable Pension Laws, a written statement containing the information required under Applicable Pension Laws.
- (b) Upon cessation of employment of a Member or upon termination of the Member's active membership in the Plan, the Company shall provide the Member (or the person entitled to a benefit in the event of the Member's death), within the prescribed time period, a written statement containing the information prescribed under Applicable Pension Laws in respect of the benefits and options to which the Member or other person is entitled.

8.04 **Other Information**

The Company shall provide such other information regarding the Plan, statistical or otherwise, as is required under Applicable Pension Laws and Revenue Rules.

8.05 **Limitation**

Such explanation, statement or right of disclosure of the Plan text and other documents provided shall have no effect on the rights or obligations of any person under the Plan, and shall not be referred to in interpreting or giving effect to the provisions of the Plan. Neither the Company, nor any employee, officer or director of the Company who is involved in the administration of the Plan shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

Article 9 – Administration

- 9.01 The Plan shall be administered by the Company. Any amendments to the Plan, including any restatement of the Plan in its entirety, shall be made by resolution of the Board.
- 9.02 The Company may from time to time direct that appropriate records be maintained and may establish rules for the administration of the Plan. The Company shall have the exclusive right to interpret the Plan provisions and to decide any matters arising hereunder in the administration and operation of the Plan. All interpretations and decisions shall be applied as nearly as may be possible in a uniform manner to all Members similarly situated.
- 9.03 The Company shall indemnify and save harmless any employees who are involved in the administration of the Plan from the effects and consequences of their acts, omissions and conduct in their formal capacity to the extent permitted by law except for their own wilful and intentional malfeasance or misconduct. No part of the Fund shall be used for indemnification payments.
- 9.04 The Company shall be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports which shall be furnished by an actuary, accountant, legal counsel or other professional person who shall be employed or engaged for such purposes.
- 9.05 Whenever the records of the Company are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.

Article 10 – General Provisions

10.01 Beneficiary Designation

Subject to the Applicable Pension Laws, a Member shall designate in writing a Beneficiary to receive any benefits that are payable under the Plan, other than benefits payable to a Spouse, to a Beneficiary upon the death of such Member and may change such designation from time to time. Such designation or change must be in accordance with any law applicable to the Member and shall be in such form and executed in such manner as the Company may, from time to time, determine. Any designation or change must be filed with the Company. Benefits payable as a result of the death of the Member shall be paid in accordance with the most recent designation filed by the Member with the Company and, in the absence of an effective designation of a Beneficiary, the Company shall instruct the Funding Agent(s) to make payment of any death benefits payable to the Beneficiary under the Plan to the estate of the Member and any such payment shall completely discharge all liability with respect to the amount paid. Any Beneficiary designations made under the Prior Plan on record with the Company as of the Effective Date shall remain in effect for the purposes of the Plan until the Member changes such designation.

10.02 Information Provided by the Members, Beneficiaries and Spouses

- (a) An Employee who becomes a Member hereunder and a Beneficiary or Spouse shall complete such forms and furnish such data as the Company from time to time deems necessary or desirable as a prerequisite to initial or continued eligibility for a benefit hereunder.
- (b) In the absence of actual notice to the contrary, the Company shall make payment in accordance with information provided by the Member upon which the Company is entitled to rely. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of an Account, or where a person makes a claim that is inconsistent with information provided by the Member, the Company may obtain court directions.

10.03 Employment Rights

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or lay off any Employee at any time and to treat such Employee without regard to the effect which such treatment might have under the Plan upon such Employee.

10.04 Withdrawal

Except as expressly provided in the Plan, no Member may receive a refund of all or part of his benefit entitlement while remaining in employment with the Company.

10.05 Annuity Purchase

Any new or continuing benefit payable from the Plan to a Member or other person entitled to a benefit under the Plan, notwithstanding any provisions herein to the contrary, may be satisfied through the purchase of an annuity or annuities from a life insurance company or companies licensed to transact business in Canada in respect of any Member.

Subject to Applicable Pension Laws, the purchase of such annuity from such life insurance company or companies shall constitute a full and final settlement of the rights of the Member or other person entitled to a benefit under the Plan in respect to whom the annuity was purchased and shall fully and forever discharge the Plan, Fund, Company, and its employees, directors, officers and other representatives from any further obligations to the Member or other person so entitled.

10.06 Commutation of Benefits²

- (a) A benefit required to be paid under the Plan to a Member or a Spouse may be commuted and paid in a lump sum, at the discretion of the Company, if the annual retirement income under Part 3 of the Plan that would be payable to the

² Applicable as modified in the Appendices for Members employed in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, and Quebec.

Member at Normal Retirement Date or the value of the Member's DC Account is not more than four percent (4%) of the YMPE as at the Date of Determination or the lump sum Actuarial Equivalent of such retirement income under Part 3 or the value of the Member's DC Account under Part 2 is not more than twenty percent (20%) of the YMPE as at the Date of Determination or such other amount as prescribed or permitted under Applicable Pension Laws. The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid or the value of the Member's DC Account. Retirement income under Part 3 of the Plan or the value of the Member's DC Account under Part 2 of the Plan may be commuted and paid in a lump sum, at the discretion of the Member, if the Member:

- (i) establishes that he has an illness or physical disability that is likely to shorten his life expectancy to less than two (2) years, as certified by a written statement from a qualified medical doctor licensed to practise in Canada;
- (ii) provides an application to the Company in the prescribed form; and
- (iii) satisfies any other conditions prescribed by Applicable Pension Laws.

10.07 Non-Duplication of Benefits

There shall be no duplication of benefits payable under one provision of the Plan and benefits payable under any other provision of the Plan.

Part 2 – Defined Contribution Provisions

Application

The provisions of this Part 2 shall apply to all DC Members of the Plan.

Article 1 – Member Contributions

1.01 Member Required DC Contributions

- (a) Subject to Sections 1.03, 1.04 and 3.01, in each Plan Year or portion thereof, a DC Member who is accruing Continuous Service shall contribute to the Plan, by regular payroll deduction, Member Required DC Contributions equal to 2% of the DC Member's Earnings.
- (b) Member Required DC Contributions made pursuant to paragraph (a), as applicable, shall cease upon the earliest of:
 - (i) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death; or
 - (v) the date of partial or complete discontinuance of the Plan affecting the Member.
- (c) All Member Required DC Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits prescribed by Applicable Pension Laws.

1.02 Member Optional DC Contributions

- (a) Subject to Sections 1.03, 1.04 and 3.01, in each Plan Year or portion thereof, a DC Member who is accruing Continuous Service may elect to contribute to the Plan, by regular payroll deduction, Member Optional DC Contributions equal to 1, 2, 3 or 4% of the DC Member's Earnings.
- (b) A DC Member who is making Member Optional DC Contributions in accordance with paragraph (a) may elect monthly, or at such other time or frequency permitted by the Company, to change the rate of Member Optional DC Contributions in the form and manner prescribed by the Company.

- (c) Member Optional DC Contributions made pursuant to paragraph (a), as applicable, shall cease upon the earliest of:
 - (i) the date the Member elects to cease making Member Optional DC Contributions;
 - (ii) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (iii) the Member's termination of employment;
 - (iv) the Member's Retirement Date;
 - (v) the Member's death; or
 - (vi) the date of partial or complete discontinuance of the Plan affecting the Member.
- (d) All Member Optional DC Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits prescribed by Applicable Pension Laws.

1.03 Continuance of Member Contributions During Leaves

- (a) Subject to Section 3.01, if a Member is on a pregnancy, parental or leave as a result of an employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings, the Member may elect to make the Member Required DC Contributions and Member Optional DC Contributions that would have been made had the Member been in active employment during such period, for the period prescribed by applicable legislation or such longer period approved by the Company based on the Member's Earnings rate in force immediately prior to the commencement of the period of leave.

- (b) Member Required DC Contributions and Member Optional DC Contributions made pursuant to this Section 1.03 shall be paid on such terms and in such manner as may be determined by the Company.
- (c) In no event shall the total periods for which contributions are made by a Member under this Section 1.03, when combined with any period of absence during which the Member accrues Credited Service, but excluding any period during which the Member is disabled within the meaning of Revenue Rules, exceed the sum of:
 - (i) the full-time equivalent of five years; and
 - (ii) the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.
- (d) Member Required DC Contributions and Member Optional DC Contributions shall cease during other periods of unpaid leaves of absence authorized by the Company not covered under paragraph (a).

1.04 **Continuance of Member Contributions During a Period of Total Disability**

If a Member is on a period of Total Disability, the Member may not make Member Required DC Contributions and Member Optional DC Contributions to the Plan

Article 2 – Company Contributions

2.01 Company Basic Contributions

- (a) Subject to Section 5.05 of Part 1, paragraphs (b) and (c) below, and Section 3.01, a Company shall contribute during each Plan Year or portion thereof, Company Basic Contributions on behalf of a DC Member, equal to 4% of the DC Member's Earnings.
- (b) If a DC Member is on a pregnancy, parental or leave as a result of employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings and the DC Member elects to make Member Required DC Contributions pursuant to paragraph 1.03(a), Company Basic Contributions made pursuant to paragraph (a) shall continue for the period prescribed by applicable legislation or such longer period approved by the Company, subject to applicable laws, based on the DC Member's Earnings rate in force immediately prior to the commencement of the period of leave. Company Basic Contributions shall cease during other periods of unpaid leaves of absences authorized by the Company not covered above.
- (c) If a DC Member is on a period of Total Disability, Company Basic Contributions pursuant to paragraph (a) shall continue while the Member remains on a period of Total Disability, based on the DC Member's Earnings rate in force immediately prior to the date the Member commenced the period of Total Disability.
- (d) Company Basic Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have been made by it in accordance with Applicable Pension Laws.

2.02 Company Matching Contributions

- (a) Subject to Section 5.05 of Part 1, paragraphs (b) and (c) below, and Section 3.01, the Company shall contribute during each Plan Year or portion thereof, Company Matching Contributions on behalf of a DC Member, equal to 100% of the Member's Optional DC Contributions.
- (b) If a DC Member is on a pregnancy, parental or leave as a result of employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings and the DC Member elects to make Member Optional DC Contributions pursuant to paragraph 1.03(a) of Part 2, Company Matching Contributions made pursuant to paragraph (a) shall continue for the period prescribed in paragraph 1.03(a) based on the Member's deemed Earnings as described in paragraph 1.03(a).
- (c) If a DC Member is on a period of Total Disability and elects to make Member Optional DC Contributions pursuant to paragraph 1.04(a), Company Matching Contributions made pursuant to paragraph (a) shall continue based on the Member's deemed Earnings as described in paragraph 1.04(a).
- (d) Company Matching Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have been made by it in accordance with Applicable Pension Laws.

Article 3 – Maximum Contributions

3.01 Maximum Contribution Limit

- (a) For the purpose of Articles 1 and 2 of this Part 2, the total of the contributions allocated to a Member's DC Account for any calendar year shall be the lesser of 18% of the Member's Earnings in that calendar year, and the Money Purchase Limit as is applicable in that calendar year.
- (b) The maximum contribution limit calculated in accordance with paragraph (a) shall be reduced by the amount, if any, of a Member's expected pension adjustment for any benefits accrued or contributions made in the calendar year from any other registered pension plan or deferred profit sharing plan of the Company.

Article 4 – DC Account

4.01 DC Account

A separate DC Account shall be maintained for each DC Member to which Company Basic Contributions, Company Matching Contributions, Member Required DC Contributions and Member Optional DC Contributions shall be made.

Upon the completion of the transfer of assets, the DC Account shall include the assets transferred from the defined contribution accounts under the Kraft Plan for Kraft Transferred Members.

4.02 Investment of Accounts

- (a) A Member's DC Account shall be invested, pursuant to directions provided by the Member, in the investment options made available by the Funding Agent(s) under the terms of the Funding Agreement(s).
- (b) In the event that the Member fails to make an election as to the investment options for the Member's DC Account, the DC Account shall be invested in such fund that may be prescribed from time to time by the Company, until the Member files an election with the Company.
- (c) A Member may change the investment options in which the Member's DC Account is invested, in the manner prescribed by the Company.
- (d) The Company reserves the right to change the investment options available to a DC Member at any time.

4.03 Valuation of Accounts

- (a) The value of each DC Account shall be determined by the Funding Agent(s) or its agent at each Valuation Date to account for the allocation of:
 - (i) net investment income;
 - (ii) net realized and unrealized capital gains and losses; and

- (iii) fees and expenses paid from the DC Account, in accordance with paragraph 5.04(f) of Part 1.
- (b) Valuation Dates shall occur at such times as may be required or permitted by the Funding Agreement(s), but not less frequently than monthly. The value of each DC Account shall be computed on the basis of market values at the Valuation Date concerned, having regard to the terms of the Funding Agreement(s).

Article 5 – Retirement Benefits

5.01 Retirement

For purposes of this Part 2, a Member shall retire if:

- (a) the Member's employment with the Company ceases on or after the Member's Normal Retirement Date and in no event later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules; or
- (b) the Member terminates employment after attaining age 55.

5.02 Retirement Benefit

Upon retirement in accordance with Section 5.01, a DC Member shall be entitled to the distribution of the value of the Member's DC Account in the form elected by the DC Member in accordance with Section 5.03, determined as of the Valuation Date coincident with or immediately preceding distribution of the Member's DC Account.

5.03 Payment of Retirement Benefit

- (a) If a DC Member retires in accordance with Section 5.01 the DC Member shall elect distribution of the Member's DC Account in any one of the following forms:
 - (i) a single premium purchase of an immediate or deferred life annuity contract from an insurance company licensed to carry on business in Canada, commencing not earlier than 10 years prior to Normal Retirement Date and commencing not later than the end of the calendar year in which the Member attains age 71, or such other age as may be permitted by Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules; or
 - (ii) a transfer to another registered pension plan, provided the administrator of the other plan permits the transfer; or

- (iii) a transfer to a locked-in retirement savings arrangement prescribed under the Applicable Pension Laws.
- (b) If, at the date the first instalment of the life annuity purchased in accordance with subparagraph (a)(i) or ultimately purchased with the amount transferred in accordance with subparagraph (a)(ii) or (a)(iii) is due:
 - (i) the former DC Member has a Spouse; and
 - (ii) the Spouse has not waived, in the prescribed form, the right to a contingent pension within the period prescribed by Applicable Pension Laws;

the former DC Member shall receive any retirement income as if the former DC Member had elected to receive his retirement income with provision for a portion of the former DC Member's retirement income continuing to be paid to the Spouse after the former Member's death. This portion shall be 60% or such higher percentage elected by the Member.

A Spouse who has waived the right to a contingent pension may revoke such a waiver in writing prior to the date the first instalment is due to the former Member in the manner and form prescribed by Applicable Pension Laws.

A life annuity purchased in accordance with this paragraph shall comply with any other requirements prescribed by Applicable Pension Laws.

5.04 **Payment in Default of Election**

If a DC Member who is entitled to elect distribution of his DC Account fails to make an election within the time required or permitted under Applicable Pension Laws, the Company may, in its absolute discretion, select an insurance company and purchase an annuity on behalf of the DC Member. Such annuity shall be payable commencing on the DC Member's Normal Retirement Date and in the form of specified in Section 5.03.

Article 6 – Death Benefits

6.01 Death Benefits Prior to Distribution of Member's DC Accounts

If the death of a DC Member occurs prior to the distribution of the Member's DC Account under any other Article of Part 2 of the Plan, the Member's Spouse or, if there is no Spouse or if the Spouse has waived entitlement to the death benefit in the prescribed form and in accordance with Applicable Pension Laws, the Member's Beneficiary shall be entitled to distribution of the value of the Member's DC Account.

6.02 Payment of Death Benefits³

- (a) Subject to Applicable Pension Laws, if a DC Member dies, distribution of the DC Account payable in accordance with Section 6.01 to the Member's Spouse shall be made as:
- (i) a lump sum transfer to an RRSP in the name of the Spouse, to another registered pension plan, if the administrator of the plan accepts such transfer, or to such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules;
 - (ii) a single premium purchase of a life annuity from an insurance company licensed to carry on business in Canada, commencing no later than December 1 of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or, if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules; or
 - (iii) a lump sum cash payment;
- as designated by the Spouse, or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion, in such form as may be permitted under Applicable Pension Laws.

³ Applicable as modified in the Appendices for Members employed in Alberta, British Columbia, Manitoba, and Newfoundland.

- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

6.03 Timing of Payment

Any death benefit payable under this Article 6 shall be paid as soon as practicable after the DC Member's death.

Article 7 – Termination of Employment

7.01 Termination of Employment

A DC Member whose employment with the Company ceases other than by death or retirement in accordance with Article 5 shall receive his DC Account.

7.02 Payment of Accounts

Distribution of the DC Account payable to a Member shall be made as:

- (a) a transfer to another registered pension plan, provided the administrator of the other plan permits the transfer; or
- (b) a transfer to a locked-in retirement savings arrangement prescribed under the Applicable Pension Laws; or
- (c) a transfer to an insurance company licensed to carry on business in Canada for the purchase a life annuity, commencing no later than the end of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules.

The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.

7.03 Payment in Default of Election

If a DC Member who is entitled to elect distribution of his DC Account under Section 7.02 fails to make an election within the time required or permitted under Applicable Pension Laws, the Company may, in its absolute discretion, select an insurance company and purchase an annuity on behalf of the DC Member. Such annuity shall be payable commencing on the DC Member's Normal Retirement Date and in the form of specified in Section 5.03.

Article 8 – Transfers of Employment

8.01 Transfers Out of the Plan

- (a) If a DC Member is transferred within the Company to a category of employment such that the Member ceases to be an Employee for the purposes of the Plan or to an affiliated or associated company, this transfer shall not, subject to Applicable Pension Laws, constitute a termination of employment for the purposes of Article 5 and Article 7 provided the Member does not elect, as may be provided under Applicable Pension Laws, to receive benefits in accordance with Article 7. Such Member's DC Account shall be distributed upon the Member ceasing to accrue Continuous Service.
- (b) A Member to whom paragraph (a) applies, provided the Member does not elect, as may be provided under Applicable Pension Laws, to receive benefits in accordance with Article 7, shall continue to direct the investment of his DC Account in accordance with Section 4.02.

8.02 Transfers Into the Plan

If an employee of the Company or an affiliated or associated company is transferred to a category of employment such that the employee becomes an Employee for the purposes of the Plan, such Employee shall become a DC Member of the Plan upon the date of transfer of employment.

Notwithstanding the above provisions, in the event of the transfer of an employee, who was hired prior to January 1, 2011, from an foreign affiliate of Kraft Canada Inc. and who prior to January 1, 2011 participated in a defined benefit provision of a plan of the foreign affiliate, to a category of employment such that the Member becomes an Employee upon such transfer for purposes of the Plan,

- (a) the Member's Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he was an employee of the foreign affiliate; and

(b) the Member shall become a DB Member participating under Part 3 of the Plan as a Plan E Member at his date of transfer.

An employee, who was hired on or after January 1, 2011, and transfers from foreign affiliates of the Company to a category of employment such that the Member becomes an Employee upon such transfer shall become a DC Member of the Plan as his date of transfer in accordance with the preceding provisions of this Section 8.02.

Part 3 – Defined Benefit Provisions

Application

The provisions of this Part 3 of the Plan shall apply to all DB Members. Subject to Section 8.02 of Part 2 and Section 10.03 of Part 3, the DB provisions are closed to all Employees hired on or after the Effective Date.

Article 1 – Credited Service

1.01 Credited Service

Credited Service, with respect to a DB Member, means the number of years and fractions thereof of the Member's Continuous Service while he was an Employee. For an Employee who became a Kraft Transferred Member prior to January 1, 1988, Credited Service shall include the 12-month period of Continuous Service immediately prior to becoming a Member.

For a Kraft Transferred Member, Credited Service shall include credited service under the Kraft Plan prior to September 29, 2012.

1.02 Exclusions, Inclusions and Adjustments of Credited Service

Notwithstanding Section 1.01, Credited Service is subject to the following exclusions, inclusions and adjustments.

(a) *Adjustments for Less-Than-Full-Time Work*

With respect to any period of Continuous Service during which the Member is not in full-time employment with the Company, Credited Service for each month of such period shall be adjusted in the ratio that:

- (i) the number of hours the Member actually worked during each month, as determined by the Company; bears to
- (ii) the number of hours the Member would have worked during such month had the Member worked on a full-time basis in the same category of employment during such month, as determined by the Company;

such ratio not to exceed one (1).

(b) *Exclusions from Credited Service*

Credited Service shall not include:

- (i) any period of active membership of a Member in any other registered pension plan of the Company or any other company associated with the Company, for which a benefit is accrued, and during which the Member did not make Member Required DB Contributions under the Plan;
- (ii) any period of leave of absence, disability or military service as described in paragraphs 2.17(b)(iii), (iv), or (v) of Part 1 during which such Member is not receiving Earnings, unless such period is specifically included in Credited Service under paragraph (c);
- (iii) any period of lay-off as described in subparagraph 2.17(b)(ii) of Part 1 unless the Member is a Plan E Member;
- (iv) any period which would result in Credited Service exceeding
 - (A) thirty-five (35) years; less
 - (B) any period of service for which the Member has accrued and remains contingently or absolutely entitled to pension benefits under the terms of another pension plan of the Company;
- (v) any period excluded from Credited Service under the terms of the Prior Plan, as they may be applicable to the Member;
- (vi) with respect to a Kraft Transferred Member who became a member of the Kraft Plan on or after January 1, 1988, the period of continuous service immediately prior to becoming a member;
- (vii) subject to the provisions of Article 10, any period of service with a foreign affiliate or subsidiary, unless such person is specifically designated by the Company as an Employee for such period; and
- (viii) for Cangro Members, any period of Continuous Service on or after the date the Member becomes employed by 6494536 Canada Inc.

(c) *Special Inclusions in Credited Service*

Credited Service shall include:

- (i) any period of Total Disability;
- (ii) any period of temporary absence, as described in subparagraph 2.17(b)(iii) where the temporary absence is due to accident, sickness, emergency leave, compassionate care, pregnancy or parental leave or other leave prescribed by applicable laws, subject to a maximum of two years;
- (iii) any period of leave or military service, other than a period included under paragraphs (i) and (ii), during which the Member has no Earnings and any legislation applicable to the Member requires that the Member be permitted to make the Member Required DB Contributions that would have been made had he been at work during such period and provided that if the Member is a Plan B Member, Plan D Member or Plan E Member, the Member makes the Member Required DB Contributions; and
- (iv) any period of lay-off if the Member is a Plan E Member.

For each period included in Credited Service as a result of subparagraphs (ii), (iii) and (iv), the monthly number of hours worked by the Member during such period is deemed to equal the monthly average of the hours worked by the Member during the three (3) months preceding such period.

(d) *Prescribed Compensation Limits*

In no event, however, shall the total periods of Credited Service included in paragraph (c), in respect of a Member, excluding those throughout which the Member suffers a physical or mental impairment, certified by a medical doctor licensed to practice in Canada, that prevents the Member from performing the duties of employment in which the Member has engaged before the commencement of the impairment, exceed the sum of (i) and (ii), where:

- (i) is the full-time equivalent of five years; and
- (ii) is the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of 36 months of such periods of parenting and a maximum of the full-time equivalent of 12 months for any one period of parenting.

Article 2 – Member Required Contributions

2.01 Member Required DB Contributions

- (a) A DB Member shall be required to contribute, in each calendar year or portion thereof, by regular payroll deduction, an amount determined in accordance with the applicable Schedule of Appendix A. Subject to Article 10, such Member Required DB Contributions shall commence on the date of initial membership and shall cease, upon the earliest of:
- (i) the Member's transfer to a category of employment such that the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death;
 - (v) the date of discontinuance of the Plan;
 - (vi) the date on which the Member's Credited Service attains the maximum period specified in Section 1.02(b)(iv);
 - (vii) for Cangro Members, January 13, 2006, or such later date as provided in the Cangro Agreement; and
 - (viii) such other date as is provided for in Section 2.03.
- (b) In no event, however, shall a Member's Member Required DB Contributions in any calendar year exceed the lesser of (i) and (ii), where:
- (i) is nine percent (9%) of the DB Member's earnings; and
 - (ii) is the sum of (A) and (B), where:

- (A) is seventy percent (70%) of the Member's pension credits under the Plan for the calendar year, as determined under Revenue Rules; and
 - (B) is \$1,000.
- (c) All Member Required DB Contributions shall be paid into the Fund within the time limits specified in Applicable Pension Laws.

2.02 **Interest Credits**

- (a) Subject to Applicable Pension Laws, Interest shall be credited on Member Required DB Contributions made during the calendar year based upon one-half of the period for which the Member made Member Required DB Contributions. Interest shall be compounded annually at the end of each Plan Year, with proportionate Interest up to the first day of the month in which the payment falls due or up to the Member's Retirement Date, whichever shall first occur.
- (b) Interest credited for any Plan Year on or after January 1, 1988, shall be at a rate adopted by the Company, provided that it shall not be less than the average rate credited on five-year personal fixed term chartered bank deposits (CANSIM Series V122515, or such other series as may be in effect) for the Plan Year, or such other higher rate as may be required under Applicable Pension Laws.

For a Member who terminates employment during a Plan Year, Interest shall be credited during the year of termination at a rate which shall not be less than the average rate credited on five-year personal fixed term chartered bank deposits (CANSIM Series V122515, or such other series as may be in effect) for the twelve (12) month period immediately preceding the Plan Year, or such higher rate as may be required under Applicable Pension Laws.

- (c) Interest credited to a Member's OPP Company Account and OPP Member Account shall be equal to the Investment Earnings.

2.03 No Contributions during Absences

Except as provided in Article 10 and subject to paragraph 1.02(d), a DB Member shall not be required to contribute pursuant to Section 2.01 during any period of lay-off, period of Total Disability, leave of absence due to maternity or parenting or other statutory leave or absence as a result of injury or sickness for which he does not receive Earnings from the Company. Upon the Employee returning to work after such a period, Member Required DB Contributions shall resume immediately.

Article 3 – Retirement Income Formulae

The formulae in this Article 3 are used in the calculation of the annual retirement income in respect of a DB Member, and the amount derived therefrom is the basis on which the actual amount of retirement income shall be determined in accordance with the applicable provisions of the Plan.

3.01 Plan Formula

The annual amount of retirement income as of a Member's Date of Determination shall be equal to the sum of his Past Service Benefit and Future Service Benefit determined in accordance with the remainder of this Article 3.

3.02 Past Service Benefit

A Member's Past Service Benefit shall be equal to (c) plus the greater of (a) and (b), where:

- (a) is one percent (1%) of the Member's Average Earnings-5 multiplied by his Credited Past Service, to a maximum of thirty (30) years; and
- (b) is one and one-quarter percent (1-1/4%) of the Member's Average Earnings-5 less one and three sevenths percent (1-3/7%) of the Member's Canada/Quebec Pension Plan Benefit, all multiplied by his Credited Past Service, and
- (c) is three-quarters of one percent (3/4%) of the Member's Average Earnings-5 multiplied by Contributory Service.

3.03 Future Service Benefit

A Member's Future Service Benefit shall be equal to the sum of his Future Service Benefit under Plan A, Plan B, Plan C, Plan D and Plan E as set out in the appropriate schedule of Appendix A.

3.04 **Prior Plan Benefits**

Notwithstanding the foregoing, the annual amount of retirement income in respect of service prior to the Effective Date shall not be less than the amount to which the Member was entitled under the terms of the Prior Plan.

3.05 **Insured Benefits**

Notwithstanding the foregoing, a Member's retirement income shall be reduced by the amount of retirement income, if any, to which the Member is entitled under any group annuity contracts as detailed in the Prior Plan, calculated assuming that the Member receives such retirement income commencing on his Normal Retirement Date and ceasing with the payment made immediately prior to his death.

3.06 **Maximum Formula**

The annual amount, at the DB Member's Normal Retirement Date, of a Member's retirement income under the foregoing provisions of this Article shall not exceed the product of (a) and (b), where:

(a) is the lesser of (i) and (ii), where:

(i) is two percent (2%) of the Member's Best Average Earnings-3; and

(ii) is the defined benefit limit as defined under Revenue Rules at the Date of Determination;

(b) is the Member's Credited Service.

3.07 **Plan Benefit**

The Plan Benefit shall be the lesser of the Plan Formula and the Maximum Formula.

Article 4 – Amount of Retirement Income

4.01 Normal Retirement

A DB Member who retires on his Normal Retirement Date shall receive an amount of retirement income commencing from the Member's Normal Retirement Date, equal to the Plan Benefit determined using the Member's Normal Retirement Date as his Date of Determination, payable in accordance with Article 5.

4.02 Early Retirement

- (a) Subject to paragraph (c), a DB Member who retires on an Early Retirement Date shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, determined in accordance with Article 3, but excluding Section 3.06, using the Member's Early Retirement Date as his Date of Determination, multiplied by the applicable early retirement factor, in accordance with paragraph (b) hereof.
- (b) The early retirement factor referred to in paragraph (a) shall be determined in accordance with the paragraphs below, based upon complete calendar months:
 - (i) The early retirement factor for a Member who was a Plan A Member or a Plan B Member under the Kraft Plan at January 1, 1991 and who did not become a Plan E Member under the Kraft Plan prior to March 1, 1991, shall be equal to one hundred percent (100%) less one-third of one percent (1/3%) for each month by which his Pension Commencement Date precedes the first day of the month following attainment of age sixty (60), and such factor shall apply to the portion of the retirement income in respect of Credited Plan A Service, Credited Plan B Service, Credited Plan C Service, Credited Plan D Service and Credited Past Service.
 - (ii) The early retirement factor for a Plan A Member or a Plan B Member, who became a Plan E Member under the Kraft Plan prior to March 1, 1991 shall be equal to one hundred percent (100%) less one quarter of

- one percent (1/4%) for each month by which his Pension Commencement Date precedes the first day of the month following attainment of age sixty (60) and such factor shall apply to the portion of the retirement income in respect of Credited Plan A Service, Credited Plan B Service, Credited Plan E Service and Credited Past Service.
- (iii) The early retirement factor, with respect to benefits attributable to Credited Plan E Service, for a Plan C Member who became a Plan E Member under the Kraft Plan after March 1, 1991, shall be determined in accordance with paragraph (ii).
 - (iv) The early retirement factor applicable to a Member who joined the Kraft Plan after 1990 and was last hired by Kraft Canada Inc. prior to January 1, 2007 shall be equal to one hundred percent (100%) less one quarter of one percent (1/4%) for each month by which his Pension Commencement Date precedes the earliest of:
 - (A) his Normal Retirement Date; and
 - (B) the first day of the month following the date on which he would have both attained age sixty (60) and completed twenty-five (25) years of Continuous Service.
 - (v) The early retirement factor applicable to a Member who was last hired by Kraft Canada Inc. on or after January 1, 2007 and prior to September 29, 2012 or the Company on or after September 29, 2012 shall be equal to one hundred percent (100%) less one half of one percent (1/2%) for each month by which his Pension Commencement Date precedes his Normal Retirement Date.
- (c) The retirement income payable under paragraph (a) shall not exceed the Maximum Formula, using the Early Retirement Date as the Date of Determination, multiplied by an early retirement factor equal to one hundred percent (100%) less one-quarter percent (1/4%) for each month, if any, by which the Member's Pension Commencement Date precedes the earliest of:

- (i) the date the Member attains age sixty (60);
- (ii) the date the Member completed, or would have completed had the Member continued in employment after his Early Retirement Date, thirty (30) years of early retirement eligibility service, as defined under Revenue Rules; and
- (iii) the date on which the aggregate of the Member's age and early retirement eligibility service, as defined under Revenue Rules, is, or would have been had the Member continued in employment after his Early Retirement Date, equal to eighty (80) years.

4.03 Bridge Benefit

- (a) Subject to paragraph (d), a Member who retires on an Early Retirement Date and who was employed by the Company immediately prior to such date shall be entitled to receive an annual supplemental retirement income equal to \$150 multiplied by his Credited Service, except that for a Member who was eligible to become a Plan E Member of the Kraft Plan at January 1, 1991 and who did not elect to become a Plan E Member under the Kraft Plan prior to March 1, 1991, the annual amount of supplemental retirement income shall be \$96 for each year of Credited Service other than Credited Plan E Service to a maximum of thirty (30) years and \$150 for each year of Credited Plan E Service less Credited Service used for the \$96 supplemental retirement income. Such supplemental retirement income shall be paid in accordance with paragraph 5.01(b).
- (b) The annual supplemental retirement income payable under paragraph (a) at Pension Commencement Date shall not exceed the product of (i) and (ii), where:
 - (i) is equal to the sum of:
 - (A) the maximum annual pension benefit payable under the Old Age Security Act as at Pension Commencement Date; and
 - (B) the maximum annual pension benefit payable under the Canada Pension Plan as at Pension Commencement Date to a person

commencing to receive such pension benefit at age sixty-five (65), multiplied by the ratio, not to exceed one (1), that the total of the Member's remuneration for the three (3) calendar years in which the remuneration is the highest bears to the total of the YMPE for those three (3) years;

- (ii) is equal to the sum of:
 - (A) the ratio that the Member's Credited Service prior to January 1, 1992 bears to his total Credited Service; and
 - (B) the product of:
 - (1) the ratio that the Member's Credited Service after December 31, 1991 bears to his total Credited Service;
 - (2) the ratio that the lesser of (10) and the Member's Credited Service bears to ten (10); and
 - (3) one hundred percent (100%) less one-quarter of one percent (1/4%) for each month, if any, by which Pension Commencement Date precedes the date the Member will attain age sixty (60).
- (c) Notwithstanding the foregoing provisions of this Section, the annual rate of that portion of the total amount of retirement income payable to a Member at Pension Commencement Date which is in respect of Credited Service after December 31, 1991, under the foregoing provisions of this Section and Section 4.02, shall not exceed the sum of (i) and (ii), where:
 - (i) is equal to the product of (A) and (B) as follows:
 - (A) the amount specified in subparagraph 3.06(a)(ii);
 - (B) Credited Service after December 31, 1991;
 - (ii) is equal to the product of (A) and (B) as follows:

- (A) twenty-five percent (25%) of the average of the YMPE for the calendar year in which the retirement income commences to be paid and the two (2) preceding calendar years, divided by thirty-five (35);
 - (B) the Member's Credited Service after December 31, 1991.
- (d) Notwithstanding the foregoing, a Member who was last hired by Kraft Canada Inc. on or after January 1, 2007 and prior to September 29, 2012 or by the Company on or after September 29, 2012 shall not be entitled to any supplemental retirement income pursuant to this Section 4.03.

4.04 Postponed Retirement⁴

Subject to Applicable Pension Laws, a DB Member who accrues Continuous Service after his Normal Retirement Date shall receive an annual retirement income commencing on his Postponed Retirement Date, determined in accordance with Article 3 using the Member's Postponed Retirement Date as the Date of Determination, payable in accordance with Article 5.

Notwithstanding the preceding a Member who joined the Kraft Plan prior to January 1, 1991 and who accrues Continuous Service after his Normal Retirement Date shall have the option of receiving an annual retirement income commencing on his Normal Retirement Date, determined in accordance with Article 3 using the Member's Normal Retirement Date as his Date of Determination in which case the Member shall be deemed to have retired on his Normal Retirement Date.

4.05 Excess Contributions

Subject to Applicable Pension Laws, a Member who is entitled to a benefit under this Article 4 shall also receive a lump sum payment that is equal to any Member Required DB Contributions made on or after January 1, 1987, together with Interest to his Retirement Date, that is in excess of fifty (50%) of the Actuarial Equivalent of the total Retirement Income Earned After 1986 under Plan B, Plan D and Plan E.

⁴ Applicable as modified in Appendix H for Members employed in Quebec.

4.06 Grow-in to Early Retirement Benefits – Ontario Members Only

If the employment of a Member is involuntarily terminated by the Company and if the Member's age and Continuous Service or membership in the Plan and the Kraft Plan at his Date of Determination equals 55 or more, the Member shall be entitled to:

- (a) the benefit payable pursuant to the provisions of Section 4.02 applicable to the Member; and
- (b) if the Member had also completed 10 years of Continuous Service or membership in the Plan at his Date of Determination, the benefit payable pursuant to Section 4.03 applicable to the Member,

if the Member elects to commence his retirement income pursuant to Section 4.02 of Part 1 prior to his Normal Retirement Date.

Notwithstanding the above, such a Member shall not be entitled to the benefits in paragraphs (a) and/or (b) of this Section 4.06 if his termination of employment is excluded from "grow-in benefits" under the Applicable Pension Laws.

For greater certainty, this Section 4.06 shall only apply where "grow-in benefits" are mandated under Applicable Pension Laws and is so mandated, subject to such Applicable Pension Laws.

4.07 OPP Benefits

In addition to the benefits under this Article 4, a Member who participates in the OPP shall receive the applicable benefits described in Schedule 6 of Appendix A.

Article 5 – Payment of Retirement Benefits

5.01 Normal Form

- (a) Subject to Sections 5.02 and 5.03, the normal form of payment of retirement income payable under Article 4 or 7, except any supplemental retirement income payable under Section 4.03, shall be an annual retirement income payable in equal monthly instalments for the life of the DB Member, with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before sixty (60) payments are made, the remaining payments shall be paid to the Member's Beneficiary. Notwithstanding the foregoing, for a Member other than a Plan E Member, payments shall be in the form of monthly instalments payable during his lifetime with the provision that the total payments received by the Member shall be at least equal to the Member's Required Contributions accrued with Interest to his Retirement Date.
- (b) Payment of any supplemental retirement income payable under Section 4.03 shall be in the form of monthly instalments beginning on the Member's Pension Commencement Date and ceasing with the payment made immediately prior to the earlier of:
- (i) the date of the Member's death; or
 - (ii) the Member's Normal Retirement Date,

With the provision that, for a Member who has a Spouse on his Pension Commencement Date, on his death after retirement, sixty percent (60%) of such supplemental retirement income shall be paid to the Spouse. Payment to the Spouse shall be made monthly and shall cease with the payment made immediately prior to the earlier of:

- (i) the date of the Spouse's death; or
- (ii) the Member's Normal Retirement Date.

5.02 **Mandatory Spousal Pension**

- (a) A Member who has a Spouse on his Pension Commencement Date shall be deemed to have elected an optional form, in accordance with Section 5.03, with the provision that sixty percent (60%) of the Member's retirement income shall be payable to his Spouse after his death and with the provision that the total payments made to the Member and the Spouse shall be at least equal to the Member's Required Contributions accrued with Interest to his Retirement Date.
- (b) A Member who was last hired by the Company on or after January 1, 2007 and who has a Spouse on his Pension Commencement Date shall be deemed to have elected an optional form, in accordance with Section 5.03, with the provision that sixty percent (60%) of the Member's retirement income shall be payable to his Spouse after his death and with the provision that the total payments made to the Member and the Spouse shall be at least equal to the Member's Required Contributions accrued with Interest to his Retirement Date. The amount of retirement income payable under this paragraph (b) shall be the Actuarial Equivalent to the normal form of retirement income payable under Section 5.01.
- (c) Subject to paragraph (b), the amount of retirement income payable under the mandatory spousal option shall be equal to the amount of retirement income under the normal form except for benefits payable under the OPP which shall be determined in accordance with the annuity purchase rates offered by insurance companies for this form of pension at the time the annuity is purchased.
- (d) Subject to Applicable Pension Laws, a DB Member and his Spouse may waive this form of pension by signing a waiver form to that effect. A Spouse who has waived entitlement to a survivor pension may revoke the waiver by filing a written notice with the Company prior to the Member's Pension Commencement Date.

5.03 Election of Optional Form⁵

Subject to Applicable Pension Laws, Revenue Rules and Section 5.02, a Member may elect, in lieu of the normal form of retirement income as described in paragraph 5.01(a), to receive his retirement income, except his temporary retirement income payable under Section 4.03, under any optional form of retirement income offered by the Company. Such written election in prescribed form must be filed with the Company at any time prior to the Pension Commencement Date. The retirement income payable under the elected option shall be the Actuarial Equivalent of the retirement income payable under the normal form as described in paragraph 5.01(a), or in the case of a Member with a Spouse who elects an optional form providing for a continuation percentage to the Spouse higher than sixty percent (60%), the Actuarial Equivalent of the retirement income payable under the mandatory spousal option as described in Section 5.02.

If the elected option provides for payment to a Spouse and the Spouse dies prior to the Pension Commencement Date, such election shall be void and the Member shall be permitted to elect another form of retirement income.

⁵ Applicable as modified in the Appendix for Members employed in Quebec.

Article 6 – Death Benefits

6.01 Death Benefits Prior to Retirement Date⁶

If the death of a DB Member occurs prior to his Retirement Date, there shall be paid to the Member's Beneficiary or Spouse, as applicable, a benefit as set out in (a) and (b) below:

- (a) For Retirement Income Earned Prior to 1987, a benefit as set out in (i) or (ii) below:
 - (i) If the DB Member dies prior to his Retirement Date and if no benefit is payable under paragraph 6.01(a)(ii) below, the Member's Beneficiary shall receive an amount equal to the Member's Required Contributions made prior to January 1, 1987, if any, with Interest.
 - (ii) If a DB Member dies after his attainment of age fifty-five (55) and prior to his Retirement Date, and provided that the Member was a Survivor Benefit Contributor, the Spouse of such deceased Member shall receive a retirement income equal to fifty percent (50%) of the retirement income to which the Member would have been entitled pursuant to Section 4.02, taking into account only Credited Past Service, had he retired on the first day of the month next following his death. Such retirement income shall be paid monthly to the Spouse commencing on the first day of the month next following the Member's date of death and continuing thereafter during such Spouse's remaining lifetime. In the event that such Spouse dies prior to receiving the aggregate retirement income payments at least equal to the benefit described in paragraph 6.01(a)(i), any such shortfall shall be paid in the form of a lump sum payment to the Spouse's estate.
- (b) For Retirement Income Earned After 1986, the DB Member's Spouse or, if the Member does not have a Spouse, his Beneficiary shall receive a lump sum equal

⁶ Applicable as modified in the Appendices for Members employed in Manitoba, New Brunswick and Newfoundland.

to the Actuarial Equivalent of the Member's Retirement Income Earned After 1986 plus the amount by which Required Contributions made on or after January 1, 1987, together with Interest to the date of death, exceed fifty percent (50%) of the Actuarial Equivalent of the total Retirement Income Earned After 1986 in respect of Credited Plan B Service, Credited Plan D Service and Credited Plan E Service.

Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity commencing not later than December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other date permitted under Revenue Rules) or if later, within one year of the Member's date of death. If the Spouse does not make an election within the period prescribed by Applicable Pension Laws, the Spouse shall be deemed to have elected an immediate retirement income.

6.02 Death Benefits After Normal Retirement Date and Before Postponed Retirement Date

Notwithstanding Section 6.01, if the death of a DB Member occurs after his Normal Retirement Date, but prior to his Postponed Retirement Date, for the purposes of determining any death benefit payable hereunder, the Member shall be deemed to have retired on the day preceding his death. However such benefit shall not have a lesser value than the benefit provided under Section 6.01.

6.03 Death Benefits After Retirement

- (a) If the death of a DB Member occurs after his Pension Commencement Date, there shall be paid to his Beneficiary or Spouse, as applicable, any benefits due in accordance with the retirement income option elected by the Member in accordance with Article 5.
- (b) If the death of a DB Member occurs after his Early Retirement Date but prior to his Pension Commencement Date, there shall be paid the benefits determined in accordance with Section 6.01.

6.04 Commutation of Death Benefits⁷

- (a) Subject to Applicable Pension Laws, a Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a DB Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a DB Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

6.05 OPP Benefits

In addition to the benefits under this Article 6, a Member who participates in the OPP shall receive the applicable benefits described in Schedule 6 of Appendix A.

⁷ Applicable as modified in the Appendices for Members employed in Alberta, British Columbia, Manitoba and Newfoundland.

Article 7 – Termination of Employment

7.01 Termination Benefit

A DB Member whose employment with the Company is terminated, for any reason other than death or retirement, provided the Member has not attained age fifty-five (55), shall receive benefits as follows:

- (a) A retirement income commencing calculated in accordance with Article 3 using the Member's date of termination as his Date of Determination and commencing on his Normal Retirement Date, or, in the case of an Early Retirement Eligible Member, calculated in accordance with Section 4.02 and payable commencing on his Early Retirement Date.
- (b) The amount by which Required Contributions made on or after January 1, 1987, or such other date as may be specified in Applicable Pension Laws, together with Interest to the Date of Determination, exceeds fifty percent (50%) of the Actuarial Equivalent of the retirement income earned in respect of Credited Service on or after January 1, 1987.
- (c) The retirement income specified in paragraph (a) in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%). For determination of the amount specified in paragraph (b), the lump sum Actuarial Equivalent of the entitlement under paragraph (a) shall reflect the increase specified in this paragraph.

7.02 Earlier Commencement of Retirement Income

If a DB Member is entitled to receive a deferred retirement income in accordance with the provisions of this Article, such Member is not an Early Retirement Eligible Member, he may elect to start receiving his retirement income at any time within ten (10) years of

his Normal Retirement Date. The amount of retirement income payable to such a Member shall be the retirement income payable at Normal Retirement Date, reduced to the lesser of (a) and (b) as follows:

- (a) the Actuarial Equivalent of the retirement income otherwise payable at Normal Retirement Date;
- (b) the retirement income which would have commenced at Normal Retirement Date multiplied by the applicable early retirement factor in accordance with paragraph 4.02(c) with the reference to Early Retirement Date changed to date of termination of employment.

7.03 Grow-in to Early Retirement Benefits – Ontario Members Only

If the employment of a Member is involuntarily terminated by the Company and if the Member's age and Continuous Service or membership in the Kraft Plan and the Plan at his Date of Determination equals 55 or more, the Member shall be entitled to:

- (a) the benefit payable pursuant to Section 4.02 applicable to the Member; and
- (b) if the Member had also completed 10 years of Continuous Service or membership in the Plan at his Date of Determination, the benefit payable pursuant to Section 4.03 applicable to the Member,

if the Member elects to commence his retirement income pursuant to Section 7.02 prior to his Normal Retirement Date or to transfer the retirement income pursuant to Section 11.02(c).

Notwithstanding the above, such a Member shall not be entitled to the benefits in paragraphs (a) and/or (b) of this Section 11.03 if his termination of employment is excluded from "grow-in benefits" under Applicable Pension Laws

For greater certainty, this Section 4.06 shall only apply where "grow-in benefits" are mandated under Applicable Pension Laws and if so mandated, subject to such Applicable Pension Laws.

7.04 **OPP Benefits**

In addition to the benefits under this Article 7, a Member who participates in the OPP shall receive the applicable benefits described in Schedule 6 of Appendix A.

Article 8 – Disability Benefits

8.01 Total Disability

A DB Member who is on a period of leave due to Total Disability shall be eligible for the benefits described in Section 8.02. Such Member shall cease to qualify for such benefits upon the earliest of:

- (a) the Member's Normal Retirement Date;
- (b) the date of the Member's death;
- (c) the date the Member ceases to suffer from a Total Disability, as certified by a medical doctor licensed to practice under the laws of a province of Canada; or
- (d) the date of discontinuance of the Plan in whole or in part in respect of a Member affected by the discontinuance.

A DB Member who ceases to qualify for such benefits may, if he is eligible, elect to retire on his Normal Retirement Date or an Early Retirement Date. If he is not eligible to retire and if he does not return to active employment, the Member shall be deemed to terminate his employment in accordance with Article 7. In no event shall the Member continue to accrue benefits pursuant to Section 8.02 subsequent to his Retirement Date.

8.02 Disability Accrual

With respect to a DB Member who sustains a Total Disability, for the purposes of the Plan:

- (a) Average Earnings-5, Average Earnings-3 and YMPE Average shall be determined as of the date on which the Member became disabled;
- (b) Canada/Quebec Pension Plan Benefit shall be deemed to be equal to the benefit in effect immediately prior to his Total Disability;
- (c) Continuous Service shall continue to accrue in full;

- (d) Credited Service shall continue to accrue at the rate in effective immediately prior to his Total Disability; and
- (e) Subject to Section 2.03, his benefit shall continue to accrue in accordance with the Schedule of benefits applicable to the DB Member as in effective immediately prior to the Member's Total Disability.

Article 9 – Related Employer Benefit Limitations

9.01 Related Employers

For purposes of this Article 9, “Related Employers” means the Company, an employer that is a company that is related within the meaning of the Income Tax Act (Canada) to the Company, or a partnership or joint venture in which the Company is a partner or joint venturer and in respect of which the Company does not act at arm’s length.

9.02 Lifetime Benefit

The amount of lifetime retirement income benefit payable under the Plan to a Member, a Member’s Beneficiary or a Member’s Spouse, as applicable, shall not cause the lifetime retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate, to exceed, in the aggregate, the lifetime retirement income limits set out under Revenue Rules.

9.03 Bridge Benefit

The amount of temporary retirement income benefit payable under the Plan to a Member, a Member’s Beneficiary and a Member’s Spouse, as applicable, shall not cause the temporary retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate to exceed, in the aggregate, the temporary retirement income limits set out under Revenue Rules.

9.04 Combined Lifetime Benefit and Bridge Benefit

The amount of the combined lifetime retirement income benefit and temporary retirement income benefit payable under the Plan to a Member, a Member’s Beneficiary and a Member’s Spouse, as applicable, shall not cause the combined lifetime retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate, to exceed, in the aggregate, the combined lifetime retirement income and temporary retirement income limits set out under Revenue Rules.

9.05 **Pension Adjustment**

In each calendar year, the amount of retirement income accrued by the Member under the Plan shall not cause the pension adjustments, as determined in accordance with Revenue Rules, in respect of the Member under all registered pension plans in which Related Employers participate, to exceed, in the aggregate, the money purchase limit, as defined in Revenue Rules.

Article 10 – Transfer of Employment

10.01 Transfers While Not Remaining an Employee

The transfer of a DB Member within the Company to a category of employment such that the Member ceases to be an Employee, or to a Canadian company which is associated with the Company but which does not itself participate in the Plan, shall not constitute a termination of employment pursuant to Article 7. In the event of such transfer, the Member's:

- (a) Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the associated company, as applicable;
- (b) Credited Service (for benefit computation purposes) shall exclude those periods of employment during which he is not an Employee except as previously provided in Section 1.02(b)(vii);
- (c) Average Earnings-5, Average Earnings-3 shall be determined at the Member's Date of Determination;
- (d) the benefits payable under the Plan shall be determined in accordance with the applicable provisions of the Plan on the earliest of:
 - (i) the termination of employment with the Company or the associated company; and
 - (ii) the Member's death.

Provided the Member does not elect, as may be provided under Applicable Pension Laws to receive benefits in accordance with Article 7.

If the DB Member is transferred to a foreign affiliate of the Company, the Member's benefit shall be determined in accordance with the Company's policy on such transfers subject to any limits under the Revenue Rules or the Applicable Pension Laws.

10.02 **Transfers Where Becomes an Employee**

In the event of the transfer of an employee, on or after September 29, 2012, within the Company or from another associated company to a category of employment such that the Member becomes an Employee upon such transfer for the purposes of this Plan,

- (a) the Member's Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he was in the employment of the Company or associated company; and
- (b) the Member shall become a DC Member at his date of transfer.

Notwithstanding the above provisions, in the event of the transfer of an employee on or after September 29, 2012, who was hired prior to January 1, 2011, from an foreign affiliate of Kraft Canada Inc. and who prior to January 1, 2011 participated in a defined benefit provision of a plan of the foreign affiliate, to a category of employment such that the Member becomes an Employee upon such transfer for purposes of the Plan,

- (c) the Member's Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he was an employee of the foreign affiliate; and
- (d) the Member shall become a DB Member participating under Part 3 of the Plan as a Plan E Member at his date of transfer.

An employee, who was hired on or after January 1, 2011, and transfers from foreign affiliates of the Company to a category of employment such that the Member becomes an Employee upon such transfer shall become a DC Member of the Plan as his date of transfer in accordance with the preceding provisions of this Section 9.03.

Article 11 – Transfers of Funds

11.01 Transfer from Registered Plan of Previous Employer

Where there exists a Reciprocal Agreement between the Company and a previous employer, the Company shall accept deposits into the Fund to the credit of a Member by way of transfer from the Member's previous employer's registered pension plan or deferred profit sharing plan. Amounts so transferred shall be accepted in accordance with the terms of the Reciprocal Agreement.

11.02 Transfer to Other Registered Plan

- (a) Where there exists a Reciprocal Agreement between the Company and the subsequent employer of a Member, transfer payments may be made into the fund of the subsequent employer's registered pension plan. The amount of such transfer shall be determined in accordance with the Reciprocal Agreement.
- (b) Where no Reciprocal Agreement exists, any cash settlement to which the Member is entitled in accordance with Section 4.05, paragraph 7.01(b) or 10.06 of Part 1 may be:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a registered retirement savings plan of the Member;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada for the purchase of an immediate life annuity or a deferred life annuity commencing not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other date permitted under Revenue Rules) in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (c) Where no Reciprocal Agreement exists and:

- (i) a Member, including any Member who is no longer employed by the Company, is entitled to receive a deferred retirement income in accordance with Article 7; or
- (ii) where required by Applicable Pension Laws, a Spouse who is entitled to a retirement income under the Plan upon the death of the Member prior to the commencement of payment of the Member's retirement income,

may direct that the lump sum Actuarial Equivalent of such retirement income be:

- (iii) transferred to an insurance company licensed to carry out an annuities business in Canada for the purchase of an immediate annuity or a deferred life annuity commencing not later than December 31 of the calendar year during which the Member attains age seventy-one (71) or the Spouse attains such age or date specified under Revenue Rules, as applicable, in a form acceptable under Applicable Pension Laws and Revenue Rules;
- (iv) transferred to another registered pension plan, if this other plan so permits;
- (v) transferred to such other type of registered plans or vehicles as approved under Applicable Pension Laws and Revenue Rules;

subject to any approval by the Member's Spouse that is required by Applicable Pension Laws. Such transfer shall only be permitted if the administrator of such plan agrees in writing to administer such transferred pension credit within the conditions of Applicable Pension Laws.

The Member or Spouse may elect to make such a transfer:

- (vi) upon termination of employment with the Company or upon the Member's death, as applicable;
- (vii) at any other date as may be specified in Applicable Pension Laws; and
- (viii) at any other date as may be authorized by the Company.

- (d) As may be permitted under Applicable Pension Laws, the Company may require a Member or a Spouse, as applicable, who is entitled to an amount of retirement income to transfer the lump sum Actuarial Equivalent of the benefit to another registered vehicle.
- (e) An amount transferred in accordance with paragraph (c), or a cash settlement payable to a Member under Section 10.06 of Part 1 and transferred in accordance with paragraph (b), to a registered retirement savings plan, registered retirement income fund or a money purchase provision of a registered pension plan, shall not exceed the product of (i) and (ii), where:
- (i) is the annual amount of retirement income equal to the Plan Benefit using the Member’s date of termination of employment or Retirement Date, as applicable, as the Date of Determination; and
- (ii) is the appropriate factor from the following table:

Attained Age at Date of Calculation	Factor
Under 50	9.0
50	9.4
51	9.6
52	9.8
53	10.0
54	10.2
55	10.4
56	10.6
57	10.8
58	11.0
59	11.3
60	11.5
61	11.7
62	12.0
63	12.2
64	12.4
65	12.4
66	12.0
67	11.7
68	11.3

<u>Attained Age at Date of Calculation</u>	<u>Factor</u>
69	11.0
70	10.6
71	10.3

For non-integral ages lower than 64, the appropriate factor shall be determined on an interpolated basis.

If the Member retires on a Postponed Retirement Date, the amount under subparagraph (i) above shall include any actuarial increase to which the Member may be entitled under Section 4.04.

- (f) If the amount to be transferred exceeds the maximum transferable amount determined above, such excess shall be paid to the Member in cash. The transfers this Section shall be subject to any limitations prescribed by Applicable Pension Laws in respect of the transfer of monies from the Fund.
- (g) The transfers under paragraphs (a), (b), (c) and (d), excluding any refund of Member Required DB Contributions with Interest or Member Voluntary DB Contributions with Interest, shall be subject to any limitations prescribed by Applicable Pension Laws in respect of the transfer of monies from the Fund.

Appendix A – Schedule 1 to Part 3 – Plan A

A1.01 The provisions of this Schedule shall only be applicable to Members during such periods as they are accruing Credited Plan A Service. This Schedule is closed to new Members.

A1.02 Member Required DB Contributions

A Plan A Member shall not be required, nor allowed, to make Required DB Contributions.

A1.03 Future Service Benefits

A Plan A Member's Future Service Benefit shall be equal to one and one-quarter percent (1-1/4%) of the Member's Average Earnings-5 less one and three-sevenths percent (1-3/7%) of the Member's Canada/Quebec Pension Plan Benefit, all multiplied by his Credited Plan A Service.

Appendix A – Schedule 2 to Part 3 – Plan B

A2.01 The provisions of this Schedule shall only be applicable to Members during such periods as they are accruing Credited Plan B Service. This Schedule is closed to new Members.

A2.02 **Member Required DB Contributions**

A Plan B Member shall be required to contribute in each calendar year or portion thereof, an amount equal to three percent (3%) of his Earnings.

A2.03 **Future Service Benefits**

A Plan B Member's Future Service Benefit shall be equal to two percent (2%) of the Member's Average Earnings-5 less one and three-sevenths percent (1-3/7%) of the Member's Canada/Quebec Pension Plan Benefit all multiplied by his Credited Plan B Service.

Appendix A – Schedule 3 to Part 3 – Plan C

A3.01 The provisions of this Schedule shall only be applicable to Members during such periods as they are accruing Credited Plan C Service. This Schedule is closed to new Members.

A3.02 **Member Required DB Contributions**

A Plan C Member shall not be required, nor allowed, to make Required DB Contributions.

A3.03 **Future Service Benefits**

A Plan C Member's Future Service Benefit shall be equal to one and one-quarter percent (1-1/4%) of the Member's Average Earnings-5 less two and six-sevenths percent (2-6/7%) of the Member's Canada/Quebec Pension Plan Benefit all multiplied by his Credited Plan C Service.

Appendix A – Schedule 4 to Part 3 – Plan D

A4.01 The provisions of this Schedule shall only be applicable to Members during such periods as they are accruing Credited Plan D Service. This Schedule is closed to new Members.

A4.02 **Member Required DB Contributions**

A Plan D Member shall be required to contribute in each calendar year or portion thereof, an amount equal to three percent (3%) of his Earnings.

A4.03 **Future Service Benefits**

A Plan D Member's Future Service Benefit shall be equal to two percent (2%) of the Member's Average Earnings-5 less two and six-sevenths percent (2-6/7%) of the Member's Canada/Quebec Pension Plan Benefit all multiplied by his Credited Plan D Service.

Appendix A – Schedule 5 to Part 3 – Plan E

A5.01 The provisions of this Schedule shall only be applicable to Members during such periods as they are accruing Credited Plan E Service. For Employees joining the DB Provisions of the Plan in accordance with Section 8.03 of Part 2 or Section 10.03 of Part 3, this Schedule is open.

A5.02 **Member Required DB Contributions**

A Plan E Member shall be required to contribute in each calendar year or portion thereof, an amount equal to two and one-half percent (2-1/2%) of his Earnings up to the YMPE and five percent (5%) of his Earnings in excess of the YMPE. For the period from January 1, 1991 to February 28, 1991, the Member Required DB Contributions should be in accordance with the provisions of the Kraft Plan applicable to the Member on December 31, 1990. For a Member who becomes a member of the Kraft Plan in January or February 1991, Member Required DB Contributions shall be equal to zero (0) prior to March 1, 1991.

A5.03 **Future Service Benefits**

A Plan E Member's Future Service Benefit shall be equal to one and one-tenth percent (1.1 %) of his Average Earnings-3 up the YMPE Average and one and eighty-five hundredths percent (1.85%) of his Average Earnings-3 in excess of the YMPE Average all multiplied by his Credited Plan E Service.

Appendix A – Schedule 6 to Part 3 – Optional Pension Plan Members

A-6.01 The provisions of this Schedule shall only be applicable to Members during such periods after they started making OPP Member Contributions. The benefits payable under this Schedule shall be in addition to the benefits payable under Part 3 and any other Schedules of this document.

The OPP is the optional defined contribution portion of the Plan which is closed to all Employees hired or rehired on or after the Effective Date.

A-6.02 OPP Member Contributions

An OPP Member may elect to contribute to his OPP Member Account an amount not exceeding 6% of his Earnings.

Notwithstanding the forgoing, a Cangro Member shall not make OPP Member Contributions after January 13, 2006, or such later date as provided in the Cangro Agreement.

A-6.03 OPP Company Contributions

In each calendar year or portion thereof and subject to the provisions of Section 5.01 and 5.02 of Part 1, an amount equal to fifty-five percent (55%) of the OPP Member Contributions made by the OPP Member in such calendar year or portion of calendar year shall be deposited in the OPP Company Account of the OPP Member.

A-6.04 OPP Benefits

The amount of benefits payable out of the OPP shall be those benefits which may be purchased from an insurance company using the full balance of the OPP Member Account and the OPP Company Account. Upon termination of employment, the OPP Member shall be permitted to transfer the full balance of the OPP Member Account and the OPP Company Account to another registered vehicle as permitted under the Applicable Pension Laws and Revenue Rules.

A-6.05 **Pre-Retirement Death**

If an OPP Member dies prior to receiving the balance of his accounts his Beneficiary or, where required by Applicable Pension Laws, his Spouse, shall receive a lump sum equal to the full balance of his OPP Member Account and his OPP Company Account.

A-6.06 **OPP Administrative Rules**

- (a) An OPP Member may change, discontinue, or reinstate his level of OPP Member Contributions on the first day of any month.
- (b) OPP Member Contributions shall be deposited in individual OPP Member Accounts. OPP Member Accounts shall also include the amounts transferred from such accounts under the Kraft Plan for Kraft Transferred Members.
- (c) OPP Company Contributions shall be deposited in individual OPP Company Accounts. OPP Company Accounts shall also include the amounts transferred from such accounts under the Kraft Plan for Kraft Transferred Members.
- (d) OPP Member Accounts and OPP Company Accounts shall be invested, at the direction of the OPP Member, in a number of investment options to be made available by the Funding Agent(s) under the terms of the Funding Agreement(s). An OPP Member may change such direction on the first day of any month.
- (e) OPP Member Accounts and OPP Company Accounts shall be valued at least monthly, at which time all interest, dividend and other investment earnings of the portion of the Fund in which the accounts are invested shall be allocated to each account.
- (f) The Company shall establish and communicate other administrative procedures to ensure the efficient administration of the OPP.

A-6.07 **OPP Maximum Contributions**

The Company shall establish administrative procedures such that the total of OPP Company Contributions and OPP Member Contributions and any OPP Transfers as defined in Section A-6.08 shall not exceed the amount of contributions permissible

under Revenue Rules, taking into account the pension credits derived under this Plan and any other registered pension plan of a company that is related to the Company within the meaning of the Revenue Rules.

A-6.08 OPP Transfers

On or after February 7, 2000 and subject to Article A6.07, an OPP Member was permitted to contribute to the OPP any amounts transferred from the Kraft Canada Inc. Employee Savings Plan. Any such funds so transferred shall be defined as “OPP Transfers”, did not attract any OPP Company Contributions under Section A-6.03, and were deposited in the OPP Member Account of the OPP Member. Effective July 31, 2003, OPP Transfers were no longer permitted.

Appendix B – Provincial Provisions – Alberta

Notwithstanding any other provision of the Plan, the provisions of this Appendix B shall apply to a Member who is an Alberta Employee.

“Alberta Employee” means an Employee who reports to work at an establishment of the Company in the Province of Alberta. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Alberta Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Alberta.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.71 “Spouse” means, subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of the Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member and has not been living separate and apart from the Member for three (3) or more consecutive years; or
- (b) if there is no person to whom paragraph (a) above applies, the person who, immediately preceding the relevant time, lived with the Member in a conjugal relationship:
 - (i) for a continuous period of at least three (3) years; or
 - (ii) of some permanence, if there is a child of the relationship by birth or adoption.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income under Part 3 or the value of the Member's DC Account under Part 2 may, before payment of that benefit has commenced, be commuted and paid in a lump sum at the discretion of the Member or the Member's Spouse if the Member has died, if:
- (i) the annual retirement income that would be payable to the Member under Part 3 at or after Normal Retirement Date or the retirement income that would be payable to the Member from the value of the DC Account does not exceed four percent (4%) of the YMPE as at the date the Member or the Member's Spouse, as applicable, makes the application in the prescribed form; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income under Part 3 or the value of the Member's DC Account under Part 2 does not exceed twenty percent (20%) of the YMPE as at the date the Member or the Member's Spouse, as applicable, makes the application in the prescribed form.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income under Part 3 and the value of the Member's DC Account under Part 2 payable to a Member may be commuted and paid in a lump sum if the Member has a terminal illness or a disability, certified by a medical practitioner, which is likely to shorten the Member's life considerably. If the Member has a Spouse, the retirement income may only be commuted if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.
- (c) Retirement income under Part 3 and the value of the Member's DC Account under Part 2 required to be paid under the Plan to a Member who has ceased to accrue Continuous Service and who has been a non-resident of Canada for

purposes of Revenue Rules, may be commuted and paid in a lump sum at the request of the person entitled to the benefit, provided that the prescribed forms are completed and filed as required by Applicable Pension Laws. If the Member has a Spouse, an election to commute and receive a lump sum payment may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.

- (d) The Company may, at its sole discretion, require a Member who is entitled to an amount of deferred retirement income under Part 3, who is more than 10 years prior to Normal Retirement Date to transfer, in lieu of any other benefit under the Plan, the lump sum Actuarial Equivalent of such deferred retirement income, if the lump sum Actuarial Equivalent of the benefits payable under Part 3 is less than 20% of the YMPE in the year of termination.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 6 – Death Benefits

6.02 Payment of Death Benefits

- (a) If a DC Member dies, distribution of the Member's DC Account payable in accordance with Section 6.01 to the Member's Spouse shall be made as:
- (i) a transfer to a locked-in retirement savings vehicle as prescribed under the Applicable Pension Laws, or
 - (ii) a single premium purchase of a life annuity from an insurance company, commencing no later than the end of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules.

as designated by the Spouse or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be

determined by the Company in its absolute discretion in such form as may be permitted under Applicable Pension Laws.

- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

PART 3 – DEFINED BENEFIT PROVISIONS

Article 6 – Death Benefits

6.04 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
 - (i) paid into another registered pension plan, if this other plan so permits; or
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse prescribed under the Applicable Pension Laws.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix C – Provincial Provisions – British Columbia

Notwithstanding any other provision of the Plan, the provisions of this Appendix C shall apply to a Member who is a British Columbia Employee.

“British Columbia Employee” means an Employee who reports to work at an establishment of the Company in the Province of British Columbia. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “British Columbia Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of British Columbia.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.71 “Spouse” means, subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of the commencement of the Member’s pension and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member and who, if living separate and apart from the Member at relevant time, did not live separate and apart from the Member for no longer than the two (2) year period immediately preceding the relevant time; or
- (b) if there is no person under paragraph (a), the person who is living and cohabiting with such Member in a marriage-like relationship, including a marriage-like relationship between persons of the same gender, and who lived and cohabited in that relationship in the two (2) year period immediately preceding the relevant time.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income under Part 3 and the value of the DC Account under Part 2 required to be paid under the Plan may be commuted and paid in a lump sum, at the discretion of the Member or the Member's Spouse if the Member has died, if:
 - (i) the annual retirement income that would be payable to a Member at or after Normal Retirement Date is less than ten percent (10%) of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income does not exceed twenty percent (20%) of the YMPE as at the Date of Determination.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income under Part 2 or Part 3 payable to a Member may be commuted and paid in a lump sum if the Member has a physical disability, certified by a medical practitioner, which is likely to considerably shorten the Member's life expectancy.
- (c) Retirement income required to be paid under Part 2 or Part 3 of the Plan to a Member who has ceased to accrue Continuous Service and who has been a non-resident of Canada for purposes of Revenue Rules for more than two (2) years may be commuted and paid in a lump sum, at the request of the person entitled to the benefit, provided the appropriate forms are completed and filed as required by Applicable Pension Laws.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 6 – Death Benefits

6.02 Payment of Death Benefits

- (a) If a DC Member dies, distribution of the Member's DC Account payable in accordance with Section 6.01 to the Member's Spouse shall be made as:
- (i) a transfer to a locked-in retirement savings vehicle as prescribed under the Applicable Pension Laws, or
 - (ii) a single premium purchase of a life annuity from an insurance company, commencing no later than the end of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules.
- as designated by the Spouse or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion in such form as may be permitted under Applicable Pension Laws.
- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

PART 3 – DEFINED BENEFIT PROVISIONS

Article 6 – Death Benefits

6.04 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix D – Provincial Provisions – Manitoba

Notwithstanding any other provisions of the Plan, this Appendix D shall apply to each Manitoba Employee.

“Manitoba Employee” means an Employee who reports to work at an establishment of the Company in the Province of Manitoba. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Manitoba Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Manitoba.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.71 “Spouse” means, subject to the requirements of the Applicable Pension Laws, the person, at the earlier of a Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the common-law partner who, not being married to the Member, meets one (1) of the following eligibility requirements:
 - (i) the person who, with such Member, registered a common-law relationship under section 13.1 of The Vital Statistics Act;
 - (ii) the person who has resided with such Member in a conjugal relationship for at least three (3) years if either of them is married; or
 - (iii) the person who has resided with such Member in a conjugal relationship for at least one (1) year if neither of them is married.

For greater certainty, a Spouse who satisfies shall only be considered to have survived the Member if such Spouse was cohabiting with the Member immediately prior to the death of the Member or the Member's Pension Commencement Date, as applicable, and such Spouse provides evidence to this effect satisfactory to the Company.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income under Part 3 and the value of the Member DC Account under Part 2 may be commuted and paid in a lump sum if:
- (i) the annual retirement income that would be payable to the Member under Part 3 at Normal Retirement Date is less than 4% of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of the Member's retirement income under Part 3 is less than 20% of the YMPE as at the Date of Determination; or
 - (iii) the value of the Member's Account under Part 2 is less than 20% of the YMPE.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) A benefit required to be paid under Part 2 or Part 3 to a Member who has ceased to accrue Continuous Service and who is a non-resident of Canada for purposes of Revenue Rules, may be commuted and paid in a lump sum at the request of the Member, provided that the appropriate forms are completed and filed as required by Applicable Pension Laws. If the Member has a Spouse, an election to commute and receive a lump sum payment may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 6 – Death Benefits

6.02 Payment of Death Benefits

- (a) If a DC Member dies, distribution of the Member's DC Account payable in accordance with Section 6.01 to the Member's Spouse shall be made as:
- (i) a transfer to a locked-in retirement savings vehicle as prescribed under the Applicable Pension Laws, or
 - (ii) single premium purchase of a life annuity from an insurance company, commencing no later than the end of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules.
- as designated by the Spouse or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion in such form as may be permitted under Applicable Pension Laws.
- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

PART 3 – DEFINED BENEFIT PROVISIONS

6.01 Death Benefits Prior to Retirement Date

- (a) If the death of a DB Member occurs prior to his Retirement Date, there shall be paid to the Member's Beneficiary or Spouse, as applicable, a benefit as set out in (i) or (ii) below:
- (i) If the DB Member dies prior to his Retirement Date and if no benefit is payable under paragraph 6.01(a)(ii) below, the Member's Beneficiary shall receive an amount equal to the Actuarial Equivalent of the amount that would be payable pursuant to Section 7.01 if the Member had terminated employment on his date of death.
 - (ii) If a DB Member dies after his attainment of age fifty-five (55) and prior to his Retirement Date, and provided that the Member was a Survivor Benefit Contributor, the Spouse of such deceased Member shall receive a retirement income equal to fifty percent (50%) of the retirement income to which the Member would have been entitled pursuant to Section 4.02, taking into account only Credited Past Service, had he retired on the first day of the month next following his death. Such retirement income shall be paid monthly to the Spouse commencing on the first day of the month next following the Member's date of death and continuing thereafter during such Spouse's remaining lifetime. In the event that such Spouse dies prior to receiving the aggregate retirement income payments at least equal to the benefit described in paragraph 6.01(a)(i), any such shortfall shall be paid in the form of a lump sum payment to the Spouse's estate.
- (b) Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity commencing not later than December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other date permitted under Revenue Rules) or if later, within one year of the Member's date of death. If the Spouse does not make an election within the period prescribed by Applicable Pension Laws, the Spouse shall be deemed to have elected an immediate retirement income.

6.04 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix E – Provincial Provisions – New Brunswick

Notwithstanding any other provision of the Plan, the provisions of this Appendix E shall apply to a Member who is a New Brunswick.

“New Brunswick Employee” means an Employee who reports to work at an establishment of the Company in the Province of New Brunswick. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “New Brunswick Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of New Brunswick

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.71 “Spouse” means subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of a Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the person who is married to the Member by a marriage that is voidable and has not been voided by a declaration of nullity; or
- (c) the person who has going through a form of marriage with the Member, in good faith, that is void, and has cohabited with the Member within the preceding year; or
- (d) the person who is not married to the Member, provided that the person is cohabiting with the Member and they have cohabited:
 - (i) continuously for a period of three (3) years or more in a conjugal relationship in which one (1) person has been substantially dependent upon the other for support; or

- (ii) in a relationship of some permanence where there is a child born of whom they are the natural parents; and they have cohabited within the preceding year.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income payable under Part 3 or the value of the DC Account under Part 2 may be commuted and paid in a lump sum at the discretion of the Member if the lump sum Actuarial Equivalent of the retirement income under Part 3 or the value of the Accounts under Part 2, as applicable, increased by 6% per year that the Member's age on December 31st of the year of the Date of Determination is less than 65, is less than 40% of the YMPE as at the Date of Determination.
- (b) Retirement income required to be paid under Part 3 or the DC Account required to be paid under Part 2 to a Member who has terminated employment, who is neither a Canadian citizen nor a resident of Canada for purposes of Revenue Rules, and whose Spouse, if applicable, is neither a Canadian citizen nor a resident of Canada for purposes of Revenue Rules, may be commuted and paid in a lump sum at the Member's discretion.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid. Such commutation is subject to the Member's Spouse providing the required waiver in accordance with Applicable Pension Laws.

- (c) The Administrator may, at its sole discretion, require a Member who is entitled to an amount of deferred retirement income under Part 3 to transfer, in lieu of any other benefit under the Plan, the lump sum Actuarial Equivalent of such deferred retirement income, if the lump sum Actuarial Equivalent of the benefit under Part 3 and the value of the Accounts under Part 2 is less than 10% of the YMPE in the year of termination.

PART 3 – DEFINED BENEFIT PROVISIONS

6.01 Death Benefits Prior to Retirement Date

- (a) If the death of a DB Member occurs prior to his Retirement Date, there shall be paid to the Member's Beneficiary or Spouse, as applicable, a benefit as set out in (i) or (ii) below:
- (i) If the DB Member dies prior to his Retirement Date and if no benefit is payable under paragraph 6.01(a)(ii) below, the Member's Beneficiary shall receive an amount equal to the Actuarial Equivalent of the amount that would be payable pursuant to Section 7.01 if the Member had terminated employment on his date of death.
 - (ii) If a DB Member dies after his attainment of age fifty-five (55) and prior to his Retirement Date, and provided that the Member was a Survivor Benefit Contributor, the Spouse of such deceased Member shall receive a retirement income equal to fifty percent (50%) of the retirement income to which the Member would have been entitled pursuant to Section 4.02, taking into account only Credited Past Service, had he retired on the first day of the month next following his death. Such retirement income shall be paid monthly to the Spouse commencing on the first day of the month next following the Member's date of death and continuing thereafter during such Spouse's remaining lifetime. In the event that such Spouse dies prior to receiving the aggregate retirement income payments at least equal to the benefit described in paragraph 6.01(a)(i), any such shortfall shall be paid in the form of a lump sum payment to the Spouse's estate.
- (b) Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity commencing not later than December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other date permitted under Revenue Rules) or if later, within one year of the Member's date of death. If the Spouse does not make an election within the period prescribed by Applicable Pension Laws, the Spouse shall be deemed to have elected an immediate retirement income.

Appendix F – Provincial Provisions – Newfoundland

Notwithstanding any other provision of the Plan, the provisions of this Appendix F shall apply to a Member who is a Newfoundland Employee.

“Newfoundland Employee” means an Employee who reports to work at an establishment of the Company in the Province of Newfoundland. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Newfoundland Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Newfoundland.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.71 “Spouse” means subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of a Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the person who is married to the Member by a marriage that is voidable and has not been voided by a declaration of nullity; or
- (c) the person who has gone through a form of marriage with the Member, in good faith, that is void, and has cohabited with the Member within the preceding year; or
- (d) in relation to a Member who has a Spouse, as described in paragraph (a), (b) or (c) above, means a person who is not the Spouse of the Member, who has cohabited continuously with the Member in a conjugal relationship for not less than three (3) years; or

- (e) in relation to a Member who does not have a Spouse, as described in paragraph (a), (b) or (c) above, means a person who has cohabited continuously with the Member in a conjugal relationship for not less than one (1) year.

For the purposes of paragraphs (d) and (e), the person must be cohabiting with the Member or must have cohabited with the Member within the preceding year.

Article 10 – Payment of Retirement Benefits

10.06 Commutation of Benefits

- (a) Any benefit required to be paid under the Plan may be commuted and paid in a lump sum if:
- (i) the annual retirement income that would be payable to a Member at or after Normal Retirement Date is less than four percent (4%) of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income is less than ten percent (10%) of the YMPE as at the Date of Determination.

This right may be exercised upon ceasing to accrue Continuous Service, at any other date as may be specified by Applicable Pension Laws and at any other date as may be authorized by the Company. The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income payable to a Member may be commuted and paid in a lump sum if a physician certifies in writing, that the Member suffers from a significant physical or mental disability which considerably reduces the Member's life expectancy.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 6 – Death Benefits

6.02 Payment of Death Benefits

- (a) If a DC Member dies, distribution of the Member's DC Account payable other than in the form of a lump sum in accordance with Section 6.01 to the Member's Spouse shall be made as:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

PART 3 – DEFINED BENEFIT PROVISIONS

Article 6 – Death Benefits

6.01 Death Benefits Prior to Retirement Date

- (a) If the death of a Member who is accruing Continuous Service occurs prior to his Retirement Date, there shall be paid to the Member's Spouse, or if the Member does not have a Spouse, the Member's Beneficiary, the lump sum Actuarial Equivalent of the retirement income the Member would have been eligible to receive in accordance with Section 4.02 or Article 7, as applicable, in respect of Credited Service, or Plan amendments made, on or after January 1, 1987, had the Member retired or terminated employment on the date of death. The retirement income under this paragraph (a) shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%).

Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse hereunder, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity on or before December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules) or if later, within one (1) year of the Member's date of death. If the Spouse does not make an election within ninety (90) days after the death of the Member, the Spouse shall be deemed to have elected an immediate retirement income.

- (b) Notwithstanding paragraph (a), if a DB Member dies after his attainment of age fifty-five (55) and prior to his Retirement Date, and provided that the Member was a Survivor Benefit Contributor, the Spouse of such deceased Member shall receive a retirement income equal to fifty percent (50%) of the retirement income to which the Member would have been entitled pursuant to Section 4.02, taking into account only Credited Past Service, had he retired on the first day of

the month next following his death. Such retirement income shall be paid monthly to the Spouse commencing on the first day of the month next following the Member's date of death and continuing thereafter during such Spouse's remaining lifetime. In the event that such Spouse dies prior to receiving the aggregate retirement income payments at least equal to the benefit described in paragraph 6.01(a), any such shortfall shall be paid in the form of a lump sum payment to the Spouse's estate.

6.04 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix G – Provincial Provisions – Nova Scotia

Notwithstanding any other provision of the Plan, the provisions of this Appendix G shall apply to a Member who is a Nova Scotia.

“Nova Scotia Employee” means an Employee who reports to work at an establishment of the Company in the Province of Nova Scotia. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Nova Scotia Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Nova Scotia.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

- 2.71 “Spouse” means subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of the commencement of the Member’s pension and the date of the Member’s death, meets one (1) of the following eligibility requirements:
- (a) the person who is married to the Member; or
 - (b) the person who is married to the Member by a marriage that is voidable and has not been annulled by a declaration of nullity; or
 - (c) the person who has gone through a form of marriage with the Member, in good faith, that is void, provided that the person is cohabiting with the Member in a conjugal relationship, or if they have ceased to cohabit, has cohabited with the Member in a conjugal relationship within the twelve (12) month period immediately preceding the relevant time; or
 - (d) the person who has cohabited with the Member in a conjugal relationship for a period of at least two (2) years, neither of the Member and the person being a Spouse; or

- (e) the person who is a party to a domestic partner declaration registered pursuant to the Vital Statistics Act provided that such declaration has not been terminated or otherwise invalidated pursuant to the Vital Statistics Act;
provided the person is not living separate and apart from the Member at that time.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) The retirement income under Part 3 and the value of the Member's DC Account under Part 2 may be commuted and paid in a lump sum if:
 - (i) the annual retirement income under Part 3 or the value of the Member's DC Account under Part 2 at Normal Retirement Date is less than four percent (4%) of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income under Part 3 or the value of the Member's DC Account under Part 2 is less than ten percent (10%) of the YMPE as at the Date of Determination.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income payable to a Member may be commuted and paid in a lump sum if the Member has a mental or physical disability that is likely to shorten considerably the life expectancy of the Member.

Appendix H – Provincial Provisions – Quebec

Notwithstanding any other provision of the Plan, the provisions of this Appendix H shall apply to a Member who is a Quebec Employee.

“Quebec Employee” means an Employee who reports to work at an establishment of the Company in the Province of Quebec. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Quebec Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Quebec.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

- 2.71 (a) “Spouse” means, subject to paragraphs (c) and (e), in relation to a Member, the person, whether the person is of the opposite sex or the same sex, who, at the earlier of the commencement of the Member’s pension and the date of the Member’s death, meets one (1) 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 lives together with the Member in a conjugal relationship:
 - (A) continuously for a period of three (3) years or more; or
 - (B) continuously for a period of one (1) year or more if:
 - (1) at least one child is born, or to be born, of their union;
 - (2) they have adopted, jointly, at least one (1) child while living together in a conjugal relationship; or

- (3) one (1) of them has adopted at least one (1) child who is the child of the other, while living together in a conjugal relationship;

provided that not more than one (1) person shall be a Spouse hereunder. In the event of more than one (1) person having claims to be such, the determination of the Company as to which person shall be the Spouse, on the basis of evidence available to it which it considers sufficient for the purposes of such determination, shall be final.

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), (e) and (f), “Separation” means, in relation to a Member and his Spouse:
- (i) divorce, annulment or 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 occurs, pursuant to subparagraph (b)(i), prior to the date the first (1st) pension installment is due to the Member, the person who is married to or in a civil union with the Member shall cease to be the Member’s Spouse for the purposes of Sections 5.01 and 5.02 of Part 3 or Section 5.03 of Part 2, except where the Member notified the Company in writing to have such person entitled to the contingent retirement income despite such Separation.
- (d) In circumstances where:
- (i) a Member is married;

- (ii) the Member's lawfully wedded Spouse is no longer his Spouse for the purposes of Sections 5.01 and 5.02 of Part 3 or Section 5.03 of Part 2 in accordance with paragraph (c); and
- (iii) another person would qualify as the Member's Spouse in accordance with paragraph (a) had the Member not been married; such other person may, at the Member's discretion, be deemed to be the Member's Spouse for the purposes of Sections 5.01 and 5.02 of Part 3 or Section 5.03 of Part 2.
- (e) In Separation occurs prior to the date of the Member's death, the person who is the Member's Spouse in accordance with paragraph (a) shall cease to be the Member's Spouse for the purposes of Sections 6.01 and 6.02 of Part 3 or Sections 6.01 of Part 2. However, for the purposes of Section 6.03 of Part 3, determination of the Spouse shall be made in accordance with paragraphs (a), (c) and (e), unless the Spouse has waived the right to a retirement income, in accordance with Applicable Pension Laws.
- (f) If, after the commencement of the Member's retirement income, 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 retirement income shall cease to be the Member's Spouse for the purposes of any contingent retirement income payable under the form of payment elected by the Member in accordance with Article 5 of Part 3, except where the Member notified the Company in writing to have such person entitled to the contingent retirement income despite such Separation or termination of marriage or civil union.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) (i) Benefits required to be paid under the Plan to a Member who has ceased to accrue Continuous Service may be commuted and paid in a lump sum, at the discretion of the Member, if the payment of the Member's retirement income under Part 3 has not commenced and if the lump sum Actuarial Equivalent of the benefits or the value of the Member's DC Account is less than twenty percent (20%) of the YMPE as at the Date of Determination. This right may be exercised upon ceasing to accrue Continuous Service, at any other date as may be specified by Applicable Pension Laws and at any other date as may be authorized by the Company.
 - (ii) Where the requirements set out in subparagraph (i) are met, the Member's benefits may be commuted and paid in a lump sum, at the discretion of the Company, subject to the notification requirements of Applicable Pension Laws.
 - (iii) The amount of the benefit settlement under subparagraph (i) or (ii) shall be the Actuarial Equivalent of the benefits remaining to be paid or the value of the Member's DC Account.
- (b) A Member who has ceased to accrue Continuous Service and who has not been residing in Canada for at least two (2) years may elect to receive the payment of his benefits in the form of a lump sum. The amount of the benefit settlement under this paragraph shall be the Actuarial Equivalent of the benefits remaining to be paid or the value of the Member's DC Account.
- (c) A Member or Spouse of a Member who is entitled to a deferred retirement income under Part 3 of the Plan or entitled to the value of a DC Account under Part 2 of the Plan, who has attained age fifty-five (55) but whose age is less than sixty-five (65) and who files a duly signed form prescribed by Applicable Pension Laws with the Company, may receive, in each calendar year, a lump sum payment equal to the lesser of (i) and (ii), where:
- (i) is the lump sum Actuarial Equivalent of the deferred retirement income or the value of the DC account; and

- (ii) is forty percent (40%) of the YMPE, minus the annual amount of any temporary retirement income received from a registered pension plan, under a life annuity contract or under a life income fund during that calendar year.
- (d) A Member or Spouse who is entitled to a deferred retirement income under Part 3 of the Plan or to the value of a DC Account under Part 2 of the Plan and who elects to receive a temporary monthly income under a life income fund in accordance with Applicable Pension Laws prior to the calendar year in which such person attains age fifty-five (55), may, for the purposes of replacing such deferred retirement income by a temporary income, apply for the transfer from the Plan to the life income fund, in each calendar year prior to the calendar year in which this person attains age fifty-five (55), of an amount equal to the lesser of (i) and (ii), where:
 - (i) is the lump sum Actuarial Equivalent of the deferred retirement income or the value of the DC Account; and
 - (ii) is the additional amount required for the balance of the life income fund to allow, until the end of the calendar year, the payment of the maximum temporary monthly income under a life income fund as permitted by Applicable Pension Laws.
- (e) Any lump sum refund paid from the Plan may, subject to Revenue Rules, be transferred to an RRSP.

PART 3 – DEFINED BENEFIT PROVISIONS

Article 4 – Amount of Retirement Income

4.04 Postponed Retirement

- (a) A DB Member who accrues Continuous Service after his Normal Retirement Date shall receive an annual retirement income commencing from the Member's Postponed Retirement Date that is the sum of:
 - (i) the Plan Benefit determined using the Member's Normal Retirement Date as the Date of Determination; and
 - (ii) the amount of retirement income that is the Actuarial Equivalent of the retirement income under subparagraph (i) above that would have been paid since Normal Retirement Date, with interest thereon.
- (b) Notwithstanding paragraph (a) above, a Member who continues in the employ of the Company beyond Normal Retirement Date may elect to receive payment of all or a portion of such Member's retirement income equal to the Plan Benefit determined using the Member's Normal Retirement Date as the Date of Determination, but only to the extent necessary to compensate for a reduction in salaries or wages, as defined in Applicable Pension Laws, incurred on or after Normal Retirement Date.
- (c) No Member may exercise the right specified in paragraph (b) more than once per twelve (12) month period, except pursuant to an agreement with the Company.
- (d) If a Member elects to receive the payment of all or a portion of his retirement income prior to Postponed Retirement Date, the retirement income commencing on the Postponed Retirement Date shall be equal to the retirement income under paragraph (a) less the Actuarial Equivalent of the retirement income received prior to Postponed Retirement Date, with interest thereon.

4.08 **Phased Retirement**

- (a) A Member who has attained age 55 and whose working time is reduced, in accordance with a phased retirement agreement with the Company, may receive, on request, for each calendar year covered by the agreement with the Company, a lump sum payment which shall not exceed the lesser of:
 - (i) seventy percent (70%) of the reduction in the Member's remuneration resulting from the reduction in his working time during that year;
 - (ii) forty percent (40%) of the YMPE for that year; and
 - (iii) the lump sum Actuarial Equivalent of the benefits that the Member would have been eligible to receive in accordance with Section 7.01, had the Member terminated employment on the date the lump sum payment is made and assuming payment of any retirement income entitlement commencing on the Member's Normal Retirement Date.
- (b) A Member may not receive, in the same calendar year, the benefit provided for in this Section and a retirement income payable under paragraph 4.03(b).
- (c) In the event that a Member elects to receive a payment in accordance with paragraph (a):
 - (i) subject to the other provisions of the Plan, the accrual of Credited Service shall continue;
 - (ii) a reducing retirement income payable in accordance with Article 5, commencing at Normal Retirement Date is determined as at the date the payment under paragraph (a) is made; and
 - (iii) any benefit subsequently payable under the other provisions of the Plan shall be reduced by the Actuarial Equivalent of the reducing retirement income specified in subparagraph (ii).

Article 5 – Payment of Retirement Benefits

5.03 Election of Optional Form

In addition to the options provided under Section 5.03 of the Plan text, a Quebec Member has the following additional options.

(a) *Other Options*

(i) *One Hundred and Twenty (120)-Month Guarantee Option*

- (A) A Member may, subject to the conditions and actuarial adjustment specified in Section 5.03, elect to receive the retirement income payable under Article 4 or 7 in the form of an annuity payable in equal monthly instalments for the life of the Member with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before one hundred and twenty (120) payments are made, the remaining payments shall continue to be paid to the Member's Beneficiary.
- (B) A Member who, at the date the first (1st) instalment is due, has a Spouse who has not waived, in prescribed form, the right to a contingent retirement income, may elect to receive the retirement income payable under Article 4 or 7, in the form of an annuity payable as follows:
- (1) equal monthly instalments are paid for the life of the Member, until the last instalment due on the first (1st) day of the month in which the death of the Member occurs;
 - (2) if the Member dies before one hundred and twenty (120) monthly instalments are made and the Spouse is still alive, sixty percent (60%) of the instalments continue to be paid to the Spouse and forty percent (40%) of the instalments continue to be paid to the Member's Beneficiary

commencing on the first (1st) day of the month following the month in which the death of the Member occurs and ending on the earlier of:

- (I) the first (1st) day of the month in which the death of the Member's Spouse occurs; and
- (II) the first (1st) day of the month in which a total of one hundred and twenty (120) monthly instalments are paid to the Member and the Spouse;

and, if the date under (I) occurs prior to the date under (II), the instalments continue to be paid to the Member's Beneficiary commencing on the first (1st) day of the month following the month in which the death of the Spouse occurs and ending on the first (1st) day of the month in which a total of one hundred and twenty (120) monthly instalments are paid to the Member, the Spouse and the Spouse's estate;

- (3) if the Member dies before one hundred and twenty (120) monthly instalments are made and the Spouse has predeceased the Member, the instalments continue to be paid to the Member's Beneficiary, commencing on the first (1st) day of the month following the month in which the death of the Member occurs and ending on the first (1st) day of the month in which a total of one hundred and twenty (120) monthly instalments are paid to the Member and the Beneficiary; and
- (4) after the Member's death and provided the Spouse is still alive, monthly instalments equal to sixty percent (60%) of the retirement income that was payable to the Member continue to be paid to the Spouse commencing on the later of:

- (I) the first (1st) day of the month following the month in which the death of the Member occurs; and
- (II) the first (1st) day of the month that is one hundred and twenty (120) months later than the date the first (1st) instalment was paid to the Member.

The benefit payable under this paragraph shall be the Actuarial Equivalent of the benefit payable under Section 5.01.

(ii) *Temporary Pension Option*

- (A) A Member who elects to receive his retirement income payable under Article 4 or 7 prior to his Normal Retirement Date and who files a duly signed form prescribed by Applicable Pension Laws with the Company prior to the payment of the first (1st) instalment of the benefit, may elect to receive his retirement income 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 the lesser of (1) and (2), where:
 - (1) is forty percent (40%) of the YMPE in the year of payment commencement; and
 - (2) is the maximum annual amount of temporary retirement income permitted by Revenue Rules.
- (B) If the Member elects the temporary pension option described in this paragraph, any benefits payable to the Member's Beneficiary or Spouse after the Member's death shall be determined in accordance with such other form of payment elected by the

Member in accordance with Article 5, 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 shall be the Actuarial Equivalent of the benefit which would have been otherwise payable had the Member not elected the 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.

In lieu of any other form of retirement income specified in this Article, a Member may elect any other optional form that Applicable Pension Laws require to be made available, or as may be approved and made available by the Company from time to time, subject to Applicable Pension Laws and Revenue Rules.

5.04 **Redetermination of Form of Retirement Income**

- (a) If a Member receives retirement income under a form that provides for the continuance of the Member's retirement income to the Spouse after the Member's death and if, after the commencement of the Member's retirement income, the Member's Spouse ceases to be entitled to the contingent retirement income by virtue of paragraph 2.71(f) of Part 1, the Member is entitled, on request to the Company, to a redetermination of the retirement income. The redetermined retirement income shall be in the same amount and have the same characteristics as the retirement income 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 retirement income began.
- (b) Unless the Company has received the notice provided for in paragraph 2.71(f) of Part 1, the Company shall redetermine the Member's retirement income in accordance with paragraph (a) if the benefits accrued to the Member under the

Plan are partitioned, pursuant to Section 6.02 of Part 1, subsequent to the commencement of the Member's retirement income.

- (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.

**CERTIFICATE OF THE SECRETARY OF
KRAFT CANADA INC. (the "Corporation")**

**KRAFT CANADA INC.
RETIREMENT PLAN FOR CANADIAN SALARIED EMPLOYEES (the "Plan")**

WHEREAS:

1. The Corporation is the sponsor and administrator of the Plan.
2. Pursuant to Article 20 of the Plan, the Corporation reserves the right to amend the Plan.
3. The Corporation wishes to close membership under the defined benefit component of the Plan and the optional pension plan provisions of the Plan for all employees hired after December 31, 2010 and to add a defined contribution component to the Plan for all eligible employees hired after December 31, 2010.
4. The Corporation wishes to amend and restate the Plan to incorporate these changes, to consolidate all prior amendments and to clarify certain other provisions of the Plan.

NOW THEREFORE BE IT RESOLVED THE FOLLOWING:

Effective January 1, 2011, the Plan is amended and restated to incorporate these changes in the form attached hereto as Schedule "A".

THE UNDERSIGNED, being the Secretary of the Corporation, hereby certifies that the foregoing is a true and correct copy of a resolution duly passed by the Board of Directors of the Corporation on the ____ day of _____, 2012 that the said resolutions remain unamended and in full force and effect as of the date hereof and that this amendment is incorporated in the Plan provisions.

Dated this ____ day of _____, 2012.

Rosanne Angotti
Secretary
Kraft Canada Inc.

**CERTIFICATE OF
KRAFT CANADA INC. (the “Corporation”)
KRAFT CANADA INC. RETIREMENT PLAN FOR
CANADIAN SALARIED EMPLOYEES (the “Plan”)**

WHEREAS:

1. The Corporation is the sponsor and administrator of the Plan immediately prior to the Effective Time (defined below).
2. The term “Effective Time” is defined in the Canadian Asset Transfer Agreement (the “Agreement”) between Mondelēz Canada Inc. (“Mondelēz”) and the Corporation dated September 29, 2012.
3. Effective from and as of the Effective Time on September 29, 2012, the Corporation sold its snack business to Mondelēz and the active employees engaged in the Corporation’s snack business (the “Transferred Employees”) became employed by Mondelēz.
4. Pursuant to the Agreement, effective from and as of the Effective Time on September 29, 2012, the Transferring Employees ceased participation in the Plan and commenced participation in the Mondelēz Canada Inc. Retirement Plan for Canadian Salaried Employees (the “Mondelēz Plan”), a new pension plan established by Mondelēz that provides substantially identical provisions as the Plan for service on and after September 29, 2012.
5. As part the Agreement, the parties agreed to transfer Plan assets and liabilities in respect of the pension benefits accrued under the Plan up to September 29, 2012 in respect of the Transferred Employees from the Plan to the Mondelēz Plan. Subject to the receipt of the pension asset transfer, Mondelēz has agreed to assume all responsibility for the pension benefits accrued under the Plan up to September 29, 2012 in respect of the Transferred Employees.
6. The board of directors of the Corporation delegated authority (the “Delegated Authority”) to any officer of the Corporation to execute and deliver all documents, agreements and instruments, and to perform such actions or things as may be necessary

or desirable to give effect to the cessation of participation of the Transferred Employees in the Plan and the transfer assets and liabilities in respect of Transferred Employees to the Mondelēz Plan.

NOW THEREFORE BE IT RESOLVED THE FOLLOWING:

1. Effective as of the Effective Time on September 29, 2012, the Transferred Employees shall cease accruing benefits under the terms of the Plan.
2. Towers Watson Canada Inc. is directed to prepare an asset transfer actuarial report to determine the amount of assets and liabilities to be transferred from the Plan to the Mondelēz Plan. This asset transfer actuarial report shall be prepared in accordance with the sale agreement.
3. Subject to the necessary approval of the regulatory authorities, all assets and liabilities for the benefits accrued by the Transferred Employees under the Plan to September 29, 2012 are to be transferred to the Mondelēz Plan. Upon such transfer, the Plan shall have no further obligations in respect of pension benefits accrued by the Transferred Employees.
4. Effective September 29, 2012, Section 1.06 shall be added to Article 1 of Part 1:
 - 1.06 Effective September 29, 2012, the Company sold its snack business to Mondelēz Canada Inc. (“Mondelēz”). As part of the asset purchase agreement:
 - (a) Active Employees who were engaged in the snack business and who participated in the Plan (the “Transferred Employees”) transferred to employment with Mondelēz effective September 29, 2012.
 - (b) Each Transferred Employee shall cease accruing benefits under the Plan effective September 28, 2012.
 - (c) Each Transferred Employee shall commence participating in a new registered pension plan to be established by Mondelēz that

provides substantially identical provisions as the Plan for service on and after September 29, 2012.

- (d) The Plan assets and liabilities in respect of the pension benefits accrued under the Plan up to September 29, 2012 in respect of the Transferred Employees shall be transferred from the Plan to the Mondelēz Plan.
- (e) Subject to the receipt of the pension asset transfer, Mondelēz has agreed to assume all responsibility for the pension benefits accrued under the Plan up to September 29, 2012 in respect of the Transferred Employees.
- (f) Upon the transfer of the pension assets from the Plan to the pension fund established for the new registered pension plan to be established by Mondelēz, no obligation shall remain in the Plan in respect of benefits accrued by the Transferred Employees.

PURSUANT TO THE DELEGATED AUTHORITY, the undersigned hereby certifies that the foregoing is an authorized action of the Corporation.

Dated this ____ day of _____, 2012.

Rosanne Angotti
Secretary
Kraft Canada Inc.

Schedule "A"

Mondelēz Canada Inc.

**Mondelēz Canada Inc. Retirement Plan for Former
Salaried Employees of Nabisco Ltd.**

Effective September 29, 2012

Registration No.

September 20, 2012

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Article 1 Introduction

1.01 The primary purpose of the Plan is to provide retirement income and related benefits for Employees whose employment was transferred from Kraft Canada Inc. to the Company effective as of September 29, 2012 as a result of the Company's purchase of Kraft Canada Inc.'s snack business. As a result of the transfer of employment to the Company and as part of the asset purchase agreement, such employees ceased participation in the Kraft Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., registration number 0568055, effective September 28, 2012 and commenced participation in the Plan for service on and after September 29, 2012.

The Kraft Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., registration number 0568055 was closed to new members as of January 1, 2003.

1.02 The Plan shall assume the obligation to provide the benefits accrued under the Kraft Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., registration number 0568055, up to September 29, 2012 upon the receipt of pension assets from the Kraft Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., registration number 0568055.

1.03 The Plan as contained here shall be applicable to Members who are in the employment of the Company on or after September 29, 2012.

1.04 The Plan is intended to be a pension plan accepted for registration under Revenue Rules and Applicable Pension laws.

The Company intends that the Plan shall meet the requirements of Applicable Pension Laws and Revenue Rules and the continued registration of the Plan under both Applicable Pension Laws and the Income Tax Act is a pre-condition for the Plan to remain operative. If the Plan fails to comply with such requirements, the Company may in its absolute discretion amend the Plan to comply with such requirements or terminate the Plan.

Any amendment to the Plan is conditional upon acceptance for registration under both Revenue Rules and Applicable Pension Laws, and may be modified or withdrawn by the Company, in its sole and absolute discretion, if the amendment is not accepted for registration under either Applicable Pension Laws or Revenue Rules.

Article 2 Construction, Interpretation and Definitions

Construction and Interpretation

- 2.01 The masculine pronoun wherever used herein shall include the feminine pronoun and vice versa; the singular shall include the plural and vice versa, as the context shall require. References to a paragraph, Section or an Article means a paragraph, Section or an Article in the Plan.
- 2.02 The Plan and all the rights and obligations hereunder shall be construed, governed and administered in accordance with Revenue Rules and the laws of the Province of Ontario, except for those rights and obligations which are solely within the jurisdiction of Canada or another province.
- 2.03 All monetary references in the Plan are to be construed as being expressed in terms of the lawful currency of Canada.

Definitions

In the Plan, the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

- 2.04 “Actuarial(ly) Equivalent” means a benefit of equivalent value but of different form of payment to a specified benefit, as determined on a basis of calculation adopted by the Company on the advice of the Actuary and in effect on the date such determination is being made, provided that such basis is in accordance with Applicable Pension Laws and Revenue Rules. Notwithstanding the foregoing, the Company may adopt a basis that eases the administration of the Plan, including the use of unisex factors, provided that such basis is not precluded by Applicable Pension Laws or Revenue Rules.
- 2.05 “Actuary” means an individual from time to time appointed by the Company to carry out actuarial valuations and provide such actuarial advice and services as may be required from time to time for the purposes of the Plan. The Actuary shall at all times be a person who is a Fellow of the Canadian Institute of Actuaries.
- 2.06 “Alberta Member” means a Member who reports for work at an establishment of the Company located in the Province of Alberta. Where the Member is not required to report to work at an establishment of the Company, “Alberta Member” means a Member who is paid from the payroll of the Company in the Province of Alberta.
- 2.07 “Applicable Pension Laws” means the Pension Benefits Act (Ontario) and any regulations pursuant thereto and any amendments or substitutes thereof as well as any similar statute applicable to the Plan and any regulation pursuant thereto adopted by the federal or any provincial government.

- 2.08 “Beneficiary” means the person last designated by the Member, pursuant to Section 10.05, to receive any benefit payable to a Beneficiary under the Plan in the event of the death of the Member according to the provisions of Article 10 or, in the absence of an effective designation of a Beneficiary, the estate of the Member.
- 2.09 “Board” means the board of directors of the Company.
- 2.10 “British Columbia Member” means a Member who reports for work at an establishment of the Company in the Province of British Columbia. Where the Member is not required to report to work at an establishment of the Company, “British Columbia Member” means a Member who is paid from the payroll of the Company in the province of British Columbia.
- 2.11 “Canada/Quebec Pension Plan Benefit” means the annual amount, as determined by the Company, which reflects the retirement income that would be payable to the Member under the terms of the Canada Pension Plan or the Québec Pension Plan, whichever is applicable, calculated as if the Member had attained age sixty-five (65) on his Date of Determination and had spent his entire working lifetime with the Company. For the purpose of this calculation, it is assumed that the Canada/Québec Pension Plan Benefit is based on the Member’s Earnings in the 3-year period preceding his Date of Determination.
- 2.12 “Company” means Mondelēz Canada Inc. and any successor corporation, whether by amalgamation, merger or otherwise.
- 2.13 “Continuous Service” means the service of a Member as defined in Section 4.01, used to determine eligibility for benefits.
- 2.14 (a) “Credited Service” means the service of a Member as defined in Section 4.02, used to determine the amount of benefits for which a Member is eligible.
- (b) “Credited Future Service” means the aggregate of a Member’s Credited Service accrued under the Kraft Plan on and after January 1, 2003 and prior to September 29, 2012 and Continuous Service accrued under the Plan on and after September 29, 2012.
- (c) “Credited Past Service” means the portion of a Member’s Credited Service which was accrued under the Kraft Plan in accordance with the Company’s records at December 31, 2002.

- 2.15 “Date of Determination” means the date as of which a benefit is to be calculated under the Plan, as specified in each relevant Section, and being one of the following:
- (a) a Member’s Retirement Date,
 - (b) a Member’s date of termination of employment;
 - (c) a Member’s date of death; and
 - (d) the date of amendment or discontinuance of the Plan or the date of consolidation or merger of the Plan with another registered pension plan.
- 2.16 “Early Retirement Date” means the date of a Member’s actual retirement determined in accordance with Section 6.02.
- 2.17 “Early Retirement Eligible Member” means a Member who at the Date of Determination has completed at least fifteen (15) years of Continuous Service and whose age plus Continuous Service equals at least sixty (60) years.
- 2.18 (a) “Earnings” means with amount of remuneration received from the Company, or prior to September 29, 2012, Kraft Canada Inc., including overtime pay, bonuses and premium pay but excluding prizes or awards in cash or otherwise. For greater certainty, Earnings shall include salary continuance paid following a Member’s advance notification of termination of employment but prior to the actual date of termination. Earnings shall not include severance payments made after the Member’s actual date of termination
- (b) “Best Average Earnings-3” on any Date of Determination means the annual average of a Member’s Earnings in the thirty-six (36) consecutive calendar months of employment immediately preceding the Date of Determination or, if higher, in the three (3) calendar years of highest Earnings prior to the Date of Determination which produce the highest average or, where the Member’s Continuous Service is less than thirty-six (36) consecutive months, the annual average of his Earnings during his period of Continuous Service, provided that, for a part-time Employee, the average is computed using the equivalent full-time service performed during the averaging period.
 - (c) “Best Average Earnings-5” on any Date of Determination means the annual average of the Member’s Earnings during the sixty (60) consecutive months out of the last ten (10) years of employment, during which such Earnings were highest or where the Member’s Continuous Service is less than five (5) years, the annual average of the Member’s Earnings during the Member’s Continuous Service. For a part-time Employee, the average is computed by using the equivalent full-time service performed during the averaging period.

Any bonus received by a Member from Kraft Canada Inc. on or after January 1, 2003 and prior to September 29, 2012 or by the Company on and after September 29, 2012 is included in the calculation of Earnings in the year in which the bonus is paid. Any bonus received by a Member from Kraft Canada Inc. prior to January 1, 2003 was included in the calculation of the Earnings in the year the bonus was accrued.

- 2.19 “Effective Date” means September 29, 2012.
- 2.20 “Employee” means a person who was actively employed on a full-time or part-time basis in a salaried position by Kraft Canada Inc. and a member of the Kraft Plan as of September 28, 2012 and who transferred employment to the Company on September 29, 2012 as a result of the purchase of Kraft Canada Inc’s snack business. An Employee shall exclude any person who is specifically eligible to participate in any other registered pension plan of the Company, whether or not he has actually joined such plan, and shall exclude a person who is represented by a union with which the Company has a collective bargaining agreement unless he is specifically included as an Employee under the Plan as a term of such collective bargaining agreement.
- 2.21 “Fund” means the fund established for the purposes of the Plan as set forth herein and established in accordance with the terms and provisions of the Funding Agreement, to which all contributions to the Plan shall be made and from which all benefits under the Plan shall be payable.
- 2.22 “Funding Agency” means the trust and/or insurance company and/or any group of individual trustees designated by the Company and holding the whole or a portion of the assets of the Fund at any time pursuant to the terms of a Funding Agreement.
- 2.23 “Funding Agreement” means any trust deed, agreement or agreements executed from time to time between the Company and Funding Agency, including any insurance or annuity contract or contracts issued by a Funding Agency and including any amendments which are from time to time made to any such documents, pertaining to the custody of the investment of the Fund.
- 2.24 “Group Retirement Annuity Plan” means the retirement plans funded through (i) Group Annuity Contracts G 26 and G 1026 with the Canadian Government Annuities Branch, (ii) Group Annuity Contracts GP-6019 with the Connecticut General Life Insurance Company, (iii) Group Annuity Contract GA 2159N with London Life Insurance Company and (iv) Group Annuity Contract PW 10283 with The Standard Life Assurance Company.

- 2.25 “Income Tax Act” means the Income Tax Act, and any applicable provincial Income Tax Act, as amended from time to time, together with any relevant regulations and application rules made thereunder from time to time.
- 2.26 “Interest” means the amount of money credited to Required Contributions in accordance with Section 5.03.
- 2.27 “Investment Earnings” means the investment gains and losses made by each OPP Company Account and OPP Member Account.
- 2.28 “Kraft Plan” means the Kraft Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., registration number 0568055.
- 2.29 “Manitoba Member” means a Member who reports for work at an establishment of the Company in the Province of Manitoba. When the Member is not required to report to work at an establishment of the Company, “Manitoba Member” means a Member who is paid from the payroll of the Company in the Province of Manitoba.
- 2.30 “Member” means an Employee who has joined the Plan in accordance with Article 3 and who continues to be contingently or absolutely entitled to a retirement income under the Plan.
- 2.31 “New Brunswick Member” means a Member who reports for work at an establishment of the Company in the Province of New Brunswick. Where the Member is not required to work at an establishment of the Company, “New Brunswick Member” means a Member who is paid from the payroll of the Company in the Province of New Brunswick.
- 2.32 “Newfoundland Member” means a Member who reports for work at an establishment of the Company in the Province of Newfoundland. Where the Member is not required to work at an establishment of the Company, “Newfoundland Member” means a Member who is paid from the payroll of the Company in the Province of Newfoundland.
- 2.33 “Nova Scotia Member” means a Member who reports for work at an establishment of the Company in the Province of Nova Scotia. Where the Member is not required to work at an establishment of the Company, “Nova Scotia member” means a Member who is paid from the payroll of the Company in the Province of Nova Scotia.
- 2.34 “Normal Retirement Date” means the date specified in Section 6.01.
- 2.35 “OPP” means the optional pension plan provisions detailed in Appendix A.
- 2.36 “OPP Company Account” means the aggregate of OPP Company Contributions plus Investment Earnings thereon, in respect of an OPP Member.

- 2.37 “OPP Company Contributions” means the contributions deposited in the OPP Company Account in respect of an OPP Member.
- 2.38 “OPP Member” means a Member who is participating in the OPP pursuant to Article 3.
- 2.39 “OPP Member Account” means the aggregate of OPP Member Contributions plus Investment Earnings thereon, in respect of an OPP Member.
- 2.40 “OPP Member Contributions” means the contributions made by an OPP Member in accordance with Appendix A.
- 2.41 “Pension Administration Board” means the officials of the Company that have been designated and authorized by the Board to act on behalf of the Company in accordance with the provisions of Section 20.01.
- 2.42 “Pension Commencement Date” means the date on which a Member elects to start receiving his retirement income.
- 2.43 “Plan” means the “Mondelēz Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd.” and includes amendments which are made thereto.
- 2.44 “Plan Year” means a calendar year beginning on January 1, and ending on December 31.
- 2.45 “Postponed Retirement Date” means the date specified in Section 6.03.
- 2.46 “Quebec Member” means a Member who reports for work at an establishment of the Company located in the Province of Quebec. Where the Member is not required to report to work at an establishment of the Company, “Quebec Member” means a Member who is paid from the payroll of the Company in the Province of Quebec.
- 2.47 “Reciprocal Agreement” means a written agreement whereby the Company and a previous or future employer of a Member agree that service with the earlier employer will be recognized as pensionable service with the subsequent employer, to the extent allowed and subject to the conditions specified in the agreement, Applicable Pension Laws and Revenue Rules.
- 2.48 “Required Contributions” means contributions which the Member makes to the Plan in accordance with Section 5.01 and the required defined benefit contributions made to the Kraft Plan prior to January 1, 2003, including, the Member’s required contributions, if any, made under the Standard Brands Limited Pension Plan, the Associated Biscuits of Canada Ltd. Consolidated Retirement Plan (but not the Former Dad’s Plan (as defined in Schedule B), the Associated Biscuits of Canada Ltd. Executive Pension Plan, the Nabisco Brands Ltd. Trusteed Retirement Plan and/or the Former Plans.

- 2.49 “Retirement Date” means the date on which a Member actually retires or is deemed to be retired, such date being one of an Early, Normal or Postponed Retirement Date.
- 2.50 “Retirement Income Earned After 1986” means the benefit to which the Member is entitled for Credited Service on or after January 1, 1987 plus the increase in benefits in respect of Credited Service prior to January 1, 1987 granted under an amendment to the Plan effective on or after January 1, 1987.
- 2.51 “Revenue Rules” means the provisions of the Income Tax Act (Canada) and any applicable provincial income tax act, and any relevant regulations thereto, as they may be amended from time to time, pertaining to pension plans or funds registered under the Income Tax Act (Canada) as they are applicable to the Plan.
- 2.52 “Spouse” means the person who, at the earlier of the commencement of the Member’s pension and the date of the Member’s death, meets one (1) of the following eligibility requirements:
- (a) the person who is the lawfully wedded spouse of the Member provided that person is not living separate and apart from the Member; or
 - (b) the person who has resided in a conjugal relationship with such Member as his spouse for a continuous period of three (3) years or more and has been publicly represented by such Member as his spouse; or
 - (c) subject to Revenue Rules, a person who meets such other eligibility requirements as may be specified under Applicable Pension Laws as set out in Appendix B.
- provided that not more than one person shall be a Spouse hereunder. In the event of more than one person having claims to be such, the determination of the Company as to which person shall be the Spouse, on the basis of evidence available to it and which it considers sufficient for the purposes of such determination, and on the basis of the requirements of Applicable Pension Laws, shall be final.
- 2.54 (a) “YMPE” means the Year’s Maximum Pensionable Earnings established under the Canada Pension Plan as amended from time to time or under any superseding legislation considered by the Company to be appropriate.
- (b) “YMPE Average” on any date means the annual average of the YMPE in the thirty-six (36) consecutive calendar months of employment immediately preceding such date or, where the Member’s Continuous Service is less than thirty-six (36) consecutive months, the annual average of the YMPE during the Member’s Continuous Service.

Article 3 Membership

- 3.01 Each person who was a member of the Kraft Plan on September 28, 2012 and who transferred to employment with the Company on September 29, 2012 as a result of the Company's purchase of Kraft Canada Inc.'s snack business shall automatically be a Member as of September 29, 2012. This Plan shall be closed to Employees hired on and after September 29, 2012.
- 3.02 Each person who was a member of the Kraft Plan participating in the OPP provisions on September 28, 2012 and who transferred to employment with the Company on September 29, 2012 as a result of the Company's purchase of Kraft Canada Inc.'s snack business shall automatically be an OPP Member as of September 29, 2012. Each Member, may elect to become an OPP Member on the first day of any month by filing with the Company any forms prescribed by the Company.
- 3.03 Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or lay off any Employee at any time and to treat him without regard to the effect which such treatment might have upon him as a Member.
- 3.04 While a Member remains in employment with the Company, the Member may not terminate or suspend his membership in the Plan.

Article 4 Service

4.01 Continuous Service

- (a) Continuous Service means the period of uninterrupted, regular, full-time or part-time employment of a Member with Kraft Canada Inc. prior to September 29, 2012 and the Company, beginning with the date on which he was last employed by either Kraft Canada Inc. prior to September 29, 2012 or the Company, or any predecessor corporation or division acquired by Kraft Canada Inc. prior to September 29, 2012 or the Company or any other corporation associated with Kraft Canada Inc. prior to September 29, 2012 or the Company, and ending on the earliest of:
- (i) his ceasing to be employed by the Company or any other corporation associated with the Company;
 - (ii) his death;
 - (iii) his Retirement Date;
 - (iv) the discontinuance of the Plan without immediate substitution of a successor registered pension plan.
- (b) The following periods shall be included in the computation of a Member's Continuous Service and shall not constitute interruption of employment:
- (i) leave of absence for such period as may be duly authorized by the Company, including leave on account of sickness, accident, emergency leave, maternity or parenting, provided that such leave does not exceed a period of twenty-four (24) months;
 - (ii) total disability, as certified by a qualified medical doctor, provided he qualifies for benefits under the Company's disability income plan;
 - (iii) lay-off provided that the Member does not elect to receive benefits in accordance with Article 11 and the period of lay-off does not exceed one (1) year, or such longer period as required under Applicable Pension Laws;
 - (iv) in the event of a national emergency, the Member's joining the Canadian armed forces or engaging full-time in national service work for Canada;
 - (v) uninterrupted employment as a full-time or part-time employee of a foreign or non-participating subsidiary or affiliate of the Company.

To the extent that periods are included in Credited Service by virtue of paragraph 4.03(c), then such periods shall be included in Continuous Service.

4.02 **Credited Service**

Credited Service equals the sum of the Member's Credited Future Service and Credited Past Service.

Credited Future Service with respect to a Member means the number of years and fractions thereof of his credited service accrued under the Kraft Plan on and after January 1, 2003 and prior to September 29, 2012 and Continuous Service accrued under the Plan on and after September 29, 2012.

Credited Past Service with respect to a Member means the credited service which was accrued under the Kraft Plan.

Exclusions, Inclusions and Adjustments of Credited Future Service

Notwithstanding Section 4.02, Credited Future Service is subject to the following exclusions, inclusions and adjustments.

(a) *Adjustments for Less-Than-Full-Time Work*

With respect to any period of Continuous Service on and after January 1, 2003 during which the Member is not in full-time employment with the Company, Credited Future Service for each month of such period shall be adjusted in the ratio that,

- (i) the number of hours the Member actually worked during each month, as determined by the Company, bears to
- (ii) the number of hours the Member would have worked during such month had the Member worked on a full-time basis in the same category of employment during such month, as determined by the Company,

such ratio not to exceed one (1).

(b) *Exclusions from Credited Future Service*

Credited Future Service shall not include:

- (i) any period of active membership of a Member in any other registered pension plan of Kraft Canada Inc. prior to September 29, 2012 and the Company on and after September 29, 2012 or any other company associated with Kraft Canada Inc. prior to September 29, 2012 or the Company on and after September 29, 2012 for which a benefit is accrued and during which the Member did not make Required Contributions under the Kraft Plan or the Plan;

- (ii) any period of leave of absence, disability or military service as described in paragraphs 4.01(b)(i), 4.01(b)(ii) and 4.01(b)(iv) during which each Member is not receiving Earnings, unless such period is specifically included in Credited Future Service and paragraph (c);
- (iii) any period of lay-off in excess of one (1) year;
- (iv) any period which would result in Credited Service, including Credited Past Service, exceeding
 - (A) thirty-five (35) years; less
 - (B) any period of service for which the Member has accrued and remains contingently or absolutely entitled to pension benefits under the terms of another registered pension plan of Kraft Canada Inc. or the Company;
- (v) subject to the provisions of Article 14, any period of service with a foreign or non-participating affiliate or subsidiary, unless such person is specifically designated by the Pension Administration Board as an Employee for such period; and
- (vi) any period of Continuous Service prior to January 1, 2003.

(c) *Special Inclusions in Credited Future Service*

Credited Future Service shall include:

- (i) any period of total disability provided under Article 12;
- (ii) any period of temporary absence, as described in paragraph 4.01(b)(i), where the temporary absence is due to injury, sickness, maternity or parenting, subject to a maximum of two (2) years of Credited Service, including Credited Past Service;
- (iii) any period of leave or military service, other than a period included under paragraphs (i) and (ii), during which:
 - (A) the Member has no Earnings;
 - (B) any legislation applicable to the Member requires that the Member be permitted to make the Plan contributions that would have been required had the Member been active at work during such period; and

- (iv) such leave or a period of layoff for up to one (1) year;

For each period included in Credited Service as a result of subparagraphs (ii), (iii) and (iv), the monthly number of hours worked by the Member during such period is deemed to equal the monthly average of the hours worked by the Member during the three (3) months preceding such period.

In no event, however, shall the total periods of Continuous Service included under subparagraphs (ii), (iii) and (iv) in respect of a Member, excluding those throughout which the Member suffered a physical or mental impairment that prevents the Member from performing the duties of employment in which the Member has engaged before the commencement of the impairment, exceed the sum of:

(A) five (5) years; and

(B) the periods of parenting, as defined in Revenue Rules, subject to a maximum of three (3) such periods of parenting and a maximum of twelve (12) months for any one period of parenting.

Such total limit being subject to further adjustment at the sole discretion of the Company as permitted under Revenue Rules taking into account the Plan's pension formula.

In no event shall any period included in Credited Service under this paragraph (c) cause Credited Service to exceed the maximum period specified in paragraph 4.03(b)(iv).

4.03 **Re-Employment**

In the event that an Employee terminates employment other than by retirement, and is subsequently re-employed with the Company prior to his Normal Retirement Date, he shall not be permitted to re-join the Plan, but may be eligible to join another registered pension plan sponsored by the Company in accordance with the terms of the other registered pension plan.

Article 5 Required Contributions

5.01 Contribution Rate

- (a) A Member shall be required to contribute, in each calendar year or portion thereof, by regular payroll deduction the amount specified in paragraph (b). Subject to the provisions of Article 14, such Required Contributions shall cease upon the earliest of:
- (i) the Member's transfer to a category of employment such that the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death;
 - (v) the date of discontinuance of the Plan;
 - (vi) the date on which the Member's Credited Service attains the maximum period specified in paragraph 4.03(b)(iv); or
 - (vii) such other date as is provided for in Section 5.02.

In no event, however, shall a Member's Required Contributions in any calendar year exceed the sum of:

- (viii) seventy percent (70%) of the Member's pension credits under the Plan for the calendar year, as determined under Revenue Rules; and
- (ix) \$1,000.

All Required Contributions shall be paid by the Company into the Fund within the time limits specified in Applicable Pension Laws.

- (b) The Required Contributions of a Member in each calendar year or portion thereof, shall be the sum of:
- (i) two and one-half percent (2 1/2%) of the portion of the Member's Earnings which do not exceed the YMPE; and
 - (ii) five percent (5%) of the portion of the Member's Earnings which exceeds the YMPE.

5.02 **No Contributions during Absence**

A Member shall not be required to contribute pursuant to Section 5.01 during any period of lay-off, leave of absence due to maternity or parenting or absence as a result of injury or sickness for which he does not receive Earnings from the Company. Upon the Employee returning to work after such period of absence, his Required Contributions shall be immediately resumed. Notwithstanding the foregoing, a Member is not required to continue making contributions pursuant to Section 5.01 during a period while totally disabled pursuant to Section 12.01.

5.03 **Interest Credits**

(a) Subject to Applicable Pension Laws, Interest shall be credited on Required Contributions made during the calendar year based upon one-half (1/2) of the period for which the Member made Required Contributions, or such other amount as may be determined in accordance with the provisions of Appendix B. Interest shall be compounded annually at the end of each Plan Year, with proportionate Interest up to the first (1st) day of the month in which the payment falls due or up to the Member's Retirement Date, whichever shall first occur.

(b) Interest credited, for any Plan Year, shall be at a rate adopted by the Company, provided that it shall not be less than the average rate credited on five year personal fixed term chartered bank deposits (CANSIM Series V122515) for the Plan Year, or such other higher rate as may be required under Applicable Pension Laws or such other amount as may be determined in accordance with the provisions of Appendix B.

For a Member who terminates during a Plan Year, interest shall be credited during the year of termination at a rate which shall not be less than the average rate credited on five year personal fixed term chartered bank deposits for the twelve (12) month period immediately preceding the Plan Year, or such higher rate as may be required under Applicable Pension Laws or such other amount as may be determined in accordance with the provisions of Appendix B.

(c) Interest credited to OPP Company Account and OPP Member Account shall be equal to the Investment Earnings.

Article 6 Retirement Dates

6.01 Normal Retirement

The Normal Retirement Date of a Member is the first (1st) day of the month coincident with or next following the attainment of age sixty-five (65).

6.02 Early Retirement

A Member may retire prior to his Normal Retirement Date on the first (1st) day of any month coincident with or following the date on which the Member attains age fifty-five (55). The date of the Member's actual retirement in accordance with this paragraph shall be his Early Retirement Date.

6.03 Postponed Retirement

A Member who accrues Continuous Service beyond Normal Retirement Date shall retire, or be deemed to have retired for the purposes of the Plan, not later than December 1 of the calendar year during which the Member attains age 71 or such later date as permitted by Revenue Rules.

The date of the Member's actual or deemed retirement in accordance with this paragraph shall be his Postponed Retirement Date.

Article 7 Retirement Income Formula

7.01 This formula is used in the calculation of the retirement income in respect of a Member, and the amount derived therefrom is the basis on which the actual amount of retirement income will be determined in accordance with the applicable provisions of the Plan.

The annual amount of retirement income as of a Member's Date of Determination shall be equal to the sum of his Past Service Benefit and Future Service Benefit determined in accordance with the remainder of this Article 7.

7.02 **Past Service Benefit**

A Member's Past Service Benefit shall be equal to the aggregate of:

- (a) for that portion of the Member's Continuous Service, if any, which is not included in the Member's Credited Past Service, the annual amount of Former Plan Benefit (as defined in Schedule A), if any, to which the Member is entitled pursuant to Schedule A; plus
- (b) for the portion of the Member's Continuous Service which is included in the Member's Credited Past Service, two percent (2%) of the Member's Best Average Earnings-5 minus seven-tenths of one percent (7/10 of 1%) of the lesser of his Best Average Earnings-5 and his Average YMPE, multiplied by his years of Credited Past Service; and
- (c) additional adjustments apply, as set out in Schedule B, for:
 - (i) a Member entitled to a benefit under the Group Annuity Retirement Plan;
 - (ii) a Member who participated in the Associated Biscuits of Canada Ltd. Executive Pension Plan prior to January 1, 1984; or
 - (iii) a Member entitled to a benefit under any other registered pension plan maintained by the Company, any subsidiary or affiliated company or any predecessor of said companies or to which the Company, any subsidiary or affiliated company or any predecessor company of said companies contributes.

7.03 **Future Service Benefit**

A Member's Future Service Benefit shall be equal to the aggregate of:

- (a) one and one-tenth percent (1.1%) of that part of his Best Average Earnings-3 which do not exceed the YMPE Average; plus
 - (b) one and eighty-five hundredths percent (1.85%) of that part of his Best Average Earnings-3 which exceeds the YMPE average;
- all multiplied by the Member's Credited Future Service.

7.04 **Maximum Retirement Income**

Notwithstanding the foregoing provisions of this Article, the annual rate, at the Member's Date of Determination, of the Member's retirement income under the foregoing provisions of this Article shall not exceed the product of (a) and (b) as follows:

- (a) the lesser of
 - (i) two percent (2%) of the Member's Best Average Earnings-3; and
 - (ii) the defined benefit limit as defined under Revenue Rules at the Date of Determination;
- (b) the Member's Credited Service, plus other pensionable service recognized under the Plan which is not counted as Credited Service (as described in Schedule A).

Article 8 Amount of Retirement Income

8.01 Normal Retirement

A Member who retires on his Normal Retirement Date will receive an amount of retirement income computed in accordance with Article 7, using the Member's Normal Retirement Date as his Date of Determination.

8.02 Early Retirement

- (a) Subject to paragraph (c), a Member who retires on an Early Retirement Date will receive an amount of retirement income starting, at the Member's election, at any time on or prior to his Normal Retirement Date, computed in accordance with Article 7, but ignoring Section 7.02, using the Member's Early Retirement Date as his Date of Determination, multiplied by the applicable early retirement factor, in accordance with paragraph (b) hereof.
- (b) The early retirement factor referred to in paragraph (a) shall be determined in accordance with the paragraphs below, based on complete calendar months:
- (i) the early retirement factor for a Member's Past Service Benefit shall be equal to one hundred percent (100%) less one-third of one percent (1/3%) for each month by which the Member's Pension Commencement Date precedes his sixty-second (62nd) birthday;
 - (ii) the early retirement factor for a Member's Future Service Benefit shall be equal to one hundred percent (100%) less one quarter of one percent (1/4%) for each month by which his Pension Commencement Date precedes the earliest of:
 - (A) Normal Retirement Date; and
 - (B) the first day of the month following the date on which he would have both attained age sixty (60) and completed twenty-five (25) years of Continuous Service.
- (c) The retirement income payable under paragraph (a) shall not exceed the amount computed in accordance with Section 7.02, using the Early Retirement Date as his Date of Determination, multiplied by an early retirement factor equal to one hundred percent (100%) less one-quarter percent (1/4%) for each month, if any, by which Pension Commencement Date precedes the earliest of:
- (i) the date the Member attains age sixty (60);

- (ii) the date the Member completed, or would have completed had the Member continued in employment after his Early Retirement Date, thirty (30) years of Early Retirement Eligibility Service; and
- (iii) the date on which the aggregate of the Member's age and Early Retirement Eligibility Service is, or would have been had the Member continued in employment after his Early Retirement Date, equal to eighty (80) years.

For the purposes of subparagraphs (ii) and (iii), "Early Retirement Eligibility Service" has the same meaning as defined in the Income Tax Act.

8.03 Bridge Benefit

- (a) A member who retires on an Early Retirement Date while accruing Continuous Service shall be entitled to receive an annual temporary retirement income equal to \$150 multiplied by his Credited Future Service. Such temporary retirement income shall be paid in accordance with paragraph 9.01(b).
- (b) The annual temporary retirement income payable under paragraph (a) at Pension Commencement Date shall not exceed the product of (i) and (ii), where
 - (i) is equal to the sum of
 - (A) the maximum annual pension benefit payable under the Old Age Security Act as at Pension Commencement Date; and
 - (B) the maximum annual pension benefit payable under the Canada Pension Plan as at Pension Commencement Date to a person commencing to receive such pension benefit at age sixty-five (65), multiplied by the ratio, not to exceed one (1), that the total of the Member's remuneration for the three (3) calendar years in which the remuneration is the highest bears to the total of the YMPE for those three (3) years;
 - (ii) is equal to the product of:
 - (A) the ratio that the lesser of ten (10) and the Member's Credited Service bears to ten (10); and
 - (B) one hundred percent (100%) less one-quarter of one percent (1/4%) for each month, if any, by which Pension Commencement Date precedes the date the Member will attain age sixty (60).

- (c) Notwithstanding the foregoing provisions of this Section, the annual rate of that portion of the total amount of retirement income payable to a Member at Pension Commencement Date which is in respect of Credited Service after December 31, 1991, under the foregoing provisions of this Section and Section 8.02, shall not exceed the sum of (i) and (ii), where
- (i) is equal to the product of (A) and (B) as follows:
 - (A) the amount specified in paragraph 7.02(a)(ii);
 - (B) Credited Service after December 31, 1991;
 - (ii) is equal to the product of (A) and (B) as follows:
 - (A) twenty-five (25%) of the average of the YMPE for the calendar year in which the retirement income commences to be paid and the two (2) preceding calendar years, divided by thirty-five (35);
 - (B) the Member's Credited Service after December 31, 1991.

8.04 Postponed Retirement

- (a) A Member who accrues Continuous Service after Normal Retirement Date will receive an annual retirement income payable commencing on his Postponed Retirement Date, computed in accordance with Article 7 using the Member's Postponed Retirement Date as his Date of Determination.
- (b) Notwithstanding paragraph (a), a Quebec Member retiring on a Postponed Retirement Date shall receive such other benefits as may be set out in Appendix B.

8.05 Excess Member Contributions

In addition to any other benefit payable under this Article, a Member shall receive a lump sum payment that is equal to any Required Contributions made on or after January 1, 1987 or such date as may be specified in Appendix B, together with Interest to his Retirement Date, that is in excess of fifty percent (50%) of the Actuarial Equivalent of the total retirement income earned in respect of Credited Service on or after January 1, 1987.

8.06 Phased Retirement

A Member is not permitted to elect to receive phased retirement benefits except as permitted and subject to the conditions specified in Appendix B.

8.07 Grow-in to Early Retirement Benefits – Ontario Members Only

If the employment of a Member is involuntarily terminated by the Company and if the Member's age and Continuous Service or membership in the Plan at his Date of Determination equals 55 or more, the Member shall be entitled to:

- (a) the benefit payable pursuant to Section 8.02; and
- (b) if the Member has also completed 10 years of Continuous Service or membership in the Plan at his Date of Determination, the benefit payable pursuant to Section 8.03,

if the Member elects to commence his retirement income pursuant to Section 6.02 prior to his Normal Retirement Date.

Notwithstanding the above, such a Member shall not be entitled to the benefits in paragraphs (a) and/or (b) of this Section 8.07 if his termination of employment is excluded from "grow-in benefits" under Applicable Pension Laws.

For greater certainty, this Section 8.07 shall only apply where "grow-in benefits" are mandated under Applicable Pension Laws and if o mandated, subject to Applicable Pension Laws.

8.08 OPP Benefits

In addition to the benefits provided under other sections of this Article 8, an OPP Member shall be entitled to the retirement income which may be purchased by his OPP Member Account and his OPP Company Account.

Article 9 Payment of Retirement Benefits

9.01 Normal Form

- (a) Subject to Sections 9.02 and 9.03, payment of retirement income, except any temporary retirement income payable under Section 8.03, shall be in the form of monthly instalments payable during the Member's lifetime with the provision that at least sixty (60) monthly instalments shall be made. Notwithstanding the foregoing, payments shall be in the form of monthly instalments payable during his lifetime with the provision that the total payments received by the Member shall be at least equal to the Member's Required Contributions accrued with Interest to his Retirement Date.
- (b) Payment of any temporary retirement income payable under Section 8.03 shall be in the form of monthly instalments beginning on the Member's Pension Commencement Date and ceasing with the payment made immediately prior to the earlier of:
- (i) the date of the Member's death, or
 - (ii) the Member's Normal Retirement Date,
- with the provision that, for a Member who on his Pension Commencement Date, has a Spouse who has not waived entitlement to a joint and survivor pension, sixty percent (60%) of such temporary retirement income shall be paid to the Spouse on the death of the Member following retirement. Payments to the Spouse shall be made monthly and shall cease with the payment made immediately prior to the earlier of:
- (iii) the date of the Spouse's death, or
 - (iv) the Member's Normal Retirement Date.

9.02 Mandatory Spousal Option

- (a) A Member who has a Spouse on his Pension Commencement Date shall be deemed to have elected an optional form, in accordance with paragraph 9.03(b), with the provision that seventy-five percent (75%) of the Member's Past Service Benefit, shall be payable to his Spouse after his death. Such benefit shall be the Actuarial Equivalent of the normal form of benefit payable pursuant to paragraph 9.01(a).
- (b) A Member who has a Spouse on his Pension Commencement Date shall be deemed to have elected an optional form, in accordance with paragraph 9.03(b), with the provision that sixty percent (60%) of the Member's Future Service Benefit shall be payable to his Spouse after his death and with the

provision that the total payments made to the Member and his Spouse, including payments in respect of the Member's Past Service Benefit under paragraph (a), shall be at least equal to the Member's Required Contributions accrued with Interest to his Retirement Date. In addition, if the Member was receiving a temporary retirement income under Section 8.03, 60% of such temporary retirement income may continue to the Spouse in accordance with and for the time period described in Section 9.01(b). The amount of retirement income payable under the mandatory spousal option under this paragraph (b), shall be equal to the amount of retirement income under the normal form.

- (c) Benefits payable under the OPP shall be determined in accordance with the annuity purchase rates offered by insurance companies at the time the annuity is purchased.
- (d) Subject to Applicable Pension Laws, a Member and his Spouse may waive this form of pension including, if applicable, any temporary retirement income payable under Section 8.03, by signing a waiver form to that effect. A Spouse who has waived entitlement to a survivor pension, may revoke the waiver by filing a written notice with the Company prior to the Member's Pension Commencement Date.

9.03 **Election of Optional Form**

Subject to Applicable Pension Laws and the provisions of Section 9.02, a Member may elect, in lieu of the normal form of retirement income as described in paragraph 9.01(a), to receive his retirement income, except any temporary retirement income payable under Section 8.03, under any optional form of retirement income contained in this Section as may be applicable. Such written election in prescribed form must be filed with the Company at any time prior to the Pension Commencement Date. The retirement income payable under the elected option shall be the Actuarial Equivalent of the retirement income payable under the normal form as described in paragraph 9.01(a) or, in the case of a Member with a Spouse who elects an optional form providing a continuation percentage to the Spouse higher than sixty percent (60%), the Actuarial Equivalent of the retirement income payable under mandatory spousal option as described in Section 9.02.

In the event that the elected option provides for payment to a Spouse and the Spouse dies prior to the Pension Commencement Date, such election shall be void and the Member shall be permitted to elect another form of retirement income.

(a) *Life Annuity- Guaranteed Term*

A Member may elect to receive retirement income payable to him during his lifetime, with the provision that should he die before he has received payments for a guaranteed term of ten (10) or fifteen (15) years, as elected by him, then the remainder of the payments shall be paid to his Beneficiary.

(b) *Life Annuity Continuing to Spouse*

A Member may elect to receive retirement income payable to him during his lifetime, with the provision that on his death after retirement a percentage of such income shall be continued during the life of, and shall be paid to, his Spouse. Such percentage, elected by the Member, shall be one of the following:

- (i) sixty-six and two-thirds percent (66-2/3%)
- (ii) seventy-five percent (75%), or
- (iii) one hundred percent (100%).

(c) *Other Options*

In lieu of any other form of retirement income specified in this Article, a Member may elect any other optional form that Applicable Pension Laws require to be made available or as may be approved and made available by the Company from time to time subject to Applicable Pension Laws and Revenue Rules.

9.04 **Commutation of Benefits**

- (a) Subject to Appendix B, if any annual retirement income payments under the Plan payable to a Member or a Spouse are less than two percent (4%) of the YMPE as at the Date of Determination, or the lump sum Actuarial Equivalent of the Member's retirement income is less than 20% of the YMPE as at the Date of Determination, or such other amount as may be commuted in accordance with and subject to conditions specified in Applicable Pension Laws, the Company may direct the payment of an Actuarially Equivalent lump sum to the recipient in lieu of any other payment.
- (b) Subject to Applicable Pension Laws, retirement income currently being paid or required to be paid under the Plan may be commuted and paid in a lump sum at the direction of an Member and if the Member:
 - (i) establishes that he has an illness or physical disability that is likely to shorten his life expectancy to less than two years, as certified by a written statement from a qualified medical doctor licensed to practice in Canada;

- (ii) provides an application to the Company in the prescribed form; and
- (iii) satisfies any other conditions prescribed by Applicable Pension Laws.

9.05 **Ad Hoc Increases**

- (a) In its sole discretion, the Company may amend the Plan to provide ad hoc increases to the amounts of retirement income being paid to Members and joint annuitants. Such ad hoc increases shall be authorized by an amendment to the Plan.
- (b) Notwithstanding paragraph (a), in no event shall the amount of retirement income payable to a retired Member or joint annuitant exceed the portion of the retirement income in the year of commencement, excluding any bridge benefits, adjusted from time to time to reflect increases in the Consumer Price Index as published by Statistics Canada.

9.06 **Redetermination of Form of Pension**

A member shall be eligible for redetermination of his pension with respect to separation or marriage breakdown after pension commencement as may be permitted, and subject to the conditions specified, in Appendix B.

Article 10 Death Benefits

10.01 Death Benefits Prior to Retirement Date

If the death of a Member occurs prior to his Retirement Date, there shall be paid to the Member's Spouse or if the Member does not have a Spouse or where permitted by Applicable Pension Laws, the Spouse has waived entitlement, his Beneficiary shall receive, subject to Applicable Pension Laws:

- (a) an amount equal to the Member's Required Contributions made prior to January 1, 1987, or such other date as maybe specified in Appendix B, if any with Interest; and
- (b) a lump sum amount equal to the Actuarial Equivalent of the Retirement Income Earned After 1986 plus the amount by which Required Contributions made on or after January 1, 1987, or such other date as may be specified in Appendix B, together with Interest to the date of death, exceed fifty percent (50%) of the Actuarial Equivalent of the Retirement Income Earned after 1986.

Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse hereunder, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity commencing on or before the Spouse's attainment of age sixty-five (65).

10.02 Death Benefits after Normal Retirement Date and Before Postponed Retirement Date

Notwithstanding Section 10.01, if the death of a Member occurs after his National Retirement Date, but before his Postponed Retirement Date, for the purpose of determining any death benefit payable hereunder, the Member shall be deemed to have retired on the day preceding his death. However, such benefit shall not have a lesser value than the benefit provided under Section 10.01.

10.03 Death Benefits After Retirement

- (a) If the death of a Member occurs after his Pension Commencement Date, there shall be paid to his Beneficiary or Spouse, as applicable, any benefits due in accordance with the retirement income option elected by the Member in accordance with Article 9.
- (b) If the death of a Member occurs after his Early Retirement Date but before his Pension Commencement Date, there shall be paid the benefits determined in accordance with Section 10.01.

10.04 **Commutation of Death Benefits**

- (a) The amount of retirement income payable to a Member's Beneficiary (other than his estate) under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (b) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum actuarially Equivalent to the remaining retirement income payments under the guarantee option.

10.05 **Beneficiary Designation**

A Member shall designate in writing a Beneficiary to receive any benefits payable under the Plan upon the death of such Member and may change such designation from time to time. Such designation or change must be in accordance with any law applicable to the Member and shall be in such form and executed in such manner as the Company may, from time to time, determine. Any designation or change must be filed with the Company. In the absence of an effective designation of a Beneficiary, the Company shall instruct the Funding Agency to make payment of any death benefits under this Plan to the estate of the Member and any such payment shall completely discharge all liability with respect to the amount paid.

Article 11 Termination of Employment

11.01 A Member whose employment with the Company is terminated, for any reason other than death or retirement, and who has not attained age fifty-five (55) shall receive benefits as follows:

- (a) A retirement income calculated in accordance with Article 7 using the Member's date of termination as his Date of Determination and commencing on the Member's Normal Retirement Date.
- (b) Notwithstanding the foregoing, if the Member is an Early Retirement Eligible Member, the Member may elect to receive:
 - (i) his Past Service Benefit calculated according to Article 7 using his date of termination as the Date of Determination and commencing on his Normal Retirement Date; and
 - (ii) his Future Service Benefit calculated in accordance with Section 8.02 and payable commencing on his Early Retirement Date.

If the Early Retirement Eligible Member elects to commence payment of his Future Service Benefit on his Early Retirement Date, his Past Service Benefit shall also commence on the same date, reduced in accordance with Section 11.02, if his Pension Commencement Date precedes his Normal Retirement Date.

- (c) The amount by which Required Contributions made on or after January 1, 1987, or such other date as may be specified in Appendix B, together with Interest to the Date of Determination, exceed fifty percent (50%) of the Actuarial Equivalent of the retirement income earned in respect of Credited Service on or after January 1, 1987.
- (d) The Retirement income which may be purchased by his OPP Member Account and his OPP Company Account.
- (e) The retirement income specified in paragraph (a) in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%). For determination of the amount specified in paragraph (b), the lump sum Actuarial Equivalent of the entitlement under paragraph (a) shall reflect the increase specified in this paragraph.

11.02 If a Member is entitled to receive a deferred pension in accordance with the provisions of this Article, such Member may elect to start receiving his retirement income at any time within ten (10) years of his Normal Retirement Date. The amount of retirement income payable to such a Member shall be the retirement income payable from Normal Retirement Date reduced to the lesser of (a) and (b) as follows:

- (a) the Actuarial Equivalent of the retirement income otherwise payable at Normal Retirement Date;
- (b) the retirement income which would have commenced at Normal Retirement Date multiplied by the applicable early retirement factor in accordance with paragraph 8.02(c), with the references to Early Retirement Date changed to date of termination of employment.

Notwithstanding the foregoing, an Early Retirement Eligibility Member may receive his Future Service Benefit pursuant to Section 8.02.

11.03 **Grow-in to Early Retirement Benefits – Ontario Members Only**

If the employment of a Member is involuntarily terminated by the Company and if the Member's age and Continuous Service or membership in the Plan at his Date of Determination equals 55 or more, the Member shall be entitled to:

- (a) the benefit payable pursuant to Section 8.02; and
- (b) if the Member had also completed 10 years of Continuous Service or membership in the Plan at his Date of Determination, the benefit payable pursuant to Section 8.03,

if the Member elects to commence his retirement income pursuant to Section 11.02 prior to his Normal Retirement Date or to transfer the retirement income pursuant to Section 15.02(c).

Notwithstanding the above, such a Member shall not be entitled to the benefits in paragraphs (a) and/or (b) of this Section 11.03 if his termination of employment is excluded from "grow-in benefits" under Applicable Pension Laws.

For greater certainty, this Section 11.03 shall only apply where "grow-in benefits" are mandated under Applicable Pension Laws and if so mandated, subject to Applicable Pension Laws.

Article 12 Disability

- 12.01 A Member shall be deemed to be totally disabled for the purposes of the Plan if he has a physical or mental condition which prevents the Member from performing the duties in which the Member was engaged before the commencement of the impairment and which meets the qualification criteria for receipt of benefits under the Company's long-term disability income plan, as certified by a qualified medical doctor and, if the Company so requests, as determined conclusively by the insurance carrier administering such long-term disability income plan. For the purpose of the Plan, such Member shall cease to qualify as totally disabled on his Normal Retirement Date.
- 12.02 During the continuance of total disability of a Member pursuant to Section 12.01, for the purposes of the Plan:
- (a) Best Average Earnings-5 or Best Average Earnings-3, as applicable, and YMPE Average shall be determined as of the date on which the Member became totally disabled;
 - (b) Canada/Quebec Pension Plan Benefit shall be deemed to be equal to the benefits in effect on the date on which the Member became totally disabled;
 - (c) Continuous Service shall continue to accrue in full;
 - (d) Credited Service shall continue to accrue at the rate in effect immediately prior to his disability.
- 12.03 Should a Member cease to qualify as totally disabled in accordance with Section 12.01, the Member may, if he is eligible, elect to retire on his Normal Retirement Date or an Early Retirement Date. If he is not eligible to retire and if he does not return to active employment, the Member shall be deemed to terminate his employment in accordance with Article 11. In no event shall the Member continue to accrue benefits pursuant to Section 12.02 subsequent to his Retirement Date.

Article 13 Related Employer Benefit Limitations

13.01 Related Employers

For purposes of this Article 13, "Related Employers" means the Company, an employer that is a company that is related within the meaning of the Income Tax Act (Canada) to the Company, or a partnership or joint venture in which the Company is a partner or joint venturer and in respect of which the Company does not act at arm's length.

13.02 Lifetime Benefit

The amount of lifetime retirement income benefit payable under the Plan to be a Member, a Member's Beneficiary and Spouse, as applicable, shall not cause the lifetime retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate to exceed, in aggregate, the lifetime retirement income limits set out under Revenue Rules.

13.03 Bridge Benefit

The amount of temporary retirement income benefit payable under the Plan shall not cause the temporary retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate to exceed, in the aggregate, the temporary retirement income limits set out under Revenue Rules.

13.04 Combined Lifetime Benefit and Bridge Benefit

The amount of the combined lifetime retirement income benefit and temporary retirement income benefit payable under the Plan to a Member, a Member's Beneficiary and Spouse, as applicable, including benefits payable under Appendix B shall not cause the combined lifetime retirement income benefits and temporary retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate to exceed, in the aggregate, the combined lifetime retirement income and temporary retirement income limits set out under Revenue Rules.

13.05 Pension Adjustment

In each calendar year, the amount of retirement income accrued by the Member under the Plan shall not cause the pension adjustments, as determined in accordance with Revenue Rules, in respect of the Member under all registered pension plans in which Related Employers participate to exceed, in the aggregate, the money purchase limit, as defined in Revenue Rules.

Article 14 Transfer of Employment

14.01 The transfer of a Member within the Company to a category of employment such that the Member ceases to be an Employee, or to a Canadian company which is associated with the Company but which does not itself participate in the Plan, shall not constitute a termination of employment pursuant to Article 11. In the event of such transfer, the Member's:

- (a) Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the associated company; and
- (b) Credited Service (for benefit computation purposes) shall exclude those periods of employment during which he was not an Employee.

14.02 In the event that:

- (a) a Member's employment with the Company is terminated;
- (b) the Member becomes employed with a foreign company which is associated with the Company but which does not itself participate in the Plan; and
- (c) the transfer of employment is deemed permanent by the Company;

the following provision shall apply:

- (i) the Member's Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the associated company;
- (ii) the Member's Credited Service (for benefit computation purposes) shall exclude those periods of employment during which he is not an Employee and is in the employment of the associated company, unless such a period of employment was previously included in the Member's Credited Service in accordance with Section 14.04;
- (iii) for the sole purposes of determining Best Average Earnings-3 or Best Average Earnings-5, as applicable, the Member's Earnings in each month during which the Member is employed by the associated company shall be deemed equal to one-twelfth (1/12) of the Member's Earnings in the last full calendar year of employment with the Company adjusted from each January 1 following the date of transfer of employment to reflect increase in the Industrial Aggregate Wage Index as published by Statistics Canada; and
- (iv) the Member shall receive benefits from the Plan on the date of his retirement, death or termination of employment with the associated company, which shall be the Member's Date of Determination from the purposes of the Plan.

Alternatively, the Member may elect to receive benefits in accordance with Article 11.

14.03 In the event that:

- (a) a Member's employment with the Company is terminated;
- (b) the Member becomes employed with a foreign company which is associated with the Company but which does not itself participate in the Plan; and
- (c) the transfer of employment is deemed temporary by the Company;

this shall not constitute a termination of employment pursuant to Article 11. In the event of such transfer:

- (i) the Member's Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the associated company;
- (ii) subject to Revenue Rules and the limitations specified in subparagraph 4.03(b)(iv), the Member's Credited Service (for benefit computation purposes) shall include those periods of employment with the associated company up to a maximum of five (5) years;
- (iii) for the sole purpose of determining Best Average Earnings-3 or Best Average Earnings-5, as applicable, the Member's Earnings in each month during which the Member is employed by the associated company shall be deemed equal to one-twelfth (1/12) of the Member's Earnings in the last full calendar year of employment with the Company adjusted from each January 1 following the date of transfer of employment to reflect increases in the Industrial Aggregate Wage Index as published by Statistics Canada;
- (iv) during the continuance of his employment with the associated company, the Member's benefits shall continue to accrue in accordance with the benefits applicable to the Member as in effect immediately prior to the Member's transfer to the associated company;

If the period of employment with the associated company exceeds five (5) years, the provision of Section 14.03 shall be applied as of the date of attainment of five (5) years of employment with the associated company.

14.04 Notwithstanding Article 1, the provisions of Sections 14.03 and 14.04 shall also apply to Members who were transferred to a foreign company associated with the Company prior to the January 1, 2003 and are still in the employ of such foreign company as of the January 1, 2003.

Article 15 Transfer of Funds

15.01 Transfer from Registered Plan of Previous Employer

Where there exists a Reciprocal Agreement between the Company and a previous employer, the Company will accept deposits into the Fund to the credit of a Member by way of transfer from his previous employer's registered pension plan or deferred profit sharing plan. Amounts so transferred will be accepted in accordance with the terms of the Reciprocal Agreements.

15.02 Transfer to Other Registered Plan

- (a) Where there exists a Reciprocal Agreement between the Company and the subsequent employer of a Member, transfer payments may be made into the fund of the subsequent employer's registered pension plan. The amount of such transfer shall be determined in accordance with the Reciprocal Agreement.
- (b) Where no Reciprocal Agreement exists, any cash settlement to which the Member is entitled in accordance with Section 8.05, Section 9.04 and Article 11, or to which the Spouse is entitled in accordance with Article 10 may be:
 - (i) paid into another registered pension plan, if this other plan so permits, or
 - (ii) paid into a registered retirement savings plan of the Member or the Spouse, as applicable;
 - (iii) transferred to an insurance company licensed to transact business in Canada for the purchase of an immediate annuity or a deferred life annuity commencing not later than December 31, of the calendar year during which the Member or Spouse, as applicable, age 71, or such later date as permitted by Revenue Rules, in a form acceptable under Revenue Rules.
 - (iv) paid into such other registered vehicle as may be approved under Revenue Rules.
- (c) Where no Reciprocal Agreement exists and:
 - (i) a Member, including any Member who is no longer employed by the Company, is entitled to receive a deferred life annuity in accordance with Article 11 or benefits under the OPP,
or
 - (ii) a Spouse is entitled to a retirement income under the Plan, including the OPP, upon the death of the Member prior to the commencement of payment of the Member's retirement income.

this person may direct that the lump sum Actuarial Equivalent of such pension or the value of the OPP Member Account and the OPP Company Account be transferred to another registered pension plan, to an insurance company licensed to transact business in Canada for the purpose of purchasing an annuity, or to other types of registered plans which may be acceptable under Applicable Pension Laws and Revenue Rules, subject to any approval by the Member's Spouse that is required by Applicable Pension Laws. Such transfer shall only be permitted if the administrator of such plan agrees in writing to administer such transferred pension credit within the conditions of Applicable Pension Laws.

The Member or Spouse, as applicable may elect to make such a transfer:

- (iii) upon termination of employment with the Company or upon the Member's death, as applicable;
 - (iv) at any other date as may be specified in Applicable Pension Laws; and
 - (v) at any other date as may be authorized by the Company.
- (d) As may be permitted under Applicable Pension Laws, the Company may require a Member or a Spouse, as applicable, who is entitled to an amount of retirement income to transfer the lump sum Actuarial Equivalent of the benefit to another registered vehicle.
- (e) The amount transferred by a Member under paragraphs (a), (b) and (c) shall not exceed, if such transfer is not made to a defined benefit provision of a registered pension plan, and the OPP Company Account and the OPP Member Account, the greater of the Member's Required Contribution with Interest, and the product of:
- (i) the annual amount of retirement income computed in accordance with Article 7 using the Member's date of termination of employment as the Date of Determination; and

(ii) the appropriate factor from the following table:

<u>Attained Age at Date of Calculation</u>	<u>Factor</u>
Under 50	9.0
50	9.4
51	9.6
52	9.8
53	10.0
54	10.2
55	10.4
56	10.6
57	10.8
58	11.0
59	11.3
60	11.5
61	11.7
62	12.0
63	12.2
64	12.4
65	12.4
66	12.0
67	11.7
68	11.3
69	11.0
70	10.6
71	10.3

For non-integral ages lower than 64, the appropriate factor shall be determined on an interpolated basis.

If the Member retires on a Postponed Retirement Date, the amount under (i) above shall include any actuarial increase to which the Member may be entitled under the applicable schedule.

If the amount to be transferred exceeds the maximum transferable amount determined above, such excess shall be paid to the Member in cash.

(f) The transfers under paragraphs (a), (b) and (c), excluding any refund of Required Contributions with Interest shall be subject to any limitations prescribed by Applicable Pension Laws in respect of the transfer of monies from Fund.

Article 16 Contributions and Funding

16.01 Company Contributions

Based upon the amounts estimated by the Actuary and subject to Section 16.02, the Company will contribute to the Fund such amounts as are required in accordance with, and within the time limits specified in, Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have theretofore been made by it in accordance with Applicable Pension Laws. Notwithstanding the foregoing, contributions made to the Plan by the Company shall only be made if they are eligible contributions in accordance with Revenue Rules.

16.02 Actuarial Surplus

At the discretion of the Company and subject to the provisions of Applicable Pension Laws, any surplus determined by the Actuary, or a portion thereof, may be used to determine or reduce the contributions of the Company under the Plan including, any contributions made by the Company to the OPP, or may, to the extent allowed and subject to any conditions or approval procedures under the Applicable Pension Laws, be returned to the Company.

16.03 Fund

(a) The retirement income and other benefits provided under the Plan, shall be financed by a Fund established for the purposes of the Plan under which all contributions and investment income are held to pay such retirement income, other benefits and the fees, costs and expenses of the Plan, including the fees, costs and expenses of the OPP, to be paid from the Fund as specified in paragraph (e). The Fund shall contain one Defined Benefit Account plus, OPP Company Accounts and OPP Member Accounts as follows:

- (i) Defined Benefit Account: The Defined Benefit Account shall consist of the assets in the Fund not allocated to the OPP Company Accounts and OPP Member Accounts.
- (ii) OPP Company Account: A separate account shall be maintained for each Member who is participating in the OPP which shall represent the portion of the Fund attributable to OPP Company Contributions made in respect of the Member.
- (iii) OPP Member Account: A separate account shall be maintained for each Member who is participating in the OPP which shall represent the portion of the Fund attributable to the OPP Member Contributions made by the Member.

Upon the completion of the transfer of assets, the Fund shall include the assets transferred from the Kraft Plan for those Members who transferred to employment with the Company on September 29, 2012.

- (b) The Company shall be responsible for the selection of a Funding Agency. The Fund or a portion thereof shall be maintained and administered by the Funding Agency in accordance with the terms of a Funding Agreement entered into between the Company and the Funding Agency. The Company and the Funding Agency may agree to amend the form and the terms of the Funding Agreement at any time. The Company may further appoint an organization licensed to provide investment management services, to manage the investment of any portion of the Fund. The Company may replace any Funding Agency or investment manager at any time, in accordance with the terms of any applicable agreement or contract.
- (c) Subject to Applicable Pension Laws, the retirement income and other benefits provided under the Plan payable hereunder, shall only paid to the extent that they are provided for by the assets held under the Fund, and no liability or obligation to make any contributions thereto or otherwise shall be imposed upon the Company other than in accordance with Section 16.01.
- (d) The investment of the Fund shall be made in accordance with Applicable Pension Laws and Revenue Rules.
- (e) Fees of the Funding Agency, fees of an investment manager, investment brokerage, transfer taxes and similar costs arising as a result of the making of investments, sale of assets or realization of investment yield, and the expenses reasonably incurred or compensation properly paid in the course of the administration of the Plan, including the OPP, shall either be paid by the Company in cash or from the Fund, as determined by the Company.

16.04 **Claims on the Fund**

No Member or any person claiming through him, by virtue of any provision of the Plan, shall have any right to, or any interest in, any part of the Fund except to the extent provided from time to time under the Plan and the Funding Agreement, and any Member or other person having any claim through him shall have recourse solely to the Fund for payment of any benefits hereunder. Under no circumstances shall any liability attach to the Company or any director, officer or employee of the Company for payment of any benefits or claims hereunder.

16.05 **Excess Contributions**

In the event that the Company or a Member makes a contribution to the Plan which would cause the Plan's registration to be revocable under Revenue Rules then, subject to the conditions or approval procedures under Applicable Pension Laws, such contributions shall be returned to the Company or the Member, as applicable.

16.06 **Discharge of Liability**

Upon distribution of a Member's entitlement under the Plan, including, the purchase of a life annuity from an insurance company licensed to transact business in Canada, there shall be no further liability under the Plan in respect of such Member. An acceptance of the benefit or the purchase of a life annuity shall constitute a full acquittal and discharge of the Fund and the Funding Agency by the recipient.

Article 17 Protection of Benefits

17.01 Non-Assignability of Benefits

Except as permitted under Section 17.02 and subject to Applicable Pension Laws and the portability and commutation provisions of any other Article of the Plan, no benefit, right or interest provided under the Plan shall be:

- (a) capable of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, seizure, attachment or other legal or equitable process; and
- (b) capable of being given as security or surrendered;

and, for the purposes of this Section:

- (c) assignment does not include assignment by the legal representative of a deceased individual on the distribution of the individual's estate; and
- (d) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan under Revenue Rules.

17.02 Support and Division of Property on Marriage Breakdown

- (a) Subject to Applicable Pension Laws and pursuant to a written agreement, decree, order or judgment of a competent tribunal, a benefit payable under the Plan may be subject to execution, seizure or attachment in satisfaction of an order for support or maintenance or may be assigned, pledged, charged, encumbered or alienated to satisfy a division of matrimonial property.
- (b) The determination of the benefit payable to a person under paragraph (a) shall be subject to Applicable Pension Laws and Revenue Rules.
- (c) The Member's benefit entitlements shall be reduced to account for the value of any settlement made under paragraph (a). Such reduction shall be determined in accordance with Applicable Pension Laws and Revenue Rules.

17.03 Facility of Payment

If the Company shall receive evidence which in its absolute discretion is satisfactory to it that:

- (a) a person entitled to receive any payment provided for in the Plan is physically or mentally incompetent to receive such payment and to give a valid release therefor,

(b) another person or an institution is then maintaining or has custody of such payee, and

(c) no guardian, committee or other representative of the estate of such payee shall have been duly appointed,

then the Company may direct the payment to such other person or institution specified in paragraph (b), and such payment shall be a valid and complete discharge to the Plan for the payment.

In the absence of the appointment of a legal guardian, any benefit payable to a minor may be paid to such adult or adults as have, in the absolute discretion of the Company, assumed the custody and principal financial support of such minor.

Article 18 Amendment or Discontinuance

18.01 Amendment

The Company expects to continue the Plan indefinitely, but nevertheless reserves the right to:

- (a) amend the Plan,
- (b) modify the Plan,
- (c) terminate the Plan,
- (d) merge or consolidate the Plan with any other registered pension plan adopted by the Board, or
- (e) transfer any assets or liabilities of the Plan to any other pension plan adopted by the Board,

provided that no such action shall adversely affect any right with respect to benefits which have accrued immediately prior to the time such action is taken, except as provided in Section 18.02 and 18.04. The accrued benefits will be computed using as the applicable Date of Determination, the earliest of the date the Member ceases to accrue Continuous Service and the date of the amendment, modification, termination, merger or consolidate of the Plan.

Any amendment of the Plan shall be made by the adoption of a resolution by the Board.

18.02 Amendment Required to Maintain Registration

Notwithstanding any other provisions of the Plan, the Company may amend the Plan as is necessary to maintain the registration of the Plan under Applicable Pension Laws and Revenue Rules. Section 18.01 shall not restrict the Company's ability to make an amendment to the Plan, including, but without limiting the generality of the foregoing, an amendment providing for benefits to be reduced, when the purpose of the amendment is to maintain such registration of the Plan. Any such benefit reduction shall be subject to conditions or approval procedures under Applicable Pension Laws.

18.03 Certification of Post – 1989 Additional Benefits

An amendment to the Plan which creates additional benefits in respect of a period of employment after 1989 and which must be certified by the Minister of National Revenue in accordance with Revenue Rules shall not be effective in respect of a Member until such certification has been received for that Member, and such additional benefits will not be paid as a result of the amendment prior to certification. The Company shall apply for such certification before the Company makes any contributions to the Plan in respect of such amendment.

18.04 Discontinuance

In the event the Plan shall be discontinued at any time either in whole, or in part with respect to a specified group of Members only, the assets of the Fund (or the interest therein of Members affected by a partial discontinuance) shall be allocated to provide, to the extent of said assets and subject to Applicable Pension Laws, the retirement income and other benefits then accrued under the Plan. The accrued benefits will be computed using the date the Member ceases to accrue Continuous Service as the applicable Date of Determination. Such allocation shall be made in accordance with an allocation schedule then established by the Company in consultation with the Actuary and filed with and approved by the appropriate authorities in accordance with Applicable Pension Laws.

18.05 Settlement on Discontinuance of Plan

The provisions for the accrued retirement income and other benefits described in Section 18.04 may be in the form of cash, the purchase of annuity contracts, the transfer of monies to other registered pension plans or to approved registered vehicles, or the continuance of the Fund or a combination thereof, at the discretion of the Company and as permitted under Applicable Pension Laws and Revenue Rules.

18.06 Surplus on Discontinuance

Upon discontinuance of the whole Plan, any assets of the Fund remaining after full provision has been made for the accrued retirement income and other benefits as described in Section 18.04 shall be returned to the Company. Any such reversion of assets to the Company shall be subject to the prior written approval of the applicable regulatory authority.

Article 19 Disclosure

19.01 Plan Explanation

Within the period prescribed by Applicable Pension Laws, the Company shall provide to an Employee who becomes eligible for membership in the Plan a written description of the Plan. Such description shall explain the pertinent terms and conditions of the Plan and amendments thereto as applicable to the Employee, and shall outline the rights and obligations of the Employee which reference to the benefits available under the Plan.

Unless such notification is dispensed with by the jurisdiction having authority under Applicable Pension Laws, then not later than sixty (60) days after registration of any amendments to the Plan, the Company shall provide a similar explanation of the amendment to each Employee affected by the amendment.

19.02 Inspection

The Company shall permit a Member, his authorized agent or any person permitted under Applicable Pension Laws to inspect, or make extracts from, the Plan text and any other related documents required to be made available under Applicable Pension Laws at such time and places as may be required by Applicable Pension Laws.

19.03 Benefit Statement

- (a) Within the time period prescribed in Applicable Pension Laws, the Company shall provide to each Member a written statement describing the benefits that the Member has earned to date and such other information as required under Applicable Pension Laws.
- (b) Upon cessation of employment of a Member or upon termination of the Member's active membership in the Plan, the Company shall provide the Member (or the person entitled to a benefit in the event of the Member's death) within the prescribed time period a written statement of the benefits and options to which he is entitled.

19.04 Other Information

The Company shall provide such other information regarding the Plan, statistical or otherwise, as is required under Applicable Pension Laws and Revenue Rules.

19.05 **Limitation**

Such explanation, statement or other information provided shall have no effect on the rights or obligations of any such person under the Plan, and shall not be referred to in interpreting or giving effect to the provisions of the Plan. Neither the Company, nor any employee, officer or director of the Company who is involved in the administration of the Plan shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

Article 20 Administration

- 20.01 The Plan shall be administered by the Company. To facilitate any administrative action required to be taken by the Company under the provisions of the Plan, the Board has established the Pension Administration Board to act on behalf of the Company.
- 20.02 The Pension Administration Board may appoint one or more agents to carry out any act or transaction required for the administration of the Plan and the Fund or may retain advisors. Every agent appointed by the Pension Administration Board shall report to and shall be subject to the direction and continuing supervision of the Pension Administration Board.
- 20.03 The Pension Administration Board may from time to time direct that appropriate records be maintained and may establish rules for the administration of the Plan. The Pension Administration Board shall have the exclusive right to interpret the Plan provisions and to decide any matters arising hereunder in the administration and operation of the Plan. All interpretations and decisions shall be applied as nearly as may be possible in a uniform manner to all Members similarly situated.
- 20.04 Any amendment to the Plan, including any restatement of the Plan in its entirety, shall be made by resolution of the Board.
- 20.05 The Company shall indemnify and save harmless the members of the Pension Administration Board and any other employees who are involved in the administration of the Plan from the effects and consequences of their acts, omissions and conduct in their formal capacity to the extent permitted by law except for their own willful and intentional malfeasance or misconduct. No part of the Fund shall be used for indemnification payments.
- 20.06 The Company and members of the Pension Administration Board shall be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports which shall be furnished by an actuary, accountant, legal counsel or other professional person who shall be employed or engaged for such purposes.
- 20.07 Whenever the records of the Company are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.
- 20.08 An eligible Employee, a Member, a Beneficiary, or a Spouse shall sign such application forms prescribed by the Pension Administration Board and furnish proof of age and furnish such other data and sign such documents as the Pension Administration Board deems necessary or desirable for the proper administration of the Plan or to evidence initial or continued eligibility for a benefit hereunder.

Schedule A Former Plan Benefit Schedule

A.01 Definition

All terms with initial capitals in this Former Plan Benefit Schedule, other than those defined herein, shall have the meaning set forth in Article 2.

- (a) **“Former Plan”** means any prior pension plan of the Company or any predecessor company of the Company which is designated as a Former Plan by the Company under the Former Plan Benefit Schedule.
- (b) **“Former Plan Benefit”** means that pension benefit, if any, to which a Member is entitled hereunder in respect of his period of membership in any Former Plan (as determined pursuant to the provisions of said plans), all as set out in the Former Plan Benefit Schedule.
- (c) **“Former Plan Benefit Schedule”** means Schedule A setting forth the Former Plan Benefit to which a Member may be entitled as a consequence of his membership in a Former Plan. Said schedule shall be approved by the Company and, subject to Applicable Pension Laws, may be amended from time to time by the Company. The Former Plan Benefit Schedule shall be kept with the records of the Company.

A.02 Purpose

This schedule contains special benefit provisions for particular Members who were members of a Former Plan and whose entitlement thereunder have been assumed by the Plan.

A.03 Limitation

No provision of this schedule shall operate to increase the amount of annual pension payable under the Plan to a Member on retirement, termination of employment or the termination of the Plan beyond the maximum lifetime pension permitted pursuant to the Income Tax Act.

A.04 Former Plans

The following plans shall be designated as Former Plans from and after their respective designation dates:

Walter M. Lowney Company, Limited Pension Plan	January 1, 1975
Retirement Plan for the Employees of Standard Brands Limited (formerly Moirs Limited)	January 1, 1975
Plan for Pensions of Christie, Brown and Company, Limited	January 1, 1983
Dickson’s Food Services Ltd. Pension Plan	January 1, 1983
Pension Plan for Employees of Life Savers Canada Inc.	January 1, 1983

A.05 Lowney Plan Members

This Section A.05 shall apply to Members who were members of the Walter M. Lowney Company, Limited Pension Plan immediately prior to becoming a Member hereunder as of the designation date and whose entitlements under said plan were assumed by the Plan ("Former Plan Members"). The amount to be included in said Former Plan Member's annual retirement pension pursuant to Section 7.02 (a) in respect of his participation in the Former Plan shall be the amount of pension he had accrued up to June 30, 1970 under the Former Plan ("Former Plan Benefit").

A.06 Moirs Plan Members

This Section A.06 shall apply to Members who were members of the Retirement Plan for the Employees of Standard Brands Limited (formerly Moirs Limited) immediately prior to becoming a Member hereunder as of the designation date and whose entitlements under said plan were assumed by the Plan ("Former Plan Members").

The amount to be included in said Former Plan Member's annual retirement pension pursuant to Section 7.02 (a) in respect of his participation in the Former Plan shall be the amount of pension he had accrued up to December 31, 1974 under the Former Plan ("Former Plan Members").

A.07 CBCL Plan Members

This Section A.07 shall apply to Members who were members of the Plan for Pensions of Christie, Brown and Company, Limited immediately prior to becoming a Member hereunder as of the designation date and whose entitlements under said plan were assumed by the Plan ("Former Plan Members").

The amount to be included in said Former Plan Member's annual retirement pension pursuant to Section 7.02 (a) in respect of his participation in the Former Plan shall be equal to one and one-half percent (1-1/2%) of the Member's Final Average Earnings minus four-tenths of one percent (4/10 of 1%) of the lesser of his Final and his Average Earnings and his Average Year's Maximum Pension Earnings, multiplied by his years of credited service accrued under the Former Plan as at December 31, 1982 ("Former Plan Benefit").

A.08 Dickson's Plan Members

This Section A.08 shall apply to Members who were members of the Dickson's Food Services Ltd. Pension Plan immediately prior to becoming a Member hereunder as of the designation date and whose entitlements under said plan were assumed by the Plan ("Former Plan Members").

The amount to be included in said Former Plan Member's annual retirement pension pursuant to Section 7.02 (a) in respect of his participation in the Former Plan shall be the amount of pension he had accrued under the Former Plan up to December 31, 1982 ("Former Plan Benefit").

A.09 Life Savers Plan Members

This Section A.09 shall apply to Members who were members of the Pension Plan for Employees of Life Savers Canada Inc. immediately prior to becoming a Member hereunder as of the designation date and whose entitlements under said plan were assumed by the Plan ("Former Plan Members").

The amount to be included in said Former Plan Member's annual retirement pension pursuant to Section 7.02 (a) in respect of his participation in the Former Plan shall be equal to, in the case of Former Plan Members who were classified as management employees under the Former Plan, two percent (2%) of the Member's Final Average Earnings multiplied by his years of credited service accrued under the Former Plan as at December 31, 1982 or, in the case of Former Plan Members who were not classified as management employees under the Former Plan, one and three quarters percent (1-3/4% of the Member's Final Average Earnings multiplied by his years of credited service accrued under the Former Plan as at December 31, 1982 less his "Statutory Government Benefits" multiplied by the ratio of his credited service (up to a maximum of 35 years) accrued under the Former Plan as at December 31, 1982 to thirty-five (35) years ("Former Plan Benefit"). Statutory Government Benefits for purposes of this Section A.09 shall mean the Canada Pension Plan and Old Age Security benefits determined in accordance with the provisions of the Former Plan.

Schedule B Adjustments and Offsets Regarding Predecessor Plans

B.01 Reduction for Group Annuity Retirement Plan Benefits

The amount of a Member's Past Service Benefit as determined pursuant to the provisions of Section 7.02, shall be reduced pursuant to Section 7.02 (c) (i) by the monthly amount of the pension benefit, if any, which the Member is entitled to receive under the Group Annuity Retirement Plan, said amount being adjusted on an Actuarial Equivalent basis, if necessary, to reflect the same terms and conditions applicable to the Past Service Benefit payable under the Plan. The resulting reduced pension benefit shall be the pension benefit under Section 7.02 and shall be in addition to the monthly amount of pension benefit, if any, payable to the Member under the Group Annuity Retirement Plan.

For the purpose of this Section B.01, "Group Annuity Retirement Plan" means the retirement plans funded through (i) Group Annuity Contracts G 26 and G 1026 with the Canadian Government Annuities Branch, (ii) Group Annuity Contracts GP-6019 with the Connecticut General Life Insurance Company, (iii) Group Annuity Contract GA 2159N with the London Life Insurance Company and (iv) Group Annuity Contract PW 10283 with The Standard Life Assurance Company.

B.02 Minimum Benefit for Members of the Associated Biscuits of Canada Ltd. Executive Plan

Pursuant to Section 7.02 (c)(ii), the annual benefit entitlement payable to a Member under the Plan in respect of his participation in the Associated Biscuits of Canada Ltd. Executive Pension Plan prior to January 1, 1984 (the "ABC Executive Plan") shall in no event be less than equal to two percent (2%) of the Member's Final Average Salary as of his Date of Determination multiplied by his years of Credited Service under the ABC Executive Plan, subject to adjustment, if any, for early retirement and/or payment in other than the normal form. Final Average Salary for purposes of this Section B.02 shall mean the average of the Member's Earnings (excluding incentive compensation and management bonus) for any consecutive three (3) year period during the ten (10) year period immediately preceding the Member's Date of Determination for which such average is the highest.

B.03 Benefit Entitlement in Respect of Dad's Plan Contributions

If a Member with Dad's Plan Contributions to his credit reaches his Date of Determination for any reason excluding death, he shall be entitled to receive a lump sum amount equal to his Dad's Plan Contributions together with Credited Interest thereon. Such a Member may elect one of the following manner of payments:

- (a) a lump sum transfer to a registered retirement savings plan of the kind prescribed by Applicable Pension Laws; or

- (b) an additional pension benefit payable under the Plan which can be secured on an Actuarial Equivalent basis with such lump sum entitlement. Such additional pension benefit shall commence on the Member's Pension Commencement Date and shall be payable under the normal pension form prescribed under Section 9.01 or 9.02 (a), as applicable, or such other optional pension form as provided in Article 9 as the Member may elect.

Notwithstanding the foregoing, if the Member has not attained age forty-five (45) and/or has not completed ten (10) or more years of Continuous Service or Credited Service on his Date of Determination, the lump sum entitlement shall be paid to the Member in a single sum or, at the Member's direction, be transferred to a registered retirement savings plan which is established under the Income Tax Act (Canada).

If a Member with Dad's Plan Contributions to his credit dies prior to his Date of Determination, his Spouse or if no Spouse exists, his Beneficiary or estate, shall receive a lump sum refund equal to his Dad's Plan Contributions with Credited Interest thereon.

- (c) for the purpose of this Section B.03:
- (i) "Dad's Plan Contributions" means the Former Dad's Plan contributions credited to the Member under the Associated Biscuits of Canada Ltd. Consolidated Retirement Plan as of December 31, 1983; and
 - (ii) "Former Dad's Plan" means the plan underwritten by Group Policy GA8212 issued by the Imperial Life Assurance Company of Canada and whose assets and liabilities were merged and consolidated under the Associated Biscuits of Canada Ltd. Consolidated Retirement Plan effective January 1, 1981.

B.04 **Non-Duplication of Benefits**

Pursuant to Section 7.02 (c)(iii), if a Member is entitled to a pension or any other benefit under any other plan maintained by the Company, any subsidiary or affiliated company or any predecessor company of said companies (including Nabisco Brands Inc.) or to which the Company, any subsidiary or affiliated company or any predecessor company of said companies contributes or has contributed, the Actuarial Equivalent of such pension or other benefit to the extent attributable to service for which a benefit is provided hereunder shall be offset against the pension or any other benefit payable hereunder, provided, however, that if such pension or other benefit shall have been directly offset hereunder, the foregoing offset shall not apply.

Appendix A Optional Pension Plan Members

A1.02 The provisions of this Appendix A shall only be applicable to a Member who has made OPP Member Contributions on or after January 1, 2002 and prior to September 29, 2012 to the Kraft Plan and/or on and after September 29, 2012 to the Plan.

A1.03 **OPP Member Contributions**

An OPP Member may elect to contribute to the OPP an amount not exceeding six percent (6%) of his Earnings.

A1.04 **OPP Company Contributions**

In each calendar year or portion thereof and subject to the provisions of Section 16.02, the Company shall contribute an amount equal to 50% of the OPP Member Contributions made by the OPP Member in such calendar year or portion of calendar year.

A1.05 **OPP Benefits**

The amount of benefits payable out of the OPP shall be those benefits which may be purchased from an insurance company licensed to transact business in Canada, using the full balance of the OPP Company Account and the OPP Member Account. Upon termination of employment, an OPP Member shall be permitted to transfer the full balance of the OPP Company Account and the OPP Member Account in accordance with Article 14.

A1.06 **OPP Administrative Rules**

- (a) An OPP Member may change, discontinue or reinstate his level of OPP Member Contributions on the first day of any month.
- (b) OPP Member Contributions shall be deposited individual OPP Member Accounts. OPP Member Contributions shall also include the amounts transferred from such accounts under the Kraft Plan as at September 29, 2012.
- (c) OPP Company Contributions shall be deposited in individual OPP Company Accounts. OPP Company Contributions shall also include the amounts transferred from such accounts under the Kraft Plan as at September 29, 2012.
- (d) OPP Member Accounts and OPP Company Accounts shall be invested, at the direction of the OPP Member, in a number of investment options to be made available by the Funding agency under the terms of the Funding Agreement. An OPP Member may change such direction on the first day of any month.

- (e) OPP Member Accounts and OPP Company Accounts shall be valued at least monthly, at which time all interest, dividend and other investment earnings shall be allocated to each account.
- (f) The Company shall establish and communicate other administrative procedures to ensure the efficient administration of the OPP.
- (g) Fees and expenses related to the OPP shall be paid from the Fund pursuant to Section 16.03(e).

A1.07 **OPP Maximum Contributions**

The Company shall establish administrative procedures such that the total of OPP Company Contributions and OPP Member Contributions shall not exceed the amount of contributions permissible under Revenue Rules.

Appendix B Provincial Provisions – Alberta

1. “Spouse” means in relation to an Alberta Member, the person who, at the earlier of the commencement of a Member’s pension and the date of the Member’s death, meets one of the following eligibility requirements:
 - (a) the person who is married to the Member and has not been living separate and apart from the Member for three or more consecutive years; or
 - (b) if there is no person to who paragraph (a) above applies, the person, who immediately preceding the relevant time has lived with the Member in a conjugal relationship:
 - (i) for a continuous period of at least 3 years; or
 - (ii) of some permanence, if there is a child of the relationship by birth or adoption.
2. **Commutation of Pensions**
 - (a) Any benefit required to be paid under the Plan, may be commuted and paid in a lump sum at the discretion of the Member or the Member’s Spouse if the Member has died, if:
 - (i) the annual retirement income that would be payable to the Member at or after Normal Retirement Date does not exceed 4% of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income does not exceed 20% of the YMPE as at the Date of Determination.The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the Benefit remaining to be paid.
 - (b) At the request of the Member or the Member’s Spouse, as applicable, the retirement income required to be paid under the Plan may be commuted and paid in a lump sum to a Member who has ceased to accrue Continuous Service or to the Spouse, either of whom is a non-resident of Canada for purposes of Revenue Rules, provided that the prescribed forms are completed and filed as required by Applicable Pension Laws. If the Member has a Spouse, an election to receive such a lump sum payment may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.

3. The Spouse of an Alberta Member, who is entitled to a death benefit in accordance with Article 10 of the Plan, shall receive such benefit in the form of an immediate or deferred pension commencing prior to age 65 or may transfer the Actuarial Equivalent to a locked-in vehicle prescribed under Applicable Pension Laws. Excess contributions payable under Section 10.01 may be paid in a cash lump sum payment.

In the event the Spouse who is entitled to a pre-retirement death benefit dies prior to transferring the Actuarial Equivalent to a locked-in vehicle prescribed under Applicable Pension Laws, the benefit shall be paid to the Spouse's estate.

Appendix B Provincial Provisions – British Columbia

1. “Spouse” means in relation to an British Columbia Member, the person who, at the earlier of the commencement of a Member’s pension and the date of the Member’s death, meets one of the following eligibility requirements:
 - (a) the person who is married to the Member and who, if living separate and apart from the Member for the relevant time, did not live separate or apart from the Member for longer than the two year period immediately preceding the relevant time; or
 - (b) if there is no person under paragraph (a), the person who is living and cohabiting with such Member in a marriage-like relationship between persons of the same gender, and who has cohabited in that relationship in the two-year period immediately preceding the relevant time.
2. **Commutation of Pensions**
 - (a) Retirement income required to be paid under the Plan, may be commuted and be paid in a lump sum at the discretion of the Member or the Member’s Spouse if the Member has died, if:
 - (i) the annual retirement income that would be payable to the Member at or after Normal Retirement Date is less than 10% of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income does not exceed 20% of the YMPE as at the Date of Determination.
The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.
 - (b) A benefit required to be paid under the Plan to a Member who has ceased to accrue Continuous Service and who has been a non-resident of Canada for purposes of Revenue Rules for more than two years may be commuted and paid in a lump sum at the discretion of the person entitled to the benefit, provided the appropriate forms are completed and filed as required by Applicable Pension Laws.
3. The Spouse of a British Columbia Member, who is entitled to a death benefit in accordance with Article 10 of the Plan, shall receive such benefit in the form of an immediate or deferred pension commencing prior to age 65 or may transfer the Actuarial Equivalent to a locked-in vehicle prescribed under Applicable Pension Laws. Excess contributions payable under Section 10.01 may be paid in a cash lump sum payment.

Appendix B Provincial Provisions – Manitoba

1. “Spouse” means in relation to a Manitoba Member, the person who at the earlier of the commencement of a Member’s pension and the date of the Member’s death, meets one of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the common-law partner who, not being married to the Member, meets one of the following eligibility requirements:
 - (i) the person who, with such Member, registered a common law relationship under section 1.3.1 of the Vital Statistics Act;
 - (ii) the person who has resided with such Member in a conjugal relationship for at least three years if either of them is married; or
 - (iii) the person who has resided with such Member in a conjugal relationship for at least one year if neither of them is married.

For greater certainty, a Spouse who satisfies the criteria under paragraph (b) shall only be considered to have survived the Member if such Spouse was cohabiting with the Member immediately prior to the death of the Member and provides evidence to this effect satisfactory to the Administrator.

2. **Commutation of Pensions**

- (a) Any benefit required to be paid under the Plan, may be commuted and paid in a lump sum at the discretion of the Member or the Member’s Spouse if the Member has died, if:
 - (i) the annual retirement income that would be payable to the Member at Normal Retirement Date is less than 4% of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of the Member’s retirement income is less than 20% of the YMPE as at the Date of Determination.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) The retirement income payable to a Member may be commuted and paid in a lump sum if he has ceased to accrue Continuous Service and has ceased to be a resident of Canada, as defined by Revenue Rules, provided the appropriate forms are completed and filed as required by Applicable Pension Laws. The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

3. The Spouse of a Manitoba Member, who is entitled to a death benefit in accordance with Article 10 of the Plan, shall receive such benefit in the form of an immediate or deferred pension commencing prior to age 65, or may transfer the Actuarial Equivalent to a locked-in vehicle prescribed under Applicable Pension Laws. Excess contributions payable under Sections 8.05, 10.01 or 11.01 may be paid in a cash lump sum payment.
4. For the purposes of Sections 8.05, 10.01 and 11.01, the reference to January 1, 1987 shall be changed to January 1, 1985 for a Manitoba Member. At the Member's option, the Member may elect that the excess contributions be paid in cash, used to increase the Member's pension or transferred to an RRSP.
6. Upon the death of a Member prior to his Normal Retirement Date, in lieu of the benefit set out in paragraph 10.01(a) there shall be paid to the Member's Spouse or if the Member does not have a Spouse or if the Spouse has waived entitlement, his Beneficiary, a lump sum amount equal to the Actuarial Equivalent of the retirement income payable pursuant to paragraph 11.01(a).

Appendix B Provincial Provisions – New Brunswick

1. “Spouse” means in relation to a New Brunswick Member, the person who, at the earlier of the commencement of a Member’s pension and the date of the Member’s death, meets one of the following eligibility requirements:
 - (a) the person who is married to the Member; or
 - (b) the person who is married to the Member, by a marriage that is voidable and has not been avoided by a declaration of nullity; or
 - (c) the person who has gone through a form or marriage with the Member, in good faith, that is void, and has cohabited with the Member within the preceding year; or
 - (d) the person who is not married to the Member, provided that the person is cohabiting with the Member and they have cohabited:
 - (i) continuously for a period of three years or more in a conjugal relationship in which one person has been substantially dependent upon the other for support; or
 - (ii) in a relationship of some permanence where there is a child born of whom they are natural parents;
and they have cohabited within the preceding year.
2. **Commutation of Pensions**
 - (a) Any annuity required to be paid under the Plan may be commuted and paid in a lump sum at the discretion of the Member if the adjusted commuted value, as defined under Applicable Pension Laws is less than 40% of the YMPE as at the Date of Determination, subject to any approval by the Member’s Spouse as may be required under Applicable Pension Laws.
 - (b) An annuity required to be paid under the Plan to a Member who has ceased to accrue Continuous Service, who is neither a Canadian citizen nor a resident of Canada for purposes of Revenue Rules and whose Spouse, if applicable, is neither a Canadian citizen nor a resident of Canada for purposes of Revenue Rules, may be commuted and paid in a lump sum at the request of the person entitled to the benefit, provided that the appropriate forms, including a spousal waiver, are completed and filed as required under Applicable Pension Laws.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

3. On the death of a Member prior to his Normal Retirement Date, in lieu of the benefit set out in paragraph 10.02(a), there shall be paid to the Member's Spouse, or if the Spouse has waived entitlement, his Beneficiary, a lump sum amount equal to the Actuarial Equivalent of the retirement income payable pursuant to paragraph 11.01(a).

Appendix B Provincial Provisions – Newfoundland

1. “Spouse” means in relation to a Newfoundland Member, the person who, at the earlier of the commencement of a Member’s pension and the date of the Member’s death, meets one of the following eligibility requirements:
 - (a) the person who is married to the Member; or
 - (b) the person who is married to the Member by marriage that is voidable and has not been voided by a judgement of nullity; or
 - (c) the person who has gone through a form or marriage with the Member, in good faith, that is void, and is cohabiting or has cohabited with the Member within the preceding year; or
 - (d) in relation to a Member who is a Spouse, as described in (a), (b) or (c) above, means a person who is not the Spouse of the Member, who has cohabited continuously with the Member in a conjugal relationship for not less than three years; or
 - (e) in relation to a Member who does not have a Spouse as described in (a), (b) or (c) above, means a person who has cohabited continuously with the Member in a conjugal relationship for not less than one year.

For the purposes of paragraphs (d) and (e), the person must be cohabiting with the Member or must have cohabited with the Member within the preceding year.

2. **Commutation of Pensions**

An annuity required to be paid under the Plan may be commuted and paid in a lump sum at the discretion of the person entitled to the benefit if:

- (a) the annual retirement income that would be payable to the Member at or after the Normal Retirement Date is less than 4% of the YMPE as at the Date of Determination, or
- (b) the lump sum Actuarial Equivalent of such retirement income is less than 10% of the YMPE as at the Date of Determination.

This right may be exercised upon ceasing to accrue Continuous Service, at any other date as may be specified by Applicable Pension Laws and at any other date as may be authorized by the Administrator. The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

Appendix B Provincial Provisions – Nova Scotia

1. “Spouse” means in relation to a Nova Scotia Member, the person who, at the earlier of the commencement of a Member’s pension and the date of the Member’s death, meets one of the following eligibility requirements:
 - (a) the person who is married to the Member; or
 - (b) the person who is married to the Member by marriage that is voidable and has not been annulled by a declaration of nullity; or
 - (c) the person who has gone through a form of marriage with the Member, in good faith, that is void, provided that the person is cohabiting with the Member in a conjugal relationship, or if they have ceased to cohabit, has cohabited with the member in a conjugal relationship within the 12 month period immediately preceding the relevant time; or
 - (d) the person who has cohabited with the Member in a conjugal relationship for a period of at least two years, neither of the Member and the person being a Spouse; or
 - (e) the person who is party to a domestic partner declaration registered pursuant to the Vital Statistics Act provided that such declaration has not been terminated or otherwise invalidated pursuant to the Vital Statistics Act;

provided the person is not living separate and apart from the Member at the time.

2. **Commutation of Pensions**

An annuity required to be paid under the Plan may be commuted and paid in a lump sum at the discretion of the Administrator, if:

- (a) the annual retirement income is less than 4% of the YMPE as at the Date of Determination; or
- (b) the lump sum Actuarial Equivalent the Member’s retirement income is less than 10% of the YMPE as at the Date of Determination.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

Appendix B Provincial Provisions – Quebec

1. “Spouse” means:

- (a) Subject to paragraphs (c) and (d) and to the requirements for registration under Applicable Pension Laws and Revenue Rules, in relation to a Member, the person whether the person is of the opposite sex or the same sex 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 lives together with the Member in a conjugal relationship;
 - (A) continuously for a period of three years or more; or
 - (B) continuously for a period of one year or more if:
 - (1) at least one child is born, or to be born, of their union;
 - (2) they have adopted, jointly, at least one child while living together in a conjugal relationship; or
 - (3) 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), (d) and (e), “Separation” means, in relation to a Member and his Spouse:
- (i) divorce, annulment or legal separation from bed and board or dissolution or annulment of their civil union if the Spouse satisfies the eligibility requirement set out in subparagraph (a)(i); or
 - (ii) cessation of conjugal relationship if the Spouse satisfies the eligibility requirement set out in subparagraph (a)(ii).
- (c) If Separation occurs, pursuant to subparagraph (b)(i), prior to the date the first pension instalment is due to the Member, the person who is the Member’s Spouse in accordance with subparagraph (a)(i) shall cease to be the Member’s Spouse for the purposes of Section 9.02 and 9.03 except where the Member notified the Company in writing to have such person entitled to the contingent pension despite such Separation.

- (d) In the event of Separation, the person who is the Member's Spouse in accordance with paragraph (a) shall cease to be the Member's Spouse for the purposes of Section 10.01 and 10.02.
- (e) If, after 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 in accordance with Article 9, except where the Member notified the Company in writing to have such person entitled to the contingent pension despite such Separation or termination of marriage or civil union.

2. **Phased Retirement**

- (a) A member whose working time is reduced in accordance with Section 8.06 (a) may receive, on request, for each calendar year covered by the agreement with his employer, a lump sum payment which shall not exceed the lesser of:
 - (i) 70% of the reduction in the member's remuneration resulting from the reduction in his working time during that year;
 - (ii) 40% of the YMPE for that year; and
 - (iii) the lump sum Actuarial Equivalent of the benefits that the Member would have been eligible to receive in accordance with Section 11.01, had the Member terminated employment on the date the lump sum payment is made and assuming payment of any retirement income entitlement commencing on the Member's Normal Retirement Date.
- (b) A Member may not receive, in the same calendar year, the benefit provided for in this Section and a retirement income payable under Section 8.04.
- (c) In the event that a member elects to receive a payment in accordance with paragraph (a):
 - (i) subject to the other provisions of the Plan, the payment of Required Contributions and accrual of Credit Service shall continue;
 - (ii) a reduced retirement income payable in accordance with Article 9 and commencing at Normal Retirement Date, is determined as at the date the payment under paragraph (a) is made, the lump sum Actuarial Equivalent of this reduced retirement income is equal to the payment received by the Member;

- (iii) any benefit subsequently payable under the other provisions of the Plan shall be reduced by the Actuarial Equivalent of the reducing retirement income specified in subparagraph (iii).

3. **Interest**

For a Quebec Member, the rate of interest credited to Required Contributions made while a Quebec Member, shall be the greater of:

- (a) four percent (4%); and
- (b) the rate of return attributable to the defined benefit portion of the Fund for the Plan Year, as determined by the Company.

However, the rate of Interest applicable for the year immediately preceding the calendar year of the Date of Determination shall be used for the Interest calculation in respect of the calendar year of the Date of Determination.

4. **Reduction of Form of Pension**

- (a) If a Member receives a pension under a form that provides for the continuance of a least 60% of the Member's pension to the 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 paragraph 1.(e) of this Schedule, the Member is entitled, on request to the Company, to a redetermination of the pension as of the effective date of the judgement granting the separation from bed and board, the divorce or the annulment of the marriage, as of the date of dissolution of the civil union or as of 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 Company has received the notice provided for in paragraph 1.(e) of this Schedule, the Company shall redetermine the Member's pension in accordance with paragraph (a) if the benefits accrued to the Member under the Plan are partitioned, pursuant to Section 17.02, subsequent to the commencement of the Member's pension.
- (c) If a Member requests redetermination in accordance with paragraph (a) and the effective date of the judgement 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.

5. **Commutation of Pensions**

- (a) (i) Benefits required to be paid under the Plan to a Member who ceased to accrue Continuous after or prior to January 1, 2001 may be commuted and paid in a lump sum, at the discretion of the Member, if the payment of the Member's retirement income has not commenced and if the lump sum Actuarial Equivalent of the benefits is less than 20% of the YMPE as at the Date of Determination. This right may be exercised upon ceasing to accrue Continuous Service, at any other date as may be specified by Applicable Pension Laws and at any other date as may be authorized by the Company.
- (ii) Where the requirements set out in subparagraph (i) are met, the Member's benefits may be commuted and paid in a lump sum, at the discretion of the Company, subject to the notification requirements of Applicable Pension Laws.
- (iii) The amount of the benefit settlement under subparagraph (i) or (ii) shall be the Actuarial Equivalent of the benefits remaining to be paid.
- (b) A member who ceased to accrue Continuous Service after or prior to January 1, 2001 and who has not been residing in Canada for at least two years may elect to receive the payment of his benefits in the form of a lump sum. The amount of the benefit settlement under this paragraph shall be the Actuarial Equivalent of the benefits remaining to be paid.
- (c) A Member or Spouse who is entitled to a deferred retirement income from the Plan, who has attained age 55 but whose age is less than 65 and who files a duly signed form prescribed by Applicable Pension Laws with the Company, may receive, in each calendar year, a lump sum payment equal to the lesser of:
 - (i) the lump sum Actuarial Equivalent of the deferred retirement income; and
 - (ii) 40% of the YMPE, minus the annual amount of any temporary retirement income received from a registered pension plan under a life annuity contract or under a life income fund during that calendar year.The benefit entitlements of the Member or Spouse who elects to receive a lump sum payment in accordance with this paragraph shall be reduced in the manner specified in paragraph 2.(c) of this Schedule.
- (d) A Member or Spouse who is entitled to a deferred retirement income from the Plan and who elects to receive a temporary monthly income under a life income fund in accordance with Applicable Pension Laws prior to the calendar year in which this person attains age 55 may, for the purposes of replacing such deferred retirement income by a temporary income, apply for

the transfer from the Plan to the life income fund, in each calendar year prior to the calendar year in which this person attains age 55, or an amount equal to the lesser of:

- (i) The lump sum Actuarial Equivalent of the deferred retirement income; and
- (ii) the additional amount required for the balance of the life income fund to allow, until the end of the calendar year, the payment of the maximum temporary monthly income under a life income fund as permitted by Applicable Pension Laws.

6. **120-Month Guarantee Option**

- (a) In addition to the optional forms of payment described in Section 9.03, the Member may, subject to the conditions and actuarial adjustment specified in Section 9.03, elect to receive the retirement income payable under Article 8 or 11, except any temporary retirement income payable under Section 8.03, in the form of an annuity payable in equal monthly instalments for the life of the Member with the last payment due on the first day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before 120 payments are made, the remaining payments shall continue to be paid to the Member's Beneficiary.
- (b) A Member, who at the date the first instalment is due has a Spouse who has not waived, in prescribed form, the right to a contingent pension, may elect to receive the retirement income payable under Article 8 or 11, except any temporary retirement income payable under Section 8.03, in the form or an annuity payable as follows:
 - (i) equal monthly instalments are paid for the life of the Member, until the last instalment due on the first day of the month in which the death of the Member occurs;
 - (ii) if the Member dies before 120 monthly instalments are made and the Spouse is still alive, the instalments continue to be paid to the Spouse commencing on the first day of the month following the month in which the death of the Member occurs and ending on the earlier of:
 - (A) the first day of the month in which the death of the Member's Spouse occurs; and
 - (B) the first day of the month in which a total of 120 monthly instalments are paid to the Member and the Spouse;and, if the date under (A) occurs prior to the date under (B), the instalments continue to be paid to the Spouse's estate commencing on

- the first day of the month following the month in which the death of the Spouse occurs and ending on the first day of the month in which a total of 120 monthly instalments are paid to the Member, the Spouse and the Spouse's estate;
- (iii) if the Member dies before 120 monthly instalments are made and the Spouse has predeceased the Member, the instalments continue to be paid to the Member's Beneficiary commencing on the first day of the month following the month in which the death of the Member occurs and ending on the first day of the month in which a total of 120 monthly instalments are paid to the Member and the Beneficiary; and
 - (iv) after the Member's death and provided the Spouse is still alive, monthly installments equal to 60% of the retirement income that was payable to the Member continue to be paid to the Spouse commencing on the later of:
 - (A) the first day of the month following the month in which the death of the Member occurs; and
 - (B) the first day of the month that is 120 months later than the date of the first instalment was paid to the Member.

The benefit payable under this paragraph shall be the Actuarial Equivalent of the benefit payable under Section 9.01.

- (c) If the Member elects the form of payment specified in paragraph (a) or (b) and if the Member dies before 120 instalments are made, the temporary retirement income payable under Section 8.03 shall continue to be paid to the Member's Beneficiary, the Spouse or the Spouse's estate, as applicable under paragraph (a) or (b), until the earlier of:
 - (i) the first day of the month in which a total of 120 monthly instalments are made; and
 - (ii) the first day of the month preceding the Member's Normal Retirement Date.

7. **Temporary Pension Option**

- (a) A Member who elects to receive his retirement income payable under Article 8 or 11 prior to his Normal Retirement Date and who files a duly signed form prescribed by Applicable Pension Laws with the Company prior to the payment of the first instalment of the benefit, may elect to receive his retirement income, except any temporary retirement income payable under Section 8.03, 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 year of payment commencement; and
 - (B) the maximum annual amount of temporary retirement income permitted by Revenue Rules;
- (ii) is the annual amount of any temporary retirement income payable under Section 8.03.

- (b) If the Member elects the temporary pension option described in this Section, any benefits payable to the Member's Beneficiary or Spouse after the Member's death shall be determined in accordance with such other form of payment elected by the Member in accordance with Article 9, 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 shall be the Actuarial Equivalent of the benefit which would have been otherwise payable had the Member not elected the 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.

8. Any excess contributions payable under Sections 8.05, 10.01 or 11.01, shall be payable as a deferred life annuity in accordance with Applicable Pension Laws.

9. For a Quebec Member, Section 15.02 shall apply but a transferred Member who has not reached age fifty-five (55) at the date of transfer may elect to be treated as a terminated Employee for the purpose of the Plan and to have his benefit entitlement determined and paid in accordance with Article 11.

**CERTIFICATE OF
MONDELÉZ CANADA INC. (the “Corporation”)**

**MONDELÉZ CANADA INC. RETIREMENT PLAN FOR
FORMER SALARIED EMPLOYEES OF NABISCO LTD. (the “Plan”)**

WHEREAS:

1. Effective from and as of the Effective Time (defined below) on September 29, 2012, Kraft Canada Inc. (“Kraft”) sold its snack business to the Corporation and the active employees engaged in Kraft’s snack business (the “Transferred Employees”) became employed by the Corporation.
2. The term “Effective Time” is defined in the Canadian Asset Transfer Agreement (the “Agreement”) between the Corporation and Kraft dated September 29, 2012.
3. Pursuant to the Agreement, effective from and as of the Effective Time on September 29, 2012, the Transferred Employees ceased participation in the Kraft Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., registration number 0568055 (the “Kraft Plan”) and commenced participation in the Plan, a new pension plan established by the Corporation that provides substantially identical provisions as the Kraft Plan for service on and after September 29, 2012.
4. As part of the sale agreement, the parties agreed to transfer Kraft Plan assets and liabilities in respect of the pension benefits accrued under the Kraft Plan up to September 29, 2012 in respect of the Transferred Employees from the Kraft Plan to the Plan. Subject to the receipt of the pension asset transfer, the Corporation has agreed to assume all responsibility for the pension benefits accrued under the Kraft Plan up to September 29, 2012 in respect of the Transferred Employees.
5. The board of directors of the Corporation delegated authority (the “Delegated Authority”) to any officer of the Corporation to execute and deliver all documents, agreements and instruments, and to perform such actions or things as may be necessary or desirable to give effect to the establishment of the new pension plan, the Mondeléz Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., effective September 29, 2012.

NOW THEREFORE:

1. Effective September 29, 2012, the Plan is hereby adopted in the form attached hereto as Schedule A.
2. The Transferred Employees shall become members of the Plan accruing benefits under either the defined benefit provisions and the optional pension plan provisions or the money purchase provisions, as applicable, effective September 29, 2012.
3. Subject to the completion of the transfer of assets and liabilities from the Kraft Plan to the Plan, the Plan will assume the obligation to provide benefits to the Transferred Employees in respect of the benefits accrued by the Transferred Employees under the Kraft Plan up to and including September 29, 2012.

PURSUANT TO THE DELEGATED AUTHORITY, the undersigned hereby certifies that the foregoing is an authorized action of the Corporation.

Dated this day of , 2012.

Susannah Riggs
Secretary
Mondelez Canada Inc.

Mondelez Canada Inc.
Mondelez Canada Inc. Trusteed Retirement Plan A
Schedule "A"

Amended and Restated as of January 1, 2011

Canada Revenue Agency and
Financial Services Commission of Ontario
Registration No. 0568048

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Part 1 – General Provisions

Article 1 – Introduction

- 1.01 This document constitutes the Mondelez Canada Inc. Trusteed Retirement Plan A (the "Plan"), originally established on January 1, 1983 (the "Effective Date") by Nabisco Brands Ltd.
- 1.02 The purpose of this amendment and restatement is to:
- (a) incorporate all amendments to date;
 - (b) close eligibility for membership under the DB Provisions of the Plan for all eligible Employees hired after December 31, 2010;
 - (c) add new DC Provisions for all Employees hired on and after January 1, 2011;
 - (d) update the benefit formula for those Members employed at the Peak Freans East York Plant or the Dad's Scarborough Plant effective January 1, 2011;
 - (e) clarify certain administrative provisions of the Plan; and
 - (f) comply with amendments to Applicable Pension Laws and Revenue Rules.
- 1.03 The primary purpose of the Plan is to provide retirement income and related benefits for eligible Employees of the Company who are employed on and after the Effective Date.
- 1.04 The Plan as contained herein shall be applicable to Members who are in the employment of the Company on or after January 1, 2011. Benefits in respect of a Member whose employment ceased prior to January 1, 2011 shall be determined in accordance with the terms of the Plan at the time of such cessation of employment, except as required by Applicable Pension Laws and Revenue Rules, and as specifically provided herein.
- 1.05 The Plan is intended to be a pension plan accepted for registration under Applicable Pension Laws and Revenue Rules. The Plan shall be designed, written and administered to comply with the requirements of Applicable Pension Laws and Revenue Rules. If the Plan fails to comply with such requirements, the Company may in its absolute discretion amend the Plan to comply with such requirements or terminate the Plan.

Any amendment to the Plan is conditional upon acceptance for registration under both Applicable Pension Laws and Revenue Rules, and may be modified or withdrawn by the Company, in its sole and absolute discretion, if the amendment is not accepted for registration under either Applicable Pension Laws or Revenue Rules.

History of the Plan

- 1.06 The Plan was originally established by Nabisco Brands Ltd., effective January 1, 1983 and was known as the Nabisco Ltd. Trusteed Retirement Plan A.
- 1.07 Effective January 4, 1993, Nabisco Brands Ltd. transferred the "ready to eat" cereal business to 2875560 Canada Limited and control of 2875560 Canada Limited was sold to Kraft General Foods of Canada Inc. As a result, certain Members of the Plan became employees of Kraft General Foods of Canada Inc. and ceased participation in the Plan. Assets and liabilities in respect of these Members were transferred from the Plan to a registered pension plan sponsored by Kraft General Foods of Canada Inc.
- 1.08 Effective January 1, 1996, Nabisco Brands Ltd. changed its name to Nabisco Ltd.
- 1.09 Effective December 31, 2001, Nabisco Ltd. amalgamated into Kraft Canada Inc. Kraft Canada Inc. assumed sponsorship of the Plan and the name of the Plan was changed to the Kraft Canada Inc. Trusteed Retirement Plan A.

Article 2 – Construction, Interpretation and Definitions

- 2.01 This document, as it may be amended from time to time, constitutes the Plan. No statement in any other document or communication, whether or not such document or communication is required by Applicable Pension Laws or Revenue Rules, shall create or confer any right or obligation other than as set out in this document or otherwise as required by Applicable Pension Laws or Revenue Rules, nor may any such document or communication be used or relied upon to interpret or vary any terms or provisions of the Plan.
- 2.02 In the Plan, references to the masculine include the feminine and vice versa, references to the singular shall include the plural and vice versa, as the context shall require, and references to a subparagraph, paragraph, Section, Article or Appendix mean a subparagraph, paragraph, Section, Article or Appendix of the Plan.
- 2.03 The Plan shall be construed in accordance with the laws of the Province of Ontario.
- 2.04 All amounts payable under the Plan are stated and shall be paid in the lawful currency of Canada. If an amount of benefit or earnings entering into the computation of any benefit or contribution hereunder is expressed in a currency other than that of Canada, such amount shall be converted to Canadian currency prior to such computation, based upon exchange rates established by the Company.
- 2.05 Each provision of the Plan is distinct and severable, and if any provision of the Plan or part thereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.06 Headings wherever used herein are for reference purposes only, and do not limit or extend the meaning of any of the Plan's provisions.

Definitions

In the Plan, the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

- 2.07 **“Actuarial(ly) Equivalent”** means a benefit of equivalent value, but of different form of payment to a specified benefit, as determined on a basis of calculation adopted by the Company on the advice of the Actuary and in effect on the date such determination is being made. Notwithstanding the foregoing, the Company may adopt a basis that eases the administration of the Plan, including the use of unisex factors, provided that such basis is not precluded by Applicable Pension Laws or Revenue Rules.
- 2.08 **“Actuary”** means an individual from time to time appointed by the Company to carry out actuarial valuations and provide such actuarial advice and services as may be required from time to time for the purposes of the Plan. The Actuary shall at all times be a person who is a Fellow of the Canadian Institute of Actuaries.
- 2.09 **“Applicable Pension Laws”** means the Pension Benefits Act (Ontario) and any regulation pursuant thereto and any amendments or substitutes therefore as well as any similar statute applicable to the Plan or a Member of the Plan and any regulation pursuant thereto adopted by the federal or any provincial government.
- 2.10 **“Beneficiary”** means the person last designated by the Member, pursuant to Section 10.01, to receive any benefit payable to a Beneficiary under the Plan in the event of the death of the Member, according to the provisions of Article 7 of Part 2 or Article 6 of Part 3 or, in the absence of an effective designation of a Beneficiary, the estate of the Member.
- 2.11 **“Board”** means the board of directors of the Company.
- 2.12 **“Company”** means Mondelez Canada Inc. and any successor corporation, whether by amalgamation, merger or otherwise.
- 2.13 **“Company Basic Contributions”** means the contributions made by the Company in respect of a DC Member pursuant to Section 3.01 of Part 2.
- 2.14 **“Company Matching Contributions”** means the contributions made by the Company in respect of a DC Member pursuant to Section 3.02 of Part 2.
- 2.15 **“Continuous Service”** means:

- (a) the period of uninterrupted service calculated in years and parts thereof, in the employ of the Company, any predecessor entity acquired by the Company or any subsidiary or affiliated company of the Company, as determined by the Company and calculated from the later of:
- (i) his date of first employment; or
 - (ii) his date of re-employment following the last break in such service, if any.
- Continuous Service shall cease to accrue on the earliest of:
- (iii) his ceasing to be employed by the Company or any other company associated with the Company;
 - (iv) his death;
 - (v) his Retirement Date;
 - (vi) the discontinuance of the Plan without immediate substitution of a successor registered pension plan.
- (b) The following periods shall be included in the computation of a Member's Continuous Service and shall not constitute an interruption of employment:
- (i) leave of absence for a period of jury duty;
 - (ii) regular vacation periods;
 - (iii) Temporary Suspension of Employment, provided the Employee returns to active employment when recalled by the Company;
 - (iv) leave of absence for such period as may be duly authorized by the Company, including sickness, accident, emergency, compassionate care, pregnancy, parental leave or other statutory leave, provided that the Member returns to active employment upon the expiry of such leave;

- (v) an approved leave of absence with the written permission of the Company, for sabbatical or educational purposes, provided the Employee returns to active employment with the Company upon the expiry of such leave;
- (vi) a period of Total Disability, provided the Member qualifies for benefits under the Company's long-term disability income plan and further provided the Member returns to active employment with the Company within 30 days of the cessation of benefits under such plan before he attains his Normal Retirement Date;
- (vii) a period of disability in respect of which the Member qualified for benefits under the applicable provincial workers' compensation program, but does not qualify for benefits under the Company's long-term disability income plan; and
- (viii) in the event of a national emergency, the Member's joining the Canadian Armed Forces or engaging full-time in national service work for Canada, provided the Employee returns to active employment upon the expiry of such leave.

For greater certainty, Continuous Service shall include the Member's period of uninterrupted continuous service, as defined and accrued under the SBL Plan, Plan E, and/or the Reid Milling Plan.

2.16 **"Credited Service"** means the service of a Member, as defined in Article 2 of Part 3, used to determine the amount of benefits for which a Member is eligible under the DB Provisions.

2.17 **"Date of Determination"** means the date as of which a benefit is to be calculated under the Plan, as specified in each relevant Section, and being one of the following:

- (a) a Member's Retirement Date,
- (b) a Member's date of termination of employment;
- (c) a Member's date of death; and

- (d) the date of amendment or discontinuance of the Plan or the date of consolidation or merger of the Plan with another registered pension plan.
- 2.18 **“DB Account”** means the account established in accordance with paragraph 5.04(b) of Part 1.
- 2.19 **“DB Member”** means a Member who is accruing Credited Service under the DB Provisions.
- 2.20 **“DB Provisions”** means the defined benefit provisions of the Plan, as described under Part 3 of the Plan.
- 2.21 **“DC Account”** means the account established pursuant to Section 5.01 of Part 2.
- 2.22 **“DC Member”** means a Member who is participating under the DC Provisions.
- 2.23 **“DC Provisions”** means the defined contribution provisions of the Plan, as described under Part 2 of the Plan.
- 2.24 **“Early Retirement Date”** means the date of a Member’s actual retirement determined in accordance with Section 4.02.
- 2.25 (a) **“Earnings”** means, with respect to a DB Member, the aggregate of the salary, wages, overtime pay, shift differential, commissions, incentive compensation with a cycle of one year or less, and management bonus paid to the Member for services rendered to the Company during the period as determined by the Company. Earnings shall not include:
- (i) taxable fringe benefits, such as personal use of a Company automobile, automobile allowances, gifts, sales contest, suggestion and other comparable prizes and awards, provincial health insurance premiums, meals and lodging supplied by the Company, tuition fees and employee loans;
 - (ii) amounts or benefits received under stock option, stock purchase, long-term incentive compensation, and other comparable plans;

(iii) retiring allowances, termination payments and payments in lieu of notice on termination of employment; unless, and except to the extent that, the Company authorizes the inclusion of such benefits or amounts or unless otherwise prohibited by law.

For the purposes of the DC Provisions, Earnings shall mean the annual base salary, including regular incentive payments, overtime and premium pay and excluding long-term incentive awards, prizes or additional awards in cash or otherwise.

- (b) **"Best Average Earnings-3"** on any Date of Determination means the annual average of a DB Member's Earnings in the thirty-six (36) consecutive calendar months of employment immediately preceding the Date of Determination or, if higher, in the three (3) calendar years of highest Earnings prior to the Date of Determination which produce the highest average or, where the Member's Continuous Service is less than thirty-six (36) consecutive months, the annual average of his Earnings during his period of Continuous Service, provided that, for a part-time Employee, the average is computed using the equivalent full-time service performed during the averaging period.
- (c) **"Final Average Earnings"** on any Date of Determination means the annual average of the Member's Earnings for any five (5) consecutive years out of the last ten (10) years of Continuous Service, during which such average is the highest or, where the Member's Continuous Service is less than five (5) years, the average of the Member's Earnings during the Member's Continuous Service.

For the purposes of determining Final Average Earnings, a DB Member's Earnings for a calendar year in which the Member is employed on a less than full-time basis shall be adjusted by subtracting the overtime Earnings, multiplying the result by the ratio of regularly scheduled hours of comparable full-time employment to the regular scheduled hours of such Member and adding the overtime Earnings to the resulting product.

2.26 **"Effective Date"** means January 1, 1983.

- 2.27 **“Employee”** means any person employed by the Company who is paid on an hourly basis or whose employment is covered by a collective bargaining agreement, and who reports to work at one of the following locations:
- (a) Peek Freans East York Plant;
 - (b) Dad’s Scarborough Plant; or
 - (c) Reid Milling Division Mississauga location.
- 2.28 **“Fund”** means the fund established for the purposes of the Plan, as set forth herein and established in accordance with the terms and provisions of the Funding Agreement(s), to which all contributions to the Plan shall be made and from which all benefits under the Plan shall be payable.
- 2.29 **“Funding Agent(s)”** means the trust and/or insurance company and/or any group of individual trustees designated by the Company and holding the whole or a portion of the assets of the Fund at any time, pursuant to the terms of a Funding Agreement(s).
- 2.30 **“Funding Agreement(s)”** means any trust deed, agreement or agreements executed from time to time between the Company and any Funding Agent(s), including any insurance or annuity contract or contracts issued by a Funding Agent(s) and including any amendments which are from time to time made to any such documents, pertaining to the custody of the investments of the Fund.
- 2.31 **“Interest”** means the interest credited on Members’ Required DB Contributions, determined as follows:
- (a) Subject to Applicable Pension Laws, Interest shall be compounded annually at the end of each Plan Year, with proportionate Interest up to the first (1st) day of the month in which payment falls due or up to the Member’s Retirement Date, whichever shall first occur.
 - (b) Interest credited, for any Plan Year, shall be at a rate adopted by the Company, provided that it shall not be less than the average rate credited on five year personal fixed term chartered bank deposits ((CANSIM Series V122515) or such other series as may be in effect) for the Plan Year, or such other higher rate as may be required under Applicable Pension Laws.

- (c) For a Member who terminates during a Plan Year, interest shall be credited during the year of termination at a rate which shall not be less than the average rate credited on five year personal fixed term chartered bank deposits ((CANSIM Series V122515) or such other series as may be in effect) for the twelve (12) month period immediately preceding the Plan Year, or such higher rate as may be required under Applicable Pension Laws.
- 2.32 **“Maximum Formula”** means the formula used to calculate the maximum annual lifetime retirement income which can be paid from the Plan in respect of Credited Service, as set out in Section 3.02 of Part 3.
- 2.33 **“Member”** means an Employee who has joined the Plan in accordance with Article 3 and who continues to be contingently or absolutely entitled to a retirement income under the Plan. A Member includes a DB Member and a DC Member.
- 2.34 **“Member Optional Contributions”** means the contributions made by a DC Member in accordance with Section 2.02 of Part 2.
- 2.35 **“Member Required DC Contributions”** means the required contributions made by a DC Member in accordance with Section 2.01 of Part 2.
- 2.36 **“Money Purchase Limit”** has the meaning assigned under Revenue Rules.
- 2.37 **“Normal Retirement Date”** means the date specified in Section 4.01.
- 2.38 **“Pension Commencement Date”** means the date on which a Member starts receiving his retirement income under the Plan.
- 2.39 **“Plan”** means the Mondelez Canada Inc. Trusteed Retirement Plan A as amended from time to time.
- 2.40 **“Plan Benefit”** means the annual lifetime retirement income payable under the DB Provisions of the Plan, determined in accordance with Section 3.03 of Part 3.

- 2.41 **“Plan E”** means the Mondelez Canada Inc. Trusteed Retirement Plan E, as amended to December 31, 1984 whose assets and liabilities in respect of the benefit entitlements of the former members of such plan who are Members of the Plan shall have been merged and consolidated under the Plan.
- 2.42 **“Plan Formula”** means the formula used to calculate the annual lifetime retirement income in respect of Credited Service, prior to the application of the Maximum Formula, as set out in Section 3.01 of Part 3.
- 2.43 **“Plan Year”** means a calendar year.
- 2.44 **“Postponed Retirement Date”** means the date specified in Section 4.03 of Part 1.
- 2.45 **“Reciprocal Agreement”** means an agreement between the Company and another legal entity relating to two (2) or more registered pension plans, that provides for the transfer of assets or liabilities for employment in respect of individual Members.
- 2.46 **“Reid Milling Plan”** means the Reid Milling, a Division of Christie, Brown and Company, Limited, Employees’ Pension Plan, as amended to May 31, 1988.
- 2.47 **“Required DB Contributions”** means the required contributions which a Member made under the Plan prior to January 1, 1989 and the Member’s required contributions, if any, made under the Reid Milling Plan, SBL Plan and/or Plan E (to the extent the assets and liabilities of such plans have been merged and consolidated hereunder) pursuant to the provisions of such plans.
- 2.48 **“Retirement Date”** means the date on which a Member actually retires or is deemed to be retired, such date being one of an Early Retirement Date, Normal Retirement Date or Postponed Retirement Date.
- 2.49 **“Revenue Rules”** means the provisions of the Income Tax Act (Canada) and any applicable provincial income tax act, and any relevant regulations thereto, as they may be amended from time to time, pertaining to pension plans or funds registered under the Income Tax Act (Canada) as they are applicable to the Plan.

- 2.50 **“Spouse”** means the person who, at the earlier of the Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:
- (a) the person who is married to the Member; or
 - (b) the person who is not married to the Member and is living with the Member in a conjugal relationship:
 - (i) continuously for a period of not less than three (3) years; or
 - (ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Family Law Act (Ontario):
- provided that the person is not living separate and apart from the Member at that time and provided that not more than one (1) person shall be a Spouse hereunder. In the event of more than one (1) person having claims to be such, the determination of the Company as to which person shall be the Spouse, on the basis of evidence available to it and which it considers sufficient for the purposes of such determination, and on the basis of the requirements of Applicable Pension Laws, shall be final.
- 2.51 **“Temporary Suspension of Employment”** means any suspension of employment that lasts less than two years and is expected to be temporary in nature or any period of lay off.
- 2.52 **“Total Disability”** means, in respect of a Member, a condition of impairment which prevents the Member from performing the duties of his employment in which the Member was engaged before the commencement of the impairment, during which the Member is receiving benefits under a long-term disability plan sponsored by the Company. The determination of such disability shall be based on a written report certified from a medical doctor licensed to practice under the laws of a province of Canada or of the place where the Member resides.

- 2.53 **“Total and Permanent Disability”** means a physical or mental disability that prevents the Member from engaging in employment for which the Member is reasonably suited by virtue of the Member’s education, training or experience, as certified by a medical doctor licensed to practice under the laws of a province of Canada, and if there is no reasonable expectation that the individual will recover from the disability, and in the event that such disability is a result of a mental or nervous disorder, chronic alcoholism or addiction to narcotics, the Member is receiving, in the opinion of the Company, regular and personal medical supervision and treatment by a legally qualified physician. Notwithstanding the foregoing, no Member shall be deemed to be totally and permanently disabled for the purposes of the Plan if his disability was contracted, suffered, or incurred while he was engaged in the commission of a felonious act or resulted therefrom, or resulted from an intentionally self-inflicted injury or was a result of service in the Canadian Armed Forces.
- 2.54 **“Valuation Date”** means the date at which the Funding Agent determines the value of each DC Account within the Fund in accordance with Section 5.03 of Part 2.
- 2.55 (a) **“YMPE”** means the Year’s Maximum Pensionable Earnings established under the Canada Pension Plan, as amended from time to time, or under any superseding legislation considered by the Company to be appropriate.
- (b) **“YMPE Average”** on any date, means the arithmetic average of the YMPE for the calendar year in which he reaches his Date of Determination and the two immediately preceding calendar years.

Article 3 – Membership

3.01 Members on December 31, 2010

Each Employee who was a Member on December 31, 2010 shall remain a DB Member on and after January 1, 2011.

3.02 Employees on December 31, 2010 – Not Members of the Plan on December 31, 2010

(a) Each other Employee who is employed on a regular full-time and permanent basis on December 31, 2010 shall become a DB Member of the Plan on the first day of the month coincident with or next following the date the Employee completes two (2) years of Continuous Service.

(b) Notwithstanding the foregoing, an Employee who was accruing Continuous Service on January 1, 1989 and who has not previously elected to become a Member of the Plan, may become a DB Member on the first day of the month coincident with or following the completion and delivery to the Administrator of an enrolment form.

(c) Each other Employee who is employed on a less than full-time basis on December 31, 2010 shall become a DB Member on the first day of the month coincident with or next following the date the Employee completes two (2) consecutive calendar years of Continuous Service, in each of which the Employee:

(i) completed seven hundred (700) hours of employment with the Company; or

(ii) received Earnings from the Company of at least thirty-five percent (35%) of the YMPE, or such other amount as may be required under Applicable Pension Laws.

3.03 New Employees Hired on or after January 1, 2011

Each Employee who is hired on a full-time basis or on a less than full-time basis on and after January 1, 2011 shall become a DC Member on the first payroll period after completing 90 days of Continuous Service.

3.04 Waiver of Eligibility Requirements

Notwithstanding any provision to the contrary, the Company may, in its sole discretion, waive the above eligibility requirements.

3.05 Not a Contract of Employment

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or lay off any Employee at any time and to treat him without regard to the effect such treatment might have upon him as a Member.

3.06 Enrolment

Upon joining the Plan, an Employee shall complete and sign an enrolment form prescribed by the Company.

3.07 No Discontinuance of Membership

While a Member remains an Employee and the Company continues to participate in the Plan, the Member may not discontinue active membership in the Plan, nor withdraw any contributions from the Plan, except if so permitted upon discontinuance of the Plan.

3.08 Re-Employment

- (a) If an Employee terminates employment with the Company, other than by retirement, and is subsequently re-employed with the Company on or after January 1, 2011 and prior to the end of the calendar year in which he attains age seventy-one (71) or such other age permitted under Revenue Rules, his periods of Continuous Service shall be treated separately, and the second period shall be considered to start from the date of his subsequent re-employment for the

purposes of the Plan, unless otherwise agreed in writing by the Company under specified applicable conditions or required by Applicable Pension Laws, and as permitted under Revenue Rules. Such Employee shall become a DC Member upon fulfilling the eligibility requirements under Section 3.03.

- (b) If a Member who is receiving retirement income under the DB Provisions of the Plan or who elected a distribution option under the DC Provisions of the Plan is subsequently re-employed with the Company as an Employee on or after January 1, 2011 and prior to the end of the calendar year in which he attains age seventy-one (71) or such other age permitted under Revenue Rules, the Employee shall become a DC Member upon fulfilling the eligibility requirements under Section 3.03. The Employee's retirement income under the DB Provisions of the Plan, if any, shall continue to be paid.

3.09 **Normal Retirement**

The Normal Retirement Date of a Member is the first (1st) day of the month coincident with or next following the attainment of age sixty-five (65).

3.10 **Early Retirement**

A Member may retire prior to his Normal Retirement Date on the first (1st) day of any month coincident with or next following the date on which the Member has both attained age fifty-five (55) and has filed written notice of early retirement with the Company. The date of the Member's actual retirement in accordance with this paragraph shall be his Early Retirement Date.

3.11 **Postponed Retirement**

A Member who accrues Continuous Service beyond Normal Retirement Date shall retire, or be deemed to have retired for the purposes of the Plan, not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other age permitted under Revenue Rules). The date of the Member's actual or deemed retirement in accordance with this paragraph shall be his Postponed Retirement Date.

Article 4 – Contributions and Funding

4.01 Payment of Contributions

All contributions made to the Plan shall be paid to the Funding Agent(s) for deposit to the Fund within the time period prescribed by Applicable Pension Laws.

4.02 Company Contributions

- (a) With respect to the DB Provisions of the Plan, based upon the estimates of the Actuary and subject to Section 5.05, the Company shall contribute to the Fund such amounts as are required in accordance with, and within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time shall be limited to the maximum contributions as required by the terms of the Plan and Applicable Pension Laws.
- (b) With respect to the DC Provisions of the Plan and subject to Section 5.05, the Company shall contribute in accordance with Sections 3.01 and 3.02 of Part 2.

Notwithstanding the foregoing, contributions made to the Plan by the Company shall only be made if they are eligible contributions in accordance with Revenue Rules.

4.03 Member Contributions

A Member shall make contributions in respect of the DC Provisions in accordance with Article 2 of Part 2. Other than Required DB Contributions, a Member shall not be required nor permitted to make contributions in respect of the DB Provisions.

4.04 Fund

- (a) The retirement income and other benefits provided under the Plan shall be financed by a Fund established for the purposes of the Plan, under which all contributions and investment income are held to pay such retirement income, other benefits and the fees, costs and expenses of the Plan to be paid from the Fund, as specified in paragraph (f).

- (b) The Fund shall contain one DB Account and one DC Account for each DC Member as specified in Article 5 of Part 2. The DB Account shall consist of assets in the Fund not allocated to the DC Accounts of DC Members.
- (c) The Company shall be responsible for the selection of a Funding Agent(s). The Fund or a portion thereof shall be maintained and administered by the Funding Agent(s) in accordance with the terms of the Funding Agreement(s) entered into between the Company and the Funding Agent(s). The Company and the Funding Agent(s) may agree to amend the form and the terms of the Funding Agreement(s) at any time. The Company may further appoint an organization licensed to provide investment management services, to manage the investment of any portion of the Fund. The Company may replace any Funding Agent(s) or investment manager at any time, in accordance with the terms of any applicable agreement or contract.
- (d) The Funding Agreement(s) is ancillary to the Plan and is intended to receive contributions made to the Plan and to give effect to the provisions of the Plan relating to the safekeeping and investment of the assets of the Fund and to facilitate the payment of the benefits and other payments properly made under the Plan, in accordance with Applicable Pension Laws and Revenue Rules, and not to create rights to payments from the Fund that are in addition to those payments expressly provided under the Plan. In the case of conflict between the provisions of the Plan and those of the Funding Agreement(s), the provisions of the Plan shall govern.
- (e) Subject to Applicable Pension Laws, the retirement income and other benefits provided under the Plan payable hereunder shall only be paid to the extent that they are provided for by the assets held under the Fund, and no liability or obligation to make any contributions thereto or otherwise shall be imposed upon the Company other than in accordance with Section 5.01.
- (f) All normal and reasonable fees and expenses incurred in the operation of the DB Provisions of the Plan, and the administration and investment of the DB Account of the Fund, shall be paid out of the DB Account, unless paid by the Company. If such expenses are incurred or paid by the Company, the Company may be reimbursed for such expense from the DB Account.

All fees and expenses in connection with the administration, operation and investment of the DC Accounts and the DC Provisions of the Plan, including the investment management fees, investment counsel fees, custodial fees, administrative fees, brokerage fees, commissions and transfer taxes, shall be paid by way of adjustment to the net investment returns of the respective DC Accounts subject to any limits set out in the Funding Agreement(s). Notwithstanding the foregoing, the Company may pay fees and expenses directly or fees may be paid from the DB Account pursuant to Section 5.05. If such expenses are incurred or paid by the Company, it may be reimbursed for such expenses from the Fund.

Fees related to specific transaction initiated by a DC Member, including penalty fees, shall be deducted from his DC Account in accordance with the terms of the Funding Agreement(s).

A former DC Member or his Spouse or Beneficiary, as applicable, shall be responsible for all fees and charges that are levied from time to time in maintaining and investing his DC Account if such former DC Member has not elected a distribution option in accordance with Sections 6.03 and 8.02 of Part 2 within the prescribed time or within such other time as determined by the Company. Such charges will be periodically deducted from the Member's DC Account.

4.05 **Actuarial Surplus**

At the discretion of the Company and subject to the provisions of Applicable Pension Laws, any surplus determined by the Actuary, or a portion thereof, may be used to determine or to reduce the contributions of the Company under the Plan, including Company Basic Contributions and Company Matching Contributions made pursuant to Part 2 of the Plan or used to pay any fees and expenses or may, to the extent allowed and subject to any conditions or approval procedures under Applicable Pension Laws and Revenue Rules, be returned to the Company.

4.06 Investments

- (a) The investment of the Fund shall be made in accordance with Applicable Pension Laws and Revenue Rules.
- (b) The Company shall direct the investment of the DB Account and each DC Member shall direct the investment of his DC Account in accordance with Section 5.02 of Part 2.
- (c) The Company shall establish a written statement of investment policies and procedures for the Plan.

4.07 Borrowing

Neither the Company, nor the Funding Agent(s) shall borrow money for the purposes of the Plan, except as allowed under Applicable Pension Laws and Revenue Rules.

4.08 Claims on the Fund

- (a) Contributions made by the Company shall not constitute an enlargement of the amount of any benefit defined in the Plan, and shall not at any time create for any person other than the Company, the right, title or interest in the assets of the Company or the Fund, except as provided under Applicable Pension Laws.
- (b) No Member or any person claiming through him, by virtue of any provision of the Plan, shall have any right to, or any interest in, any part of the Fund or to any benefit or other payment from the Fund, except to the extent provided from time to time under the Plan, the Funding Agreement(s), or Applicable Pension Laws.

4.09 Sole Recourse to Fund

A Member or person claiming through the Member shall have recourse solely to the Fund for any benefit or other payment from the Plan. Under no circumstances shall any liability attach to the Company or any director, officer or employee of the Company, for any benefit or other payment hereunder.

4.10 **Excess Contributions**

If the Company or a Member makes a contribution to the Plan which would cause the Plan's registration to be revocable under Revenue Rules, subject to the conditions or approval procedures under Applicable Pension Laws, such contributions shall be returned to the Company or the Member, as applicable.

4.11 **Discharge of Liability**

Upon distribution of a Member's entitlement under the Plan, including the purchase of a life annuity from an insurance company licensed to transact business in Canada, there shall be no further liability under the Plan in respect of such Member. An acceptance of the benefit or the purchase of a life annuity shall constitute a full acquittal and discharge of the Fund and the Funding Agent(s) by the recipient.

Article 5 – Protection of Benefits

5.01 Non-Assignability of Benefits

Except as permitted under Section 6.02 and the portability and commutation provisions of any other Article of the Plan, no benefit, right or interest provided under the Plan shall be:

- (a) capable of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, seizure, attachment or other legal or equitable process; or
- (b) capable of being given as security or surrendered;

and, for the purposes of this Section:

- (c) assignment does not include assignment by the legal representative of a deceased individual on the distribution of the individual's estate; and
- (d) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan under Revenue Rules.

5.02 Support and Division of Property on Marriage Breakdown

- (a) Subject to Applicable Pension Laws, a benefit payable under the Plan may be:
 - (i) subject to execution, seizure or attachment, in satisfaction of an order for support or maintenance or a garnishing order, pursuant to a decree, order or judgement of a competent tribunal; or
 - (ii) be assigned, pledged, charged, encumbered or alienated to satisfy a division of matrimonial property, pursuant to a written agreement, decree, order or judgement of a competent tribunal.
- (b) The determination of the benefit payable to a person under paragraph (a) shall be subject to Applicable Pension Laws and Revenue Rules.

- (c) The Member's benefit entitlements shall be reduced to account for the value of any settlement made under paragraph (a). Such reduction shall be determined in accordance with Applicable Pension Laws and Revenue Rules.

5.03 **Facility of Payment**

If the Company shall receive evidence which in its absolute discretion is satisfactory to it that a person entitled to receive a payment under the Plan is physically or mentally incompetent, the Company may direct the payment to any representative, trustee, guardian, attorney or other person or persons entitled at law to receive the payment on the person's behalf. Such payment shall be a complete discharge of the payment obligations under the Plan.

Article 6 – Amendment or Discontinuance

6.01 Amendment

The Company expects to continue the Plan indefinitely, but nevertheless reserves the right to:

- (a) amend the Plan;
- (b) terminate the Plan;
- (c) merge or consolidate the Plan with any other registered pension plan adopted by the Board; or
- (d) transfer any assets or liabilities of the Plan to any other registered pension plan adopted by the Board,

provided that no such action shall adversely affect any right with respect to benefits which have accrued immediately prior to the time such action is taken, except as provided in Section 7.02 and 7.04. The accrued benefits shall be determined using as the applicable Date of Determination, the earliest of the date the Member ceases to accrue Continuous Service and the date of the amendment, termination, merger or consolidation of the Plan, as applicable.

Any amendment of the Plan shall be made by the adoption of a resolution by the Board.

6.02 Amendment Required to Maintain Registration

Notwithstanding any other provisions of the Plan, the Company may amend the Plan as is necessary to maintain the registration of the Plan under Applicable Pension Laws and Revenue Rules. Section 7.01 shall not restrict the Company's ability to make an amendment to the Plan, including, but without limiting the generality of the foregoing, an amendment providing for benefits to be reduced, when the purpose of the amendment is to maintain such registration of the Plan. Any such benefit reduction shall be subject to conditions or approval procedures under Applicable Pension Laws.

6.03 Certification of Post – 1989 Additional Benefits

An amendment to the Plan which creates additional benefits in respect of a period of employment after 1989 and which must be certified by the Minister of National Revenue in accordance with Revenue Rules shall not be effective in respect of a Member until such certification has been received for that Member, and such additional benefits shall not be paid as a result of the amendment prior to certification. The Company shall apply for such certification before the Company makes any contributions to the Plan in respect of such amendment.

6.04 Discontinuance

In the event the Plan shall be discontinued at any time either in whole, or in part with respect to a specified group of Members only, the assets of the Fund (or the interest therein of Members affected by a partial discontinuance) shall be allocated to provide, to the extent of said assets and subject to Applicable Pension Laws, the retirement income and other benefits then accrued under the Plan. The accrued benefits shall be computed using the date the Member ceases to accrue Continuous Service as the applicable Date of Determination. Such allocation shall be made in accordance with an allocation schedule then established by the Company in consultation with the Actuary and filed with and approved by the appropriate authorities in accordance with Applicable Pension Laws.

6.05 Settlement on Discontinuance of Plan

The provisions for the accrued retirement income and other benefits described in Section 7.04 may be in the form of cash, the purchase of annuity contracts, the transfer of monies to other registered pension plans or to approved registered vehicles, or the continuation of the Fund, or a combination thereof, at the discretion of the Company and as permitted under Applicable Pension Laws and Revenue Rules.

6.06 Surplus on Discontinuance

- (a) Upon discontinuance of the Plan in whole, assets remaining in the Fund after the discharge of all liabilities under the Plan or under Applicable Pension Laws shall be paid to the Company, subject to Applicable Pension Laws.

- (b) Upon discontinuance of the Plan in part, assets of the Plan shall be used to discharge all liabilities under the Plan or under Applicable Pension Laws to the Members affected by the partial discontinuance, the terms of such payment being subject to Applicable Pension Laws. The Company, with the advice of the Actuary, may allocate the total assets in the Plan between the portion of the Plan that is discontinued and the remaining portion of the Plan. At the option of the Company, the excess of the assets allocated to the discontinued portion of the Plan over the liabilities of the discontinued portion of the Plan in respect of the Members affected by the partial discontinuance, may be paid to the Company or used as the Company may direct, subject to Applicable Pension Laws.
- (c) The expenses related to the discontinuance of the Plan in whole or in part may be paid from the Plan, at the sole discretion of the Company, and subject to Applicable Pension Laws. In the case of a full discontinuance, such expenses may include expenses related to the distribution of assets remaining in the Plan after payment of the liabilities related to the discontinuance. In the case of a partial discontinuance, such expenses may include expenses related to the allocation of assets to the discontinued portion of the Plan and the distribution of the assets so allocated and remaining after the payment of liabilities related to the partial discontinuance.

Article 7 – Disclosure

7.01 Plan Explanation

Within the period prescribed by Applicable Pension Laws, the Company shall provide to an Employee who becomes eligible for membership in the Plan, a written description of the Plan. Such description shall explain the pertinent terms and conditions of the Plan and amendments thereto as applicable to the Employee, and shall outline the rights and obligations of the Employee with reference to the benefits available under the Plan.

Except as otherwise permitted or required under Applicable Pension Laws, the Company shall provide a written explanation of an amendment to each Member who accrues Continuous Service and who is affected by the amendment and to each other person as may be required by Applicable Pension Laws, within the period prescribed by Applicable Pension Laws.

7.02 Inspection

- (a) The Company shall permit a Member, a Member's authorized agent or any other person permitted under Applicable Pension Laws, to inspect, to make extracts from or to copy the Plan text and any other related documents required to be made available under Applicable Pension Laws, at such time and places as may be required by Applicable Pension Laws.
- (b) To the extent required by Applicable Pension Laws, the Company shall provide, on request, a Member, or such person as is required to be permitted under Applicable Pension Laws, with copies of any of the documents required to be made available under Applicable Pension Laws upon payment to the Company of a reasonable fee.

7.03 Benefits Statement

- (a) Within the period prescribed by Applicable Pension Laws, the Company shall provide:

- (i) to each Member who accrues Continuous Service, a written statement describing the benefits the Member has earned to date and containing such other information as required under Applicable Pension Laws; and
 - (ii) to each other person as may be required by Applicable Pension Laws, a written statement containing the information required under Applicable Pension Laws.
- (b) Upon cessation of employment of a Member or upon termination of the Member's active membership in the Plan, the Company shall provide the Member (or the person entitled to a benefit in the event of the Member's death), within the prescribed time period, a written statement containing the information prescribed under Applicable Pension Laws in respect of the benefits and options to which the Member or other person is entitled.

7.04 **Other Information**

The Company shall provide such other information regarding the Plan, statistical or otherwise, as is required under Applicable Pension Laws and Revenue Rules.

7.05 **Limitation**

Such explanation, statement or right of disclosure of the Plan text and other documents provided shall have no effect on the rights or obligations of any person under the Plan, and shall not be referred to in interpreting or giving effect to the provisions of the Plan. Neither the Company, nor any employee, officer or director of the Company who is involved in the administration of the Plan shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

Article 8 – Administration

8.01 Administrator

The Plan shall be administered by the Company. Any amendments to the Plan, including any restatement of the Plan in its entirety, shall be made by resolution of the Board.

8.02 Interpretation

The Company may from time to time direct that appropriate records be maintained and may establish rules for the administration of the Plan. The Company shall have the exclusive right to interpret the Plan provisions and to decide any matters arising hereunder in the administration and operation of the Plan. All interpretations and decisions shall be applied as nearly as may be possible in a uniform manner to all Members similarly situated.

8.03 Indemnification

The Company shall indemnify and save harmless any employees who are involved in the administration of the Plan from the effects and consequences of their acts, omissions and conduct in their formal capacity to the extent permitted by law except for their own wilful and intentional malfeasance or misconduct. No part of the Fund shall be used for indemnification payments.

8.04 Entitlement to Rely on Statements

The Company shall be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports which shall be furnished by an actuary, accountant, legal counsel or other professional person who shall be employed or engaged for such purposes.

8.05 Employer Records

Whenever the records of the Company are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.

8.06 Information Provided by the Members, Beneficiaries and Spouses

- (a) An Employee who becomes a Member hereunder and a Beneficiary or Spouse shall complete such forms and furnish such data as the Company from time to time deems necessary or desirable as a prerequisite to initial or continued eligibility for a benefit hereunder.
- (b) In the absence of actual notice to the contrary, the Company shall make payment in accordance with information provided by the Member upon which the Company is entitled to rely. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of an Account, or where a person makes a claim that is inconsistent with information provided by the Member, the Company may obtain court directions.

Article 9 – General Provisions

9.01 Beneficiary Designation

A Member shall designate, in writing, a Beneficiary to receive any benefits payable under the Plan, other than benefits payable to a Spouse, upon the death of such Member and may change such designation from time to time subject to applicable legislation. Such designation or change must be in accordance with any law applicable to the Member and shall be in such form and executed in such manner as the Company may, from time to time, determine. Any designation or change must be filed with the Company. In the absence of an effective designation of a Beneficiary, the Company shall instruct the Funding Agent(s) to make payment of any death benefits under this Plan to the estate of the Member and any such payment shall completely discharge all liability with respect to the amount paid.

9.02 Employment Rights

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or lay off any Employee at any time and to treat such Employee without regard to the effect which such treatment might have under the Plan upon such Employee.

9.03 Withdrawal

Except as expressly provided in the Plan, no Member may receive a refund of all or part of his benefit entitlement while remaining in employment with the Company.

9.04 Annuity Purchase

Any new or continuing benefit payable from the Plan to a Member or other person entitled to a benefit under the Plan, notwithstanding any provisions herein to the contrary, may be satisfied through the purchase of an annuity or annuities from a life insurance company or companies licensed to transact business in Canada in respect of any Member.

Subject to Applicable Pension Laws, the purchase of such annuity from such life insurance company or companies shall constitute a full and final settlement of the rights of the Member or other person entitled to a benefit under the Plan in respect to whom the annuity was purchased and shall fully and forever discharge the Plan, Fund, Company and its employees, directors, officers and other representatives from any further obligations to the Member or other person so entitled.

9.05 **Commutation of Benefits**

- (a) A benefit required to be paid under the Plan may be commuted and paid in a lump sum, at the discretion of the Company, if the annual retirement income under Part 3 of the Plan that would be payable to the Member at Normal Retirement Date or the value of the Member's DC Account is not more than two percent (2%) of the YMPE as at the Date of Determination. The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid or the value of the Member's DC Account.
- (b) Retirement income under Part 3 of the Plan or the value of the Member's DC Account under Part 2 of the Plan may be commuted and paid in a lump sum, at the discretion of the Member, if the Member:
 - (i) establishes that he has an illness or physical disability that is likely to shorten his life expectancy to less than two (2) years, as certified by a written statement from a qualified medical doctor licensed to practice in Canada;
 - (ii) provides an application to the Company in the prescribed form; and
 - (iii) satisfies any other conditions prescribed by Applicable Pension Laws.

9.06 **Non-Duplication of Benefits**

There shall be no duplication of benefits payable under one provision of the Plan and benefits payable under any other provision of the Plan.

Part 2 – Defined Contribution Provisions

Article 1 – Application

1.01 The provisions of this Part 2 shall apply to all DC Members of the Plan.

Article 2 – Member Contributions

2.01 Member Required DC Contributions

- (a) Subject to Section 4.01, in each Plan Year or portion thereof, a DC Member who is accruing Continuous Service shall contribute to the Plan, by regular payroll deduction, Member Required DC Contributions equal to 2% of the DC Member's Earnings.
- (b) Member Required DC Contributions made pursuant to paragraph (a), as applicable, shall cease upon the earliest of:
 - (i) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death; or
 - (v) the date of partial or complete discontinuance of the Plan affecting the Member.
- (c) All Member Required DC Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits prescribed by Applicable Pension Laws.

2.02 Member Optional Contributions

- (a) Subject to Section 4.01, in each Plan Year or portion thereof, a DC Member who is accruing Continuous Service may elect to contribute to the Plan, by regular payroll deduction, Member Optional Contributions equal to 1, 2, 3 or 4% of the DC Member's Earnings.

- (b) A DC Member who is making Member Optional Contributions in accordance with paragraph (a) may elect monthly, or at such other time or frequency permitted by the Company, to change the rate of Member Optional Contributions in the form and manner prescribed by the Company.
- (c) Member Optional Contributions made pursuant to paragraph (a), as applicable, shall cease upon the earliest of:
 - (i) the date the Member elects to cease making Member Optional Contributions;
 - (ii) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (iii) the Member's termination of employment;
 - (iv) the Member's Retirement Date;
 - (v) the Member's death; or
 - (vi) the date of partial or complete discontinuance of the Plan affecting the Member.
- (d) All Member Optional Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits prescribed by Applicable Pension Laws.

2.03 **Continuance of Member Contributions During Leaves**

- (a) Subject to Section 4.01, if a Member is on a pregnancy, parental or leave as a result of an employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings, the Member may elect to make the Member Required DC Contributions and Member Optional Contributions that would have been made had the Member been in active employment during such period, for the period prescribed by applicable legislation or such longer period approved by the Company based on the Member's Earnings rate in force immediately prior to the commencement of the period of leave.

- (b) Member Required DC Contributions and Member Optional Contributions made pursuant to this Section 2.03 shall be paid on such terms and in such manner as may be determined by the Company.
- (c) In no event shall the total periods for which contributions are made by a Member under this Section 2.03, when combined with any period of absence during which the Member accrues Credited Service, but excluding periods of Total Disability, exceed the sum of:
 - (i) the full-time equivalent of five years; and
 - (ii) the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.
- (d) Member Required DC Contributions and Member Optional Contributions shall cease during other periods of unpaid leaves of absence authorized by the Company not covered under paragraph (a).

2.04 Continuance of Member Contributions During a Period of Total Disability

If a Member is on a period of Total Disability, the Member is not permitted to make Member Required DC Contributions and Member Optional Contributions to the Plan while the Member remains on Total Disability.

Article 3 – Company Contributions

3.01 Company Basic Contributions

- (a) Subject to Section 5.05 of Part 1, paragraphs (b) and (c) below, and Section 4.01, the Company shall contribute during each Plan Year or portion thereof, Company Basic Contributions on behalf of a DC Member, equal to 4% of the DC Member's Earnings.
- (b) If a DC Member is on a pregnancy, parental or leave as a result of employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings and the DC Member elects to make Member Required DC Contributions pursuant to paragraph 2.03(a), Company Basic Contributions made pursuant to paragraph (a) shall continue for the period prescribed by applicable legislation or such longer period approved by the Company, subject to applicable laws, based on the DC Member's Earnings rate in force immediately prior to the commencement of the period of leave. Company Basic Contributions shall cease during other periods of unpaid leaves of absences authorized by the Company not covered above.
- (c) If a DC Member is on a Total Disability, Company Basic Contributions pursuant to paragraph (a) shall continue while the Member remains on Total Disability, based on the DC Member's Earnings rate in force immediately prior to the date the Member commenced Total Disability.
- (d) Company Basic Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have been made by it in accordance with Applicable Pension Laws.

3.02 **Company Matching Contributions**

- (a) Subject to Section 5.05 of Part 1, paragraphs (b) and (c) below, and Section 4.01, the Company shall contribute during each Plan Year or portion thereof, Company Matching Contributions on behalf of a DC Member, equal to 100% of the Member's Optional Contributions.
- (b) If a DC Member is on a pregnancy, parental or leave as a result of employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings and the DC Member elects to make Member Optional Contributions pursuant to paragraph 2.03(a) of Part 2, Company Matching Contributions made pursuant to paragraph (a) shall continue for the period prescribed in paragraph 2.03(a) based on the Member's deemed Earnings as described in paragraph 2.03(a).
- (c) Company Matching Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have been made by it in accordance with Applicable Pension Laws.

Article 4 – Maximum Contributions

4.01 Maximum Contribution Limit

- (a) For the purpose of Articles 2 and 3, the total of the contributions allocated to a Member's DC Account for any calendar year shall be the lesser of 18% of the Member's Earnings in that calendar year, and the Money Purchase Limit as is applicable in that calendar year.
- (b) The maximum contribution limit calculated in accordance with paragraph (a) shall be reduced by the amount, if any, of a Member's expected pension adjustment for any benefits accrued or contributions made in the calendar year from any other registered pension plan or deferred profit sharing plan of the Company.

Article 5 – DC Account

5.01 DC Account

A separate DC Account shall be maintained for each DC Member to which Company Basic Contributions, Company Matching Contributions, Member Required DC Contributions and Member Optional Contributions shall be made.

5.02 Investment of Accounts

- (a) A Member's DC Account shall be invested, pursuant to directions provided by the Member, in the investment options made available by the Funding Agent(s) under the terms of the Funding Agreement(s).
- (b) In the event that the Member fails to make an election as to the investment options for the Member's DC Account, the DC Account shall be invested in such fund that may be prescribed from time to time by the Company, until the Member files an election with the Company.
- (c) A Member may change the investment options in which the Member's DC Account are invested, in the manner prescribed by the Company.
- (d) The Company reserves the right to change the investment options available to a DC Member at any time.

5.03 Valuation of Accounts

- (a) The value of each DC Account shall be determined by the Funding Agent(s) or its agent at each Valuation Date to account for the allocation of:
 - (i) net investment income;
 - (ii) net realized and unrealized capital gains and losses; and
 - (iii) fees and expenses paid from the DC Account, in accordance with paragraph 5.04(f) of Part 1.

- (b) Valuation Dates shall occur at such times as may be required or permitted by the Funding Agreement(s), but not less frequently than monthly. The value of each DC Account shall be computed on the basis of market values at the Valuation Date concerned, having regard to the terms of the Funding Agreement(s).

Article 6 – Retirement Benefits

6.01 Retirement

For purposes of this Part 2, a Member shall retire if:

- (a) the Member's employment with the Company ceases on or after the Member's Normal Retirement Date and in no event later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules; or
- (b) the Member terminates employment after attaining age 55.

6.02 Retirement Benefit

Upon retirement in accordance with Section 6.01, a DC Member shall be entitled to the distribution of the value of the Member's DC Account in the form elected by the DC Member in accordance with Section 6.03, determined as of the Valuation Date coincident with or immediately preceding distribution of the Member's DC Account.

6.03 Payment of Retirement Benefit

- (a) If a DC Member retires in accordance with Section 6.01 the DC Member shall elect distribution of the Member's DC Account in any one of the following forms:
 - (i) a single premium purchase of an immediate or deferred life annuity contract from an insurance company licensed to carry on business in Canada, commencing not earlier than 10 years prior to Normal Retirement Date and commencing not later than the end of the calendar year in which the Member attains age 71, or such other age as may be permitted by Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules; or

- (ii) a transfer to another registered pension plan, provided the administrator of the other plan permits the transfer; or
 - (iii) a transfer to a locked-in retirement savings arrangement prescribed under the Applicable Pension Laws.
- (b) If, at the date the first instalment of the life annuity purchased in accordance with subparagraph (a)(i) or ultimately purchased with the amount transferred in accordance with subparagraph (a)(ii) or (a)(iii) is due:
- (i) the former DC Member has a Spouse; and
 - (ii) the Spouse has not waived, in the prescribed form, the right to a contingent pension within the period prescribed by Applicable Pension Laws;

the former DC Member shall receive any retirement income as if the former DC Member had elected to receive his retirement income with provision for a portion of the former DC Member's retirement income continuing to be paid to the Spouse after the former Member's death. This portion shall be 60% or such higher percentage elected by the Member.

A Spouse who has waived the right to a contingent pension may revoke such a waiver in writing prior to the date the first installment is due to the former Member in the manner and form prescribed by Applicable Pension Laws.

A life annuity purchased in accordance with this paragraph shall comply with any other requirements prescribed by Applicable Pension Laws.

6.04 **Payment in Default of Election**

If a DC Member who is entitled to elect distribution of his DC Account fails to make an election within the time required or permitted under Applicable Pension Laws, the Company may, in its absolute discretion, select an insurance company and purchase an annuity on behalf of the DC Member. Such annuity shall be payable commencing on the DC Member's Normal Retirement Date and in the form of specified in Section 6.03.

6.05 **Phased Retirement**

A DC Member may not make an election that constitutes phased retirement.

Article 7 – Death Benefits

7.01 Death Benefits Prior to Distribution of Member's DC Accounts

If the death of a DC Member occurs prior to the distribution of the Member's DC Account under any other Article of Part 2 of the Plan, the Member's Spouse or, if there is no Spouse or if the Spouse has waived entitlement to the death benefit in the prescribed form and in accordance with Applicable Pension Laws, the Member's Beneficiary shall be entitled to distribution of the value of the Member's DC Account.

7.02 Payment of Death Benefits

(a) If a DC Member dies, distribution of the DC Account payable in accordance with Section 7.01 to the Member's Spouse shall be made as:

- (i) a lump sum transfer to an RRSP in the name of the Spouse, to another registered pension plan, if the administrator of the plan accepts such transfer, or to such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules;
- (ii) a lump sum cash payment; or
- (iii) a single premium purchase of a life annuity from an insurance company, commencing no later than December 1 of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or, if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules;

as designated by the Spouse, or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion, in such form as may be permitted under Applicable Pension Laws.

- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

7.03 Timing of Payment

Any death benefit payable under this Article 7 shall be paid as soon as practicable after the DC Member's death.

Article 8 – Termination of Employment

8.01 Termination of Employment

A DC Member whose employment with the Company ceases other than by death or retirement in accordance with Article 6 shall receive the balance of his DC Account distributed in accordance with Section 8.02.

8.02 Payment of Accounts

Distribution of the DC Account payable to a Member shall be made as:

- (a) a transfer to another registered pension plan, provided the administrator of the other plan permits the transfer; or
- (b) a transfer to a locked-in retirement savings arrangement prescribed under the Applicable Pension Laws; or
- (c) a transfer to an insurance company licensed to carry on business in Canada for the purchase a life annuity, commencing no later than the end of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules.

The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.

8.03 Payment in Default of Election

If a DC Member who is entitled to elect distribution of his DC Account under Section 8.02 fails to make an election within the time required or permitted under Applicable Pension Laws, the Company may, in its absolute discretion, select an insurance company and purchase an annuity on behalf of the DC Member. Such annuity shall be payable commencing on the DC Member's Normal Retirement Date and in the form of payment specified in Section 6.03.

Article 9 – Transfers of Employment

9.01 Transfers Out of the Plan

- (a) If a DC Member is transferred within the Company to a category of employment such that the Member ceases to be an Employee for the purposes of the Plan or to an affiliated or associated company, this transfer shall not constitute a termination of employment for the purposes of Article 6 and Article 8 of Part 2 provided the Member does not elect, as may be provided under Applicable Pension Laws, to receive benefits in accordance with Article 8. Such Member's DC Account shall be distributed upon the Member ceasing to accrue Continuous Service.
- (b) A Member to whom paragraph (a) applies, provided the Member does not elect, as may be provided under Applicable Pension Laws, to receive benefits in accordance with Article 8, shall continue to direct the investment of his DC Account in accordance with Section 5.03.

9.02 Transfers Into the Plan

If an employee of the Company or an affiliated or associated company is transferred to a category of employment such that the employee becomes an Employee for the purposes of the Plan, such Employee shall become a DC Member of the Plan upon the date of transfer of employment.

Part 3 – Defined Benefit Provisions

Article 1 – Introduction

1.01 The provisions of this Part 3 of the Plan shall apply to all DB Members.

Article 2 – Credited Service

2.01 Credited Service

Credited Service, with respect to a DB Member, means the Member's years of Continuous Service (including completed months as fractions thereof) in Canada while a Member of the Plan. Credited Service shall also include a Member's uninterrupted period of continuous service while a Member of the SBL Plan, Plan E and/or the Reid Milling Plan. The Credited Service of a member shall not exceed forty (40) years.

2.02 Exclusions, Inclusions and Adjustments of Credited Service

Notwithstanding Section 2.01, Credited Service is subject to the following exclusions, inclusions and adjustments.

(a) *Adjustments for Less-Than-Full-Time Work*

With respect to any period of Continuous Service during which the Member is not in full-time employment with the Company, Credited Service for each month of such period shall be adjusted in the ratio that:

- (i) the number of hours the Member actually worked during each month, as determined by the Company, bears to
- (ii) the number of hours the Member would have worked during such month had the Member worked on a full-time basis in the same category of employment during such month, as determined by the Company,

such ratio not to exceed one (1). Notwithstanding the foregoing only Continuous Service accrued on or after January 1, 1988 shall be recognized in the Credited Service of an Employee who is employed on a part-time basis.

(b) *Exclusions from Credited Service*

Credited Service shall exclude:

- (i) any period of active membership of a Member in any other registered pension plan of the Company or any other company associated with the Company, excluding the SBL Plan, Plan E and the Reid Milling Plan, for which a benefit is accrued;
 - (ii) any period of authorized sick leave, other than a period of Total Disability pursuant to paragraph (c)(i) below in excess of six (6) months; and
 - (iii) any period of lay-off in excess of six (6) months; and
 - (iv) any period of leave of absence, disability or military service as described in paragraph 2.15(b) of Part 1, during which the Member is not receiving Earnings, unless such period is specifically included in Credited Service under paragraph (c);
- (c) *Special Inclusions in Credited Service*
- Credited Service shall include:
- (i) any period of Total Disability during which the Member accrues benefits pursuant to Article 8;
 - (ii) any period of unpaid temporary absence, as described in paragraph 2.17(b) of Part 1, where the temporary absence is due to sickness (other than a period of Total Disability), subject to a maximum of six (6) months of such sick leave;
 - (iii) any period of absence due to lay-off to a maximum of six (6) months and any period of absence without Earnings due to emergency, compassionate care, pregnancy or parental leave or any other period of leave where legislation applicable to the Member requires that the Member continue to accrue benefits under the Plan during such period of absence;
 - (iv) any period in which the Member is in receipt of benefits under a provincial workers' compensation program as set out in paragraph 2.15(b)(vii) of Part 1, to a maximum of one year for such period of absence; and

- (v) any paid and approved leave of absence.

For each period included in Credited Service as a result of subparagraphs (ii) and (iii), (iv) and (v), the monthly number of hours worked by the Member during such period is deemed to equal the monthly average of the hours worked by the Member during the month preceding such period.

(d) *Prescribed Compensation Limits*

In no event shall the total periods of absence without Earnings included under subparagraphs (c)(ii), (c)(iii), (c)(iv) and (c)(v), in respect of a Member, excluding periods of Total Disability, exceed the sum of (i) and (ii), where:

- (i) is the full-time equivalent of five (5) years; and
- (ii) is the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of thirty-six (36) months of such periods of parenting and a maximum of the full-time equivalent of twelve (12) months for any one (1) period of parenting.

Article 3 – Retirement Income Formulae

The formulae in this Article 3 are used in the calculation of the annual retirement income in respect of a DB Member, and the amount derived therefrom is the basis on which the actual amount of retirement income shall be determined in accordance with the applicable provisions of the Plan.

3.01 Plan Formula

The Plan Formula shall be as described in Appendix A or Appendix B, as applicable.

3.02 Maximum Formula

The annual amount, at the DB Member's Date of Determination, of a Member's retirement income under the foregoing provisions of this Article shall not exceed the product of (a) and (b), where:

- (a) is the lesser of (i) and (ii), where:
 - (i) is two percent (2%) of the Member's Best Average Earnings-3; and
 - (ii) is the defined benefit limit as defined under Revenue Rules at the Date of Determination;
- (b) is the Member's Credited Service.

3.03 Plan Benefit

The Plan Benefit shall be the lesser of the Plan Formula and the Maximum Formula.

Article 4 – Amount of Retirement Income

4.01 Normal Retirement

A DB Member who retires on his Normal Retirement Date shall receive an amount of retirement income commencing from the Member's Normal Retirement Date, equal to the Plan Benefit determined using the Member's Normal Retirement Date as his Date of Determination, payable in accordance with Article 5.

4.02 Early Retirement

- (a) Subject to paragraph (b), a DB Member who retires on an Early Retirement Date while accruing Continuous Service shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, determined in accordance with Article 7 using the Member's Early Retirement Date as his Date of Determination, reduced as set out in Appendix A or Appendix B, as applicable, and payable in accordance with Article 5.
- (b) The retirement income payable under paragraph (a) shall not exceed the Maximum Formula, using the Early Retirement Date as the Date of Determination, multiplied by an early retirement factor equal to one hundred percent (100%) less one-quarter percent (1/4%) for each month, if any, by which the Member's Pension Commencement Date precedes the earliest of:
- (i) the date the Member attains age sixty (60);
 - (ii) the date the Member completed, or would have completed had the Member continued in employment after his Early Retirement Date, thirty (30) years of early retirement eligibility service, as defined under Revenue Rules; and
 - (iii) the date on which the aggregate of the Member's age and early retirement eligibility service, as defined under Revenue Rules, is, or would have been had the Member continued in employment after his Early Retirement Date, equal to eighty (80) years.

4.03 **Postponed Retirement**

A DB Member who accrues Continuous Service after his Normal Retirement Date shall receive an amount of retirement income commencing on his Postponed Retirement Date, equal to the Plan Benefit determined using the Member's Postponed Retirement Date as the Date of Determination, payable in accordance with Article 5. In no event shall the monthly amount of retirement income be less than the Actuarial Equivalent amount of the monthly retirement income the Member would have received if he had retired on his Normal Retirement Date.

Article 5 – Payment of Retirement Benefits

5.01 Normal Form

Subject to Sections 5.02 and 5.03, the normal form of payment of retirement income payable under Article 4 or 7 shall be an annual retirement income payable in equal monthly installments for the life of the DB Member, with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before sixty (60) payments are made, the remaining payments shall be paid to the Member's Beneficiary.

5.02 Mandatory Spousal Pension

- (a) The retirement income payable under Article 4 or 7, to a DB Member who, at the Pension Commencement Date, has a Spouse who has not waived entitlement to a contingent pension, shall be payable in equal monthly instalments for the life of the Member, with the last payment due to the Member on the first (1st) day of the month in which the death of the Member occurs and seventy-five percent (75%) of this retirement income continuing to be paid to the Member's Spouse, commencing on the first (1st) day of the month following the month in which the death of the Member occurs and ending on the first (1st) day of the month in which the death of the Member's Spouse occurs. The benefit payable under this paragraph shall be the Actuarial Equivalent of the benefit payable under Section 5.01.
- (b) Subject to Applicable Pension Laws, a DB Member and his Spouse may waive this form of pension by signing a waiver form to that effect. A Spouse who has waived entitlement to a survivor pension may revoke the waiver by filing a written notice with the Company prior to the Member's Pension Commencement Date.

5.03 Election of Optional Form

Subject to Applicable Pension Laws and paragraph 5.02(b), a Member may elect, in lieu of the normal form of retirement income as described in Section 5.01 or 5.02, to receive

his retirement income under any optional form of retirement income contained in this Section. Such written election in prescribed form must be filed with the Company at any time prior to the Pension Commencement Date. The retirement income payable under the elected option shall be the Actuarial Equivalent of the retirement income payable under the normal form as described in Section 5.01.

If the elected option provides for payment to a Spouse and the Spouse dies prior to the Pension Commencement Date, such election shall be void and the Member shall be permitted to elect another form of retirement income.

(a) *Life Annuity*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs.

(b) *Life Annuity – Guaranteed Term*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before he has received payments for a guaranteed term of ten (10) or fifteen (15) years, as elected by the Member, the remainder of the payments shall be paid to the Member's Beneficiary.

(c) *Life Annuity Continuing to Spouse*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with the provision that upon the Member's death after retirement, a percentage of such income shall be continued during the life of, and shall be paid to, his Spouse. Such percentage, elected by the Member, shall be fifty percent (50%), sixty percent (60%) or one hundred percent (100%).

(d) *Life Annuity Continuing to Spouse-Guaranteed Term*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs, with a guarantee that if the Member dies before he has received payments for a guaranteed term of ten (10) years, the remainder of the payments shall be paid to the Member's Spouse and, further, with the provision that upon expiry of the guaranteed term, sixty percent (60%) of such retirement income shall continue to be paid during the life of the Member's Spouse.

(e) *Level Income Option*

A Member may elect to receive an increased monthly retirement income commencing on the Member's Early Retirement Date and payable monthly until the earlier of the Member's death and the date the Member becomes eligible for Old Age Security benefits or eligible to receive an unreduced pension under the Canada Pension Plan or Quebec Pension Plan, but, in no event, later than December 1st of the calendar year in which the Member attains age sixty-five (65). If the Member is living on the date on which he becomes eligible for the aforementioned government benefit, such increased retirement income shall be reduced by the monthly amount of the government benefit which had been taken into account in determining the increased retirement income and such retirement income shall then continue during the further lifetime of the Member and thereafter shall be payable to his Beneficiary until such time as a total of sixty (60) monthly payments have been received under this optional form. If the Member dies prior to the date upon which he would have become eligible for such government benefit, his retirement income shall continue to be payable in the same amount to his Beneficiary until what would have been the Member's sixty-fifth (65th) birthday, whereupon the retirement income shall be reduced by the monthly amount of government benefit which had been taken into account in calculating the increased retirement income, provided that any retirement income payable to the Beneficiary hereunder shall cease at such time as a total of sixty (60) monthly payments have been received under this optional form.

(f) *Other Options*

In lieu of any other form of retirement income specified in this Article, a Member may elect any other optional form that Applicable Pension Laws require to be made available or as may be approved and made available by the Company from time to time, subject to Applicable Pension Laws and Revenue Rules.

5.04 **Redetermination of Form of Retirement Income**

Unless required by Applicable Pension Laws, a DB Member shall not be entitled to a redetermination of the form of his retirement income subsequent to marriage breakdown.

Article 6 – Death Benefits

6.01 Death Benefits Prior to Retirement Date

If the death of a DB Member who is accruing Continuous Service occurs prior to his Retirement Date, there shall be paid to the Member's Spouse, or if the Member does not have a Spouse, or the Member's Spouse has waived entitlement to the pre-retirement death benefit in the manner and form prescribed by Applicable Pension Laws, the Member's Beneficiary, subject to Applicable Pension Laws:

- (a) an amount equal to the Member's Required DB Contributions made prior to January 1, 1987, if any, with Interest;
- (b) the lump sum Actuarial Equivalent of the retirement income the Member would have been eligible to receive in accordance with Section 4.02 or Article 7, as applicable, in respect of Credited Service, or Plan amendments made, on or after January 1, 1987, had the Member retired or terminated employment on the date of death; and
- (c) the amount by which the Member's Required DB Contributions made on or after January 1, 1987, together with Interest to the date of death, exceed fifty percent (50%) of the Actuarial Equivalent of the amount specified in paragraph (b).

The retirement income under paragraph (b) payable in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%). For the determination of the amount specified in paragraph (c), the lump sum Actuarial Equivalent of the entitlement under paragraph (b) shall reflect the increase specified in this paragraph.

Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse hereunder, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity commencing not later than December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other date permitted under Revenue Rules) or if later, within one year of the Member's date of death. If the Spouse does not make an election within the period prescribed by Applicable Pension Laws, the Spouse shall be deemed to have elected an immediate retirement income.

6.02 Death Benefits After Normal Retirement Date and Before Postponed Retirement Date

If the death of a DB Member occurs after his Normal Retirement Date, but prior to his Postponed Retirement Date, the benefit and the person entitled to the benefit shall be determined in accordance with Section 6.01, with the reference to Section 4.02 changed to Section 4.03.

6.03 Death Benefits After Retirement

- (a) If the death of a DB Member occurs after his Pension Commencement Date, there shall be paid to his Beneficiary or Spouse, as applicable, any benefits due in accordance with the retirement income option elected by the Member in accordance with Article 5.
- (b) If the death of a DB Member occurs after his Early Retirement Date but prior to his Pension Commencement Date, there shall be paid the benefits determined in accordance with Section 6.01.

6.04 Death Benefits for Terminated Members

If the death of a DB Member occurs after the Member has ceased to accrue Continuous Service, but prior to the Member's Pension Commencement Date, the benefit and the person entitled to the benefit shall be determined in accordance with Section 6.01, to the extent not previously refunded or transferred, with the reference to Section 4.02 deleted.

6.05 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:

- (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a DB Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a DB Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Article 7 – Termination of Employment

7.01 Termination Benefit

A DB Member whose employment with the Company is terminated, for any reason other than death or retirement shall receive benefits as follows:

- (a) a retirement income commencing on the Member's Normal Retirement Date, equal to the Plan Benefit determined using the Member's date of termination of employment as his Date of Determination, payable in accordance with Article 5; and
- (b) the amount by which the Member's Required DB Contributions made on or after January 1, 1987, together with Interest to the Date of Determination, exceed fifty percent (50%) of the Actuarial Equivalent of the retirement income earned in respect of Credited Service accrued on or after January 1, 1987.

The retirement income specified in paragraph (a) in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%). For determination of the amount specified in paragraph (b), the lump sum Actuarial Equivalent of the entitlement under paragraph (a) shall reflect the increase specified in this paragraph.

In no event shall the amount of retirement income accrued in respect of Credited Service prior to January 1, 1987 be less than the amount of the retirement income which can be secured on an Actuarial Equivalent basis by the Member's Required DB Contributions made in respect of Credited Service prior to January 1, 1987, together with interest.

7.02 Earlier Commencement of Retirement Income

If a Member is entitled to receive a deferred retirement income in accordance with the provisions of this Article, such Member may elect to start receiving his retirement

income at any time within ten (10) years of his Normal Retirement Date. The amount of retirement income payable to such a Member shall be the Actuarial Equivalent of the retirement income otherwise payable at Normal Retirement Date, such actuarial reduction being at least equal to the reduction specified in paragraph 4.02(b).

Article 8 – Disability Benefits

8.01 Total Disability

A Member who is on a period of leave due to Total Disability shall be eligible for the benefits described in Section 8.02. Such Member shall cease to qualify for such benefits upon the earliest of:

- (a) the Member's Normal Retirement Date;
- (b) the date of the Member's death;
- (c) the date the Member ceases to suffer from a Total Disability, as certified by a medical doctor licensed to practice under the laws of a province of Canada; or
- (d) the date of discontinuance of the Plan in whole or in part in respect of a Member affected by the discontinuance.

8.02 Disability Accrual

With respect to a DB Member who sustains a Total Disability, for the purposes of the Plan:

- (a) Earnings for a calendar month in which he continues to have a Total Disability, shall be deemed to be his Earnings in the calendar month in which he sustained his Total Disability;
- (b) Final Average Earnings, Best Average Earnings-3, YMPE Average or the benefit rate, as applicable, shall be determined as of the date on which the Member became disabled;
- (c) Continuous Service shall continue to accrue during the period of disability; and
- (d) Credited Service shall continue to accrue during the period of disability at the rate in effect immediately prior to the commencement of the disability.

8.03 **Disability Retirement Income**

If a DB Member who has a Total and Permanent Disability and has attained his Normal Retirement Date, or has terminated employment with the Company and has attained age fifty (50) and completed fifteen (15) years of Credited Service, the Member may elect to receive retirement income determined in accordance with Appendix A or Appendix B, as applicable, payable in accordance with Article 5, excluding the form under paragraph 5.03(e), commencing on the Member's Normal Retirement Date or date of termination of Continuous Service, as applicable. In no event shall the Member continue to accrue benefits pursuant to Section 8.02 subsequent to his Normal Retirement Date.

Article 9 – Related Employer Benefit Limitations

9.01 Related Employers

For purposes of this Article 9, "Related Employers" means the Company, an employer that is a company that is related within the meaning of the Income Tax Act (Canada) to the Company, or a partnership or joint venture in which the Company is a partner or joint venturer and in respect of which the Company does not act at arm's length.

9.02 Lifetime Benefit

The amount of lifetime retirement income benefit payable under the Plan to a Member, a Member's Beneficiary or a Member's Spouse, as applicable, shall not cause the lifetime retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate, to exceed, in the aggregate, the lifetime retirement income limits set out under Revenue Rules.

9.03 Pension Adjustment

In each calendar year, the amount of retirement income accrued by a Member under the Plan shall not cause the pension adjustments, as determined in accordance with Revenue Rules, in respect of the Member under all registered pension plans in which Related Employers participate, to exceed, in the aggregate, the money purchase limit, as defined in Revenue Rules.

Article 10 – Transfer of Employment

10.01 Transfers within the Company

The transfer of a DB Member within the Company such that the DB Member remains an Employee for the purposes of the Plan shall not constitute a termination of employment pursuant to Article 7 and the DB Member shall continue to be a DB Member and to accrue Continuous Service and Credited Service without interruption.

10.02 Transfers to Associated Companies

The transfer of a DB Member, on or after January 1, 2011, within the Company to a category of employment such that the Member ceases to be an Employee, or to a Canadian company which is associated with the Company, but which does not itself participate in the Plan, shall not constitute a termination of employment pursuant to Article 7. In the event of such transfer, the Member's:

- (a) Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the Company or the associated company, as applicable;
- (b) Credited Service (for benefit computation purposes) shall exclude those periods of employment during which he is not an Employee;
- (c) Final Average Earnings shall be determined based only on the Member's Earnings from the Company;
- (d) The benefit rate shall be determined at the Member's date of termination; and
- (e) the benefits payable under the Plan shall be determined in accordance with the applicable provisions of the Plan on the earliest of:
 - (i) the termination of employment with the Company or the associated company; and
 - (ii) the Member's death.

Provided the Member does not elect, as may be provided under Applicable Pension Laws to receive benefits in accordance with Article 7.

If the DB Member is transferred to a foreign affiliate of the Company, the Member's benefit shall be determined in accordance with the Company's policy on such transfers subject to any limits under the Revenue Rules or the Applicable Pension Laws.

10.03 **Transfers From Associated Companies**

If an individual is transferred, on or after January 1, 2011, from a Canadian company which is associated with the Company, but which does not itself participate in the Plan, to a category of employment with the Company such that he becomes an Employee:

- (a) the Employee's Continuous Service shall include all periods of uninterrupted employment of the Employee with such associated company; and
- (b) the Employee shall become a DC Member at his date of transfer.

Article 11 – Transfers of Funds

11.01 Transfer from Registered Plan of Previous Employer

Where there exists a Reciprocal Agreement between the Company and a previous employer, the Company shall accept deposits into the Fund to the credit of a Member by way of transfer from the Member's previous employer's registered pension plan or deferred profit sharing plan. Amounts so transferred shall be accepted in accordance with the terms of the Reciprocal Agreement.

11.02 Transfer to Other Registered Plan

- (a) Where there exists a Reciprocal Agreement between the Company and the subsequent employer of a Member, transfer payments may be made into the fund of the subsequent employer's registered pension plan. The amount of such transfer shall be determined in accordance with the Reciprocal Agreement.
- (b) Where no Reciprocal Agreement exists, any cash settlement to which the Member is entitled in accordance with Section 10.05 of Part 1 may be:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a registered retirement savings plan of the Member;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada for the purchase of an immediate life annuity or a deferred life annuity commencing not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other date permitted under Revenue Rules) in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.

- (c) Where no Reciprocal Agreement exists and a Member who has not attained age fifty-five (55), including a Member who is no longer employed by the Company, is entitled to receive a deferred retirement income in accordance with Article 7, the Member may direct that the lump sum Actuarial Equivalent of such retirement income be:
- (i) transferred to another registered pension plan, if this other plan so permits;
 - (ii) transferred to an insurance company licensed to carry out an annuity business in Canada for the purpose of purchasing an immediate life annuity or a deferred life annuity commencing not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other date permitted under Revenue Rules), in a form acceptable under Revenue Rules; or
 - (iii) transferred to such other types of registered plans or vehicles which may be acceptable under Applicable Pension Laws and Revenue Rules;
- subject to any approval by the Member's Spouse that is required by Applicable Pension Laws. Such transfer shall only be permitted if the administrator of such plan agrees in writing to administer such transferred pension credit within the conditions of Applicable Pension Laws.
- The Member may elect to make such a transfer:
- (iv) upon termination of employment with the Company;
 - (v) at any other date as may be specified in Applicable Pension Laws; and
 - (vi) at any other date as may be authorized by the Company.
- (d) As may be permitted under Applicable Pension Laws, the Company may require a Member or a Spouse, as applicable, who is entitled to an amount of retirement income to transfer the lump sum Actuarial Equivalent of the benefit to another registered vehicle.
- (e) An amount transferred in accordance with paragraph (c), or a cash settlement payable to a Member under Section 10.05 of Part 1 and transferred in accordance with paragraph (b), to a registered

retirement savings plan, registered retirement income fund or a money purchase provision of a registered pension plan, shall not exceed the greater of the Member's Required DB Contributions with Interest, and the product of (i) and (ii), where:

- (i) is the annual amount of retirement income equal to the Plan Benefit using the Member's date of termination of employment or Retirement Date, as applicable, as the Date of Determination; and
- (ii) is the appropriate factor from the following table:

Attained Age at Date of Calculation	Factor
Under 50	9.0
50	9.4
51	9.6
52	9.8
53	10.0
54	10.2
55	10.4
56	10.6
57	10.8
58	11.0
59	11.3
60	11.5
61	11.7
62	12.0
63	12.2
64	12.4
65	12.4
66	12.0
67	11.7
68	11.3
69	11.0
70	10.6
71	10.3

For non-integral ages lower than 64, the appropriate factor shall be determined on an interpolated basis.

If the Member retires on a Postponed Retirement Date, the amount under subparagraph (i) above shall include any actuarial increase to which the Member may be entitled under Section 4.03.

- (f) An amount transferred on behalf of a Member's Spouse in accordance with paragraph (b), together with any other amount payable under the Plan upon the death of the Member prior to the commencement of payment of the Member's retirement income, shall not exceed the lump sum Actuarial Equivalent of the benefits the Member would have been eligible to receive in accordance with Article 4 of Article 7, as applicable, had the Member retired or terminated employment on the date of death.
- (g) If the amount to be transferred exceeds the maximum transferable amount determined above, such excess shall be paid to the Member in cash.
- (h) The transfers under this Section, excluding any refund of Required DB Contributions with Interest, shall be subject to any limitations prescribed by Applicable Pension Laws in respect of the transfer of monies from the Fund.

Appendix A – Peek Freans East York Plant and Dad's Scarborough Plant Members

The provisions of this Appendix shall apply to each Member who is employed at the Peek Freans East York Plant or the Dad's Scarborough Plant. The regular provisions of the Plan shall apply to each such Member, except to the extent specifically modified by the provisions of this Appendix A.

1. Plan Formula (Section 3.01 of the Plan)

(a) *Production Employees*

The Plan Formula, with respect to a Member who is classified as a production employee, shall be the sum of (i) and (ii), where:

(i) is the sum of (A) and (B), but in no event less than (C), where:

(A) is, with respect to Credited Service accrued prior to January 1, 1989, the sum of (I) and (II), where:

(I) is one and two-tenths percent (1-2/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings, both determined as of December 31, 1999; and

(II) is one and three-quarter percent (1-3/4%) of the portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average, both determined as of December 31, 1999;

multiplied by the Member's Credited Service accrued prior to January 1, 1989; and

(B) is, with respect to Credited Service accrued on and after January 1, 1989 and prior to January 1, 2000, the sum of (I) and (II), where:

- (I) is one and two-tenths percent (1-2/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings, both determined as of December 31, 1999; and
- (II) is one and one-half percent (1-1/2%) of the portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average, both determined as of December 31, 1999;
- multiplied by the Member's Credited Service accrued on and after January 1, 1989 and prior to January 1, 2000; and
- (C) is the applicable monthly benefit rate from the table below multiplied by the Member's Credited Service accrued prior to January 1, 2000.
- (ii) is the Member's Credited Service accrued on and after January 1, 2000 multiplied by the monthly benefit rate determined in accordance with the table below:

Date of Retirement or Termination of Service	Monthly Benefit Rate
Prior to July 21, 2000	\$ 44.00
August 1, 2000 to July 31, 2001, inclusive	\$ 46.00
August 1, 2001 to July 31, 2002, inclusive	\$ 50.00
August 1, 2002 to December 31, 2003, inclusive	\$ 52.00
January 1, 2004 to December 31, 2004, inclusive	\$ 54.00
January 1, 2005 to December 31, 2005, inclusive	\$ 56.00
January 1, 2006 to December 31, 2006, inclusive	\$ 57.00
January 1, 2007 to December 31, 2007, inclusive	\$ 58.00
January 1, 2008 to December 31, 2008, inclusive	\$ 59.00
January 1, 2009 to December 31, 2009, inclusive	\$ 60.00
January 1, 2010 to December 31, 2010, inclusive	\$ 62.00
On and after January 1, 2011	\$ 63.00

(b) *Lead Hands and Group Leaders on December 31, 2005*

The Plan Formula, with respect to a Member who is classified as a Lead Hand or a Group Leader on December 31, 2005, shall be the greater of (i) and (ii), where:

(i) is the sum of (A) and (B), where:

(A) is, for that portion of the Member's Credited Service accrued prior to January 1, 1989, an amount equal to:

(I) is one and two-tenths percent (1-2/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings; plus

(II) is one and three-quarter percent (1-3/4%) of the portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average;

multiplied by the Member's Credited Service accrued prior to January 1, 1989; plus

(B) for that portion of the Member's Credited Service accrued on and after January 1, 1989, an amount equal to:

(I) is one and two-tenths percent (1-2/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings; and

(II) is one and one-half percent (1-1/2%) of the portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average;

multiplied by the Member's Credited Service accrued on and after January 1, 1989.

(ii) The Monthly Benefit Rate (as described in paragraph 1(a)(ii) of this Appendix A) multiplied by the Member's years of Credited Service.

For greater certainty, if the amount in subparagraph (ii) exceeds the amount in subparagraph (i), the Member's increased pension shall be subject to certification from the Minister of National Revenue of a past service pension adjustment as may be required and the increased amount shall not be granted until certification, if required, is received.

(c) *Lead Hands and Group Leaders After December 31, 2005*

The Plan Formula, with respect to a Member who becomes a Lead Hand or Group Leader after December 31, 2005 shall be equal to the sum (i), (ii) and (iii) set out below:

- (i) for that portion of the Member's Credited Service accrued prior to January 1, 2000, the amount determined pursuant to paragraph 1(a)(i) of this Appendix A; plus
- (ii) for that portion of the Member's Credited Service accrued on and after January 1, 2000 to the date the Member becomes a Lead Hand or Group Leader, the Monthly Benefit Rate (as described in paragraph 1(a)(ii) of this Appendix A) multiplied by the Member's years of Credited Service accrued on and after January 1, 2000 to the date the Member becomes a Lead Hand or a Group Leader; plus
- (iii) for that portion of the Member's Credited Service on and after the date the Member becomes a Lead Hand or Group Leader, an amount equal to:
 - (A) one and two-tenths percent (1 2/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings; plus
 - (B) one and one-half percent (1 1/2%) of that portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average;

multiplied by the Member's years of Credited Service accrued on and after the date the Member becomes a Lead Hand or a Group Leader.

(d) *Skilled Trade Employees*

The Plan Formula in respect of a Member who is a skilled trade employee shall be equal to the sum of (i) and (ii) set out below:

- (i) for that portion of the Member's Credited Service accrued prior to January 1, 1989, an amount equal to:
- (A) one and two-tenths percent (1 2/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings; plus
 - (B) one and three-quarter percent (1 3/4%) of that portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average;
- multiplied by the Member's years of Credited Service accrued prior to January 1, 1989; plus
- (ii) for that portion of the Member's Credited Service accrued on and from January 1, 1989, an amount equal to:
- (A) one and two-tenths percent (1 2/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings; plus
 - (B) one and one-half percent (1 1/2%) of that portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average;
- multiplied by the Member's years of Credited Service accrued on and from January 1, 1989.

- (e) Notwithstanding paragraphs (b) or (c), if a Member ceases to be a Lead Hand or a Group Leader but remains an Employee, such Member shall cease to accrue benefits under paragraph (b) or (c), as applicable, and shall accrue future benefits as otherwise provided in the Plan.

2. **Amount of Retirement Income – Early Retirement (Paragraph 4.02(a))**

- (a) Subject to paragraph 4.02(b) of the Plan, a Member who was last hired by the Company prior to January 1, 2007 and who retires on an Early Retirement Date while accruing Continuous Service shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, equal to the Plan Formula using the Member's Early Retirement Date as his Date of Determination, reduced by one-third of one percent ($1/3$ of 1%) for each complete month by which the Member's Pension Commencement Date precedes the first (1st) day of the month coincident with or following the Member's sixty-second (62nd) birthday.

Notwithstanding the foregoing, if the Member's age plus Credited Service equals at least eighty (80) years on his Pension Commencement Date, then no reduction shall be applied. Furthermore, the Member shall not be required to have attained age fifty-five (55) to retire on an Early Retirement Date.

- (b) Subject to paragraph 4.02(b) of the Plan, a Member who was last hired by the Company on or after January 1, 2007 and who retires on an Early Retirement Date while accruing Continuous Service shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, equal to the Plan Formula using the Member's Early Retirement Date as his Date of Determination, reduced by one-half of one percent ($1/2$ of 1%) for each complete month by which the Member's Pension Commencement Date precedes the Member's Normal Retirement Date.

Appendix B – Reid Milling Plant Members

The provisions of this Appendix shall apply to each Member who is employed at the Reid Milling Plant. The regular provisions of the Plan shall apply to each such Member, except to the extent specifically modified by the provisions of this Appendix B.

1. Plan Formula (Section 4.01 of the Plan)

The Plan Formula shall be the sum of (a) and (b), where:

- (a) is, with respect to Credited Service accrued prior to January 1, 1989, the sum of (i) and (ii), where:
- (i) is one and one-tenth percent (1-1/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings; and
 - (ii) is one and three-quarter percent (1-3/4%) of the portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average;
- multiplied by the Member's Credited Service accrued prior to January 1, 1989; and
- (b) is, with respect to Credited Service accrued on and after January 1, 1989, the sum of (i) and (ii), where:
- (i) is one and one-tenth percent (1-1/10%) of the lesser of the Member's YMPE Average and the Member's Final Average Earnings; and
 - (ii) is one and one-half percent (1-1/2%) of the portion of the Member's Final Average Earnings, if any, which exceeds the Member's YMPE Average;
- multiplied by the Member's Credited Service accrued on and after January 1, 1989.

2. **Amount of Retirement Income – Early Retirement (Paragraph 4.02(a))**

- (a) Subject to paragraph 4.02(b) of the Plan, a Member who was last hired by the Company prior to January 1, 2007 and who retires on an Early Retirement Date while accruing Continuous Service shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, equal to the Plan Formula using the Member's Early Retirement Date as his Date of Determination, reduced by one-third of one percent (1/3 of 1%) for each complete month by which the Member's Pension Commencement Date precedes the first (1st) day of the month coincident with or following the Member's sixty-second (62nd) birthday.
- (b) Subject to paragraph 4.02(b) of the Plan, a Member who was last hired by the Company on or after January 1, 2007 and who retires on an Early Retirement Date while accruing Continuous Service shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, equal to the Plan Formula using the Member's Early Retirement Date as his Date of Determination, reduced by one-half of one percent (1/2 of 1%) for each complete month by which the Member's Pension Commencement Date precedes the Member's Normal Retirement Date.

**CERTIFICATE OF THE SECRETARY OF
KRAFT CANADA INC. (the "Corporation")**

**KRAFT CANADA INC. TRUSTEED
RETIREMENT PLAN A (the "Plan")**

WHEREAS:

1. The Corporation is the sponsor and administrator of the Plan.
2. Pursuant to Article 15 of the Plan, the Corporation reserves the right to amend the Plan.
3. The Corporation wishes to close membership under the defined benefit component of the Plan for all employees hired after December 31, 2010 and to add a defined contribution component to the Plan for all eligible employees hired after December 31, 2010.
4. The Corporation wishes to amend and restate the Plan to incorporate these changes, to update the monthly benefit rate as of January 1, 2011, consolidate all prior amendments and to clarify certain other provisions of the Plan.
5. The Corporation wishes to further amend the Plan to update the monthly benefit rate effective January 1, 2012.

NOW THEREFORE BE IT RESOLVED THE FOLLOWING:

1. Effective January 1, 2011, the Plan is amended and restated to incorporate these changes in the form attached hereto as Schedule "A".
2. Effective January 1, 2012, Section 1(a)(ii) of Appendix A to Part 3 is replaced with the following:
 - (ii) is the Member's Credited Service accrued on and after January 1, 2012 multiplied by the monthly benefit rate determined in accordance with the table below:

<u>Date of Retirement or Termination of Service</u>	<u>Monthly Benefit Rate</u>
Prior to July 31, 2000	\$ 44.00
August 1, 2000 to July 31, 2001, inclusive	\$ 46.00
August 1, 2001 to July 31, 2002, inclusive	\$ 50.00

August 1, 2002 to December 31, 2003, inclusive	\$52.00
January 1, 2004 to December 31, 2004, inclusive	\$54.00
January 1, 2005 to December 31, 2005, inclusive	\$56.00
January 1, 2006 to December 31, 2006, inclusive	\$57.00
January 1, 2007 to December 31, 2007, inclusive	\$58.00
January 1, 2008 to December 31, 2008, inclusive	\$59.00
January 1, 2009 to December 31, 2009, inclusive	\$60.00
January 1, 2010 to December 31, 2010 inclusive	\$62.00
January 1, 2011 to December 31, 2011 inclusive	\$63.00
On and after January 1, 2012	\$64.00

THE UNDERSIGNED, being the Secretary of the Corporation, hereby certifies that the foregoing is a true and correct copy of a resolution duly passed by the Board of Directors of the Corporation on the ____ day of _____, 2012 that the said resolutions remain unamended and in full force and effect as of the date hereof and that this amendment is incorporated in the Plan provisions.

Dated this ____ day of _____, 2012.

Rosanne Angotti
Secretary
Kraft Canada Inc.

**CERTIFICATE OF
KRAFT CANADA INC. (the "Corporation")**

**KRAFT CANADA INC. TRUSTEED
RETIREMENT PLAN A (the "Plan")**

WHEREAS:

1. The Corporation was the sponsor and administrator of the Plan immediately prior to the Effective Time (defined below).
2. The term "Effective Time" is defined in the Canadian Asset Transfer Agreement (the "Agreement") between Mondelēz Canada Inc. ("Mondelēz") and the Corporation dated September 29, 2012.
3. Effective from and as of the Effective Time on September 29, 2012, the Corporation sold its snack business to Mondelēz and the employees engaged in the Corporation's snack business became employed by Mondelēz.
4. Pursuant to the Agreement, effective from and as of the Effective Time on September 29, 2012, the Corporation assigned the sponsorship and administration of the Plan and the related funds to Mondelēz, and Mondelēz assumed sponsorship and administration of the Plan and the related funds.
5. The board of directors of the Corporation delegated authority (the "Delegated Authority") to any one officer of the Corporation to execute and deliver all documents, agreements and instruments, and to perform such actions or things, as may be necessary or desirable to give effect to the assignment of the sponsorship and administration of the Plan and the related funds to Mondelēz.

NOW THEREFORE:

1. The Corporation hereby acknowledges and confirms the transfer and assignment of its sponsorship and administration of the Plan and related funds to Mondelēz, effective from and as of the Effective Time on September 29, 2012.

PURSUANT TO THE DELEGATED AUTHORITY, the undersigned hereby certifies that the foregoing is an authorized action of the Corporation.

Dated this ____ day of _____, 2012.

Rosanne Angotti
Secretary
Kraft Canada Inc.

Kraft Canada Inc. Trusteed Retirement Plan B
Amended and Restated as of January 1, 2011

Canada Revenue Agency and
Financial Services Commission of Ontario
Registration No. 0259556

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PART 1 – General Provisions

Article 1 – Introduction

- 1.01 This document constitutes the Kraft Canada Inc. Trusteed Retirement Plan B (the “Plan”), originally established on March 1, 1975 (the “Effective Date”) by Nabisco Brands Ltd.
- 1.02 The purpose of this amendment and restatement is to:
- (a) incorporate all amendments to date;
 - (b) close eligibility for membership under the DB Provisions of the Plan for all eligible Non-Union Employees hired after December 31, 2010;
 - (c) add new DC Provisions for all eligible Non-Union Employees hired on and after January 1, 2011; and
 - (d) clarify certain administrative provisions of the Plan.
- 1.03 The primary purpose of the Plan is to provide retirement income and related benefits for eligible Employees of the Company who are employed on and after the Effective Date.
- 1.04 The Plan as contained herein shall be applicable to Members who are in the employment of the Company on or after January 1, 2011. Benefits in respect of a Member whose employment ceased prior to January 1, 2011 shall be determined in accordance with the terms of the Plan at the time of such cessation of employment, except as required by Applicable Pension Laws and Revenue Rules, and as specifically provided herein.
- 1.05 The Plan is intended to be a pension plan accepted for registration under Applicable Pension Laws and Revenue Rules. The Plan shall be designed, written and administered to comply with the requirements of Applicable Pension Laws and Revenue Rules. If the Plan fails to comply with such requirements, the Company may in its absolute discretion amend the Plan to comply with such requirements or terminate the Plan.

Any amendment to the Plan is conditional upon acceptance for registration under both Applicable Pension Laws and Revenue Rules, and may be modified or withdrawn by the Company, in its sole and absolute discretion, if the amendment is not accepted for registration under either Applicable Pension Laws or Revenue Rules.

History of the Plan

- 1.06 The Plan was originally established by Nabisco Brands Ltd., effective March 1, 1975 and was known as the Nabisco Ltd. Trusteed Retirement Plan B.
- 1.07 Effective January 4, 1993, Nabisco Brands Ltd. transferred the “ready to eat” cereal business to 2875560 Canada Limited and control of 2875560 was sold to Kraft General Foods of Canada Inc. As a result, certain Member of the Plan became employees of Kraft General Foods of Canada Inc. and ceased participation in the Plan. Assets and liabilities in respect of these Members were transferred from the Plan to a registered pension plan sponsored by Kraft General Foods of Canada Inc.
- 1.08 Effective January 1, 1996, Nabisco Brands Ltd. changed its name to Nabisco Ltd.
- 1.09 Effective December 31, 2001, Nabisco Ltd. amalgamated into Kraft Canada Inc. Kraft Canada Inc. assumed sponsorship of the Plan and the name of the Plan was changed to the Kraft Canada Inc. Trusteed Retirement Plan B.
- 1.10 The Company amended the Plan effective October 18, 2002 to provided enhanced benefits to certain unit 567 and unit 932 members affected by the closure of the Bramalea Pet Food Plant and the Halifax, Nova Scotia location.
- 1.11 The Company amended the Plan effective January 30, 2009 to provide enhanced benefits to members affected by the closure of the Direct Store Delivery warehouses located in Calgary, Edmonton and Toronto.

Article 2 – Construction, Interpretation and Definitions

- 2.01 This document, as it may be amended from time to time, constitutes the Plan. No statement in any other document or communication, whether or not such document or communication is required by Applicable Pension Laws or Revenue Rules, shall create or confer any right or obligation other than as set out in this document or otherwise as required by Applicable Pension Laws or Revenue Rules, nor may any such document or communication be used or relied upon to interpret or vary any terms or provisions of the Plan.
- 2.02 In the Plan, references to the masculine include the feminine and vice versa, references to the singular shall include the plural and vice versa, as the context shall require, and references to a subparagraph, paragraph, Section, Article or Appendix mean a subparagraph, paragraph, Section, Article or Appendix of the Plan.
- 2.03 The Plan shall be construed in accordance with the laws of the Province of Ontario.
- 2.04 All amounts payable under the Plan are stated and shall be paid in the lawful currency of Canada. If an amount of benefit or earnings entering into the computation of any benefit or contribution hereunder is expressed in a currency other than that of Canada, such amount shall be converted to Canadian currency prior to such computation, based upon exchange rates established by the Company.
- 2.05 Each provision of the Plan is distinct and severable, and if any provision of the Plan or part thereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.06 Headings wherever used herein are for reference purposes only, and do not limit or extend the meaning of any of the Plan's provisions.
- 2.07 Sections in the Plan text containing footnotes are not applicable, or are applicable only as modified in the Appendices for Members who are employed outside of Ontario.

Definitions

In the Plan, the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

- 2.08 **“Actuarial(ly) Equivalent”** means a benefit of equivalent value, but of different form of payment to a specified benefit, as determined on a basis of calculation adopted by the Company on the advice of the Actuary and in effect on the date such determination is being made. Notwithstanding the foregoing, the Company may adopt a basis that eases the administration of the Plan, including the use of unisex factors, provided that such basis is not precluded by Applicable Pension Laws or Revenue Rules.
- 2.09 **“Actuary”** means an individual from time to time appointed by the Company to carry out actuarial valuations and provide such actuarial advice and services as may be required from time to time for the purposes of the Plan. The Actuary shall at all times be a person who is a Fellow of the Canadian Institute of Actuaries.
- 2.10 **“Applicable Pension Laws”** means the Pension Benefits Act (Ontario) and any regulation pursuant thereto and any amendments or substitutes therefor as well as any similar statute applicable to the Plan or a Member of the Plan and any regulation pursuant thereto adopted by the federal or any provincial government.
- 2.11 **“Bakery Member”** means a Member who is employed or who, immediately prior to his Date of Determination or date of transfer of employment, as applicable, was employed at the Ottawa Sales Branch (unit 941), Toronto Sales Branch W&D (unit 943), Montreal Biscuit Bakery (unit 968), the Toronto Biscuit Bakery (unit 966) or the Laval Warehouse (unit 935).
- 2.12 **“Beneficiary”** means the person last designated by the Member, pursuant to Section 10.01, to receive any benefit payable to a Beneficiary under the Plan in the event of the death of the Member, according to the provisions of Article 7 of Part 2 or Article 8 of Part 3 or, in the absence of an effective designation of a Beneficiary, the estate of the Member.
- 2.13 **“Board”** means the board of directors of the Company.

- 2.14 **“Company”** means Kraft Canada Inc. and any successor corporation, whether by amalgamation, merger or otherwise.
- 2.15 **“Company Basic Contributions”** means the contributions made by the Company in respect of a DC Member pursuant to Section 3.01 of Part 2.
- 2.16 **“Company Matching Contributions”** means the contributions made by the Company in respect of a DC Member pursuant to Section 3.02 of Part 2.
- 2.17 **“Continuous Service”** means:
- (a) the period of uninterrupted service calculated in years and parts thereof, in the employ of the Company, any predecessor entity acquired by the Company or any subsidiary or affiliated company of the Company, as determined by the Company and calculated from the later of:
- (i) his date of first employment; or
 - (ii) his date of re-employment following the last break in such service, if any.
- Continuous Service shall cease to accrue on the earliest of:
- (iii) his ceasing to be employed by the Company or any other company associated with the Company;
 - (iv) his death;
 - (v) his Retirement Date;
 - (vi) the discontinuance of the Plan without immediate substitution of a successor registered pension plan.
- (b) The following periods shall be included in the computation of a Member’s Continuous Service and shall not constitute an interruption of employment:
- (i) a Temporary Suspension of Employment;

- (ii) leave of absence for a period of jury duty;
- (iii) regular vacation periods;
- (iv) a period of lay-off, provided the Employee returns to active employment when recalled by the Company;
- (v) leave of absence for such period as may be duly authorized by the Company, including sickness, accident, emergency, compassionate care, pregnancy or parental leave, provided that the Member returns to active employment upon the expiry of such leave;
- (vi) an approved leave of absence with the written permission of the Company, for sabbatical or educational purposes, provided the Employee returns to active employment with the Company upon the expiry of such leave;
- (vii) a period of Total Disability, provided the Member qualifies for benefits under the Company's long-term disability income plan and further provided the Member returns to active employment with the Company within 30 days of the cessation of benefits under such plan before he attains his Normal Retirement Date;
- (viii) a period of disability in respect of which the Member qualified for benefits under the applicable provincial workers' compensation program, but does not qualify for benefits under the Company's long-term disability income plan; and
- (ix) in the event of a national emergency, the Member's joining the Canadian Armed Forces or engaging full-time in national service work for Canada, provided the Employee returns to active employment upon the expiry of such leave.

2.18 **“Credited Service”** means the service of a Member, as defined in Article 2 of Part 3, used to determine the amount of benefits for which a Member is eligible.

- 2.19 **“Date of Determination”** means the date as of which a benefit is to be calculated under the Plan, as specified in each relevant Section, and being one of the following:
- (a) a Member’s Retirement Date,
 - (b) a Member’s date of termination of employment;
 - (c) a Member’s date of death; and
 - (d) the date of amendment or discontinuance of the Plan or the date of consolidation or merger of the Plan with another registered pension plan.
- 2.20 **“DB Account”** means the account established in accordance with paragraph 5.04(b) of Part 1.
- 2.21 **“DB Member”** means a Member who is accruing Credited Service under the DB Provisions.
- 2.22 **“DB Provisions”** means the defined benefit provisions of the Plan, as described under Part 3 of the Plan.
- 2.23 **“DC Account”** means the account established pursuant to Section 5.01 of Part 2.
- 2.24 **“DC Member”** means a Member who is participating under the DC Provisions.
- 2.25 **“DC Provisions”** means the defined contribution provisions of the Plan, as described under Part 2 of the Plan.
- 2.26 **“Early Retirement Date”** means the date of a Member’s actual retirement determined in accordance with Section 4.02.
- 2.27 (a) **“Earnings”** means the amount of remuneration received from the Company, including salary, wages, overtime pay, shift differential and commissions. Earnings shall not include:
- (i) taxable fringe benefits, such as personal use of a Company automobile, automobile allowances, gifts, sales contest, suggestion and other comparable prizes and awards, provincial health insurance premiums, meals and lodging supplied by the Company, tuition fees and employee loans;

- (ii) amounts or benefits received under stock option, stock purchase, long-term incentive compensation, and other comparable plans;
- (iii) any additional remuneration in respect of a Member in satisfaction of the Company's contribution to the group registered retirement savings plan on behalf of the Member; and
- (iv) retiring allowances, termination payments and payments in lieu of notice on termination of employment;

unless, and except to the extent that, the Company authorizes the inclusion of such benefits or amounts or unless otherwise prohibited by law.

- (b) **"Best Average Earnings-3"** on any Date of Determination means the annual average of a DB Member's Earnings in the thirty-six (36) consecutive calendar months of employment immediately preceding the Date of Determination or, if higher, in the three (3) calendar years of highest Earnings prior to the Date of Determination which produce the highest average or, where the Member's Continuous Service is less than thirty-six (36) consecutive months, the annual average of his Earnings during his period of Continuous Service, provided that, for a part-time Employee, the average is computed using the equivalent full-time service performed during the averaging period.
- (c) **"Final Average Earnings"** on any Date of Determination means:
 - (i) with respect to a DB Member who is not employed at the Toronto Biscuit Bakery unit 965 or the Montreal Biscuit Bakery unit 967, the average of the Member's Earnings during any five (5) non-overlapping twelve (12) month periods out of the last ten (10) year period preceding his termination of Continuous Service, for which such average is the highest or, where the Member's Continuous Service is less than five (5) years, the average of the Member's Earnings during the Member's Continuous Service; and

- (ii) with respect to a DB Member employed at the Toronto Biscuit Bakery unit 965 or the Montreal Biscuit Bakery unit 967, the average of the Member's Earnings during any five (5) non-overlapping twelve (12) month periods preceding his termination of Continuous Service, during which such average is the highest or, where the Member's Continuous Service is less than five (5) years, the average of the Member's Earnings during the Member's Continuous Service.

For the purposes of determining Final Average Earnings, a DB Member's Earnings for a calendar year in which the Member is employed on a less than full-time basis shall multiplied by a fraction, the numerator of which is 2080 and the denominator of which is equal to the number of hours worked by the Member in that year while participating in the Plan.

2.28 **"Effective Date"** means March 1, 1975.

2.29 **"Employee"** means any person employed by the Company as a Non-Union Employee or a Union Employee.

2.30 **"Fund"** means the fund established for the purposes of the Plan, as set forth herein and established in accordance with the terms and provisions of the Funding Agreement(s), to which all contributions to the Plan shall be made and from which all benefits under the Plan shall be payable.

2.31 **"Funding Agent(s)"** means the trust and/or insurance company and/or any group of individual trustees designated by the Company and holding the whole or a portion of the assets of the Fund at any time, pursuant to the terms of a Funding Agreement(s).

2.32 **"Funding Agreement(s)"** means any trust deed, agreement or agreements executed from time to time between the Company and any Funding Agent(s), including any insurance or annuity contract or contracts issued by a Funding Agent(s) and including any amendments which are from time to time made to any such documents, pertaining to the custody of the investments of the Fund.

- 2.33 **“Maximum Formula”** means the formula used to calculate the maximum annual lifetime retirement income which can be paid from the Plan in respect of Credited Service, as set out in Section 3.02 of Part 3.
- 2.34 **“Member”** means an Employee who has joined the Plan in accordance with Article 3 and who continues to be contingently or absolutely entitled to a retirement income under the Plan. A Member includes a DB Member and a DC Member.
- 2.35 **“Member Optional Contributions”** means the contributions made by a DC Member in accordance with Section 2.02 of Part 2.
- 2.36 **“Member Required Contributions”** means the required contributions made by a DC Member in accordance with Section 2.01 of Part 2.
- 2.37 **“Money Purchase Limit”** has the meaning assigned under Revenue Rules.
- 2.38 **“Non-Bakery Member”** means a Member who is employed or who immediately prior to his Date of Determination was employed in a location other than the Montreal Biscuit Bakery (unit 968), the Toronto Biscuit Bakery (unit 966) or the Laval Warehouse (unit 935).
- 2.39 **“Non-Union Employee”** means any person employed by the Company, who is paid on an hourly basis or whose employment is not covered by a collective bargaining agreement, and who reports to work at one of the following locations:
- (a) Calgary Sales Branch;
 - (b) Edmonton Sales Branch;
 - (c) Halifax Sales Branch;
 - (d) Lakeshore Bakery – Machinist;
 - (e) Laval Warehouse;
 - (f) Montreal Bakery-Machinist;
 - (g) Montreal Biscuit Bakery;

- (h) Newfoundland Sales Branch;
- (i) Ottawa Sales Branch;
- (j) Quebec Sales Branch;
- (k) Saint John Sales Branch;
- (l) Toronto Bakery;
- (m) Toronto Sales Branch;
- (n) Toronto Warehouse;
- (o) Vancouver Sales Branch; or
- (p) Winnipeg Sales Branch.

2.40 **“Normal Retirement Date”** means the date specified in Section 4.01.

2.41 **“Pension Commencement Date”** means the date on which a Member starts receiving his retirement income under the Plan.

2.42 **“Plan”** means the Kraft Canada Inc. Trusteed Retirement Plan B as amended from time to time.

2.43 **“Plan Benefit”** means the annual lifetime retirement income payable under the DB Provisions of the Plan, determined in accordance with Section 3.03 of Part 3.

2.44 **“Plan Formula”** means the formula used to calculate the annual lifetime retirement income in respect of Credited Service, prior to the application of the Maximum Formula, as set out in Section 3.01 of Part 3.

2.45 **“Plan Year”** means a calendar year.

2.46 **“Postponed Retirement Date”** means the date specified in Section 4.03.

- 2.47 **“Reciprocal Agreement”** means an agreement between the Company and another legal entity relating to two (2) or more registered pension plans, that provides for the transfer of assets or liabilities for employment in respect of individual Members.
- 2.48 **“Retirement Date”** means the date on which a Member actually retires or is deemed to be retired, such date being one of an Early Retirement Date, Normal Retirement Date or Postponed Retirement Date.
- 2.49 **“Revenue Rules”** means the provisions of the Income Tax Act (Canada) and any applicable provincial income tax act, and any relevant regulations thereto, as they may be amended from time to time, pertaining to pension plans or funds registered under the Income Tax Act (Canada) as they are applicable to the Plan.
- 2.50 **“Spouse”**¹ means the person who, at the earlier of the Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:
- (a) the person who is married to the Member; or
 - (b) the person who is not married to the Member and is living with the Member in a conjugal relationship:
 - (i) continuously for a period of not less than three (3) years; or
 - (ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Family Law Act (Ontario):

provided that the person is not living separate and apart from the Member at that time and provided that not more than one (1) person shall be a Spouse hereunder. In the event of more than one (1) person having claims to be such, the determination of the Company as to which person shall be the Spouse, on the basis of evidence available to it and which it considers sufficient for the purposes of such determination, and on the basis of the requirements of Applicable Pension Laws, shall be final.

¹ Applicable as modified in the Appendices for Members employed in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia or Quebec.

- 2.51 **“Temporary Suspension of Employment”**² means any suspension of employment that lasts less than two years and is expected to be temporary in nature or any period of lay-off.
- 2.52 **“Total Disability”** means, in respect of a Member, a condition of impairment which prevents the Member from performing the duties of his employment in which the Member was engaged before the commencement of the impairment, during which the Member is receiving benefits under a long-term disability plan sponsored by the Company. The determination of such disability shall be based on a written report certified from a medical doctor licensed to practice under the laws of a province of Canada or of the place where the Member resides.
- 2.53 **“Total and Permanent Disability”** means a physical or mental disability that prevents the Member from engaging in employment for which the Member is reasonably suited by virtue of the Member’s education, training or experience, as certified by a medical doctor licensed to practice under the laws of a province of Canada, and if there is no reasonable expectation that the individual will recover from the disability, and in the event that such disability is a result of a mental or nervous disorder, chronic alcoholism or addiction to narcotics, the Member is receiving, in the opinion of the Company, regular and personal medical supervision and treatment by a legally qualified physician. Notwithstanding the foregoing, no Member shall be deemed to be totally and permanently disabled for the purposes of the Plan if his disability was contracted, suffered, or incurred while he was engaged in the commission of a felonious act or resulted therefrom, or resulted from an intentionally self-inflicted injury or was a result of service in the Canadian Armed Forces.
- 2.54 **“Union Employee”** means any person employed by the Company, whose employment is covered by a collective bargaining agreement, and who reports to work at one of the following locations:
- (a) Calgary Biscuit Sales Branch;
 - (b) Edmonton Biscuit Sales Branch;

² Applicable as modified in the Appendices for Members employed in Alberta, British Columbia or Manitoba.

- (c) Lakeshore Bakery – Machinist;
- (d) Laval Warehouse;
- (e) Montreal Bakery-Machinist;
- (f) Montreal Biscuit Bakery;
- (g) Ottawa Biscuit Sales Branch;
- (h) Quebec Biscuit Sales Branch;
- (i) Toronto Biscuit Bakery;
- (j) Toronto Biscuit Sales Branch;
- (k) Toronto Warehouse;
- (l) Vancouver Biscuit Sales Branch; or
- (m) Winnipeg Biscuit Sales Branch.

2.55 **“Valuation Date”** means the date at which the Funding Agent determines the value of each DC Account within the Fund in accordance with Section 5.03 of Part 2.

- 2.56 (a) **“YMPE”** means the Year’s Maximum Pensionable Earnings established under the Canada Pension Plan or Quebec Pension Plan, as applicable, as amended from time to time, or under any superseding legislation considered by the Company to be appropriate.
- (b) **“YMPE Average”** on any date, means the arithmetic average of the YMPE for the calendar year in which he reaches his Date of Determination and the two immediately preceding calendar years.

Article 3 – Membership

3.01 Members on December 31, 2010

Each Employee who was a Member on December 31, 2010 shall remain a DB Member on and after January 1, 2011.

3.02 Employees on December 31, 2010 – Not Members of the Plan on December 31, 2010

- (a) Each other Employee on December 31, 2010 who is employed on a regular full-time and permanent basis shall become a DB Member of the Plan on the first day of the month coincident with or next following the date the Employee completes two (2) years of Continuous Service.
- (b) Each other Employee on December 31, 2010 who is employed on a less than full-time basis shall become a DB Member on the first day of the month coincident with or next following the date the Employee completes two (2) consecutive calendar years of Continuous Service, in each of which the Employee:
 - (i) completed seven hundred (700) hours of employment with the Company; or
 - (ii) received Earnings from the Company of at least thirty-five percent (35%) of the YMPE, or such other amount as may be required under Applicable Pension Laws.

3.03 New Employees Hired on or after January 1, 2011³

- (a) Each Union Employee who is hired on a full-time basis on and after January 1, 2011 shall become a DB Member of the Plan on the first day of the month coincident with or next following the date the Employee completes two (2) years of Continuous Service.

³ Applicable as modified in the Appendices for Members employed in Manitoba or Quebec.

- (b) Each Union Employee who is hired on a less than full-time basis on or after January 1, 2011 shall become a DB Member on the first day of the month coincident with or next following the date the Employee completes two (2) consecutive calendar years of Continuous Service, in each of which the Employee:
- (i) completed seven hundred (700) hours of employment with the Company; or
 - (ii) received Earnings from the Company of at least thirty-five percent (35%) of the YMPE, or such other amount as may be required under Applicable Pension Laws.
- (c) Each Non-Union Employee who is hired on a full-time basis or on a less than full-time basis on and after January 1, 2011 shall become a DC Member on the first payroll period after completing 90 days of Continuous Service.

Notwithstanding any provision to the contrary, the Company may, in its sole discretion, waive the foregoing eligibility requirement.

3.04 **Not a Contract of Employment**

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or lay off any Employee at any time and to treat him without regard to the effect such treatment might have upon him as a Member.

3.05 **Enrolment**

Upon joining the Plan, an Employee shall complete and sign an enrolment form prescribed by the Company.

3.06 **No Discontinuance of Membership**

While a Member remains an Employee and the Company continues to participate in the Plan, the Member may not discontinue active membership in the Plan, nor withdraw any contributions from the Plan, except if so permitted upon discontinuance of the Plan.

3.07 **Re-Employment**

- (a) If an Employee terminates employment with the Company, other than by retirement, and is subsequently re-employed with the Company on or after January 1, 2011 and prior to the end of the calendar year in which he attains age seventy-one (71) or such other age permitted under Revenue Rules, his periods of Continuous Service shall be treated separately, and the second period shall be considered to start from the date of his subsequent re-employment for the purposes of the Plan, unless otherwise agreed in writing by the Company under specified applicable conditions or required by Applicable Pension Laws, and as permitted under Revenue Rules. Such Employee shall become a DC Member if he is a Non-Union Employee or a DB Member if he is a Union Employee upon fulfilling the eligibility requirements under Section 3.03.
- (b) If a Member who is receiving retirement income under the DB Provisions of the Plan or who elected a distribution option under the DC Provisions of the Plan is subsequently re-employed with the Company as a Non-Union Employee on or after January 1, 2011 and prior to the end of the calendar year in which he attains age seventy-one (71) or such other age permitted under Revenue Rules, the Employee shall become a DC Member upon fulfilling the eligibility requirements under Section 3.03. The Employee's retirement income under the DB Provisions of the Plan, if any, shall continue to be paid.
- (c) If a Member who is receiving retirement income under the Plan is subsequently re-employed with the Company as a Union Employee prior to the end of the calendar year in which he attains age seventy-one (71) (or such other age permitted under Revenue Rules), the Member may elect to cease receipt of his retirement income and accrue additional Continuous Service and Credited Service. When such Employee retires on a subsequent Retirement Date, his retirement income shall be based on Credited Service accrued prior to and after the period of prior retirement, provided that upon such retirement, the retirement income payable to the Member shall be reduced by the Actuarial Equivalent of the retirement income payments previously received.

Article 4 – Retirement Dates

4.01 Normal Retirement

The Normal Retirement Date of a Member is the first (1st) day of the month coincident with or next following the attainment of age sixty-five (65).

4.02 Early Retirement

A Member may retire prior to his Normal Retirement Date on the first (1st) day of any month coincident with or next following the date on which the Member has both attained age fifty-five (55) and has filed written notice of early retirement with the Company. The date of the Member's actual retirement in accordance with this paragraph shall be his Early Retirement Date.

4.03 Postponed Retirement

A Member who accrues Continuous Service beyond Normal Retirement Date shall retire, or be deemed to have retired for the purposes of the Plan, not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other age permitted under Revenue Rules). The date of the Member's actual or deemed retirement in accordance with this paragraph shall be his Postponed Retirement Date.

Article 5 – Contributions and Funding

5.01 Payment of Contributions

All contributions made to the Plan shall be paid to the Funding Agent(s) for deposit to the Fund within the time period prescribed by Applicable Pension Laws.

5.02 Company Contributions

(a) With respect to the DB Provisions of the Plan, based upon the estimates of the Actuary and subject to Section 5.05, the Company shall contribute to the Fund such amounts as are required in accordance with, and within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time shall be limited to the maximum contributions as required by the terms of the Plan and Applicable Pension Laws.

(b) With respect to the DC Provisions of the Plan and subject to Section 5.05, the Company shall contribute in accordance with Sections 3.01 and 3.02 of Part 2.

Notwithstanding the foregoing, contributions made to the Plan by the Company shall only be made if they are eligible contributions in accordance with Revenue Rules.

5.03 Member Contributions

A Member shall make contributions in respect of the DC Provisions in accordance with Article 2 of Part 2. A Member shall not be required nor permitted to make contributions in respect of the DB Provisions.

5.04 Fund

(a) The retirement income and other benefits provided under the Plan shall be financed by a Fund established for the purposes of the Plan, under which all contributions and investment income are held to pay such retirement income, other benefits and the fees, costs and expenses of the Plan to be paid from the Fund, as specified in paragraph (f).

- (b) The Fund shall contain one DB Account and a DC Account for each DC Member as specified in Article 5 of Part 2. The DB Account shall consist of assets in the Fund not allocated to the DC Accounts of DC Members.
- (c) The Company shall be responsible for the selection of a Funding Agent(s). The Fund or a portion thereof shall be maintained and administered by the Funding Agent(s) in accordance with the terms of the Funding Agreement(s) entered into between the Company and the Funding Agent(s). The Company and the Funding Agent(s) may agree to amend the form and the terms of the Funding Agreement(s) at any time. The Company may further appoint an organization licensed to provide investment management services, to manage the investment of any portion of the Fund. The Company may replace any Funding Agent(s) or investment manager at any time, in accordance with the terms of any applicable agreement or contract.
- (d) The Funding Agreement(s) is ancillary to the Plan and is intended to receive contributions made to the Plan and to give effect to the provisions of the Plan relating to the safekeeping and investment of the assets of the Fund and to facilitate the payment of the benefits and other payments properly made under the Plan, in accordance with Applicable Pension Laws and Revenue Rules, and not to create rights to payments from the Fund that are in addition to those payments expressly provided under the Plan. In the case of conflict between the provisions of the Plan and those of the Funding Agreement(s), the provisions of the Plan shall govern.
- (e) Subject to Applicable Pension Laws, the retirement income and other benefits provided under the Plan payable hereunder shall only be paid to the extent that they are provided for by the assets held under the Fund, and no liability or obligation to make any contributions thereto or otherwise shall be imposed upon the Company other than in accordance with Section 5.01.
- (f) All normal and reasonable fees and expenses incurred in the operation of the DB Provisions of the Plan, and the administration and investment of the DB Account of the Fund, shall be paid out of the DB Account, unless paid by the Company.

If such expenses are incurred or paid by the Company, the Company may be reimbursed for such expense from the DB Account.

All fees and expenses in connection with the administration, operation and investment of the DC Accounts and the DC Provisions of the Plan, including the investment management fees, investment counsel fees, custodial fees, administrative fees, brokerage fees, commissions and transfer taxes, shall be paid by way of adjustment to the net investment returns of the respective DC Accounts subject to any limits set out in the Funding Agreement(s). Notwithstanding the foregoing, the Company may pay fees and expenses directly or fees may be paid from the DB Account pursuant to Section 5.05. If such expenses are incurred or paid by the Company, it may be reimbursed for such expenses from the Fund.

Fees related to specific transaction initiated by a DC Member, including penalty fees, shall be deducted from his DC Account in accordance with the terms of the Funding Agreement(s).

A former DC Member or his Spouse or Beneficiary, as applicable, shall be responsible for all fees and charges that are levied from time to time in maintaining and investing his DC Account if such former DC Member has not elected a distribution option in accordance with Sections 6.03 and 8.02 of Part 2 within the prescribed time or within such other time as determined by the Company. Such charges will be periodically deducted from the Member's DC Account.

5.05 **Actuarial Surplus**

At the discretion of the Company and subject to the provisions of Applicable Pension Laws, any surplus determined by the Actuary, or a portion thereof, may be used to determine or to reduce the contributions of the Company under the Plan, including Company Basic Contributions and Company Matching Contributions made pursuant to Part 2 of the Plan or used to pay any fees and expenses or may, to the extent allowed and subject to any conditions or approval procedures under Applicable Pension Laws and Revenue Rules, be returned to the Company.

5.06 **Investments**

- (a) The investment of the Fund shall be made in accordance with Applicable Pension Laws and Revenue Rules.
- (b) The Company shall direct the investment of the DB Account and each DC Member shall direct the investment of his DC Account in accordance with Section 5.02 of Part 2.
- (c) The Company shall establish a written statement of investment policies and procedures for the Plan.

5.07 **Borrowing**

Neither the Company, nor the Funding Agent(s) shall borrow money for the purposes of the Plan, except as allowed under Applicable Pension Laws and Revenue Rules.

5.08 **Claims on the Fund**

- (a) Contributions made by the Company shall not constitute an enlargement of the amount of any benefit defined in the Plan, and shall not at any time create for any person other than the Company, the right, title or interest in the assets of the Company or the Fund, except as provided under Applicable Pension Laws.
- (b) No Member or any person claiming through him, by virtue of any provision of the Plan, shall have any right to, or any interest in, any part of the Fund or to any benefit or other payment from the Fund, except to the extent provided from time to time under the Plan, the Funding Agreement(s), or Applicable Pension Laws.

5.09 **Sole Recourse to Fund**

A Member or person claiming through the Member shall have recourse solely to the Fund for any benefit or other payment from the Plan. Under no circumstances shall any liability attach to the Company or any director, officer or employee of the Company, for any benefit or other payment hereunder.

5.10 **Excess Contributions**

If the Company or a Member makes a contribution to the Plan which would cause the Plan's registration to be revocable under Revenue Rules, subject to the conditions or approval procedures under Applicable Pension Laws, such contributions shall be returned to the Company or the Member, as applicable.

5.11 **Discharge of Liability**

Upon distribution of a Member's entitlement under the Plan, including the purchase of a life annuity from an insurance company licensed to transact business in Canada, there shall be no further liability under the Plan in respect of such Member. An acceptance of the benefit or the purchase of a life annuity shall constitute a full acquittal and discharge of the Fund and the Funding Agent(s) by the recipient.

Article 6 – Protection of Benefits

6.01 Non-Assignability of Benefits

Except as permitted under Section 6.02 and the portability and commutation provisions of any other Article of the Plan, no benefit, right or interest provided under the Plan shall be:

- (a) capable of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, seizure, attachment or other legal or equitable process; or
- (b) capable of being given as security or surrendered;

and, for the purposes of this Section:

- (c) assignment does not include assignment by the legal representative of a deceased individual on the distribution of the individual's estate; and
- (d) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan under Revenue Rules.

6.02 Support and Division of Property on Marriage Breakdown

- (a) Subject to Applicable Pension Laws, a benefit payable under the Plan may be:
 - (i) subject to execution, seizure or attachment, in satisfaction of an order for support or maintenance or a garnishing order, pursuant to a decree, order or judgement of a competent tribunal; or
 - (ii) be assigned, pledged, charged, encumbered or alienated to satisfy a division of matrimonial property, pursuant to a written agreement, decree, order or judgement of a competent tribunal.
- (b) The determination of the benefit payable to a person under paragraph (a) shall be subject to Applicable Pension Laws and Revenue Rules.

- (c) The Member's benefit entitlements shall be reduced to account for the value of any settlement made under paragraph (a). Such reduction shall be determined in accordance with Applicable Pension Laws and Revenue Rules.

6.03 **Facility of Payment**

If the Company shall receive evidence which in its absolute discretion is satisfactory to it that a person entitled to receive a payment under the Plan is physically or mentally incompetent, the Company may direct the payment to any representative, trustee, guardian, attorney or other person or persons entitled at law to receive the payment on the person's behalf. Such payment shall be a complete discharge of the payment obligations under the Plan.

Article 7 – Amendment or Discontinuance

7.01 Amendment

The Company expects to continue the Plan indefinitely, but nevertheless reserves the right to:

- (a) amend the Plan;
- (b) terminate the Plan;
- (c) merge or consolidate the Plan with any other registered pension plan adopted by the Board; or
- (d) transfer any assets or liabilities of the Plan to any other registered pension plan adopted by the Board,

provided that no such action shall adversely affect any right with respect to benefits which have accrued immediately prior to the time such action is taken, except as provided in Section 7.02 and 7.04. The accrued benefits shall be determined using as the applicable Date of Determination, the earliest of the date the Member ceases to accrue Continuous Service and the date of the amendment, termination, merger or consolidation of the Plan, as applicable.

Any amendment of the Plan shall be made by the adoption of a resolution by the Board.

7.02 Amendment Required to Maintain Registration

Notwithstanding any other provisions of the Plan, the Company may amend the Plan as is necessary to maintain the registration of the Plan under Applicable Pension Laws and Revenue Rules. Section 7.01 shall not restrict the Company's ability to make an amendment to the Plan, including, but without limiting the generality of the foregoing, an amendment providing for benefits to be reduced, when the purpose of the amendment is to maintain such registration of the Plan. Any such benefit reduction shall be subject to conditions or approval procedures under Applicable Pension Laws.

7.03 **Certification of Post -1989 Additional Benefits**

An amendment to the Plan which creates additional benefits in respect of a period of employment after 1989 and which must be certified by the Minister of National Revenue in accordance with Revenue Rules shall not be effective in respect of a Member until such certification has been received for that Member, and such additional benefits shall not be paid as a result of the amendment prior to certification. The Company shall apply for such certification before the Company makes any contributions to the Plan in respect of such amendment.

7.04 **Discontinuance**

In the event the Plan shall be discontinued at any time either in whole, or in part with respect to a specified group of Members only, the assets of the Fund (or the interest therein of Members affected by a partial discontinuance) shall be allocated to provide, to the extent of said assets and subject to Applicable Pension Laws, the retirement income and other benefits then accrued under the Plan. The accrued benefits shall be computed using the date the Member ceases to accrue Continuous Service as the applicable Date of Determination. Such allocation shall be made in accordance with an allocation schedule then established by the Company in consultation with the Actuary and filed with and approved by the appropriate authorities in accordance with Applicable Pension Laws.

7.05 **Settlement on Discontinuance of Plan**

The provisions for the accrued retirement income and other benefits described in Section 7.04 may be in the form of cash, the purchase of annuity contracts, the transfer of monies to other registered pension plans or to approved registered vehicles, or the continuation of the Fund, or a combination thereof, at the discretion of the Company and as permitted under Applicable Pension Laws and Revenue Rules.

7.06 **Surplus on Discontinuance**

- (a) Upon discontinuance of the Plan in whole, assets remaining in the Fund after the discharge of all liabilities under the Plan or under Applicable Pension Laws shall be paid to the Company, subject to Applicable Pension Laws.

- (b) Upon discontinuance of the Plan in part, assets of the Plan shall be used to discharge all liabilities under the Plan or under Applicable Pension Laws to the Members affected by the partial discontinuance, the terms of such payment being subject to Applicable Pension Laws. The Company, with the advice of the Actuary, may allocate the total assets in the Plan between the portion of the Plan that is discontinued and the remaining portion of the Plan. At the option of the Company, the excess of the assets allocated to the discontinued portion of the Plan over the liabilities of the discontinued portion of the Plan in respect of the Members affected by the partial discontinuance, may be paid to the Company or used as the Company may direct, subject to Applicable Pension Laws.
- (c) The expenses related to the discontinuance of the Plan in whole or in part may be paid from the Plan, at the sole discretion of the Company, and subject to Applicable Pension Laws. In the case of a full discontinuance, such expenses may include expenses related to the distribution of assets remaining in the Plan after payment of the liabilities related to the discontinuance. In the case of a partial discontinuance, such expenses may include expenses related to the allocation of assets to the discontinued portion of the Plan and the distribution of the assets so allocated and remaining after the payment of liabilities related to the partial discontinuance.

Article 8 – Disclosure

8.01 Plan Explanation

Within the period prescribed by Applicable Pension Laws, the Company shall provide to an Employee who becomes eligible for membership in the Plan, a written description of the Plan. Such description shall explain the pertinent terms and conditions of the Plan and amendments thereto as applicable to the Employee, and shall outline the rights and obligations of the Employee with reference to the benefits available under the Plan.

Except as otherwise permitted or required under Applicable Pension Laws, the Company shall provide a written explanation of an amendment to each Member who accrues Continuous Service and who is affected by the amendment and to each other person as may be required by Applicable Pension Laws, within the period prescribed by Applicable Pension Laws.

8.02 Inspection

- (a) The Company shall permit a Member, a Member's authorized agent or any other person permitted under Applicable Pension Laws, to inspect, to make extracts from or to copy the Plan text and any other related documents required to be made available under Applicable Pension Laws, at such time and places as may be required by Applicable Pension Laws.
- (b) To the extent required by Applicable Pension Laws, the Company shall provide, on request, a Member, or such person as is required to be permitted under Applicable Pension Laws, with copies of any of the documents required to be made available under Applicable Pension Laws upon payment to the Company of a reasonable fee.

8.03 Benefits Statement

- (a) Within the period prescribed by Applicable Pension Laws, the Company shall provide:
- (i) to each Member who accrues Continuous Service, a written statement describing the benefits the Member has earned to date and containing such other information as required under Applicable Pension Laws; and
 - (ii) to each other person as may be required by Applicable Pension Laws, a written statement containing the information required under Applicable Pension Laws.
- (b) Upon cessation of employment of a Member or upon termination of the Member's active membership in the Plan, the Company shall provide the Member (or the person entitled to a benefit in the event of the Member's death), within the prescribed time period, a written statement containing the information prescribed under Applicable Pension Laws in respect of the benefits and options to which the Member or other person is entitled.

8.04 Other Information

The Company shall provide such other information regarding the Plan, statistical or otherwise, as is required under Applicable Pension Laws and Revenue Rules.

8.05 Limitation

Such explanation, statement or right of disclosure of the Plan text and other documents provided shall have no effect on the rights or obligations of any person under the Plan, and shall not be referred to in interpreting or giving effect to the provisions of the Plan. Neither the Company, nor any employee, officer or director of the Company who is involved in the administration of the Plan shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

Article 9 – Administration

- 9.01 The Plan shall be administered by the Company. Any amendments to the Plan, including any restatement of the Plan in its entirety, shall be made by resolution of the Board.
- 9.02 The Company may from time to time direct that appropriate records be maintained and may establish rules for the administration of the Plan. The Company shall have the exclusive right to interpret the Plan provisions and to decide any matters arising hereunder in the administration and operation of the Plan. All interpretations and decisions shall be applied as nearly as may be possible in a uniform manner to all Members similarly situated.
- 9.03 The Company shall indemnify and save harmless any employees who are involved in the administration of the Plan from the effects and consequences of their acts, omissions and conduct in their formal capacity to the extent permitted by law except for their own wilful and intentional malfeasance or misconduct. No part of the Fund shall be used for indemnification payments.
- 9.04 The Company shall be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports which shall be furnished by an actuary, accountant, legal counsel or other professional person who shall be employed or engaged for such purposes.
- 9.05 Whenever the records of the Company are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.
- 9.06 An eligible Employee, a Member, a Beneficiary, or a Spouse shall sign such application forms prescribed by the Company and furnish proof of age and furnish such other data and sign such documents as the Company deems necessary or desirable for the proper administration of the Plan or to evidence initial or continued eligibility for a benefit hereunder.

Article 10 – General Provisions

10.01 Beneficiary Designation

A Member shall designate, in writing, a Beneficiary to receive any benefits payable under the Plan, other than benefits payable to a Spouse, upon the death of such Member and may change such designation from time to time subject to applicable legislation. Such designation or change must be in accordance with any law applicable to the Member and shall be in such form and executed in such manner as the Company may, from time to time, determine. Any designation or change must be filed with the Company. In the absence of an effective designation of a Beneficiary, the Company shall instruct the Funding Agent(s) to make payment of any death benefits under this Plan to the estate of the Member and any such payment shall completely discharge all liability with respect to the amount paid.

10.02 Information Provided by the Members, Beneficiaries and Spouses

- (a) An Employee who becomes a Member hereunder and a Beneficiary or Spouse shall complete such forms and furnish such data as the Company from time to time deems necessary or desirable as a prerequisite to initial or continued eligibility for a benefit hereunder.
- (b) In the absence of actual notice to the contrary, the Company shall make payment in accordance with information provided by the Member upon which the Company is entitled to rely. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of an Account, or where a person makes a claim that is inconsistent with information provided by the Member, the Company may obtain court directions.

10.03 Employment Rights

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or lay off any Employee at any time and to treat such Employee without regard to the effect which such treatment might have under the Plan upon such Employee.

10.04 **Withdrawal**

Except as expressly provided in the Plan, no Member may receive a refund of all or part of his benefit entitlement while remaining in employment with the Company.

10.05 **Annuity Purchase**

Any new or continuing benefit payable from the Plan to a Member or other person entitled to a benefit under the Plan, notwithstanding any provisions herein to the contrary, may be satisfied through the purchase of an annuity or annuities from a life insurance company or companies licensed to transact business in Canada in respect of any Member.

Subject to Applicable Pension Laws, the purchase of such annuity from such life insurance company or companies shall constitute a full and final settlement of the rights of the Member or other person entitled to a benefit under the Plan in respect to whom the annuity was purchased and shall fully and forever discharge the Plan, Fund, Company and its employees, directors, officers and other representatives from any further obligations to the Member or other person so entitled.

10.06 **Commutation of Benefits⁴**

- (a) A benefit required to be paid under the Plan may be commuted and paid in a lump sum, at the discretion of the Company, if the annual retirement income under Part 3 of the Plan that would be payable to the Member at Normal Retirement Date or the value of the Member's DC Account is not more than two percent (2%) of the YMPE as at the Date of Determination. The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid or the value of the Member's DC Account.

⁴ Applicable as modified in the Appendices for Members employed in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia or Quebec.

- (b) Retirement income under Part 3 of the Plan or the value of the Member's DC Account under Part 2 of the Plan may be commuted and paid in a lump sum, at the discretion of the Member, if the Member:
- (i) establishes that he has an illness or physical disability that is likely to shorten his life expectancy to less than two (2) years, as certified by a written statement from a qualified medical doctor licensed to practise in Canada;
 - (ii) provides an application to the Company in the prescribed form; and
 - (iii) satisfies any other conditions prescribed by Applicable Pension Laws.

10.07 **Non-Duplication of Benefits**

There shall be no duplication of benefits payable under one provision of the Plan and benefits payable under any other provision of the Plan.

PART 2 – Defined Contribution Provisions

Article 1 – Application

1.01 The provisions of this Part 2 shall apply to all DC Members of the Plan.

Article 2 – Member Contributions

2.01 Member Required Contributions

- (a) Subject to Section 4.01, in each Plan Year or portion thereof, a DC Member who is accruing Continuous Service shall contribute to the Plan, by regular payroll deduction, Member Required Contributions equal to 2% of the DC Member's Earnings.
- (b) Member Required Contributions made pursuant to paragraph (a), as applicable, shall cease upon the earliest of:
 - (i) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death; or
 - (v) the date of partial or complete discontinuance of the Plan affecting the Member.
- (c) All Member Required Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits prescribed by Applicable Pension Laws.

2.02 Member Optional Contributions

- (a) Subject to Section 4.01, in each Plan Year or portion thereof, a DC Member who is accruing Continuous Service may elect to contribute to the Plan, by regular payroll deduction, Member Optional Contributions equal to 1, 2, 3 or 4% of the DC Member's Earnings.
- (b) A DC Member who is making Member Optional Contributions in accordance with paragraph (a) may elect monthly, or at such other time or frequency permitted by the Company, to change the rate of Member Optional Contributions in the form and manner prescribed by the Company.

- (c) Member Optional Contributions made pursuant to paragraph (a), as applicable, shall cease upon the earliest of:
- (i) the date the Member elects to cease making Member Optional Contributions;
 - (ii) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (iii) the Member's termination of employment;
 - (iv) the Member's Retirement Date;
 - (v) the Member's death; or
 - (vi) the date of partial or complete discontinuance of the Plan affecting the Member.
- (d) All Member Optional Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits prescribed by Applicable Pension Laws.

2.03 **Continuance of Member Contributions During Leaves**

- (a) Subject to Section 4.01, if a Member is on a pregnancy, parental or leave as a result of an employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings, the Member may elect to make the Member Required Contributions and Member Optional Contributions that would have been made had the Member been in active employment during such period, for the period prescribed by applicable legislation or such longer period approved by the Company based on the Member's Earnings rate in force immediately prior to the commencement of the period of leave.

- (b) Member Required Contributions and Member Optional Contributions made pursuant to this Section 2.03 shall be paid on such terms and in such manner as may be determined by the Company.
- (c) In no event shall the total periods for which contributions are made by a Member under this Section 2.03, when combined with any period of absence during which the Member accrues Credited Service, but excluding periods of Total Disability, exceed the sum of:
 - (i) the full-time equivalent of five years; and
 - (ii) the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.
- (d) Member Required Contributions and Member Optional Contributions shall cease during other periods of unpaid leaves of absence authorized by the Company not covered under paragraph (a).

2.04 **Continuance of Member Contributions During a Period of Total Disability**

- (a) Subject to Section 4.01, if a Member is on a period of Total Disability, the Member may elect to make Member Required Contributions and Member Optional Contributions to the Plan while the Member remains on Total Disability, based on the Member's Earnings rate in force immediately prior to the date the Member commenced Total Disability.
- (b) Member Required Contributions and Member Optional Contributions made pursuant to this Section shall cease on the earliest of:
 - (i) the Member electing to cease making contributions pursuant to this Section 2.04;
 - (ii) the Member no longer being on Total Disability;
 - (iii) the Member's date of death;

- (iv) the Member's termination of employment;
 - (v) the Member's Normal Retirement Date; or
 - (vi) the date of complete or partial discontinuance of the Plan affecting the Member.
- (c) Member Required Contributions and Member Optional Contributions made pursuant to this Section 2.04 shall be paid on such terms and in such manner as may be determined by the Company.

Article 3 – Company Contributions

3.01 Company Basic Contributions

- (a) Subject to Section 5.05 of Part 1, paragraphs (b) and (c) below, and Section 4.01, the Company shall contribute during each Plan Year or portion thereof, Company Basic Contributions on behalf of a DC Member, equal to 4% of the DC Member's Earnings.
- (b) If a DC Member is on a pregnancy, parental or leave as a result of employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings and the DC Member elects to make Member Required Contributions pursuant to paragraph 2.03(a), Company Basic Contributions made pursuant to paragraph (a) shall continue for the period prescribed by applicable legislation or such longer period approved by the Company, subject to applicable laws, based on the DC Member's Earnings rate in force immediately prior to the commencement of the period of leave. Company Basic Contributions shall cease during other periods of unpaid leaves of absences authorized by the Company not covered above.
- (c) If a DC Member is on a Total Disability and the DC Member elects to make Member Required Contributions pursuant paragraph 2.04(a), Company Basic Contributions pursuant to paragraph (a) shall continue while the Member remains on Total Disability, based on the DC Member's Earnings rate in force immediately prior to the date the Member commenced Total Disability.
- (d) Company Basic Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have been made by it in accordance with Applicable Pension Laws.

3.02 Company Matching Contributions

- (a) Subject to Section 5.05 of Part 1, paragraphs (b) and (c) below, and Section 4.01, the Company shall contribute during each Plan Year or portion thereof, Company Matching Contributions on behalf of a DC Member, equal to 100% of the Member's Optional Contributions.
- (b) If a DC Member is on a pregnancy, parental or leave as a result of employment injury during which workers' compensation benefits are paid or other statutory leave during which the Member does not have Earnings and the DC Member elects to make Member Optional Contributions pursuant to paragraph 2.03(a) of Part 2, Company Matching Contributions made pursuant to paragraph (a) shall continue for the period prescribed in paragraph 2.03(a) based on the Member's deemed Earnings as described in paragraph 2.03(a).
- (c) If a DC Member is on a Total Disability and elects to make Member Optional Contributions pursuant to paragraph 2.04(a), Company Matching Contributions made pursuant to paragraph (a) shall continue based on the Member's deemed Earnings as described in paragraph 2.04(a).
- (d) Company Matching Contributions shall be paid into the Fund and allocated to the Member's DC Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Company at any time is limited to such contributions as should have been made by it in accordance with Applicable Pension Laws.

Article 4 – Maximum Contributions

4.01 Maximum Contribution Limit

- (a) For the purpose of Articles 2 and 3, the total of the contributions allocated to a Member's DC Account for any calendar year shall be the lesser of 18% of the Member's Earnings in that calendar year, and the Money Purchase Limit as is applicable in that calendar year.
- (b) The maximum contribution limit calculated in accordance with paragraph (a) shall be reduced by the amount, if any, of a Member's expected pension adjustment for any benefits accrued or contributions made in the calendar year from any other registered pension plan or deferred profit sharing plan of the Company.

Article 5 – DC Account

5.01 DC Account

A separate DC Account shall be maintained for each DC Member to which Company Basic Contributions, Company Matching Contributions, Member Required Contributions and Member Optional Contributions shall be made.

5.02 Investment of Accounts

- (a) A Member's DC Account shall be invested, pursuant to directions provided by the Member, in the investment options made available by the Funding Agent(s) under the terms of the Funding Agreement(s).
- (b) In the event that the Member fails to make an election as to the investment options for the Member's DC Account, the DC Account shall be invested in such fund that may be prescribed from time to time by the Company, until the Member files an election with the Company.
- (c) A Member may change the investment options in which the Member's DC Account are invested, in the manner prescribed by the Company.
- (d) The Company reserves the right to change the investment options available to a DC Member at any time.

5.03 Valuation of Accounts

- (a) The value of each DC Account shall be determined by the Funding Agent(s) or its agent at each Valuation Date to account for the allocation of:
 - (i) net investment income;
 - (ii) net realized and unrealized capital gains and losses; and
 - (iii) fees and expenses paid from the DC Account, in accordance with paragraph 5.04(f) of Part 1.

- (b) Valuation Dates shall occur at such times as may be required or permitted by the Funding Agreement(s), but not less frequently than monthly. The value of each DC Account shall be computed on the basis of market values at the Valuation Date concerned, having regard to the terms of the Funding Agreement(s).

Article 6 – Retirement Benefits

6.01 Retirement

For purposes of this Part 2, a Member shall retire if:

- (a) the Member's employment with the Company ceases on or after the Member's Normal Retirement Date and in no event later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules; or
- (b) the Member terminates employment after attaining age 55.

6.02 Retirement Benefit

Upon retirement in accordance with Section 6.01, a DC Member shall be entitled to the distribution of the value of the Member's DC Account in the form elected by the DC Member in accordance with Section 6.03, determined as of the Valuation Date coincident with or immediately preceding distribution of the Member's DC Account.

6.03 Payment of Retirement Benefit

- (a) If a DC Member retires in accordance with Section 6.01 the DC Member shall elect distribution of the Member's DC Account in any one of the following forms:
 - (i) a single premium purchase of an immediate or deferred life annuity contract from an insurance company licensed to carry on business in Canada, commencing not earlier than 10 years prior to Normal Retirement Date and commencing not later than the end of the calendar year in which the Member attains age 71, or such other age as may be permitted by Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules; or
 - (ii) a transfer to another registered pension plan, provided the administrator of the other plan permits the transfer; or

(iii) a transfer to a locked-in retirement savings arrangement prescribed under the Applicable Pension Laws.

(b) If, at the date the first instalment of the life annuity purchased in accordance with subparagraph (a)(i) or ultimately purchased with the amount transferred in accordance with subparagraph (a)(ii) or (a)(iii) is due:

(i) the former DC Member has a Spouse; and

(ii) the Spouse has not waived, in the prescribed form, the right to a contingent pension within the period prescribed by Applicable Pension Laws;

the former DC Member shall receive any retirement income as if the former DC Member had elected to receive his retirement income with provision for a portion of the former DC Member's retirement income continuing to be paid to the Spouse after the former Member's death. This portion shall be 60% or such higher percentage elected by the Member.

A Spouse who has waived the right to a contingent pension may revoke such a waiver in writing prior to the date the first instalment is due to the former Member in the manner and form prescribed by Applicable Pension Laws.

A life annuity purchased in accordance with this paragraph shall comply with any other requirements prescribed by Applicable Pension Laws.

6.04 **Payment in Default of Election**

If a DC Member who is entitled to elect distribution of his DC Account fails to make an election within the time required or permitted under Applicable Pension Laws, the Company may, in its absolute discretion, select an insurance company and purchase an annuity on behalf of the DC Member. Such annuity shall be payable commencing on the DC Member's Normal Retirement Date and in the form of specified in Section 6.03.

6.05 **Phased Retirement⁵**

A DC Member may not make an election that constitutes phased retirement.

⁵ Applicable as modified in the Appendix A for Members employed in Quebec.

Article 7 – Death Benefits

7.01 Death Benefits Prior to Distribution of Member’s DC Accounts

If the death of a DC Member occurs prior to the distribution of the Member’s DC Account under any other Article of Part 2 of the Plan, the Member’s Spouse or, if there is no Spouse or if the Spouse has waived entitlement to the death benefit in the prescribed form and in accordance with Applicable Pension Laws, the Member’s Beneficiary shall be entitled to distribution of the value of the Member’s DC Account.

7.02 Payment of Death Benefits⁶

- (a) If a DC Member dies, distribution of the DC Account payable in accordance with Section 7.01 to the Member’s Spouse shall be made as:
- (i) a lump sum transfer to an RRSP in the name of the Spouse, to another registered pension plan, if the administrator of the plan accepts such transfer, or to such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules;
 - (ii) a lump sum cash payment; or
 - (iii) a single premium purchase of a life annuity from an insurance company, commencing no later than December 1 of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or, if later, within one year of the Member’s date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules;
- as designated by the Spouse, or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion, in such form as may be permitted under Applicable Pension Laws.

⁶ Applicable as modified in Appendices for Members employed in Alberta, British Columbia, Manitoba or Newfoundland.

- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

7.03 **Timing of Payment**

Any death benefit payable under this Article 7 shall be paid as soon as practicable after the DC Member's death.

Article 8 – Termination of Employment

8.01 Termination of Employment

A DC Member whose employment with the Company ceases other than by death or retirement in accordance with Article 6 shall receive his DC Account.

8.02 Payment of Accounts

Distribution of the DC Account payable to a Member shall be made as:

- (a) a transfer to another registered pension plan, provided the administrator of the other plan permits the transfer; or
- (b) a transfer to a locked-in retirement savings arrangement prescribed under the Applicable Pension Laws; or
- (c) a transfer to an insurance company licensed to carry on business in Canada for the purchase a life annuity, commencing no later than the end of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules.

The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.

8.03 Payment in Default of Election

If a DC Member who is entitled to elect distribution of his DC Account under Section 8.02 fails to make an election within the time required or permitted under Applicable Pension Laws, the Company may, in its absolute discretion, select an insurance company and purchase an annuity on behalf of the DC Member. Such annuity shall be payable commencing on the DC Member's Normal Retirement Date and in the form of specified in Section 6.03.

Article 9 – Transfers of Employment

9.01 Transfers Out of the Plan

- (a) If a DC Member is transferred within the Company to a category of employment such that the Member ceases to be an Employee for the purposes of the Plan or to an affiliated or associated company, this transfer shall not constitute a termination of employment for the purposes of Article 6 and Article 8 of Part 2 provided the Member does not elect, as may be provided under Applicable Pension Laws, to receive benefits in accordance with Article 8. Such Member's DC Account shall be distributed upon the Member ceasing to accrue Continuous Service.
- (b) A Member to whom paragraph (a) applies, provided the Member does not elect, as may be provided under Applicable Pension Laws, to receive benefits in accordance with Article 8, shall continue to direct the investment of his DC Account in accordance with Section 5.03.

9.02 Transfers Into the Plan

If an employee of the Company or an affiliated or associated company is transferred to a category of employment such that the employee becomes an Employee for the purposes of the Plan, such Employee shall become a DC Member of the Plan upon the date of transfer of employment.

PART 3 – Defined Benefit Provisions

Article 1 – Application

1.01 The provisions of this Part 3 of the Plan shall apply to all DB Members.

Article 2 – Credited Service

2.01 Credited Service

Credited Service, with respect to a DB Member, means the Member's years of Continuous Service (including completed months as fractions thereof) in Canada while a Member of the Plan, subject to a maximum of forty (40) years.

2.02 Exclusions, Inclusions and Adjustments of Credited Service

Notwithstanding Section 2.01, Credited Service is subject to the following exclusions, inclusions and adjustments.

(a) *Adjustments for Less-Than-Full-Time Work*

With respect to any period of Continuous Service during which the Member is not in full-time employment with the Company, Credited Service for each month of such period shall be adjusted in the ratio that:

- (i) the number of hours the Member actually worked during each month, as determined by the Company, bears to
- (ii) 173.33;

such ratio not to exceed one (1). Notwithstanding the foregoing only Continuous Service accrued on or after January 1, 1988 shall be recognized in the Credited Service of an Employee who is employed on a part-time basis.

(b) *Exclusions from Credited Service*

Credited Service shall exclude:

- (i) any period of active membership of a Member in any other registered pension plan of the Company or any other company associated with the Company for which a benefit is accrued;

- (ii) any period of authorized sick leave, other than a period of Total Disability pursuant to paragraph (c)(i) below in excess of six (6) months; and
- (iii) any period of lay-off in excess of six (6) months; and
- (iv) any period of leave of absence, disability or military service as described in paragraph 2.17(b) of Part 1, during which the Member is not receiving Earnings, unless such period is specifically included in Credited Service under paragraph (c);

(c) *Special Inclusions in Credited Service*

Credited Service shall include:

- (i) any period of Total Disability during which the Member accrues benefits pursuant to Article 8;
- (ii) any period of unpaid temporary absence, as described in paragraph 2.17(b) of Part 1, where the temporary absence is due to sickness (other than a period of Total Disability), subject to a maximum of six (6) months of such sick leave;
- (iii) any period of absence due to lay-off to a maximum of six (6) months and any period of absence without Earnings due to emergency, compassionate care, pregnancy or parental leave or any other period of leave where legislation applicable to the Member requires that the Member continue to accrue benefits under the Plan during such period of absence;
- (iv) any period in which the Member is in receipt of benefits under a provincial workers' compensation program as set out in paragraph 2.17(b)(vii) of Part 1, to a maximum of twenty-four (24) months for such period of absence; and
- (v) any paid and approved leave of absence.

Notwithstanding the foregoing the Company may in its sole and absolute discretion include in Credited Service, any portion of a Member's Continuous Service during which the Member did not provide services to the Company because he was on strike or was locked-out.

For each period included in Credited Service as a result of subparagraphs (ii) and (iii), (iv) and (v), the monthly number of hours worked by the Member during such period is deemed to equal the monthly average of the hours worked by the Member during the month preceding such period.

(d) *Prescribed Compensation Limits*

In no event shall the total periods of absence without Earnings included under subparagraphs (c)(ii), (c)(iii), (c)(iv) and (c)(v), in respect of a Member, excluding periods of Total Disability, exceed the sum of (i) and (ii), where:

- (i) is the full-time equivalent of five (5) years; and
- (ii) is the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of thirty-six (36) months of such periods of parenting and a maximum of the full-time equivalent of twelve (12) months for any one (1) period of parenting.

Article 3 – Retirement Income Formulae

The formulae in this Article 3 are used in the calculation of the annual retirement income in respect of a DB Member, and the amount derived therefrom is the basis on which the actual amount of retirement income shall be determined in accordance with the applicable provisions of the Plan.

3.01 Plan Formula

The Plan Formula shall be as described in Appendix A or Appendix B, as applicable.

3.02 Maximum Formula

The annual amount, at the DB Member's Normal Retirement Date, of a Member's retirement income under the foregoing provisions of this Article shall not exceed the product of (a) and (b), where:

(a) is the lesser of (i) and (ii), where:

(i) is two percent (2%) of the Member's Best Average Earnings-3; and

(ii) is the defined benefit limit as defined under Revenue Rules at the Date of Determination;

(b) is the Member's Credited Service.

3.03 Plan Benefit

The Plan Benefit shall be the lesser of the Plan Formula and the Maximum Formula.

Article 4 – Amount of Retirement Income

4.01 Normal Retirement

A DB Member who retires on his Normal Retirement Date shall receive an amount of retirement income commencing from the Member's Normal Retirement Date, equal to the Plan Benefit determined using the Member's Normal Retirement Date as his Date of Determination, payable in accordance with Article 5.

4.02 Early Retirement

- (a) Subject to paragraph (b), a DB Member who retires on an Early Retirement Date shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, determined in accordance with Appendix A or Appendix B, as applicable, and payable in accordance with Article 5.
- (b) The retirement income payable under paragraph (a) shall not exceed the Maximum Formula, using the Early Retirement Date as the Date of Determination, multiplied by an early retirement factor equal to one hundred percent (100%) less one-quarter percent (1/4%) for each month, if any, by which the Member's Pension Commencement Date precedes the earliest of:
 - (i) the date the Member attains age sixty (60);
 - (ii) the date the Member completed, or would have completed had the Member continued in employment after his Early Retirement Date, thirty (30) years of early retirement eligibility service, as defined under Revenue Rules; and
 - (iii) the date on which the aggregate of the Member's age and early retirement eligibility service, as defined under Revenue Rules, is, or would have been had the Member continued in employment after his Early Retirement Date, equal to eighty (80) years.

4.03 **Postponed Retirement⁷**

A DB Member who accrues Continuous Service after his Normal Retirement Date shall receive an amount of retirement income commencing on his Postponed Retirement Date, equal to the Plan Benefit determined using the Member's Postponed Retirement Date as the Date of Determination, payable in accordance with Article 5.

4.04 **Redundancy Pension**

A DB Member whose employment is terminated by the Company due to the elimination of his employment duties, who, on his date of termination, has attained age fifty-five (55) and completed at least twenty (20) years of Continuous Service at his Date of Determination, who has not attained his Normal Retirement Date or Postponed Retirement Date, who has not elected to receive the benefit under Section 8.02 and who is not entitled to receive severance pay benefits in respect of such termination of employment under any collective agreement or any severance pay policy of the Company, or if he is entitled, has waived entitlement to such benefits, may make a written election to receive an amount of retirement income commencing on the earlier of:

- (a) the first (1st) day of the month the Member selects for the pension to commence; and
- (b) the Member's Normal Retirement Date;

determined in accordance with Appendix A or Appendix B, as applicable, and payable in accordance with Article 5.

4.05 **Phased Retirement⁸**

A DB Member may not make an election that constitutes phased retirement.

⁷ Applicable as modified in Appendix I for a Member employed in Quebec.

⁸ Applicable as modified in Appendix I for a Member in employed Quebec.

Article 5 – Payment of Retirement Benefits

5.01 Normal Form

Subject to Sections 5.02 and 5.03, the normal form of payment of retirement income payable under Article 4 or 7 shall be an annual retirement income payable in equal monthly instalments for the life of the DB Member, with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before sixty (60) payments are made, the remaining payments shall be paid to the Member's Beneficiary.

5.02 Mandatory Spousal Pension⁹

- (a) The retirement income payable under Article 4 or 7, to a DB Member who, at the Pension Commencement Date, has a Spouse who has not waived entitlement to a contingent pension, shall be payable in equal monthly instalments for the life of the Member, with the last payment due to the Member on the first (1st) day of the month in which the death of the Member occurs and seventy-five percent (75%) of this retirement income continuing to be paid to the Member's Spouse, commencing on the first (1st) day of the month following the month in which the death of the Member occurs and ending on the first (1st) day of the month in which the death of the Member's Spouse occurs. The benefit payable under this paragraph shall be the Actuarial Equivalent of the benefit payable under Section 5.01.
- (b) Subject to Applicable Pension Laws, a DB Member and his Spouse may waive this form of pension by signing a waiver form to that effect. A Spouse who has waived entitlement to a survivor pension may revoke the waiver by filing a written notice with the Company prior to the Member's Pension Commencement Date.

⁹ Applicable as modified in Appendix C for a Member employed in Alberta.

5.03 **Election of Optional Form**

Subject to Applicable Pension Laws and Section 5.02, a Member may elect, in lieu of the normal form of retirement income as described in Section 5.01 or 5.02, to receive his retirement income under any optional form of retirement income contained in this Section. Such written election in prescribed form must be filed with the Company at any time prior to the Pension Commencement Date. The retirement income payable under the elected option shall be the Actuarial Equivalent of the retirement income payable under the normal form as described in Section 5.01.

If the elected option provides for payment to a Spouse and the Spouse dies prior to the Pension Commencement Date, such election shall be void and the Member shall be permitted to elect another form of retirement income.

(a) *Life Annuity*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs.

(b) *Life Annuity – Guaranteed Term*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before he has received payments for a guaranteed term of ten (10) or fifteen (15) years, as elected by the Member, the remainder of the payments shall be paid to the Member's Beneficiary.

(c) *Life Annuity Continuing to Spouse*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with the provision that upon the Member's death after retirement, a percentage of such income shall be continued during the life of, and shall be paid to, his Spouse. Such percentage, elected by the Member, shall be fifty percent (50%), sixty percent (60%) or one hundred percent (100%).

(d) *Life Annuity Continuing to Spouse-Guaranteed Term*

A Member may elect to receive retirement income payable in equal monthly instalments during the Member's lifetime, with the last payment due on the first (1st) day of the month in which the death of the Member occurs, with a guarantee that if the Member dies before he has received payments for a guaranteed term of ten (10) years, the remainder of the payments shall be paid to the Member's Spouse and, further, with the provision that upon expiry of the guaranteed term, sixty percent (60%) of such retirement income shall continue to be paid during the life of the Member's Spouse.

(e) *Level Income Option*

A Member may elect to receive an increased monthly retirement income commencing on the Member's Early Retirement Date and payable monthly until the earlier of the Member's death and the date the Member becomes eligible for Old Age Security benefits or eligible to receive an unreduced pension under the Canada Pension Plan or Quebec Pension Plan, but, in no event, later than December 1st of the calendar year in which the Member attains age sixty-five (65). If the Member is living on the date on which he becomes eligible for the aforementioned government benefit, such increased retirement income shall be reduced by the monthly amount of the government benefit which had been taken into account in determining the increased retirement income and such retirement income shall then continue during the further lifetime of the Member and thereafter shall be payable to his Beneficiary until such time as a total of sixty (60) monthly payments have been received under this optional form. If the Member dies prior to the date upon which he would have become eligible for such government benefit, his retirement income shall continue to be payable in the same amount to his Beneficiary until what would have been the Member's sixty-fifth (65th) birthday, whereupon the retirement income shall be reduced by the monthly amount of government benefit which had been taken into account in calculating the increased retirement income, provided that any retirement income payable to the Beneficiary hereunder shall cease at such time as a total of sixty (60) monthly payments have been received under this optional form.

(f) *Other Options*¹⁰

In lieu of any other form of retirement income specified in this Article, a Member may elect any other optional form that Applicable Pension Laws require to be made available or as may be approved and made available by the Company from time to time, subject to Applicable Pension Laws and Revenue Rules.

5.04 **Redetermination of Form of Retirement Income**¹¹

A DB Member shall not be entitled to a redetermination of the form of his retirement income subsequent to marriage breakdown.

¹⁰ Applicable as modified in Appendix I for a Member employed in Quebec

¹¹ Applicable as modified in Appendix I for a Member employed in Quebec.

Article 6 – Death Benefits

6.01 Death Benefits Prior to Retirement Date¹²

- (a) If the death of a DB Member who is accruing Continuous Service occurs prior to his Retirement Date, there shall be paid to the Member's Spouse, or if the Member does not have a Spouse, or the Member's Spouse has waived entitlement to the pre-retirement death benefit in the manner and form prescribed by Applicable Pension Laws, the Member's Beneficiary, the lump sum Actuarial Equivalent of the retirement income the Member would have been eligible to receive in accordance with Section 4.02 or Article 7, as applicable, in respect of Credited Service, or Plan amendments made, on or after January 1, 1987, had the Member retired or terminated employment on the date of death. The retirement income under this paragraph (a) payable in respect of a Member who was employed in unit 929, 931, 932 or 949 as well as all Members who are Quebec Employees in accordance with Appendix I, in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%).

Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse hereunder, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity commencing not later than December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other date permitted under Revenue Rules) or if later, within one year of the Member's date of death. If the Spouse does not make an election within the period prescribed by Applicable Pension Laws, the Spouse shall be deemed to have elected an immediate retirement income.

¹² Applicable as modified in the Appendices for Members employed in Manitoba, New Brunswick or Newfoundland.

- (b) Notwithstanding paragraph (a), if the death of a DB Member occurs prior to his Retirement Date, but on or after the Member's attainment of age fifty-five (55) and completion of at least fifteen (15) years of Continuous Service, and such Member has a Spouse who has not waived entitlement to the pre-retirement death benefit, the Member's Spouse shall receive an immediate retirement income, commencing on the first (1st) day of the month following the month in which the Member's death occurs and ending on the first (1st) day of the month in which the death of the Spouse occurs, equal to fifty percent (50%) of the retirement income the Member would have received had the Member retired on the day immediately preceding his date of death and elected to receive retirement income in the form described in paragraph 5.03(c), with fifty percent (50%) continuance to the Member's Spouse.

A Spouse entitled to the benefit under this paragraph (b) may elect to receive, in lieu of this benefit, the benefit under paragraph (a), by completing and delivering such election to the Company, in the written form and manner prescribed by the Company, within prescribed time period after the date of the Member's death.

6.02 **Death Benefits After Normal Retirement Date and Before Postponed Retirement Date**¹³

If the death of a DB Member occurs after his Normal Retirement Date, but prior to his Postponed Retirement Date, the benefit and the person entitled to the benefit shall be determined in accordance with Section 6.01, with the reference to Section 4.02 changed to Section 4.03.

6.03 **Death Benefits After Retirement**

- (a) If the death of a DB Member occurs after his Pension Commencement Date, there shall be paid to his Beneficiary or Spouse, as applicable, any benefits due in accordance with the retirement income option elected by the Member in accordance with Article 5.

¹³ Applicable as modified in Appendix I for Members employed in Quebec.

- (b) If the death of a DB Member occurs after his Early Retirement Date but prior to his Pension Commencement Date, there shall be paid the benefits determined in accordance with Section 6.01.

6.04 **Death Benefits for Terminated Members¹⁴**

If the death of a DB Member occurs after the Member has ceased to accrue Continuous Service, but prior to the Member's Pension Commencement Date, the benefit and the person entitled to the benefit shall be determined in accordance with Section 6.01, to the extent not previously refunded or transferred, with the reference to Section 4.02 deleted.

6.05 **Commutation of Death Benefits¹⁵**

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
- (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.

¹⁴ Applicable as modified in the Appendices for Members employed in Manitoba, Newfoundland or Quebec.

¹⁵ Applicable as modified in the Appendices for Members employed in Alberta, British Columbia, Manitoba or Newfoundland.

- (b) The amount of retirement income payable to a DB Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a DB Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Article 7 – Termination of Employment

7.01 Termination Benefit

A DB Member whose employment with the Company is terminated, for any reason other than death or retirement shall receive a retirement income commencing on the Member's Normal Retirement Date, equal to the Plan Benefit determined using the Member's date of termination of employment as his Date of Determination, payable in accordance with Article 5.

Such retirement income, with respect to a Member employed in unit 929, 931, 932 or 949 as well as all Members who are Quebec Employees in accordance with Appendix I, in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%).

7.02 Earlier Commencement of Retirement Income

If a Member is entitled to receive a deferred retirement income in accordance with the provisions of this Article, such Member may elect to start receiving his retirement income at any time within ten (10) years of his Normal Retirement Date. The amount of retirement income payable to such a Member shall be the Actuarial Equivalent of the retirement income otherwise payable at Normal Retirement Date, such actuarial reduction being at least equal to the reduction specified in paragraph 4.02(b).

Article 8 – Disability Benefits

8.01 Total Disability

A Member who is on a period of leave due to Total Disability shall be eligible for the benefits described in Section 8.02. Such Member shall cease to qualify for such benefits upon the earliest of:

- (a) the Member's Normal Retirement Date;
- (b) the date of the Member's death;
- (c) the date the Member ceases to suffer from a Total Disability, as certified by a medical doctor licensed to practice under the laws of a province of Canada; or
- (d) the date of discontinuance of the Plan in whole or in part in respect of a Member affected by the discontinuance.

8.02 Disability Accrual

With respect to a DB Member who sustains a Total Disability, for the purposes of the Plan:

- (a) Final Average Earnings, Best Average Earnings-3, YMPE Average or the benefit rate, as applicable, shall be determined as of the date on which the Member became disabled;
- (b) Continuous Service shall continue to accrue during the period of disability; and
- (c) Credited Service shall continue to accrue during the period of disability at the rate in effect immediately prior to the commencement of the disability.

8.03 Disability Retirement Income

If a DB Member who has a Total and Permanent Disability has attained his Normal Retirement Date, or has terminated employment with the Company and has completed at least fifteen (15) years of Continuous Service, but is not eligible for a pension or an

Early Retirement Date or a redundancy pension pursuant to Section 4.04, the Member may elect to receive retirement income determined in accordance with Appendix A or Appendix B, as applicable, payable in accordance with Article 5, excluding the form under paragraph 5.03(e), commencing on the Member's Normal Retirement Date or date of termination of Continuous Service, as applicable. In no event shall the Member continue to accrue benefits pursuant to Section 8.02 subsequent to his Normal Retirement Date.

Article 9 – Related Employer Benefit Limitations

9.01 Related Employers

For purposes of this Article 9, “Related Employers” means the Company, an employer that is a company that is related within the meaning of the Income Tax Act (Canada) to the Company, or a partnership or joint venture in which the Company is a partner or joint venturer and in respect of which the Company does not act at arm’s length.

9.02 Lifetime Benefit

The amount of lifetime retirement income benefit payable under the Plan to a Member, a Member’s Beneficiary or a Member’s Spouse, as applicable, shall not cause the lifetime retirement income benefits payable in respect of the Member under the defined benefit provisions of all registered pension plans in which Related Employers participate, to exceed, in the aggregate, the lifetime retirement income limits set out under Revenue Rules.

9.03 Pension Adjustment

In each calendar year, the amount of retirement income accrued by a Member under the Plan shall not cause the pension adjustments, as determined in accordance with Revenue Rules, in respect of the Member under all registered pension plans in which Related Employers participate, to exceed, in the aggregate, the money purchase limit, as defined in Revenue Rules.

Article 10 – Transfer of Employment

10.01 Transfers to Associated Companies

If a DB Member is transferred, on or after January 1, 2011, within the Company to a category of employment such that the Member ceases to be an Employee, or to a Canadian company which is associated with the Company, but which does not itself participate in the Plan, shall not constitute a termination of employment pursuant to Article 7. In the event of such transfer, the Member's:

- (a) Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the Company or the associated company, as applicable;
- (b) Credited Service (for benefit computation purposes) shall exclude those periods of employment during which he is not an Employee;
- (c) Final Average Earnings shall be determined based only on the Member's Earnings from the Company; and
- (d) the benefits payable under the Plan shall be determined in accordance with the applicable provisions of the Plan on the earliest of:
 - (i) the termination of employment with the Company or the associated company; and
 - (ii) the Member's death.

Provided the Member does not elect, as may be provided under Applicable Pension Laws to receive benefits in accordance with Article 7.

If the DB Member is transferred to a foreign affiliate of the Company, the Member's benefit shall be determined in accordance with the Company's policy on such transfers subject to any limits under the Revenue Rules or the Applicable Pension Laws.

10.02 Transfers From Associated Companies

If an individual is transferred, on or after January 1, 2011, from a Canadian company which is associated with the Company, but which does not itself participate in the Plan, to a category of employment with the Company such that he becomes an Employee,:

- (a) the Member's Continuous Service shall include all periods of uninterrupted employment of the Member with such associated company;
- (b) he shall become a DC Member at his date of transfer if he is a Non-Union Employee;
- (c) he shall become a DB Member at his date of transfer if he is a Union Employee and in which case:
 - (i) Credited Service shall exclude those periods of employment with such associated company; and
 - (ii) Final Average Earnings shall be determined based only on the Member's Earnings from the Company only.

Article 11- Transfers of Funds

11.01 Transfer from Registered Plan of Previous Employer

Where there exists a Reciprocal Agreement between the Company and a previous employer, the Company shall accept deposits into the Fund to the credit of a Member by way of transfer from the Member's previous employer's registered pension plan or deferred profit sharing plan. Amounts so transferred shall be accepted in accordance with the terms of the Reciprocal Agreement.

11.02 Transfer to Other Registered Plan¹⁶

- (a) Where there exists a Reciprocal Agreement between the Company and the subsequent employer of a Member, transfer payments may be made into the fund of the subsequent employer's registered pension plan. The amount of such transfer shall be determined in accordance with the Reciprocal Agreement.
- (b) Where no Reciprocal Agreement exists, any cash settlement to which the Member is entitled in accordance with Section 10.06 of Part 1 may be:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a registered retirement savings plan of the Member;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada for the purchase of an immediate life annuity or a deferred life annuity commencing not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other date permitted under Revenue Rules) in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.

¹⁶ Applicable as modified in Appendix C for Members employed in Alberta.

- (c) Where no Reciprocal Agreement exists and a Member who has not attained age fifty-five (55), including a Member who is no longer employed by the Company, is entitled to receive a deferred retirement income in accordance with Article 7, the Member may direct that the lump sum Actuarial Equivalent of such retirement income be:
- (i) transferred to another registered pension plan, if this other plan so permits;
 - (ii) transferred to an insurance company licensed to carry out an annuity business in Canada for the purpose of purchasing an immediate life annuity or a deferred life annuity commencing not later than December 1st of the calendar year during which the Member attains age seventy-one (71) (or such other date permitted under Revenue Rules), in a form acceptable under Revenue Rules; or
 - (iii) transferred to such other types of registered plans or vehicles which may be acceptable under Applicable Pension Laws and Revenue Rules;
- subject to any approval by the Member's Spouse that is required by Applicable Pension Laws. Such transfer shall only be permitted if the administrator of such plan agrees in writing to administer such transferred pension credit within the conditions of Applicable Pension Laws. The Member may elect to make such a transfer:
- (iv) upon termination of employment with the Company;
 - (v) at any other date as may be specified in Applicable Pension Laws; and
 - (vi) at any other date as may be authorized by the Company.
- (d) As may be permitted under Applicable Pension Laws, the Company may require a Member or a Spouse, as applicable, who is entitled to an amount of retirement income to transfer the lump sum Actuarial Equivalent of the benefit to another registered vehicle.

- (e) An amount transferred in accordance with paragraph (c), or a cash settlement payable to a Member under Section 10.06 of Part 1 and transferred in accordance with paragraph (b), to a registered retirement savings plan, registered retirement income fund or a money purchase provision of a registered pension plan, shall not exceed the product of (i) and (ii), where:
- (i) is the annual amount of retirement income equal to the Plan Benefit using the Member's date of termination of employment or Retirement Date, as applicable, as the Date of Determination; and
 - (ii) is the appropriate factor from the following table:

<u>Attained Age at Date of Calculation</u>	<u>Factor</u>
Under 50	9.0
50	9.4
51	9.6
52	9.8
53	10.0
54	10.2
55	10.4
56	10.6
57	10.8
58	11.0
59	11.3
60	11.5
61	11.7
62	12.0
63	12.2
64	12.4
65	12.4
66	12.0
67	11.7
68	11.3
69	11.0
70	10.6
71	10.3

For non-integral ages lower than 64, the appropriate factor shall be determined on an interpolated basis.

If the Member retires on a Postponed Retirement Date, the amount under subparagraph (i) above shall include any actuarial increase to which the Member may be entitled under Section 4.03.

- (f) If the amount to be transferred exceeds the maximum transferable amount determined above, such excess shall be paid to the Member in cash.

The transfers this Section shall be subject to any limitations prescribed by Applicable Pension Laws in respect of the transfer of monies from the Fund.

Article 12 – Ad Hoc Increases

12.01 Ad Hoc Increases

In its sole discretion, the Company may from time to time provide ad hoc increases to the amounts of retirement income being paid to DB Members.

12.02 Maximum Payment Amount

Notwithstanding Section 12.01, in no event shall:

- (a) the amount of retirement income payable to a DB Member under Article 4 or 7 exceed the amount of retirement income in the year of commencement, adjusted from that time to reflect increases in the Consumer Price Index as published by Statistics Canada, subject to paragraph (b) below; and
- (b) the amount of lifetime retirement income payable under Article 4 to a Member whose retirement income at Pension Commencement Date is restricted by the Maximum Formula in Section 3.02, exceed the lifetime retirement income in the year of commencement, adjusted from the January 1st following the Pension Commencement Date to reflect increases in the Consumer Price Index as published by Statistics Canada.

The above paragraph shall also apply to any portion of retirement income continuing to the Member's Spouse or Beneficiary after the Member's death.

Appendix A – Bakery Members

The provisions of this Appendix A shall apply to each Bakery Member. The regular DB Provisions of the Plan under Part 3 shall apply to each such Member, except to the extent specifically modified by the provisions of this Appendix A.

Article 3 – Retirement Income Formulae

3.02 Plan Formula

(a) *Unit 935 (Laval)*

The Plan Formula, with respect to a DB Member employed in unit 935, shall be the monthly amount specified in (i), (ii) or (iii), as applicable, where:

- (i) is, in respect of retirement on and after May 1, 2006 and prior to May 1, 2007, \$58 multiplied by the Member's Credited Service;
- (ii) is, in respect of retirement on and after May 1, 2006 and prior to May 1, 2008, \$59 multiplied by the Member's Credited Service; and
- (iii) is, in respect of retirement on and after May 1, 2008, \$60 multiplied by the Member's Credited Service.

Notwithstanding the foregoing, the Plan Formula shall not be less than the amount of retirement income accrued to the Member, based on the Member's Final Average Earnings and Credited Service, and the terms of the Plan in effect as at September 30, 1993.

(b) *Unit 941 (Ottawa Sales Branch)*

The Plan Formula, with respect to a DB Member employed in unit 941, shall be the monthly amount specified in (i) or (ii) as applicable, where:

- (i) is, in respect of retirement on and after August 1, 2006 and prior to June 1, 2007, \$46, multiplied by the Member's Credited Service;

- (ii) is, in respect of retirement on and after June 1, 2007 and prior to December 1, 2009, \$48 multiplied by the Member's Credited Service;
- (iii) is, in respect of retirement on and after December 1, 2009 and prior to January 1, 2012, \$50 multiplied by the Member's Credited Service; and
- (iv) is, in respect of retirement on and after January 1, 2012, \$52 multiplied by the Member's Credited Service.

Notwithstanding the foregoing, the Plan Formula shall not be less than the amount of retirement income accrued to the Member under the terms of the Plan, based on the Member's Final Average Earnings and Credited Service as at December 31, 2000.

(c) *Unit 943 (Toronto Sales Branch W&D)*

The Plan Formula, with respect to a Member employed in unit 943, shall be the monthly amount specified in (i), (ii) or (iii), as applicable, where:

- (i) is, in respect of retirement on and after February 19, 2007 and prior to November 1, 2007, \$51 multiplied by the Member's Credited Service;
- (ii) is, in respect of retirement on and after November 1, 2007 and prior to December 1, 2009, \$53 multiplied by the Member's Credited Service;
- (iii) is, in respect of retirement on and after December 1, 2009 and prior to January 1, 2012, \$55 multiplied by the Member's Credited Service; and
- (iv) is, in respect of retirement on and after January 1, 2012, \$57 multiplied by the Member's Credited Service.

Notwithstanding the foregoing, the Plan Formula shall not be less than the amount of retirement income accrued to the Member, based on the Member's Final Average Earnings and Credited Service and the terms of the Plan in effect as at December 31, 2000.

(d) *Unit 966 (Toronto)*

The Plan Formula, with respect to a Member employed in unit 966, shall be the monthly amount specified in (i), (ii) or (iii), as applicable, where:

- (i) is, in respect of retirement on and after May 1, 2008 and prior to April 4, 2009, \$60 multiplied by the Member's Credited Service;
- (ii) is, in respect of retirement on and after April 4, 2009 and prior to January 1, 2010, \$62 multiplied by the Member's Credited Service;
- (iii) is, in respect of retirement on and after January 1, 2010 and prior to January 1, 2011, \$63 multiplied by the Member's Credited Service; and
- (iv) is, in respect of retirement on and after January, 1, 2011, \$64 multiplied by the Member's Credited Service.

Notwithstanding the foregoing, the Plan Formula shall not be less than the amount of retirement income accrued to the Member, based on the Member's Final Average Earnings and Credited Service and the terms of the Plan in effect as of December 31, 1991.

(e) *Unit 968 (Montreal)*

The Plan Formula, with respect to a Member employed in unit 968, shall be the monthly amount specified in (i), (ii) or (iii), as applicable, where:

- (i) is, in respect of retirement on and after May 1, 2008 and prior to June 12, 2009, \$60 multiplied by the Member's Credited Service;
- (ii) is, in respect of retirement on and after June 12, 2009 and prior to January 1, 2010, \$62 multiplied by the Member's Credited Service;
- (iii) is, in respect of retirement on and after January 1, 2010 and prior to January 1, 2011, \$63 multiplied by the Member's Credited Service; and
- (iv) is, in respect of retirement on and after January 1, 2011, \$64 multiplied by the Member's Credited Service;

Notwithstanding the foregoing, the Plan Formula shall not be less than the amount of retirement income accrued to the Member, based on the Member's Final Average Earnings and Credited Service and the terms of the Plan in effect as of December 31, 1991.

Article 4 – Amount of Retirement Income

4.02 Early Retirement

- (a) A DB Member who retires on an Early Retirement Date shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, equal to the Plan Benefit using the Member's Early Retirement Date as his Date of Determination, reduced by five-twelfths of one percent ($5/12$ of 1%) for each complete month by which the Member's Pension Commencement Date precedes the first (1st) day of the month coincident with or following the Member's sixty-second (62nd) birthday.

Notwithstanding the foregoing, if the Member's age plus Credited Service equals at least eighty (80) years at the Member's Pension Commencement Date, no reduction shall be applied and the Member's Early Retirement Date shall exclude the requirement to attain age fifty-five (55).

4.04 Redundancy Pension

With respect to a DB Member who elects to receive an amount of retirement income in accordance with Section 4.04, such retirement income shall be equal to the Plan Benefit using the Member's date of termination of employment as the Date of Determination, reduced by a fraction, the numerator of which is the Member's Credited Service, less one-half ($1/2$) of the number of complete years by which the Pension Commencement Date precedes the Member's sixtieth (60th) birthday and the denominator of which is the Member's Credited Service.

Article 8 – Article 12 – Disability Benefits

8.03 Disability Retirement Income

With respect to a DB Member who elects to receive an amount of retirement income in accordance with Section 8.03, such retirement income shall be equal to the Plan Benefit in effect at his date of disability and the Credited Service of the Member on the date he ceases to accrue Continuous Service, reduced by a fraction, the numerator of which is the Member's Credited Service, less one-half (1/2) of the number of complete years by which the Pension Commencement Date precedes the Member's sixtieth (60th) birthday and the denominator of which is the Member's Credited Service.

Appendix B – Non-Bakery Members

The provisions of this Appendix B shall apply to each Non-Bakery Member. The regular DB Provisions of the Plan under Part 3 shall apply to each such Member, except to the extent specifically modified by the provisions of this Appendix B.

Article 3 – Retirement Income Formulae

3.02 Plan Formula

The Plan Formula shall be (a) minus (b), where:

- (a) is one and one-half percent (1-1/2%) of the Member's Final Average Earnings, multiplied by the Member's Credited Service; and
- (b) is four-tenths of one percent (4/10 of 1%) of the lesser of the Member's Final Average Earnings and the Member's YMPE Average, multiplied by the Member's Credited Service.

Article 4 – Amount of Retirement Income

4.03 Early Retirement

- (a) *Unit 965 (Toronto Biscuit Bakery) and Unit 967 (Montreal Biscuit Bakery)*

A DB Member employed in unit 965 or unit 967 who retires on an Early Retirement Date shall receive an amount of retirement income commencing, at the Member's election, at any time on or prior to his Normal Retirement Date, equal to the Plan Benefit using the Member's Early Retirement Date as his Date of Determination, reduced by one-third of one percent (1/3 of 1%) for each complete month in excess of thirty-six (36) months by which the Member's Pension Commencement Date precedes his Normal Retirement Date.

(b) *Other Members*

A DB Member who is not employed in a unit described in Appendix A or paragraph (a) who retires on an Early Retirement Date shall receive an amount of retirement income commencing, at the Member's election, at any time prior to his Normal Retirement Date, equal to the Plan Benefit using the Member's Early Retirement Date as his Date of Determination, reduced by five-twelfths of one percent (5/12 of 1%) for each complete month in excess of thirty-six (36) months by which the Member's Pension Commencement Date precedes his Normal Retirement Date.

4.04 Redundancy Pension

With respect to a Member who elects to receive an amount of retirement income in accordance with Section 4.04, such retirement income shall be equal to the Plan Benefit using the Member's date of termination of employment as the Date of Determination, reduced by a fraction, the numerator of which is the Member's Credited Service, less one-half (1/2) of the number of complete years by which the Pension Commencement Date precedes the Member's sixtieth (60th) birthday and the denominator of which is the Member's Credited Service.

Article 8 – Disability Benefits

8.03 Disability Retirement Income

With respect to a Member who elects to receive an amount of retirement income in accordance with Section 8.03, such retirement income shall be equal to the Plan Benefit using the Member's Credited Service and Final Average Earnings in effect on the date he ceases to accrue Continuous Service on the date he ceases to accrue Continuous Service, reduced by a fraction, the numerator of which is the Member's Credited Service, less one-half (1/2) of the number of complete years by which the Pension Commencement date precedes the Member's sixtieth (60th) birthday and the denominator of which is the Member's Credited Service.

Appendix C – Provincial Provisions – Alberta

Notwithstanding any other provision of the Plan, the provisions of this Appendix C shall apply to a Member who is an Alberta Employee.

“**Alberta Employee**” means an Employee who reports to work at an establishment of the Company in the Province of Alberta. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Alberta Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Alberta.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.50 “**Spouse**” means, subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of the Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member and has not been living separate and apart from the Member for three (3) or more consecutive years; or
- (b) if there is no person to whom paragraph (a) above applies, the person who, immediately preceding the relevant time, lived with the Member in a conjugal relationship:
 - (i) for a continuous period of at least three (3) years; or
 - (ii) of some permanence, if there is a child of the relationship by birth or adoption.

2.51 “**Temporary Suspension of Employment**” means any suspension of employment that lasts 52 weeks or less and is expected to be temporary in nature.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income under Part 3 or the value of the Member's DC Account under Part 2 may, before payment of that benefit has commenced, be commuted and paid in a lump sum at the discretion of the Member or the Member's Spouse if the Member has died, if:
- (i) the annual retirement income that would be payable to the Member under Part 3 at or after Normal Retirement Date plus the retirement income that would be payable to the Member from the value of the DC Account does not exceed four percent (4%) of the YMPE as at the date the Member or the Member's Spouse, as applicable, makes the application in the prescribed form; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income under Part 3 plus the value of the Member's DC Account under Part 2 does not exceed twenty percent (20%) of the YMPE as at the date the Member or the Member's Spouse, as applicable, makes the application in the prescribed form.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income under Part 3 and the value of the Member's DC Account under Part 2 payable to a Member may be commuted and paid in a lump sum if the Member has a terminal illness or a disability, certified by a medical practitioner, which is likely to shorten the Member's life considerably. If the Member has a Spouse, the retirement income may only be commuted if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.
- (c) Retirement income under Part 3 and the value of the Member's DC Account under Part 2 required to be paid under the Plan to a Member who has ceased to accrue Continuous Service and who has been a non-resident of Canada for

purposes of Revenue Rules, may be commuted and paid in a lump sum at the request of the person entitled to the benefit, provided that the prescribed forms are completed and filed as required by Applicable Pension Laws. If the Member has a Spouse, an election to commute and receive a lump sum payment may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.

- (d) In the event of the termination or retirement of a Member who has attained age 50 or more but who has not reached age 55, and if such Member is eligible and elects a transfer options in accordance with Section 6.03 of Part 2 and Article 11 of Part 3, such Member may elect to unlock and receive in a lump sum payment, or as a transfer to a retirement savings plan or a retirement income fund registered under the Income Tax Act, up to 50% of the value of the benefit under Part 3 or his DC Account under Part 2 required to be paid under the Plan provided that the appropriate forms are completed and filed as may be required by the Company. If the Member has a Spouse, an election to unlock up to 50% of the value of the benefit under Part 3 or the DC Account under Part 2 may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.
- (e) A Spouse who has attained age 50 but not age 55 or more who is entitled to payment of a benefit under Part 3 or Part 2 as the result of the death of a Member, and who transfers the value required to be paid under the Plan to a locked-in retirement savings arrangements as prescribed under the Applicable Pension Laws, may also elect to unlock and receive in a lump sum payment, or as a transfer to a retirement savings plan or a retirement income fund registered under the Income Tax Act, up to 50% of the value of the benefit under Part 3 or Part 2 payable to the Spouse, provided that the appropriate forms are completed and filed as may be required by the Company.
- (f) The Company may, at its sole discretion, require a Member who is entitled to an amount of deferred retirement income under Part 3, who is more than 10 years prior to Normal Retirement Date to transfer, in lieu of any other benefit under the Plan, the lump sum Actuarial Equivalent of such deferred retirement income, if the lump sum Actuarial Equivalent of the benefits payable under Part 3 is less than 20% of the YMPE in the year of termination.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 7 – Death Benefits

7.02 Payment of Death Benefits

- (a) If a DC Member dies, distribution of the Member's DC Account payable in accordance with Section 7.01 to the Member's Spouse shall be made as:
- (i) a transfer to a locked-in retirement savings vehicle as prescribed under the Applicable Pension Laws, or
 - (ii) a single premium purchase of a life annuity from an insurance company, commencing no later than the end of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules.
- as designated by the Spouse or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion in such form as may be permitted under Applicable Pension Laws.
- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

Part 3 – DEFINED BENEFIT PROVISIONS

Article 5 – Payment of Retirement Benefits

5.02 Mandatory Spousal Pension

- (a) The retirement income payable under Article 4 or 7, to a DB Member who, at the Pension Commencement Date, has a Spouse who has not waived entitlement to a contingent pension, shall be payable in equal monthly instalments for the life of the Member, with the last payment due to the Member on the first (1st) day of the month in which the death of the Member occurs and seventy-five percent (75%) of this retirement income continuing to be paid to the Member's Spouse, commencing on the first (1st) day of the month following the month in which the death of the Member occurs and ending on the first (1st) day of the month in which the death of the Member's Spouse occurs. The benefit payable under this paragraph shall be the Actuarial Equivalent of the benefit payable under Section 9.01.
- (b) Subject to Applicable Pension Laws, a DB Member and his Spouse may waive this form of pension by signing a waiver form to that effect. A Spouse who has waived entitlement to a survivor pension may revoke the waiver by filing a written notice with the Company prior to the Member's Pension Commencement Date.
- (c) A Spouse who has waived the right to a contingent pension shall receive any other post-retirement survivor benefits under the Plan, unless the Spouse has further waived his or her right to such post-retirement benefits prior to the commencement of such benefits, in prescribed form and in accordance with Applicable Pension Laws.

Article 6 – Death Benefits

6.05 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
 - (i) paid into another registered pension plan, if this other plan so permits; or
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse prescribed under the Applicable Pension Laws.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix D – Provincial Provisions – British Columbia

Notwithstanding any other provision of the Plan, the provisions of this Appendix D shall apply to a Member who is a British Columbia Employee.

“British Columbia Employee” means an Employee who reports to work at an establishment of the Company in the Province of British Columbia. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “British Columbia Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of British Columbia.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

- 2.50 **“Spouse”** means, subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of the commencement of the Member’s pension and the date of the Member’s death, meets one (1) of the following eligibility requirements:
- (a) the person who is married to the Member and who, if living separate and apart from the Member at relevant time, did not live separate and apart from the Member for no longer than the two (2) year period immediately preceding the relevant time; or
 - (b) if there is no person under paragraph (a), the person who is living and cohabiting with such Member in a marriage-like relationship, including a marriage-like relationship between persons of the same gender, and who lived and cohabited in that relationship in the two (2) year period immediately preceding the relevant time.
- 2.51 **“Temporary Suspension of Employment”** means any suspension of employment that lasts 26 weeks or less and is expected to be temporary in nature.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income under Part 3 and the value of the DC Account under Part 2 required to be paid under the Plan may be commuted and paid in a lump sum, at the discretion of the Member or the Member's Spouse if the Member has died, if:
- (i) the annual retirement income that would be payable to a Member at or after Normal Retirement Date is less than ten percent (10%) of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income does not exceed twenty percent (20%) of the YMPE as at the Date of Determination.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (c) Retirement income under Part 2 or Part 3 payable to a Member may be commuted and paid in a lump sum if the Member has a physical disability, certified by a medical practitioner, which is likely to considerably shorten the Member's life expectancy.
- (d) Retirement income required to be paid under Part 2 or Part 3 of the Plan to a Member who has ceased to accrue Continuous Service and who has been a non-resident of Canada for purposes of Revenue Rules for more than two (2) years may be commuted and paid in a lump sum, at the request of the person entitled to the benefit, provided the appropriate forms are completed and filed as required by Applicable Pension Laws.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 7 – Death Benefits

7.02 Payment of Death Benefits

- (a) If a DC Member dies, distribution of the Member's DC Account payable in accordance with Section 7.01 to the Member's Spouse shall be made as:
- (i) a transfer to a locked-in retirement savings vehicle as prescribed under the Applicable Pension Laws, or
 - (ii) a single premium purchase of a life annuity from an insurance company, commencing no later than the end of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules.
- as designated by the Spouse or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion in such form as may be permitted under Applicable Pension Laws.
- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

PART 3 – DEFINED BENEFIT PROVISIONS

6.05 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
 - (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix E – Provincial Provisions – Manitoba

Notwithstanding any other provisions of the Plan, this Appendix E shall apply to each Manitoba Employee.

“Manitoba Employee” means an Employee who reports to work at an establishment of the Company in the Province of Manitoba. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Manitoba Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Manitoba.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.50 **“Spouse”** means, subject to the requirements of the Applicable Pension Laws, the person, at the earlier of a Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the common-law partner who, not being married to the Member, meets one (1) of the following eligibility requirements:
 - (i) the person who, with such Member, registered a common-law relationship under section 13.1 of The Vital Statistics Act;
 - (ii) the person who has resided with such Member in a conjugal relationship for at least three (3) years if either of them is married; or
 - (iii) the person who has resided with such Member in a conjugal relationship for at least one (1) year if neither of them is married.

For greater certainty, a Spouse who satisfies the criteria under paragraph (b) shall only be considered to have survived the Member if such Spouse was cohabiting with the Member immediately prior to the death of the Member or the Member's Pension Commencement Date, as applicable, and such Spouse provides evidence to this effect satisfactory to the Company.

- 2.51 **“Temporary Suspension of Employment”** means any suspension of employment that lasts less than 54 weeks and is expected to be temporary in nature.

Article 3 – Membership

3.03 **New Employees Hired on or after January 1, 2011**

- (a) Each Union Employee who is hired on a full-time basis on and after January 1, 2011, shall become a DB Member of the Plan on the first day of the month coincident with or next following the date the Employee completes two (2) years of Continuous Service. Notwithstanding any provision to the contrary, the Company may, in its sole discretion, waive the foregoing eligibility requirement.
- (b) Each Union Employee who is hired on a less than full time basis on and after January 1, 2011 shall be eligible to become a DB Member in accordance with the eligibility requirements applicable to a full-time Union Employee, but shall, in any event, become a Member no later than the first (1st) day of the month coincident with or following the date on which both of the following requirements are fulfilled:
 - (i) the Employee has completed two (2) years of Continuous Service; and
 - (ii) the Employee has received Earnings at least equal to twenty-five percent (25%) of the YMPE in each of the two (2) previous consecutive calendar years.
- (c) Each Non-Union Employee who is hired on a full-time or on a less than full-time basis on and after January 1, 2011 shall be eligible to become a DC Member on the first day of the month coincident with or next following the date the Employee completes 90 days of Continuous Service. However, such Employee

shall become a Member no later than the first (1st) day of the month coincident with or following the date on which both of the following requirements are fulfilled:

- (i) the Employee has completed two (2) years of Continuous Service; and
- (ii) the Employee has received Earnings at least equal to twenty-five percent (25%) of the YMPE in each of the two (2) previous consecutive calendar years.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income under Part 3 and the value of the Member DC Account under Part 2 may be commuted and paid in a lump sum if:
 - (i) the annual retirement income that would be payable to the Member under Part 3 at Normal Retirement Date is less than 4% of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of the Member's retirement income under Part 3 is less than 20% of the YMPE as at the Date of Determination; or
 - (iii) the value of the Member's Account under Part 2 is less than 20% of the YMPE.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

A benefit required to be paid under Part 2 or Part 3 to a Member who has ceased to accrue Continuous Service and who is a non-resident of Canada for purposes of Revenue Rules, may be commuted and paid in a lump sum at the request of the Member, provided that the appropriate forms are completed and filed as required by Applicable Pension Laws. If the Member has a Spouse, an election to commute and receive a lump sum payment may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 7 – Death Benefits

7.02 Payment of Death Benefits

- (a) If a DC Member dies, distribution of the Member's DC Account payable in accordance with Section 7.01 to the Member's Spouse shall be made as:
- (i) a transfer to a locked-in retirement savings vehicle as prescribed under the Applicable Pension Laws, or
 - (ii) a single premium purchase of a life annuity from an insurance company, commencing no later than the end of the calendar year in which the Spouse attains age 71, or such other age as may be permitted by Revenue Rules, or if later, within one year of the Member's date of death, in a form acceptable under Applicable Pension Laws and Revenue Rules.
- as designated by the Spouse or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Company in its absolute discretion in such form as may be permitted under Applicable Pension Laws.
- (b) The value of the Member's DC Account shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (c) Distribution of the Member's DC Account on the death of a Member to the Member's Beneficiary who is not a Spouse shall be made as a lump sum cash payment.

PART 3 – DEFINED BENEFIT PROVISIONS

6.01 Death Benefits Prior to Retirement Date

- (a) If the death of a Member who is accruing Continuous Service occurs prior to his Retirement Date, there shall be paid to the Member's Spouse, or if the Member does not have a Spouse, the Member's Beneficiary, the lump sum Actuarial Equivalent of the retirement income the Member would have been eligible to receive in accordance with Section 4.02 or Article 7, as applicable, in respect of Credited Service, or Plan amendments made, on or after January 1, 1985, had the Member retired or terminated employment on the date of death. The retirement income under this paragraph (a) payable in respect of a Member who was employed in unit 929, 931, 932 or 949, in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%).

Notwithstanding the foregoing, the Member's Spouse shall receive the above benefit as an immediate annuity or as a deferred annuity commencing on or before December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules) or if later, within one (1) year of the Member's date of death. In lieu thereof, the benefit may be transferred in accordance with paragraph 11.02(c).

- (b) Notwithstanding paragraph (a), if the death of a Member occurs prior to his Retirement Date, but on or after the Member's attainment of age fifty-five (55) and completion of at least fifteen (15) years of Continuous Service, and such Member has a Spouse, the Member's Spouse shall receive an immediate retirement income, commencing on the first (1st) day of the month following the month in which the Member's death occurs and ending on the first (1st) day of the month in which the death of the Spouse occurs, equal to fifty percent (50%) of the retirement income the Member would have received had the Member

retired on the day immediately preceding his date of death and elected to receive retirement income in the form described in paragraph 5.03(c), with fifty percent (50%) continuance to the Member's Spouse.

A Spouse entitled to the benefit under this paragraph (b) may elect to receive, in lieu of this benefit, the benefit under paragraph (a), by completing and delivering such election to the Company, in the written form and manner prescribed by the Company, within the period prescribed under the Applicable Pension Laws.

6.04 **Death Benefits for Terminated Members**

If the death of a Member occurs after the Member has ceased to accrue Continuous Service, but prior to the Member's Pension Commencement Date, the benefit and the person entitled to the benefit shall be determined in accordance with Section 10.01, to the extent not previously refunded.

6.05 **Commutation of Death Benefits**

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 6.01, may elect in the manner and form prescribed by the Company, to have this amount:
- (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or
 - (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.

- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix F – Provincial Provisions – New Brunswick

Notwithstanding any other provision of the Plan, the provisions of this Appendix F shall apply to a Member who is a New Brunswick.

“New Brunswick Employee” means an Employee who reports to work at an establishment of the Company in the Province of New Brunswick. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “New Brunswick Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of New Brunswick.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.50 **“Spouse”** means subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of a Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the person who is married to the Member by a marriage that is voidable and has not been voided by a declaration of nullity; or
- (c) the person who has going through a form of marriage with the Member, in good faith, that is void, and has cohabited with the Member within the preceding year; or
- (d) the person who is not married to the Member, provided that the person is cohabiting with the Member and they have cohabited:
 - (i) continuously for a period of three (3) years or more in a conjugal relationship in which one (1) person has been substantially dependent upon the other for support; or

- (ii) in a relationship of some permanence where there is a child born of whom they are the natural parents;
and they have cohabited within the preceding year.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) Retirement income payable under Part 3 or the value of the DC Account under Part 2 may be commuted and paid in a lump sum at the discretion of the Member if the lump sum Actuarial Equivalent of the retirement income under Part 3 or the value of the Accounts under Part 2, as applicable, increased by 6% per year that the Member's age on December 31st of the year of the Date of Determination is less than 65, is less than 40% of the YMPE as at the Date of Determination.
- (b) Retirement income required to be paid under Part 3 or the DC Account required to be paid under Part 2 to a Member who has terminated employment, who is neither a Canadian citizen nor a resident of Canada for purposes of Revenue Rules, and whose Spouse, if applicable, is neither a Canadian citizen nor a resident of Canada for purposes of Revenue Rules, may be commuted and paid in a lump sum at the Member's discretion.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid. Such commutation is subject to the Member's Spouse providing the required waiver in accordance with Applicable Pension Laws.
- (c) The Administrator may, at its sole discretion, require a Member who is entitled to an amount of deferred retirement income under Part 3 to transfer, in lieu of any other benefit under the Plan, the lump sum Actuarial Equivalent of such deferred retirement income, if the lump sum Actuarial Equivalent of the benefit under Part 3 and the value of the Accounts under Part 2 is less than 10% of the YMPE in the year of termination.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

Article 7 – Death Benefits

7.01 Death Benefits Prior to Retirement Date

If the death of a DC Member occurs prior to the distribution of the Member's DC Account under any other Article of Part 2 of the Plan, the Member's Spouse or, if there is no Spouse, the Member's Beneficiary shall be entitled to distribution of the value of the Member's DC Account. A Spouse may not waive entitlement to the pre-retirement death benefit.

PART 3 – DEFINED BENEFIT PROVISIONS

6.01 Death Benefits Prior to Retirement Date

- (a) If the death of a Member who is accruing Continuous Service occurs prior to his Retirement Date, there shall be paid to the Member's Spouse, or if the Member does not have a Spouse, the Member's Beneficiary, the lump sum Actuarial Equivalent of the retirement income the Member would have been eligible to receive in accordance with Section 4.02 or Article 7, as applicable, had the Member retired or terminated employment on the date of death. The retirement income under this paragraph (a) payable in respect of a Member who was employed in unit 929, 931, 932 or 949, in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%).

Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse hereunder, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity commencing on or before December 1st of the calendar year in which the Spouse

attains age seventy-one (71) (or such other age permitted under Revenue Rules) or if later, within one (1) year of the Member's date of death or may elect to transfer the Actuarial Equivalent lump sum in accordance with Section 10.05. If the Spouse does not make an election within the period prescribed by the Applicable Pension Laws, the Spouse shall be deemed to have elected an immediate retirement income.

- (b) Notwithstanding paragraph (a), if the death of a Member occurs prior to his Retirement Date, but on or after the Member's attainment of age fifty-five (55) and completion of at least fifteen (15) years of Continuous Service, and such Member has a Spouse, the Member's Spouse shall receive an immediate retirement income, commencing on the first (1st) day of the month following the month in which the Member's death occurs and ending on the first (1st) day of the month in which the death of the Spouse occurs, equal to fifty percent (50%) of the retirement income the Member would have received had the Member retired on the day immediately preceding his date of death and elected to receive retirement income in the form described in paragraph 5.03(c), with fifty percent (50%) continuance to the Member's Spouse.

A Spouse entitled to the benefit under this paragraph (b) may elect to receive, in lieu of this benefit, the benefit under paragraph (a), by completing and delivering such election to the Company, in the written form and manner prescribed by the Company, within the time prescribed under Applicable Pension Laws.

Appendix G – Provincial Provisions – Newfoundland

Notwithstanding any other provision of the Plan, the provisions of this Appendix G shall apply to a Member who is a Newfoundland Employee.

“Newfoundland Employee” means an Employee who reports to work at an establishment of the Company in the Province of Newfoundland. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Newfoundland Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Newfoundland.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.50 **“Spouse”** means subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of a Member’s Pension Commencement Date and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the person who is married to the Member by a marriage that is voidable and has not been voided by a declaration of nullity; or
- (c) the person who has gone through a form of marriage with the Member, in good faith, that is void, and has cohabited with the Member within the preceding year; or
- (d) in relation to a Member who has a Spouse, as described in paragraph (a), (b) or (c) above, means a person who is not the Spouse of the Member, who has cohabited continuously with the Member in a conjugal relationship for not less than three (3) years; or

- (e) in relation to a Member who does not have a Spouse, as described in paragraph (a), (b) or (c) above, means a person who has cohabited continuously with the Member in a conjugal relationship for not less than one (1) year.

For the purposes of paragraphs (d) and (e), the person must be cohabiting with the Member or must have cohabited with the Member within the preceding year.

Article 9 – Payment of Retirement Benefits

9.04 Commutation of Benefits

- (a) Any benefit required to be paid under the Plan may be commuted and paid in a lump sum if:
- (i) the annual retirement income that would be payable to a Member at or after Normal Retirement Date is less than four percent (4%) of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income is less than ten percent (10%) of the YMPE as at the Date of Determination.

This right may be exercised upon ceasing to accrue Continuous Service, at any other date as may be specified by Applicable Pension Laws and at any other date as may be authorized by the Company. The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income payable to a Member may be commuted and paid in a lump sum if a physician certifies in writing, that the Member suffers from a significant physical or mental disability which considerably reduces the Member's life expectancy.

Article 10 – Death Benefits

12.03 Death Benefits Prior to Retirement Date

- (a) If the death of a Member who is accruing Continuous Service occurs prior to his Retirement Date, there shall be paid to the Member's Spouse, or if the Member

does not have a Spouse, the Member's Beneficiary, the lump sum Actuarial Equivalent of the retirement income the Member would have been eligible to receive in accordance with Section 8.02 or Article 11, as applicable, in respect of Credited Service, or Plan amendments made, on or after January 1, 1987, had the Member retired or terminated employment on the date of death. The retirement income under this paragraph (a) payable in respect of a Member who was employed in unit 929, 931, 932 or 949, in respect of Credited Service accrued on and after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%).

Subject to Applicable Pension Laws, if an amount is payable to the Member's Spouse hereunder, the Spouse may elect to receive such benefit, in lieu of the lump sum amount, as an immediate annuity or as a deferred annuity on or before December 1st of the calendar year in which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules) or if later, within one (1) year of the Member's date of death. If the Spouse does not make an election within ninety (90) days after the death of the Member, the Spouse shall be deemed to have elected an immediate retirement income.

- (b) Notwithstanding paragraph (a), if the death of a Member occurs prior to his Retirement Date, but on or after the Member's attainment of age fifty-five (55) and completion of at least fifteen (15) years of Continuous Service, and such Member has a Spouse, the Member's Spouse shall receive an immediate retirement income, commencing on the first (1st) day of the month following the month in which the Member's death occurs and ending on the first (1st) day of the month in which the death of the Spouse occurs, equal to fifty percent (50%) of the retirement income the Member would have received had the Member retired on the day immediately preceding his date of death and elected to receive retirement income in the form described in paragraph 9.03(c), with fifty percent (50%) continuance to the Member's Spouse.

- (c) If a Member dies while accruing Continuous Service and prior to his Retirement Date, but on or after his Vesting Date and on or after becoming eligible to retire in accordance with Article 6, notwithstanding the foregoing, the benefits payable under paragraph (a) or (b), as applicable, shall not be less than (i) or (ii), as applicable, where:
- (i) is, if there is a Spouse, the retirement income equal to the retirement income the Spouse would have received had the Member retired on the first (1st) day of the month coincident with or immediately preceding the date of the Member's death and elected to receive retirement income in accordance with Section 9.02, with seventy five percent (75%) continuance to the Spouse after the Member's death.
 - (ii) is, if there is no Spouse, the benefit payable to the Member's Beneficiary had the Member retired on the first (1st) day of the month coincident with or immediately preceding the date of the Member's death and elected to receive retirement income in accordance with the normal form of retirement income described in Section 9.01.

10.04 Death Benefits for Terminated Members

If the death of a Member occurs after the Member has ceased to accrue Continuous Service, but prior to the Member's Pension Commencement Date, the benefit and the person entitled to the benefit shall be determined in accordance with Section 10.01, to the extent not previously refunded or transferred.

12.04 Commutation of Death Benefits

- (a) A Spouse who is entitled to a lump sum amount pursuant to Section 10.01, may elect in the manner and form prescribed by the Company, to have this amount:
- (i) paid into another registered pension plan, if this other plan so permits;
 - (ii) paid into a locked-in registered retirement savings plan of the Spouse;
 - (iii) transferred to an insurance company licensed to carry out an annuity business in Canada commencing not later than December 1st of the

calendar year during which the Spouse attains age seventy-one (71) (or such other age permitted under Revenue Rules), or, if later, within one (1) year of the Member's date of death, in a form acceptable under Revenue Rules; or

- (iv) paid into such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules.
- (b) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (c) The amount of any retirement income payable to a Member's estate under a guarantee option, shall be paid in a lump sum Actuarially Equivalent amount to the remaining retirement income payments under the guarantee option.

Appendix H – Provincial Provisions – Nova Scotia

Notwithstanding any other provision of the Plan, the provisions of this Appendix H shall apply to a Member who is a Nova Scotia.

“Nova Scotia Employee” means an Employee who reports to work at an establishment of the Company in the Province of Nova Scotia. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, **“Nova Scotia Employee”** means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Nova Scotia.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

2.50 **“Spouse”** means subject to the requirements of the Applicable Pension Laws, the person who, at the earlier of the commencement of the Member’s pension and the date of the Member’s death, meets one (1) of the following eligibility requirements:

- (a) the person who is married to the Member; or
- (b) the person who is married to the Member by a marriage that is voidable and has not been annulled by a declaration of nullity; or
- (c) the person who has gone through a form of marriage with the Member, in good faith, that is void, provided that the person is cohabiting with the Member in a conjugal relationship, or if they have ceased to cohabit, has cohabited with the Member in a conjugal relationship within the twelve (12) month period immediately preceding the relevant time; or
- (d) the person who has cohabited with the Member in a conjugal relationship for a period of at least two (2) years, neither of the Member and the person being a Spouse.

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) The retirement income under Part 3 and the value of the Member's DC Account under Part 2 may be commuted and paid in a lump sum if:
- (i) the annual retirement income under Part 3 plus the value of the Member's DC Account under Part 2 at Normal Retirement Date is less than four percent (4%) of the YMPE as at the Date of Determination; or
 - (ii) the lump sum Actuarial Equivalent of such retirement income under Part 3 plus the value of the Member's DC Account under Part 2 is less than ten percent (10%) of the YMPE as at the Date of Determination.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income payable to a Member may be commuted and paid in a lump sum if the Member has a mental or physical disability that is likely to shorten considerably the life expectancy of the Member.

Appendix I – Provincial Provisions – Quebec

Notwithstanding any other provision of the Plan, the provisions of this Appendix I shall apply to a Member who is a Quebec Employee.

“**Quebec Employee**” means an Employee who reports to work at an establishment of the Company in the Province of Quebec. If the Employee is not required to report to work at an establishment of the Company or is required to report to more than one (1) establishment of the Company in different provinces, “Quebec Employee” means an Employee who is paid from an establishment of the Company, such establishment being situated in the Province of Quebec.

PART 1 – GENERAL PROVISIONS

Article 2 – Construction, Interpretation and Definitions

- 2.50 (a) “**Spouse**” means, subject to paragraphs (c) and (e), in relation to a Member, the person, whether the person is of the opposite sex or the same sex, who, at the earlier of the commencement of the Member’s pension and the date of the Member’s death, meets one (1) 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 lives together with the Member in a conjugal relationship:
 - (A) continuously for a period of three (3) years or more; or
 - (B) continuously for a period of one (1) year or more if:
 - (1) at least one child is born, or to be born, of their union;
 - (2) they have adopted, jointly, at least one (1) child while living together in a conjugal relationship; or

- (3) one (1) of them has adopted at least one (1) child who is the child of the other, while living together in a conjugal relationship;

provided that not more than one (1) person shall be a Spouse hereunder. In the event of more than one (1) person having claims to be such, the determination of the Company as to which person shall be the Spouse, on the basis of evidence available to it which it considers sufficient for the purposes of such determination, shall be final.

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), (e) and (f), “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 occurs, pursuant to subparagraph (b)(i), prior to the date the first (1st) pension instalment is due to the Member, the person who is married to or in a civil union with the Member shall cease to be the Member’s Spouse for the purposes of Sections 5.02 and 5.03 of Part 3 or Section 6.03 of Part 2, except where the Member notified the Company in writing to have such person entitled to the contingent retirement income despite such Separation.
- (d) In circumstances where:
- (i) a Member is married;

- (ii) the Member's lawfully wedded Spouse is no longer his Spouse for the purposes of Sections 5.02 and 5.03 of Part 3 or Section 6.03 of Part 2 in accordance with paragraph (c); and
- (iii) another person would qualify as the Member's Spouse in accordance with paragraph (a) had the Member not been married; such other person may, at the Member's discretion, be deemed to be the Member's Spouse for the purposes of Sections 6.02 and 6.03 of Part 3 or Section 6.03 of Part 2.
- (e) In Separation occurs prior to the date of the Member's death,, the person who is the Member's Spouse in accordance with paragraph (a) shall cease to be the Member's Spouse for the purposes of Sections 6.01, 6.02 and 6.04 of Part 3 or Sections 7.01 and 7.02 of Part 2. However, for the purposes of Section 6.02 of Part 3, determination of the Spouse shall be made in accordance with paragraphs (a), (c) and (e), unless the Spouse has waived the right to a retirement income, in accordance with Applicable Pension Laws.
- (f) If, after the commencement of the Member's retirement income, 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 retirement income shall cease to be the Member's Spouse for the purposes of any contingent retirement income payable under the form of payment elected by the Member in accordance with Article 5 of Part 3, except where the Member notified the Company in writing to have such person entitled to the contingent retirement income despite such Separation or termination of marriage or civil union.

Article 3 – Membership

3.02 Employees on December 31, 2010 – Not Members of the Plan at December 31, 2011

Each other Employee on December 31, 2010 who is employed on a full-time basis or part-time basis shall become a DB Member on the January 1st of the calendar year following the year in which the Employee earned at least thirty-five percent (35%) of the YMPE or worked seven hundred (700) hours with the Company.

6.05 New Employees Hired on or after January 1, 2011

- (a) Each Union Employee who is hired on a full-time basis or part-time basis on and after January 1, 2011 shall become a DB Member on the January 1st of the calendar year following the year in which the Employee earned at least thirty- five percent (35%) of the YMPE or worked seven hundred (700) hours with the Company.
- (b) Each Non-Union Employee who is hired on a full-time basis or on less than full- time basis on and after January 1, 2011 shall become a DC Member on the first day of the month coincident with or next following the date the Employee completes 90 days of Continuous Service.

Notwithstanding any provision to the contrary, the Company may, in its sole discretion, waive the foregoing eligibility requirement

Article 10 – General Provisions

10.06 Commutation of Benefits

- (a) (i) Benefits required to be paid under the Plan to a Member who has ceased to accrue Continuous Service may be commuted and paid in a lump sum, at the discretion of the Member, if the payment of the Member's retirement income under Part 3 has not commenced and if the lump sum Actuarial Equivalent of the benefits or the value of the Member's DC Account is less than twenty percent (20%) of the YMPE as at the Date of Determination. This right may be exercised upon ceasing to accrue Continuous Service, at any other date as may be specified by Applicable Pension Laws and at any other date as may be authorized by the Company.
- (ii) Where the requirements set out in subparagraph (i) are met, the Member's benefits may be commuted and paid in a lump sum, at the discretion of the Company, subject to the notification requirements of Applicable Pension Laws.

- (iii) The amount of the benefit settlement under subparagraph (i) or (ii) shall be the Actuarial Equivalent of the benefits remaining to be paid or the value of the Member's DC Account.
- (b) A Member who has ceased to accrue Continuous Service and who has not been residing in Canada for at least two (2) years may elect to receive the payment of his benefits in the form of a lump sum. The amount of the benefit settlement under this paragraph shall be the Actuarial Equivalent of the benefits remaining to be paid or the value of the Member's DC Account.
- (c) A Member or Spouse of a Member who is entitled to a deferred retirement income under Part 3 of the Plan or entitled to the value of a DC Account under Part 2 of the Plan, who has attained age fifty-five (55) but whose age is less than sixty-five (65) and who files a duly signed form prescribed by Applicable Pension Laws with the Company, may receive, in each calendar year, a lump sum payment equal to the lesser of (i) and (ii), where:
 - (i) is the lump sum Actuarial Equivalent of the deferred retirement income or the value of the DC account; and
 - (ii) is forty percent (40%) of the YMPE, minus the annual amount of any temporary retirement income received from a registered pension plan, under a life annuity contract or under a life income fund during that calendar year.The benefit entitlements of the Member or Spouse who elects to receive a lump sum payment in accordance with this paragraph shall be reduced in the manner specified in Sections 6.05 of Part 2 or 4.05 of Part 3.
- (d) A Member or Spouse who is entitled to a deferred retirement income under Part 3 of the Plan or to the value of a DC Account under Part 2 of the Plan and who elects to receive a temporary monthly income under a life income fund in accordance with Applicable Pension Laws prior to the calendar year in which

such person attains age fifty-five (55), may, for the purposes of replacing such deferred retirement income by a temporary income, apply for the transfer from the Plan to the life income fund, in each calendar year prior to the calendar year in which this person attains age fifty-five (55), of an amount equal to the lesser of (i) and (ii), where:

- (i) is the lump sum Actuarial Equivalent of the deferred retirement income or the value of the DC Account; and
 - (ii) is the additional amount required for the balance of the life income fund to allow, until the end of the calendar year, the payment of the maximum temporary monthly income under a life income fund as permitted by Applicable Pension Laws.
- (e) Any lump sum refund paid from the Plan may, subject to Revenue Rules, be transferred to an RRSP.

PART 2 – DEFINED CONTRIBUTION PROVISIONS

6.05 Phased Retirement

- (a) A DC Member who has attained age 55 and whose working time is reduced in accordance with a phased retirement agreement with the Company may receive, on request, for each calendar year covered by the agreement with the Company, a lump sum payment which shall not exceed the lesser of:
- (i) seventy percent (70%) of the reduction in the Member's remuneration resulting from the reduction in his working time during that year;
 - (ii) forty percent (40%) of the YMPE for that year; and
 - (iii) the value of the Member's DC Account.

Such lump sum payment shall also comply with such other requirements prescribed by Applicable Pension Laws.

- (b) If a DC Member elects to receive a payment in accordance with paragraph (a):
 - (i) subject to the other provisions of the Plan, contributions by the DC Member and the Company shall continue; and
 - (ii) the balance of the DC Member's DC Account shall be reduced by the payment received by the Member in accordance with paragraph (a).

PART 3 – DEFINED BENEFIT PROVISIONS

Article 4 – Amount of Retirement Income

4.03 Postponed Retirement

- (a) A DB Member retiring on a Postponed Retirement Date shall receive an amount of retirement income commencing from the Member's Postponed Retirement Date that is the sum of:
 - (i) the Plan Benefit determined using the Member's Normal Retirement Date as the Date of Determination; and
 - (ii) the amount of retirement income that is the Actuarial Equivalent of the retirement income under subparagraph (i) above that would have been paid since Normal Retirement Date, with interest thereon.
- (b) Notwithstanding paragraph (a) above, a Member who continues in the employ of the Company beyond Normal Retirement Date may elect to receive payment of all or a portion of such Member's retirement income equal to the Plan Benefit determined using the Member's Normal Retirement Date as the Date of Determination, but only to the extent necessary to compensate for a reduction in salaries or wages, as defined in Applicable Pension Laws, incurred on or after Normal Retirement Date.
- (c) No Member may exercise the right specified in paragraph (b) more than once per twelve (12) month period, except pursuant to an agreement with the Company.
- (d) If a Member elects to receive the payment of all or a portion of his retirement income prior to Postponed Retirement Date, the retirement income commencing

on the Postponed Retirement Date shall be equal to the retirement income under paragraph (a) less the Actuarial Equivalent of the retirement income received prior to Postponed Retirement Date, with interest thereon.

4.05 **Phased Retirement**

- (a) A Member who has attained age 55 and whose working time is reduced, in accordance with a phased retirement agreement with the Company, may receive, on request, for each calendar year covered by the agreement with the Company, a lump sum payment which shall not exceed the lesser of:
 - (i) seventy percent (70%) of the reduction in the Member's remuneration resulting from the reduction in his working time during that year;
 - (ii) forty percent (40%) of the YMPE for that year; and
 - (iii) the lump sum Actuarial Equivalent of the benefits that the Member would have been eligible to receive in accordance with Section 7.01, had the Member terminated employment on the date the lump sum payment is made and assuming payment of any retirement income entitlement commencing on the Member's Normal Retirement Date.
- (b) A Member may not receive, in the same calendar year, the benefit provided for in this Section and a retirement income payable under paragraph 4.03(b).
- (c) In the event that a Member elects to receive a payment in accordance with paragraph (a):
 - (i) subject to the other provisions of the Plan, the accrual of Credited Service shall continue;
 - (ii) a reducing retirement income payable in accordance with Article 5, commencing at Normal Retirement Date is determined as at the date the payment under paragraph (a) is made; and

- (iii) any benefit subsequently payable under the other provisions of the Plan shall be reduced by the Actuarial Equivalent of the reducing retirement income specified in subparagraph (ii).

Article 5 – Payment of Retirement Benefits

5.03 Election of Optional Form

(a) Other Options

(i) One Hundred and Twenty (120)-Month Guarantee Option

- (A) A Member may, subject to the conditions and actuarial adjustment specified in Section 5.03, elect to receive the retirement income payable under Article 4 or 7 in the form of an annuity payable in equal monthly instalments for the life of the Member with the last payment due on the first (1st) day of the month in which the death of the Member occurs and with a guarantee that if the Member dies before one hundred and twenty (120) payments are made, the remaining payments shall continue to be paid to the Member's Beneficiary.
- (B) A Member who, at the date the first (1st) instalment is due, has a Spouse who has not waived, in prescribed form, the right to a contingent retirement income, may elect to receive the retirement income payable under Article 4 or 7, in the form of an annuity payable as follows:
 - (1) equal monthly instalments are paid for the life of the Member, until the last instalment due on the first (1st) day of the month in which the death of the Member occurs;
 - (2) if the Member dies before one hundred and twenty (120) monthly instalments are made and the Spouse is still alive, sixty percent (60%) of the instalments continue to be paid to the Spouse and forty percent (40%) of the instalments

continue to be paid to the Member's Beneficiary commencing on the first (1st) day of the month following the month in which the death of the Member occurs and ending on the earlier of:

- (I) the first (1st) day of the month in which the death of the Member's Spouse occurs; and
- (II) the first (1st) day of the month in which a total of one hundred and twenty (120) monthly instalments are paid to the Member and the Spouse;

and, if the date under (I) occurs prior to the date under (II), the instalments continue to be paid to the Member's Beneficiary commencing on the first (1st) day of the month following the month in which the death of the Spouse occurs and ending on the first (1st) day of the month in which a total of one hundred and twenty (120) monthly instalments are paid to the Member, the Spouse and the Spouse's estate;

- (3) if the Member dies before one hundred and twenty (120) monthly instalments are made and the Spouse has predeceased the Member, the instalments continue to be paid to the Member's Beneficiary, commencing on the first (1st) day of the month following the month in which the death of the Member occurs and ending on the first (1st) day of the month in which a total of one hundred and twenty (120) monthly instalments are paid to the Member and the Beneficiary; and

- (4) after the Member's death and provided the Spouse is still alive, monthly instalments equal to sixty percent (60%) of the retirement income that was payable to the Member continue to be paid to the Spouse commencing on the later of:
- (I) the first (1st) day of the month following the month in which the death of the Member occurs; and
 - (II) the first (1st) day of the month that is one hundred and twenty (120) months later than the date the first (1st) instalment was paid to the Member.

The benefit payable under this paragraph shall be the Actuarial Equivalent of the benefit payable under Section 5.01.

(ii) Temporary Pension Option

- (A) A Member who elects to receive his retirement income payable under Article 4 or 7 prior to his Normal Retirement Date and who files a duly signed form prescribed by Applicable Pension Laws with the Company prior to the payment of the first (1st) instalment of the benefit, may elect to receive his retirement income 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 the lesser of (1) and (2), where:
- (1) is forty percent (40%) of the YMPE in the year of payment commencement; and
 - (2) is the maximum annual amount of temporary retirement income permitted by Revenue Rules.
- (B) If the Member elects the temporary pension option described in this paragraph, any benefits payable to the Member's Beneficiary or Spouse after the Member's death shall be determined in

accordance with such other form of payment elected by the Member in accordance with Article 5, 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 shall be the Actuarial Equivalent of the benefit which would have been otherwise payable had the Member not elected the 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.

In lieu of any other form of retirement income specified in this Article, a Member may elect any other optional form that Applicable Pension Laws require to be made available, or as may be approved and made available by the Company from time to time, subject to Applicable Pension Laws and Revenue Rules.

5.04 **Redetermination of Form of Retirement Income**

- (a) If a Member receives retirement income under a form that provides for the continuance of the Member's retirement income to the Spouse after the Member's death and if, after the commencement of the Member's retirement income, the Member's Spouse ceases to be entitled to the contingent retirement income by virtue of paragraph 2.50(f) of Part 1, the Member is entitled, on request to the Company, to a redetermination of the retirement income. The redetermined retirement income shall be in the same amount and have the same characteristics as the retirement income 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 retirement income began.
- (b) Unless the Company has received the notice provided for in paragraph 2.50(f) of Part 1, the Company shall redetermine the Member's retirement income in

accordance with paragraph (a) if the benefits accrued to the Member under the Plan are partitioned, pursuant to Section 6.02 of Part 1, subsequent to the commencement of the Member's retirement income.

- (c) If the Member requests a redetermination in accordance with paragraph (a) and the effective date of the judgement 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.

Article 6 – Death Benefits

6.02 Death Benefits After Normal Retirement Date and Before Postponed Retirement Date

If a DB Member who is accruing Continuous Service dies on or after Normal Retirement Date, but before Postponed Retirement Date, benefits shall be paid, subject to paragraph (c), in accordance with the following paragraph (a) or (b), as applicable.

- (a) If there is a Spouse who has not waived, in accordance with Applicable Pension Laws, the right to the retirement income payable under this paragraph, the Spouse shall receive a retirement income equal to the greater of (i) and (ii), where:
- (i) is the retirement income that is the Actuarial Equivalent of the retirement income the Member would have been eligible to receive in accordance with Section 4.03, in respect of Credited Service, or Plan amendments made, on and after January 1, 1987, had the Member retired on the date of death;
 - (ii) is the retirement income the Spouse would have received had the Member retired on the first (1st) day of the month coincident with or immediately preceding the date of the Member's death and elected to receive retirement income in accordance with paragraph 5.02(a) with seventy-five percent (75%) continuance to the Spouse after the Member's death.

- (b) If there is no Spouse or if the Spouse has waived, in accordance with Applicable Pension Laws, the right to the retirement income payable under paragraph (a), benefits shall be payable in accordance with Section 6.01, but with reference to Section 4.03 instead of Section 4.02 or Article 7.
- (c) If the Member received the payment of all or a portion of his retirement income prior to his death:
 - (i) there shall be paid to the Spouse or Beneficiary any benefits due in accordance with Section 6.03 with respect to the retirement income the Member was receiving immediately prior to his death; and
 - (ii) there shall also be paid benefits in accordance with paragraph (a) or (b) above, as applicable, multiplied by one less the ratio that (A) bears to (B), where:
 - (A) is the retirement income the Member was receiving immediately prior to his death; and
 - (B) is the retirement income the Member would have been eligible to receive in accordance with Section 4.03 had the Member retired on the date of death.

6.04 Death Benefits for Terminated Members

If the death of a DB Member occurs after the Member has ceased to accrue Continuous Service, but prior to the Member's Pension Commencement Date, the benefit and the person entitled to the benefit shall be determined in accordance with Section 6.01, to the extent not previously refunded or transferred.

Article 7 – Termination of Employment

7.01 Termination Benefit

A DB Member whose employment with the Company is terminated, for any reason other than death or retirement, shall receive a retirement income commencing on the Member's Normal Retirement Date, equal to the Plan Benefit determined using the Member's date of termination of employment as his Date of Determination, payable in accordance with Article 5.

Such retirement income, in respect of Credited Service accrued on or after January 1, 2001, shall be increased on the date of its commencement to reflect fifty percent (50%) of the change in the Consumer Price Index for Canada published by Statistics Canada, from the date of termination of employment to the date that is ten (10) years prior to Normal Retirement Date. The annualized increase shall not be less than zero percent (0%) or greater than two percent (2%).

Article 10 – Transfer of Employment

10.01 Transfers to Associated Companies

If a DB Member is transferred, on or after January 1, 2011, within the Company to a category of employment such that the Member ceases to be an Employee for the purposes of the Plan or is transferred to any Canadian company which is associated with the Company, but which does not itself participate in the Plan, at least ten (10) years prior to the Member's Normal Retirement Date, the Member may elect to receive benefits in accordance with Article 7. If the Member does not elect to receive benefits in accordance with Article 11, the Member's:

- (a) Continuous Service (for benefit eligibility purposes) shall include all periods of uninterrupted, regular employment of the Member while he remains in the employment of the Company or the associated company, as applicable; and
- (b) Credited Service (for benefit computation purposes) shall exclude those periods of employment during which he is not an Employee; and
- (c) Final Average Earnings shall be determined based only on the Member's Earnings from the Company.

Schedule 1 – DSD WAREHOUSE CLOSURE IN CALGARY AND EDMONTON

The Company announced the closure of the DSD warehouses in Calgary and Edmonton on January 30, 2009. The provisions of this Appendix set out the special provisions that apply only to Affected Members (as defined below) as of the specified Termination Date (as defined below). The regular provisions of the Plan shall apply to such Members except to the extent that they are modified by this Appendix. Benefits payable in respect of death, retirement or termination of employment prior to and after the Termination Date shall be governed by the terms of the Plan as it was construed at the relevant time.

ARTICLE E-1 – DEFINITIONS

Unless the context requires otherwise, all words and phrases defined elsewhere in the Plan (other than this Appendix) and used in this Appendix shall have the same meaning as given to them elsewhere in the Plan.

In this Appendix:

- E1.01 **“Affected Member”** means a Member who receives a notice of termination of employment as a result of the closure of the DSD warehouses in Edmonton or Calgary and who terminates employment on his Termination Date pursuant to such notice.
- E1.02 **“Termination Date”** in respect of an Affected Member means the date when he terminates employment with the Company pursuant to the notice referred to in Section E1.01.

ARTICLE E-2 – RETIREMENT

E2.01 Immediate Retirement

If an Affected Member has reached his Early Retirement Date, Normal Retirement Date or Postponed Retirement Date and is therefore eligible to retire and receive an immediate pension as at his Termination Date, then the Affected Member may elect to either commence that pension or transfer the Actuarial Equivalent of that pension pursuant to the terms of Section E4.02.

ARTICLE E-3 – VESTING

E3.01 Immediate Vesting

An Affected Member who is not eligible to receive the benefit under Section E2.01 when he reaches his Termination Date shall be considered to be entitled to a deferred vested pension determined in accordance with Section 11.01 regardless of length of participation in the Plan.

ARTICLE E-4 – MISCELLANEOUS

E4.01 No Duplication of Benefit Option

An Affected Member may not elect to receive benefits under more than one of Article E-2, Article E-3 or the regular provisions of the Plan.

E4.02 Full Portability

Subject to the provisions of Section E2.01, an Affected Member who is entitled to a pension under the terms of this Appendix may elect to transfer the Actuarial Equivalent of such pension. The Actuarial Equivalent of such pension shall be transferred in accordance with Section 11.05, provided that the Affected Member notifies the Company of such selection in such form and manner as complies with the Act. An Affected Member who makes such election shall take such transfer in full satisfaction of all rights under the Plan and, upon such transfer, shall not be entitled to any further benefit under the Plan.

E4.03 Timing of Election

An Affected Member who wishes to retire or elect to transfer the Actuarial Equivalent of his pension pursuant to the provisions of this Appendix must complete and deliver to the Company an election, in the form prescribed by the Company, within the prescribed time after receipt of the statement setting out such Affected Member's entitlement under this Appendix. An Affected Member who fails to complete and deliver such form within the stated time shall, subject to the requirements of Act, be deemed to have elected to receive a deferred pension payable from the Plan and commencing at the earliest date when it will be unreduced for early commencement, provided that the Affected Member may subsequently elect an earlier commencement date as provided under the terms of this Appendix.

Schedule 2 – SISMET DSD WAREHOUSE CLOSURE IN TORONTO

The Company announced the closure of the Sismet DSD warehouse in Toronto on April 29, 2009. The provisions of this Appendix set out the special provisions that apply only to Affected Members (as defined below) as of the specified Termination Date (as defined below). The regular provisions of the Plan shall apply to such Members except to the extent that they are modified by this Appendix. Benefits payable in respect of death, retirement or termination of employment prior to and after the Termination Date shall be governed by the terms of the Plan as it was construed at the relevant time.

ARTICLE F-1 – DEFINITIONS

Unless the context requires otherwise, all words and phrases defined elsewhere in the Plan (other than this Appendix) and used in this Appendix shall have the same meaning as given to them elsewhere in the Plan.

In this Appendix:

- F1.01 **“Affected Member”** means a Member who receives a notice of termination of employment as a result of the closure of the Sismet DSD warehouse in Toronto and who terminates employment on his Termination Date pursuant to such notice.
- F1.02 **“Termination Date”** in respect of an Affected Member means the date when he terminates employment with the Company pursuant to the notice referred to in Section F1.01.

ARTICLE F-2 – RETIREMENT

F2.01 Immediate Retirement

If an Affected Member has reached his Early Retirement Date, Normal Retirement Date or Postponed Retirement Date and is therefore eligible to retire and receive an immediate pension as at his Termination Date, then the Affected Member may elect to either commence that pension or transfer the Actuarial Equivalent of that pension pursuant to the terms of Section F5.02.

ARTICLE F-3 – RULE OF FIFTY-FIVE

F3.01 Eligibility for Enhancement

Notwithstanding the provisions of Article 7 and Article 9, if the sum of the attained age of an Affected Member plus his Continuous Service equals or exceeds 55 years on his Termination Date, then the Affected Member shall be eligible for the benefit provided pursuant to Section F3.02.

F3.02 Early Retirement Benefit

An Affected Member who is eligible pursuant to Section F3.01 is entitled to receive a deferred retirement income calculated as of his Termination Date and commencing on his Normal Retirement Date or he may elect to receive a pension commencing on the first day of any month after he attains age 55 calculated pursuant to Section 7.03 or 9.01 as applicable.

ARTICLE F-4 – VESTING

F4.01 Immediate Vesting

An Affected Member who is not eligible to receive the benefit under Section F2.01 or F3.01 when he reaches his Termination Date shall be considered to be entitled to a deferred vested pension determined in accordance with Section 11.01 regardless of length of participation in the Plan.

ARTICLE F-5 – MISCELLANEOUS

F5.01 No Duplication of Benefit Option

An Affected Member may not elect to receive benefits under more than one of Article F-2, F-3, F-4 or the regular provisions of the Plan.

F5.02 **Full Portability**

Subject to the provisions of Section F2.01, an Affected Member who is entitled to a pension under the terms of this Appendix may elect to transfer the Actuarial Equivalent of such pension. The Actuarial Equivalent of such pension shall be transferred in accordance with Section 11.05, provided that the Affected Member notifies the Company of such selection in such form and manner as complies with the Act. An Affected Member who makes such election shall take such transfer in full satisfaction of all rights under the Plan and, upon such transfer, shall not be entitled to any further benefit under the Plan.

F5.03 **Timing of Election**

An Affected Member who wishes to retire or elect to transfer the Actuarial Equivalent of his pension pursuant to the provisions of this Appendix must complete and deliver to the Company an election, in the form prescribed by the Company, within 90 days of receipt of the statement setting out such Affected Member's entitlement under this Appendix. An Affected Member who fails to complete and deliver such form within the stated time shall, subject to the requirements of Act, be deemed to have elected to receive a deferred pension payable from the Plan and commencing at the earliest date when it will be unreduced for early commencement, provided that the Affected Member may subsequently elect an earlier commencement date as provided under the terms of this Appendix.



Your Kraft Canada Inc.

Retirement and Savings Program

For legacy Kraft Salaried employees and non-union hourly employees, hired on or before December 31, 2010

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Even if you haven't given it much thought, you probably have a good idea of how you'd like to enjoy your retirement. Perhaps you think of travel, or spending more time with your family or on a hobby. Whatever your dreams, it's important for you to consider whether you have the financial means to enjoy your retirement years.

Becoming a member of the Kraft Canada Basic Pension Plan helps take you one step closer to reaching your retirement goals. However, it's probably not the only step you'll need to take to meet your financial goals. That's where savings plans such as your group Registered Retirement Savings Plan (GRRSP) and Kraft's Optional Pension Plan (OPP) and Employee Savings Plan (ESP) can help.

This booklet provides summaries of the OPP, ESP and GRRSP, as well as general retirement planning and investment information.

You are responsible for making investment decisions about your account balance in the Retirement and Savings Program. You are welcome to use the information and decision-making tools offered by Sun Life Financial. Please consider obtaining investment advice from other sources, since your personal financial situation is unique.

About Your Retirement and Savings Program

As a legacy Kraft full-time salaried or eligible non-union hourly employee, you are eligible to participate in the Kraft Canada Retirement and Savings Program, which has been designed to help you reach your future financial goals. If you are a part-time employee, you may also be eligible – contact the Kraft Canada Pension and Benefits Centre at 1-800-395-1270 for further details.

Your goals might be long-term (for retirement) or short-term (for other personal needs). Since everyone's financial needs and goals are different, the program is designed to give you the flexibility to customize your savings so they can meet your needs.

The Retirement and Savings Program includes the following components:

Registered Pension Plan

Basic Pension Plan

Registered defined benefit component (tax-sheltered)

Optional Pension Plan (OPP)

Registered defined contribution component (tax-sheltered)

Employee Savings Plan (ESP)

Non-registered plan (after-tax account)

Group Registered Retirement Savings Plan (GRRSP)

Registered retirement savings plan (tax-sheltered)

Optional plans provide you with increased retirement savings opportunities

A registered pension plan is a plan that has been submitted to and formally approved by the appropriate government agencies. Contributions are tax deductible, and investment earnings are tax-sheltered until they are withdrawn.

The Basic Pension Plan

The **Basic Pension Plan** is the defined benefit component of the Registered Pension Plan. As a member, you are required to make regular payroll contributions. When you retire from Kraft Canada, you receive a pension benefit based on a set formula that takes into account your years of credited service and highest average earnings. The Basic Pension Plan is described in a separate brochure. If you have questions about it, please contact the Kraft Canada Pension and Benefits Centre at **1-800-395-1270**.

The Optional Pension Plan

The **Optional Pension Plan (OPP)** is the defined contribution component of the Registered Pension Plan. If you choose to participate in the OPP, you make tax-deductible contributions to a personal account within the plan, up to certain legislated maximums. Kraft Canada matches a portion of your contributions, up to certain maximums. Investment income is not taxable until you retire and begin receiving income. Your entire account balance (including your contributions and investment earnings) is locked-in, i.e., it can only be used to provide retirement income. Your entire account balance is immediately vested, meaning you are entitled to Kraft's matching contributions (including investment earnings) when you leave Kraft, in addition to your own contributions (including investment earnings).

The Employee Savings Plan

The **Employee Savings Plan (ESP)** is a non-registered savings plan that can be used to finance retirement or other personal goals. If you choose to participate, you make contributions and Kraft Canada matches a portion of your contributions, up to certain maximums. Your contributions are not tax-deductible and company contributions and all investment earnings are taxable. However, you can withdraw the money at any time for any purpose. Though your contributions (including investment earnings) always belong to you, Kraft's matching contributions (including investment earnings) are subject to vesting rules. For more information, see **Owning Contributions** on page 10.

You can contribute through payroll deductions as much as 16% of your pay to the **OPP and ESP** combined. Kraft will make a matching contribution to your account (currently 55 cents) for every dollar you contribute, on the first 6% of earnings you save through payroll deductions. **That's like getting an automatic 55% return on your initial contributions.**

With both plans, you choose how much to contribute and you decide how to invest these contributions from a variety of investment options.

Group Registered Retirement Savings Plan (GRRSP)

The **Group Registered Retirement Savings Plan (GRRSP)** is a registered savings plan (tax sheltered). If you choose to participate, you make contributions up to your personal RRSP limit

set by the Canada Revenue Agency (CRA). You are responsible for monitoring your RRSP contributions to ensure that you do not exceed your annual limit. You will be issued an RRSP tax receipt for your RRSP contributions for the first 60 days and last 305 days of each calendar year. Investment income is not taxable until you begin receiving an income or assets are withdrawn in cash (deregistered). Your contributions are not locked-in and always belong to you.

The OPP, ESP and GRRSP at a Glance

	Optional Pension Plan (OPP)	Employee Savings Plan (ESP)	Group Registered Retirement Savings Plan (GRRSP)
Status as a registered plan	<ul style="list-style-type: none"> Defined contribution component of the Registered Pension Plan 	<ul style="list-style-type: none"> A non-registered savings plan separate from the Registered Pension Plan 	<ul style="list-style-type: none"> A registered savings plan separate from the Registered Pension Plan
Company match	<ul style="list-style-type: none"> Currently, \$0.55 for every dollar you contribute, on the first 6% of earnings you save through payroll deductions 	<ul style="list-style-type: none"> Same as OPP 	<ul style="list-style-type: none"> N/A
Tax status	<ul style="list-style-type: none"> Your contributions are tax-sheltered; i.e., they are deducted from your earnings, and capped at certain maximums Kraft's contributions and all investment earnings are tax-sheltered and not added to your taxable income for the year All income is taxable as you receive it during retirement 	<ul style="list-style-type: none"> Your contributions are not tax-deductible Kraft's contributions are taxed in the year they are made You may incur a capital gain or loss from a withdrawal or transfer of funds in the ESP Kraft Canada may trigger a capital gain or loss by removing investment options at any time 	<ul style="list-style-type: none"> Your contributions are tax-sheltered; i.e., they are deducted from your earnings, and capped at certain maximums All income is taxable as you receive it during retirement
Access to your money (i.e., locked-in status)	<ul style="list-style-type: none"> Your entire account balance (including your contributions and investment earnings) is locked-in, i.e., it can only be used to provide retirement income (see In the Event of... on page 12 for payment options at retirement) 	<ul style="list-style-type: none"> You can withdraw the money at any time. However, you may forfeit a portion of the company's contributions plus investment earnings – only contributions that have been in the account for three or more calendar years can be withdrawn with no penalty 	<ul style="list-style-type: none"> You can transfer or withdraw the money at any time. Taxes are withheld from any amount withdrawn in cash

	Optional Pension Plan (OPP)	Employee Savings Plan (ESP)	Group Registered Retirement Savings Plan (GRRSP)
Vesting rules	<ul style="list-style-type: none"> You are immediately vested in your entire account balance 	<ul style="list-style-type: none"> Kraft's matching contributions are subject to vesting rules (see Owning Contributions on page 10) 	<ul style="list-style-type: none"> You are immediately vested
Investments	<ul style="list-style-type: none"> You decide how to invest all contributions from a variety of investment options (see Your Investments on page 14) 	<ul style="list-style-type: none"> Same as OPP 	<ul style="list-style-type: none"> Same as OPP
Lump-sum contributions	<ul style="list-style-type: none"> Not allowed 	<ul style="list-style-type: none"> Allowed, but you do not receive a company match Subject to verification 	<ul style="list-style-type: none"> Allowed Bonus payments also can be directed to the GRRSP

Why it's Important to Think About Retirement Now

While your retirement may be many years away, the steps you take today can make a big difference in the lifestyle you'll be able to enjoy once your work life ends. Even if you are close to retirement, it's not too late to take advantage of the program and reap the rewards in your retirement years.

Here are answers to the questions many people ask about saving for retirement.

Why Save Now?

When it comes to saving and investing for retirement, the benefits of starting early and contributing regularly are significant. (Though if you haven't started saving, it's never too late.)

Start Early

The earlier you begin saving, the more you'll accumulate, and the more your savings will have the opportunity to grow as a result of compound interest.

Compounding occurs when the interest or income from your savings and investments is reinvested to earn additional income. The more you set aside each year, the more income you can earn on it.

Example

Let's say you want to save \$500,000 for your retirement. Here's how much you would need to save each year to reach your goal, depending on how many years you have until retirement and assuming money is invested in monthly installments, earns a 3% return before fees and is tax-sheltered.



As you can see from the example above, the earlier you start, the less you have to put aside each year towards your end goal. Even modest savings, set aside early, can have a dramatic effect on your ultimate retirement savings. Remember that income from tax-sheltered savings will be taxable as you receive it during retirement.

Contribute Regularly

One of the keys to saving successfully for retirement is deciding how much you can afford to put aside each month, then disciplining yourself to save at least this amount on a regular basis.

An advantage of making regular contributions is that you don't have to be as concerned about the highs and lows of the stock market. If you're putting a fixed amount into an investment fund every month, the same dollar amount will buy more units of the funds when stock prices are low.

When stock prices rise, your regular contribution will buy fewer units and/or shares. However, with a long-term approach to your investments, you can help weather the up-and-down swings in the stock market over an extended period of time.

The Kraft Canada Retirement and Savings Program makes it easy to save for retirement by enabling you to invest gradually over time, using the convenience of the regular payroll deductions. You also benefit from company contributions to your savings.

For example, this table shows how your savings can accumulate through regular contributions (in this case, \$300 per month) as opposed to a year-end, lump-sum contribution of \$3,600.

	Lump Sum (One deposit of \$3,600 at year end)	Monthly (12 regular deposits of \$300 each month)
10 years	\$41,300	\$41,900
20 years	\$97,100	\$98,500
30 years	\$172,400	\$174,800
40 years	\$274,000	\$277,800

Note: This table assumes a 3% return (before fees) compounded monthly and tax-sheltered. This assumed rate of return may not be appropriate for your savings. It does not reflect the impact of fees.

How Much Do I Need to Save?

Only you can estimate your financial needs. Some experts say you'll need the purchasing power of 60% to 80% of the income you earned in your final year of work to maintain a similar lifestyle during retirement. So, if you earned \$60,000 the year before your retirement, you may need \$36,000 to \$48,000 of annual retirement income from all sources combined. It's less money than you needed before retirement because you'll likely have fewer living expenses – for example, you may no longer have a mortgage or child-rearing expenses to pay. However, let's not forget about inflation. If the cost of goods and services increases, the buying power of your retirement dollar goes down. You need to make sure you have a big enough financial cushion to carry you through the ups and downs of the economy in future years. Kraft Canada cannot advise you on how much money you will need.

To illustrate, this chart shows what would happen to the cost of a simple loaf of bread over the next 20 years if the inflation rate were 2% per year.



At Kraft Canada, we believe that planning for retirement is very important. The online Retirement Modelling Tool can help you achieve your future financial wellness. See page 17 for details.

Where Will My Retirement Income Come From?

If you're like most Canadians, you'll probably draw on at least three sources of income when you retire:

Your Company Pension and Savings Plans
Plans like the Kraft Basic Pension Plan, the OPP, ESP and GRRSP can provide a solid foundation depending on your earnings and years of service, as well as your savings plan contribution levels and investment performance.
+
Government Benefits
Old Age Security and the Canada/Quebec Pension Plan may give you some additional retirement dollars, but the amounts likely won't be sufficient on their own.
+
Personal Savings
Personal savings such as Registered Retirement Savings Plans (RRSPs) can boost your retirement income even further.
=
RETIREMENT INCOME

About the OPP, ESP and GRRSP

Eligibility

All legacy Kraft full-time salaried and eligible non-union hourly employees hired on or prior to December 31, 2010 automatically join the Basic Pension Plan on the first day of the month after one year of employment with Kraft.* Once you are a member of the Basic Pension Plan, you may voluntarily participate in the OPP and/or the ESP, as well as the GRRSP.

Your decision to participate will likely depend on your personal financial goals. If you wish to save additional money for retirement, consider participating in the registered OPP, which is subject to provincial pension legislation. The ESP can help you meet short- or long-term goals.

The GRRSP is available January 1, 2012. All employees are eligible to participate immediately.

* *Different rules apply to part-time employees and employees in Quebec. For more information, please call the Kraft Canada Pension and Benefits Centre at 1-800-395-1270.*

Enrolment

Enrol today! Joining the OPP, ESP and/or GRRSP is easy and only takes 5 to 10 minutes.

Enrolment Form

Enrol in the plan by simply completing the enrolment form found in the my money Investment and Savings Guide. If you need help, please call Sun Life Financial's Customer Care Centre at **1-866-896-6976** any business day from 8 a.m. to 8 p.m. ET.

Online Enrolment

You must first register for your access ID and password. Simply go to www.sunlife.ca/kraft and select **Register now**. You'll need your account number and your date of birth. You can find your 14-digit account number in the welcome letter you received from Sun Life Financial. Your 14-digit account number starts with 02209 and is followed by your nine-digit Kraft employee number.

Once you have your personal access ID and password, sign into www.sunlife.ca/kraft with your personal access ID and password and select the **Let's get started** link.

Contributions

Eligible pay is your annual base salary, including regular incentive payments, overtime and premium pay, but excluding long-term incentive awards, prizes or additional awards in cash or otherwise.

About Tax-Sheltered Limits

The Canada Revenue Agency (CRA) limits the amount of money you can save on a tax-sheltered basis every year. Your tax-sheltered limit is equal to 18% of your income, up to a dollar maximum and is reduced by your pension adjustment (PA) for the current year. (For an example of your PA, see the T4 slip you received from Kraft Canada Inc. this year, which shows your PA from the previous year).

Therefore, depending on the OPP contribution level you select, you may not be able to contribute or receive Kraft Canada's matching contributions on a fully tax-sheltered basis. Instead, OPP contributions that are above your tax-sheltered limit will be deposited in the ESP.

The payroll system will keep track of your OPP contributions and automatically direct contributions that are above the limit to the ESP. However, you are ultimately responsible for ensuring that you do not exceed your contribution limits set by CRA each year and are responsible for any penalties assessed on you.

Your contributions to the GRRSP are tax deductible up to the limits set by the CRA. You are responsible for ensuring you do not exceed your personal limit.

Your Contributions

You can choose to direct up to 6% of your eligible pay to the OPP. The only limit on ESP contributions is that you cannot contribute through payroll deductions more than 16% of earnings to the OPP and the ESP combined. Contributions to the GRRSP are allowed by payroll deductions and bonus deferral up to your personal limit set by the CRA.

- Your contributions to the OPP are tax-deductible up to the limits set by the Canada Revenue Agency (CRA). These limits apply because the OPP is part of a registered pension plan. Contributions above the CRA limit are automatically re-directed to the ESP.
- Your contributions to the ESP are not tax-deductible.
- Your contributions to the GRRSP are tax deductible up to the limits set by the CRA. You are responsible for ensuring you do not exceed your personal limit.

You can change the percentage of your payroll contributions, discontinue contributions or re-direct future contributions from one plan to the other at any time. See **Managing Your Investments** on page 15 for more information.

Lump-sum transfers

You can also transfer cash invested in your other personal savings accounts into the ESP (subject to verification process) or GRRSP. These lump-sum contributions **are not** eligible for a company matching contribution.

Company Contributions

As an incentive for saving, you receive a 55% matching contribution from Kraft Canada on the first 1% to 6% of earnings you save through payroll deductions. This means that Kraft Canada adds 55 cents to each dollar you contribute.

Company contributions are directed to the OPP and/or ESP in the same way as your own contributions. If you reach the maximum OPP contribution level permitted by the CRA, contributions will be re-directed to the ESP. Company contributions to the ESP are considered a taxable benefit.

With company contributions, your savings can really add up – and that’s without even considering investment earnings. Suppose you earn \$60,000. The chart below shows the total annual amount directed to your savings at various contribution rates.

Your Contribution Rate (% of Earnings)	Your Contribution Amount	Company Contribution	Total Annual Contribution to Your Savings
1%	\$600	\$330	\$930
2%	\$1,200	\$660	\$1,860
3%	\$1,800	\$990	\$2,790
4%	\$2,400	\$1,320	\$3,720
5%	\$3,000	\$1,650	\$4,650
6%	\$3,600	\$1,980	\$5,580

Owning Contributions

You always own your contributions and the investment earnings on those contributions. Ownership of company contributions differs depending on whether they are deposited in the OPP or the ESP.

OPP – You own company contributions and the related investment earnings in the OPP immediately after they are deposited into your investment account. (However, because they are part of the Registered Pension Plan, you are not permitted to withdraw funds from this account until you retire. Also see **In the Event of...** on page 12 for details on what happens in case of termination or death.)

ESP – Kraft contributions and related investment earnings in the ESP are owned gradually as shown in the following table.

Number of calendar years that Kraft contributions are in the ESP	Percentage of Kraft contributions you own
Less than two	25%
Two	50%
Three or more	100%

Once you become eligible for retirement, you own all company contributions to the ESP no matter how long they have been in your account.

GRRSP – Company contributions are not made to the GRRSP.

Investment Accounts

All contributions to the OPP, ESP and/or GRRSP are directed to investment accounts held in your name by Sun Life Financial. You control how contributions to your accounts are invested, choosing from a range of professionally managed investment options. See **Your Investments** on page 14 of this booklet for more information about your investment options.

Investment earnings in your OPP and GRRSP accounts are not taxed until you begin receiving retirement income. Investment earnings in your ESP account are taxable and must be reported on your income tax return each year. Sun Life Financial will send you a tax slip showing the amount of investment income earned in the ESP and company contributions to the ESP in the previous year.

Withdrawing Funds

Locked-in

Locked-in money must be used only to provide retirement income. It cannot be withdrawn as a lump sum and can be transferred, for example, to an insurance company to buy an annuity, or to a locked-in retirement vehicle.

From Your OPP Account

Because the OPP is part of the Registered Pension Plan, you are not permitted to withdraw funds from this account until retirement.

From Your ESP Account

Cash withdrawals from the ESP are permitted at any time subject to vesting, or ownership, rules that apply to company contributions. See **Owning Contributions** on page 10 for details.

Note that if you withdraw company contributions from the ESP deposited in the last two years, you will forfeit a portion of the company's contributions plus investment earnings.

From your GRRSP Account

Cash withdrawals or transfers to other financial institutions are permitted at any time. Tax will be withheld on cash withdrawals and a tax slip will be issued to report the amount as withdrawn income.

In the Event of...

	OPP	ESP	GRRSP
Retirement	<p>You may transfer the value of your OPP account to any of the following:</p> <ul style="list-style-type: none"> • A Locked-in Retirement Account (LIRA) offered by Sun Life Financial or any other financial institution • A Registered Retirement Income Fund (RRIF) or Life Income Fund (LIF) offered by Sun Life Financial or any other financial institution • Sun Life Financial or any other Canadian insurer for the purchase of a life annuity • Another registered pension plan, if that plan permits it <p>In addition, if you wish, your money may be left in the plan for up to three years from your retirement date. If Sun Life Financial does not receive your instructions within three years, you will become responsible for an additional monthly administration fee.*</p>	<p>You become automatically vested, and the full value of your ESP account is payable to you.</p> <p>You may withdraw your account in cash, or transfer your account to Sun Life Financial or any other financial institution.</p> <p>In addition, if you wish, your money may be left in the plan for up to three years from your retirement date.</p> <p>If Sun Life Financial does not receive your instructions within three years, the funds in your non-registered plan will automatically be transferred to a non-registered account in Sun Life Financial's Group Choices Plan.</p> <p>If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund.</p>	<p>You may transfer the value of your GRRSP account to any of the following:</p> <ul style="list-style-type: none"> • A Registered Retirement Income Fund (RRIF) or Life Income Fund (LIF) offered by Sun Life Financial or any other financial institution • Sun Life Financial or any other Canadian insurer for the purchase of a life annuity • Another registered savings plan, if that plan permits it <p>In addition, if you wish, your money may be left in the plan for up to three years from your retirement date. If Sun Life Financial does not receive your instructions within three years, the funds in your registered plan will automatically be transferred to a group registered retirement savings plan in Sun Life Financial's Group Choices Plan.</p> <p>If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund.</p>
Termination	<p>You may transfer the value of your OPP account to any of the vehicles shown above.</p> <p>You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial.</p> <p>If Sun Life Financial does not</p>	<p>Your ESP cash withdrawals are subject to vesting rules. You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial.</p> <p>If Sun Life Financial does not receive your instructions within</p>	<p>You may transfer the value of your OPP account to any of the vehicles shown above.</p> <p>You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial.</p> <p>If Sun Life Financial does not</p>

	OPP	ESP	GRRSP
	receive your instructions within 90 days, you will become responsible for an additional monthly administration fee.*	90 days, the funds in your non-registered plan will automatically be transferred to a non-registered account in Sun Life Financial's Group Choices Plan. If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund.	receive your instructions within 90 days, the funds in your registered plan will automatically be transferred to a group registered retirement savings plan in Sun Life Financial's Group Choices Plan. If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund.
Death	If you die before retirement, the total value of your OPP account will be paid as a lump sum, less taxes, to your spouse or beneficiary. If your spouse is your beneficiary, he or she may transfer this amount before taxes to another retirement vehicle, locked-in where required.	If you die before retirement, vesting is automatic. The total value of your ESP account will be paid to your beneficiary.	If you die before retirement, the total value of your GRRSP will be paid to your beneficiary.

* Contact Sun Life Financial at 1-866-896-6976.

Marital Breakdown (applicable to OPP only)

Locked-in Retirement Vehicle

A locked-in retirement vehicle is another plan or contract in which the funds must ultimately be used to provide a regular income during retirement, and cannot be withdrawn as a lump sum. The availability and exact rules pertaining to retirement vehicles such as a locked-in retirement account (LIRA), life income fund (LIF) or locked-in retirement income fund (LRIF) depend on applicable legislation in your province of employment.

According to family law, your Registered Pension Plan, of which the OPP is a component, may be considered a family asset. This means that your pension may be taken into account in the overall division of your family assets if you have a marital breakdown.

However, it is important to note that the law does not automatically require pensions to be divided at source where a marital breakdown occurs. Rather, the treatment of any pension benefits will typically be set out in the separation agreement or divorce order.

Therefore, if you have a marital breakdown, we require receipt of certain documentation in order to ensure the plan is administered appropriately. Specifically, you must forward to the Kraft Canada Pension and Benefits Centre documentation including, but not necessarily limited to, the separation agreement, the divorce certificate and the divorce order. The documentation you

provide must be complete and meet all administrative requirements. Strict confidentiality rules are in place at the Kraft Canada Pension and Benefits Centre and this documentation is used only for the necessary administration of the pension plan.

Please note that the actual division of a pension at source in the context of a marital breakdown is governed by applicable pension law and the terms of the pension plan itself.

“Marital breakdown” may include the breakdown of a marriage and the breakdown of a common-law relationship.

Your Investments

You are responsible for making all investment decisions within your OPP, ESP and GRRSP. You control the investment of contributions to your OPP, ESP and GRRSP accounts, choosing from a broad range of investment options. You can take a more hands-off approach by investing in Target Date funds, or you can build your own portfolio by investing in a mix of investment funds with different objectives, risk factors and return expectations.

Target Date Funds

Target Date funds are structured to coincide with an event or time in your life toward which you are saving, such as retirement or a major purchase. You determine when you will need your money and then pick the fund that matches that date. The fund’s asset mix will automatically shift towards more conservative investments as the target maturity date approaches.

Because Target Date funds are slightly more complex and require more active management by the fund manager, they typically have higher management fees than other investment options.

Build Your Own Funds

With build your own funds, you choose from a mix of investment funds to create your own personal asset mix. First, you complete the investment risk profiler found on www.sunlife.ca/kraft or in the **my money** investment guide. Once your score has been determined, you build a portfolio based on the recommended profile. Profiles range from conservative to aggressive. It is up to you to monitor your portfolio over time. You may decide to rebalance your investments periodically to ensure that you maintain an investment mix that fits your needs and risk profile.

A description of each fund is found in the Sun Life Financial enrolment kit and through www.sunlife.ca/kraft. You should review the fund information thoroughly to make informed investment decisions and put your strategy into action.

Choosing What’s Right for You

How you invest your contributions to the OPP, ESP and GRRSP can be just as important as how much you save.

Diversification

It is important to keep in mind that diversification among funds with different objectives, risk factors and expected returns helps diminish investment volatility (i.e., sudden ups and downs). For example, although stocks offer potentially higher returns than bonds or cash, their value can fluctuate significantly over the short term. As such, you should consider mixing up your contributions by taking a closer look at the other choices available to you.

Managing Your Investments

Personal Statements

Over time, the value of your accounts will change, depending on the amount you and Kraft contribute, how your investments perform and any withdrawals you make. You can track investment performance through annual statements sent to your home or by checking the quarterly statements posted to the Sun Life Financial plan member website. These easy-to-read statements include a summary of your plans, your transaction history, personal rates of return, all fees associated with your accounts, as well as any new plan information. You can also check your account balance at any time on the Sun Life Financial Plan Member Services website.

To Access Your Online Statement

Sign into www.sunlife.ca/kraft using your personal access ID and password.

You can track investment performance and manage your accounts online at www.sunlife.ca/kraft. After you've signed in using your access ID and password, you'll be able to:

- Monitor your account balances, transaction history and personal rates of return
- View your quarterly online statement
- Change your contribution rate, transfer money between investment funds and update future investment instructions
- Get detailed fund information and analysis, including access to Morningstar where you can generate investment performance reports and conduct comparative analyses between the plan's funds and Morningstar's pooled fund universe
- Access educational tools such as the investment risk profiler and other retirement and financial planning tools

You can transfer money between investment funds and change your investment instructions for future contributions at any time. However, in order to discourage short-term trading which causes instability in the funds and affects all unit holders, Sun Life Financial charges a 2% penalty for multiple transfers in and out of the same investment fund within 30 days. The penalty does not apply to Kraft Foods, Altria and PMI stock, money market and guaranteed fund transactions.

If you prefer, you can also call the Sun Life Financial Customer Care Centre at **1-866-896-6976** to access and manage your accounts over the telephone.

Kraft Foods, Altria and PMI Stock

Funds invested in Kraft Foods, Altria or PMI stock are invested directly in shares of these three companies. This means that you will see a direct correlation between the Kraft Foods, Altria and PMI stock traded on the New York Stock Exchange and your account value. The daily value of your stocks will represent the closing bid price, converted to Canadian dollars.

Any dividends received (excluding Altria and PMI dividends) will be allocated to your account the next day.

Transaction Processing

Your investment fund values are determined on a daily basis (except for Kraft Foods, Altria and PMI stock transactions). All transactions (contributions, transfers or withdrawals) requested over the phone by 3:00 p.m. ET and online by 4:00 p.m. ET (Monday to Friday) will be processed by Sun Life Financial that same day. The fund unit values will be determined at the 4:00 p.m. market close. For example, if you make a \$100 contribution to a particular fund on Day 1, and the closing value of the fund on that day is \$10 per unit, you would purchase 10 units of that fund and be able to see that transaction in your account on Day 2.

Kraft Foods, Altria and PMI stock transactions take longer to complete than other transactions. If you initiate a transaction on Day 1, stock will be bought or sold on Day 2. (Note that Altria and PMI stock may only be sold.) You will be able to see that transaction in your account on Day 3. The amount will be based on the average price of the Kraft Foods, Altria and PMI stock traded under the Kraft Canada plans on the day of the trade. The timing of stock transactions may also be affected by U.S. and Canadian statutory holidays.

Investment Fees

All fees associated with OPP, ESP and GRRSP investments, including recordkeeping, trustee, investment, stock and fund management charges are paid by plan members. Fees are outlined on the Sun Life Financial Plan Member Services website and on your personal statements. The fees you pay through group plans are typically much lower than what you'd pay if you were investing on your own.

Voting Rights Under the Kraft Foods Stock Fund, Altria Stock Fund and PMI Stock Fund

Ownership rights relating to shares of Kraft Foods Common Stock, Altria Common Stock and PMI Common Stock held in your OPP, ESP and/or GRRSP accounts, including voting rights, are passed through to you. The shares are voted through Sun Life Financial and they will work through the transfer agent and deliver a listing of the shareholders as of the record date. The transfer agent would then send out proxy material and shareholders would submit their voting instructions back to the transfer agent, who then feeds the information to Sun Life Financial to vote accordingly, since Sun Life Financial actually holds the shares.

Kraft Canada is responsible for ensuring that your purchase, holding and sale of Kraft Foods Common Stock, Altria Common Stock and PMI Common Stock and the exercise of voting rights are done in accordance with procedures that have been designed to safeguard the confidentiality of such information.

Your exercise of ownership rights with respect to shares of Kraft Foods Common Stock, Altria Common Stock and PMI Common Stock credited to your OPP, ESP and/or GRRSP accounts, including your voting directions, will be held in confidence by the trustee and will not be divulged to Kraft Foods, any affiliated company, or any officer or other employee, except as permitted by law.

To Review Account Fees Online

Sign into www.sunlife.ca/kraft using your personal access ID and password.

The Retirement Modelling Tool

Easy Access!

You can access the RMT from work or home directly from the **My Benefits Online** home page.

Please call the Kraft Canada Pension and Benefits Centre at **1-800-395-1270** with any questions.

The Retirement Modelling Tool (RMT) is a valuable online tool that can help you estimate your potential retirement income. The planner is confidential and available virtually any time of the day.

Once you've logged into the secure website, you can:

- Review basic information about the Kraft Canada Basic Pension Plan.
- Estimate your defined benefit retirement income under realistic assumptions you set yourself, such as retirement age and future earnings.
- Complete your retirement picture by including savings from your various accounts, such as the Kraft Canada OPP, ESP and GRRSP, and other personal sources of retirement funds.
- Review the impact of your projected government benefits.
- Use financial calculators to estimate annuities and income from life income funds.

Your Resources for More Information

Resource

Kraft Canada Pension and Benefits Centre

Contact information

My Benefits Online

(Select **Benefits** under **Quick Links** on **My HR Online**)

1-800-395-1270 from Monday to Friday, 8:30 a.m. to 5:00 p.m. ET

Contact for:

Basic Pension Plan questions

Sun Life Financial's Customer Care Centre and Plan Member Services website

www.sunlife.ca/kraft

1-866-896-6976 from Monday to Friday, 8:00 a.m. to 8:00 p.m. ET (or anytime for self-serve options) or Sign in at **www.sunlife.ca/kraft** and send a secure message

Optional Pension Plan (OPP), Employee Savings Plan (ESP) and Group Registered Retirement Savings Plan (GRRSP) questions

The Retirement Modelling Tool

My Benefits Online

(Select **Benefits** under Quick Links on **My HR Online**)

Potential retirement income estimates from all sources based on assumptions you enter

This booklet is a summary intended to present the general provisions of the Kraft Canada Inc. Optional Pension Plan and Employee Savings Plan and Group Registered Retirement Savings Plan.

The Optional Pension Plan is a component of the following Registered Pension Plans:

- Kraft Canada Inc. Retirement Plan for Canadian Salaried Employees
- Kraft Canada Inc. Retirement Plan for Non-Unionized Salaried Employees – Former Employees of Kraft Limited
- Kraft Canada Inc. Retirement Plan for Non-Unionized Hourly Paid Employees – Bulk Cheese Plants and Mount Royal Plant
- Kraft Canada Inc. Retirement Plan for Niagara Falls Salaried Cereal Division Employees
- Kraft Canada Inc. Retirement Plan for Former Non-Unionized Employees of Nabob Foods Limited
- Kraft Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd.
- Kraft Canada Inc. Trusteed Retirement Plan K

The Optional Pension Plan is subject to applicable federal and provincial laws, and different rules may apply to employees in certain provinces.

The Employee Savings Plan is a nonregistered arrangement and is not subject to pension legislation.

The Group Registered Retirement Savings Plan is subject to applicable federal laws.

In the event of any discrepancy between the official documents and this summary brochure, the official documents will always govern. Kraft Canada reserves the right, from time to time and without advance notice, to change its benefits and retirement and savings programs for active, non-active and retired employees and their beneficiaries. Such changes may include, but are not limited to adding, altering or reducing benefits being received by individuals, changing carriers, amending plan provisions and merging plans. However, such changes will not impact benefits to the extent that the benefits are already paid for by individuals or to the extent expressly prohibited by statute.

Your Responsibilities

As a member of a capital accumulation plan with more than one investment option, you're responsible for making investment decisions that are right for you. We've provided tools and information to assist you in making these decisions but not investment advice. You should also decide if seeking investment advice from a qualified individual makes sense for you.

Privacy and Your Plan

Protecting your privacy is a priority at Sun Life Financial. Sun Life Financial maintains a confidential file in their offices containing personal information about you and your contract(s) with Sun Life Financial. Their files are kept for the purpose of providing you with insurance and investment products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees and representatives who are responsible for the administration and servicing of your contract(s) with Sun Life Financial, or any other person whom you authorize. You are entitled to review the information contained in Sun Life Financial's file and, if applicable, to have it corrected by sending a written request to Sun Life Financial.

To find out about Sun Life Financial's Privacy Policy, visit their website at www.sunlife.ca/kraft or call **1-866-896-6976** and request that a copy of the Privacy Brochure be sent to you.

Your Kraft Canada Inc.

Retirement and Savings Program

For legacy Kraft Salaried employees and non-union hourly employees,
hired on or before December 31, 2010

For plan 04-15 Updated January 1, 2012



Your Kraft Canada Inc.

Retirement and Savings Program

For:

- All Salaried and Non-Unionized Hourly Employees hired on or after January 1, 2012
- All legacy Kraft Salaried and Non-Unionized Hourly Employees, other than non-union hourly employees employed at Dad's, Peek Freans, Reid Milling and DSD locations, hired on or after January 1, 2011
- Legacy Cadbury Employees not eligible for a Defined Benefit Pension Plan

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Introduction

Even if you haven't given it much thought, you probably have a good idea of how you'd like to enjoy your retirement. Perhaps you think of travel, or spending more time with your family or on a hobby. Whatever your dreams, it's important for you to consider whether you have the financial means to enjoy your retirement years.

There are three common sources of retirement income: private pension plans, government pension programs and personal savings. Kraft Canada Inc. ("Kraft Canada") offers the Retirement and Savings Program, which can help you achieve financial security for your future. By joining the Retirement and Savings Program and contributing regularly, you will play an active part in saving and investing for your retirement.

This booklet contains important information about the Retirement and Savings Program, including how it works, your eligibility, as well as general retirement planning and investment information.

You are responsible for making investment decisions about your account balance in the Retirement and Savings Program. You are welcome to use the information and decision-making tools offered by Sun Life Financial. Please consider obtaining investment advice from other sources, since your personal financial situation is unique.

The Retirement Savings Plan (RSP), Non Registered Savings Plan (NREG) and Group Registered Retirement Savings Plan (GRRSP) at a Glance

	<u>Retirement Savings Plan (RSP)</u>
Type of Plan	<ul style="list-style-type: none">• Defined Contribution component of a registered pension plan (tax-sheltered)
Eligibility	<ul style="list-style-type: none">• Full-time Salaried employees employed in any Kraft Canada Inc. location, and Non-union hourly employees employed at Mt. Royal, Ingleside, Vaudreuil, Oakville, Ewen and Bertrand locations, are automatically enrolled 30 days from hire date
Basic Required contributions	<ul style="list-style-type: none">• Kraft Canada's Basic Contribution is 4% of your eligible pay• You are required to contribute 2% of your eligible pay
Voluntary contributions	<ul style="list-style-type: none">• In addition to your required contributions, you can contribute from 1% to 4% of your eligible pay, and Kraft Canada will match dollar-for-dollar (100%) up to a maximum of 4%. This match is in addition to the 4% basic required contribution that Kraft Canada pays
Tax status	<ul style="list-style-type: none">• Your contributions are tax-sheltered (i.e., they are deducted from your earnings) and capped at certain maximums

Retirement Savings Plan (RSP)

- Kraft Canada's contributions and all investment earnings are tax-sheltered and not added to your taxable income for the year
- All income becomes taxable when you start receiving it during retirement
- Your entire account balance (including your contributions and investment earnings) is locked-in, (i.e., it can only be used to provide retirement income) (see In the Event of... on page 10 for payment options at retirement)
- You are immediately vested in your entire account balance
- You are responsible for making the investment decisions within the Retirement and Savings Program
- You decide how to invest all contributions (Kraft Canada's and your own) from a variety of investment options (see Your Investments on page 12)
- Not allowed

Non Registered Savings Plan (NREG)

Group Registered Retirement Savings Plan (GRRSP)

- Non-Registered Savings Plan (after-tax account)
- Same as RSP
- Once you reach the CRA limit on contributions to a RSP, your contributions are automatically re-directed to the NREG
- Once you reach the CRA limit on contributions to a RSP, your contributions are automatically re-directed to the NREG
- You may direct your contributions to the NREG, however, these contributions will not receive a company match
- Your contributions are not tax-deductible
- Kraft Canada's contributions are taxed in the year they are made
- You may incur a capital gain or loss from a withdrawal or transfer of funds in the NREG
- Kraft Canada may trigger a capital gain or loss by removing investment options at any time
- You are permitted to withdraw your contributions (and investment earnings on your contributions) while you are employed by Kraft Canada. Kraft contributions cannot be withdrawn while you are employed by Kraft Canada (see In the Event of... on page 10 for payment options at retirement)
- Registered savings plan (tax-sheltered)
- Same as RSP
- N/A
- You may direct your contributions to the GRRSP, however, these contributions will not receive a company match
- Your contributions are tax-sheltered; i.e., they are deducted from your earnings, and capped at certain maximums
- All income is taxable as you receive it during retirement
- You can transfer or withdraw the money at any time. Taxes are withheld from any amount withdrawn in cash

Non Registered Savings Plan (NREG)

- Same as RSP
- Same as RSP
- Not allowed

Group Registered Retirement Savings Plan (GRRSP)

- Same as RSP
- Same as RSP
- Allowed
- Bonus payments also can be directed to the GRRSP

Why it's Important to Think About Retirement Now

While your retirement may be many years away, the steps you take today can make a big difference in the lifestyle you'll be able to enjoy once your work life ends. Even if you are close to retirement, it's not too late to take advantage of the Retirement and Savings Program and reap the rewards in your retirement years. Here are answers to the questions many people ask about saving for retirement.

Why Save Now?

When it comes to saving and investing for retirement, the benefits of starting early and contributing regularly are significant. Though if you haven't started saving, it's never too late.

Start Early

The earlier you begin saving, the more you'll accumulate, and the more your savings will have the opportunity to grow as a result of compound interest. Compounding occurs when the interest or income from your savings and investments is reinvested to earn additional income. The more you set aside each year, the more income you can earn on it.

Example

Let's say you want to save \$500,000 for your retirement. Here's how much you would need to save each year to reach your goal, depending on how many years you have until retirement and assuming money is invested in monthly installments, earns a 3% return before fees and is tax-sheltered.



As you can see from the example above, the earlier you start, the less you have to put aside each year towards your end goal. Even modest savings, set aside early, can have a dramatic effect on your ultimate retirement savings. Remember that income from tax-sheltered savings will be taxable as you receive it during retirement.

Contribute Regularly

One of the keys to saving successfully for retirement is deciding how much you can afford to put aside each month, then disciplining yourself to save at least this amount on a regular basis.

An advantage of making regular contributions is that you don't have to be as concerned about the highs and lows of the stock market. If you're putting a fixed amount into an investment fund every month, the same dollar amount will buy more units of the funds when stock prices are low.

When stock prices rise, your regular contribution will buy fewer units and/or shares. However, with a long-term approach to your investments, you can help weather the up-and-down swings in the stock market over an extended period of time.

The Kraft Canada Retirement and Savings Program makes it easy to save for retirement by enabling you to invest gradually over time, using the convenience of the regular payroll deductions. You also benefit from company contributions to your savings.

For example, this table shows how your savings can accumulate through regular contributions (in this case, \$300 per month) as opposed to a year-end, lump-sum contribution of \$3,600.

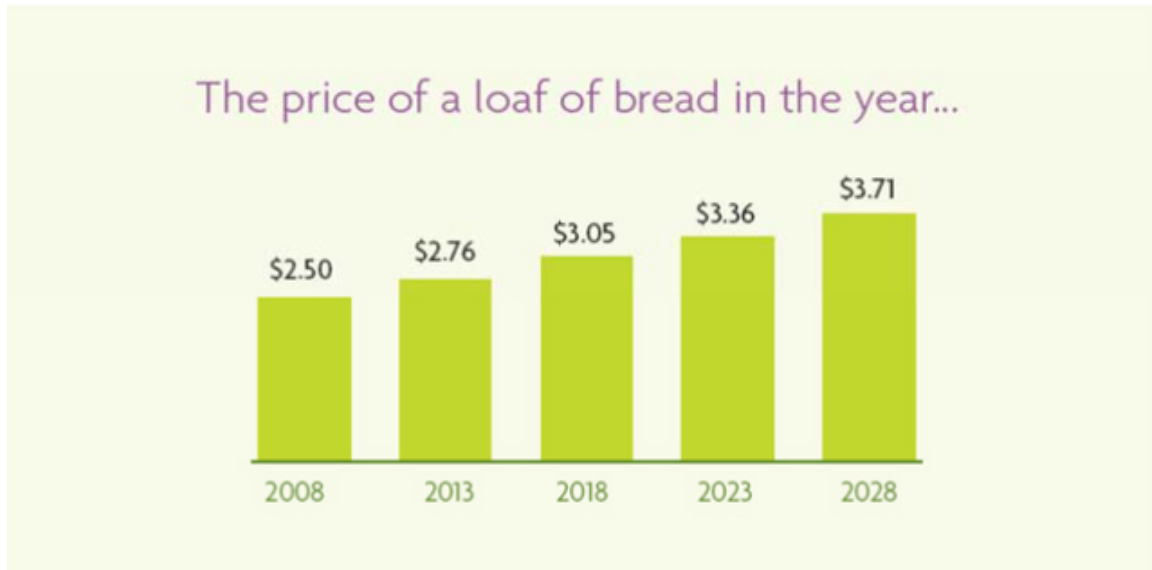
	Lump Sum (One deposit of \$3,600 at year end)	Monthly (12 regular deposits of \$300 each month)
10 years	\$41,300	\$41,900
20 years	\$97,100	\$98,500
30 years	\$172,400	\$174,800
40 years	\$274,000	\$277,800

Note: This table assumes a 3% return (before fees) compounded monthly and tax-sheltered. This assumed rate of return may not be appropriate for your savings. It does not reflect the impact of fees.

How Much Do I Need to Save?

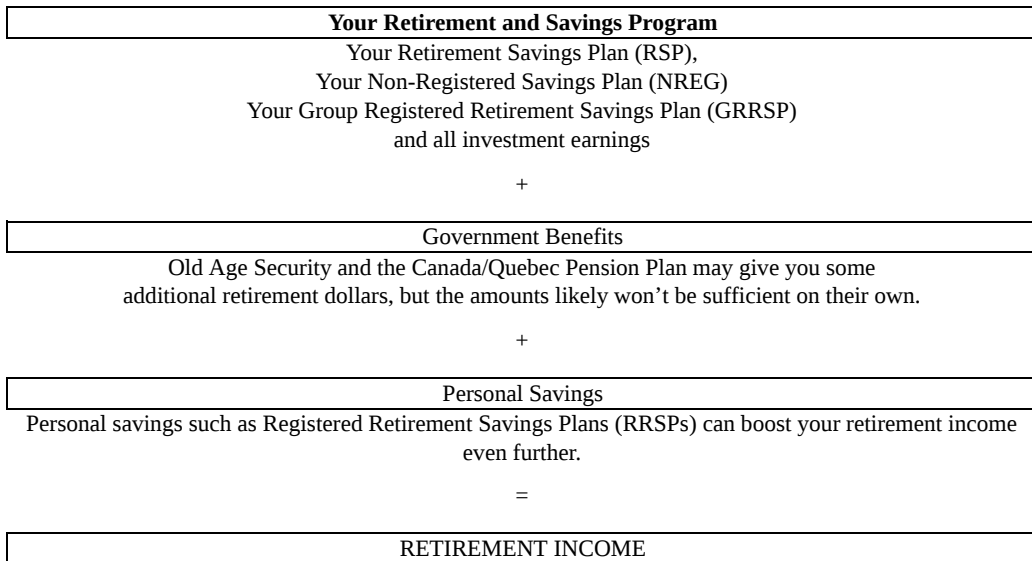
Only you can estimate your financial needs. Some experts say you'll need the purchasing power of 60% to 80% of the income you earned in your final year of work to maintain a similar lifestyle during retirement. So, if you earned \$60,000 the year before your retirement, you may need \$36,000 to \$48,000 of annual retirement income from all sources combined. It's less money than you needed before retirement because you'll likely have fewer living expenses – for example, you may no longer have a mortgage or child-rearing expenses to pay. However, let's not forget about inflation. If the cost of goods and services increases, the buying power of your retirement dollar goes down. You need to make sure you have a big enough financial cushion to carry you through the ups and downs of the economy in future years. Kraft Canada cannot advise you on how much money you will need.

To illustrate, this chart shows what would happen to the cost of a simple loaf of bread over the next 20 years if the inflation rate were 2% per year.



Where Will My Retirement Income Come From?

If you're like most Canadians, you'll probably draw on at least three sources of income when you retire:



About Your Retirement and Savings Program

Kraft Canada offers the Retirement and Savings Program to help you achieve financial security for your future. By joining the Retirement and Savings Program and contributing regularly, you will play an active part in saving and investing for your retirement.

There are three plans in the Retirement and Savings Program:

- Retirement Savings Plan (RSP)
- Non-Registered Savings Plan (NREG)
- Group Registered Retirement Savings Plan (GRRSP)

The Retirement Savings Plan (RSP)

A registered pension plan is a plan that has been submitted to and formally approved by the appropriate government agencies. Contributions are tax deductible, and investment earnings are tax-sheltered until they are withdrawn.

A capital gain is the profit that is realized from the sale of an investment, while a capital loss is the loss that is realized from the sale of an investment. While capital gains and losses occur for both registered and non-registered plans, there is no tax consequence for registered plans.

The **RSP** is part of a registered defined contribution pension plan and it is tax-sheltered.

As a participant in the RSP, you make tax-deductible contributions to a personal account within the RSP, up to certain legislated maximums. Kraft Canada matches your contributions, up to certain maximums.

All contributions and investment income are not taxable until you retire and begin receiving income. Your entire account balance is locked-in and can only be used to provide retirement income (subject to certain exceptions).

Your entire account balance is immediately vested, meaning you are entitled to your contributions and Kraft Canada's contributions (including investment earnings) when you terminate employment with Kraft Canada.

The Non-Registered Savings Plan (NREG)

The **NREG** is an after tax, non-registered savings plan where your contributions and Kraft Canada's contributions are deposited, once you reach the legislated maximum contributions to the RSP.

Effective January 1, 2012, you will be able to direct voluntary contributions to the NREG. Your contributions to the NREG will not be matched by Kraft Canada unless you have reached the legislated contributions limit in the RSP.

The NREG contributions are not tax-deductible, therefore your contributions, Kraft Canada's contributions and all investment earnings are taxable.

Your entire account balance is immediately vested, meaning you are entitled to your contributions and Kraft Canada's matching contributions (including investment earnings).

Effective January 1, 2012, you are permitted to withdraw your contributions (and investment earnings on your contributions) while you are employed by Kraft Canada. Kraft contributions cannot be withdrawn while you are employed by Kraft Canada.

The Group Registered Retirement Savings Plan (GRRSP)

The **GRRSP** is a registered savings plan (tax sheltered). If you choose to participate, you make contributions up to your personal RRSP limit set by the Canada Revenue Agency (CRA). You are responsible for monitoring your RRSP contributions to ensure that you do not exceed your annual limit. You will be issued an RRSP tax receipt for your RRSP contributions for the first 60 days and last 305 days of each calendar year. Investment income is not taxable until you begin receiving an income or assets are withdrawn in cash (deregistered). Your contributions are not locked-in and always belong to you.

Eligibility

Eligibility in the Retirement and Savings Program is determined by your *employment category* and *work location*:

Enrolment after 30 days from hire date:

- Full-time Salaried employees (at any location)
- Non-Union Hourly employees employed at Mt. Royal, Ingleside, Vaudreuil, Oakville, Ewen and Bertrand locations

Please see front cover for your eligibility. Different rules apply to part-time employees and employees in the province of Quebec. For more information, please call the Sun Life Financial's Customer Care Centre at 1-866-896-6976.

Contributions under the Retirement and Savings Program

Eligible Pay

Your eligible pay is your annual base salary, including regular incentive payments, overtime and premium pay, but excluding long-term incentive awards, prizes or additional awards in cash or otherwise.

Required Contributions

You will automatically receive Kraft Canada's Basic Contribution equal to 4% of your eligible pay, and your required contribution will be 2% of your eligible pay, each payroll period. So, right away, you can start saving 6% of your eligible pay towards your retirement.

Voluntary Contributions

You may contribute an additional 1% to 4% of your eligible pay, and Kraft Canada will give you a 100% company match on your voluntary contributions, up to a maximum of 4%. **This represents an additional savings of up to 8% of your eligible pay.**

You may also choose to direct your voluntary contributions to the GRRSP or NREG, however these contributions will not be matched by Kraft Canada.

Below is an example of the percentage of your eligible pay that will be contributed to your Retirement and Savings Program if you choose to make voluntary contributions at the maximum 4%.

	<u>Your Contribution</u>	<u>Percentage of Match You Receive from Kraft Canada</u>
Required	2%	4%
Voluntary	1% to 4%	100% match (dollar for dollar)
Total	6%	8%

By making regular contributions, your savings can really add up, and that's without even considering investment earnings. For example, suppose you earn **\$60,000** and you have chosen to contribute the maximum allowed (6% of your eligible pay).

<u>Contribution rate</u>	<u>Your Contribution</u>	<u>Company Contribution</u>	<u>Total Annual Contribution</u>
Required	\$ 1,200 (2%)	\$ 2,400 (4%)	\$ 3,600 (6%)
Voluntary	\$ 2,400 (4%)	\$ 2,400 (4%)	\$ 4,800 (8%)
Total Savings	\$ 3,600 (6%)	\$ 4,800 (8%)	\$8,400 (14%)

How are contributions allocated?

Both Employee Contributions and Kraft Canada's Contributions are **first directed to the Retirement Savings Plan (RSP)**.

Once you reach the RSP tax deductible limits set by the Canada Revenue Agency (CRA), your contributions are automatically re-directed to the Non-Registered Savings Plan (NREG).

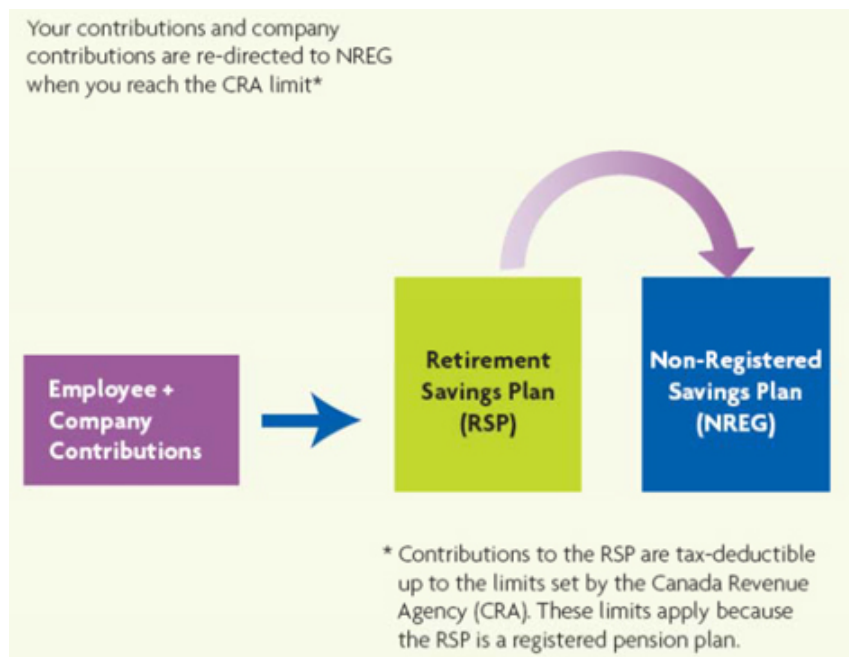
About Tax-Sheltered Limits

The Canada Revenue Agency (CRA) limits the amount of money you can save on a tax-sheltered basis every year. Your tax-sheltered limit is equal to 18% of your income, up to a dollar maximum and is reduced by your pension adjustment (PA) for the current year. (For an example of your PA, see the T4 slip you received from Kraft Canada Inc. this year, which shows your PA from the previous year).

Therefore, depending on the RSP contribution level you select, you may not be able to contribute or receive Kraft Canada's matching contributions on a fully tax-sheltered basis. Instead, RSP contributions that are above your tax-sheltered limit will be deposited in the NREG.

The payroll system will keep track of your RSP contributions and automatically direct contributions that are above the limit to the NREG. However, you are ultimately responsible for ensuring that you do not exceed your contribution limits set by CRA each year and are responsible for any penalties assessed on you.

Your contributions to the GRRSP are tax deductible up to the limits set by the CRA. You are responsible for ensuring you do not exceed your personal limit.



Owning Contributions

Your contributions and the contributions that the company has made on your behalf to the RSP, NREG and/or GRRSP, are yours immediately after they are deposited into your investment account. However, you are not permitted to withdraw funds from the RSP account until you terminate your employment or retire. Also see In the Event of... on page 10 for details on that happens in case of termination of employment or death.) You are permitted to withdraw your contributions from the NREG and the GRRSP. You are not permitted to withdraw contributions made by Kraft Canada to the NREG until you terminate or retire.

Investment Accounts

Locked-in

Locked-in money must be used only to provide retirement income. It cannot be withdrawn as a lump sum and can be transferred, for example, to an insurance company to buy an annuity, or a locked-in retirement vehicle.

All contributions to the RSP, NREG and/or GRRSP are directed to investment accounts held in your name by Sun Life Financial. You control how contributions to your accounts are invested, choosing from a range of investment options. See Your Investments on page 12 of this booklet for more information about your investment options.

Investment earnings in your RSP account are not taxed until you begin receiving them. Investment earnings in your NREG account are taxable and must be reported on your income tax return each year. Sun Life Financial will send you a tax slip each year showing the amount of investment income earned in the NREG in the previous year.

Withdrawing Funds

Locked-in Retirement Vehicle

A locked-in retirement vehicle is another plan or contract in which the funds must ultimately be used to provide a regular income during retirement, and cannot be withdrawn as a lump sum. The availability and exact rules pertaining to retirement vehicles such as a locked-in retirement account (LIRA), life income fund (LIF), or locked-in retirement income fund (LRIF) depend on applicable legislation in your province of employment.

From Your RSP Account

Because the RSP is part of a Registered Pension Plan, the funds in your RSP are locked-in, and cash withdrawals are not permitted (subject to certain exceptions).

From Your NREG Account

You are permitted to withdraw your contributions (and investment earnings on your contributions) while you are employed by Kraft Canada. Kraft contributions cannot be withdrawn while you are employed by Kraft Canada.

From your GRRSP Account

Cash withdrawals or transfers to other financial institutions are permitted at any time. Tax will be withheld on cash withdrawals and a tax slip will be issued to report the amount as withdrawn income.

In the Event of...

	<u>Retirement Savings Plan (RSP)</u>
Retirement	<p>You may transfer the value of your RSP account to any of the following:</p> <ul style="list-style-type: none">• A Locked-in Retirement Account (LIRA) offered by Sun Life Financial or any other financial institution• A Registered Retirement Income Fund (RRIF) or Life Income Fund (LIF) offered by Sun Life Financial or any other financial institution• Sun Life Financial or any other Canadian insurer for the purchase of a life annuity• Another registered pension plan, if that plan permits it• In addition, if you wish, your money may be left in the plan for up to three years from your retirement date. If Sun Life Financial does not receive your instructions within three years, you will become responsible for an additional monthly administration fee*

Retirement Savings Plan (RSP)

- | | |
|-------------|--|
| Termination | <ul style="list-style-type: none">• You may transfer the value of your RSP account to any of the vehicles shown above• You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial• If Sun Life Financial does not receive your instructions within 90 days, you will become responsible for an additional monthly administration fee* |
| Death | <ul style="list-style-type: none">• If you die before retirement, the total value of your RSP account will be paid as a lump sum, less taxes, to your spouse or beneficiary• If your spouse is your beneficiary, he or she may transfer this amount before taxes to another retirement vehicle, locked-in where required |

* **Contact Sun Life Financial at 1-866-896-6976.**

In certain circumstances, your account balances may be paid to you in a lump sum payment if the account balance is considered small.

Non Registered Savings Plan (NREG)

- You become automatically vested, and the full value of your NREG account is payable to you
- You may withdraw your account in cash, or transfer the balance of your account to any financial institution
- In addition, if you wish, your money may be left in the plan for up to three years from your retirement date
 - If Sun Life Financial does not receive your instructions within three years, the funds in your non-registered plan will automatically be transferred to a non-registered account in Sun Life Financial's Group Choices Plan
 - If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund
- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds

Group Registered Retirement Savings Plan (GRRSP)

- You may transfer the value of your GRRSP account to any of the following:
 - A Registered Retirement Income Fund (RRIF) or Life Income Fund (LIF) offered by Sun Life Financial or any other financial institution
 - Sun Life Financial or any other Canadian insurer for the purchase of a life annuity
 - Another registered savings plan, if that plan permits it
- In addition, if you wish, your money may be left in the plan for up to three years from your retirement date.
 - If Sun Life Financial does not receive your instructions within three years, the funds in your GRRSP will automatically be transferred to a group registered retirement savings plan in Sun Life Financial's Group Choices Plan
 - If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund

- You become automatically vested, and the full value of your NREG account is payable to you
- You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial
- If Sun Life Financial does not receive your instructions within 90 days, the funds in your non-registered plan will automatically be transferred to a non-registered account in Sun Life Financial's Group Choices Plan
- If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund
- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds
- You become automatically vested, and the full value of your NREG account is payable to you
- If you die before retirement, the total value of your NREG account will be paid to your beneficiary

- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds
- You may transfer the value of your GRRSP account to any of the vehicles shown above
- You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial
- If Sun Life Financial does not receive your instructions within 90 days, the funds in your GRRSP will automatically be transferred to a group registered retirement savings plan in Sun Life Financial's Group Choices Plan
- If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund
- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds
- If you die before retirement, the total value of your GRRSP will be paid to your beneficiary

Your Investments

You are responsible for making all investment decisions within the Retirement and Savings Program. You control the investment of contributions to your RSP, NREG and GRRSP

accounts, choosing from a broad range of investment options. You can take a more hands-off approach by investing in Target Date funds, or you can build your own portfolio by investing in a mix of investment funds with different objectives, risk factors and return expectations.

Choosing What's Right for You

How you invest your contributions to the RSP, NREG and GRRSP can be just as important as how much you save. To assist you in making your investment decisions, read Sun Life Financial's my money Savings and Investment Guide, included in your enrolment kit and available through the Plan Member Services website, www.sunlife.ca/kraft.

It can help you:

- Identify your retirement goals and how much you need to save
- Consider the investment approach that best suits you – think about your comfort with risk and when you expect to need your money
- Understand the investment options available to you, including fund performance and the fund manager strategy and style
- Choose the funds that are right for you

Kraft Canada provides you with tools to assist you in making your investment decisions but does not provide you with investment advice. If necessary, you should consider obtaining investment advice from an appropriately qualified individual in addition to using any tools provided by Kraft Canada.

Default Investment Funds

The default investment fund option for the RSP, NREG and GRRSP is a Target Date fund. Your RSP, NREG and GRRSP account balances will be invested in a Target Date fund that corresponds with your age if you do not make your own investment selection. Target Date funds are structured to coincide with an event or time in your life toward which you are saving, such as retirement or a major purchase. You determine when you will need your money and then pick the fund that matches that date. The fund's asset mix will automatically shift towards more conservative investments as the target maturity date approaches.

Because Target Date funds are slightly more complex and require more active management by the fund manager, they typically have higher management fees than other investment options. For more information on Target Date funds, visit Sun Life Financial's Plan Member Services website at www.sunlife.ca/kraft.

Marital Breakdown

(applicable only to your Retirement Savings Plan)

Locked-in – Locked-in money must be used only to provide retirement income. It cannot be withdrawn as a lump sum and can be transferred, for example, to an insurance company to buy an annuity, or to a locked-in retirement vehicle.

Locked-in retirement vehicle – A locked-in retirement vehicle is another plan or contract in which the funds must ultimately be used to provide a regular income during retirement, and cannot be withdrawn as a lump sum. The availability and exact rules pertaining to retirement vehicles such as a locked-in retirement account (LIRA), life income fund (LIF) or locked-in retirement income fund (LRIF) depend on applicable legislation in your province of employment.

According to law, your Retirement Savings Plan (RSP) may be considered a family asset. This means that your pension may be taken into account in the overall division of your family assets if you have a marital breakdown.

However, it is important to note that the law does not automatically require pensions to be divided at source where a marital breakdown occurs. Rather, the treatment of any pension benefits will typically be set out in the separation agreement or divorce order.

Therefore, if you have a marital breakdown, we require receipt of certain documentation in order to ensure the plan is administered appropriately. Specifically, you must forward documentation including, but not necessarily limited to, the separation agreement, the divorce certificate and the divorce order to Sun Life Financial. The documentation you provide must be complete and meet all administrative requirements. Strict confidentiality rules are in place at Sun Life Financial and this documentation is used only for the necessary administration of the pension plan. Please note that the actual division of a pension at source in the context of a marital breakdown is governed by applicable pension law and the terms of the pension plan itself.

“Marital breakdown” may include the breakdown of a marriage and the breakdown of a common-law relationship.

Build your own funds

With build your own funds, you choose from a mix of investment funds to create your own personal asset mix. To assist you in making your investment selections, you can complete the investment risk profiler provided by Sun Life Financial, which can be found on www.sunlife.ca/kraft or in the **my money** Investment and Savings guide. Profiles range from conservative to aggressive. It is up to you to determine and monitor your portfolio over time. You may decide to rebalance your investments periodically to ensure that you maintain an investment mix that fits your needs and risk profile.

A description of the investments available in your Retirement and Savings Program are found in Sun Life Financial’s enrolment kit and through www.sunlife.ca/kraft. You should review the fund information thoroughly to make informed investment decisions and put your strategy into action.

Diversification

It is important to keep in mind that diversification among funds with different objectives, risk factors and expected returns helps reduce investment volatility (i.e. sudden ups and downs). For example, although stocks offer potentially higher returns than bonds or cash, their value can fluctuate significantly over the short term. As such, you should consider mixing up your contributions by taking a closer look at the other choices available to you.

Managing Your Investments

Personal Statements

Over time, the value of your accounts will change, depending on the amount you and Kraft Canada contribute, and how your investments perform. You can track investment performance through annual statements sent to your home or by checking the quarterly statements posted to Sun Life Financial's Plan Member Services website.

These easy-to-read statements include a summary of your plans, your transaction history, personal rates of return, all fees associated with your accounts, as well as any new plan information. You can also check your account balance at any time on the website.

You can track investment performance and manage your accounts online at www.sunlife.ca/kraft. After you've signed in using your Access ID and password, you'll be able to:

- Monitor your account balances, transaction history and personal rates of return
- View your quarterly online statement
- Change your contribution rate, transfer money between investment funds and update future investment instructions
- Get detailed fund information and analysis, including access to Morningstar® where you can generate investment performance reports and conduct comparative analyses between the plan's funds and Morningstar's pooled fund universe
- Access educational tools such as the investment risk profiler and other retirement and financial planning tools

You can transfer money between investment funds and change your investment instructions for future contributions at any time. However, in order to discourage short-term trading which causes instability in the funds and affects all unit holders, Sun Life Financial charges a 2% penalty for multiple transfers in and out of the same investment fund within 30 days. The penalty does not apply to Kraft Foods Stock, money market and guaranteed fund transactions.

To Access Your Online Statement

Sign in to www.sunlife.ca/kraft using your personal access ID and password

For more information on your investments and all applicable fees, visit Sun Life Financial's Plan Member Services website at www.sunlife.ca/kraft. If you prefer, you can also call Sun Life Financial's Customer Care Centre at **1-866-896-6976** any business day from 8 a.m. to 8 p.m. ET to speak with a representative about managing your accounts over the telephone, or call the same number 24-hours-a-day to access the Automated Telephone System.

Transaction Processing

Your investment fund values are determined on a daily basis (except for Kraft Foods stock transactions). All transactions (contributions, transfers or withdrawals) requested over the phone by 3 p.m. ET and online by 4 p.m. ET (Monday to Friday) will be processed by Sun Life Financial that same day. The fund unit values will be determined at the 4 p.m. market close. For example, if you make a \$100 contribution to a particular fund on Day 1, and the closing value of the fund on that day is \$10 per unit, you would purchase 10 units of that fund and be able to see that transaction in your account on Day 2.

Kraft Foods stock transactions take longer to complete than other transactions. If you initiate a transaction on Day 1, stock will be bought or sold on Day 2. You will be able to see that transaction in your account on Day 3.

The amount will be based on the average price of the Kraft Foods stock traded under the Kraft Canada Inc. plans on the day of the trade. The timing of stock transactions may also be affected by U.S. and Canadian statutory holidays.

Voting Rights under the Kraft Foods Stock Fund

Kraft Foods Stock

Funds invested in Kraft Foods are invested directly in shares of the company. This means that you will see a direct correlation between Kraft Foods stock traded on the New York Stock Exchange and your account value. The daily value of your stock will represent the closing bid price, converted to Canadian dollars. Any dividends received will be allocated to your account the next day.

Ownership rights relating to shares of Kraft Foods Common Stock held in your RSP, NREG and/or GRRSP accounts, including voting rights, are passed through to you. The shares are voted through Sun Life Financial and they will work through the transfer agent and deliver a listing of the shareholders as of the record date. The transfer agent would then send out proxy material and shareholders would submit their voting instructions back to the transfer agent, who then feeds the information to Sun Life Financial to vote accordingly, since Sun Life Financial actually holds the shares.

Kraft Canada Inc. is responsible for ensuring that your purchase, holding and sale of Kraft Foods Common Stock and the exercise of voting rights are done in accordance with procedures that have been designed to safeguard the confidentiality of such information.

Your exercise of ownership rights with Kraft Foods Common Stock credited to your RSP, NREG and/or GRRSP accounts, including your voting directions, will be held in confidence by the trustee and will not be divulged to Kraft Foods, any affiliated company, or any officer or other employee, except as permitted by law.

Account Fees

Investment Fees

All fees associated with RSP, NREG and GRRSP investments, including recordkeeping, trustee, investment, stock and fund management changes are paid by plan members. Fees are outlined on Sun Life Financial's Plan Member Services website and on your personal statements. The fees you pay through your group plan are typically lower than what you'd pay if you were investing on your own.

As a participant, you are required to pay the Fund Management Fees (FMFs) and Administration fees. You will be able to view your FMFs and Administration fees through Sun Life Financial's Plan Member Services website, www.sunlife.ca/kraft using your personal access ID and password.

Your Resources for more information

Contact Information:

ONLINE: You will need both your access ID and password to sign in to www.sunlife.ca/kraft.

- Manage your money online
- Account access: transfer between funds, change investment allocation, account balances, online statements
- Education: Investment risk profiler, retirement planner, personal financial planning tools
- Access to Morningstar investment reports

Don't have an access ID or password?

Sign in to www.sunlife.ca/kraft using your account number (see your welcome letter or your statement for this number) and select **Register now**.

- Forgot your access ID? Select **Forgot your access ID?**
- Forgot your password? Select **Forgot your password?**

Or you can call Sun Life Financial's Customer Care Centre at **1-866-896-6976**.

Representatives are available Monday through Friday from 8 a.m. to 8 p.m. ET.

BY PHONE: Representatives are available Monday through Friday from 8 a.m. to 8 p.m. Eastern time (ET). You will need both your access ID and password when you call either Sun Life Financial's Customer Care Centre or 24-hour Automated Telephone System.

- Call **1-866-896-6976** to access your account or help understanding your plan:
- Enrolment assistance, transfer between funds, change investment allocation, account balances.
- Choose between the Automated Telephone System or, speak with a live person from the Customer Care Centre.

IN WRITING:

Sun Life Financial Group Retirement Services
Attention: Administrative Unit 3A
227 King Street South
P.O. Box 1601, Stn. Waterloo
Waterloo, Ontario N2J 4C5

About this booklet

This booklet is a summary intended to present the general provisions of the Kraft Canada Retirement and Savings Plan (RSP)

- The RSP is part of the following Registered Pension Plans:
- Kraft Canada Inc. Retirement Plan for Canadian Salaried Employees
- Kraft Canada Inc. Retirement Plan for Canadian Hourly Employees Employed at Cobourg, LaSalle and Melrose
- Kraft Canada Inc. Retirement Plan for Non-Unionized Hourly-Paid Employees-Bulk Cheese Plants and Mount Royal Plant

The RSP is subject to applicable federal and provincial laws, and different rules may apply to employees in certain provinces.

The NREG is a non-registered savings arrangement and is not subject to pension legislation.

The GRRSP is subject to applicable federal laws.

In the event of any discrepancy between the official documents and this summary brochure, the official documents will always govern. Kraft Canada reserves the right, from time to time and without advance notice, to change or terminate its benefits and retirement and savings programs for active, non-active and retired employees and their beneficiaries. Such changes may include, but are not limited to adding, terminating, altering or reducing benefits being received by individuals, changing carriers, amending plan provisions and merging plans. However, such changes will not impact benefits to the extent that the benefits are already paid for by individuals or to the extent expressly prohibited by statute.

Your Responsibilities

As a member of a savings plan with more than one investment option, you're responsible for making investment decisions that are right for you. We've provided tools and information to assist you in making these decisions but not investment advice. You should also decide if seeking investment advice from a qualified individual makes sense for you.

Privacy and your Plan

Protecting your privacy is a priority at Sun Life Financial. Sun Life Financial maintains a confidential file in their offices containing personal information about you and your contract(s) with Sun Life Financial. Their files are kept for the purpose of providing you with insurance and investment products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees and representatives who are responsible for the administration and servicing of your contract(s) with Sun Life Financial, or any other person whom you authorize. You are entitled to review the information contained in Sun Life Financial's file and, if applicable, to have it corrected by sending a written request to Sun Life Financial.

To find out about Sun Life Financial's Privacy Policy, visit their website at www.sunlife.ca/kraft or call **1-866-896-6976** and request that a copy of our Privacy Brochure be sent to you.

Your Kraft Canada Inc.

Retirement and Savings Program

For:

- All Salaried and Non-Unionized Hourly Employees hired on or after January 1, 2012
- All legacy Kraft Salaried and Non-Unionized Hourly Employees, other than non-union hourly employees employed at Dad's, Peek Freans, Reid Milling and DSD locations, hired on or after January 1, 2011
- Legacy Cadbury Employees not eligible for a Defined Benefit Pension Plan

For Plan 16, 17 and 18 Updated January 1, 2012



Your Kraft Canada Inc.

Retirement and Savings Program

For legacy Kraft Non-Unionized Hourly Employees,
Hired on or after January 1, 2011

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Introduction

Even if you haven't given it much thought, you probably have a good idea of how you'd like to enjoy your retirement. Perhaps you think of travel, or spending more time with your family or on a hobby. Whatever your dreams, it's important for you to consider whether you have the financial means to enjoy your retirement years.

There are three common sources of retirement income: private pension plans, government pension programs and personal savings. Kraft Canada Inc. ("Kraft Canada") offers the Retirement and Savings Program, which can help you achieve financial security for your future. By joining the Retirement and Savings Program and contributing regularly, you will play an active part in saving and investing for your retirement.

This booklet contains important information about the Retirement and Savings Program, including how it works, your eligibility, as well as general retirement planning and investment information.

You are responsible for making investment decisions about your account balance in the Retirement and Savings Program. You are welcome to use the information and decision-making tools offered by Sun Life Financial. Please consider obtaining investment advice from other sources, since your personal financial situation is unique.

The Retirement Savings Plan (RSP), Non Registered Savings Plan (NREG) and Group Registered Retirement Savings Plan (GRRSP) at a Glance

	<u>Retirement Savings Plan (RSP)</u>
Type of Plan	<ul style="list-style-type: none">• Defined Contribution component of a registered pension plan (tax-sheltered)
Eligibility	<ul style="list-style-type: none">• Non-Union Hourly employees employed at Scarborough Bakery (Dad's), East York (Peek Freans), Mississauga (Reid Milling) and Direct Store Delivery (DSD) locations are automatically enrolled 90 days from hire date
Basic Required contributions	<ul style="list-style-type: none">• Kraft Canada's Basic Contribution is 4% of your eligible pay• You are required to contribute 2% of your eligible pay
Voluntary contributions	<ul style="list-style-type: none">• In addition to your required contributions, you can contribute from 1% to 4% of your eligible pay, and Kraft Canada will match dollar-for-dollar (100%) up to a maximum of 4%. This match is in addition to the 4% basic required contribution that Kraft Canada pays

Retirement Savings Plan (RSP)

Tax status	<ul style="list-style-type: none"> • Your contributions are tax-sheltered (i.e., they are deducted from your earnings) and capped at certain maximums • Kraft Canada’s contributions and all investment earnings are tax-sheltered and not added to your taxable income for the year • All income becomes taxable when you start receiving it during retirement
Access to your money (i.e. locked-in status)	<ul style="list-style-type: none"> • Your entire account balance (including your contributions and investment earnings) is locked-in, (i.e., it can only be used to provide retirement income) (see In the Event of... on page 10 for payment options at retirement)
Vesting rules	<ul style="list-style-type: none"> • You are immediately vested in your entire account balance
Investments	<ul style="list-style-type: none"> • You are responsible for making the investment decisions within the Retirement and Savings Program • You decide how to invest all contributions (Kraft Canada’s and your own) from a variety of investment options (see Your Investments on page 12)
Lump-sum contributions	<ul style="list-style-type: none"> • Not allowed

Non Registered Savings Plan (NREG)	Group Registered Retirement Savings Plan (GRRSP)
<ul style="list-style-type: none"> • Non-Registered Savings Plan (after-tax account) • Same as RSP • Once you reach the CRA limit on contributions to a RSP, your contributions are automatically re-directed to the NREG • Once you reach the CRA limit on contributions to a RSP, your contributions are automatically re-directed to the NREG • You may direct your contributions to the NREG, however, these contributions will not receive a company match • Your contributions are not tax-deductible • Kraft Canada’s contributions are taxed in the year they are made • You may incur a capital gain or loss from a withdrawal or transfer of funds in the NREG • Kraft Canada may trigger a capital gain or loss by removing investment options at any time 	<ul style="list-style-type: none"> • Registered savings plan (tax-sheltered) • Same as RSP • N/A • You may direct your contributions to the GRRSP, however, these contributions will not receive a company match • Your contributions are tax-sheltered; i.e., they are deducted from your earnings, and capped at certain maximums • All income is taxable as you receive it during retirement

Non Registered Savings Plan (NREG)

- You are permitted to withdraw your contributions (and investment earnings on your contributions) while you are employed by Kraft Canada. Kraft contributions cannot be withdrawn while you are employed by Kraft Canada (see In the Event of... on page 10 for payment options at retirement)
- Same as RSP
- Same as RSP
- Not allowed

Group Registered Retirement Savings Plan (GRRSP)

- You can transfer or withdraw the money at any time. Taxes are withheld from any amount withdrawn in cash
- Same as RSP
- Same as RSP
- Allowed
- Bonus payments also can be directed to the GRRSP

Why it's Important to Think About Retirement Now

While your retirement may be many years away, the steps you take today can make a big difference in the lifestyle you'll be able to enjoy once your work life ends. Even if you are close to retirement, it's not too late to take advantage of the Retirement and Savings Program and reap the rewards in your retirement years. Here are answers to the questions many people ask about saving for retirement.

Why Save Now?

When it comes to saving and investing for retirement, the benefits of starting early and contributing regularly are significant. Though if you haven't started saving, it's never too late.

Start Early

The earlier you begin saving, the more you'll accumulate, and the more your savings will have the opportunity to grow as a result of compound interest. Compounding occurs when the interest or income from your savings and investments is reinvested to earn additional income. The more you set aside each year, the more income you can earn on it.

Example

Let's say you want to save \$500,000 for your retirement. Here's how much you would need to save each year to reach your goal, depending on how many years you have until retirement and assuming money is invested in monthly installments, earns a 3% return before fees and is tax-sheltered.



As you can see from the example above, the earlier you start, the less you have to put aside each year towards your end goal. Even modest savings, set aside early, can have a dramatic effect on your ultimate retirement savings. Remember that income from tax-sheltered savings will be taxable as you receive it during retirement.

Contribute Regularly

One of the keys to saving successfully for retirement is deciding how much you can afford to put aside each month, then disciplining yourself to save at least this amount on a regular basis.

An advantage of making regular contributions is that you don't have to be as concerned about the highs and lows of the stock market. If you're putting a fixed amount into an investment fund every month, the same dollar amount will buy more units of the funds when stock prices are low.

When stock prices rise, your regular contribution will buy fewer units and/or shares. However, with a long-term approach to your investments, you can help weather the up-and-down swings in the stock market over an extended period of time.

The Kraft Canada Retirement and Savings Program makes it easy to save for retirement by enabling you to invest gradually over time, using the convenience of the regular payroll deductions. You also benefit from company contributions to your savings.

For example, this table shows how your savings can accumulate through regular contributions (in this case, \$300 per month) as opposed to a year-end, lump-sum contribution of \$3,600.

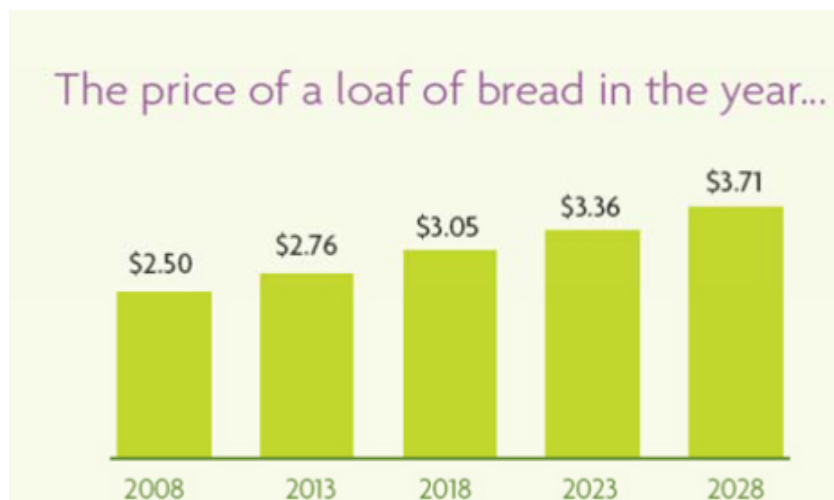
	Lump Sum (One deposit of \$3,600 at year end)	Monthly (12 regular deposits of \$300 each month)
10 years	\$ 41,300	\$ 41,900
20 years	\$ 97,100	\$ 98,500
30 years	\$ 172,400	\$ 174,800
40 years	\$ 274,000	\$ 277,800

Note: This table assumes a 3% return (before fees) compounded monthly and tax-sheltered. This assumed rate of return may not be appropriate for your savings. It does not reflect the impact of fees.

How Much Do I Need to Save?

Only you can estimate your financial needs. Some experts say you'll need the purchasing power of 60% to 80% of the income you earned in your final year of work to maintain a similar lifestyle during retirement. So, if you earned \$60,000 the year before your retirement, you may need \$36,000 to \$48,000 of annual retirement income from all sources combined. It's less money than you needed before retirement because you'll likely have fewer living expenses – for example, you may no longer have a mortgage or child-rearing expenses to pay. However, let's not forget about inflation. If the cost of goods and services increases, the buying power of your retirement dollar goes down. You need to make sure you have a big enough financial cushion to carry you through the ups and downs of the economy in future years. Kraft Canada cannot advise you on how much money you will need.

To illustrate, this chart shows what would happen to the cost of a simple loaf of bread over the next 20 years if the inflation rate were 2% per year.



Where Will My Retirement Income Come From?

If you're like most Canadians, you'll probably draw on at least three sources of income when you retire:

Your Retirement and Savings Program

Your Retirement Savings Plan (RSP),
Your Non-Registered Savings Plan (NREG)
Your Group Registered Retirement Savings Plan (GRRSP)
and all investment earnings

+

Government Benefits

Old Age Security and the Canada/Quebec Pension Plan may give you some additional retirement dollars, but the amounts likely won't be sufficient on their own.

+

Personal Savings

Personal savings such as Registered Retirement Savings Plans (RRSPs) can boost your retirement income even further.

=

RETIREMENT INCOME

About Your Retirement and Savings Program

Kraft Canada offers the Retirement and Savings Program which can help you achieve financial security for your future. By joining the Retirement and Savings Program and contributing regularly, you will play an active part in saving and investing for your retirement.

There are three plans in the Retirement and Savings Program:

- Retirement Savings Plan (RSP)
- Non-Registered Savings Plan (NREG)
- Group Registered Retirement Savings Plan (GRRSP)

A registered pension plan is a plan that has been submitted to and formally approved by the appropriate government agencies. Contributions are tax deductible, and investment earnings are tax-sheltered until they are withdrawn.

A capital gain is the profit that is realized from the sale of an investment, while a capital loss is the loss that is realized from the sale of an investment. While capital gains and losses occur for both registered and non-registered plans, there is no tax consequence for registered plans.

The Retirement Savings Plan (RSP)

The RSP is part of a registered defined contribution pension plan and it is tax-sheltered.

As a participant in the RSP, you make tax-deductible contributions to a personal account within the RSP, up to certain legislated maximums. Kraft Canada matches your contributions, up to certain maximums.

All contributions and investment income are not taxable until you retire and begin receiving income. Your entire account balance is locked-in and can only be used to provide retirement income (subject to certain exceptions).

Your entire account balance is immediately vested, meaning you are entitled to your contributions and Kraft Canada's contributions (including investment earnings) when you terminate employment with Kraft Canada.

The Non-Registered Savings Plan (NREG)

The **NREG** is an after tax, non-registered savings plan where your contributions and Kraft Canada's contributions are deposited, once you reach the legislated maximum contributions to the RSP.

Effective January 1, 2012, you will be able to direct voluntary contributions to the NREG. Your contributions to the NREG will not be matched by Kraft Canada unless you have reached the legislated contributions limit in the RSP.

The NREG contributions are not tax-deductible, therefore your contributions, Kraft Canada's contributions and all investment earnings are taxable.

Your entire account balance is immediately vested, meaning you are entitled to your contributions and Kraft Canada's matching contributions (including investment earnings).

Effective January 1, 2012, you are permitted to withdraw your contributions (and investment earnings on your contributions) while you are employed by Kraft Canada. Kraft contributions cannot be withdrawn while you are employed by Kraft Canada.

The Group Registered Retirement Savings Plan (GRRSP)

The **GRRSP** is a registered savings plan (tax sheltered). If you choose to participate, you make contributions up to your personal RRSP limit set by the Canada Revenue Agency (CRA). You are responsible for monitoring your RRSP contributions to ensure that you do not exceed your annual limit. You will be issued an RRSP tax receipt for your RRSP contributions for the first 60 days and last 305 days of each calendar year. Investment income is not taxable until you begin receiving an income or assets are withdrawn in cash (deregistered). Your contributions are not locked-in and always belong to you.

Eligibility

Eligibility in the Retirement and Savings Program is determined by your **employment category** and **work location**:

Enrolment after 90 days from hire date:

- Non-Union Hourly employees employed at Scarborough Bakery (Dad's), East York (Peek Freans) and Mississauga (Reid Milling)
- Non-Union Hourly employees employed at Direct Store Delivery (DSD) locations

Contributions under the Retirement and Savings Program

Eligible Pay

Your eligible pay is your annual base salary, including regular incentive payments, overtime and premium pay, but excluding long-term incentive awards, prizes or additional awards in cash or otherwise.

Required Contributions

You will automatically receive Kraft Canada's Basic Contribution equal to 4% of your eligible pay, and your required contribution will be 2% of your eligible pay, each payroll period. So, right away, you can start saving 6% of your eligible pay towards your retirement.

Voluntary Contributions

You may contribute an additional 1% to 4% of your eligible pay, and Kraft Canada will give you a 100% company match on your voluntary contributions, up to a maximum of 4%. **This represents an additional savings of up to 8% of your eligible pay.**

You may also choose to direct your voluntary contributions to the GRRSP or NREG, however these contributions will not be matched by Kraft Canada.

Below is an example of the percentage of your eligible pay that will be contributed to your Retirement and Savings Program if you choose to make voluntary contributions at the maximum 4%.

	Your Contribution	Percentage of Match You Receive from Kraft Canada
Required	2%	4%
Voluntary	1% to 4%	100% match (dollar for dollar)
Total	6%	8%

By making regular contributions, your savings can really add up, and that's without even considering investment earnings. For example, suppose you earn **\$60,000** and you have chosen to contribute the maximum allowed (6% of your eligible pay).

Contribution rate	Your Contribution	Company Contribution	Total Annual Contribution
Required	\$ 1,200 (2%)	\$ 2,400 (4%)	\$ 3,600 (6%)
Voluntary	\$ 2,400 (4%)	\$ 2,400 (4%)	\$ 4,800 (8%)
Total Savings	\$ 3,600 (6%)	\$ 4,800 (8%)	\$ 8,400 (14%)

How are contributions allocated?

Both Employee Contributions and Kraft Canada's Contributions are **first directed to the Retirement Savings Plan (RSP)**.

Once you reach the RSP tax deductible limits set by the Canada Revenue Agency (CRA), your contributions are automatically re-directed to the Non-Registered Savings Plan (NREG).

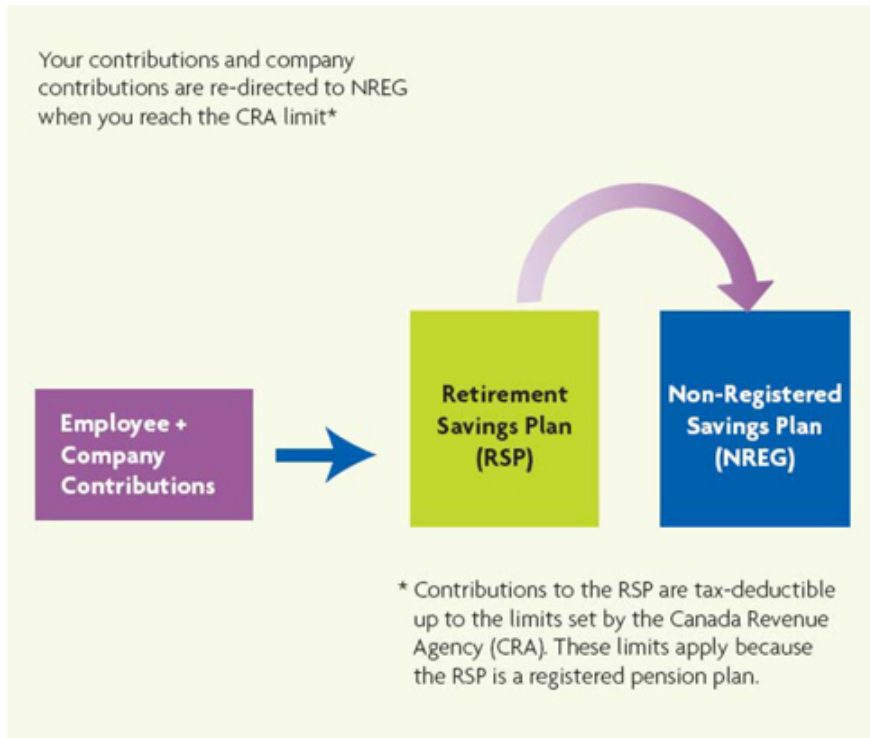
About Tax-Sheltered Limits

The Canada Revenue Agency (CRA) limits the amount of money you can save on a tax-sheltered basis every year. Your tax-sheltered limit is equal to 18% of your income, up to a dollar maximum and is reduced by your pension adjustment (PA) for the current year. (For an example of your PA, see the T4 slip you received from Kraft Canada Inc. this year, which shows your PA from the previous year).

Therefore, depending on the RSP contribution level you select, you may not be able to contribute or receive Kraft Canada's matching contributions on a fully tax-sheltered basis. Instead, RSP contributions that are above your tax-sheltered limit will be deposited in the NREG.

The payroll system will keep track of your RSP contributions and automatically direct contributions that are above the limit to the NREG. However, you are ultimately responsible for ensuring that you do not exceed your contribution limits set by CRA each year and are responsible for any penalties assessed on you.

Your contributions to the GRRSP are tax deductible up to the limits set by the CRA. You are responsible for ensuring you do not exceed your personal limit.



Owning Contributions

Your contributions and the contributions that the company has made on your behalf to the RSP, NREG and/or GRRSP, are yours immediately after they are deposited into your investment account. However, you are not permitted to withdraw funds from the RSP account until you terminate your employment or retire. Also see In the Event of... on page 10 for details on that happens in case of termination of employment or death.) You are permitted to withdraw your contributions from the NREG and the GRRSP. You are not permitted to withdraw contributions made by Kraft Canada to the NREG until you terminate or retire.

Investment Accounts

Locked-in

Locked-in money must be used only to provide retirement income. It cannot be withdrawn as a lump sum and can be transferred, for example, to an insurance company to buy an annuity, or a locked-in retirement vehicle.

Locked-in Retirement Vehicle

A locked-in retirement vehicle is another plan or contract in which the funds must ultimately be used to provide a regular income during retirement, and cannot be withdrawn as a lump sum.

The availability and exact rules pertaining to retirement vehicles such as a locked-in retirement account (LIRA), life income fund (LIF), or locked-in retirement income fund (LRIF) depend on applicable legislation in your province of employment.

All contributions to the RSP, NREG and/or GRRSP are directed to investment accounts held in your name by Sun Life Financial. You control how contributions to your accounts are invested, choosing from a range of investment options. See Your Investments on page 12 of this booklet for more information about your investment options.

Investment earnings in your RSP account are not taxed until you begin receiving them. Investment earnings in your NREG account are taxable and must be reported on your income tax return each year. Sun Life Financial will send you a tax slip each year showing the amount of investment income earned in the NREG in the previous year.

Withdrawing Funds

From Your RSP Account

Because the RSP is part of a Registered Pension Plan, the funds in your RSP are locked-in, and cash withdrawals are not permitted (subject to certain exceptions).

From Your NREG Account

You are permitted to withdraw your contributions (and investment earnings on your contributions) while you are employed by Kraft Canada. Kraft contributions cannot be withdrawn while you are employed by Kraft Canada.

From your GRRSP Account

Cash withdrawals or transfers to other financial institutions are permitted at any time. Tax will be withheld on cash withdrawals and a tax slip will be issued to report the amount as withdrawn income.

In the Event of...

	Retirement Savings Plan (RSP)
Retirement	<hr/> <p>You may transfer the value of your RSP account to any of the following:</p> <ul style="list-style-type: none">• A Locked-in Retirement Account (LIRA) offered by Sun Life Financial or any other financial institution• A Registered Retirement Income Fund (RRIF) or Life Income Fund (LIF) offered by Sun Life Financial or any other financial institution• Sun Life Financial or any other Canadian insurer for the purchase of a life annuity

- Another registered pension plan, if that plan permits it
- In addition, if you wish, your money may be left in the plan for up to three years from your retirement date. If Sun Life Financial does not receive your instructions within three years, you will become responsible for an additional monthly administration fee*

Termination

- You may transfer the value of your RSP account to any of the vehicles shown above
- You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial
- If Sun Life Financial does not receive your instructions within 90 days, you will become responsible for an additional monthly administration fee*

Death

- If you die before retirement, the total value of your RSP account will be paid as a lump sum, less taxes, to your spouse or beneficiary
- If your spouse is your beneficiary, he or she may transfer this amount before taxes to another retirement vehicle, locked-in where required

* **Contact Sun Life Financial at 1-866-896-6976.**

In certain circumstances, your account balances may be paid to you in a lump sum payment if the account balance is considered small.

Non Registered Savings Plan (NREG)

- You become automatically vested, and the full value of your NREG account is payable to you
- You may withdraw your account in cash, or transfer the balance of your account to any financial institution
- In addition, if you wish, your money may be left in the plan for up to three years from your retirement date
 - If Sun Life Financial does not receive your instructions within three years, the funds in your non-registered plan will automatically be transferred to a non-registered account in Sun Life Financial's Group Choices Plan
 - If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund

Group Registered Retirement Savings Plan (GRRSP)

- You may transfer the value of your GRRSP account to any of the following:
 - A Registered Retirement Income Fund (RRIF) or Life Income Fund (LIF) offered by Sun Life Financial or any other financial institution
 - Sun Life Financial or any other Canadian insurer for the purchase of a life annuity
 - Another registered savings plan, if that plan permits it
- In addition, if you wish, your money may be left in the plan for up to three years from your retirement date.
 - If Sun Life Financial does not receive your instructions within three years, the funds in your GRRSP will automatically be transferred to a group registered retirement savings plan in Sun Life Financial's Group Choices Plan

Non Registered Savings Plan (NREG)

- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds
- You become automatically vested, and the full value of your NREG account is payable to you
- You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial
- If Sun Life Financial does not receive your instructions within 90 days, the funds in your non-registered plan will automatically be transferred to a non-registered account in Sun Life Financial's Group Choices Plan
- If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund
- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds
- You become automatically vested, and the full value of your NREG account is payable to you
- If you die before retirement, the total value of your NREG account will be paid to your beneficiary

Group Registered Retirement Savings Plan (GRRSP)

- If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund
- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds
- You may transfer the value of your GRRSP account to any of the vehicles shown above
- You must make an election within 90 days of the date you receive your termination options package from Sun Life Financial
- If Sun Life Financial does not receive your instructions within 90 days, the funds in your GRRSP will automatically be transferred to a group registered retirement savings plan in Sun Life Financial's Group Choices Plan
- If any of your current investment options are not available in the Group Choices Plan, the funds in these investments will be transferred to a money market fund
- Kraft Canada will have no responsibility for or knowledge of your funds, once the transfer occurs. Sun Life Financial will charge you higher fees. It is your responsibility to contact Sun Life Financial to find out what is happening with your funds
- If you die before retirement, the total value of your GRRSP will be paid to your beneficiary

Your Investments

You are responsible for making all investment decisions within the Retirement and Savings Program. You control the investment of contributions to your RSP, NREG and GRRSP accounts, choosing from a broad range of investment options. You can take a more hands-off approach by investing in Target Date funds, or you can build your own portfolio by investing in a mix of investment funds with different objectives, risk factors and return expectations.

Choosing What's Right for You

How you invest your contributions to the RSP, NREG and GRRSP can be just as important as how much you save. To assist you in making your investment decisions, read Sun Life Financial's my money Savings and Investment Guide, included in your enrolment kit and available through the Plan Member Services website, www.sunlife.ca/kraft.

It can help you:

- Identify your retirement goals and how much you need to save
- Consider the investment approach that best suits you – think about your comfort with risk and when you expect to need your money
- Understand the investment options available to you, including fund performance and the fund manager strategy and style
- Choose the funds that are right for you

Kraft Canada provides you with tools to assist you in making your investment decisions but does not provide you with investment advice. If necessary, you should consider obtaining investment advice from an appropriately qualified individual in addition to using any tools provided by Kraft Canada.

Default Investment Funds

The default investment fund option for the RSP, NREG and GRRSP is a Target Date fund. Your RSP, NREG and GRRSP account balances will be invested in a Target Date fund that corresponds with your age if you do not make your own investment selection. Target Date funds are structured to coincide with an event or time in your life toward which you are saving, such as retirement or a major purchase. You determine when you will need your money and then pick the fund that matches that date. The fund's asset mix will automatically shift towards more conservative investments as the target maturity date approaches.

Because Target Date funds are slightly more complex and require more active management by the fund manager, they typically have higher management fees than other investment options. For more information on Target Date funds, visit Sun Life Financial's Plan Member Services website at www.sunlife.ca/kraft.

Locked-in – Locked-in money must be used only to provide retirement income. It cannot be withdrawn as a lump sum and can be transferred, for example, to an insurance company to buy an annuity, or to a locked-in retirement vehicle.

Locked-in retirement vehicle – A locked-in retirement vehicle is another plan or contract in which the funds must ultimately be used to provide a regular income during retirement, and cannot be withdrawn as a lump sum. The availability and exact rules pertaining to retirement vehicles such as a locked-in retirement account (LIRA), life income fund (LIF) or locked-in retirement income fund (LRIF) depend on applicable legislation in your province of employment.

Marital Breakdown

(applicable only to your Retirement Savings Plan)

According to law, your Retirement Savings Plan (RSP) may be considered a family asset. This means that your pension may be taken into account in the overall division of your family assets if you have a marital breakdown.

However, it is important to note that the law does not automatically require pensions to be divided at source where a marital breakdown occurs. Rather, the treatment of any pension benefits will typically be set out in the separation agreement or divorce order.

Therefore, if you have a marital breakdown, we require receipt of certain documentation in order to ensure the plan is administered appropriately. Specifically, you must forward documentation including, but not necessarily limited to, the separation agreement, the divorce certificate and the divorce order to Sun Life Financial. The documentation you provide must be complete and meet all administrative requirements. Strict confidentiality rules are in place at Sun Life Financial and this documentation is used only for the necessary administration of the pension plan. Please note that the actual division of a pension at source in the context of a marital breakdown is governed by applicable pension law and the terms of the pension plan itself.

“Marital breakdown” may include the breakdown of a marriage and the breakdown of a common-law relationship.

Build your own funds

With build your own funds, you choose from a mix of investment funds to create your own personal asset mix. To assist you in making your investment selections, you can complete the investment risk profiler provided by Sun Life Financial, which can be found on www.sunlife.ca/kraft or in the **my money** Investment and Savings guide. Profiles range from conservative to aggressive. It is up to you to determine and monitor your portfolio over time. You may decide to rebalance your investments periodically to ensure that you maintain an investment mix that fits your needs and risk profile.

A description of the investments available in your Retirement and Savings Program are found in Sun Life Financial’s enrolment kit and through www.sunlife.ca/kraft. You should review the fund information thoroughly to make informed investment decisions and put your strategy into action.

Diversification

It is important to keep in mind that diversification among funds with different objectives, risk factors and expected returns helps reduce investment volatility (i.e. sudden ups and downs). For example, although stocks offer potentially higher returns than bonds or cash, their value can fluctuate significantly over the short term. As such, you should consider mixing up your contributions by taking a closer look at the other choices available to you.

Personal Statements

Over time, the value of your accounts will change, depending on the amount you and Kraft Canada contribute, and how your investments perform. You can track investment performance through annual statements sent to your home or by checking the quarterly statements posted to Sun Life Financial's Plan Member Services website.

These easy-to-read statements include a summary of your plans, your transaction history, personal rates of return, all fees associated with your accounts, as well as any new plan information. You can also check your account balance at any time on the website.

You can track investment performance and manage your accounts online at www.sunlife.ca/kraft. After you've signed in using your Access ID and password, you'll be able to:

- Monitor your account balances, transaction history and personal rates of return
- View your quarterly online statement
- Change your contribution rate, transfer money between investment funds and update future investment instructions
- Get detailed fund information and analysis, including access to Morningstar® where you can generate investment performance reports and conduct comparative analyses between the plan's funds and Morningstar's pooled fund universe
- Access educational tools such as the investment risk profiler and other retirement and financial planning tools

You can transfer money between investment funds and change your investment instructions for future contributions at any time. However, in order to discourage short-term trading which causes instability in the funds and affects all unit holders, Sun Life Financial charges a 2% penalty for multiple transfers in and out of the same investment fund within 30 days. The penalty does not apply to Kraft Foods Stock, money market and guaranteed fund transactions.

For more information on your investments and all applicable fees, visit Sun Life Financial's Plan Member Services website at www.sunlife.ca/kraft. If you prefer, you can also call Sun Life Financial's Customer Care Centre at **1-866-896-6976** any business day from 8 a.m. to 8 p.m. ET to speak with a representative about managing your accounts over the telephone, or call the same number 24-hours-a-day to access the Automated Telephone System.

To Access Your Online Statement

Sign in to www.sunlife.ca/kraft using your personal access ID and password.

Transaction Processing

Your investment fund values are determined on a daily basis (except for Kraft Foods stock transactions). All transactions (contributions, transfers or withdrawals) requested over the phone by 3 p.m. ET and online by 4 p.m. ET (Monday to Friday) will be processed by Sun Life Financial that same day. The fund unit values will be determined at the 4 p.m. market close. For example, if you make a \$100 contribution to a particular fund on Day 1, and the closing value of the fund on that day is \$10 per unit, you would purchase 10 units of that fund and be able to see that transaction in your account on Day 2.

Kraft Foods stock transactions take longer to complete than other transactions. If you initiate a transaction on Day 1, stock will be bought or sold on Day 2. You will be able to see that transaction in your account on Day 3.

The amount will be based on the average price of the Kraft Foods stock traded under the Kraft Canada Inc. plans on the day of the trade. The timing of stock transactions may also be affected by U.S. and Canadian statutory holidays.

Voting Rights under the Kraft Foods Stock Fund**Kraft Foods Stock**

Funds invested in Kraft Foods are invested directly in shares of the company. This means that you will see a direct correlation between Kraft Foods stock traded on the New York Stock Exchange and your account value. The daily value of your stock will represent the closing bid price, converted to Canadian dollars. Any dividends received will be allocated to your account the next day.

Ownership rights relating to shares of Kraft Foods Common Stock held in your RSP, NREG and/or GRRSP accounts, including voting rights, are passed through to you. The shares are voted through Sun Life Financial and they will work through the transfer agent and deliver a listing of the shareholders as of the record date. The transfer agent would then send out proxy material and shareholders would submit their voting instructions back to the transfer agent, who then feeds the information to Sun Life Financial to vote accordingly, since Sun Life Financial actually holds the shares.

Kraft Canada Inc. is responsible for ensuring that your purchase, holding and sale of Kraft Foods Common Stock and the exercise of voting rights are done in accordance with procedures that have been designed to safeguard the confidentiality of such information.

Your exercise of ownership rights with Kraft Foods Common Stock credited to your RSP, NREG and/or GRRSP accounts, including your voting directions, will be held in confidence by the trustee and will not be divulged to Kraft Foods, any affiliated company, or any officer or other employee, except as permitted by law.

Account Fees

As a participant, you are required to pay the Fund Management Fees (FMFs) and Administration fees. You will be able to view your FMFs and Administration fees through Sun Life Financial's Plan Member Services website, www.sunlife.ca/kraft using your personal access ID and password.

Investment Fees

All fees associated with RSP, NREG and GRRSP investments, including recordkeeping, trustee, investment, stock and fund management changes are paid by plan members. Fees are outlined on Sun Life Financial's Plan Member Services website and on your personal statements. The fees you pay through your group plan are typically lower than what you'd pay if you were investing on your own.

Your Resources for more information

Contact Information:

ONLINE: You will need both your access ID and password to sign in to www.sunlife.ca/kraft.

- Manage your money online
- Account access: transfer between funds, change investment allocation, account balances, online statements
- Education: Investment risk profiler, retirement planner, personal financial planning tools
- Access to Morningstar investment reports

You have access to online planning tools that can help you build a better future. Sign in to www.sunlife.ca/kraft and select **my money tools** from the **Quick Links** drop-down menu.

Don't have an access ID or password?

Sign in to www.sunlife.ca/kraft using your account number (see your welcome letter or your statement for this number) and select **Register now**.

- Forgot your access ID? Select **Forgot your access ID?**
- Forgot your password? Select **Forgot your password?**

Or you can call Sun Life Financial's Customer Care Centre at **1-866-896-6976**.

BY PHONE: Representatives are available Monday through Friday from 8 a.m. to 8 p.m. Eastern time (ET). You will need both your access ID and password when you call either Sun Life Financial's Customer Care Centre or 24-hour Automated Telephone System.

- Call **1-866-896-6976** to access your account or help understanding your plan:
- Enrolment assistance, transfer between funds, change investment allocation, account balances.
- Choose between the Automated Telephone System or, speak with a live person from the Customer Care Centre.

IN WRITING:

Sun Life Financial Group Retirement Services
Attention: Administrative Unit 3A
227 King Street South
P.O. Box 1601, Stn. Waterloo
Waterloo, Ontario N2J 4C5

About this booklet

This booklet is a summary intended to present the general provisions of the Kraft Canada Retirement and Savings Plan (RSP)

The RSP is part of the following Registered Pension Plans:

- Kraft Canada Inc. Trusteed Retirement Plan A
- Kraft Canada Inc. Trusteed Retirement Plan B

The RSP is subject to applicable federal and provincial laws, and different rules may apply to employees in certain provinces.

The NREG is a non-registered savings arrangement and is not subject to pension legislation.

The GRRSP is subject to applicable federal laws.

In the event of any discrepancy between the official documents and this summary brochure, the official documents will always govern. Kraft Canada reserves the right, from time to time and without advance notice, to change or terminate its benefits and retirement and savings programs for active, non-active and retired employees and their beneficiaries. Such changes may include, but are not limited to adding, terminating, altering or reducing benefits being received by individuals, changing carriers, amending plan provisions and merging plans. However, such changes will not impact benefits to the extent that the benefits are already paid for by individuals or to the extent expressly prohibited by statute.

Your Responsibilities

As a member of a savings plan with more than one investment option, you're responsible for making investment decisions that are right for you. We've provided tools and information to assist you in making these decisions but not investment advice. You should also decide if seeking investment advice from a qualified individual makes sense for you.

Privacy and your Plan

Protecting your privacy is a priority at Sun Life Financial. Sun Life Financial maintains a confidential file in their offices containing personal information about you and your contract(s) with Sun Life Financial. Their files are kept for the purpose of providing you with insurance and investment products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees and representatives who are responsible for the administration and servicing of your contract(s) with Sun Life Financial, or any other person whom you authorize. You are entitled to review the information contained in Sun Life Financial's file and, if applicable, to have it corrected by sending a written request to Sun Life Financial.

To find out about Sun Life Financial's Privacy Policy, visit their website at www.sunlife.ca/kraft or call **1-866-896-6976** and request that a copy of our Privacy Brochure be sent to you.

Your Kraft Canada Inc.
Retirement and Savings Program

For legacy Kraft Non-Unionized Hourly Employees, hired on or after January 1, 2011

For Plan 19 Updated January 1, 2012

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated February 27, 2012 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appear in Kraft Foods Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois
September 28, 2012

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, being a director or officer of Kraft Foods Inc., a Virginia corporation (the "Corporation"), hereby constitutes and appoints David A. Brearton, Gerhard W. Pleuhs and Carol J. Ward, and any one or more of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution and to act with or without the others, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to the registration statements to be filed by the Corporation on Forms S-8 in connection with equity shares plans that benefit employees located in Canada, including, but not limited to, the Mondelez Canada Inc. Retirement Plan for Canadian Salaried Employees, Mondelez Canada Inc. Retirement Plan for Former Salaried Employees of Nabisco Ltd., Mondelez Canada Inc. Trusteed Retirement Plan A, Mondelez Canada Inc. Trusteed Retirement Plan B, Mondelez Canada Inc. Employee Savings Plan, Group Retirement Savings Plan for Mondelez Canada Inc. and Mondelez Canada Inc. Non-Registered Savings Plan, and to file the same with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have caused this Power of Attorney to be executed on the 28th day of September 2012.

/s/ Irene B. Rosenfeld
Irene B. Rosenfeld

/s/ Terry J. Lundgren
Terry J. Lundgren

/s/ David A. Brearton
David A. Brearton

/s/ Mackey J. McDonald
Mackey J. McDonald

/s/ Kim Harris Jones
Kim Harris Jones

/s/ Jorge S. Mesquita
Jorge S. Mesquita

/s/ Myra M. Hart
Myra M. Hart

/s/ John C. Pope
John C. Pope

/s/ Peter B. Henry
Peter B. Henry

/s/ Fredric G. Reynolds
Fredric G. Reynolds

/s/ Lois D. Juliber
Lois D. Juliber

/s/ Jean-François M. L. van Boxmeer
Jean-François M. L. van Boxmeer

/s/ Mark D. Ketchum
Mark D. Ketchum