

**EXHIBIT R-23  
UNION DB PLAN**

Financial Services  
Regulation Division

DEC 07 2004

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**Pension Plan for Bargaining Unit Employees of Wabush  
Mines, Cliffs Mining Company, Managing Agent  
Arnaud Railway Company  
Wabush Lake Railway Company, Limited**

As Amended and Restated Effective as of March 1, 1996

Revenue Canada Registration Number 0555201

*24690*

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

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### **1.01 Amendment and Restatement**

Effective as of March 1, 1996, the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, Wabush Lake Railway Company, Limited, Revenue Canada registration number 0555201, is amended and restated to allow active Members to choose, on a one-time-only basis, one of two forms of pension benefits:

- a Defined Benefit Provision based on a flat dollar benefit rate, pursuant to the terms of the Collective Agreement; or
- a Defined Benefit Provision based on a lower flat dollar benefit rate plus a Defined Contribution Provision with Member and Employer contributions, pursuant to the terms of the Collective Agreement.

*Amendment #1  
eff: March 1, 1996*

## **Section 2 — Definitions**

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

### **2.01 Account**

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

### **2.02 Actuarial Equivalent**

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

### **2.03 Actuary**

"Actuary" means the actuary or firm of actuaries retained by the Employer for the purposes of the Plan who is, or in the case of a firm of actuaries at least one of whom is, a Fellow of the Canadian Institute of Actuaries.

### **2.04 Approved Leave of Absence**

"Approved Leave of Absence" means a period of unpaid leave of absence authorized by the Employer and includes a period of lay-off.

### **2.05 Beneficiary**

"Beneficiary" means the person last designated by a Member by written notice filed with the Employer to receive benefits payable from the Plan upon the Member's death and who survives the Member.

### **2.06 Collective Agreement**

"Collective Agreement" means the agreement in effect between the parties who are signatories to the Pension Agreement.

### **2.07 Commuted Value**

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



## 2.08 Continuous Service

- (a) "Continuous Service" means the period of regular employment with the Employer from the later of the date of commencement of employment with the Employer or the date of re-employment following the last break in service, if any.
- (b) Continuous Service shall be broken by an Employee's resignation or other voluntary termination of employment or termination of employment by the Employer, retirement or absence due to a non-compensable Disability for a period in excess of 36 consecutive months.
- (c) Notwithstanding (a) and (b) above, Employees with eight or more years of Continuous Service as of the date they become eligible for long term disability benefits pursuant to the Employer's program of insurance benefits shall continue to accrue Continuous Service until the payment of or eligibility for such benefits ceases. In the event that the long term disability insurance benefits are reduced to zero by virtue of an offset for workers' compensation benefits, Continuous Service shall continue to accrue notwithstanding that the actual payment of long term disability insurance benefits has ceased, until such time as the payment of or eligibility for such payments would otherwise have ceased under the terms of the Employer's program of insurance benefits. In the event that the long term disability insurance benefits cease due to the Employee's refusal to undergo a medical examination, as specified under the Employer's program of insurance benefits, Continuous Service shall be broken as of the date of eligibility for long term disability benefits unless the Employee returns to work within 30 days of the scheduled date of examination.
- (d) Notwithstanding (a) and (b) above, Continuous Service shall be broken:
  - (i) due to layoff for a period in excess of 36 months for an Employee having less than 36 months of Continuous Service at the time of layoff;
  - (ii) due to layoff for a period in excess of length of Continuous Service for an Employee having three to five years of Continuous Service at the time of layoff; and
  - (iii) due to layoff for a period in excess of five years for an Employee having more than five years of Continuous Service at the time of layoff.
- (e) Full time work for the Union while an Employee of the Employer for a period of not more than one year, shall not constitute a break in Continuous Service.
- (f) Notwithstanding anything to the contrary in the Plan, a transfer of employment from one Employer to an affiliate or subsidiary of the Employer shall not constitute a break in Continuous Service for the purpose of determining eligibility for benefits pursuant to the Plan.

## **2.09 Credited Interest**

"Credited Interest" means interest on the amount in a Member's Account including any additional voluntary contributions pursuant to Section 4, compounded annually and computed from the first day of the month following the month in which the contributions were made to the first day of the calendar month in which a determination thereof is to be made, at the rate equal to the rate of return calculated on the portion of the Pension Fund in which the Member's Account and the additional voluntary contributions are deposited.

## **2.10 Credited Service**

- (a) "Credited Service" means a Member's years and completed calendar months (expressed as twelfths of a year) of Continuous Service during which the Member participated in or was credited with participation in the Plan. For the purposes of this section, a "completed calendar month" shall include a calendar month during which an employee has participated or was credited with participation in the Plan for 15 or more days in the month.
- (b) However, Credited Service excludes:
- (i) any service excluded pursuant to Section 3.05;
  - (ii) absence due to suspension, resulting from the Employer's decision or an arbitrator's award;
  - (iii) absence for study leave for more than 10 months;
  - (iv) full time work by an Employee on a self-employed basis or for an employer other than the Employer while on Approved Leave of Absence; and
  - (v) full time work for the Union by an Employee on an Approved Leave of Absence in excess of two months;
- (c) In no event shall the total period of unpaid Approved Leave of Absence for the purposes of Credited Service exceed five years, except for periods of parenting as defined in regulation 8507(3)(ii) of the *Income Tax Act*, in which case up to an additional three years of leave may be included as Credited Service. The limit in regulation 8507 of the *Income Tax Act* shall not apply to Disability.

**2.11 Deferred Vested Termination Date**

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

**2.12 Defined Benefit Provision**

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

**2.13 Defined Contribution Provision**

"Defined Contribution Provision" means the pension benefits derived from the Members' contributions made pursuant to Section 4.01(b), 4.03(a) and 4.04, and the Employer's contributions made pursuant to Section 4.02(b), 4.03(b) and 4.04, and as calculated with reference to Section 6.01(b)(ii) and excludes the pension benefits derived from the Defined Benefit Provision.

**2.14 Disability or Disabled**

"Disability " or "Disabled" means, suffering from a physical or mental impairment, as certified by a medical doctor, that prevents an Employee from performing the duties of employment in which the Employee was engaged before the commencement of the impairment. If the Disability continues for more than two years, the impairment must prevent the Employee from performing any job available to the Employee under the Collective Agreement.

**2.15 Early Retirement Date**

"Early Retirement Date" means the date of a Member's early retirement pursuant to Section 5.02.

**2.16 Effective Date**

"Effective Date" means, in respect of this amended and restated text of the Plan, March 1, 1996.

**2.17 Employee**

"Employee" has the same meaning as in the Collective Agreement and:

- (a) "Full-Time Employee" means an Employee who, in the 120 months preceding retirement was regularly scheduled to work on a straight-time schedule of 40 hours per week.
- (b) "Part-Time Employee" means an Employee who, in the 120 months preceding retirement was regularly scheduled to work fewer hours than the straight-time schedule of a Full-Time Employee.

*Per 301 =>  
Immediate membership  
for all "Employees"  
=> Differentiation of FT/PT  
not an issue -*

**2.18 Employer**

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

**2.19 Funding Agency**

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

**2.20 Funding Agreement**

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

**2.21 Hours of Service**

"Hours of Service" means each hour for which an Employee is directly or indirectly paid by the Employer for the performance of duties or for reasons other than the performance of duties.

**2.22 Income Tax Act**

"Income Tax Act" means the *Income Tax Act (Canada)*, as amended from time to time, the regulations made thereunder and the published information circulars, interpretation bulletins and administrative guidelines of Revenue Canada.

**2.23 Member**

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

**2.24 Normal Retirement Date**

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

**2.25 Pension Agreement**

"Pension Agreement" means the agreement between the Employer and Local Unions 6254, 6285 and 6680 of The United Steelworkers of America, with respect to this Plan and any similar agreement with another Union Local or Union, providing for the application of this Plan to the Employees represented by such union(s).

**2.26 Pension Committee**

"Pension Committee" means the committee described in Section 11.

**2.27 Pension Benefits Act**

"Pension Benefits Act" means the Newfoundland *Pension Benefits Act*, as amended, and the Regulations thereunder.

**2.28 Pension Commencement Date**

"Pension Commencement Date" means the date upon which a Member's payment of pension benefits is due to commence.

**2.29 Pension Fund**

"Pension Fund" means the fund established pursuant to the terms of the Plan and the Funding Agreement to which all contributions under the Plan are made and from which the benefits and expenses of the Plan are paid.

**2.30 Plan**

"Plan" means the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited.

**2.31 Pre-Pension Spouse Coverage**

"Pre-Pension Spouse Coverage" means the optional benefit pursuant to Section 8.03

**2.32 Plan Year**

"Plan Year" means each 12 month period ending December 31.

**2.33 Québec Member**

"Québec Member" means a Member who reports for work in the Province of Québec.

**2.34 Special Early Retirement Date**

"Special Early Retirement Date" means the date of a Member's special early retirement pursuant to Section 5.03.

**2.35 Special Postponed Retirement Date**

"Special Postponed Retirement Date" means the date of a Member's special postponed retirement pursuant to Section 5.04.

### **2.36 Spouse**

"Spouse" means a person of the opposite sex of a Member, who either:

- (a) on the date of determination of marital status, is legally married to the Member and is not living separate and apart from the Member;
- (b) is not legally married to the Member but who has been living with the Member in a conjugal relationship continuously for a period of at least 3 years; or
- (c) is not legally married to the Member, but who is living with the Member in a conjugal relationship continuously for a period of at least one year and who, together with the Member, is the natural or adoptive parent of a child, both as defined in applicable family law legislation.

It is provided, however, that a person described in (b) or (c) above shall not be considered the Spouse of the Member for the purposes of the Plan if there is also a legal Spouse pursuant to (a) above, unless the Member has submitted a written election to the contrary to the Employer.

### **2.37 Surplus Assets**

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

### **2.38 Union**

"Union" means Local Unions 6254, 6285 and 6680 of The United Steelworkers of America.

### **2.39 YMPE**

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

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

## **Section 3 — Membership**

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### **3.01 Immediate Membership**

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

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

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

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

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

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

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

An Employee who is a Member as of the day preceding the Effective Date shall participate in the Defined Benefit Provision and may elect to participate in the Defined Contribution Provision, effective as of October 1, 1996, on the form prescribed by the Employer.

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

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

### **3.05 Transfers of Employment**

(a) An Employee who ceases to be a Union member, but who remains employed with the Employer, shall cease accruing benefits pursuant to the Plan, however, the employee shall remain eligible to receive the benefits accrued pursuant to the Plan upon the employee's subsequent termination of employment, retirement or death. Employment with the Employer in a capacity other than as an Employee shall continue to count as Continuous Service for the purpose of vesting of benefits, eligibility for retirement and similar matters, but not as Credited Service for benefit calculation purposes pursuant to the Plan.

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



## Section 4 — Contributions

### 4.01 Member Contributions

Amended 2/1  
4/6/99: March 1, 1999

(a) **Defined Benefit Provision**

Members shall not contribute to the Defined Benefit Provision of the Plan.

(b) **Defined Contribution Provision**

A Member who participates in the Defined Contribution Provision of the Plan shall contribute to the Member's Account, in equal installments, by payroll deduction, an amount equal to \$2,000 per calendar year.

(c) **Additional Voluntary Contributions**

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

(d) **Remittance of Contributions**

The Employer shall remit Member contributions pursuant to (b) and (c) above within 30 days following the month in which they were deducted.

### 4.02 Employer Contributions

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

(a) **Defined Benefit Provision**

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

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

*Amount: \$1  
eff. March 1999(b)*

**Defined Contribution Provision**

- (i) The Employer shall contribute in equal monthly instalments to the Pension Fund in respect of the Defined Contribution Provision each calendar year, an amount in respect of each Member who participates in the Defined Contribution Provision determined according to the Member's Continuous Service as follows:

Member's Continuous Service	Annual Employer Contribution
Less than 10 years	\$1,000
10 years or more but less than 20 years	\$1,750
20 years or more	\$2,500

- (ii) In the event that a Member attains 10 years or 20 years of Continuous Service part way through a calendar year, the Employer contribution shall increase for the remainder of the calendar year, in accordance with the above table, with effect from the beginning of the pay period immediately following the pay period in which the 10 or 20 year anniversary is attained.

*(iii)*  
**(c) Remittance of Contributions**

The Employer shall remit its contributions in accordance with applicable legislation in equal installments within 30 days following the month in which they fall due.

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

**(a) Member Contributions**

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



## **Section 5 — Retirement Dates**

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### **5.01 Normal Retirement Date and Mandatory Retirement**

- (a) A Member's Normal Retirement Date shall be the first day of the month following the Member's attainment of age 65.
- (b) Retirement shall be mandatory upon a Member attaining age 65 unless the Member is a resident of the province of Quebec, in which case Section 14 applies.

### **5.02 Early Retirement Date**

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

- (a) completion of 30 years of Continuous Service;
- (b) attainment of age 55 and completion of 15 years of Continuous Service; or
- (c) attainment of age 62 and completion of 10 years of Continuous Service.

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

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

- attained age 55 and completed at least 15 years of Continuous Service; or
- completed at least 15 years of Continuous Service and the sum of the Member's age and Continuous Service, in years and completed months, equals 75 or more; and

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

- (a) the Member's Continuous Service is broken by reason of a permanent shutdown of a plant, department or subdivision thereof or by reason of a layoff or physical disability;
- (b) the Member's Continuous Service is not broken and the Member is absent from work by reason of:
  - (i) a layoff resulting from his or her election to be placed on layoff status in the event of a permanent shutdown, or



## **Section 6 — Retirement Benefits**

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

*Amended 11/1  
4/6/99*

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

A Member who does not participate in the Defined Contribution Provision and who retires prior to March 1, 2001 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly installments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (i), (ii), (iii), (iv) and (v) below. If the Member retires on or after March 1, 2001, (iv) below shall not apply.

- (i) \$32.50 multiplied by the Member's Credited Service not in excess of 15 years
- (ii) \$33.50 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years
- (iii) \$34.50 multiplied by the Member's Credited Service in excess of 30 years
- (iv) \$3.00 multiplied by the Member's Credited Service not in excess of 30 years
- (v) \$50.00.

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

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

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

A benefit payable in equal monthly installments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (A), (B), (C) and (D) below:

- (A) \$29.50 multiplied by the Member's Credited Service not in excess of 15 years
- (B) \$31.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years
- (C) \$33.50 multiplied by the Member's Credited Service in excess of 30 years

(D) \$50.00.

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

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

**6.02 Early Retirement Benefits**

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

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

- (i) If the Member has completed at least 30 years of Continuous Service, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement;
- (ii) If the Member has attained age 55 and completed at least 15 years of Continuous Service, a pension benefit equal to the Actuarial Equivalent of the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, provided that the amount of the reduction to the monthly benefit shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b);
- (iii) If the Member has attained age 62 and completed at least 10 years of Continuous Service and obtains the written consent of the Employer, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement; or
- (iv) If the Member has attained age 62 and completed at least 10 years of Continuous Service and does not obtain the written consent of the Employer, a pension benefit equal to the Actuarial Equivalent of the amount calculated pursuant to Section 6.01 (a), based on the Member's Credited Service to his or her Early Retirement Date, provided that the amount of reduction to the monthly benefit shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

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

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





#### **6.04 Deferred Vested Retirement Benefits**

A Member who terminates employment with the Employer on a Deferred Vested Termination Date shall be entitled to receive an monthly pension benefit pursuant to (a) and (b) below or may transfer such benefit out of the Plan pursuant to (c) below. A Member who terminates employment with the Employer prior to a Deferred Vested Termination Date shall be entitled to the refund, if any, pursuant to (d) below.

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

- (i) A benefit payable in equal monthly installments commencing on the Member's Normal Retirement Date and continuing on the first day of each month thereafter, equal to the amount of pension calculated pursuant to Section 6.01(a), but excluding subsections (iv) and (v) thereof, or Section 6.01(b)(i), but excluding subsection (D) thereof, whichever is applicable to the Member. The Member may elect to commence his or her pension prior to the Normal Retirement Date, on the first day of any month after attaining age 55, in which case the amount of pension payable from such earlier Pension Commencement Date shall be the Actuarial Equivalent of the amount of pension payable upon the Member's Normal Retirement Date, provided that the amount of reduction to the monthly pension shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).
- (ii) Notwithstanding (i) above, the Member may elect to transfer the Commuted Value of the benefit pursuant to (i) above out of the Plan, pursuant to (c) below.

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

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

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

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

- (i) a retirement savings plan, locked-in retirement account or life income fund, as prescribed by the *Pension Benefits Act*;
- (ii) the fund of another registered pension plan, if the other pension plan permits such a transfer; or

(iii) a life insurance company licensed to transact business in Canada for the purpose of purchasing a deferred life annuity.

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

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

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

A Member who terminates employment with the Employer prior to the completion of two years of Continuous Service shall be entitled to a benefit equal to the amount in the Member's Account, which may be transferred out of the Plan pursuant to (c) above.

**6.05 Additional Voluntary Contributions**

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

**6.06 Temporary Supplementary Benefit**

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

A Member who does not participate in the Defined Contribution Provision and who qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable in equal monthly installments commencing on the Member's Early Retirement Date or Special Early Retirement Date, as the case may be, and continuing thereafter on the first day of each month up to the earliest of the month in which the Member attains age 65, qualifies for unreduced statutory pension benefits (other than workers' compensation benefits) or dies, equal to \$24.00 multiplied by the Member's Credited Service to a maximum of 40 years. Such Member who retires prior to March 1, 2001 shall, in addition to the above benefit, be entitled to receive a temporary supplementary benefit equal to \$3.00 multiplied by the Member's Credited Service to maximum of 40 years, payable at the same time and in the same manner as described above. However, if the Member retires on an Early Retirement Date and receives an annual

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pension pursuant to Sections 6.02(a)(ii) or 6.02(a)(iv), the amount of the temporary supplementary benefit shall be reduced by the same factors used to reduce the monthly pension payable under said provisions, whichever is applicable to the Member.

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

A Member who participates in the Defined Contribution Provision and who qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable at the same time and in the same manner pursuant to (a) above, equal to \$22.50 multiplied by the Member's Credited Service to a maximum of 40 years, subject to the reduction factors referred to in (a) above.

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

The retirement benefits pursuant to the Defined Benefit Provision calculated pursuant to this section in respect of a Member who is a Part-Time Employee shall be reduced in an equitable manner to an amount related to the Hours of Service of the Member in comparison to the Hours of Service of other Members who are employed as Full-Time Employees in a similar capacity.

**6.08 Return to Work After Retirement, Termination of Employment or Break in Continuous Service**

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

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

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

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

(ii) A Member who received a lump sum payment pursuant to Section 12.02(b) and is re-employed by the Employer as an Employee prior to commencing receipt of pension benefit payments, shall have his or her frozen accrued pension benefit with respect to which the Member received such lump sum payment used in calculating any subsequent pension benefit to which the

Member may become entitled provided that, within two years of such re-employment, the Member repays an amount to the Plan equal to such lump sum payment plus interest. At the time of re-employment, the Member shall be informed by the Employer of his or her right to make such repayment.

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

- (i) An Employee who, on or after March 1, 1993, incurs a break in Continuous Service prior to becoming eligible for an immediate or deferred vested pension and who is re-employed by the Employer shall, upon completion of one year of Continuous Service following such re-employment, have such break in Continuous Service removed if the period of Continuous Service accrued prior to the break is in excess of the period between the break and the date of re-employment.
- (ii) The period between a break in Continuous Service and the date of re-employment which results in the removal of a break in accordance with (c)(i) above shall not be creditable as Continuous Service, provided, however, that if an Employee is re-hired within 12 months the break in Continuous Service shall be removed, except that credit for the period commencing with termination of employment and ending with the re-hire date shall not be credited for the purposes of determining accrued benefits nor shall it be considered as Credited Service pursuant to Section 6.

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

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

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

### **7.02 Surviving Spouse Benefit**

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

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

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

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

In lieu of the form of payment pursuant to Section 7.01 or Section 7.03, a Member with a Spouse as of the Pension Commencement Date may elect to receive a reduced pension payable in equal monthly installments for the lifetime of the Member, with either 50% or 100% of the reduced pension continued after the Member's death for the remaining lifetime of the Member's Spouse, provided that the Spouse survives the Member. Such reduced pension shall be the Actuarial Equivalent of the normal form of pension pursuant to Section 7.01 and shall take into account the Surviving Spouse Benefit payable pursuant to Section 7.02.

**7.05 Election**

In order to elect the normal form of payment pursuant to Section 7.01 or an optional form of payment pursuant to Section 7.04, a Member and the Member's Spouse, as applicable, shall sign and file the prescribed waiver form with the Employer within the 90-day period prior to the Member's Pension Commencement Date.

**7.06 Defined Contribution Provision**

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

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

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

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

### **8.02 Surviving Spouse Benefit**

If a Member dies either

- (a) while employed with the Employer and after completion of at least 15 years of Continuous Service; or
- (b) after termination of employment with the Employer on or after March 1, 1990, at or after age 45, after becoming eligible for retirement and an immediate pension pursuant to the Plan but prior to application therefor,

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

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

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

**(a) Election**

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

**(b) Effective Date**

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

**(c) Termination**

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

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

The Pre-Pension Spouse Coverage shall be a pension benefit payable in equal monthly installments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, in an amount equal to 50% of the amount of pension accrued by the Member pursuant to



Section 6.01(a), but excluding subsections (iv) and (v) thereof, or Section 6.01(b)(i), but excluding subsection (D) thereof, whichever would have been applicable to the Member, as though the Member had attained his or her Normal Retirement Date on the date of death, multiplied by such actuarial factors as adopted from time to time by the Pension Committee based on the ages of the Member and the Member's Spouse as of the date of the Member's death. However, the amount determined pursuant to Section 6.01 shall be reduced by 0.75% multiplied by the number of years (and fractions thereof calculated to the nearest month) that the Pre-Pension Spouse Coverage was in effect for the Member.

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

If a Member elects or is deemed to have elected Pre-Pension Spouse Coverage, the amount of the pension benefit payable to the Member upon his or her subsequent retirement pursuant to Section 6.01(a), but excluding subsections (iv) and (v) thereof, or Section 6.01(b)(i), but excluding subsection (D) thereof, whichever would have been applicable to the Member, shall be reduced by 0.75% multiplied by the number of years (and fractions thereof calculated to the nearest month) that the Pre-Pension Spouse Coverage was in effect for the Member.

**(f) Evidence**

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

**(g) Communication**

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

**8.04 Statutory Minimum Benefits**

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

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

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### **9.01 Application of Benefits**

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

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

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

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

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

### **9.04 Method of Payment**

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

### **9.05 Evidence of Survival**

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

**9.06 Payments to Minors or Incompetents**

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

**9.07 Beneficiary Designation**

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

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

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

**(a) Maximum Pension**

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

- (i) 2% of the Member's "highest average compensation" multiplied by the Member's years of "pensionable service" with the Employer; and
- (ii) the "defined benefit limit" for such year (currently \$1,722.22) multiplied by the Member's years of "pensionable service" with the Employer.

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

For the purposes of this subsection, the terms "highest average compensation", "defined benefit limit" and "pensionable service" shall have the meanings as defined in the *Income Tax Act*.

**(b) Maximum Early Retirement Pension**

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

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

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

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

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

**(d) Maximum Pension Adjustment**

In no event shall a Member's "pension adjustment" in respect of the Employer, or any company not dealing at arm's length with the Employer, for a calendar year exceed the lesser of:

- (i) the "money purchase limit" for the calendar year; and
- (ii) 18% of the Member's "compensation" for the calendar year.

For purposes of this subsection, the terms "money purchase limit", "compensation" and "pension adjustment" shall have the same meanings as defined in the *Income Tax Act*.

## **Section 10 — Pension Fund**

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### **10.01 General**

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

### **10.02 Provision of Benefits**

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

### **10.03 Investment—Defined Benefit Provision**

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

#### **10.04 Investment—Defined Contribution Provision**

##### **(a) Investment Option Form**

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

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

A Member may change all or part of the Member's investment options once per month and at such other times and in such manner as may be permitted by the Employer, subject to any conditions as may be required by the Funding Agency. The Member may direct the funding Agency to transfer assets from one investment option to another and the Member's Account shall be debited or credited, as the case may be, by the value of the investment bought or sold as of the day the funding Agency completes the change to a Member's investment options.

#### **10.05 Expenses**

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

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

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

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

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

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

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

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

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

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

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

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

### **11.05 Actions of Pension Committee**

Any action of the Pension Committee may be taken by the written approval or the affirmative votes of a majority of the members of the Pension Committee. The Pension Committee may delegate to any of its members, officers, or agents such



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

**11.06 Decisions of Pension Committee**

The Pension Committee shall make all determinations as to the right of any person to a benefit pursuant to the Plan. Any denial by the Pension Committee of the claim for benefits pursuant to the Plan by a person shall be stated in writing by the Pension Committee and delivered or mailed to such person and shall set forth the specific reasons for the denial, in a manner that may be understood without the necessity for assistance by legal counsel or an actuary. In addition, the Pension Committee shall afford a reasonable opportunity to such person whose claim for benefits has been denied, for a reconsideration of the decision denying the claim.

**11.07 Conflict With Pension Agreement**

Any exercise of the powers of the Pension Committee specified in this Section which conflict with any provisions of the Plan or the Pension Agreement shall be subject to sections 3.1 through 3.10 of the Pension Agreement.

**11.08 Actuarial Reports**

The Employer shall provide, on a confidential basis, the most recent actuarial report of the Actuary to the actuary designated in writing by the Union.

**11.09 Communication With Pension Committee**

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

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

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

of their respective own powers, duties, responsibilities and obligations pursuant to the Plan and the Funding Agreement and shall not be responsible for any act or failure to act of each other.

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

**11.11 Records of the Employer**

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

**11.12 Communication**

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

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

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

**(b) Statement of Benefits**

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

**(c) Annual Statement of Benefits**

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

**(d) Inspection of Documents**

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

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

## **Section 12 — General Provisions**

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### **12.01 Employment Rights**

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

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

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

(b) Notwithstanding (a) above, if the monthly pension pursuant to the Plan is less than \$10.00, a lump sum payment of the Actuarial Equivalent value may, at the discretion of the Pension Committee, be paid in full discharge of all liability in respect of such benefit provided that such Actuarial Equivalent value does not exceed \$1,750.00.

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

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

### **12.04 Notices and Elections**

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

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

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

**12.06 Applicable Law**

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

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

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

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

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

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

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

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

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

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

### **13.05 Asset Transfer or Merger**

(a) The Employer may transfer or merge the assets of the Plan or the Pension Fund or any part thereof, and the Members related to such assets, to or with one or more trusts, pension fund societies or corporations, pension or superannuation plans or funds and which may result in one merged or amalgamated entity with or without termination of the entities merged. Subject to the *Pension Benefits Act* and without limiting the generality of the foregoing, the terms of the transfer or merger may provide for the termination or continuation of all or any part of the

entities to be merged, the consolidation of the assets and liabilities of the merged entities, with or without any requirement to maintain a separate accounting in respect thereof, and the application of the assets of the fund or any part thereof to the liabilities related to any new participants or the merged entity, provided that any account maintained in respect of a Member shall continue to be maintained in respect of the Member until such time as the Member terminates employment with no vested benefit remaining to be paid.

- (b) In the event of a merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Pension Fund to, another fund relating to any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Members, the assets of the Pension Fund relating to any transferred Members shall be transferred to the other fund provided that:
  - (i) each Member would be entitled to (if either the Plan or the other plan is then terminated) receive a pension benefit immediately after the merger, consolidation or transfer equal to or greater than the pension benefit he or she would have been entitled to receive pursuant to the Plan immediately prior to the merger, consolidation or transfer;
  - (ii) the Employer, or any new or successor employer of the affected Members authorizes such transfer of assets; and
  - (iii) such other plan and trust agreement are registered with the applicable regulatory authorities.

#### **13.06 Surplus Assets**

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

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

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### **14.01 Application**

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

### **14.02 Early Retirement**

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

### **14.03 Early Retirement Pension**

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

### **14.04 Postponed Retirement**

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

### **14.05 Actuarial Adjustment**

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



**14.06 Maximum Deferral of Pension**

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

**14.07 Effect of Maximum Benefit Rule**

If a Quebec Member who has elected to postpone retirement after Normal Retirement Date shall become entitled to a postponed retirement pension which, after the revalorization described in Section 14.05 above, becomes equal to the maximum pension described in Section 9.08, the Member's postponed retirement pension shall then commence on the first day of the next calendar month.

**14.08 Partial Payment of Pension**

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

**14.09 Early Commencement of Deferred Vested Pension**

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

**14.10 Portability of Benefits**

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

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

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

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

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

**14.12 Commutation of Pension**

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

Effective as of March 1, 1996. Confirmed as of November 1, 2004.

WABUSH MINES, Cliffs Mining Company,  
Managing Agent

By: *D. J. Ballyhe*  
Senior Vice President and Treasurer

And: *J. E. Kenward*  
Vice President, Secretary and  
General Counsel

ARNAUD RAILWAY COMPANY

By: *D. J. Ballyhe*  
Treasurer

And: *J. E. Kenward*  
Secretary

WABUSH LAKE RAILWAY  
COMPANY, LIMITED

By: *D. J. Ballyhe*  
Treasurer

And: *J. E. Kenward*  
Secretary

## **Appendix A**

### **Revalorization of Postponed Retirement Pension**

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

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

**UNION DB PLAN AMENDMENT  
NO. 1**

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

I, George W. Hawk, Jr., Assistant Secretary of Cliffs Mining Company, a Delaware corporation, which is the Managing Agent of Wabush Mines, a Joint Venture, comprised of Stelco Inc., Dofasco Inc., and Wabush Iron Co. Limited, the Joint Venturers, do hereby certify that the attached First Amendment to the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Lake Railway Company, Limited, as Amended and Restated Effective as of March 1, 1996 and executed on May 28, 2003, is a true and correct copy.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company, as of the 1<sup>st</sup> day of November, 2004.

  
\_\_\_\_\_  
Assistant Secretary

(SEAL)

**First Amendment to the Pension Plan for  
Bargaining Unit Employees of**

**WABUSH MINES, Cliffs Mining Company, Managing Agent,  
ARNAUD RAILWAY COMPANY, and  
WABUSH LAKE RAILWAY COMPANY, LIMITED**

**As Amended and Restated Effective as of March 1, 1996**

**Amendment No. 1**

**CERTIFICATION**

The following First Amendment to the Pension Plan is hereby adopted by and for WABUSH MINES, Cliffs Mining Company, Managing Agent; ARNAUD RAILWAY COMPANY; and WABUSH LAKE RAILWAY COMPANY, LIMITED to be known as the "First Amendment to the Pension Plan for Bargaining Unit Employees of WABUSH MINES, Cliffs Mining Company, Managing Agent, ARNAUD RAILWAY COMPANY and WABUSH LAKE RAILWAY COMPANY, LIMITED", and is effective March 1, 1999.


The following sections of the Plan are amended as follows:

1. Section 1 shall be deleted and replaced by the revised Section 1 as attached.
2. Paragraph 4.01 shall be deleted and replaced by the revised paragraph 4.01 as attached.
3. Paragraph 4.02(b) shall be deleted and replaced by the revised paragraph 4.02(b) as attached.
4. Section 6.01 shall be deleted and replaced by the revised Section 6.01 as attached.
5. Section 6.06 shall be deleted and replaced by the revised Section 6.06 as attached.


Signed at Wabush, Labrador this 28 day of May 2003.

For the United Steelworkers of America

  
Tom Harris - Staff Representative

  
Jim Skinner  
President, local 6285 - USWA

For Wabush Mines and Wabush Lake  
Railway Company Limited

  
Damien Lebel - General Manager

  
John McGrath  
Director - Human Resources

## Section 1 — Amendment and Restatement

### **1.01 Amendment and Restatement**

Effective as of March 1, 1996, the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Lake Railway Company, Limited, Canada Customs and Revenue Agency registration number 0555201, is amended and restated to allow active Members to choose, on a one-time-only basis, one of two forms of pension benefits:

- a Defined Benefit Provision based on a flat dollar benefit rate, pursuant to the terms of the Collective Agreement; or
- a Defined Benefit Provision based on a lower flat dollar benefit rate plus a Defined Contribution Provision with Member and Employer contributions, pursuant to the terms of the Collective Agreement.

### **1.02 Opportunity to Transfer from Defined Contribution Provision to Defined Benefit Provision**

For Members who participate in the Defined Contribution Provision and who commit between January 1, 2000 and June 30, 2002 to retire by February 29, 2004, there will be a one-time-only opportunity to elect to have their benefit in respect of the Defined Benefit Provision and their temporary supplementary benefit at retirement calculated pursuant to Section 6.01(a) and 6.06(a), respectively. A life annuity will be calculated based upon the Member's Account, in respect of Employer contributions, as of the date of retirement and such annuity will reduce the pension benefit determined pursuant to Section 6.01(a).

### **1.03 Opportunity to Transfer from Defined Benefit Provision to Defined Contribution Provision**

For Members who participate in the Defined Benefit Provision, who find that the circumstances which led them to elect that coverage in 1996 have now changed, there will be a one-time-only opportunity to elect to transfer from the Defined Benefit Provision to the Defined Contribution Provision. Members must make this election before December 31, 1999. The change will be effective prospectively from the date of the revised election; therefore benefits in respect of Credited Service earned prior to the date of the revised election shall be determined according to the terms of the Plan for Members who do not participate in the Defined Contribution Provision.

### **1.04 Benefits Prior to March 1, 1999**

Benefits in respect of a Member whose employment with the Employer ceased prior to March 1, 1999 shall be determined in accordance with the terms of the Plan applicable when the Member ceased employment except as required by the Income Tax Act or the Pension Benefits Act or as may be specifically provided herein.

## Section 4 — Contributions

### 4.01 Member Contributions

#### (a) Defined Benefit Provision

Members shall not contribute to the Defined Benefit Provision of the Plan.

#### (b) Defined Contribution Provision

(i) A Member who participates in the Defined Contribution Provision of the Plan shall contribute to the Member's Account, in equal installments, by payroll deduction, an amount equal to \$2,500 per calendar year.

(ii) Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election shall not contribute for the period prior to the date of the revised election.

#### (c) Additional Voluntary Contributions

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

(ii) Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election may not contribute for the period prior to the date of the revised election.

#### (d) Remittance of Contributions

The Employer shall remit Member contributions pursuant to (b) and (c) above within 30 days following the month in which they were deducted.

### 4.02 Employer Contributions

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

#### (a) Defined Benefit Provision

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

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



(b) **Defined Contribution Provision**

- (i) The Employer shall contribute in equal monthly instalments to the Pension Fund in respect of the Defined Contribution Provision each calendar year, an amount in respect of each Member who participates in the Defined Contribution Provision determined according to the Member's Continuous Service as follows:

Member's Continuous Service	Annual Employer Contribution
Less than 10 years	\$ 1,500
10 years or more but less than 20 years	\$ 2,500
20 years or more	\$ 3,500

- (ii) In the event that a Member attains 10 years or 20 years of Continuous Service part way through a calendar year, the Employer contribution shall increase for the remainder of the calendar year, in accordance with the above table, with effect from the beginning of the pay period immediately following the pay period in which the 10 or 20 year anniversary is attained.
- (iii) For Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election the Employer shall not contribute for the period prior to the date of the revised election.

(c) **Remittance of Contributions**

The employer shall remit its contributions in accordance with applicable legislation in equal installments within 30 days following the month in which they fall due.

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

(a) **Member Contributions**

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

## **Section 6 — Retirement Benefits**

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

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

A Member who does not participate in the Defined Contribution Provision and who retires on or after March 1, 1999, but prior to March 1, 2004 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly installments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (i), (ii), (iii), (iv) and (v) below. If the Member retires on or after March 1, 2004, (iv) below shall not apply.

- (i) \$33.00 multiplied by the Member's Credited Service not in excess of 15 years
- (ii) \$34.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years
- (iii) \$35.00 multiplied by the Member's Credited Service in excess of 30 years
- (iv) \$4.50 multiplied by the Member's Credited Service not in excess of 30 years
- (v) \$50.00.

Members who retire prior to March 1, 1999 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

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

A Member who participates in the Defined Contribution Provision and who retires on or after March 1, 1999 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a benefit pursuant to (i) and (ii) below:

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

A benefit payable in equal monthly installments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (A), (B), (C) and (D) below:

- (A) \$31.00 multiplied by the Member's Credited Service not in excess of 15 years
- (B) \$32.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years
- (C) \$34.00 multiplied by the Member's Credited Service in excess of 30 years

(D) \$50.00

Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election shall have their benefit in respect of Credited Service earned prior to the date of the revised election calculated in accordance with Section 6.01(a).

Members who retire prior to March 1, 1999 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

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

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

**6.02 Early Retirement Benefits**

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

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

- (i) If the Member has completed at least 30 years of Continuous Service, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement;
- (ii) If the Member has attained age 55 and completed at least 15 years of Continuous Service, a pension benefit equal to the Actuarial Equivalent of the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, provided that the amount of the reduction to the monthly benefit shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b);
- (iii) If the Member has attained age 62 and completed at least 10 years of Continuous Service and obtains the written consent of the Employer, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement; or
- (iv) If the Member has attained age 62 and completed at least 10 years of Continuous Service and does not obtain the written consent of the Employer, a pension benefit equal to the Actuarial Equivalent of the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, provided that the amount of reduction to the monthly benefit shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

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

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

Amendment Number 1 effective March 1, 1999 — Section 6.01

(iii) a life insurance company licensed to transact business in Canada for the purpose of purchasing a deferred life annuity.

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

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

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

A Member who terminates employment with the Employer prior to the completion of two years of Continuous Service shall be entitled to a benefit equal to the amount in the Member's Account, which may be transferred out of the Plan pursuant to (c) above.

**6.05 Additional Voluntary Contributions**

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

**6.06 Temporary Supplementary Benefit**

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

A Member who does not participate in the Defined Contribution Provision and who, on or after March 1, 1999, qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable in equal monthly installments commencing on the Member's Early Retirement Date or Special Early Retirement Date, as the case may be, and continuing thereafter on the first day of each month up to the earliest of the month in which the Member attains age 65, qualifies for unreduced statutory pension benefits (other than workers' compensation benefits) or dies, equal to \$27.00 multiplied by the Member's Credited Service to a maximum of 40 years. Such Member who retires prior to March 1, 2004 shall, in addition to the above benefit, be entitled to receive a temporary supplementary benefit equal to \$4.50 multiplied by the Member's Credited Service to maximum of 40 years, payable at the same time and in the same manner as described above. However, if the Member retires on an Early Retirement Date and receives an annual

pension pursuant to Sections 6.02(a)(ii) or 6.02(a)(iv), the amount of the temporary supplementary benefit shall be reduced by the same factors used to reduce the monthly pension payable under said provisions, whichever is applicable to the Member.

Members who retire prior to March 1, 1999 will receive a temporary supplementary benefit in accordance with the Plan in effect on the Member's Early Retirement Date or Special Early Retirement Date, whichever is applicable.

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

A Member who participates in the Defined Contribution Provision and who, on or after March 1, 1999, qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable at the same time and in the same manner pursuant to (a) above, equal to \$24.00 multiplied by the Member's Credited Service to a maximum of 40 years, subject to the reduction factors referred to in (a) above.

Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election shall have their temporary supplementary benefit in respect of Credited Service earned prior to the date of the revised election calculated in accordance with Section 6.06(a).

Members who retire prior to March 1, 1999 will receive a temporary supplementary benefit in accordance with the Plan in effect on the Member's Early Retirement Date or Special Early Retirement Date, whichever is applicable.

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

The retirement benefits pursuant to the Defined Benefit Provision calculated pursuant to this section in respect of a Member who is a Part-Time Employee shall be reduced in an equitable manner to an amount related to the Hours of Service of the Member in comparison to the Hours of Service of other Members who are employed as Full-Time Employees in a similar capacity.

**6.08 Return To Work After Retirement, Termination of Employment or Break In Continuous Service**

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

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

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

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

(ii) A Member who received a lump sum payment pursuant to Section 12.02(b) and is re-employed by the Employer as an Employee prior to

commencing receipt of pension benefit payments, shall have his or her frozen accrued pension benefit with respect to which the Member received such lump sum payment used in calculating any subsequent pension benefit to which the

**UNION DB PLAN AMENDMENT  
NOS. 1-3**

**JUL 30 2015**

**WABUSH IRON CO. LIMITED**

**WRITTEN ACTION OF DIRECTORS WITHOUT A MEETING  
PURSUANT TO OHIO REVISED CODE SECTION 1701.54**

The undersigned, being all of the Directors of WABUSH IRON CO. LIMITED (the "Company"), an Ohio corporation, do hereby consent to and adopt and approve the following resolutions as the action of the Company without a meeting of the Board of Directors:

**RATIFICATION AND CONFIRMATION OF AMENDMENTS TO PENSION PLAN**

**RECITALS:**

- A. The Company is and was at all relevant times a participant in Wabush Mines Joint Venture, an unincorporated joint venture of the Company and Wabush Resources Inc. ("Wabush Mines")
- B. Wabush Mines is currently the Employer under the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company Inc., Managing Agent as amended and restated effective as of March 1, 1996 (the "Pension Plan");
- C. The Pension Plan has been further amended pursuant to Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Amendment No. 5, each as set out in Exhibit A hereto (the "Pension Plan Amendments");
- D. The Company desires to ratify and confirm each of the Pension Plan Amendments, in each case effective as of the effective date of each such Pension Plan Amendment as set out in Exhibit A.
- E. The Company further desires to authorize any one officer or director of the Company, Wabush Resources Inc. or Cliffs Mining Company, as Managing Agent of Wabush Mines to take any and all such actions to file and register the Pension Plan Amendments with the appropriate regulatory authorities including, without limitation, the Office of the Superintendent of Financial Institutions, the Newfoundland and Labrador pension regulatory authorities and any relevant taxation authorities (the "Regulators") and to execute any documents in respect therewith.

**RESOLVED THAT:**

- 1. The Company does hereby ratify and confirm each of the Pension Plan Amendments, in each case effective as of the effective date of each such Pension Plan Amendment as set out in Exhibit A.
- 2. Any one officer or director of the Company, Wabush Resources Inc. or Cliffs Mining Company, as Managing Agent of Wabush Mines is hereby authorized and directed to execute, deliver, file and register the Pension Plan Amendments with the Regulators on behalf of the Company, Wabush Resources Inc. and Wabush Mines, and to take such further and other actions or steps as shall appear necessary, desirable, expedient, convenient or proper from time to time in order to carry out fully and give effect to these resolutions.



3. All actions previously taken by any director or officer of the Company, Wabush Resources Inc. or Cliffs Mining Company, as Managing Agent of Wabush Mines in connection with the items contemplated by the foregoing resolutions are hereby adopted, ratified, confirmed and approved in all respects.

\*\*\*\*\*

DATED this 30<sup>th</sup> day of June, 2015.

  
\_\_\_\_\_  
P. Kelly Tompkins

  
\_\_\_\_\_  
Clifford T. Smith

RESOLUTION OF THE DIRECTORS  
OF

WABUSH RESOURCES INC.  
(the "Corporation")

Pension Benefit  
Standards Division

JUL 30 2015

**Ratification and Confirmation of Amendments to Pension Plan**

**RECITALS:**

- A. The Corporation is and was at all relevant times a participant in or a successor to a participant in Wabush Mines Joint Venture, an unincorporated joint venture of the Corporation and Wabush Resources Inc. ("**Wabush Mines**")
- B. Wabush Mines is currently the Employer under the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company Inc., Managing Agent as amended and restated effective as of March 1, 1996 (the "**Pension Plan**");
- C. The Pension Plan has been further amended pursuant to Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Amendment No. 5, each as set out in Exhibit A hereto (the "**Pension Plan Amendments**");
- D. The Corporation desires to ratify and confirm each of the Pension Plan Amendments, in each case effective as of the effective date of each such Pension Plan Amendment as set out in Exhibit A.
- E. The Corporation further desires to authorize any one officer or director of the Corporation, Wabush Iron Co. Limited or Cliffs Mining Company, as Managing Agent of Wabush Mines to take any and all such actions to file and register the Pension Plan Amendments with the appropriate regulatory authorities including, without limitation, the Office of the Superintendent of Financial Institutions, the Newfoundland and Labrador pension regulatory authorities and any relevant taxation authorities (the "**Regulators**") and to execute any documents in respect therewith.

**RESOLVED THAT:**

- 1. The Corporation does hereby ratify and confirm each of the Pension Plan Amendments, in each case effective as of the effective date of each such Pension Plan Amendment as set out in Exhibit A.
- 2. Any one officer or director of the Corporation, Wabush Iron Co. Limited or Cliffs Mining Company, as Managing Agent of Wabush Mines is hereby authorized and directed to execute, deliver, file and register the Pension Plan Amendments with the Regulators on behalf of the Corporation, Wabush Iron Co. Limited and Wabush Mines, and to take such further and other actions or steps as shall appear necessary, desirable, expedient, convenient or proper from time to time in order to carry out fully and give effect to these resolutions.

3. All actions previously taken by any director or officer of the Corporation, Wabush Iron Co. Limited or Cliffs Mining Company, as Managing Agent of Wabush Mines in connection with the items contemplated by the foregoing resolutions are hereby adopted, ratified, confirmed and approved in all respects.

\*\*\*\*\*

Each of the foregoing resolutions is hereby consented to by all the directors of the Corporation pursuant to the *Canada Business Corporations Act* this 13 day of July, 2015.

  
\_\_\_\_\_  
Pierre Bolduc

  
\_\_\_\_\_  
P. Kelly Tompkins

**Exhibit A**  
**Pension Plan Amendments**

**Amendment No. 1**

**Pension Benefit  
Standards Division**

**JUL 30 2015**

The following sections of the Plan are amended as follows effective March 1, 1999:

1. Section 1 shall be deleted and replaced by the revised Section 1 as attached.
2. Paragraph 4.01 shall be deleted and replaced by the revised paragraph 4.01 as attached.
3. Paragraph 4.02(b) shall be deleted and replaced by the revised paragraph 4.02(b) as attached.
4. Section 6.01 shall be deleted and replaced by the revised Section 6.01 as attached.
5. Section 6.06 shall be deleted and replaced by the revised Section 6.06 as attached.

## **Section 1 – Amendment and Restatement**

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### **1.01 Amendment and Restatement**

Effective as of March 1, 1996, the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Lake Railway Company, Limited, Canada Customs and Revenue Agency registration number 0555201, is amended and restated to allow active Members to choose, on a one-time-only basis, one of two forms of pension benefits:

- a Defined Benefit Provision based on a flat dollar benefit rate, pursuant to the terms of the Collective Agreement; or
- a Defined Benefit Provision based on a lower flat dollar benefit rate plus a Defined Contribution Provision with Member and Employer contributions, pursuant to the terms of the Collective Agreement.

### **1.02 Opportunity to Transfer from Defined Contribution Provision to Defined Benefit Provision**

For Members who participate in the Defined Contribution Provision and who commit between January 1, 2000 and June 30, 2002 to retire by February 29, 2004, there will be a one-time-only opportunity to elect to have their benefit in respect of the Defined Benefit Provision and their temporary supplementary benefit at retirement calculated pursuant to Section 6.01(a) and 6.06(a), respectively. A life annuity will be calculated based upon the Member's Account, in respect of Employer contributions, as of the date of retirement and such annuity will reduce the pension benefit determined pursuant to Section 6.01(a).

### **1.03 Opportunity to Transfer from Defined Benefit Provision to Defined Contribution Provision**

For Members who participate in the Defined Benefit Provision, who find that the circumstances which led them to elect that coverage in 1996 have now changed, there will be a one-time-only opportunity to elect to transfer from the Defined Benefit Provision to the Defined Contribution Provision. Members must make this election before December 31, 1999. The change will be effective prospectively from the date of the revised election; therefore benefits in respect of Credited Service earned prior to the date of the revised election shall be determined according to the terms of the Plan for Members who do not participate in the Defined Contribution Provision.

### **1.04 Benefits Prior to March 1, 1999**

Benefits in respect of a Member whose employment with the Employer ceased prior to March 1, 1999 shall be determined in accordance with the terms of the Plan applicable when the Member ceased employment except as required by the Income Tax Act or the Pension Benefits Act or as may be specifically provided herein.

## **Section 4 – Contributions**

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### **4.01 Member Contributions**

**(a) Defined Benefit Provision**

Members shall not contribute to the Defined Benefit Provision of the Plan.

**(b) Defined Contribution Provision**

(i) A Member who participates in the Defined Contribution Provision of the Plan shall contribute to the Member's Account, in equal instalments, by payroll deduction, an amount equal to \$2,500 per calendar year.

(ii) Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election shall not contribute for the period prior to the date of the revised election.

**(c) Additional Voluntary Contributions**

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

(ii) Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election may not contribute for the period prior to the date of the revised election.

**(d) Remittance of Contributions**

The Employer shall remit Member contributions pursuant to (b) and (c) above within 30 days following the month in which they were deducted.

### **4.02 Employer Contributions**

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

**(a) Defined Benefit Provision**

(i) The Employer shall bear the costs related to the Defined Benefit Provision. The Employer shall contribute to the Pension Fund in respect of the Defined Benefit Provision in such amount, based on the latest actuarial valuation report prepared by the Actuary and filed with the Newfoundland

pension regulatory authority and Revenue Canada, as is required to provide for the normal cost of benefits accruing in the current Plan Year, after taking into account the assets of the Pension Fund and all other relevant factors, and to provide for the proper amortization of all unfunded liabilities and solvency deficiencies, if any, in accordance with the *Pension Benefits Act* and subject to subsection 147.2(2) of the *Income Tax Act*.

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

**(b) Defined Contribution Provision**

- (i) The Employer shall contribute in equal monthly instalments to the Pension Fund in respect of the Defined Contribution Provision each calendar year, an amount in respect of each Member who participates in the Defined Contribution Provision determined according to the Member's Continuous Service as follows:

Member's Continuous Service	Annual Employer Contribution
Less than 10 years	\$ 1,500
10 years or more but less than 20 years	\$ 2,500
20 years or more	\$ 3,500

- (ii) In the event that a Member attains 10 years or 20 years of Continuous Service part way through a calendar year, the Employer contribution shall increase for the remainder of the calendar year, in accordance with the above table, with effect from the beginning of the pay period immediately following the pay period in which the 10 or 20 year anniversary is attained.
- (iii) For Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election the Employer shall not contribute for the period prior to the date of the revised election.

**(c) Remittance of Contributions**

The employer shall remit its contributions in accordance with applicable legislation in equal instalments within 30 days following the month in which they fall due.

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

**(a) Member Contributions**

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



**Section 6 – Retirement Benefits**

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**6.01 Normal and Special Postponed Retirement Benefits**

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

A Member who does not participate in the Defined Contribution Provision and who retires on or after March 1, 1999, but prior to March 1, 2004 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (i), (ii), (iii), (iv) and (v) below. If the Member retires on or after March 1, 2004, (iv) below shall not apply.

- (i) \$33.00 multiplied by the Member's Credited Service not in excess of 15 years
- (ii) \$34.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years
- (iii) \$35.00 multiplied by the Member's Credited Service in excess of 30 years
- (iv) \$4.50 multiplied by the Member's Credited Service not in excess of 30 years
- (v) \$50.00.

Members who retire prior to March 1, 1999 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

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

A Member who participates in the Defined Contribution Provision and who retires on or after March 1, 1999 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a benefit pursuant to (i) and (ii) below:

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

A benefit payable in equal monthly instalments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (A), (B), (C) and (D) below:

- (A) \$31.00 multiplied by the Member's Credited Service not in excess of 15 years
- (B) \$32.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years
- (C) \$34.00 multiplied by the Member's Credited Service in excess of 30 years
- (D) \$50.00

Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election shall have their benefit in respect of Credited Service earned prior to the date of the revised election calculated in accordance with Section 6.01(a).

Members who retire prior to March 1, 1999 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

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

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

**6.02 Early Retirement Benefits**

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

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

- (i) If the Member has completed at least 30 years of Continuous Service, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement;
- (ii) If the Member has attained age 55 and completed at least 15 years of Continuous Service, a pension benefit equal to the Actuarial Equivalent of the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, provided that the amount of the reduction to the monthly benefit shall not be less than

required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b);

- (iii) If the Member has attained age 62 and completed at least 10 years of Continuous Service and obtains the written consent of the Employer, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement; or
- (iv) If the Member has attained age 62 and completed at least 10 years of Continuous Service and does not obtain the written consent of the Employer, a pension benefit equal to the Actuarial Equivalent of the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, provided that the amount of reduction to the monthly benefit shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

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

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

- (iii) a life insurance company licensed to transact business in Canada for the purpose of purchasing a deferred life annuity.

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

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

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

A Member who terminates employment with the Employer prior to the completion of two years of Continuous Service shall be entitled to a benefit equal to the amount in the Member's Account, which may be transferred out of the Plan pursuant to (c) above.

**6.05 Additional Voluntary Contributions**

In addition to the benefits pursuant to Sections 6.01, 6.02, 6.03 and 6.04, a Member who participates in the Defined Contribution Provision and who has made additional

voluntary contributions pursuant to Section 4.01(c) may be paid such contributions, plus Credited Interest thereon, in a lump sum payment at any time pursuant to the instructions of the Member or, in the alternative, the Member may elect to transfer such contributions plus Credited Interest thereon out of the Plan, pursuant to Section 6.04(c), however, such transfer shall not be on a locked-in basis.

## **6.06 Temporary Supplementary Benefit**

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

A Member who does not participate in the Defined Contribution Provision and who, on or after March 1, 1999, qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable in equal monthly instalments commencing on the Member's Early Retirement Date or Special Early Retirement Date, as the case may be, and continuing thereafter on the first day of each month up to the earliest of the month in which the Member attains age 65, qualifies for unreduced statutory pension benefits (other than workers' compensation benefits) or dies, equal to \$27.00 multiplied by the Member's Credited Service to a maximum of 40 years. Such Member who retires prior to March 1, 2004 shall, in addition to the above benefit, be entitled to receive a temporary supplementary benefit equal to \$4.50 multiplied by the Member's Credited Service to maximum of 40 years, payable at the same time and in the same manner as described above. However, if the Member retires on an Early Retirement Date and receives an annual pension pursuant to Sections 6.02(a)(ii) or 6.02(a)(iv), the amount of the temporary supplementary benefit shall be reduced by the same factors used to reduce the monthly pension payable under said provisions, whichever is applicable to the Member.

Members who retire prior to March 1, 1999 will receive a temporary supplementary benefit in accordance with the Plan in effect on the Member's Early Retirement Date or Special Early Retirement Date, whichever is applicable.

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

A Member who participates in the Defined Contribution Provision and who, on or after March 1, 1999, qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable at the same time and in the same manner pursuant to (a) above, equal to \$24.00 multiplied by the Member's Credited Service to a maximum of 40 years, subject to the reduction factors referred to in (a) above.

Members who originally elect not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03, subsequently decide to change their election shall have their temporary supplementary benefit in respect

of Credited Service earned prior to the date of the revised election calculated in accordance with Section 6.06(a).

Members who retire prior to March 1, 1999 will receive a temporary supplementary benefit in accordance with the Plan in effect on the Member's Early Retirement Date or Special Early Retirement Date, whichever is applicable.

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

The retirement benefits pursuant to the Defined Benefit Provision calculated pursuant to this section in respect of a Member who is a Part-Time Employee shall be reduced in an equitable manner to an amount related to the Hours of Service of the Member in comparison to the Hours of Service of other Members who are employed as Full-Time Employees in a similar capacity.

**6.08 Return To Work After Retirement, Termination of Employment or Break In Continuous Service**

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

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

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

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

(ii) A Member who received a lump sum payment pursuant to Section 12.02(b) and is re-employed by the Employer as an Employee prior to commencing receipt of pension benefit payments, shall have his or her frozen accrued pension benefit with respect to which the Member received such lump sum payment used in calculating any subsequent pension benefit to which the

AMENDMENT No. 2

Pension Benefit  
Standards Division

JUL 30 2015

**Effective June 27, 2007:**

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

Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company,  
Managing Agent

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

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

Division of  
Administration  
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AMENDMENT No. 3

Pension Benefit  
Standards Division

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**Effective March 1, 2004:**

1. **Section 1.04 is deleted in its entirety and replaced with the following:**

1.04 Benefits Prior to March 1, 2004

Benefits in respect of a Member whose employment with the Employer ceased prior to March 1, 2004 shall be determined in accordance with the terms of the Plan applicable when the Member ceased employment except as required by the Income Tax Act or the Pension Benefits Act or a may be specifically provided herein.

2. **A new Section 1.05 is added to Section 1 as follows:**

1.05 Transfer from Defined Benefit Provision to Defined Contribution Provision

For Members who are currently in active employment status with the Employer on October 8, 2004 and who participate in the Defined Benefit Provision, there will be a one-time-only opportunity to elect to transfer from the Defined Benefit Provision to the Defined Contribution Provision. Members must make this election on or before November 24, 2006. The change will be effective January 1, 2006; therefore benefits in respect of Credited Service earned prior to January 1, 2006 shall be determined according to the terms of the Plan for Members who do not participate in the Defined Contribution Provision. The change is subject to the following:

- (a) A Member who makes an election pursuant to this Section may elect to increase the amount of his contributions pursuant to Section 4.01(b) from November 27, 2006 to December 31, 2006 in an amount equal to part or all of the contributions the Member would have made pursuant to the Defined Contribution Provision on and after March 1, 2004 and on or before November 26, 2006 and in such case, the Employer's contributions made in respect of such Member pursuant to Section 4.02(b) shall be increased proportionately. All contributions made pursuant to this Section are subject to Section 4.06.
- (b) If a Member has 20 or more years of Continuous Service as of March 1, 2004 and makes an election pursuant to this Section, the Employer shall make a special contribution, subject to Section 4.06, of \$20,000 to the Member's Account.
- (c) If a Member has 10 to 19 years of Continuous Service as of March 1, 2004 and makes an election pursuant to this Section, the Employer shall make a special contribution, subject to Section 4.06, of \$10,000 to the Member's Account.
- (d) If a Member has less than 10 years of Continuous Service as of March 1, 2004 and makes an election pursuant to this Section, the Employer shall make a special contribution, subject to Section 4.06, of \$7,200 to the Member's Account.



Pension Benefits  
Standards Division  
3.  
2.01 Account

**3. Section 2.01 is deleted in its entirety and replaced with the following:**

**2.01 Account**

“Account” means, in respect of a Member, the account established to record the Member’s contributions pursuant to Sections 1.05, 4.01(b), 4.03(a) and 4.05 and the Employer contributions pursuant to Sections 1.05, 4.02(b), 4.03(b), 4.04 and 4.05 plus any Credited Interest thereon.

**4. Section 4.01(b) is deleted in its entirety and replaced with the following:**

**(b) Defined Contribution Provision**

- (i) A Member who participates in the Defined Contribution Provision of the Plan shall contribute to the Member’s Account, in equal instalments, by payroll deduction, an amount equal to \$2,500 per calendar year.
- (ii) Members who originally elected not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03 or Section 1.05, subsequently decide to change their election shall not contribute for the period prior to the date of the revised election.
- (iii) A Member who participates in the Defined Contribution Provision and who was on strike immediately prior to October 8, 2004, may elect to make additional contributions equal to the amount which the Member would have made had he been actively at work, provided the contribution is made on or before December 31, 2004.

**5. Section 4.01(c) is deleted in its entirety and replaced with the following:**

- (i) A Member who participates in the Defined Contribution Provision may, in addition to the contributions pursuant to (b) above, make additional voluntary contributions to the Member’s Account, by payroll deduction, until February 29, 2004, up to such amounts as are permissible pursuant to the *Income Tax Act* as deductible contributions to a registered pension plan. No further additional voluntary contributions shall be permitted on or after March 1, 2004.
- (ii) Members who originally elected not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03 or Section 1.05, subsequently decide to change their election may not contribute for the period prior to the date of the revised election.

**6. Section 4.02(b) is deleted in its entirety and replaced with the following:**

**(b) Defined Contribution Provision**

- (i) The Employer shall contribute in equal monthly instalments to the Pension Fund in respect of the Defined Contribution Provision each calendar year, an amount in

respect of each Member who participates in the Defined Contribution Provision determined according to the Member's Continuous Service as follows:

Member's Continuous Service	Annual Employer Contribution
1 to 9 years	\$1,500
10 to 19 years	\$2,500
20 to 29 years	\$3,500
30 to 31 years	\$4,500
32 or more years	\$5,500

- (ii) In the event that a Member attains 10 years, 20 years, 30 years or 32 years of Continuous Service, as applicable, part way through a calendar year, the Employer contribution shall increase for the remainder of the calendar year, in accordance with the above table, with effect from the beginning of the pay period immediately following the pay period in which the 10, 20, 30 or 32 year anniversary is attained.
- (iii) For Members who originally elected not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03 or Section 1.05, subsequently decide to change their election, the Employer shall not contribute for the period prior to the date of the revised election.
- (iv) In the event that a Member makes a contribution pursuant to Section 4.01(b)(iii), the Employer shall make corresponding Employer contributions based on the table above.

**7. Section 4.06 is deleted in its entirety and replaced with the following:**

**4.06 Maximum Contributions Under Defined Contribution Provision**

The total of the contributions by a Member to the Pension Fund pursuant to Sections 1.05, 4.01, 4.03 and 4.05 above and the Employer's contributions in respect of the Member pursuant to Sections 1.05, 4.02(b), 4.03 and 4.05 above for a calendar year shall not exceed the money purchase limit for the calendar year as prescribed under the *Income Tax Act*.

**8. Section 6.01(a) is deleted in its entirety and replaced with the following:**

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

A Member who does not participate in the Defined Contribution Provision and who retires on or after March 1, 2004, but prior to March 1, 2009 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the Normal

Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (i), (ii), (iii), (iv) and (v) below. If the Member is not currently in active employment status with the Employer on October 8, 2004, or if the Member retires from the Employer while not currently in active employment status, or if the Member retires on or after March 1, 2009, (iv) below shall not apply. Notwithstanding the restrictions described in the preceding sentence, if the Member is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer and retires from active employment status with the Employer prior to March 1, 2009, (iv) below shall apply.

- (i) \$33.00 multiplied by the Member's Credited Service not in excess of 15 years;
- (ii) \$34.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years;
- (iii) \$35.00 multiplied by the Member's Credited Service in excess of 30 years;
- (iv) \$4.50 multiplied by the Member's Credited Service not in excess of 30 years;
- (v) \$50.00.

Members who retire prior to March 1, 2004 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and
- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and
- (C) has 30 or more years of Credited Service at his retirement date; and
- (D) is eligible to receive the temporary supplemental benefit payable under Section 6.06;

the Member shall receive, subject to Section 9.08, a minimum retirement income up to the month in which the Member attains age 65, payable in the normal form as set out in Section 7.01, as set out below:

Retirement Date	Minimum Monthly Retirement Income
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On or after March 1, 2004, but on or before December 31, 2004	\$2,135 per month
January 1, 2005 to December 31, 2005	\$2,200 per month
January 1, 2006 to December 31, 2006	\$2,265 per month
January 1, 2007 to December 31, 2007	\$2,330 per month
January 1, 2008 to December 31, 2008	\$2,450 per month

The minimum monthly retirement income set out in the table above shall include all amounts payable under the Plan.

**9. Section 6.01(b)(ii) is deleted in its entirety and replaced with the following:**

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

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

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and
- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and
- (C) has 30 or more years of Credited Service at his retirement date;

the amount of pension which could be purchased with the Employer-paid portion of his Account shall, subject to Section 9.08, be at least \$200 per month, payable in accordance with the normal form set out in Section 7.01.

**10. A new paragraph (iii) is added to Section 6.01(b) as follows:**

**(iii) Retirements on and after March 1, 2004 but on or before December 31, 2008**

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and
- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and

- (C) has 30 or more years of Credited Service at his retirement date; and
- (D) is eligible to receive the temporary supplemental benefit payable under Section 6.06; and
- (E) has participated in the Defined Contribution Provision since October 1, 1996; and
- (F) has, on a date at least two years before his retirement and after October 8, 2004, at least 50% of his Account invested in the bond fund, treasury bill fund and/or guaranteed investment certificate fund; and
- (G) has, following the date described in (F) above, instructed the Funding Agency to invest at least 50% of subsequent contributions to his Account in each payroll period in one or more of the bond fund, treasury bill fund and/or guaranteed investment certificate fund; and
- (H) has not, following the date described in (F) above, given the Funding Agency instructions to make changes to his investments that would reduce the percentage of his Account invested in the bond fund, treasury bill fund and guaranteed investment certificate fund in aggregate to less than 50% of his total Account balance;

the Member shall receive, subject to Section 9.08, a minimum retirement income up to the month in which the Member attains age 65, payable in the normal form as set out in Section 7.01, from all Employer-paid retirement provisions in the Plan, as set out below:

Retirement Date	Minimum Monthly Retirement Income
On or after March 1, 2004, but on or before December 31, 2004	\$2,135 per month
January 1, 2005 to December 31, 2005	\$2,200 per month
January 1, 2006 to December 31, 2006	\$2,265 per month
January 1, 2007 to December 31, 2007	\$2,330 per month
January 1, 2008 to December 31, 2008	\$2,450 per month

The minimum monthly retirement income set out in the table above shall include all Employer-paid amounts payable under the Plan. Any portion of any Member's Account which is derived from contributions made by the Member plus accrued investment earnings thereon shall not count towards the minimum pension set out above.

11. Section 6.02(b)(i) is deleted in its entirety and replaced with the following:

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

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

**12. Section 6.02(b)(ii) is deleted in its entirety and replaced with the following:**

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

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

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and
- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and
- (C) has 30 or more years of Credited Service at his retirement date;

the amount of pension which could be purchased with the Employer-paid portion of his Account shall, subject to Section 9.08, be at least \$200 per month, payable in accordance with the normal form set out in Section 7.01.

**13. A new Section 6.08(d) is added to Section 6.08 as follows:**

(d) **Special Provision for Active Members on March 1, 2004**

Notwithstanding the foregoing, a Member who is currently in active employment status with the Employer on March 1, 2004 shall be entitled to include any service which had been recorded as Continuous Service prior to his termination of employment with the Employer with his Continuous Service following his subsequent re-employment with the Employer, for the purpose of determining the Member's eligibility for lifetime pension benefits under the Defined Benefit Provision of the Plan.



**UNION DB PLAN AMENDMENT  
NO. 3**



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

I, \_\_\_\_\_, Assistant Secretary of Cliffs Mining Company, a Delaware corporation (the "Company"), which is the Managing Agent of Wabush Mines, a Joint Venture, comprised of Stelco Inc., Dofasco Inc., and Wabush Iron Co. Limited, the Joint Venturers, do hereby certify that the attached Third Amendment to the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, as Amended and Restated Effective as of March 1, 1996 and executed on \_\_\_\_\_, is a true and correct copy.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company, as of the \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
Assistant Secretary

**Third Amendment to the Pension Plan for Bargaining Unit Employees of  
Wabush Mines, Cliffs Mining Company, Managing Agent,**

**as Amended and Restated Effective as of March 1, 1996**

**Amendment No. 3**

**WHEREAS** Wabush Mines, Cliffs Mining Company, Managing Agent, maintains the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (the "Plan"); and

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

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

**WHEREAS** it is necessary to amend the Plan with regard to the changes in benefit provisions set out in the October 8, 2004 Final Monetary Settlement Offer to the United Steelworkers of America, Locals 6285, 6254 and 6680 as confirmed in subsequent arbitration proceedings and subsequent discussions with the Union;

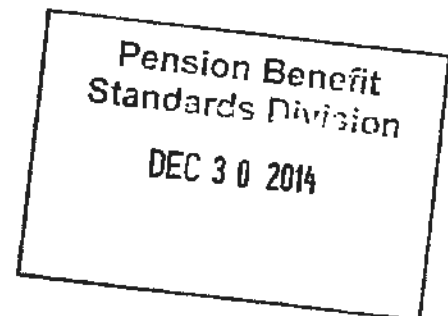
**NOW THEREFORE IT IS HEREBY RESOLVED:**

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

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

---

Cliffs Mining Company,  
Managing Agent of Wabush Mines



DEC 30 2014

**Exhibit "A"**

**Pension Plan for Bargaining Unit Employees of Wabush Mines,  
Cliffs Mining Company, Managing Agent**

**AMENDMENT No. 3**

**Effective March 1, 2004:**

- 1. Section 1.04 is deleted in its entirety and replaced with the following:**

**1.04 Benefits Prior to March 1, 2004**

Benefits in respect of a Member whose employment with the Employer ceased prior to March 1, 2004 shall be determined in accordance with the terms of the Plan applicable when the Member ceased employment except as required by the Income Tax Act or the Pension Benefits Act or a may be specifically provided herein.

- 2. A new Section 1.05 is added to Section 1 as follows:**

**1.05 Transfer from Defined Benefit Provision to Defined Contribution Provision**

For Members who are currently in active employment status with the Employer on October 8, 2004 and who participate in the Defined Benefit Provision, there will be a one-time-only opportunity to elect to transfer from the Defined Benefit Provision to the Defined Contribution Provision. Members must make this election on or before November 24, 2006. The change will be effective January 1, 2006; therefore benefits in respect of Credited Service earned prior to January 1, 2006 shall be determined according to the terms of the Plan for Members who do not participate in the Defined Contribution Provision. The change is subject to the following:

- (a) A Member who makes an election pursuant to this Section may elect to increase the amount of his contributions pursuant to Section 4.01(b) from November 27, 2006 to December 31, 2006 in an amount equal to part or all of the contributions the Member would have made pursuant to the Defined Contribution Provision on and after March 1, 2004 and on or before November 26, 2006 and in such case, the Employer's contributions made in respect of such Member pursuant to Section 4.02(b) shall be increased proportionately. All contributions made pursuant to this Section are subject to Section 4.06.
- (b) If a Member has 20 or more years of Continuous Service as of March 1, 2004 and makes an election pursuant to this Section, the Employer shall make a special contribution, subject to Section 4.06, of \$20,000 to the Member's Account.

- (c) If a Member has 10 to 19 years of Continuous Service as of March 1, 2004 and makes an election pursuant to this Section, the Employer shall make a special contribution, subject to Section 4.06, of \$10,000 to the Member's Account.
- (d) If a Member has less than 10 years of Continuous Service as of March 1, 2004 and makes an election pursuant to this Section, the Employer shall make a special contribution, subject to Section 4.06, of \$7,200 to the Member's Account.

**3. Section 2.01 is deleted in its entirety and replaced with the following:**

**2.01 Account**

"Account" means, in respect of a Member, the account established to record the Member's contributions pursuant to Sections 1.05, 4.01(b), 4.03(a) and 4.05 and the Employer contributions pursuant to Sections 1.05, 4.02(b), 4.03(b), 4.04 and 4.05 plus any Credited Interest thereon.

**4. Section 4.01(b) is deleted in its entirety and replaced with the following:**

**(b) Defined Contribution Provision**

- (i) A Member who participates in the Defined Contribution Provision of the Plan shall contribute to the Member's Account, in equal instalments, by payroll deduction, an amount equal to \$2,500 per calendar year.
- (ii) Members who originally elected not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03 or Section 1.05, subsequently decide to change their election shall not contribute for the period prior to the date of the revised election.
- (iii) A Member who participates in the Defined Contribution Provision and who was on strike immediately prior to October 8, 2004, may elect to make additional contributions equal to the amount which the Member would have made had he been actively at work, provided the contribution is made on or before December 31, 2004.

**5. Section 4.01(c) is deleted in its entirety and replaced with the following:**

- (i) A Member who participates in the Defined Contribution Provision may, in addition to the contributions pursuant to (b) above, make additional voluntary contributions to the Member's Account, by payroll deduction, until February 29, 2004, up to such amounts as are permissible pursuant to the *Income Tax Act* as deductible contributions to a registered pension plan. No further additional voluntary contributions shall be permitted on or after March 1, 2004.
- (ii) Members who originally elected not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03 or Section 1.05, subsequently decide to change their election may not contribute for the period prior to the date of the revised election.

**6. Section 4.02(b) is deleted in its entirety and replaced with the following:**

## (b) Defined Contribution Provision

- (i) The Employer shall contribute in equal monthly instalments to the Pension Fund in respect of the Defined Contribution Provision each calendar year, an amount in respect of each Member who participates in the Defined Contribution Provision determined according to the Member's Continuous Service as follows:

Member's Continuous Service	Annual Employer Contribution
1 to 9 years	\$1,500
10 to 19 years	\$2,500
20 to 29 years	\$3,500
30 to 31 years	\$4,500
32 or more years	\$5,500

- (ii) In the event that a Member attains 10 years, 20 years, 30 years or 32 years of Continuous Service, as applicable, part way through a calendar year, the Employer contribution shall increase for the remainder of the calendar year, in accordance with the above table, with effect from the beginning of the pay period immediately following the pay period in which the 10, 20, 30 or 32 year anniversary is attained.
- (iii) For Members who originally elected not to participate in the Defined Contribution Provision and who, in accordance with Section 1.03 or Section 1.05, subsequently decide to change their election, the Employer shall not contribute for the period prior to the date of the revised election.
- (iv) In the event that a Member makes a contribution pursuant to Section 4.01(b)(iii), the Employer shall make corresponding Employer contributions based on the table above.

**7. Section 4.06 is deleted in its entirety and replaced with the following:**

**4.06 Maximum Contributions Under Defined Contribution Provision**

The total of the contributions by a Member to the Pension Fund pursuant to Sections 1.05, 4.01, 4.03 and 4.05 above and the Employer's contributions in respect of the Member pursuant to Sections 1.05, 4.02(b), 4.03 and 4.05 above for a calendar year shall not exceed the money purchase limit for the calendar year as prescribed under the *Income Tax Act*.

**8. Section 6.01(a) is deleted in its entirety and replaced with the following:**

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

A Member who does not participate in the Defined Contribution Provision and who retires on or after March 1, 2004, but prior to March 1, 2009 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (i), (ii), (iii), (iv) and (v) below. If the Member is not currently in active employment status with the Employer on October 8, 2004, or if the Member retires from the Employer while not currently in active employment status, or if the Member retires on or after March 1, 2009, (iv) below shall not apply. Notwithstanding the restrictions described in the preceding sentence, if the Member is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer and retires from active employment status with the Employer prior to March 1, 2009, (iv) below shall apply.

- (i) \$33.00 multiplied by the Member's Credited Service not in excess of 15 years;
- (ii) \$34.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years;
- (iii) \$35.00 multiplied by the Member's Credited Service in excess of 30 years;
- (iv) \$4.50 multiplied by the Member's Credited Service not in excess of 30 years;
- (v) \$50.00.

Members who retire prior to March 1, 2004 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and
- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and
- (C) has 30 or more years of Credited Service at his retirement date; and
- (D) is eligible to receive the temporary supplemental benefit payable under Section 6.06;

the Member shall receive, subject to Section 9.08, a minimum retirement income up to the month in which the Member attains age 65, payable in the normal form as set out in Section 7.01, as set out below:

Retirement Date	Minimum Monthly Retirement Income
On or after March 1, 2004, but on or before December 31, 2004	\$2,135 per month
January 1, 2005 to December 31, 2005	\$2,200 per month
January 1, 2006 to December 31, 2006	\$2,265 per month
January 1, 2007 to December 31, 2007	\$2,330 per month
January 1, 2008 to December 31, 2008	\$2,450 per month

The minimum monthly retirement income set out in the table above shall include all amounts payable under the Plan.

**9. Section 6.01(b)(ii) is deleted in its entirety and replaced with the following:**

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

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

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and
- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and
- (C) has 30 or more years of Credited Service at his retirement date;

the amount of pension which could be purchased with the Employer-paid portion of his Account shall, subject to Section 9.08, be at least \$200 per month, payable in accordance with the normal form set out in Section 7.01.

**10. A new paragraph (iii) is added to Section 6.01(b) as follows:**

**(iii) Retirements on and after March 1, 2004 but on or before December 31, 2008**

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and

- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and
- (C) has 30 or more years of Credited Service at his retirement date; and
- (D) is eligible to receive the temporary supplemental benefit payable under Section 6.08; and
- (E) has participated in the Defined Contribution Provision since October 1, 1996; and
- (F) has, on a date at least two years before his retirement and after October 8, 2004, at least 50% of his Account invested in the bond fund, treasury bill fund and/or guaranteed investment certificate fund; and
- (G) has, following the date described in (F) above, instructed the Funding Agency to invest at least 50% of subsequent contributions to his Account in each payroll period in one or more of the bond fund, treasury bill fund and/or guaranteed investment certificate fund; and
- (H) has not, following the date described in (F) above, given the Funding Agency instructions to make changes to his investments that would reduce the percentage of his Account invested in the bond fund, treasury bill fund and guaranteed investment certificate fund in aggregate to less than 50% of his total Account balance;

the Member shall receive, subject to Section 9.08, a minimum retirement income up to the month in which the Member attains age 65, payable in the normal form as set out in Section 7.01, from all Employer-paid retirement provisions in the Plan, as set out below:

Retirement Date	Minimum Monthly Retirement Income
On or after March 1, 2004, but on or before December 31, 2004	\$2,135 per month
January 1, 2005 to December 31, 2005	\$2,200 per month
January 1, 2006 to December 31, 2006	\$2,265 per month
January 1, 2007 to December 31, 2007	\$2,330 per month
January 1, 2008 to December 31, 2008	\$2,450 per month

The minimum monthly retirement income set out in the table above shall include all Employer-paid amounts payable under the Plan. Any portion of any Member's Account which is derived from contributions made by the Member plus accrued investment earnings thereon shall not count towards the minimum pension set out above.



**11. Section 6.02(b)(i) is deleted in its entirety and replaced with the following:**

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

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

**12. Section 6.02(b)(ii) is deleted in its entirety and replaced with the following:**

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

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

Notwithstanding the foregoing, if a Member:

- (A) is currently in active employment status with the Employer on October 8, 2004, or is Disabled or on an Approved Leave of Absence on October 8, 2004 and subsequently returns to active employment status with the Employer; and
- (B) elects to retire from active employment status with the Employer on or after March 1, 2004 but on or before December 31, 2008; and
- (C) has 30 or more years of Credited Service at his retirement date;

the amount of pension which could be purchased with the Employer-paid portion of his Account shall, subject to Section 9.08, be at least \$200 per month, payable in accordance with the normal form set out in Section 7.01.

**13. A new Section 6.08(d) is added to Section 6.08 as follows:**

**(d) Special Provision for Active Members on March 1, 2004**

Notwithstanding the foregoing, a Member who is currently in active employment status with the Employer on March 1, 2004 shall be entitled to include any service which had been recorded as Continuous Service prior to his termination of employment with the Employer with his Continuous Service following his subsequent re-employment with the Employer, for the purpose of determining the Member's eligibility for lifetime pension benefits under the Defined Benefit Provision of the Plan.



**UNION DB PLAN AMENDMENT  
NO. 4**

Amendment No. 4

Pension Benefit  
Standards Division

JUL 30 2015

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

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

**UNION DB PLAN AMENDMENT  
NO. 5**

**Amendment No. 5**

1. Effective March 1, 2010, a new Section 1.06 shall be added to Section 1 as follows:

**" 1.06 Benefits Prior to March 1, 2010**

Benefits in respect of a Member whose employment with the Employer ceased prior to March 1, 2010 shall be determined in accordance with the terms of the Plan as applicable when the Member ceased employment except as required by the Income Tax Act or the Pension Benefits Act or as may be specifically provided herein."

2. Effective March 1, 2010, Section 2.36 shall be deleted in its entirety and replaced with the following:

**"2.36 Spouse**

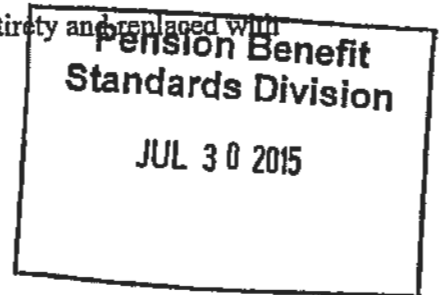
"Spouse" means a person who:

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

3. Effective March 1, 2010, subparagraph 4.01(b)(i) shall be deleted in its entirety and replaced with the following:

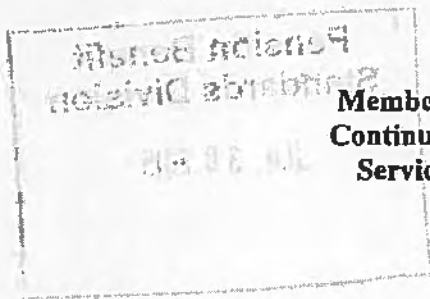
- " (i) A Member who participates in the Defined Contribution Provision of the Plan shall contribute to the Member's Account, in equal



installments and by payroll deduction, an amount equal to \$3,000 per calendar year.”

4. Effective March 1, 2010, subparagraph 4.02(b)(i) shall be deleted in its entirety and replaced with the following:

“ (i) The Employer shall contribute in equal monthly installments to the Pension Fund in respect of the Defined Contribution Provision each calendar year, an amount in respect of each Member who participates in the Defined Contribution Provision determined according to the Member’s Continuous Service as follows:



<b>Member's Continuous Service</b>	<b>Annual Employer Contribution Rate for March to December 2010</b>	<b>Annual Employer Contribution Rate for 2011</b>	<b>Annual Employer Contribution Rate for 2012</b>	<b>Annual Employer Contribution Rate for 2013 and Onward</b>
Less than 10 years	\$2,025	\$2,050	\$2,100	\$2,200
10 years or more but less than 20	\$3,325	\$3,350	\$3,400	\$3,500
20 years or more but less than 30	\$4,625	\$4,650	\$4,700	\$4,800
30 years or more but less than 32	\$4,625	\$4,650	\$4,700	\$4,800
32 years or more	\$5,500	\$5,550	\$5,600	\$5,700

Increases in the annual employer contribution rates shown in the table above shall be implemented with effect from the first day of the pay period closest to March 1, 2010, January 1, 2011, January 1, 2012 or January 1, 2013, as the case may be.”

5. Effective March 1, 2010, Section 5.01 shall be deleted in its entirety and replaced with the following:

**“5.01 Normal Retirement Date**

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

6. Effective March 1, 2010, Section 5.04 shall be deleted in its entirety and replaced with the following:

**"5.04 Special Postponed Retirement Date**

If a Member continues in employment with the Employer beyond his Normal Retirement Date, the Member's Special Postponed Retirement Date shall be the date on which the Member retires, or is deemed to have retired for purposes of the Plan, and shall not be later than December 1 of the calendar year during which the Member attains age 71."

7. Effective March 1, 2010, Section 6.01(a) shall be deleted in its entirety and replaced with the following:

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

A Member who does not participate in the Defined Contribution Provision and who retires on or after March 1, 2010, but prior to March 1, 2015 on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a pension benefit payable in equal monthly installments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (i), (ii), (iii) and (iv) below.

- (i) \$33.00 multiplied by the Member's Credited Service not in excess of 15 years;
- (ii) \$34.00 multiplied by the Member's Credited Service in excess of 15 years but not in excess of 30 years;
- (iii) \$35.00 multiplied by the Member's Credited Service in excess of 30 years; and
- (iv) \$50.00.

Members who retire prior to March 1, 2009 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

Members who retire on or after March 1, 2009 but prior to March 1, 2010 will receive a pension benefit in accordance with the Plan in effect on the Member's Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable, as if Section 6.01(a) of the Plan in effect on that date were amended to (1) change all references to "March 1, 2009" to "March 1,



2010", (2) change all references to "December 31, 2008" to "December 31, 2009", and (3) change "\$4.50" in Section 6.01(a)(iv) to "\$0.00".

Notwithstanding the foregoing, if a Member:

- (A) is currently on the Employer's seniority list at the time of his retirement and has been actively at work for at least one full pay period during the life of the collective agreement signed in 2010; and
- (B) elects to retire on or after March 1, 2010 but on or before February 1, 2015; and
- (C) has 30 or more years of Credited Service at his retirement date; and
- (D) is eligible to receive the temporary supplemental benefit payable under Section 6.06;

the Member shall receive, subject to Section 9.08, a minimum retirement income up to the month in which the Member attains age 65, payable in the normal form as set out in Section 7.01, from all Employer-paid retirement provisions in the Plan, as set out below:

Retirement Date	Minimum Monthly Retirement Income
On or after March 1, 2010, but on or before December 31, 2010	\$2,900 per month
January 1, 2011 to December 31, 2011	\$3,000 per month
January 1, 2012 to December 31, 2012	\$3,100 per month
January 1, 2013 to December 31, 2013	\$3,200 per month
January 1, 2014 to February 28, 2015	\$3,200 per month

A Member who attains 30 years of Continuous Service but who has not attained 30 or more years of Credited Service on or prior to February 1, 2014 shall be entitled to include any Continuous Service that was not considered Credited Service due to a period or periods of layoff that did not result in termination of employment with the Employer but that did exceed five years in total, for purposes of determining the Member's eligibility for the minimum monthly retirement income described above. For purposes of calculation under this subsection, the minimum monthly retirement income shall be pro-rated by the ratio of the Member's years of

actual Credited Service divided by 30 years, with such ratio not to exceed 1.00.

The minimum monthly retirement income set out in the table and provisions above shall include all Employer-paid amounts payable under the Plan.”

8. Effective March 1, 2010, Section 6.01(b) shall be deleted in its entirety and replaced with the following:

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

A Member who participates in the Defined Contribution Provision and who retires on or after March 1, 2010, but prior to March 1, 2015 on the Member’s Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a pension benefit pursuant to (i), (ii) and (iii) below:

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

A benefit payable in equal monthly installments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, calculated as the sum of (A), (B), (C) and (D) below:

- (A) \$33.00 multiplied by the Member’s Credited Service not in excess of 15 years;
- (B) \$34.00 multiplied by the Member’s Credited Service in excess of 15 years but not in excess of 30 years;
- (C) \$35.00 multiplied by the Member’s Credited Service in excess of 30 years;
- (D) \$50.00.

Members who retire prior to March 1, 2009 will receive a pension benefit in accordance with the Plan in effect on the Member’s Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable.

Members who retire on or after March 1, 2009 but prior to March 1, 2010 will receive a pension benefit in accordance with the Plan in effect on the Member’s Normal Retirement Date, Early Retirement Date, Special Early Retirement Date, or Special Postponed Retirement Date, whichever is applicable, as if Section

6.01(b)(iii) of the Plan in effect on that date were amended to change all references to "December 31, 2008" to "December 31, 2009".

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

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

(iii) *Retirements on and after March 1, 2010 but on or before February 1, 2015*

Notwithstanding the foregoing, if a Member:

- (A) is currently on the Employer's seniority list at the time of his retirement and has been actively at work for at least one full pay period during the life of the collective agreement signed in 2010; and
- (B) elects to retire on or after March 1, 2010 but on or before February 1, 2015; and
- (C) has 30 or more years of Credited Service at his retirement date; and
- (D) is eligible to receive the temporary supplementary benefit payable under Section 6.06; and
- (E) has participated in the Defined Contribution Provision since October 1, 1996; and
- (F) has, on a date at least two years before his retirement, at least 50% of his Account invested in the bond fund, money market fund and/or guaranteed investment certificate fund; and
- (G) has, following the date described in (F) above, instructed the Funding Agency to invest at least 50% of subsequent contributions to his Account in each payroll period in one or more of the bond fund, money market fund and/or guaranteed investment certificate fund; and
- (H) has not, following the date described in (F) above, given the Funding Agency instructions to make changes to his investments that would reduce the percentage of his Account invested in the bond fund, money market fund and guaranteed investment certificate fund in aggregate to less than 50% of his total Account balance;

the Member shall receive, subject to Section 9.08, a minimum retirement income up to the month in which the Member attains age 65, payable in the normal form as set out in Section 7.01, from all Employer-paid retirement provisions in the Plan, as set out below:

<b>Retirement Date</b>	<b>Minimum Monthly Retirement Income</b>
On or after March 1, 2010, but on or before December 31, 2010	\$2,900 per month
January 1, 2011 to December 31, 2011	\$3,000 per month
January 1, 2012 to December 31, 2012	\$3,100 per month
January 1, 2013 to December 31, 2013	\$3,200 per month
January 1, 2014 to February 28, 2015	\$3,200 per month

A Member who attains 30 years of Continuous Service but who has not attained 30 or more years of Credited Service on or prior to February 1, 2014 shall be entitled to include any Continuous Service that was not considered Credited Service due to a period or periods of layoff that did not result in termination of employment with the Employer but that did exceed five years in total, for purposes of determining the Member's eligibility for the minimum monthly retirement income described above. For purposes of calculation under this subsection, the minimum monthly retirement income shall be pro-rated by the ratio of the Member's years of actual Credited Service divided by 30 years, with such ratio not to exceed 1.00.

The minimum monthly retirement income set out in the table and provisions above shall include all Employer-paid amounts payable under the Plan. Any portion of any Member's Account which is derived from contributions made by the Member plus accrued investment earnings thereon shall not count towards the minimum pension set out above."

9. Effective March 1, 2010, subparagraph 6.02(b)(ii) shall be deleted in its entirety and replaced with the following:

- “ (ii) **Benefit in Respect of Defined Contribution Provision**
- A benefit equal to the amount in the Member’s Account which may be transferred out of the Plan pursuant to Section 6.04(c).”
10. Effective March 1, 2004, Section 6.03(b)(i) shall be deleted in its entirety and replaced with the following:
- “ (i) **Benefit in Respect of Defined Benefit Provision**
- A benefit payable in equal monthly installments commencing on a Special Early Retirement Date and continuing on the first day of each month thereafter, equal to the benefit described in (a) above that would be applicable to the Member if the reference therein to “Section 6.01(a)” were changed to “Sections 6.01(b)(i) and 6.01(b)(iii).”
11. Effective March 1, 2010, Section 6.06 shall be deleted in its entirety and replaced with the following:

**“6.06 Temporary Supplementary Benefit**

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

A Member who does not participate in the Defined Contribution Provision and who, on or after March 1, 2010, qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable in equal monthly installments commencing on the Member’s Early Retirement Date or Special Early Retirement Date, as the case may be, and continuing thereafter on the first day of each month up to the earlier of the month in which the Member attains age 65 or dies, equal to \$27.00 multiplied by the Member’s Credited Service to a maximum of 40 years. However, if the Member retires on an Early Retirement Date and receives an annual pension pursuant to Section 6.02(a)(ii) or 6.02(a)(iv), the amount of the temporary supplementary benefit shall be reduced by the same factors used to reduce the monthly pension payable under said provision, whichever is applicable to the Member.

Members who retire prior to March 1, 2010 will receive a temporary supplementary benefit in accordance with the Plan in effect on the Member’s Early Retirement Date or Special Early Retirement Date, whichever is applicable.

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

A Member who participates in the Defined Contribution Provision and who, on or after March 1, 2010, qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable at the same time and in the same manner pursuant to (a) above, equal to \$27.00 multiplied by the Member's Credited Service to a maximum of 40 years, subject to the reduction factors referred to in (a) above.

Members who retire prior to March 1, 2010 will receive a temporary supplementary benefit in accordance with the Plan in effect on the Member's Early Retirement Date or Special Early Retirement Date, whichever is applicable."

12. Effective March 1, 2010, Section 7.03 shall be deleted in its entirety and replaced with the following:

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

- (a) The automatic form of payment of the pension benefit pursuant to the Defined Benefit Provision for a Member with a Spouse as of the Pension Commencement Date shall be a reduced pension payable in equal monthly installments for the lifetime of the Member, with 60% of the benefit continued after the Member's death to the Spouse for the remaining lifetime of the Spouse, provided that the Spouse survives the Member. Such reduced pension benefit shall be the Actuarial Equivalent of the normal form of payment pursuant to Section 7.01, and shall take into account the surviving Spouse benefit payable pursuant to Section 7.02.
- (b) Notwithstanding paragraph (a), if the Member was under age 65 at the time of his death, the surviving Spouse, in addition to the benefit described in paragraph (a), shall receive a temporary benefit equal to 60% of the Member's temporary supplementary benefit under Section 6.06, payable until the date the Member would have attained age 65. The Member's temporary supplementary benefit payable at the date of retirement will be adjusted on an Actuarially Equivalent basis to reflect this option."

13. Effective March 1, 2010, Section 7.04 shall be deleted in its entirety and replaced with the following:

**"7.04 Optional Forms of Payment**

- (a) In lieu of the form of payment pursuant to Section 7.01 or Section 7.03, a Member with a Spouse as of the Pension Commencement Date may elect to receive a reduced pension payable in equal monthly installments for the lifetime of the Member, with either 50% or 100% of the reduced pension continued after the Member's death for the remaining lifetime of the Member's Spouse, provided that the Spouse survives the Member. Such reduced pension benefit shall be the

Actuarial Equivalent of the normal form of pension pursuant to Section 7.01 and shall take into account the surviving Spouse benefit payable pursuant to Section 7.02.

- (b) Notwithstanding paragraph (a), if the Member was under age 65 at the time of his death, the surviving Spouse, in addition to the benefit described in paragraph (a), shall receive a temporary benefit equal to the elected percentage of the Member's supplementary benefit under Section 6.06, payable until the date the Member would have attained age 65. The Member's temporary supplementary benefit payable at the date of retirement will be adjusted on an Actuarially Equivalent basis to reflect this option."

14. Effective March 1, 2010, a new Section 8.05 shall be added to Section 8 as follows:

**"8.05 Death in Service after Eligibility for an Unreduced Pension**

If a Member while in employment with the Employer and subsequent to qualifying for an unreduced pension benefit under Section 6.01, 6.02(a)(i), 6.02(a)(iii), 6.02(b) or 6.03, leaving a surviving Spouse, the Member's Spouse shall be entitled to elect to receive a pension benefit the value of which shall be equal to the greater of:

- (a) the value of the applicable death benefit under Section 8; or
- (b) the value of the pension the Spouse would have been entitled to receive under Section 7.03 if payment of the pension had begun on the day preceding the death of the Member."

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

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

16. Effective March 1, 2010, Section 14.06 shall be deleted in its entirety and replaced with the following:

**"14.06 Maximum Deferral of Pension**

If a Quebec Member who has elected to postpone retirement after Normal Retirement Date has not effectively retired before his or her 71<sup>st</sup> birthday, the Member's postponed retirement pension shall commence on December 1<sup>st</sup> of the calendar year the Quebec Member attains age 71."

17. Effective March 1, 2010, Section 14.12 shall be deleted in its entirety and replaced with the following:

**"14.12 Commutation of Pension**

If the value of a retirement pension or deferred vested pension payable under the Plan is less than 20% of the YMPE in the year that the Quebec Member retires, terminates employment or dies, or such other amount as may be permitted by the SPPA, from time to time, a lump sum amount equal to the value of the benefit shall be paid to the person entitled to such benefit in lieu of any other benefits under this Plan."

18. Effective March 1, 2010, a new Section 14.13 shall be added to the Plan as follows:

**"14.13 Definition of Spouse**

"Spouse" means, in relation to a Quebec Member:

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

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



- (b) For the purposes of paragraphs (c), (d) and (e), "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 installment 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 7.02 and Section 7.03, except where the Member notified the Participating Company in writing to have such person entitled to the contingent pension despite such Separation.
- (d) If Separation occurs, 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 8 and Section 14.11.
- (e) If, after the commencement of the Member's pension, Separation occurs or the Spouse ceases to be married to or in a civil union with the Member, the person who was the Spouse of the Member on the commencement of the Member's pension shall cease to be the Member's Spouse for the purposes of any contingent pension payable under the form of payment elected by the Member in accordance with Section 7, 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."

**UNION DB PLAN AMENDMENT  
NO. 6**

**The Pension Plan for Bargaining Unit Employees  
of Wabush Mines, Cliffs Mining Company, Managing Agent  
Amendment no 6**

**Whereas** Wabush Mines, Cliffs Mining Company, Managing Agent (the "Employer") maintains the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (the "Plan");

**Whereas** pursuant to an agreement, known as the Wabush Mines Management Agreement, dated January 1, 1967 and amended from time to time thereafter, between Wabush Iron Co. Limited and Cliffs Mining Company (the "Management Agreement"), Cliffs Mining Company has the authority to act on behalf of the Employer;

**Whereas**, pursuant to Section 13.02 of the Plan, the Employer has reserved the right to amend the Plan;

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

**THEREFORE, IT IS HEREBY RESOLVED THAT:**

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

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

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NAME  
Title  
Cliffs Mining Company  
Managing Agent of Wabush Mines

**Pension Benefit  
Standards Division**

SEP 30 2015

**Exhibit "A"**  
**Pension Plan for Bargaining Unit Employees of Wabush Mines,  
Cliffs Mining Company, Managing Agent**

**Amendment No. 6**

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

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

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**14.01 Application**

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

**14.02 Definition of Spouse**

Notwithstanding Section 2.36, "Spouse" means, in relation to a Québec Member:

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

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

- (b) For the purposes of paragraphs (c) and (d) below, "Separation" means in relation to a Member and his Spouse:

- (i) legal separation from bed and board if the Spouse is married to the Member;
  - (ii) dissolution or annulment of their civil union; or
  - (iii) cessation of conjugal relationship if the Spouse satisfies the eligibility requirement set out in subparagraph (a)(ii).
- (c) If Separation pursuant to subparagraph (b)(i) occurs before the day as of which spousal status is established, the person who would be considered the Member's Spouse in accordance with paragraph (a)(i) shall not be considered as the Member's Spouse when applying any provision of this plan conferring a benefit upon a surviving Spouse.
- However, when the Member has notified the Employer in writing that the person should still be considered as the Member's Spouse despite this Separation, such person shall be so considered when applying a provision of this plan purporting to confer a benefit upon a surviving Spouse after the commencement of the Member's pension.
- (d) If, after the commencement of the Member's pension, Separation occurs or the Spouse ceases to be married to or in a civil union with the Member, the person who was the Spouse of the Member on the commencement of the Member's pension shall cease to be the Member's Spouse for the purposes of any contingent pension payable under the form of payment elected by the Member at the time of pension commencement, except where the Member notified the Employer in writing to have such person entitled to the contingent pension despite such Separation or termination of marriage or civil union.

#### **14.03 Transfer of Employment**

Notwithstanding Section 5.06, if an Employee who is a Québec Member ceases to be a Union Member, but remains employed with the Employer, such Member may, as a result of such cessation of active membership,

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

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

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

The Member's monthly pension under the Defined Benefits Provision shall be an amount equal to the Actuarial Equivalent of the pension calculated as in Section 6.01, based on the Member's Credited Service as at the Statutory Early Commencement Date. Under the Defined Contribution Provision, there shall be payable a benefit equal to the amount in the the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

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

Notwithstanding Section 5.01 but subject to Section 14.06, if a Québec Member continues to be employed after the Normal Retirement Date and

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

if the Member makes such an election, a pension shall be purchased for the Member with the amount in the Member's Account; if such pension is not sufficient to compensate for the reduction in the salaries or wages incurred by the Member, an additional pension shall be paid from the Defined Benefit Provision of the Plan up to lesser of the entitlements accumulated by the Member under this provision and the amount of pension required to compensate fully the Member for the reduction in salaries or wages.

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

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

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

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

In the event that the Member has elected to receive the payment of all or a portion of the Member's pension prior to the Member's Special Postponed Retirement Date, the Actuarial Equivalent retirement income commencing on the Special Postponed Retirement Date shall be decreased to take into account the Actuarial Equivalent of the retirement income received prior to the Member's Special Postponed Retirement Date, with interest thereon at a rate determined by the plan administrator.

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

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

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

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

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

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

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

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

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

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

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

**14.08 120-Month Guarantee Option**

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

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

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

**14.09 Temporary Pension Option**

(a) A Québec Member who elects to receive his retirement income payable under Section 6 prior to his Normal Retirement Date and who files a duly signed form prescribed by the SPPA with the plan administrator prior to the payment of the first instalment of the benefit, may elect to receive his retirement income, except the temporary supplementary benefit and the temporary minimum benefit payable in accordance with Article 6, as applicable, in the form of a life annuity plus a temporary annuity ceasing in the month preceding the Member's Normal Retirement Date, both payable in equal monthly instalments. The annual amount of the temporary annuity shall be fixed by the Member before payment begins, but shall not exceed (i) minus (ii), where:

(i) is the lesser of:

(A) 40% of the YMPE in the calendar year of payment commencement; and



- (B) the maximum annual amount of temporary retirement income permitted by the Income Tax Act; and
  - (ii) is the annual amount of the temporary supplementary benefit and the temporary minimum benefit payable in accordance with Article 6, as applicable.
- (b) If the Member elects the temporary pension option described in paragraph (a), any benefits payable to the Member's Beneficiary or Spouse after the Member's death shall be determined in accordance with such form of payment elected by the Member in accordance with Article 7 or Section 14.08, any guarantee or continuance being applied to the annuity payment pattern resulting from the temporary pension option.
  - (c) The value of the benefits payable under the temporary pension option described in paragraph (a) shall be the Actuarial Equivalent of the benefit which would have been otherwise payable had the Member not elected this temporary pension option.
  - (d) A Spouse who becomes entitled to the payment of a retirement income under the Plan may elect the temporary pension option described in the foregoing provisions of this Section, adapted as required.

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

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

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

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

Notwithstanding Section 5.06, a Québec Member's Deferred Vested Termination Date shall be the date of a Member's termination of employment with the Employer

for any reason other than death, prior to the Normal Retirement Date, Early Retirement Date, Statutory Early Commencement Date or Special Early Retirement Date.

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

The deferred pension payable to a Québec Member under Section 6.04 shall be increased as of his Pension Commencement Date to reflect 50 % of the change in the Consumer Price Index for Canada which occurred during the period between the date of termination of his employment and the date that is 10 years prior to his Normal Retirement Date. The annualized increase shall not be less than 0% nor greater than 2%.

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

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

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

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

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

- (a) if the Member participated in the Defined Contribution Provision, a benefit equal to the amount in the Member's Account in either a lump sum cash payment or as a transfer to a non locked-in RRSP, as the Spouse may elect.
- (b) if the Member's has accumulated 15 years of Continuous Service or more as at the date of his death or if he has become eligible to an immediate pension after having attained age 45: a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to the greater of :
  - (i) an amount equal to the Actuarial Equivalent of the pension benefit accrued by the Member and payable as at Normal Retirement Date pursuant to Section 6.04(a) in respect of Credited Service on and after January 1, 1990;
  - (ii) 50% of the amount of the immediate pension benefit accrued by the Member pursuant to Section 6.01(a), but excluding subsections (iv) and (v) thereof, or Section 6.01(b)(i), but excluding subsection (D) thereof, whichever would have been applicable of the Member, or 140\$ per month if greater.
- (c) if the Member has not met the conditions described in paragraph (b): a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to an immediate retirement income which correspond to the Actuarial Equivalent of the amount of the pension benefit accrued by the Member and payable as at Normal Retirement Date pursuant to Section 6.04(a) in respect of Credited Service on and after January 1, 1990; if the Spouse so elects, the Actuarial Equivalent of this benefit may be paid out as a lump sum or transferred out of the Plan pursuant to Section 6.04(c).
- (d) If the Member is not survived by a Spouse, the amount described in paragraph (a) and a lump-sum amount being the Actuarial Equivalent of the pension described in paragraph (b) or (c), as applicable, shall be paid to the Member's Beneficiary or, if none, to the Member's estate.

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

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

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

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

- (a) the Actuarial Equivalent of the monthly pension that would have commenced at the Normal Retirement Date, determined in accordance with Section 6.01(a) using Credited Service on and after January 1, 1990 up to the Member's Normal Retirement Date; such Actuarial Equivalent shall be determined as of the date the pension commences to be paid to the Member's Spouse, on the basis of the method described in Appendix "B" to the Plan entitled "Revalorization of Postponed Retirement Pension";
- (b) the Actuarial Equivalent of the pension that would have been payable to the Member's Spouse, under the Defined Benefits Provision of the Plan pursuant to Section 7.03, if payment of the postponed defined benefit pension, as determined pursuant to Section 14.06, had begun on the day preceding the death of the Québec Member.

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

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

**14.17 Commutation and Unlocking of Small Benefits**

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

If the requirements set out in the above paragraph are met, the plan administrator may, at his discretion and without the consent of the Member, refund the Québec Member the Actuarial Equivalent of the Member's entitlements, in satisfaction of the Member's rights under the Plan. To this end, the plan administrator must first

send a notice to the Member requesting instructions as to the refund formula; where no reply is received within 30 days of the sending of the notice, the plan administrator may make the refund, which possibility shall be mentioned in the notice.

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

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