

## Sponsors Agreement – Execution Version

### SPONSORS AGREEMENT

**THIS SPONSORS AGREEMENT**, including Appendices “A” (Funding Agreement), “B” (Trust Agreement) and “C” (Pension Plan), is made the 24<sup>th</sup> day of November, 2017,

**BETWEEN:**

**UNIVERSITY OF PRINCE EDWARD ISLAND as represented by its Board of Governors**

(the “**Employer**”)

**AND:**

**UNIVERSITY OF PRINCE EDWARD ISLAND FACULTY ASSOCIATION, BARGAINING UNIT #1 (“UPEIFA1”),**

**UNIVERSITY OF PRINCE EDWARD ISLAND FACULTY ASSOCIATION, BARGAINING UNIT #2 (“UPEIFA2”),**

**THE CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 1870 (“CUPE 1870”),**

**THE CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 501 SECURITY POLICE (“CUPE 501”),**

**THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1928 (“IBEW”),**

(the “**Unions**”)

**WHEREAS** the Employer and each of the Unions (the “**Parties**”) executed a memorandum of agreement dated October 17, 2016 and thereby agreed to revise the terms and conditions of the Pension Plan for the Employees of the University of Prince Edward Island;

**AND WHEREAS** the Parties agreed that the Pension Plan for the Employees of the University of Prince Edward Island shall have two sponsors, (i) the Employer and (ii) the Unions;

**AND WHEREAS** the Parties agreed to the establishment of a funding agreement describing how to respond to, *inter alia*, actuarial surpluses and deficits in the Pension Plan for the Employees of the University of Prince Edward Island, the terms of which are set out in Appendix "A" to, and form part of, this Agreement (the “**Funding Agreement**”);

**AND WHEREAS** the Parties agreed to the appointment of a board of trustees to act as administrator and trustee of the Pension Plan for the Employees of the University of Prince Edward Island;

**AND WHEREAS** the board of trustees shall be appointed in accordance with a trust agreement, the terms of which are set out in Appendix "B" to, and form part of, this Agreement (the “**Trust Agreement**”);

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**AND WHEREAS** the Parties wish to enter into this Agreement for the purposes of (i) setting out the terms and conditions of joint sponsorship; (ii) establishing the Funding Agreement; and (iii) establishing the Trust Agreement.

**NOW THEREFORE** the Parties agree as follows:

### Article 1 Interpretation

#### 1.1 Defined Terms

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

- (a) **“Accrued Benefits”** shall have the meaning ascribed to that term in Article 6.4;
- (b) **“Active Member”** means an employee of an Employer who is required to participate in the Pension Plan;
- (c) **“Agreement”** or **“Sponsors Agreement”** means this agreement, including Appendices "A", "B" and "C", made on the date first above;
- (d) **“Co-Chairs”** means those individuals appointed from time to time pursuant to Article 4.3 of this Agreement, and **“Co-Chair”** shall mean one of them;
- (e) **“Effective Date”** means January 1, 2017 pursuant to the Memorandum of Agreement;
- (f) **“Employer”** has the meaning ascribed to it in the recitals and, as applicable in the context, the employer participating in the Pension Plan pursuant to Article 6.3(g) herein;
- (g) **“Employer Representatives”** means the Representatives on the Sponsor Board appointed by the Employer as contemplated by Article 4.1(a) herein.
- (h) **“Former Member”** shall have the meaning ascribed in the Pension Plan;
- (i) **“Fund”** means the trust fund established for the Pension Plan and continued and administered pursuant to the Trust Agreement;
- (j) **“Funding Agreement”** has the meaning ascribed to that term in the recitals;
- (k) **“Inactive Members”** means Former Members and Pensioners, and **“Inactive Member”** shall mean any one of them;
- (l) **“Members”** means Active Members and Inactive Members, and **“Member”** shall mean any one of them;
- (m) **“Memorandum of Agreement”** is the agreement to implement certain changes to the governance and funding of the Pension Plan, executed by the Employer and all of the Unions and dated October 17, 2016, including Appendix "A" and Exhibit "B" thereto;

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- (n) **“Parties”** has the meaning ascribed to that term in the recitals and “Party” shall mean one of them;
- (o) **“Pension Plan”** or **“Plan”** means the Pension Plan for the Employees of the University of Prince Edward Island, which is attached hereto as Appendix "C" and forms part of this Sponsors Agreement, as it may be amended from time to time in accordance with the terms of this Agreement;
- (p) **“Pensioner”** shall have the meaning ascribed to that term in the Pension Plan;
- (q) **“Representatives”** means, collectively, the Union Representatives and the Employer Representatives, and **“Representative”** means one of the Representatives;
- (r) **“Sponsor Board”** means the body appointed in accordance with Article 4 of this Agreement;
- (s) **“Sponsors”** means the Employer and the Unions and **“Sponsor”** shall mean either the Employer or the Unions;
- (t) **“Transition Period”** has the meaning ascribed to that term in Article 3.3;
- (u) **“Trust Agreement”** has the meaning ascribed to that term in the recitals;
- (v) **“Trustees”** are the group of individuals appointed pursuant to the terms of the Trust Agreement who collectively act as the administrator of the Pension Plan and trustee of the Fund, and **“Trustee”** shall mean one of them;
- (w) **“Union Representatives”** means the Representatives on the Sponsor Board appointed by the Unions as contemplated by Article 4.1(b) herein; and
- (x) **“Unions”** means UPEIFA1, UPEIFA2, CUPE 1870, CUPE 501 and IBEW and **“Union”** means one of them.

### 1.2 Interpretation

In this Agreement, unless the context otherwise requires, words in the singular shall be construed as including words in the plural, and words in the plural as including words in the singular.

## Article 2 Background

### 2.1 Joint and Equal Participation and Pension Plan Funding

The Parties committed to:

- (a) the principle of joint and equal participation in the sponsorship and administration of the Pension Plan; and
- (b) the establishment of the Funding Agreement.

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### 2.2 Parties' Intention

By the terms of this Agreement, the Parties intend to provide for the joint sponsorship and administration of the Pension Plan and the establishment of the Funding Agreement.

### 2.3 Authority

The Parties each represent to the other that they have the authority to enter into this Agreement and to bind the Employer and Unions, as applicable.

### 2.4 Union Changes

In the event that a Union changes its name, the Union shall, by its new name, be a Party to this Agreement and have the same duties, responsibilities and powers that the Union had under its former name.

### 2.5 Appendices

The following appendices are attached hereto and form part of this Agreement:

Appendix "A" – Funding Agreement

Appendix "B" – Trust Agreement

Appendix "C" – Pension Plan

## **Article 3 Transition**

### 3.1 Assignment and Assumption of the Plan

Effective as of the Effective Date and subject to the terms of this Agreement, the Employer hereby assigns and transfers to the Sponsor Board all of the rights and benefits of the Employer in respect of the Plan, and all other related documents, contracts and policies applicable to the Plan, and the Sponsor Board, once established, will accept such assignment and transfer and assumes all duties, obligations and liabilities of the Employer in respect of the Plan, and all other related documents, contracts and policies applicable to the Plan, except and subject to the duties, obligations and liabilities of the Employer, the Unions and the Trustees under the terms of the Sponsors Agreement, Trust Agreement, Funding Agreement and Pension Plan.

### 3.2 Transfer of Fund

Effective as of the Effective Date, the Employer, in its current position as administrator of the Plan, will arrange for the assignment and transfer to the Trustees, subject to the consent of CIBC Mellon Trust Company, of the Trust and Custodial Services Agreement dated July 22, 2013 for the Fund, and the Trustees, once appointed, will accept such assignment and transfer.

### 3.3 Transitional Administration and Pension Plan Investment Services

- (a) The Parties agree that the Employer will provide, and the Employer has agreed to provide, pension plan administration and investment services to the Trustees for a 12 month term from the Effective Date on a cost recovery basis.

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- (b) In the event the Trust Agreement is not executed by January 1, 2017, and the Trustees cannot act as plan administrator as at that date, there will be a transitional period, not longer than one year and ending on December 31, 2017, or the date on which the Trustees assumes their role as plan administrator, if earlier (the "**Transition Period**"), and the Parties further agree that during the Transition Period:
  - (i) The Employer will continue to act as plan administrator, subject to the approval of the Sponsor Board, or the Unions in circumstances where the Sponsor Board is not yet in place, for all decisions of significance to the administration of the Plan, including entering into or renewing contracts for service to the Plan, determining actuarial assumptions or methodologies;
  - (ii) All existing contracts or service provider agreements (or arrangements if not in writing) will continue without amendment, except as approved by the Sponsor Board, or, if the Sponsor Board is not established, by the Employer and the Unions.
  - (iii) Any decision required by the Sponsors Agreement to be made by the Sponsor Board may be made jointly by mutual agreement of the Employer and the Unions (in the manner required by Article 5) in circumstances where the Sponsors Agreement has not yet been executed or the full Sponsor Board is not yet established.

### **Article 4 Appointment of Sponsor Board**

#### **4.1 Sponsor Board Established**

As of the Effective Date, the sponsorship of the Pension Plan shall be the responsibility of the Sponsor Board. The name of the Sponsor Board may be amended upon the written agreement of the Unions and the Employer. The Sponsor Board shall consist of eight (8) persons as follows:

- (a) Four (4) Representatives appointed by the Employer, using whatever method it adopts;
- (b) Four (4) Representatives appointed by the Unions, using whatever method the Unions adopt.

#### **4.2 Representatives on the Sponsor Board**

A Trustee shall not be eligible for appointment as a Representative on the Sponsor Board. Further, no person is permitted to act in the place of any Representative.

#### **4.3 Appointment of Co-Chairs**

- (a) Two Representatives shall be appointed as Co-Chairs of the Sponsor Board. One Co-Chair shall be appointed by the Unions. The other Co-Chair shall be appointed by the Employer.
- (b) At the end of each two year term, the Employer Representatives shall, from their numbers, appoint one Co-Chair of the Sponsor Board and the Union Representatives shall, from their numbers, appoint the other Co-Chair.

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- (c) If a Co-Chair ceases to be a Representative, then his or her position as Co-Chair shall be filled for the balance of his or her respective term by a Representative appointed in the same manner as set out in Article 4.3(b) above.

### 4.4 Remuneration of Representatives

The Representatives shall serve without remuneration but shall be reimbursed for their reasonable expenses by the Trustees from the Fund in accordance with the policies of the Sponsor Board.

### 4.5 Terms for Representatives

- (a) Each Co-Chair shall serve for a two year term. Co-Chairs may be re-appointed for any number of terms.
- (b) Each Representative shall serve a two year term, provided that a Representative shall continue to serve until their replacement is appointed or they resign.
- (c) A Representative may be re-appointed for any number of terms.

### 4.6 Resignation of a Representative

A Representative may resign by giving written notice thereof to the Co-Chairs and to the entity that appointed him or her. The Co-Chairs shall promptly notify all the other Representatives. The effective date of a resignation shall be stated in the notice of resignation, which date may be no earlier than the date the Representative signs the notice of resignation, failing which it shall be the date when the entity that appointed the Representative receives the written notice of resignation.

### 4.7 Removal

A Union Representative may be removed at any time by the Unions. An Employer Representative may be removed at any time by the Employer. Where a Representative is removed under this Article, the entity that appointed him or her shall give written notice to the Co-Chairs. The Co-Chairs shall promptly notify all the Representatives.

### 4.8 Death, Incapacity or Disqualification

If a Representative dies, becomes incapacitated or ceases to qualify as a Representative, the Co-Chairs shall give written notice to the entity that appointed the Representative and the other Representatives of the death, incapacity or disqualification.

### 4.9 Death of a Representative

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

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### 4.10 Discharge of Representatives

If a Representative resigns, becomes incapacitated, or is removed, he or she shall be fully discharged from all future duties and responsibilities in respect of this Agreement as of the date of such resignation, incapacity, or removal, as the case may be. However, a Representative who resigns, becomes incapacitated, or is removed shall not be discharged from, and shall remain liable for, any of the Representative's liabilities arising hereunder prior to the effective date of his or her resignation, incapacity, or removal, as the case may be.

### 4.11 Termination

A Representative who resigns, is removed, or becomes incapacitated, and the personal representatives of a deceased Representative, shall forthwith turn over to the successor Representative any and all records, books, and documents in his or her possession incidental to his or her duties as Representative under this Agreement or relating to the sponsorship of the Pension Plan. Despite the foregoing, if the Sponsor Board considers it appropriate, a former Representative may have reasonable access to any of his or her records, books or documents, to be turned over to the successor Representative.

### 4.12 Replacement of Representative

- (a) In the case of a vacancy, the entity that appointed the Representative shall, within 30 days of having notice of the vacancy, appoint a successor Representative to fill the vacancy, and such Representative shall serve for the remaining term of the former Representative.
- (b) In the event that an entity fails to appoint a successor Representative in accordance with Article 4.12(a), such Representative shall be appointed, in the case of a Union Representative, by a majority of the remaining Union Representatives and in the case of an Employer Representative, by a majority of the remaining Employer Representatives.

## **Article 5 Operation of the Sponsor Board**

### 5.1 Voting

The Representatives shall meet to discuss and consider any matters at a meeting prior to any voting being undertaken in regard to those matters. The Union Representatives shall collectively exercise one vote and the Employer Representatives shall collectively exercise one vote.

### 5.2 Voting by Co-Chairs

The Co-Chairs are not entitled to a second or deciding vote.

### 5.3 Quorum

- (a) A quorum at a meeting of the Sponsor Board shall consist of a majority of the Employer Representatives and a majority of the Union Representatives.
- (b) If a quorum is not present within 15 minutes of the time specified for a meeting of the Sponsor Board, the Representatives present may adjourn the meeting to a fixed time and place but may not transact any other business.

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- (c) If during a meeting a quorum is lost, the Representatives remaining at the meeting shall not transact any business except to fix a time and place for a continuation of the meeting.
- (d) If the Representatives meet when a Representative position is vacant, the meeting is validly constituted as long as a quorum (i.e., 3 Union and 3 Employer Representatives) is present.

### 5.4 Decisions

Subject to and excepting a decision to terminate the Plan in accordance with Article 8.2, approval of all resolutions of the Sponsor Board shall require two affirmative votes, one cast by the Union Representatives and one cast by the Employer Representatives, at a duly called and constituted meeting of the Sponsor Board. In the case of a lesser number of votes or a tie, the resolution will be considered to have failed.

### 5.5 Resolutions in Writing

Despite Article 5.4, if all of the Representatives then in office could form a quorum if they met, any decision of the Sponsor Board may be made in writing if signed by all Employer Representatives and all Union Representatives then in office without a meeting of the Sponsor Board.

### 5.6 Meetings

- (a) The Representatives shall meet at least twice in each calendar year, and in addition shall meet with the Trustees at least once per year. The Co-Chairs shall set the date and location of each meeting, by no later than the end of the prior calendar year.
- (b) Any one of the Union Representatives or Employer Representatives may request the Co-Chairs to convene a meeting of the Sponsor Board, which request shall be in writing and shall include the information reasonably required by the Co-Chairs to establish an agenda as described in Article 5.7. If requested as described above, no later than five days following receipt of such written request the Co-Chairs shall give notice to the Representatives setting out the date and location of the meeting, which meeting shall be held within 15 days of the date upon which the request to convene a meeting was received by the Co-Chairs.
- (c) If the office of a Co-Chair is vacant, the other Co-Chair may exercise the powers otherwise given to the Co-Chairs to set the date and location of a meeting, and give notice to the other Representatives.
- (d) If the offices of both Co-Chairs are vacant, one Employer Representative and one Union Representative, acting jointly may exercise the powers otherwise given to the Co-Chairs in this Article, to set the date and location of a meeting, and give notice of it to the other Representatives.
- (e) Sponsor Board meetings shall be held in the Province of Prince Edward Island. If a Representative participating in a meeting does so by means of a telephone conference or such other communication facilities as are permitted by Article 5.11, that Representative will be deemed to be in Prince Edward Island for the purposes of the meeting;

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- (f) All Representatives agree to meet and negotiate in good faith to resolve any differences.

### **5.7 Notice of Meeting**

The Co-Chairs, or any other person delegated to do so by the Sponsor Board, shall cause written notice of each meeting of the Sponsor Board to be given to the Representatives not less than 10 days prior to the date of the meeting. The notice of a meeting shall specify the date, time and location of the meeting, and shall include an agenda of matters to be addressed at the meeting. Whenever possible, any reports or other documentation to be considered at a meeting shall be provided to the Representatives with the notice of the meeting. For greater certainty, nothing in this Article precludes a Representative from bringing forth any matter for discussion at a meeting, and business not included in the agenda for a meeting may be conducted at a meeting.

### **5.8 Waiver of Notice**

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

### **5.9 Recording Secretary**

The Sponsor Board shall appoint a recording secretary, who need not be a Representative, to keep minutes or records of all meetings, proceedings and acts of the Sponsor Board or its committees. Those minutes or records of Sponsor Board meetings shall be provided to the Representatives for approval at the next meeting of the Sponsor Board. All records and minutes of the Sponsor Board shall be kept in the custody of the recording secretary.

### **5.10 Chair of Meeting**

The Co-Chairs shall act as chairs of a meeting of the Sponsor Board. If a Co-Chair is not in attendance at a meeting, the other Co-Chair shall act as chair of a meeting of the Sponsor Board, and if neither Co-Chair is in attendance at a meeting, the Representatives present at the meeting shall select a chair for the meeting from their numbers.

### **5.11 Telephone Meetings**

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

### **5.12 Defect in Appointment, etc.**

Despite that it may be subsequently discovered or determined that there exists some defect in the appointment, resignation or removal of any Representative, all acts and proceedings of the Representatives done and carried on in good faith while the defect existed shall be valid and effective.

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### 5.13 Execution of Documents

All agreements and other documents to be executed by the Sponsor Board shall, after being approved by the Sponsor Board, be signed by two Representatives, one of whom shall be appointed by the Employer Representatives and one by the Union Representatives, from their numbers.

## **Article 6 Powers, Functions and Duties of the Sponsor Board**

### 6.1 Powers to Enter Agreements, Make Resolutions, Committees and Appointments

The Sponsor Board may, subject to Article 6.4:

- (a) adopt resolutions and exercise the Sponsor Board's powers and perform its duties;
- (b) establish committees or panels of the Sponsor Board, and determine the composition, duties, responsibilities, limitations and operating procedures of those committees or panels provided that such committees or panels shall consist of an equal number of appointees of the Employer and Unions;
- (c) appoint persons other than Representatives to a committee or panel referred to in paragraph (b), and set the terms of appointment to the committee or panel that applies to those persons;
- (d) rescind an appointment made under paragraph (c); and
- (e) hire, or direct the Trustees to hire, staff and advisors for and to the Sponsor Board and charge to the Fund the reasonable costs of such staff and advisors.

### 6.2 Power to Settle Claims

The Representatives, in consultation with the Trustees, may, if and as they think fit, compromise, compound, abandon, submit to arbitration or otherwise settle a debt, account, claim or other thing relating to the Representatives (acting in their capacity as Representatives) or the Sponsor Board. For any of these purposes, the Representatives may enter, give, execute and do the agreements, instruments of composition or arrangement, releases and other things that the Representatives consider expedient.

### 6.3 Duties and Responsibilities

The Sponsor Board shall be exclusively responsible for the following:

- (a) subject to the Funding Agreement and the limitations in Article 6.4 of this Sponsors Agreement, making amendments to the Pension Plan, including amendments related to eligibility, benefits, contributions or restating the Pension Plan at such times as the Sponsor Board determines are necessary or appropriate, after receiving the advice, if any, from the Trustees in respect of such amendments or restatements;
- (b) subject to the Funding Agreement, and at its discretion, but subject to applicable law, instructing the Trustees as to the timing and frequency with which actuarial valuations of the Pension Plan shall be prepared and filed with the applicable regulatory authorities;

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- (c) establishing the actuarial methods and assumptions for the Plan, provided that the initial actuarial methods and assumptions for the Plan are as set out in Exhibit “B” to the Memorandum of Agreement and will remain in effect for all subsequent actuarial valuations, until, in consultation with the Pension Plan actuary and the Trustees, the Sponsor Board decides to amend the actuarial assumptions and methods for the Pension Plan as appropriate;
- (d) subject to the Funding Agreement, in consultation with the Pension Plan actuary and such investment advisor as the Sponsor Board may retain, directing the Trustees as to the level of risk that is appropriate for the Pension Plan’s asset mix and the permitted categories of investment of the Plan’s fund;
- (e) meeting with the Trustees, at least once a year, to consider matters of interest to either the Sponsor Board or the Trustees and to receive an explanation of the annual report of the Pension Plan and the Fund from the Trustees and at such other times as are requested by the Sponsor Board or by resolution of the Trustees to consider any matter;
- (f) advising the Parties and the Trustees of any amendment to the Pension Plan;
- (g) determining whether to accept or not accept employees of employers that are not yet participating in the Pension Plan, into the Pension Plan, to fix the terms and conditions for the employees’ participation in the Pension Plan, and to enter into agreements with employers with respect to those terms and conditions;
- (h) making recommendations to the Trustees respecting the administration of the Pension Plan;
- (i) preparing a report at the end of every fiscal year of the Pension Plan setting out the activities of the Sponsor Board in that year, including a self-assessment of the Sponsor Board, in such form as may be agreed to between the Parties, such report to be delivered to the Parties as soon as reasonably possible after the end of the fiscal year of the Pension Plan;
- (j) amending the Funding Agreement;
- (k) establishing policies for reimbursement from the Fund of reasonable expenses of the Sponsor Board and the Representatives, which shall be adopted by the Trustees; and
- (l) interpreting this Sponsors Agreement (and appendices), including the meaning of Accrued Benefits in Article 6.4 below, in its sole discretion and subject to applicable law.

### 6.4 Limitations on Amendment

Notwithstanding any other term of this Sponsors Agreement, the Trust Agreement, the Funding Agreement or Pension Plan, the Sponsor Board shall not make any amendment to the Pension Plan, Funding Agreement, Trust Agreement or Sponsors Agreement that has the effect of reducing a pension benefit under the Pension Plan accrued prior to the date of a proposed amendment (the “**Accrued Benefits**”).

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### 6.5 Termination, Wind-Up or Conversion

Any decision to terminate or, wind-up, in whole or in part or convert the Pension Plan from a jointly sponsored defined benefit pension plan to any other type of pension plan shall require the unanimous approval in writing of the Employer and each of the Unions.

## **Article 7 Indemnification, Limitation of Liability and Insurance**

### 7.1 Indemnification

A Representative shall be indemnified by the Fund for all legal expenses and all other costs, charges and expenses actually and reasonably incurred by that person, including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which the person is made a party because of being or having been a Representative, and including an action brought by the Sponsor Board, if:

- (a) the Representative acted in good faith; and
- (b) in the case of a criminal, regulatory or administrative action or proceeding that is enforced by a monetary penalty, the Representative had reasonable grounds for believing that his or her conduct was lawful.

### 7.2 Liability for Other Matters

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

- (a) any matter, cause or thing arising due to the invalidity of all or any part of this Sponsors Agreement or the Pension Plan;
- (b) any delay occasioned by any restriction or provision in:
  - (i) this Sponsors Agreement;
  - (ii) the Pension Plan;
  - (iii) any contract procured in the course of the sponsorship of the Pension Plan;  
or
  - (iv) by any other procedure.

### 7.3 Reliance on Documents, etc.

Subject to Article 7.1, the Representatives shall incur no liability, either collectively or individually, in acting upon any documents, data or information believed by them to be genuine and accurate and to have been made, executed, delivered or assembled by the appropriate parties.

### 7.4 Reliance on Advisors

So long as the Representatives exercise reasonable care in the selection, instruction and supervision of a professional advisor, subject to Article 7.1, the Representatives shall incur no liability, either collectively or individually, in acting and relying upon the opinions or advice of the professional advisor.

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### **7.5 Recourse Solely Against Fund**

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

### **7.6 Financial Responsibility for the Pension Plan**

The Employer's, Unions' and Members' sole financial obligation in respect of the Pension Plan is to make contributions and other payments to the Fund in the amounts and at the times specified in the Pension Plan, the Funding Agreement, the Trust Agreement and this Sponsors Agreement or as otherwise required by law.

### **7.7 No Liability for Representatives Appointed**

A Party or other entity is not liable for any of the acts or obligations of a Representative solely because the Representative is or was an officer or employee of the Party or other entity, or because the Party or other entity appointed the Representative.

### **7.8 Extended Meaning of Representative**

- (a) Any reference in this Sponsors Agreement to the indemnification or other protection of a Representative shall, unless the context clearly indicates otherwise, include a person appointed to a committee or a panel under Article 6.1 unless such person is being compensated for so acting. Reimbursement of reasonable expenses does not constitute compensation for the purpose of this paragraph.
- (b) Any reference in this Sponsors Agreement to the indemnification or other protection of a Representative or other person appointed to a committee or a panel under Article 6.1 shall, unless the context clearly indicates otherwise, apply to individuals who formerly held these positions on or after the Effective Date, and to the personal representatives of any such individuals.

### **7.9 Insurance**

The Sponsor Board will purchase and maintain, or require the Trustees to purchase and maintain, errors and omissions insurance or insurance of a similar nature or description that it considers necessary or appropriate for the Sponsor Board, Representatives or anyone else engaged in the sponsorship of the Fund. The cost of this insurance shall be paid by the Fund.

## **Article 8 Amendment and Termination of Agreement**

### **8.1 Amendment to Sponsors Agreement (including its Appendices)**

Subject to Article 8.2, this Agreement and any of its Appendices (being the Plan text, the Trust Agreement and the Funding Agreement), once established, shall be subject to amendment only by the Sponsor Board.

### **8.2 Termination of Pension Plan**

- (a) The Sponsor Board may only terminate and wind-up the Plan in accordance with this Article 8.2.

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- (b) Notwithstanding any other term of this Agreement (including Appendices), a resolution of the Sponsor Board to terminate and wind-up the Plan must receive a positive vote of each Employer Representative and each Union Representative, and the prior written consent of the Parties in accordance with Article 6.5, failing which the resolution shall not pass and be of no force or effect.
- (c) If the Pension Plan is terminated in its entirety, and subject to the obligations in the Funding Agreement, the assets of the Fund shall be disbursed in accordance with the Plan.

### **Article 9 General Restrictions**

#### 9.1 Restrictions on Benefits Payable to Representatives

No Representative is entitled to any benefit from the Pension Plan other than:

- (a) a pension benefit provided in accordance with the Pension Plan; and
- (b) any reimbursement of expenses related to the sponsorship of the Pension Plan provided for in this Agreement, the Trust Agreement or the Pension Plan.

### **Article 10 Miscellaneous Provisions**

#### 10.1 Methods of Giving Notice

- (a) All notices, requests, demands or other communications provided for in this Agreement shall be given in writing and shall be effectively given if delivered personally, or sent by prepaid mail or facsimile to the last known address or facsimile number of the recipient of the communication, or sent by email to the recipient of the communication.
- (b) Subject to Article 10.1(c) below, a notice, request, demand or other communication shall be deemed to have been received when delivered, or if mailed, on the fifth business day after the mailing of the notice, or if sent by facsimile, on the day that the sending facsimile machine confirms that the facsimile has been sent, or if sent by e-mail, on the date sent.
- (c) In the event of a strike or other interruption in the normal delivery of the mail after the mailing of a notice, request, demand or other communication, but before the deemed receipt thereof as provided herein, that notice, request, demand or other communication shall not be deemed to have been received by the party for whom it is intended, unless it is actually delivered or sent by facsimile or e-mail to that party as contemplated herein.

#### 10.2 No Duty to Inquire

All persons dealing with the Sponsor Board have no duty to inquire into any decision or authority of the Sponsor Board or into the ability of the Sponsor Board to receive any monies, securities or other property paid or delivered to the Sponsor Board and may rely upon any document required to be executed by the Sponsor Board which has been executed as provided in this Agreement, as having been duly authorized.

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### **10.3 Severance of Illegal Provisions**

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

### **10.4 Binding Effect**

The Plan, this Agreement, any document prepared in connection with this Agreement, the Plan or the Fund, and all of the Sponsor Board's decisions, rules, regulations, policies and procedures made or established in accordance with this Agreement, the Plan or the Fund, shall be binding on the Representatives, the Parties, the Trustees, the Members, the Inactive Members and their respective beneficiaries, dependents, estates, heirs, executors, administrators, successors and assigns.

### **10.5 Further Assurances**

The Representatives shall from time to time and at any time hereafter, upon each reasonable written request to do so, make, do, execute and deliver or cause to be made, done, executed and delivered, all further acts, deeds, assurances, things and written instruments as may be necessary in the opinion of any Party, for more effectively implementing and carrying out the intent of this Agreement.

### **10.6 Governing Law**

The Province of Prince Edward Island is the location of the Pension Plan for legal purposes. All questions pertaining to the validity, construction and administration of this Agreement or the Pension Plan shall be determined in accordance with the laws of the Province of Prince Edward Island. Any litigation which arises pursuant to or in connection with this Agreement, the Pension Plan or any of their respective provisions, shall be referred to the courts in the Province of Prince Edward Island.

### **10.7 Counterpart Execution**

This Agreement may be signed in counterparts.

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**APPENDIX "A"  
FUNDING AGREEMENT**

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**APPENDIX "B"**  
**TRUST AGREEMENT**

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**APPENDIX "C"**

**PLAN TEXT**