

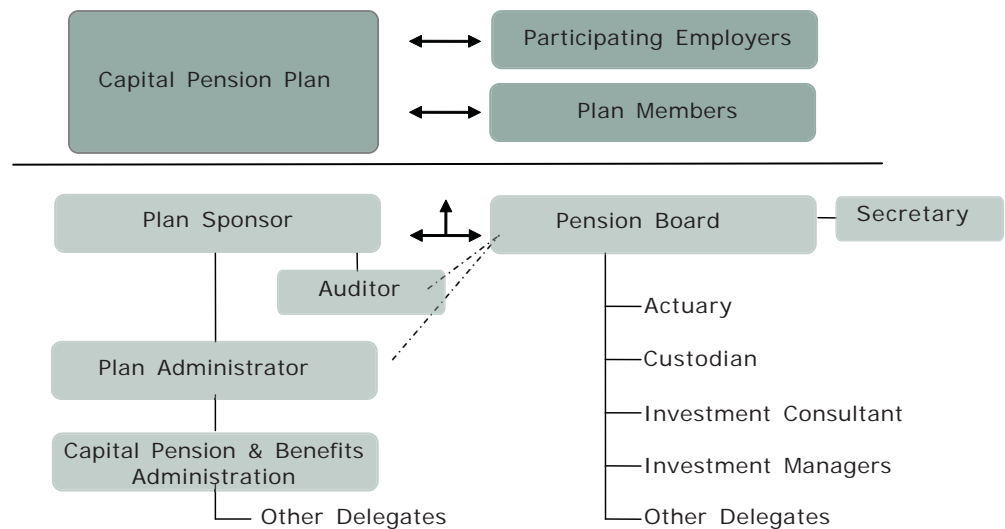
Capital Pension Plan Governance



The Capital Pension Plan was established in 1976 as a multi-employer defined contribution pension plan. The Plan's purpose is to provide employers with a cost and tax effective of providing their employees with a means to prepare for retirement.

The Capital Pension Plan is registered under the *Income Tax Act* (Canada) as No. 0395624. It is governed by the Plan Text, filed with the Superintendent of Pensions (Saskatchewan) in accordance with *the Pension Benefits Act* (1992).

Governance Structure



The Plan Sponsor

Crown Investments Corporation of Saskatchewan (CIC) is the Plan Sponsor for the Capital Pension Plan. CIC is responsible for the overall management of the Plan in accordance with applicable laws, the terms and conditions of the Plan and its governance structure and processes. CIC is responsible to hold the Plan's funds in trust for the benefit of its members and any person entitled to benefits pursuant to the Plan. CIC appoints the Pension Board to act on its behalf to facilitate the operation of the Plan.



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The Pension Board

The Capital Pension Plan Board composition is between five (5) and ten (10) persons, nominated by the twelve (12) largest participating employers of the Plan, as determined by active Plan membership. All Board members must be active members of the Plan. Board members must possess characteristics and traits of integrity, accountability, informed judgement, financial literacy, mature confidence and commitment.

Board Meetings

Board meetings are held at least once per fiscal quarter, with an additional meeting for approval of financial statements and the annual report and a planning retreat for the upcoming year held each fall. In camera sessions are conducted at each meeting.

Board Member Compensation

Compensation for service on the Capital Pension Plan Board is restricted to reimbursement of actual costs and reasonable expenses for attending to Board business.

Pension Board Committees

The Pension Board establishes committees to assist in carrying out its roles and responsibilities. Each committee comprises three (3) current pension board members. The Chair serves as an ex-officio member of each Committee.

Committee members facilitate informed discussion and make recommendations regarding a course of action to the Pension Board. The committees have no authority to make binding decisions or incur expenses unless the Pension Board provides prior approval.

Plan Administrator

The Plan Sponsor (CIC) has appointed the Executive Director of its Capital Pension and Benefits Administration (CPBA) division to act as Plan Administrator. The Plan Administrator handles the overall management, administration and day to day operation of the Plan in accordance with applicable laws and the terms and conditions of the Plan. The Plan administrator makes application for the registration of the Plan and any amendments thereto.

The Plan Administrator has the responsibility to carry out its duties with honesty and in good faith in the best interest of Plan members and any other person(s) to whom a fiduciary duty is owed. The Plan administrator ensures administrative procedures and regulations are in compliance with applicable laws and the terms and conditions of the Plan.

Actuary, Custodian, Asset Consultant, Investment Managers and Other Delegates

The Capital Pension Plan Board and Plan Administrator acquires expertise by hiring industry professionals such as a custodian, asset consultant, investment managers and actuary. Investment of the Plan's assets is delegated to professional investment managers under the supervision of the Pension Board.



Legislation and Best Practices

Federal Legislation

The Capital Pension Plan must adhere to all applicable legislative and regulatory requirements in the *Income Tax Act* (Canada). The Plan is registered under *the Act* as No. 0395624.

Provincial Legislation (Pension Jurisdiction)

There are 11 separate pension jurisdictions in Canada (one for each province, plus Federal that governs certain industries). Each jurisdiction has its own pension legislation and regulations, so the rules, guidelines and options available can vary among the jurisdictions.

Generally speaking, the pension jurisdiction is determined by the province of employment when the Plan member has made the final contribution to the Capital Pension Plan. The Capital Pension Plan is a multi-jurisdictional plan and must adhere to the applicable legislative and regulatory guidelines for each member. The Plan must also follow applicable legislative and regulatory guidelines for funds transferred to the Plan from other jurisdictions.

The exception to the above is the Federal pension jurisdiction. Certain industries (i.e. communication, transportation) is governed by the Federal pension jurisdiction. Legislative and regulatory guidelines for the Federal jurisdiction remain applicable to the specified industry, regardless of the province of employment.

It is important to remember that pension jurisdiction is not necessarily determined by the province of residence. A member's pension would continue to be within the Saskatchewan jurisdiction if that member was employed in Saskatchewan when the final contribution was made to the Plan, even if the member subsequently moved out of the province.

Plan Text

The Plan Text establishes provisions that are specific to the Capital Pension Plan. Provisions in the Capital Pension Plan Text must comply with all applicable federal and provincial pension jurisdiction legislation. The Capital Pension Plan Text is filed with the Superintendent of Pensions in Saskatchewan.

Best Practices

The Capital Pension Plan has adopted the following as best practices for the Plan:

- the Guidelines for Capital Accumulation Plans (CAP Guidelines) developed by the Joint Forum of Financial Market Regulators; and
- the Guidelines for Pension Plan Governance developed by the Canadian Association of Pension Supervisory Authorities (CAPSA Guidelines)