

**EXTENDED HEALTH CARE PLAN
TRUST AGREEMENT**

Dated the 19th day of October, 2022.

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THIS TRUST AGREEMENT made this 19th day of October, 2022.

BETWEEN:

**SASKATCHEWAN PUBLIC SERVICE COMMISSION
(PSC)**

and

**SASKATCHEWAN GOVERNMENT AND GENERAL EMPLOYEES' UNION
(SGEU)**

and

**CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL NO. 600
(CUPE 600)**

and

**MAC TROST, CAROL YUZIK, LORI BOSSAER, ROBERT COSSETTE,
ANGELENA LOUISON, NANCY SEMAN, CARY BURANT, ANDREA LAMONT, JOELLA
MOORE, PEGGY ATKINSON, RACHEL CHERUVALLATH AND
DAVID MORHART
(Extended Health Care Plan Joint Board Of Trustees)**

(each a "Party"; collectively, the "Parties")

BACKGROUND

- A. A health and welfare trust known as the "Public Employees Extended Health Care Plan" (the **Trust**) was established in 1994 for the purpose of providing health and welfare benefits in accordance with the collective bargaining agreement between the PSC and SGEU dated October 1, 1994.
- B. No formal trust agreement was established in conjunction with the creation of the Trust; however, the original joint board of trustees agreed, through the collective agreement, to develop and administer the Trust within the resources allocated resultant from the collective bargaining process.
- C. It was further agreed that the Trust would be deemed a benefits program administered by the Public Employees' Benefits Agency (**PEBA**) pursuant to the terms of *The Financial Administration Act, 1993* (Saskatchewan).
- D. In 1996, PSC and CUPE 600 agreed that CUPE 600 would commence participation in the Trust, and would have representation on the joint board of trustees. CUPE 600 participation in the Trust commenced but was not agreed to, in writing, by SGEU.
- E. Since the Trust's inception it has qualified as a "health and welfare trust", as that term was used in Canada Revenue Agency's Interpretation Bulletin IT-85R2. On July 27, 2015, the Canada Revenue Agency issued Income Tax Folio S2-F1-C1 which superseded and replaced Interpretation Bulletin IT-85R2.
- F. On February 27, 2018, the Federal Government announced that health and welfare trusts would be eliminated by the end of 2021, thus requiring all trusts subject to Income Tax Folio S2-F1-C1 to convert to an employee life and health trusts by the end of 2022, subject to certain conditions for an extension, or be treated as an *inter vivos* trust under the *Income Tax Act* (Canada).

- G. The Trust satisfies the conditions for the extended time to convert allowing the Trust to complete the process by December 31, 2022. The current Board informed the Canada Revenue Agency of its election to convert to an employee life and health trust during 2021.
- H. This Trust Agreement formally establishes and sets out the terms of the Trust of which SGEU and CUPE 600 are members and entitled to Health and Welfare Benefits (as defined in Section 1.01). It applies with retroactive effect and ensures the Trust qualifies as an "employee life and health trust" under the *Income Tax Act* (Canada).
- I. Pursuant to Collective Agreements dated October 1, 1997, the Health and Welfare Benefits provided through the Trust were expanded to provide extended dental benefits and coverage to retired employees.
- J. Under the terms of this Trust Agreement, PSC, SGEU and CUPE 600, acting through the Board, agree to jointly develop and continue to administer the Trust in accordance with, and be bound by, the intentions and terms established and maintained through the originating and successive collective bargaining agreements.
- K. The Parties desire to set out in this Trust Agreement the terms and conditions under which the Board will continue to hold, maintain, administer, manage, invest and re-invest the Trust.

In consideration of the foregoing and the mutual and respective covenants and agreements set out in this Trust Agreement, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

PART 1 - INTERPRETATION

1.01 Defined Terms

In this Agreement:

"Agreement" means this trust agreement as amended, restated or supplemented from time to time, and includes any Schedules thereto.

"Board" means the Joint Board of Trustees appointed by the PSC, SGEU and CUPE 600, respectively, exercising the powers and performing the duties of the Board under this Agreement.

"Board Coordinator" means the PEBA Director – Benefits Programs, or such other person as may be agreed between the Board and PEBA, acting in such capacity.

"Collective Agreement" means any agreement in writing between PSC and either of SGEU or CUPE 600 containing conditions of employment and requiring the provision of Health and Welfare Benefits under this Trust, together with any and all letters of understanding, extensions, renewals or successor agreements.

"Contributions" means any and all sums of money as determined pursuant to Collective Agreements paid or payable by a Participating Employer to provide Health and Welfare Benefits in accordance with this Agreement and the Governance Manual including, without restricting the generality of the foregoing, any payment required under Part 7 to the Trust of any unfunded actuarial liability. Contributions include any amounts paid or payable by Participants to provide Health and Welfare Benefits in accordance with this Agreement or the Governance Manual which are remitted to the Board on their behalf by their Participating Employers.

"CUPE 600" has the meaning set forth in the Preamble.

"Governance Manual" means the terms of reference, rules of procedure and other administrative provisions applicable to the constitution and governance of the Board, as amended from time to time.

"Health and Welfare Benefits" means the designated employee benefits, as defined in paragraph 144.1(2)(a) of the ITA provided to employees and retirees as determined from time to time by the Board. For greater certainty, Health and Welfare Benefits expressly excludes pension or other retirement savings vehicles.

"ITA" means the *Income Tax Act* (Canada), and its regulations, each as amended from time to time.

"Part", "paragraph", "subparagraph", "sub-subparagraph" and "Schedule" followed by a number or letter refer to the specified Part, paragraph, subparagraph, sub-subparagraph, or Schedule of this Agreement.

"Participant" means any person employed by a Participating Employer whose terms and conditions of employment are governed by a Collective Agreement.

A person becomes a Participant on the date that person first fulfils all the eligibility requirements of the Plan. For purposes of clarity, "Participant" expressly includes any person who was formerly employed by a Participating Employer, and who retains a right to receive Health and Welfare Benefits through the Trust.

"Participating Employer" means any employer who employs or employed a Participant and contributes to the Trust in accordance with the terms of a Collective Agreement.

"Party" and "Parties" has the meaning set forth in the Preamble.

"PEBA" has the meaning set forth in the Preamble.

"Plans" has the meaning set forth in Section 3.03 and includes, collectively, the Public Employees' Extended Health Care Plan, the Public Employees' Dental Plan and the Public Employees' Extended Health Care Plan for Retirees.

"PSC" has the meaning set forth in the parties.

"SGEU" has the meaning set forth in the parties.

"Successor Trust" has the meaning set forth in Subsection 11.01(a).

"Termination Date" has the meaning set forth in Subsection 7.03(a).

"Trust" has the meaning set forth in the Preamble and includes the assets held for the purpose of providing Health and Welfare Benefits in accordance with the Plans, which consists of all contracts and policies, together with all dividends, refunds or other sums payable to the Trust on account of such contracts and policies, all investments made and held by the Board, all Contributions received by or on behalf of the Board, all monies held or deposited by any person, firm or corporation for the purpose of providing Health and Welfare Benefits, all fees generated and collected with respect to services provided under Section 3.04, income from investments, and any other property purchased or received and held by the Board for any purpose of the Trust set forth in this Agreement

"Trustee" means a person appointed to the Board for the purposes of administering the Trust, including any successor Trustee appointed in accordance with this Agreement, who has accepted the appointment as a Trustee.

"Withdrawing Entity" has the meaning set forth in Subsection 7.03(a).

1.02 Gender and Number

Words in one gender include all genders, and words in the singular include the plural and *vice versa*.

1.03 Interpretation Not Affected

In this Agreement, using separate Parts, providing a table of contents, and inserting headings are for convenient reference only and will not affect how this Agreement is interpreted.

1.04 Governing Law and Jurisdiction

This Agreement will be governed by and construed in accordance with the laws of the province of Saskatchewan and any federal laws applicable therein.

1.05 Constitution and Residency

This Trust is established in Canada as an employee life and health trust (as defined in the ITA).

1.06 Legislation

In this Agreement any reference to legislation includes a reference to the legislation and to any regulations made under that legislation as that legislation or those regulations may be amended or re-enacted from time to time.

1.07 Schedules

The following Schedules are attached to this Agreement:

- (a) Schedule 1: Acceptance of Trust is incorporated by reference and forms part of this Agreement; and,
- (b) Schedule 2: Governance Manual is attached for informational purposes only.

PART 2 - BOARD

2.01 Constitution

- (a) PSC, SGEU and CUPE 600 recognize the constitution of the Board for the purposes described in the Collective Agreements, and further agree that the Trust and Plans are continued and governed in accordance with the Governance Manual attached hereto as Schedule 2 and applicable rules of law for the benefit of all Participants.
- (b) At all times, a majority of the Board must deal at arm's length from the Participating Employers as defined in accordance with the ITA.

2.02 Declaration of Trust

The Board declares and agrees to continue to act as trustees of the Trust and to hold the assets in trust for the benefit of the Participants and for the purpose of paying benefits subject to the terms and conditions of this Agreement. It shall administer the Trust pursuant to the Governance Manual and the terms of the ITA as they relate to employee life and health trusts.

2.03 Acceptance of Trust by Board

A Trustee who has executed the Acceptance of Trust attached as Schedule 1 and having filed same with the Board Coordinator, will be deemed to have accepted the Trust, as ratified by this Agreement, to have consented to act as a Trustee, and to have agreed to administer the Trust as provided herein.

2.04 Ratification

The Board acknowledges and accepts the creation of the Trust pursuant to the terms of the Collective Agreements and the establishment of the joint board of trustees for the purposes of the administration of such. The Board hereby accepts and ratifies all prior decisions rendered in the name of the Board since the inception of the Trust up to and including the date of this Agreement.

PART 3 - CREATION, PURPOSE AND APPLICATION OF THE TRUST

3.01 Creation of Trust

The Trust was created by way of Collective Agreement between PSC and SGEU with effect from October 1, 1994. A further Collective Agreement between PSC and CUPE 600 enabled CUPE 600 to commence participation in the Trust as of October 1, 1996. SGEU expressly acknowledges the Collective Agreement between PSC and CUPE 600 and agrees to the participation of CUPE 600 in the Trust and Plans, and its representation on the Board.

3.02 Purpose of the Trust

The Trust is established, continued and maintained, and the Board agrees to continue to hold the Trust and administer it, for the purpose of providing, to the extent the Trust permits:

- (a) Health and Welfare Benefits for Participants, their eligible dependents, or eligible beneficiaries; and
- (b) such Health and Welfare Benefits, excluding any which could cause the Trust or the Plans to become a "retirement compensation arrangement" as defined in the ITA, as the Board, after considering actuarial advice, may from time to time determine and designate as appropriate:
 - i) for individuals who cease to be Participants by virtue of retiring from Participating Employer, their eligible dependents, or eligible beneficiaries; and
 - ii) for the eligible dependents of deceased Participants,

all in accordance with the Plans, and for no purposes other than those set forth in this Agreement. A determination and designation under Subsection 3.02(b) may only be made with respect to Participants who are subject to a Collective Agreement if such determination is consistent with the provisions of such Collective Agreement.

3.03 The Plans

The Board established the Plans through Collective Agreements. The Plans shall be consistent with this Agreement and the Collective Agreements to which CUPE 600 or SGEU are each a party with PSC. The Plans define the Health and Welfare Benefits to be provided, the conditions of eligibility for such benefits, and such other terms as the Board deems necessary to include. The Board may change or modify the Plans, subject to the financial parameters agreed to in the Collective Agreements. Any such change or modification to the Plans may take effect as the Board decides. For the purpose of maintaining the Plans and providing the Health and Welfare Benefits, the Board has power and authority outlined in the Governance Manual including, but

not limited, to contracting with external service providers. Any such contract, arrangement, policy or undertaking may be executed or made in the name of the Trust.

3.04 Application of the Trust

For the purpose set forth in this Part 3, the Board has the power to use and apply the Trust as follows:

- (a) to pay the Health and Welfare Benefits required to be paid in accordance with this Agreement and the Plans;
- (b) to pay or provide for the payment of all reasonable and necessary expenses, costs and fees incurred by the Board in connection with the maintenance, operation and administration of the Trust and Plans, including the leasing or purchasing of such premises, materials, supplies and equipment and the engagement of such actuarial, legal, accounting, administrative and other assistants or employees as the Board in its discretion deems necessary or appropriate for the proper performance of their duties as well as to reimburse the Board as provided in the Governance Manual and in accordance with policies established from time to time;
- (c) to acquire, to keep in good standing, and to replace, from time to time, such fiduciary liability, crime, third party liability, property, travel accident and other insurance, in such amounts as the Board may deem advisable;
- (d) to pay all necessary expenses incurred in connection with the establishment and maintenance of the Trust and Plans, including consultation fees and charges of employee benefit consultants, actuarial, legal, accounting and other professional fees, charges and disbursements, the premiums and other costs for obtaining and maintaining fiduciary liability and such other insurance as the Board may deem appropriate;
- (e) to pay or provide for the payment of all real and personal property taxes, income and other taxes, or assessments of any and all kinds levied or assessed under existing or future laws upon or with respect to the Trust, or any money or property forming a part thereof; and,
- (f) to establish and accumulate such reserve assets as, based on actuarial advice, may be necessary to provide for payment of Health and Welfare Benefits, administrative expenses and other obligations of the Trust, including the proper maintenance and operation of the Trust.

3.05 Investments

- (a) Subject to the terms of this Section 3.05, the Board shall invest and re-invest the principal and income of the Trust, without distinction between principal and income, in investments which conform to the investment policies and procedures adopted by the Board, from time to time. In determining investment policies and procedures, the Board will have primary regard to the nature of the liabilities of the Trust, investment risk, and rate of return and will not require the rejection of an investment, or the preference of one investment over another, based on factors unrelated to the nature of the liabilities of the Trust, investment risk and rate of return.
- (b) The Board must not make a loan to, make an investment in, or otherwise permit any part of the Trust to be used by, a Participating Employer, a person who does not deal at arm's length with a Participating Employer, or a person who is a member of a group of persons not dealing at arm's length with a Participating Employer.

- (c) The Board shall not invest or re-invest any portion of the principal or income of the Trust in a Prohibited Investment, as that term is defined in the ITA in relation to employee life and health trusts.

3.06 Limitation of Right to the Trust

The following limitations apply to the rights, interests in and use of the Trust:

- (a) none of any of PSC, SGEU, CUPE 600, a Participating Employer, any Participant, and any other person, firm, association, or corporation will have any right, title or interest in or to the Trust, except as expressly provided by this Agreement and the Plans, and except as provided by law;
- (b) except as otherwise provided in this Agreement, no part of the corpus or income of the Trust shall ever revert to PSC, SGEU, CUPE 600, a Participating Employer or any of affiliated or associated entities, whether during the existence of this Trust or following its termination; and
- (c) no money, property, equity or interest of any nature whatsoever in the Trust or in any benefits or monies payable from the Trust is subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, lien, or charge by any person in receipt of, or eligible to receive, Health and Welfare Benefits or any person claiming through any such person, and any attempt to cause the same to be subject thereto, is null and void.

3.07 Trust Fund Indivisible

Notwithstanding any provision of this Agreement, the Governance Manual or the Plans, including any requirements to maintain separate records in respect of the Health and Welfare Benefits provided or, where appropriate, specific Participating Employers and/or Participants, only one fund is created under this Agreement and such Trust fund shall be indivisible and for the benefit of all Participants.

3.08 Distribution of Trust Income

Since the Trust's inception it has qualified as a health and welfare trust, as described by Canada Revenue Agency Income Tax Folio S2-F1-C1. Consistent with that status, since the Trust's inception all of the Trust's income and net taxable capital gains, as determined under the ITA, for each taxation year have been used to pay non-taxable Health and Welfare Benefits to the Trust's beneficiaries, and it is the Board's intention to and expectation that, when the Trust converts to an employee health and life trust structure under Section 144.1(2) of the ITA with effect from January 1, 2022, it will continue to distribute all of the Trust's income to the Trust's beneficiaries in that manner.

PART 4 - ADMINISTRATION

4.01 General

The Board has all power and authority necessary to administer the Trust in accordance with the terms of the Governance Manual attached to this Agreement as Schedule 2 and the terms of the ITA as they relate to employee life and health trusts.

4.02 Public Employees' Benefit Agency

The terms of the Collective Agreements acknowledge that the Plans and Trust shall be and are designated by the Lieutenant Governor in Council for Saskatchewan as a benefits program subject to administration by the Public Employees' Benefits Agency as continued under *The Financial Administration Act, 1993* (Saskatchewan).

4.03 Audit

The Board will cause an audit to be made of the Trust at least once in each calendar year. Whenever the Board considers it necessary or advisable for the proper administration of the Trust, the Board may authorize additional audits. Each auditor's report, including the results of each audit, will be available for inspection by any Trustee, PSC, SGEU, CUPE 600 and any Participating Employer.

PART 5 - MISCELLANEOUS PROVISIONS

5.01 Conclusiveness of Instruments

No person, partnership, corporation or association dealing with the Board is obligated to see that the terms of this Agreement have been complied with, nor is any of them obliged to inquire into the necessity for or the expediency of any act of the Board and every instrument executed by or under the authority of the Board will be conclusive evidence that:

- (a) at the time of the delivery of the instrument the Trust hereby created were in full force and effect; and
- (b) the instrument was executed in accordance with the terms and conditions contained in this Agreement.

5.02 Information for Participants

The Board will make available, to each Participating Employer (and each Party if so requested) for appropriate distribution, brochures or pamphlets setting out the essential features of the Plans.

5.03 Communications

Any communication required to be given or delivered to any Trustee, PSC, SGEU, CUPE 600, any Participating Employer or any Participant will be in writing and delivered by hand, sent by secure electronic format, or sent by prepaid first class mail, addressed to the intended recipient, at the last address or email address shown for the intended recipient in the records of the Board and/or PEBA.

5.04 Receipt of Communication

Any communication given under Section 5.03 will be deemed to be received if delivered by hand or sent by secure electronic format. Any communication that is mailed will be deemed to be received on the second business day after it has been mailed at any postal station in Canada. Should there be at the time of mailing (or between the time of mailing and the actual receipt of a communication), a mail strike or other such dispute which might affect the delivery of such communication by the mails, then such communication will only be effective when actually delivered.

5.05 Board Discretion

The resolution of any questions arising in connection with the carrying out of the terms and provisions of this Agreement not specifically provided for herein will be subject to the sole discretion of the Board.

5.06 Action by Board

The Board may commence any action or proceedings they may deem necessary to settle their accounts, or may obtain a judicial determination, declaratory judgment or other court order as to any question of construction of this Agreement or instruction as to any action hereunder. Any such determination will be binding upon all persons who are Parties to, or claiming under, this Agreement.

5.07 Cost of Suit

The costs and expenses incurred by the Board in relation to any action, suit or proceedings brought by or against the Board, or any of them, (including legal fees and disbursements reasonably incurred on a full indemnity basis), may be paid from the Trust, except in relation to matters which it is adjudged in such action, suit or proceeding that such Board, or any of them, were not acting in good faith or honestly, subject to and in accordance with the terms of this Agreement, the Governance Manual or as determined in accordance with applicable law.

5.08 Obligation of Participating Employers and PSC, SGEU, CUPE 600 to Furnish Information

Each Participating Employer and each of PSC, SGEU, CUPE 600 will promptly provide PEBA, on behalf of the Board, with such reports, payroll records, time-sheets, accounting information and other data as PEBA may reasonably require and request from them and consider necessary for the proper administration of the Trust and the Plans, including, but not limited to, the determination of eligibility to participate in the Plans and the determination of the Health and Welfare Benefits to be provided under the Plans.

PART 6 – Right to Enforce Contribution Obligations

6.01 Enforcement

- (a) In the event a Participating Employer fails to pay Contributions, the Board has the right to commence legal proceedings in the name of the Trust against the defaulting Participating Employer for the recovery and payment of the amount of such Contributions accrued due and payable at the date of the commencement of such action, including for any interest that may apply. The amount of such Contributions and interest, will, for all purposes, be deemed to be a debt due and payable by such Participating Employer to the Trust. The Board may also claim such further and other relief whether with respect to future payment of Contributions or otherwise, as may be available to the Board.
- (b) Participating Employers that fail to pay Contributions are liable for, and will pay to the Trust, all legal fees and disbursements for the collection of Contributions, and interest, reasonably incurred on a full indemnity basis.

6.02 Nature of Right of Action

The right to commence legal proceedings contemplated at Section 6.01(a) is in addition to and independent of any other procedure or remedy which may be available to the Board, or to any other person whomsoever. No Participating Employer will be entitled to have such action delayed, stayed or otherwise postponed on the ground that the claim of the Board in such action might also be capable of being dealt with by SGEU, CUPE 600 or a Participant under a Collective Agreement.

6.03 Security

The Board may at any time require any Participating Employer to furnish a cash deposit, in such amounts and at such times as is reasonably determined by the Board, provided the Participating Employer has been given reasonable notice of such cash deposit. The Board may at any time

also require a Participating Employer to furnish a bond or letter of credit acceptable to the Board for an amount equivalent to a maximum of six (6) months of reasonably anticipated Contributions. Such bond or letter of credit, at the expiry of six (6) months, will be renewed at the request of the Board. If such bond or letter of credit is not renewed upon the request of the Board, and received at least ten (10) days prior to the expiry of the current bond or letter of credit in force, the Board has the right to convert the current bond or letter of credit to a cash deposit.

6.04 Participating Employee Contributions

Participating Employees may make Contributions to fund all or some part of the cost of a specific Health and Welfare Benefit provided under this Agreement and the Plans. The Board must use such Contributions solely for the purpose of providing the Health and Welfare Benefits for which the Contributions were made.

PART 7 - UNFUNDED ACTUARIAL LIABILITY

7.01 Liability of Participating Employer

As determined in accordance with the Collective Agreements, or such other arrangements as may apply, Participating Employers are liable for payment to the Trust of the amount of any unfunded actuarial liability which may exist, from time to time, with respect to the provision of benefits under this Agreement.

7.02 Notice to Participating Employer

The Board may from time to time in its discretion:

- (a) calculate, based on actuarial advice, the amount, if any, of the unfunded actuarial liability attributable to each Participating Employer;
- (b) give notice in writing to each Participating Employer of the amount of their unfunded actuarial liability as at the date upon which each such notice is given; and
- (c) include in such notice a demand that the Participating Employer pay the amount referred to in Subsections 7.02(a) and 7.02(b) to the Board in such manner and upon such terms and conditions as may be determined by the Board.

7.03 Financial Responsibility of a Participating Employer Upon Termination or Withdrawal

- (a) If a Participating Employer withdraws from the Trust (**Withdrawing Entity**), in whole or in part, in accordance with Subsection 10.01(a), and the Trust has an unfunded actuarial liability attributable to the Withdrawing Entity as of the effective date of the withdrawal (**Termination Date**), the Withdrawing Entity shall make an additional payment of Contributions to the Trust in accordance with this Section 7.03.
- (b) The calculation of an unfunded actuarial liability as of a Termination Date shall be made by the Board with the advice of the Trust's actuary, based on the then most recent audited financial statements for the Trust, and such other actuarial and financial information as may be available to the Board. Any such determination made by the Board in good faith shall be binding on the Withdrawing Entity and all other Parties.
- (c) If the Board determines that an unfunded actuarial liability exists as of a Termination Date, the Board shall cause the Trust's actuary to calculate:
 - (i) the portion of the premiums paid by the Withdrawing Entity attributable to recovering the actuarial deficit over the three (3) year period preceding the Termination Date, or such shorter period of time preceding the Termination Date during which the Withdrawing Entity participated in the Trust;

- (ii) the portion of the aggregate premiums paid by all Participating Employers attributable to recovering the actuarial deficit in the Trust over the three (3) year period preceding the Termination Date, or such shorter period of time preceding the Termination Date during which the Withdrawing Entity participated in the Trust; and
- (iii) the **"Withdrawing Entity's Payment"** which will equal the amount calculated in paragraph (i) divided by the amount determined in item (ii) and multiplied by the Trust's unfunded actuarial liability as of the Termination Date determined pursuant to Subsection (b), plus interest calculated as the rate of interest applicable to the Trust funds at the time of withdrawal.
- (d) The Withdrawing Entity shall be notified of the amount of the Withdrawing Entity's Payment as soon as is reasonably practicable, which amount shall be considered Contributions owing to the Trust as of the Termination Date. The Withdrawing Entity shall pay the Withdrawing Entity's Payment no later than thirty (30) days after the Termination Date.
- (e) The Board may, in its absolute and unfettered discretion, waive a Withdrawing Entity's Payment in whole or in part.

PART 8 - LIMITATION OF LIABILITY

8.01 Liability of Board

No Trustee will be held liable for any error of judgment or for any loss to the Trust or any insufficiency or deficiency of the Trust or any consequent reduction or cessation of Health and Welfare Benefits, arising through any act or omission done or suffered by such Trustee acting honestly and in good faith.

8.02 Liability of PSC, SGEU, CUPE 600

Neither SGEU or CUPE 600, in their capacity as "labour organizations" as that term is defined in Part VI of *The Saskatchewan Employment Act* or in any applicable successor legislation, nor PSC will be liable for the payment of any benefits provided by the Plans nor for the failure of the Board to secure or provide the benefits contemplated herein or in the Plans nor for any default or neglect of the Board. Nothing in this Part 8 exempts or relieves PSC, SGEU or CUPE 600 from liability to pay Contributions as determined by the Board should any participate in the Trust as a Participating Employer.

PART 9 - AMENDMENT

9.01 Power to Amend

PSC, SGEU, CUPE 600 and the Board may at any time, by written agreement of all Parties, modify or amend this Agreement, except that no amendment or modification may be made which:

- (a) permits the Trust to be used other than:
 - (i) to provide for Health and Welfare Benefits as set forth in Section 3.02;
 - (ii) for the payment of the costs of administration of the Trust; and
 - (iii) for the payment of such other costs and expenses as are now or may be authorized by this Agreement;
- (b) diverts the Trust or any part thereof to a purpose other than as set out in this Agreement;
- (c) eliminates the requirement of an audit; or,

- (d) causes the Trust to no longer qualify as an employee life and health trust under the ITA.

PART 10 - TERMINATION OF RIGHT TO PARTICIPATE IN THE TRUST AND PLAN

10.01 Termination of Participating Employer's Right to Participate in the Trust and Plan

(a) Right to Withdraw

No Participating Employer has the right to withdraw in whole or in part from participation in the Trust and Plans except with the prior consent of PSC, SGEU or CUPE 600 (in their capacity as the applicable labour organization) and the Board. If such consent is given, such Participating Employer will continue to be liable to pay all Contributions due and accrued due up to the effective date of withdrawal. PSC, SGEU, CUPE 600 and the Board will be under no obligation whatsoever to grant such consent and may arbitrarily withhold same.

(b) Termination for Failure to Pay Contributions

If a Participating Employer fails to pay Contributions, then PSC, SGEU, CUPE 600 and the Board may collectively agree to terminate such Participating Employer's right to participate in the Trust and Plans, but such termination will not affect the rights of the Board under Section 6.01, Section 6.02 or Part 7.

10.02 Termination of Participating Employee's Right to Participate

A Participating Employee will cease to be such, and Participants, their eligible dependents, or eligible beneficiaries entitled to Health and Welfare Benefits under the Plans will cease to be entitled to Health and Welfare Benefits immediately upon the termination of the respective or former Participating Employer's right to participate in the Plan.

10.03 Obligations of Participating Employer on Termination or Withdrawal

- (a) After termination of Trust participation, in accordance with Section 10.01, a Withdrawing Entity will have no further obligations in respect of Health and Welfare Benefits provided to its Participants after the Termination Date.
- (b) The Withdrawing Entity shall continue to be obliged to pay all required Contributions in relation to Health and Welfare Benefits claimed by Participants employed by the Withdrawing Entity prior to the Termination Date including, but not limited to, Contributions in relation to periodic benefit payments, Plan and Trust expenses and benefit funding and security all as determined in accordance with this Agreement.

PART 11 - TRANSFER OF ASSETS

11.01 Board Power and Authority to Transfer and Pay Over Trust Assets and the Liabilities for Accrued Benefits

If, at any time:

- (a) persons entitled to benefits under this Agreement become or are about to become covered by and entitled to benefits under another employee life and health trust, trust fund and plan or annuity (**Successor Trust**) which provide benefits either identical, or substantially similar to the benefits provided under this Agreement; and
- (b) the Board, in its discretion, decides it would be advantageous to transfer and pay assets of the Trust into the Successor Trust (on behalf of such persons who at the time of such payment and transfer are entitled to receive a benefit or benefits under this Agreement

- for the purpose of providing for such persons a benefit or benefits under the Successor Trust);
- (c) if the Board or provider of the Successor Trust undertake and agree to accept and to discharge all liabilities of the Board with respect to the provision of such benefits to such persons;
 - (d) if the Board or provider of the Successor Trust agrees that the benefits to be provided to such persons under the Successor Trust will be at least comparable, in the aggregate, as those provided under the Trust at the date of such payment and transfer; and
 - (e) if PSC, SGEU and/or CUPE 600 (as applicable to the impacted group of Participants), first approves in writing such action by the Board;

the Board may pay such assets into the Successor Trust for such purpose.

11.02 Release of Board

- (a) If all assets of the Trust are to be paid to a Successor Trust or annuity in accordance with Section 11.01, then as soon as the Board decides to make payment into a Successor Trust as contemplated and authorized, the provisions of Part 14 apply to and govern the Board's actions. Upon completion of the asset transfer into the Successor Trust, the Trust will cease and terminate, and the Board is relieved and released of and from all future obligations, responsibilities and liabilities imposed by and pursuant to this Agreement and otherwise.
- (b) If not all assets of the Trust are to be paid to a Successor Trust in accordance with Section 11.01, then upon completion of the transfer of the agreed assets into the Successor Trust, all of the rights contained in this Agreement with respect to the transferred assets cease and terminate, and, with respect to the persons referred to in Subsection 11.01(b), the Board is relieved and released of and from all future obligations, responsibilities and liabilities imposed upon them pursuant to this Agreement and otherwise.

PART 12 - RECEIPT OF ASSETS FROM AN EMPLOYEE LIFE AND HEALTH TRUST

12.01 Board Power

If, at any time, the trustees of any other employee life and health trust (**Transferor Trust**) and the Board agree that it would be advantageous for some or all of the assets of any Transferor Trust to be transferred and paid into the Trust for the purpose of providing benefits under the Trust to persons entitled to benefits from the Transferor Trust, then, if the Board obtains the approval in writing of PSC, SGEU and CUPE 600, the Board is authorized to:

- (a) accept and receive such assets as part of the Trust;
- (b) provide benefits for such persons under the Trust and out of the Trust;
- (c) accept and discharge the liabilities of the Board of the Transferor Trust with respect to the provision of such benefits to such persons; and
- (d) undertake and agree with the trustees of the Transferor Trust as a condition of such transfer and payment that the benefits to be provided to such persons under the Trust will be at least as great as those provided under the Transferor Trust to such persons at the date of such transfer and payment.

PART 13 - MERGERS AND AMALGAMATION

13.01 Board Powers

Subject to the consent of PSC, SGEU and CUPE 600, the Board may:

- (a) merge or amalgamate the Trust created by this Agreement and the Trust with one or more similar employee life and health trusts (**Amalgamated Trust**), provided that the Board is satisfied that the merger or amalgamation will not deprive any person of any right to Health and Welfare Benefit to which such person had become entitled or which had accrued to their credit, and that the rights of such persons under the Amalgamated Trust will, at the effective date of the merger or amalgamation, be the substantial equivalent of their rights under this Agreement; and,
- (b) enter into a merger or amalgamation agreement with trustees of one or more other employee life and health trusts, amend or terminate this Agreement, transfer or cause the custodian or custodians (if any) to transfer and deliver the Trust to trustees or custodians of the Amalgamated Trust, and execute and deliver all such other documents and instruments and do or cause to be done such other acts as may be required to carry out any such merger or amalgamation.

PART 14 - TERMINATION OF TRUST

14.01 Termination of Trust and Plan

This Agreement and the Plans will be terminated by the Board:

- (a) on receipt by the Board of written instructions to do so, jointly from PSC, SGEU and CUPE 600; or
- (b) upon payment and transfer of all Trust assets pursuant to Parts 11, 12 or 13, as applicable, of this Agreement.

14.02 Duties of the Board

If this Agreement and the Plans are terminated, the Board will:

- (a) make provisions out of the Trust for the payment of expenses incurred up to the date of termination and the expenses incidental to such termination;
- (b) arrange for a final audit and report of their transactions and accounts for the purpose of terminating their trusteeship;
- (c) pay the residue of the Trust, if any, as follows:
 - (i) having in mind the extent of the Trust at the date of termination, make a final determination of the benefits then available to the Participants, their eligible dependents and eligible beneficiaries in accordance with the provisions of the Plans and provide, or make arrangements to provide, such benefits to such persons; or
 - (ii) pay the same to a Successor Trust in accordance with Section 11.01;
- (d) notwithstanding paragraph (c)(i), if this Agreement and the Plans are terminated and any assets remain in the Trust after full provision has been made for all benefits accrued as of the date of termination by the Participants, their eligible dependents and eligible beneficiaries, such remaining Trusts may be used as the Board considers appropriate:

- (i) to provide additional Health and Welfare Benefits to such individuals;
- (ii) transfer the assets to another employee life and health trust; or
- (iii) distribute the residue of the Trust to such individuals.

For purposes of clarity, in no event shall any portion of the Trust be returned to PSC, SGEU, CUPE 600 or any Participating Employer.

PART 15 - EFFECTIVE DATE

15.01 Effective Date

Notwithstanding the date first written above, this Agreement is effective as of and from:

- (a) for SGEU, October 1, 1994; and,
- (b) for CUPE 600, October 1, 1996.

PART 6 - MISCELLANEOUS

16.01 Counterparts

This Agreement may be executed in several counterparts (including by facsimile or electronic signature), and all such counterparts taken together shall be deemed to constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the applicable date set out in Section 15.01.

16.02 Severability

If any provision of this Agreement (including any Schedules thereto), the Plans, any rules or regulations made pursuant thereto, or any action taken in the administration of the Trust or the Plans shall be held to be illegal, invalid or unenforceable in any jurisdiction, such illegality, invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

16. 03 Governing Law

This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein.

The Parties have executed this Agreement as of the date first written above with effect as of and from the applicable date set out in Section 15.01.

Saskatchewan Public Service Commission

Saskatchewan Government and General Employees' Union

Per:

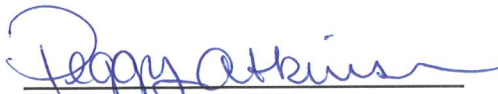


Cary Burant
Senior Negotiator

Per:

Corey McCafferty
First Vice Chair, Negotiating Committee

Per:



Peggy Atkinson
Senior Compensation Consultant

Per:

Justin Priel
Second Vice Chair, Negotiating Committee

Canadian Union of Public Employees, Local No. 600

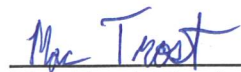
Per:



Nancy Seman
President

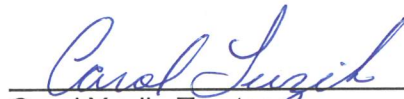
Extended Health Care Plan Joint Board of Trustees

Per:



Mac Trost, Trustee

Per:



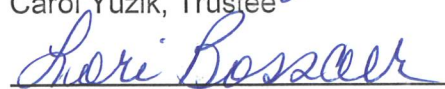
Carol Yuzik, Trustee

Per:



Robert Cossette, Trustee

Per:



Lori Bossaer, Trustee

Per:



Nancy Seman, Trustee

Per:

Angelena Louison, Trustee

Per:



Cary Burant, Trustee

Per:



Andrea Lamont, Trustee

Per:



Joella Moore, Trustee

Per:



Peggy Atkinson, Trustee

Per:



Rachel Cheruvallath, Trustee

Per:



David Morhart, Trustee

SCHEDULE 1

ACCEPTANCE OF TRUST

I, _____, of the Town/City of _____, in the Province of _____,
(Name)

Saskatchewan, hereby accept the appointment by _____, effective _____,
(Appointing Organization) (Date)

to the position of trustee on the Extended Health Care Plan Joint Board of Trustees. This appointment is in accordance with the Trust Agreement dated 19 October 2022, as amended from time to time (**Trust Agreement**), establishing, continuing and maintaining the Extended Health Care Plan Trust Fund, an employee life and health trust as defined in the *Income Tax Act* (Canada).

I further acknowledge and accept that I have been named as a successor trustee under the Trust Agreement, and that I have been impressed with all of the powers, duties and responsibilities of a trustee and fiduciary in relation to the Trust and Plans.

I agree to be bound by the terms of the Trust Agreement and all schedules thereto, and to fulfill my responsibilities as a trustee of the Trust and Plans with the care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person, and to use all relevant knowledge and skill that I may possess or, by reason of my profession, business or calling, ought to possess.

I certify that I am a resident of Canada under the *Income Tax Act* (Canada).

IN WITNESS WHEREOF this Acceptance of Trust is executed this _____ day of _____, 20____, at _____, Saskatchewan.

Signature of Witness

Name of Witness

Signature of Appointee

Address:

SCHEDULE 2
GOVERNANCE MANUAL