METROLAND MEDIA GROUP LTD.

PENSION PLAN FOR EMPLOYEES OF METROLAND WEST MEDIA GROUP

Actuarial Valuation as at December 31, 2013

September 2014

Registration Number 1050871

TOWERS WATSON

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Introduction

Purpose

This report with respect to the Pension Plan for Employees of Metroland West Media Group has been prepared for Metroland Media Group Ltd., the plan administrator, and presents the results of the actuarial valuation of the plan as at December 31, 2013.

The principal purposes of the report are:

- to present information on the financial position of the plan on both going concern and solvency bases;
- to review the hypothetical windup status of the plan;
- to provide the basis for employer contributions; and
- to provide certain additional information required for the administration of the plan.

This report outlines the changes in the plan's financial situation since the previous actuarial valuation at September 1, 2013, provides the information and the actuarial opinion required by the *Pension Benefits Act (Ontario)* and Regulation thereto and provides the information required to maintain plan registration under the *Income Tax Act (Canada)* and Regulations thereto.

This report summarizes the results of the actuarial valuation and contains an actuarial opinion as an integral part of the report. Supporting detailed information on the significant terms of engagement, assets, actuarial basis, membership data and plan provisions is contained in the Appendices.

The information contained in this report was prepared for Metroland Media Group Ltd., for its internal use and for filing with the Financial Services Commission of Ontario and the Canada Revenue Agency, in connection with the actuarial valuation of the plan prepared by Towers Watson Canada Inc. ("Towers Watson"). This report is not intended, nor necessarily suitable, for other parties or for other purposes. Further distribution of all or part of this report to other parties (except where such distribution is required by applicable legislation) or other use of this report is expressly prohibited without Towers Watson's prior written consent. Towers Watson is available to provide additional information with respect to this report to the above-mentioned intended users upon request.

The numbers in this report are not rounded. The fact that numbers are not rounded does not imply a greater level of precision than if the numbers had been rounded.

Significant Events Since Previous Actuarial Valuation

Investment Policy

A new investment policy came into force on June 1, 2014 and has been reflected in this report.

Actuarial Basis

Since the previous actuarial valuation, the assumptions used in the solvency and hypothetical windup valuations have been updated to reflect market conditions at the actuarial valuation date. In addition, there have been changes to the going concern actuarial basis, as follows:

- The mortality assumption has been changed.

Plan Provisions

This actuarial valuation reflects the plan provisions as at December 31, 2013 and does not make any provision for the possibility that a change or action (retroactive or otherwise) may be imposed by order of a regulatory body or a court as we were not aware of any definitive events that would require such change or action at the time this actuarial valuation was completed.

There have been no changes to the plan provisions since the previous actuarial valuation that affect the actuarial valuation's results.

Legislative and Actuarial Standards Updates

On December 8, 2010, Ontario Bill 120, *Securing Pension Benefits Now and for the Future Act, 2010*, received Royal Assent. The amendments under Bill 120 provide a framework for certain changes in funding rules for plans registered in the province of Ontario and will be effective at a date to be proclaimed. The effect of these future changes to funding rules resulting from Bill 120 has not been reflected in this report. Future changes to contribution requirements resulting from Bill 120 will be reflected in the first actuarial opinion prepared and filed on or after the effective date of the relevant section(s) of Bill 120.

A solvency relief report for the plan was filed with an effective date of December 31, 2011. In that report, the plan administrator elected the following temporary solvency funding relief options contained in the Regulation to the *Pension Benefits Act (Ontario)*:

- Option 4: Consolidate the remaining solvency schedules established in valuation reports prior to the solvency relief report and amortize the consolidated schedule over a five-year period beginning on the date of the solvency relief report.

The contribution requirements presented in this report have been determined in accordance with the temporary solvency funding relief rules under the Regulation applicable to amortization payments that were consolidated or established in the solvency relief report.

Subsequent Events

We completed this actuarial valuation in September 2014.

To the best of our knowledge and on the basis of our discussions with Metroland Media Group Ltd., no events which would have a material financial effect on the actuarial valuation occurred between the actuarial valuation date and the date this actuarial valuation was completed.

Section 1: Going Concern Financial Position

1.1 Statement of Financial Position

	December 31, 2013	September 1, 2013
Going Concern Value of Assets		
Defined benefit provision	$ 96,470,222	$ 92,657,551
Optional ancillary contributions	760,324	690,114
Anticipated reimbursements from Standard Life[1]	940,582	991,153
Total going concern value of assets	$ 98,171,128	$ 94,338,818
Actuarial Liability		
Defined Benefit Provision		
Active, disabled and suspended members	$ 50,938,060	$ 54,347,140
Retired members and beneficiaries	38,354,276	34,677,032
Terminated vested members	1,568,899	890,302
Total	$ 90,861,235	$ 89,914,474
Optional ancillary contributions	760,324	690,114
Total Actuarial Liability	$ 91,621,559	$ 90,604,588
Actuarial Surplus (Unfunded Actuarial Liability)	$ 6,549,569	$ 3,734,230
Prior Year Credit Balance	(3,779,943)	(1,890,711)
Actuarial Surplus (Unfunded Actuarial Liability) After Prior Year Credit Balance	$ 2,769,626	$ 1,843,519

Note:

1 The anticipated reimbursements from Standard Life are related to a number of former members of the JEMCOM Inc. division. Details are provided in Appendix C.

Comments:

- The financial position of the plan on a going concern basis is determined by comparing the going concern value of assets to the actuarial liability and is a reflection of the assets available for the benefits accrued in respect of credited service prior to the actuarial valuation date assuming the plan continues indefinitely.

- The prior year credit balance is employer contributions made prior to the actuarial valuation date that are in excess of the minimum required and are set aside as a reserve for application towards future contribution requirements.

- The increase in the defined benefit actuarial liability as at December 31, 2013, which would result from a 1% decrease in the assumed liability discount rate, is $13,045,742. For purposes of this calculation, no changes were made to any of the other actuarial assumptions or actuarial methods.

1.2 Reconciliation of Financial Position

Actuarial surplus (unfunded actuarial liability) as at September 1, 2013		$ 3,734,230
Net special payments		2,486,382
Application of:		
• Actuarial surplus (unfunded actuarial liability)	$ 0	
• Prior year credit balance	0	0
Expected interest on:		
• Actuarial surplus (unfunded actuarial liability)	$ 68,461	
• Net special payments and transfer deficiency payments	18,537	
• Application of actuarial surplus	0	
• Application of prior year credit balance	0	86,998
Plan experience:		
• Investment gains (losses)	$ 1,494,522	
• Salary gains (losses)	1,463,184	
• Retirement gains (losses)	201,241	
• Withdrawal gains (losses)	(373,103)	
• Mortality gains (losses)	(200,937)	
• Gains (losses) from miscellaneous sources	137,660	2,722,567
Change in actuarial basis		(2,480,608)
Change in plan provisions		0
Actuarial surplus (unfunded actuarial liability) as at December 31, 2013		$ 6,549,569

1.3 Reconciliation of Prior Year Credit Balance

Prior year credit balance as at September 1, 2013		$ 1,890,711
Actual employer contributions:		
• Defined benefit normal actuarial cost	$ 660,283	
• Going concern amortization payments	0	
• Solvency amortization payments	597,150	
• Transfer deficiency payments	0	
• Prior year credit balance	1,889,232	
• Other contributions	0	3,146,665
Minimum employer contributions required:		
• Defined benefit normal actuarial cost	$ 660,283	
• Going concern amortization payments	0	
• Solvency amortization payments	597,150	
• Transfer deficiency payments	0	
• Other contributions	0	1,257,433
Application against unfunded actuarial liability		0
Prior year credit balance as at December 31, 2013		$ 3,779,943

Section 2: Solvency and Hypothetical Windup Financial Position

2.1 Statement of Solvency Financial Position

	December 31, 2013	September 1, 2013
Solvency Value of Assets		
Defined Benefit Provision		
Market value of assets	$ 101,895,639	$ 95,291,454
Anticipated reimbursements from Standard Life [1]	1,058,705	1,169,745
Provision for plan windup expenses	(250,000)	(250,000)
Total	$ 102,704,344	$ 96,211,199
Optional Ancillary Contributions	760,324	690,114
Total Solvency Value of Assets	$ 103,464,668	$ 96,901,313
Solvency Liability		
Defined Benefit Provision		
Active, disabled and suspended members	$ 60,243,866	$ 67,476,840
Retired members and beneficiaries	42,758,212	40,472,970
Terminated vested members	2,081,110	1,286,066
Total	$ 105,083,188	$ 109,235,876
Optional Ancillary Contributions	760,324	690,114
Total Solvency Liability	$ 105,843,512	$ 109,925,990
Solvency Surplus (Unfunded Solvency Liability)	$ (2,378,844)	$ (13,024,677)

Note:

[1] The anticipated reimbursements from Standard Life are related to a number of former members of the JEMCOM Inc. division. Details are provided in Appendix D.

Comments:

- The financial position of the plan on a solvency basis is determined by comparing the solvency value of assets to the solvency liability (the actuarial present value of benefits accrued in respect of credited service prior to the actuarial valuation date, calculated as if the plan were wound up on that date).

- The solvency actuarial valuation results presented in this report are determined under a scenario where, following a plan windup, the employer continues its operations.

- Under an amendment to the Regulation to the *Pension Benefits Act (Ontario)*, the employer had the option prior to November 26, 1992 to make an election to exclude from the solvency liability any benefits relating to plant closure and permanent layoff. This plan does not have any such benefits.

- In addition, the Regulation permits certain benefits to be excluded from the solvency liability, without requiring the employer to make an election. No such benefits have been excluded from the solvency liability.

- The increase in the defined benefit solvency liability as at December 31, 2013, which would result from a 1% decrease in the assumed liability discount rate, is $14,316,457. For purposes of this calculation, no changes were made to any of the other actuarial assumptions or actuarial methods.

2.2 Hypothetical Windup Financial Position

The hypothetical windup valuation results presented in this report are determined under the same scenario used for the solvency valuation.

If the plan were to be wound up on the actuarial valuation date, the hypothetical windup value of assets would be equal to the solvency value of assets and the hypothetical windup liability would be equal to the solvency liability. Consequently, the hypothetical windup surplus (unfunded hypothetical windup liability) as at the actuarial valuation date is $(2,378,844).

2.3 Solvency Incremental Cost

The solvency incremental cost for a given year represents the present value, at the actuarial valuation date, of the expected aggregate change in the defined benefit solvency liability during the year, increased for expected benefit payments during the year. The solvency incremental costs in respect of each year between December 31, 2013 and December 31, 2016, the next actuarial valuation date, are derived from the projection of the solvency liability, as follows:

	2014	2015	2016
Projected solvency liability as at beginning of year	$ 105,083,188	$ 108,470,102	$ 111,691,482
Solvency incremental cost for the year[1]	3,009,715	3,170,085	2,736,582
Interest on projected solvency liability, solvency incremental cost and expected benefit payments	3,925,608	4,081,525	4,224,732
Expected benefit payments during year	(3,548,409)	(4,030,230)	(4,446,053)
Projected solvency liability as at end of year	$ 108,470,102	$ 111,691,482	$ 114,206,743

Note:

[1] These amounts are as at the beginning of the year. The solvency incremental cost, discounted with interest to December 31, 2013, is $3,057,210 for 2015 and $2,544,381 for 2016.

2.4 Determination of the Statutory Solvency Excess (Statutory Solvency Deficiency)

The minimum funding requirements under the Regulation to the *Pension Benefits Act (Ontario)* are based on the statutory solvency excess (statutory solvency deficiency) as at the actuarial valuation date. In calculating the statutory solvency excess (statutory solvency deficiency), various adjustments can be made to the solvency financial position including:

- recognition of the present value of existing amortization payments, including any going concern amortization payments established at the actuarial valuation date, due to be paid within the periods prescribed by the Regulation;
- smoothing of the asset value by use of an averaging technique;
- adjustment to the solvency liability by use of an averaging technique in determining the discount rate used to value the liabilities; and
- removal of any prior year credit balance from the asset value.

To the extent that there exists a statutory solvency deficiency, after taking account of these adjustments, additional amortization payments must be made. If there is no statutory solvency deficiency, the statutory solvency excess may be used to reduce the period of any existing solvency amortization payments. The statutory solvency excess may also be used to reduce the amount of any remaining solvency amortization schedules that were established or consolidated in the plan's December 31, 2011 solvency relief report, provided one or more solvency funding relief options were elected.

Statutory Solvency Excess (Statutory Solvency Deficiency)

	December 31, 2013	September 1, 2013
Solvency surplus (unfunded solvency liability)	$ (2,378,844)	$ (13,024,677)
Adjustments to solvency position:		
• Present value of existing amortization payments	$ 14,455,991	$ 26,106,126
• Smoothing of asset value	0	0
• Averaging of liability discount rate	0	0
• Prior year credit balance	(3,779,943)	(1,890,711)
• Total	$ 10,676,048	$ 24,215,415
Statutory solvency excess (statutory solvency deficiency)	$ 8,297,204	$ 11,190,738

Comment:

- Further details on the present value of existing amortization payments at December 31, 2013 are provided below.

Details of Present Value of Existing Amortization Payments

Type of payment	Effective date	Month of last payment recognized in calculation	Annual amortization payment	Present value as at December 31, 2013 (at 3.67% per annum)
Solvency[1]	Jan. 1, 2013	Dec. 2017	$ 1,791,451	$ 6,663,193
Solvency[2]	Jan. 1, 2014	Dec. 2018	1,705,772	7,792,797
Total			$ 3,497,223	$ 14,455,991

Notes:

[1] This schedule resulted from the statutory solvency deficiency revealed in the December 31, 2011 solvency relief report. Furthermore, this schedule was reduced as at September 1, 2013.

[2] This schedule resulted from the statutory solvency deficiency revealed as at December 31, 2012.

Comment:

The statutory solvency excess shall be applied to reduce the payment amounts of the solvency amortization payments as follows:

- Annual payments of $1,791,451 in effect on January 1, 2013 resulting from the statutory solvency deficiency revealed in the solvency relief report filed as of December 31, 2011 shall cease to be paid in their entirety.

- Annual payments of $1,705,772 in effect on January 1, 2014 resulting from the statutory solvency deficiency revealed in the actuarial valuation report filed as of December 31, 2012 shall cease to be paid on November 30, 2017.

Consequently, the remaining statutory solvency excess at the actuarial valuation date is $0.

Section 3: Contribution Requirements

3.1 Contribution for Current Service (Ensuing Year)

	December 31, 2013	September 1, 2013
Employer Normal Actuarial Cost		
Estimated contribution	$ 1,949,952	$ 1,980,849
Estimated member contributions	684,442	745,148
% of member contributions	285%	266%
Estimated Member Contributions		
Defined benefit provision	$ 684,442	$ 745,148

Comments:

- The employer normal actuarial cost rate changed by 9% of member contributions due to changes in membership profile and by 10% of member contributions due to changes in the actuarial basis since the previous actuarial valuation.
- The increase in the employer normal actuarial cost rate between the actuarial valuation date and the next actuarial valuation date, which would result from a 1% decrease in the assumed liability discount rate, is 73% of member contributions. For purposes of this calculation, no changes were made to any of the other actuarial assumptions or actuarial methods.

3.2 Contributions for Past Service

Solvency Amortization Payments

The statutory solvency excess, prior to taking in account permissible reductions in existing solvency amortization payments, revealed at this actuarial valuation is $8,297,204. The remaining statutory solvency deficiency from the previous actuarial valuation, after reducing existing solvency amortization payments, must be liquidated by employer amortization payments at least equal to the amounts, payable monthly in arrears, and for the periods set forth below in order to comply with the Regulation to the *Pension Benefits Act (Ontario)*.

Effective date	Month of last payment	Annual amortization payment	Present value as at December 31, 2013 (at 3.67% per annum)
Jan. 1, 2014[1]	Nov. 2017	$ 1,705,772	$ 6,158,787

For the amortization payment effective January 1, 2014, the last payment due on November 30, 2017 is $69,981.

The employer may establish a letter of credit in order to cover all of or a portion of the above amortization payments that are due on or after January 1, 2014, to the extent the letter(s) of credit does not exceed 15% of the solvency liabilities.

3.3 Estimated Minimum Employer Contribution (Ensuing Year)

	December 31, 2013	September 1, 2013
Employer Normal Actuarial Cost	$ 1,949,952	$ 1,980,849
Amortization Payments		
Going concern	$ 0	$ 0
Solvency	1,705,772	2,928,632
Total	$ 1,705,772	$ 2,928,632
Application of Prior Year Credit Balance	(3,779,943)	(1,890,711)
Estimated Minimum Employer Contribution	$ 0	$ 3,018,770

Comment:

- This actuarial valuation reveals that the plan has an actuarial surplus. Notwithstanding the actuarial surplus, as a result of the statutory solvency deficiency present in this actuarial valuation, the plan sponsor must remit contributions not less than the minimum required by the *Pension Benefits Act (Ontario)* and Regulation thereto.

3.4 Estimated Maximum Employer Contribution (Ensuing Year)

	December 31, 2013	September 1, 2013
Employer Normal Actuarial Cost	$ 1,949,952	$ 1,980,849
Greater of the Unfunded Actuarial Liability and the Unfunded Hypothetical Windup Liability	2,378,844	13,024,677
Estimated Maximum Employer Contribution	$ 4,328,796	$ 15,005,526

Comment:

- The *Income Tax Act (Canada)* permits the employer to make contributions up to the above amount less the amortization payments made in respect of periods since December 31, 2013, provided that all assumptions made for the purposes of the hypothetical windup valuation remain reasonable at the time each contribution is made. In addition, the maximum employer contribution is to be adjusted with interest for the period between the actuarial valuation date and the date each contribution is made.

3.5 Timing of Contributions

To satisfy the requirements of Ontario pension legislation, the employer normal actuarial cost must be paid monthly and within 30 days of the month to which it pertains while the amortization payments must also be paid monthly but within the period to which they are applicable. Members' contributions must be remitted to the fund monthly and within 30 days of the month to which they pertain.

In addition, within 60 days after this report is filed with the Financial Services Commission of Ontario, the employer must make a special contribution equal to the excess, if any, of:

- the amount of employer contributions (employer normal actuarial cost and amortization payments) that should have been paid after December 31, 2013 according to the minimum contribution requirements revealed by this report (determined with regard to any reported prior year credit balance available to meet these minimum contribution requirements), over

- the actual amount of employer contributions in respect of periods after December 31, 2013.

Interest must be added to this excess, with such interest determined by reference to the going concern discount rate for payments in respect of employer normal actuarial cost or going concern amortization payments and the solvency discount rate for payments in respect of solvency amortization payments.

To satisfy the requirements of the *Income Tax Act (Canada)*, employer contributions that are remitted to the plan in the taxation year or within 120 days after the end of such taxation year are deductible in such taxation year provided they were made to fund benefits in respect of periods preceding the end of the taxation year. Letter(s) of credit are not considered to be a contribution for tax purposes and forgone solvency amortization payments are not deductible to the employer.

3.6 Other Statutory Contributions

Additional contributions may be required in respect of the transfer values for members who terminate employment or active plan membership. Where applicable, such additional contributions must be remitted before the related transfer value may be paid in full to the terminated member. Details are provided in Appendix G.

3.7 Future Contribution Levels

Future contribution levels may change as a result of future changes in the actuarial methods and assumptions, the membership data, the plan provisions and the legislative rules, or as a result of future experience gains or losses, none of which has been anticipated at this time. Emerging experience, differing from the assumptions, will result in gains or losses that will be revealed in future actuarial valuations.

Section 4: Actuarial Certification and Opinion

4.1 Actuarial Certification

Based on the results of these actuarial valuations, we hereby certify that, in our opinion, as at December 31, 2013:

- The plan has a prior year credit balance of $3,779,943. The employer may use this prior year credit balance to meet the future contribution requirements of the plan.

- The actuarial surplus (unfunded actuarial liability), determined by comparing the actuarial liability, the measure of obligations of the plan on a going concern basis, to the going concern value of assets, is $6,549,569.

- The solvency surplus (unfunded solvency liability), determined by comparing the solvency liability, as defined in the Regulation to the *Pension Benefits Act (Ontario)*, to the solvency value of assets, is $(2,378,844).

- The statutory solvency excess (statutory solvency deficiency), prior to reducing existing solvency amortization payments, revealed at this actuarial valuation is $8,297,204. The remaining statutory solvency deficiency from the previous actuarial valuation, after reducing existing solvency amortization payments, must be liquidated by employer amortization payments at least equal to the amounts and for the periods set forth in Section 3 in order to comply with the Regulation to the *Pension Benefits Act (Ontario)*.

- The hypothetical windup surplus (unfunded hypothetical windup liability), determined by comparing the hypothetical windup liability, the measure of the obligations of the plan on a hypothetical windup basis including the value of any potential obligations that may have been excluded for purposes of the solvency valuation, to the hypothetical windup value of assets, is $(2,378,844).

- The excess actuarial surplus, pursuant to section 147.2(2) of the *Income Tax Act (Canada)*, is $0.

- The rule for computing the employer normal actuarial cost is 285% of member contributions. Based on the plan membership used for this actuarial valuation, the normal actuarial cost for the next three years is estimated to be:

Defined Benefit Provision

	Year		
	2014	**2015[1]**	**2016[1]**
Estimated employer normal actuarial cost	$ 1,949,952	$ 2,009,179	$ 2,069,456
Estimated member contributions	$ 684,442	$ 704,975	$ 726,125

Note:

[1] Assumes that estimated member contributions increase by 3.00% each year following the actuarial valuation date based on expected payroll increases.

The employer is required to make normal actuarial cost contributions to the plan in accordance with the above rule until the effective date of the next actuarial opinion.

- The maximum employer contributions permissible under the *Income Tax Act (Canada)* are described in Section 3.

- The transfer ratio, as defined in the Regulation to the *Pension Benefits Act (Ontario)*, is 0.94. The solvency ratio, defined as the ratio of the solvency value of assets prior to deduction of the provision for plan windup expenses to the solvency liabilities, is 0.98.

- The assessment base determined for the Pension Benefits Guarantee Fund (PBGF) is $2,128,844. The PBGF liabilities are $105,843,512. Additional liabilities for excluded plant closure benefits, in accordance with section 37(4)(a)(ii) of the Regulation to the *Pension Benefits Act (Ontario)*, are $0.

- In accordance with the Regulation to the *Pension Benefits Act (Ontario)*, the next actuarial valuation should be performed with an effective date not later than December 31, 2016. The basis for employer contributions presented in this report is effective until the next actuarial opinion is filed.

4.2 Actuarial Opinion

In our opinion:

- the membership data on which the actuarial valuations are based are sufficient and reliable for the purposes of the going concern, solvency and hypothetical windup valuations,

- the assumptions are appropriate for the purposes of the going concern, solvency and hypothetical windup valuations, and

- the methods employed in the actuarial valuation are appropriate for the purposes of the going concern, solvency and hypothetical windup valuations.

This report has been prepared, and our opinion has been given, in accordance with accepted actuarial practice in Canada. The actuarial valuations have been conducted in accordance with our understanding of the funding and solvency standards prescribed by the *Pension Benefits Act (Ontario)* and Regulation thereto, and in accordance with our understanding of the requirements of the *Income Tax Act (Canada)* and Regulations thereto. This actuarial opinion forms an integral part of the report.

The results presented in this report have been developed using a particular set of actuarial assumptions. Other results could have been developed by selecting different actuarial assumptions. The results presented in this report are reasonable actuarial results based on actuarial assumptions reflecting our expectation of future events.

Towers Watson Canada Inc.

Chen Muthukumaraswamy
FCIA

Benoit Coulombe
FCIA

Toronto, Ontario
September 2014

Appendix A: Significant Terms of Engagement

For purposes of preparing this actuarial valuation report, the plan administrator has directed that:

- The actuarial valuation is to be prepared as at December 31, 2013.

- For purposes of the going concern valuation, the terms of engagement require the use of the margins for adverse deviations mentioned in Appendix C.

- For purposes of determining the going concern liability discount rate, the target asset class distribution is to be established in accordance with the investment policy effective June 1, 2014 which is the most up to date version.

- For purposes of determining the going concern financial position of the plan, the going concern value of assets is to be determined using the averaging technique described in the Asset Valuation Method section in Appendix C.

- Since to the best of the knowledge of the plan administrator, there is no partial plan windup with an effective date prior to the date of this actuarial valuation, involving members employed in Ontario, not yet completed where the partial windup portion of the plan is in a surplus position on the date of this actuarial valuation, this report is to be prepared on the basis that there will be no retroactive changes to previously filed partial windup reports, if any, and neither the applicable pension regulator nor the plan sponsor will order/declare any partial plan windup with an effective date prior to the actuarial valuation date.

- The hypothetical windup valuation results presented in this report are to be determined under a scenario where the employer continues to operate and certain expenses are paid from the pension fund (consistent with past practice) while the employer pays other plan expenses.

- This report is to be prepared on the basis that the employer is entitled to apply the actuarial surplus, if any, revealed in an actuarial valuation report to meet its contribution requirements under the plan while the plan remains a going concern, to the extent permitted by applicable pension legislation. (This report does not address the disposition of any surplus assets remaining in the event of plan windup.) If an applicable pension regulator or other entity with jurisdiction directs otherwise, certain financial measures contained in this report, including contribution requirements, may be affected.

- This report is to be prepared on the basis that the plan administrator is deferring the commencement of new going concern and solvency special payments determined in this report for 12 months.

Should these directions from the plan administrator be amended or withdrawn, Towers Watson reserves the right to amend or withdraw this report.

Appendix B: Assets

Statement of Market Value

	December 31, 2013	September 1, 2013
Defined Benefit Provision		
Invested assets:		
• Master Trust	$ 102,173,575	$ 94,744,722
Adjustment for lump sum payments	$ 0	$ 720,770[1]
Net outstanding amounts:		
• Contributions receivable (payable)	$ 0	$ 0
• Transfer receivable (payable)	(4,014)	(174,038)
• Benefits payable	(273,922)	0
• Expenses and other payables	0	0
• Total net outstanding amounts	$ (277,936)	$ (174,038)
Total	$ 101,895,639	$ 95,291,454
Optional Ancillary Contributions	$ 760,324	$ 690,114
Total Assets	$ 102,655,963	$ 95,981,568

Notes:

[1] No changes were assumed to plan members' status between December 31, 2012 and September 1, 2013. Therefore, the invested assets at September 1, 2013 were increased by the amount of year to date lump sum payments at September 1, 2013 (other than those outstanding at the previous valuation date) to ensure that assets and liabilities were determined using a consistent approach.

Comments:

- The invested assets under the defined benefit provision and the optional ancillary contributions are held by CIBC Mellon under account TQSF00090002.
- The data relating to the invested assets are based on the trust statements issued by CIBC Mellon. The data relating to net outstanding amounts were furnished by Metroland Media Group Ltd. All such data have been relied upon by Towers Watson following tests of reasonableness with respect to contributions, benefit payments, transfers and investment income. However, Towers Watson has not independently audited or verified these data.

Asset Class Distribution

The following table shows the target asset allocation stipulated by the plan's defined benefit component investment policy in respect of various major asset classes and the actual asset allocation as at September 1, 2013.

	Target asset allocation [1]	**Asset allocation as at December 31, 2013** [2]
Canadian equities	20%	12.1%
Foreign equities	30%	29.9%
Fixed income	48%	55.9%
Cash and equivalents	2%	2.1%
Total	100%	100%

Notes:

1 This information was obtained from the investment policy in effect for the plan as at June 1, 2014.

2 This information was obtained from Metroland Media Group Ltd. All such data have been relied upon by Towers Watson and compared against the target asset allocation to assess reasonableness. However, Towers Watson has not independently audited or verified these data.

Reconciliation of Invested Assets (Market Value)

Assets as at September 1, 2013			$	94,744,722
Receipts:				
● Contributions:				
– Employer normal actuarial cost	$	660,283		
– Employer amortization payments		597,150		
– Employer prepayments		1,889,232		
– Employer transfer deficiency payments		0		
– Employer other contributions		0		
– Members' required contributions		341,000	$	3,487,665
● Investment return, net of all expenses				6,110,024
● Other receipts [1]				25,347
● Total receipts			$	9,623,036
Transfers:				
● Net inter-plan transfers			$	(238,749)
● Net external transfers				0
● Total transfers			$	(238,749)
Disbursements:				
● Benefit payments:				
– Pension payments	$	1,143,551		
– Lump sum settlements		811,883		
– Other benefit payments		0	$	1,955,434
● Other disbursements				0
● Total disbursements			$	1,955,434
Assets as at December 31, 2013			$	102,173,575

Note:

[1] Other receipts amounts are related to monthly reimbursements received from Standard Life for a number of former members of the JEMCOM Inc. division.

Comments:

- This reconciliation is based on the financial statements issued by CIBC Mellon. All such data have been relied upon by Towers Watson following tests of reasonableness with respect to contributions, benefit payments and investment income. However, Towers Watson has not independently audited or verified these data.

- The rate of return earned on the market value of assets, net of all expenses, from September 1, 2013 to December 31, 2013 is approximately 20.5% p.a.

- The reconciliation of invested assets do not include active members' optional ancillary contributions.

Development of the Going Concern Value of Assets

	2009	2010	2011	2012	2013
Master Trust adjusted market value as at December 31, 2009	653,155,362				
Net cash flow for period	-18,789,850				
Assumed interest earned for period (at 6.25%)	40,243,926				
Master Trust adjusted market value as at December 31, 2010	674,609,438	699,179,871			
Net cash flow for period	8,330,679	8,330,679			
Assumed interest earned for period (at 6.25%)	42,419,478	43,955,130			
Master Trust adjusted market value as at December 31, 2011	725,359,595	751,465,680	709,988,117		
Net cash flow for period	19,250,005	19,250,005	19,250,005		
Assumed interest earned for period (at 5.75%)	42,253,880	43,754,979	41,370,020		
Master Trust adjusted market value as at December 31, 2012	786,863,480	814,470,664	770,608,142	785,932,326	
Net cash flow for period	8,170,475	8,170,475	8,170,475	8,170,475	
Assumed interest earned for period (at 5.50%)	43,499,172	45,017,567	42,605,129	43,447,959	
Master Trust adjusted market value as at December 31, 2013	838,533,127	867,658,706	821,383,746	837,550,760	901,146,271
Weighting for the adjusted market values	20%	20%	20%	20%	20%

Going Concern Value of Assets	
Weighted average of the adjusted market values for the Master Trust as at December 31, 2013	853,254,522
Ratio of weighted average of adjusted market values to actual market value for the Master Trust (prior to application of 15% market value corridor)	0.9469
Adjustment to adjusted market values for the Master Trust due to application of market value corridor	0.0000
Ratio of weighted average of adjusted market values to actual market value for the Master Trust (after application of 15% market value corridor)	0.9469
Market value of assets for the Pension Plan for Employees of Metroland West Media Group (prior to outstanding amounts)	102,173,575
Going concern value of assets (0.9469 x $102,173,575)	96,748,158
Net receivables (payables)	-277,936
Going concern value of assets (net of outstanding amounts)	96,470,222

Comments:

- The asset valuation method is described in Appendix C.
- The starting value of each column is the actual market value of invested assets in the Master Trust at the indicated date excluding Defined Contribution balances for the Harlequin pension plans and members' optional ancillary contributions.
- The Master Trust includes the pension fund assets of various pension plans sponsored by the parent company, Torstar Corporation.
- The data related to the Master Trust assets is based on financial statements issued by CIBC Mellon. This information has been relied upon by Towers Watson without further verification.
- Net cash flow was calculated as contributions less benefit payments and adjusted for net transfers on a cash basis during the period.

Appendix C: Actuarial Basis – Going Concern Valuation

Methods

Defined Benefit Provision

Asset Valuation Method

At this valuation, the going concern value of assets was calculated as the average of the market value of invested assets at the valuation date and the four previous years' adjusted market values. To obtain these adjusted market values, the market values at December 31 of each of the four preceding years were accumulated to the valuation date with net cash flow (i.e., contributions less benefit payments and adjusted for net transfers) and assumed interest earned. Net cash flows were assumed to occur uniformly throughout each year. Assumed interest earned for a year was set at the liability discount rate.

The going concern value of assets is developed in respect of the Master Trust, excluding members' optional ancillary contributions and Defined Contribution balances for the Harlequin pension plans. The ratio of the Master Trust actuarial value of assets and market value at the valuation date was then applied to the market value of invested assets of the Pension Plan for Employees of Metroland West Media Group. If necessary, the ratio was adjusted so that the going concern value of assets does not deviate more than 15%, in absolute terms, from the actual market value. Finally, the going concern value of assets was further adjusted for net outstanding amounts.

The objective of the asset valuation method is to produce a smoother pattern of going-concern surplus (deficit) and hence a smoother pattern of contributions, consistent with the long-term nature of a going concern valuation.

Since January 2013, this plan has been receiving monthly reimbursements from Standard Life related to a number of former members of the JEMCOM Inc. division. The plan pays the full portion of these retirees' pension amounts and is receiving recurring monthly reimbursements. Reimbursements received during the valuation period are labelled as Other receipts on page B-3.

In addition, an estimated value of future reimbursements has been added to the going concern value of assets. This value was estimated as the actuarial present value of the actual portion of pension amounts that is reimbursed for each current retiree. The actuarial present value is determined under the same actuarial basis as the retired members' going concern actuarial liability.

Anticipated reimbursements for additional former members that are not yet retired have not been considered at the current actuarial valuation date.

Actuarial Cost Method

The actuarial liability and the normal actuarial cost in respect of benefits were calculated using the projected unit credit cost method.

Prospective benefits were calculated for each active, disabled and suspended member according to the plan provisions and actuarial assumptions. The actuarial liability was calculated as the actuarial present value of the member's prospective benefits multiplied by the ratio of the member's credited service prior to the actuarial valuation date to the member's total potential credited service (the service prorate method). The calculation of the actuarial present value of the member's prospective benefits reflects additional entitlements which may arise due to the application of the 50% employer cost-sharing rule, and is at least equal to the member's contributions with interest.

The actuarial liability for retired members and beneficiaries and terminated vested members was calculated as the actuarial present value of their respective benefits.

The normal actuarial cost for each active and disabled member was calculated as the actuarial present value of the member's prospective benefits multiplied by the ratio of the member's expected credited service during the ensuing year to the member's total potential credited service, but not less than the member's required contributions. The employer normal actuarial cost for each active and disabled member was determined as the excess of the total normal actuarial cost over the member's required contributions. The normal actuarial cost rate determined by the projected unit credit cost method will be stable over time if the demographic characteristics of the active and disabled members remain stable from actuarial valuation to actuarial valuation. All other things being equal, a population of active and disabled members whose average age increases (decreases) between actuarial valuations will result in an increasing (decreasing) normal actuarial cost rate.

Optional Ancillary Benefit Provision

Optional ancillary contribution account balances have been included in the going concern value of assets and in the actuarial liabilities.

Actuarial Assumptions — Defined Benefit Provision

	December 31, 2013	September 1, 2013
Economic Assumptions (per annum)		
Liability discount rate	5.50%	same
Rate of salary increase	3.00% (nil for disabled members)	same
Escalation of YMPE under Canada/Québec Pension Plan [1]	3.00%	same
Escalation of *Income Tax Act (Canada)* maximum pension limitation [2]	3.00%	same
Inflation	2.00%	same
Interest on members' contributions	3.50%	same
Demographic Assumptions		
Mortality	100% of 2014 Private Sector Canadian Pensioners' Mortality Table, projected generationally using Scale B	95% of 1994 Uninsured Pensioner Mortality Table, projected generationally using Scale AA
Withdrawal	Service-related rates (see Table 1)	same
Percentage of involuntary terminations of employment	Nil	same
Disability incidence/recovery	Nil	same
Retirement/pension commencement		
• Active and disabled members	Age-related rates (refer to Table 2)	same
• Terminated vested members	Age 65	same
Other		
Provision for non-investment expenses	None; return on plan assets is net of all expenses	same

Notes:

[1] The YMPE of $52,500 for 2014 is the starting value for the YMPE projection as at the current actuarial valuation and is indexed starting in 2015.

[2] The *Income Tax Act (Canada)* maximum pension limit of $2,770.0 per year of service in 2014 is the starting value for maximum pension limit projection as at the current valuation and is indexed starting in 2015.

Table 1 — Withdrawal Rates

Annual Rates

Service	**Rate**
0-3	0.100
4-7	0.100
8-11	0.080
12-15	0.080
16-19	0.050
20-23	0.030
24-27	0.030
28+	0.000

Table 2 — Retirement Rates

Annual Rates

Age	**Rate**
55 to 59	0.080
60	0.200
61	0.300
62	0.400
63	0.300
64	0.300
65	1.000

Rationale for Actuarial Assumptions

The rationale for the material actuarial assumptions used in the going concern valuation is summarized below.

The going concern assumptions do not include margins for adverse deviations, except as noted below.

Liability discount rate

The assumption is an estimate of the expected long-term return on plan assets, a detailed determination of the discount rate is as follows:

Assumed asset mix	50% equity / 50% bonds
Assumed rate of inflation	2.00%
Expected long-term real return on equity portfolio	5.24%
Expected long-term real return on bonds portfolio	1.64%
Expected long-term real return on total portfolio	3.44%
Diversification and re-balancing effect	0.47%
Provision for estimated investment expenses (reflecting only passive management fees)	-0.05%
Provision for non-investment expenses expected to be paid from the plan	-0.20%
Margin for adverse deviation	-0.25%
Total, before rounding	5.41%
Rounded (nearest 25 bps) discount rate	5.50%

The expected long-term return is based on returns for each major asset class in which the plan is expected to be invested (net of investment expenses), the plan's investment policy with consideration of the effects of diversification and periodic rebalancing to maintain the target mix of the plan's investment policy. We have assumed that additional returns associated with employing an active investment management strategy would equal the additional expenses associated with employing such strategy. Consequently, we have disregarded any potential additional returns.

In carrying out the plan's investment policy, the plan administrator has opted to invest the plan's assets in a diversified portfolio, which includes certain asset classes subject to risk that provide potential for higher return. The expected long-term return for asset classes subject to risk includes an estimated risk premium. Based on historical experience, assets invested in instruments subject to risk are normally expected to yield higher returns in the long-run than assets invested in low-risk investments, but these returns may fluctuate significantly from year to year and not necessarily in line with changes in the plan's liabilities over long periods of time. As a result, investing in riskier asset classes will generally increase the potential for future asset-liability mismatch, which could lead to greater volatility in the plan's financial position and minimum contribution requirements.

Rate of salary increase

The assumption reflects an assumed rate of inflation of 2.00% per annum, plus an allowance of 1.00% per annum for the effect of real economic growth and productivity gains in the economy. The merit/promotion assumption is based on discussions with Torstar Corporation management, Metroland Media Group Ltd.'s parent company, concerning their future expectations.

Escalation of YMPE under Canada/Québec Pension Plan

The YMPE is indexed annually based on increases in the Industrial Aggregate Wage index for Canada. The assumption reflects an assumed rate of inflation of 2.00% per annum, plus an allowance of 1.00% per annum for the effect of real economic growth and productivity gains in the economy.

Escalation of Income Tax Act (Canada) maximum pension limitation

The maximum pension limitation under the *Income Tax Act (Canada)* is scheduled to be indexed annually based on assumed increases in the Industrial Aggregate Wage index. The assumption reflects an assumed rate of inflation of 2.00% per annum, plus an allowance of 1.00% per annum for the effect of real economic growth and productivity gains in the economy.

Rate of inflation

The assumption reflects an estimate of future rates of inflation considering economic and financial market conditions at the actuarial valuation date.

Mortality

The 2014 Private Sector Canadian Pensioners' Mortality Table (CPM2014Priv) is based on a mortality experience study for calendar years 1999 to 2008 conducted by the Canadian Institute of Actuaries on a sample of Canadian registered pension plans. The CPM2014Priv table allows adjustments to the mortality rates based on pension size and/or industry classification. Improvement Scale B (CPM-B) is a two-dimensional scale developed by the Canadian Institute of Actuaries based primarily on the mortality experience of pensioners under the Canada Pension Plan (CPP) and the Québec Pension Plan (QPP) up to 2007 as well as the assumptions used in the 26th CPP Actuarial Report.

Base mortality rates from the CPM2014Priv table, with a multiplier of 100% based on pension size, are considered reasonable for the actuarial valuation of the plan given that the mortality experience of the plan membership is insufficient to assess plan-specific experience, and there is no reason to expect the mortality experience of the plan to differ significantly from that of other pension plans covering membership groups with similar characteristics. Applying improvement scale CPM-B generationally provides allowance for improvements in mortality after 2014 and is considered reasonable for projecting mortality experience into the future.

No allowance has been made for mortality prior to retirement with respect to terminated vested members in order to approximate the value of pre-retirement death benefits.

At the previous actuarial valuation, the 1994 Uninsured Pensioner Mortality Table projected generationally using Scale AA was used, with a multiplier of 95%.

Withdrawal

The rates of withdrawal were developed based on a review of plan experience for the years 2001 to 2006 and an assessment of future expectations.

Percentage of involuntary terminations of employment

No allowance has been made for involuntary terminations of employment on the basis that the impact of including such an assumption and valuing statutory grow-in rights would not have a material impact on the actuarial valuation results.

Disability incidence/recovery

There are no disability benefits under the plan other than the accrual of retirement income (earnings remain constant) during disability. Consequently, the assumption of no incidence of disability or recovery therefrom makes an appropriate allowance, in combination with the other assumptions, for such continued accruals.

Retirement from active membership

The rates of retirement were developed based on a review of plan experience for the years 2001 to 2006 and an assessment of future expectations.

Pension commencement after termination of employment

All terminated members are assumed to commence their pension at the normal retirement age of 65, as the plan's termination benefit provides for an actuarially reduced benefit upon pension commencement prior to normal retirement age.

Provision for non-investment expenses

The liability discount rate is net of all expenses (with the exception of any fees associated with employing an active investment management strategy). The assumed level of expenses reflected in the liability discount rate is based on recent experience of the plan and an assessment of future expectations.

Appendix D: Actuarial Basis – Solvency and Hypothetical Windup Valuations

Methods

Defined Benefit Provision

Asset Valuation Method

The market value of assets, adjusted for net outstanding amounts, has been used for the solvency and hypothetical windup valuations. The resulting value has been reduced by a provision for plan windup expenses.

Since January 2013, this plan has been receiving monthly reimbursements from Standard Life related to a number of former members of the JEMCOM Inc. division. The plan pays the full portion of these retirees' pension amounts and is receiving recurring monthly reimbursements. Reimbursements received during the valuation period are labelled as Other receipts on page B-3.

In addition, an estimated value of future reimbursements has been added to the solvency value of assets. This value was estimated as the actuarial present value of the actual portion of pension amounts that is reimbursed for each current retiree. The actuarial present value is determined under the same actuarial basis as the retired members' solvency actuarial liability.

Anticipated reimbursements for additional former members that are not yet retired have not been considered at the current actuarial valuation date.

Liability Calculation Method

The solvency and hypothetical windup liabilities were calculated using the traditional unit credit cost method.

The solvency and hypothetical windup liabilities for active, disabled and suspended members were calculated as the actuarial present value of all benefits accrued up to the actuarial valuation date. This calculation reflects additional entitlements which may arise due to the application of the 50% employer cost-sharing rule, and is at least equal to the member's contributions with interest.

The solvency and hypothetical windup liabilities for retired members and beneficiaries and terminated vested members were calculated as the actuarial present value of their respective benefits.

Other Considerations

The solvency and hypothetical windup valuations have been prepared on a hypothetical basis. In the event of an actual plan windup, the plan assets may have to be allocated between various classes of plan members or beneficiaries as required by applicable pension legislation. Such potential allocation has not been performed as part of these solvency and hypothetical windup valuations.

Optional Ancillary Benefit Provision

Optional ancillary contribution account balances have been included in the solvency value of assets and in the solvency and hypothetical windup liabilities.

Solvency Incremental Cost Actuarial Method — Defined Benefit Provision

The defined benefit solvency incremental cost for a given year represents the present value, at the actuarial valuation date, of the expected aggregate change in the solvency liability during the year, increased for expected benefit payments during the year.

The solvency incremental cost reflects expected decrements and related changes in membership status, accrual of service, any expected changes in benefits, entitlements, members' contributions, pension formula or increases in the maximum pension limits, and projected pensionable earnings during the year.

The solvency incremental cost has been calculated for each year until the next actuarial valuation date as the projected solvency liability at the end of the year, minus the solvency liability at the beginning of the year, increased for expected benefit payments during the year. Each of these amounts is discounted to the actuarial valuation date using the projected solvency liability discount rate.

The method used to calculate the projected solvency liability at the end of the year is the same as used in the solvency valuation.

Actuarial Assumptions — Defined Benefit Provision

	December 31, 2013	September 1, 2013
Economic Assumptions (per annum)		
Liability discount rate for settlement by:		
• Annuity purchase	3.90%	3.70%
• Commuted value	3.00% for 10 years, 4.60% thereafter	3.20% for 10 years, 4.40% thereafter
Discount rate for determining amortization payments [1]	3.67%	3.56%
Escalation of *Income Tax Act (Canada)* maximum pension limitation	Nil	same
Demographic Assumptions		
Mortality	1994 Uninsured Pensioner Mortality Table, projected generationally using Scale AA	same
Withdrawal	N/A	same
Disability incidence/recovery	N/A	same
Retirement/pension commencement	Described in detail in this appendix	same
Other		
Percentage of members receiving settlement by commuted value [2]		
• Retired members and beneficiaries	0%	same
• Other members under 55 years old	100%	same
• Other members aged 55 years and over	0%	same
Provision for expenses		
• Solvency	$250,000	same
• Hypothetical windup	$250,000	same

Notes:

[1] Equal to the liability-weighted average of the liability discount rates for settlements by commuted value transfer (rate in effect for the first 10 years) and annuity purchase.

[2] The balance are assumed to receive settlement by annuity purchase.

Rationale for Actuarial Assumptions

The rationale for the material actuarial assumptions used in the solvency and hypothetical windup valuations is summarized below.

The actuarial assumptions used in the solvency and hypothetical windup valuations do not include margins for adverse deviations.

Liability discount rate

In the event of a plan windup, it is expected that a portion of the liabilities will be settled by a group annuity purchase and the balance of the liabilities will be settled by commuted value transfers.

For the calculation of the portion of the solvency and hypothetical windup liabilities relating to the benefits that are expected to be settled by a group annuity purchase, the liability discount rate corresponds to an approximation of the annuity purchase rates as at the actuarial valuation date following application of the relevant guidance on assumptions for solvency and hypothetical windup valuations issued by the Canadian Institute of Actuaries' Committee on Pension Plan Financial Reporting. Effective June 30, 2013, the guidance was revised to reflect the duration of the liabilities for non-indexed benefits assumed to be settled by group annuity purchase in the approximation of the annuity purchase rate. The duration of the liabilities assumed to be settled through the purchase of non-indexed annuities is 10.4.

For the calculation of the portion of the solvency and hypothetical windup liabilities relating to the benefits that are expected to be settled by commuted value transfers, the liability discount rates have been determined in accordance with the *Standards of Practice for Pension Commuted Values* published by the Canadian Institute of Actuaries effective April 1, 2009 and revised effective February 1, 2011. For this actuarial valuation, the December 2013 rates have been used.

Escalation of Income Tax Act (Canada) maximum pension limitation

The *Income Tax Act (Canada)* maximum pension limitation specified in the Act as at the actuarial valuation date is applied without consideration for future scheduled increases, as pension entitlements are determined as at the actuarial valuation date.

Mortality

For benefits that are expected to be settled by commuted value transfers, the assumption has been determined in accordance with the *Standards of Practice for Pension Commuted Values* published by the Canadian Institute of Actuaries effective April 1, 2009 and revised effective February 1, 2011. For the benefits that are expected to be settled by a group annuity purchase, the assumption has been set following application of the relevant guidance on assumptions for solvency and hypothetical windup valuations issued by the Canadian Institute of Actuaries' Committee onPension Plan Financial

Reporting. No pre-retirement mortality has been assumed in order to approximate the value of pre-retirement death benefits.

Retirement/pension commencement

- Members eligible to retire: pension commences at the age that produces the highest actuarial value (including statutory grow-in rights for members in Ontario).
- Members with age plus continuous service greater than or equal to 55 years and employed in Ontario: pension commences at the age that produces the highest actuarial value of pension (including statutory grow-in rights).
- Other members: pension commences at age 65.

For benefits that are expected to be settled by commuted value transfers, this assumption is in accordance with the Canadian Institute of Actuaries' *Standards of Practice for Pension Commuted Values*. For the benefits that are expected to be settled by a group annuity purchase, this is consistent with the expected assumption that will be used by insurers to price the group annuity.

Percentage of members receiving settlement by commuted value transfer

This assumption has been determined by considering the benefit provisions of the plan, legislative requirements to offer specific settlement options to various classes of members, and, in particular, the options to be provided to members upon plan windup.

The assumption also reflects the expectation that members further from retirement are more likely to elect to settle their pension benefit by a commuted value transfer, while members closer to retirement are more likely to elect to settle their pension benefit through a group annuity purchase where this option is available.

Provision for expenses

Allowance was made for normal administrative, actuarial, legal and other costs which would be incurred if the plan were to be wound up (excluding costs relating to the resolution of surplus or deficit issues). The actuarial valuation is premised on a scenario in which the employer continues to operate after the windup date. In establishing the allowance for plan windup costs, certain administrative costs were assumed to be paid from the pension fund (consistent with past practice) while other costs were assumed to be borne directly by the employer.

Solvency Incremental Cost Actuarial Assumptions — Defined Benefit Provision

Demographic and Benefit Projection Actuarial Assumptions

Except as noted below, the projected population, benefits and members' contributions valued in the solvency liability projection are based on the demographic and benefit projection assumptions used for the going concern valuation described in Appendix C.

New entrants

No allowance has been made for new entrants between the current actuarial valuation date and next actuarial valuation date in the demographic projections on the basis that the plan is closed to new entrants.

Solvency Liability Projection Actuarial Assumptions

The solvency liability projections for purposes of calculating the solvency incremental cost are based on the assumptions used for the solvency valuation described previously.

Appendix E: Membership Data

Summary of Membership Data

Active, disabled and suspended members

	December 31, 2013	September 1, 2013
• Number [1]	373	404
• Average age	51.6	51.5
• Average credited service	15.1	15.2
• Annual payroll [2]	$ 22,278,740	$ 24,221,667
• Average salary [1]	$ 61,366	$ 63,397

Notes:

[1] Includes 14 members not accruing service as at December 31, 2013 (23 as at September 1, 2013).

[2] Only with respect to active and disabled members accruing service.

Comments:

The following distribution relates to active, disabled and suspended members under the defined benefit provision.

The following meanings have been assigned to age and credited service:

- Age — Age as at December 31, 2013
- Credited Service — Credited service as at December 31, 2013

Active, disabled and suspended members

		service								
age		*0 - 4*	*5 - 9*	*10 - 14*	*15 - 19*	*20 - 24*	*25 - 29*	*30 - 34*	*35 +*	*Total*
< 20	Number									
20 - 24	Number									
25 - 29	Number	1	1							2
30 - 34	Number	5	5							10
35 - 39	Number	4	7	10						21
40 - 44	Number	11	13	15	4	1				44
45 - 49	Number	10	13	13	10	11	4			61
50 - 54	Number	18	11	15	14	16	17	5		96
55 - 59	Number	13	13	14	13	3	14	20	1	91
60 - 64	Number	3	6	7	4	3	10	6	4	43
65 +	Number	1	1		1	1		1		5
Total	Number	66	70	74	46	35	45	32	5	373
Average Pensionable Earnings		47,942	56,553	64,334	65,163	65,899	70,898	68,106	66,422	61,366

Average age = 51.6 Average service = 15.1

Retired members and beneficiaries

	December 31, 2013	September 1, 2013
• Number	188	175
• Average age	67.7	67.9
• Total annual pension	$ 2,945,575	$ 2,740,854
• Average annual pension	$ 15,668	$ 15,662
• Total temporary annual pension to age 65	$ 334,008	$ 331,277

Terminated vested members

	December 31, 2013	September 1, 2013
• Number	27	24
• Average age	47.7	45.3
• Total annual pension	$ 242,093	$ 159,576
• Average annual pension	$ 8,966	$ 6,649

Review of Membership Data

The membership data with respect to the defined benefit provision as at December 31, 2013 were supplied by ACS, Metroland Media Group Ltd.'s third-party administrator.

The membership data have been relied upon by Towers Watson following tests for reasonableness and found to be sufficient and reliable for the purposes of the actuarial valuation. Elements of the data review included the following:

- ensuring that the data were intelligible (i.e., that an appropriate number of records was obtained, that the appropriate data fields were provided and that the data fields contained valid information);
- preparation and review of membership reconciliations to ascertain whether the complete membership of the plan appeared to be accounted for;
- preparation and review of age and service distributions for active and disabled members for reasonableness;
- review of consistency of individual data items and statistical summaries between the current actuarial valuation and the previous actuarial valuation;
- review of reasonableness of individual data items, statistical summaries and changes in such information since the previous actuarial valuation date; and
- comparison of the membership data and the plan's financial statements for consistency.

However, the tests conducted as part of the membership data review may not have captured certain deficiencies in the data. We have also relied on the certification of the plan administrator as to the quality of the data.

Membership Reconciliation — Defined Benefit Provision

	Active, disabled and suspended members	Retired members and beneficiaries	Terminated vested members	Total
As at September 1, 2013	404	175	24	603
• New entrants (including re-employed)	11	0	0	11
• New suspended (from actives)	0	0	0	0
• Non-vested termination	0	0	0	0
• Vested termination	(7)	0	7	0
• Settlement	(16)	0	(1)	(17)
• Retirement	(15)	15	0	0
• New beneficiaries	0	2	0	2
• Deceased (with beneficiary)	0	(2)	0	(2)
• Deceased (without beneficiary)	(1)	(2)	(1)	(4)
• Transfer in	1	0	0	1
• Transfer out	(3)	0	0	(3)
• Data correction	(1)	0	(2)	(3)
• Net change	(31)	13	3	(15)
As at December 31, 2013	373	188	27	588

Appendix F: Summary of Plan Provisions

The following is an outline of the principal features of the plan which are of financial significance to valuing the plan benefits. This summary is based on the most recently restated plan document as of September 5, 1998 and amendments effective January 1, 1999, June 1, 2003, January 1,2007, January 1, 2007, Juanuary 1, 2008 and August 1, 2008, as provided by Metroland Media Group Ltd., and does not make any provisions for the possibility that a change or action (retroactive or otherwise) could be imposed by order of a regulatory body or a court. It is not a complete description of the plan terms and should not be relied upon for administration or interpretation of benefits. For a detailed description of the benefits, please refer to the plan document.

Definitions

3-Year Average YMPE

The average of the YMPE applicable during the 3 calendar years ending on the December 31st immediately preceding the date of calculation of benefits.

5-Year Average YMPE

The average of the YMPE applicable during the 5 calendar years ending on the December 31st immediately preceding the date of calculation of benefits.

Final Average Earnings

The participant's average earnings during the best 5 calendar years in the last 10 consecutive years of continuous employment or during the sixty-month period immediately prior to retirement, whichever is the greater. Special provisions apply to overtime earnings.

JEMCOM Final Average Earnings

The participant's average earnings during the best five consecutive years of continuous employment.

JEMCOM Executive Final Average Earnings

The participant's average earnings during the best three consecutive years of continuous employment.

YMPE

The Year's Maximum Pensionable Earnings as defined in the Canada Pension Plan.

Closure of Plan

A non-unionized employee who is not a participant in the plan on July 31, 2008 shall not be eligible to join the plan.

Union employees can no longer join the plan. The plan was completely closed to union members on July 7, 2012.

Contributions

Each member contributes 2½% of annual earnings up to the YMPE, plus 5% of such earnings in excess of the YMPE. Member contributions are waived for members on long-term disability.

Retirement Dates

Normal Retirement Date

The normal retirement date is the first day of the month coincident with or next following the member's 65th birthday.

Early Retirement Date

The member may choose to retire as early as age 55.

Retirement Benefits

Normal Retirement

Subject to the provisions below, if a member retires on the normal retirement date, the member will be entitled to an annual pension payable in equal monthly instalments, equal to 1.25% of Final Average Earnings up to the 5-Year Average YMPE and 1.75% of Final Average Earnings in excess of the 5-Year Average YMPE for each year and complete month of credited service.

Special provisions apply to former members of the JEMCOM Inc. Staff Plan and to members who transferred their employment from Osprey Media Group, as described below.

Regular Members' Normal Retirement Benefit

Non-executive former members of the JEMCOM Inc. Staff Plan receive the following benefit at normal retirement in respect of credited service accrued prior to 1990:

- the amount of pension accrued under the terms of the JEMCOM Inc. Staff Plan up to June 30, 1974; plus

- the amount, if any, which when added to the pension above would increase such pension to 40% of the member's required contributions made up to June 30, 1974; plus

40% of the member's required contributions made on and after July 1, 1974; plus

an amount, if any, which when added to the pension above would increase such pension to:

— 1% of JEMCOM Final Average Earnings up to the 3-year Average YMPE; plus

— 1.6% of JEMCOM Final Average Earnings in excess of the 3-year Average YMPE,

— multiplied by the period of credited service prior to 1990.

Executive Members' Normal Retirement Benefit

In respect of credited service accrued prior to May 1, 1991, designated executive former members of the JEMCOM Inc. Staff Plan receive a normal retirement benefit of 2% of the member's JEMCOM Executive Final Average Earnings multiplied by such credited service.

Osprey Pension Plan Offset for Transferred Osprey Employees

The retirement income relating to credited service prior to June 7, 2003 in respect of a transferred Osprey Employee shall be reduced by the retirement income accrued to June 6, 2003 under the Osprey Pension Plan.

Early Retirement

If a member retires early, the member will be entitled to a pension that is calculated the same way as for normal retirement. The pension payable, however, will be reduced by 1/3% for each month before the date on which the member attains age 62 and has 10 years of continuous service.

Maximum Pension

The total annual pension payable from the plan upon retirement, death, or termination of employment cannot exceed the lesser of:

- 2% of the average of the best 3 consecutive years of total compensation paid to the member by the participating employer, multiplied by total credited service; and
- $1,833.33, or such greater amount permitted under the Income Tax Act multiplied by the member's total credited service.

On early retirement, the maximum pension is reduced by 3% per year that retirement precedes the earliest of age 60, 30 years of continuous service and 80 points (age plus continuous service).

Survivor Benefits

Death Before Retirement

If a member dies before the normal retirement date and before any pension payments have begun, the member's spouse, or beneficiary if there is no spouse, will receive a lump sum settlement equal to the commuted value of the benefits to which the member would have been entitled had employment terminated on the date of death.

Death After Retirement

The normal form of payment is a lifetime pension guaranteed for five years. However, the member may elect to receive an optional form of pension determined to be actuarially equivalent to the normal form of payment.

Disability Benefits

While benefits are payable from the LTD plan, pension benefits continue to accrue based on earnings rate at time of disability.

Termination Benefits

If a member's employment terminates for reasons other than death or retirement, the benefits payable from the plan is a deferred lifetime pension based on the member's earnings, contributions and credited service to the date of termination.

Deferred pensions are payable commencing at age 65. However, a member may elect to receive an early retirement pension as early as age 55, reduced on an actuarially equivalent basis.

If a member is entitled to a deferred pension, the member may instead transfer the commuted value of that pension into another retirement vehicle in accordance with the applicable provincial legislation.

Transfer Value Assumptions

Transfer values for members terminating with a transfer option are calculated in accordance with the Standard of Practice for Pension Commuted Values approved by the Canadian Institute of Actuaries effective February 1, 2011.

50% Cost Sharing

On retirement, death or termination, as applicable, the excess, if any, of a member's accumulated regular contributions with interest over 50% of the value of the member’s accrued retirement income will be refunded to the member or applied to provide additional pension, as permitted by legislation.

Optional Ancillary Contributions

Plan members are permitted to make optional contributions to the plan. The contributions, which are tracked individually by member, earn investment income based on investment returns in the Torstar master trust. Upon termination or retirement, a member's optional contributions with interest are used to purchase ancillary benefits (such as improved early retirement benefits, bridge pensions, subsidized spousal survivor pensions, etc.) to the extent permitted under the Income Tax Act (Canada). Any excess optional contributions which cannot be used to purchase ancillary benefits are forfeited and remain in the plan's fund.

Special Provisions on Plan Windup

There are no special benefits payable on plan windup, other than those prescribed by legislation.

Appendix G: PBGF Assessment, Transfer Ratio and Solvency Ratio

PBGF Assessment

	December 31, 2013
PBGF Assessment	
Solvency liability:	
• Total	$ 105,843,512
• Ontario PBGF liability	105,843,512
• Ontario additional PBGF liability	0
Solvency value of assets:	
• Total	$ 103,714,668
• Ontario PBGF assets	103,714,668
PBGF assessment base	$ 2,128,844
Plan membership (including inactive members):	
• Total	588
• Ontario	588

Comments:

- The solvency value of assets reflects net outstanding amounts and optional ancillary contribution account balances. The solvency value of assets is prior to deduction of a provision for plan windup expenses.
- The Ontario PBGF liability used for purposes of calculating the PBGF assessment excludes the Ontario additional PBGF liability.
- As specified in the Regulation to the *Pension Benefits Act (Ontario)*, the additional PBGF liability is the additional solvency liability for plant closure and permanent layoff benefits excluded for those Ontario members who are immediately eligible for the benefit at the actuarial valuation date, if any.

Transfer Ratio and Solvency Ratio

	December 31, 2013
Transfer Ratio	
Solvency value of assets	$ 103,714,668
Lesser of estimated employer contributions for the period until the next actuarial valuation and prior year credit balance	$ 3,779,943
Hypothetical windup liability	$ 105,843,512
Transfer ratio	0.94
Solvency Ratio	
Solvency value of assets	$ 103,714,668
Solvency liability	$ 105,843,512
Solvency ratio	0.98

Comments:

- The solvency value of assets reflects net outstanding amounts and optional ancillary contribution account balances. The solvency value of assets is prior to deduction of a provision for plan windup expenses.
- As the transfer ratio is less than 1.00, transfer deficiencies must be paid over a maximum period of five years unless the cumulative transfer deficiencies are within the limits prescribed by the Regulation to the *Pension Benefits Act (Ontario)* or the employer remits additional contributions in respect of the transfer deficiencies. Pursuant to Regulations 19(4) or 19(5) to the *Pension Benefits Act (Ontario)*, approval of the Superintendent will be required to make commuted value transfers if there has been a significant decline in the transfer ratio after the actuarial valuation date.
- Based on the solvency ratio defined as the ratio of solvency value of assets to solvency liabilities, the next actuarial valuation of the plan is due with an effective date not later than December 31, 2016.

Appendix H: Certificate of the Plan Administrator

I hereby certify that to the best of my knowledge and belief:

- the significant terms of engagement contained in Appendix A of this report are accurate and reflect the plan administrator's judgement of the plan provisions and/or an appropriate basis for the actuarial valuation of the plan;

- the information on plan assets forwarded to Towers Watson Canada Inc. and summarized in Appendix B of this report is complete and accurate;

- the data forwarded to Towers Watson Canada Inc. and summarized in Appendix E of this report are a complete and accurate description of all persons who are members of the plan, including beneficiaries who are in receipt of a retirement income, in respect of service up to the date of the actuarial valuation;

- the summary of plan provisions contained in Appendix F of this report is accurate; and

- there have been no events which occurred between the actuarial valuation date and the date this actuarial valuation was completed that may have a material financial effect on the actuarial valuation.

Signature

Date Sept 26, 2014

D.J. SMITH
Name

TREASURER
Title

Appendix I: Annual Information Summary

Canada Revenue Agency / Agence du revenu du Canada

ACTUARIAL INFORMATION SUMMARY

Please see the instructions for completing this form. If an item does not apply, enter "N/A".

Part I – Plan Information and Contributions

A. 001. Name of registered pension plan

Pension Plan for Employees of Metroland West Media Group

B. 002. Registration number

Canada Revenue Agency: 1050871 **Other:**

C. 003. Is this plan a designated plan? ☐ Yes ☑ No

D. 004. Valuation date of report YYYY MM DD: 2013 12 31

E. 005. End date of period covered by report YYYY MM DD: 2016 12 30

F. 006. Purpose of the report (indicate all reasons for which the report was prepared)

☐ Initial report for a newly established plan
☑ Regular (triennial or annual) report for an ongoing plan
☐ Interim report in respect of an amendment to an ongoing plan
☐ Partial Termination
☐ Termination
☐ Conversion
☐ Other (please explain)

G. Contributions (prior to application of any credits or surplus) for covered period

Periods (see instructions)	Period 1	Period 2	Period 3	Period 4
007. Period start date (YYYY MM DD)	2014 01 01	2015 01 01	2016 01 01	
008. Period end date (YYYY MM DD)	2014 12 31	2015 12 31	2016 12 30	
Normal cost (defined benefit provision) **009.** Members	684,442	704,975	726,125	
010. Employer	1,949,952	2,009,179	2,069,456	
010a. Explicit expense allowance included in employer normal cost above				
Normal cost (money purchase provision) **011.** Members				
012. Employer				
Special payments **013.** Special payments for going-concern unfunded liability and/or solvency deficiency	1,705,772	1,705,772	1,705,772	
Fixed contributions **014.** Estimated dollar amounts of fixed employer and, if applicable, member contributions (defined benefit provision)				
014a. Estimated dollar amounts of fixed employer and, if applicable, member contributions (money purchase provision)				

Part II – Membership and Actuarial Information

H. Membership information

	Number	Average Age	Average Pensionable Service	Average Salary	Average Annual Pension
015. Active members	373	51.60	15.10	61,366	N/A
016. Retired members	188	67.70	N/A	N/A	15,668
017. Other participants	27	47.70	N/A	N/A	8,966

I. Actuarial basis for going-concern valuation (see instructions)

020. Asset valuation method

☐ Market ☑ Smoothed Market ☐ Book ☐ Book and Market combination ☐ Other

021. Liability valuation method

☑ Accrued benefit (unit credit) ☐ Entry age normal ☐ Individual level premium ☐ Aggregate
☐ Other (specify)

I. Actuarial basis for going-concern valuation (cont'd)

Selected actuarial assumptions

Where a flat rate is used, enter the rate under "Ultimate rate" and "N/A" under "Initial rate" and "Number of years."*

Valuation interest rate

	Initial rate	Number of years*	Ultimate rate
025. Active members	N/A %	N/A	5.50 %
026. Retired members	N/A %	N/A	5.50 %
027. Rate of indexation	N/A %	N/A	N/A %
028. Rate of general wage and salary increase	N/A %	N/A	3.00 %
029. YMPE escalation rate	N/A %	N/A	3.00 %
030. *Income Tax Regulations'* maximum pension limit escalation	N/A %	N/A	3.00 %
031. Rate of CPI increase	N/A %	N/A	2.00 %

* from valuation date before ultimate rate becomes effective

035. Year *Income Tax Regulations'* maximum pension limit escalation commences 2015

036. Mortality table

☐ 1994 GAM Static ☐ 1994 Group Annuity Reserving (GAR) ☐ 1994 UP

☐ 80% of 1983 GAM ☑ Other (specify) 2014 Private Sector CPM

036a. Generational Mortality Table
Has an assumption of generational mortality improvements been made? ☑ Yes ☐ No

036b. Projected Mortality Table
Has a projection of mortality improvements been made? ☐ Yes ☑ No

036b.(i) If ***yes***, what is the year to which the mortality improvements have been projected (see instructions)? YYYY

037. Allowance for promotion, seniority and merit increases

☐ Included in (line **028**) above ☐ Separate scale based on age or service ☑ No allowance

038. Allowance for expenses

038a. Allowance for investment expenses

☑ Implicit ☐ Explicit

038b. Allowance for administrative expenses

☑ Implicit ☐ Explicit

039. If a multi-employer plan, number of hours of work per member per plan year

040. Was a withdrawal scale used? ☑ Yes ☐ No

041. Were variable retirement rates used? ☑ Yes ☐ No

042. If ***no***, what is the assumed retirement age?

J. Actuarial basis for solvency valuation

Valuation interest rate

	Initial rate	Select period	Ultimate rate
045. Benefits to be settled by lump sum transfer	3.00 %	10	4.60 %
046. Benefits to be settled by purchase of deferred annuity	N/A %	N/A	3.90 %
047. Benefits to be settled by purchase of immediate annuity	N/A %	N/A	3.90 %
048. Rate of indexation	N/A %	N/A	N/A %

049. Mortality table ☑ 1994 UP Generational ☐ 1994 UP ☐ Other (specify)

049a. Year of projection (see instructions) YYYY

K. Balance sheet information (DB provisions, see instructions)

050. Market value of assets, adjusted for receivables and payables 102,655,963

051. Amount of contributions receivable included in market value above 0

Going-concern valuation

052. Going-concern assets 98,171,128

053. Optional ancillary contributions account balance included in going-concern assets above for a flexible pension plan (if applicable) 760,324

Going-concern liabilities

060. For active members 50,938,060

061. For retired members 38,354,276

062. For other participants 1,568,899

063. For optional ancillary benefits to be provided under a flexible pension plan (if applicable) 760,324

064. Other reserve 0

K. Balance sheet information (DB provisions, see instructions) (cont'd)

070. Net funded position—surplus/deficit	6,549,569
071. Additional voluntary contributions	0
072. Money purchase assets (if applicable)	0

Solvency Valuation

Complete lines **080** to **100** only if the report contains an explicit solvency valuation

Solvency Assets

080. Solvency assets with adjustment for expense provision, if any	103,464,668
081. Amount of wind-up expense provision reflected in line **080**	250,000
082. Optional ancillary contributions account balance included in solvency assets above for a flexible pension plan (if applicable)	760,324

Solvency Liabilities

090. For active members	60,243,866
091. For retired members	42,758,212
092. For other participants	2,081,110
093. For optional ancillary benefits to be provided under a flexible pension plan (if applicable)	760,324
094. Other reserve	0
100. Net solvency position—surplus/deficit	(2,378,844)

If the plan provides benefit increases coming into effect during the period covered by the report but after the valuation date, have those increases been reflected in:

102. The going-concern liabilities in lines **060** to **064**? ☑ N/A ☐ Yes ☐ No

103. The solvency liabilities in lines **090** to **094**? ☑ N/A ☐ Yes ☐ No

L. Actuarial gains or losses

110. Was a gain or loss analysis done? ☑ Yes ☐ No

111. If line **110** is ***yes***, indicate the date of the last filed funding valuation report and the net funded position as at that date — YYYY: 2013 MM: 09 DD: 01 — 3,734,230

If line **110** is ***yes***, indicate amount of gain or loss due to:

112. interest on surplus (unfunded liability)	68,461
113. special payments made	2,504,919
114. amounts used for contribution holiday	
115. change in actuarial assumptions	(2,480,608)
116. change in the asset valuation method	
117. change in liability valuation method	
118. plan amendments/changes	
119. investment experience	1,494,522
120. retirement experience	201,241
121. mortality experience	(200,937)
122. withdrawal experience	(373,103)
123. salary increase experience	1,463,184
124. optional ancillary contributions forfeited	

Are there major contributing sources other than lines **112** to **124** above (if ***yes***, specify)

125. N/A	N/A
126. N/A	N/A
127. all other sources (combined)	137,660

M. Subsequent events

135. Are there any subsequent event(s) that have not been reflected in the valuation? (refer to the SOP) ☐ Yes ☑ No

N. Statements of opinion

136. Does the report include the statements of opinion required by the SOP (data, assumptions, methods, accepted actuarial practice)? ☑ Yes ☐ No

136a. Are any of the actuary's statements of opinion qualified? ☐ Yes ☑ No

Part III – Information required by the Financial Services Commission of Ontario

Financial Services Commission of Ontario | Commission des services financiers de l'Ontario

O. Additional valuation information

Going-concern valuation

140. Have escalated adjustments been included in going-concern liabilities? ☑ N/A ☐ Yes ☐ No

Solvency valuation

141. Have any of the **excludable** benefits been excluded? ☑ N/A ☐ Yes ☐ No

142. If line **141** is ***yes***, enter the total amount of liabilities being excluded ____

143. With respect to the type of benefits provided under the plan for service after the valuation date, complete the following table:

Provision Type	Benefit Accruals for Service After Valuation Date (Yes/No)	Closed (Yes/No)
Defined Benefit	Yes	No
Defined Contribution	No	No

144. (i) Has an averaging method been applied to the market value of assets in determining the solvency asset adjustment? ☐ Yes ☑ No

a. If line **(i)** is ***yes***, indicate the positive or negative amount by which the solvency assets are adjusted as a result of applying the averaging method ____

(ii) Has the averaging method used in determining the solvency asset adjustment changed since the last valuation? ☐ Yes ☑ No

If line **(ii)** is ***yes***, complete **(ii)a** or **(ii)b**, as appropriate:

a. The change in method increases solvency asset adjustment by the amount of ____

b. The change in method decreases solvency asset adjustment by the amount of ____

P. Miscellaneous

145. Prior year credit balance: 3,779,943

146. Transfer ratio (express in decimal format): 0.9400

Guarantee fund assessment

147. PBGF liabilities: 105,843,512

148. PBGF assessment base: 2,128,844

149. Amount of additional liability for plant closure and/or permanent layoff benefits as described in clause 37(4)(a)(ii)(A) of Regulation 909, R.R.O. 1990, as amended: 0

149a. Number of Ontario plan beneficiaries: 588

Part IV – Information required by the Office of the Superintendent of Financial Institutions Canada

Office of the Superintendent of Financial Institutions Canada | Bureau du surintendant des institutions financières du Canada

Q. Additional solvency valuation information

150a. Adjusted Solvency Ratio at the valuation date ____

150b. Adjusted Solvency Ratio one year prior (the **prior valuation date**) ____

150c. Adjusted Solvency Ratio two years prior (the **prior second valuation date**) ____

151. Average Solvency Ratio ____

152a. Solvency Liabilities ____

152b. Adjusted Solvency Asset Amount ____

152c. Solvency Deficiency ____

153. Value of the Letters of Credit included in solvency assets on the valuation date ____

160. Solvency ratio (express in decimal format) ____

162. Liability for active members who are within 10 years of pensionable age and whose entitlement is valued at an interest rate basis stated on line **045** ____

163. Liability for active members who are within 10 years of pensionable age and whose entitlement is valued at an interest rate basis stated on line **046** ____

164. Liability for active members who are not within 10 years of pensionable age ____

165. Pensionable age:

a. May a member become entitled – with no employer consent required – to an unreduced retirement pension prior to the normal retirement age? ☐ Yes ☐ No

b. If ***yes*** to a., state the applicable age and service conditions:

		Age requirement	Service requirement			Age requirement	Service requirement
Active members	1)			Deferred vested members	1)		
	2)				2)		
	3)				3)		
	4)				4)		
	5)				5)		

c. Are these benefits reflected in the solvency valuation? . . . . . . ☐ N/A ☐ Yes ☐ No

166. Do the liabilities determined in the report include the impact of one or several plan amendments that affect the value of benefits having accrued prior to the report's valuation date, and which were not included in the prior report? . . . . . . ☐ Yes ☐ No

167. Does the report account for one or several plan amendments that affect only the cost of benefits that will accrue after the report's valuation date, and which were not included in the prior report? . . . . . . ☐ Yes ☐ No

168. If the answer to either question **166** or **167** is ***yes***, provide the amendment number and effective date . . . . . . ________ Amendment number

YYYY MM DD ________ Effective date

Part V – Information required by the Canada Revenue Agency

R. Additional information

173. Surplus/deficit determined at the valuation date as per the instructions:

173a. Going-concern basis 6,549,569

173b. Wind-up basis . . . . . . -2,378,844

173c. For designated plans, maximum funding valuation basis . . . . . . ________

174. Excess surplus determined at the valuation date:

174a. Going-concern basis 0

174b. For designated plans, maximum funding valuation basis . . . . . . ________

175. For designated plans, employer normal cost determined under the maximum funding valuation basis:

Period 1 . . . . . . ________

Period 2 . . . . . . ________

Period 3 . . . . . . ________

Period 4 . . . . . . ________

176. Minimum surplus required under applicable pension benefit legislation before contribution holiday:

176a. Going-concern basis . . . . . . ________

176b. Wind-up basis . . . . . . ________

177. Maximum amount that could be claimed as eligible employer contribution(s) – defined benefit provisions – under subsection 147.2(2) of the *Income Tax Act:*

177a. Unfunded liability 2,378,844

177b. Normal cost:

Period 1 1,949,952

Period 2 2,009,179

Period 3 2,069,456

Period 4 . . . . . . ________

Part VI – Information required by the Régie des rentes du Québec

Régie des rentes Québec

S. Additional information

	YYYY	MM	DD
185. Date on which the valuation report was prepared			

186. Value of additional obligations arising from an amendment on a funding basis ____________

187. Value of additional obligations arising from an amendment on a solvency basis ____________

188. Surplus assets that can be appropriated to the payment of employer contributions ____________

189. Special amortization payments ____________

190. Total of the letters of credit taken into account in the assets on a solvency basis ____________

191. Pensions insured by an insurer taken into account in the actuarial valuation on a solvency basis ____________

T. Additional information for plans whose employer is a municipality, a municipal housing bureau, an educational institution at the university level, or a childcare service

195. Reserve on a funding basis ____________

196. Provision for adverse deviations on a funding basis ____________

	Present value	Amortization payments		
		Period 1	Period 2	Period 3
197. Technical funding deficiency				
198. Improvement funding deficiency				

U. Additional information pertaining to pension plans other than those mentioned in section T

200. Reserve on a solvency basis ____________

201. Provision for adverse deviations on a solvency basis ____________

	Present value	Amortization payments		
		Period 1	Period 2	Period 3
202. Funding deficiency				
203. Technical solvency deficiency				
204. Improvement solvency deficiency				

Part VII – Certification by Actuary

As the actuary who signed the funding valuation report (the report), I certify that this completed form accurately reflects the information provided in the report.

Dated this 30 (day) day of September (month), 2014 (year)

M. Y.
Signature of actuary

CHEN MUTHUKUMARASWAMY
Print or type name of actuary

TOWERS WATSON
Name of firm

416 - 960 - 2789
Telephone number

chen.muthukumaraswamy@towerswatson.com
Email address*

* Optional information. The Canada Revenue Agency will not communicate on plan specific matters with clients by email, since we cannot guarantee the confidentiality of emailed information.