

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the “Act”), subsections 78(1) and 79(3);

AND IN THE MATTER OF the Retirement Plan for the Non-Union Employees of Rayonier A.M. Canada Industries Inc. - Smooth Rock Falls Division, Registration Number 0980938 (the “Plan”).

NOTICE OF INTENDED DECISION

TO: Rayonier A.M. Canada Industries Inc.
100-4 Place Ville-Marie
Montreal QC H3B 2E7

Attention: Monica Epp

Employer & Applicant

AND TO: Éric Aubin
Patrick Henry
LifeWorks
Place Victoria
800, rue du Square Victoria, bureau 4000
Montreal QC H4Z 0A4

Actuary for the Applicant

TAKE NOTICE THAT pursuant to subsection 78(1) of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Head, Pension Plan Operations and Regulatory Effectiveness (the “Head”), intends to make an order to consent to the payment of surplus in respect of the Plan to Rayonier A.M. Canada Industries Inc. in the amount of \$1,218,632 as at September 30, 2021, plus investment earnings and adjusted for expenses to the actual date of payment. Details of this intended decision are described below.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SUBSECTION 89(6) OF THE ACT. A hearing by the Tribunal about this Notice of Intended Decision may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal

25 Sheppard Avenue West
Suite 100
Toronto ON M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, an order will be issued as described in this Notice of Intended Decision.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.fstontario.ca.

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at (416) 590-7294, or toll free at 1-800-668-0128 extension 7294.

REASONS FOR INTENDED DECISION

1. Rayonier A.M. Canada Industries Inc. is the employer as defined in the Plan (the "Employer").
2. The Employer wound up the Plan on February 29, 2020.
3. The Employer's application ("Application") includes a Written Agreement dated June 1, 2021, whereby 75% of the Net Surplus will be distributed to the Employer and 25% of the Net Surplus will be shared collectively among the members, former members, retired members and other persons who are entitled to payments under the pension plan as of the date of wind up, including annuitants for whom a pension was purchased from Sun Life under section 43.1 of the Act on October 16, 2019, collectively referred to as the "Affected Persons".
4. Net Surplus is defined as the assets remaining in the Plan at the time of distribution, less the actual eligible administrative costs and expenses incurred in connection with the administration of the Plan and the distribution of surplus.
5. A supplementary report was prepared by the Plan's actuary which estimated the surplus remaining to be \$1,642,434 as at September 30, 2021, that is, assets of \$1,667,434 remaining in the pension fund less a provision of \$25,000 for the expenses related to the distribution of the surplus.

6. Of the 54 surplus notices distributed, 50 Affected Persons returned consent forms (49 consents and one refusal). At least two-thirds of all Affected Persons consented in writing to the Written Agreement proposed by the Employer.
7. In accordance with the Written Agreement, any Affected Person whose individual share is inferior to \$1,000 will receive a payment of \$1,000. When considering the minimum payment of \$1,000, the respective shares as of September 30, 2021 are estimated to be:
 - (a) \$423,802 (25.8% share) to Affected Persons
 - (b) \$1,218,632 (74.2% share) to the Employer
8. The Employer has applied pursuant to paragraph 77.11(7)2, section 78 and subsection 79(3) of the Act for consent to the payment of \$1,218,632 from the pension fund for the Plan as at September 30, 2021, adjusted for investment earnings and expenses to the actual date of payment.
9. The Application appears to comply with paragraph 77.11(7)2, section 78, subsection 79(3) and all other applicable requirements under the Act and Regulation 909, R.R.O. 1990.
10. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, January 21, 2022.



Jennifer Rook
Head, Pension Plan Operations and Regulatory Effectiveness

By delegated authority from the Chief Executive Officer