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Superintendent of
Financial
Services



Surintendant des
services
financiers

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, (the "*PBA*");

AND IN THE MATTER a Notice of Intended Decision of the Superintendent of Financial Services to consent, under section 78(1) of the *PBA*, to a payment out of the pension fund for the Rio Algom Limited Pension Plan for Salaried Employees, Registration Number 0210070.

TO:

**Rio Algom Limited
c/o BHP Billiton Canada Inc.
130 - 3rd Avenue South
Saskatchewan SK S7K 1L3**

Attention: Giles Hellyer

Applicant and Employer

AND TO:

Kathryn Bush
Blake, Cassels & Graydon LLP
199 Bay Street, 40th Floor
Toronto ON M5L 1A9

AND TO:

Charles Scott
Lax O'Sullivan Scott Lisus LLP
145 King Street West
Toronto ON M5H 1J8

NOTICE OF INTENDED DECISION

I INTEND TO CONSENT, under section 78(1) of the *PBA*, to the payment out of the pension fund for the Rio Algom Limited Pension Plan for Salaried Employees, Registration Number

0210070 (the "Plan"), to Rio Algom Limited, in the amount of \$14,019,917 as at August 1, 2014 plus adjustments to the actual date of payment.

I INTEND TO MAKE THE CONSENT effective only after the Applicant satisfies me that the members' surplus entitlements have been paid or otherwise provided for.

I INTEND TO CONSENT FOR THE FOLLOWING REASONS:

1. Rio Algom Limited is the employer and administrator as defined in the Plan (the "Employer").
2. The Plan was wound up effective August 1, 2014.
3. As indicated in the report provided with the Employer's application for payment of surplus as at August 1, 2014, the surplus in the Plan was estimated at \$31,435,000.
4. The application discloses that by a settlement agreement among:
 - a. the Employer;
 - b. 80% of the members; and
 - c. 89% of the former members and other persons entitled to a payments under the Plan as of the date of wind up (which percentage represents a number of former members and other persons entitled to payments under the Plan that the Superintendent considers appropriate in the circumstances);

the surplus in the Plan at the date of payment, after deduction of expenses, is to be distributed:

- a. 45% to the Employer; and
 - b. 55% to the beneficiaries of the Plan as defined in the Surplus Distribution Agreement.
5. The Employer has applied, pursuant to section 78 of the *PBA*, for consent of the Superintendent of Financial Services to the payment of 100% of the surplus to be distributed from the Plan (after adding 100% of investment earnings and deducting 100% of the expenses related thereto).
6. The application appears to comply with sections 78, 79(3) and all other applicable requirements under the *PBA* and Regulation 909, R.R.O 1990, as amended.
7. Such further and other reasons as come to my attention.

YOU ARE ENTITLED TO A HEARING by the Financial Services Tribunal (the "Tribunal") pursuant to section 89(6) of the *PBA*. **To request a hearing, you must deliver to the Tribunal a written notice that you require a hearing, within thirty (30) days after this Notice of Intended Decision is served on you.**¹

YOUR WRITTEN NOTICE must be delivered to:

Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto, Ontario
M2N 6L9

Attention: The Registrar

FOR FURTHER INFORMATION on a Form for the written notice, please see the Tribunal website at www.fstontario.ca or contact the Registrar of the Tribunal by phone at 416-590-7294, toll free at 1-800-668-0128, ext. 7294, or by fax at 416-226-7750.

IF YOU FAIL TO REQUEST A HEARING WITHIN THIRTY (30) DAYS, I MAY CARRY OUT THE INTENDED DECISION AS DESCRIBED IN THIS NOTICE.

DATED at Toronto, Ontario, this **26th** day of **February, 2015.**

Original Signed By

Lester J. Wong
Deputy Superintendent, Pensions

¹*NOTE - Pursuant to section 112 of the PBA any Notice, Order or other document is sufficiently given, served or delivered if delivered personally or sent by regular mail and any document sent by regular mail shall be deemed to be given, served or delivered on the fifth day after the date of mailing.*

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