This document is a consolidated version of the Bank of Canada Supplementary Pension Arrangement (By-law 18). It incorporates into the text of the Arrangement all amendments made to date since the Arrangement took effect on 1 January 1992. The previous consolidation included amendments which had been published in the Canada Gazette on 27 October 2012. This consolidation includes the latest set of amendments which were published in the Canada Gazette on 24 October 2015.
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1.1 INTRODUCTION

The Arrangement was amended, effective January 1, 2012 (except where another effective date is specifically provided by the Arrangement), to (among other things) reflect sundry changes made to the Pension Plan. For greater certainty, these amendments to the Arrangement do not apply to the determination of supplementary pension benefits or supplementary pension benefit credits accrued prior to January 1, 2012, unless otherwise specifically provided by the Arrangement.

1.2 DEFINITIONS

Unless the context otherwise specifies or requires, all terms contained in this Arrangement which are defined in the Pension Plan shall for all purposes hereof have the meanings given to such terms in the Pension Plan.

Further, in this Arrangement,

"Arrangement" means the Bank of Canada Supplementary Pension Arrangement as described herein and as may be amended from time to time;

"deferred", in relation to a supplementary pension benefit, means a supplementary pension benefit other than an immediate supplementary pension benefit.

"Early Retirement Program" means an early retirement program approved by the Board of Directors of the Bank of Canada.

"immediate", in relation to a supplementary pension benefit, means a supplementary pension benefit that is to commence within one month after a participant, participant's spouse or dependant is entitled to it.

"interest" has the meaning assigned by subsection 4.2 of the Pension Plan which shall apply equally to the computation, accrual, rate and crediting of interest in respect of a participant's net supplementary contribution account and net RCA account under this Arrangement.

"net RCA account" has the meaning assigned by paragraph 11.1.5;

"net supplementary contribution account" has the meaning assigned by subsection 4.1;

"participant" means a member of the Pension Plan who has become a participant of this Arrangement pursuant to Section Two;

"Pension Plan" means the Bank of Canada Pension Plan as may be amended from time to time;
"RCA" means the portion of this Arrangement comprising the Supplementary Trust Fund which constitutes a retirement compensation arrangement for the purpose of the Income Tax Act as provided in paragraph 11.1.2;

"supplementary pension benefit" means a periodic amount to which a participant or the participant's spouse or dependant is or may become entitled under this Arrangement;

"supplementary pension benefit credit" means the aggregate value at the date of calculation of a person's supplementary pension benefit and other benefits under this Arrangement determined pursuant to subsection 13.5, but not less than the sum of the participant's net supplementary contribution account and accrued interest up to the beginning of the month that includes the date of calculation;

"Supplementary Trust Fund" means the fund established for the purposes of this Arrangement;

"refundable tax" has the meaning assigned in Part XI.3 of the Income Tax Act in respect of the RCA;

"Trustees" means the persons or person (including a trust company) appointed by the Bank to act as Trustees of the Supplementary Trust Fund and holding office as such from time to time pursuant to the terms of the agreement entered into between the Bank and the Trustees as provided in subsection 11.1 hereof.
SECTION TWO  PARTICIPATION

2.1 ELIGIBILITY

2.1.1 Maximum Pension

Any person who is or becomes a member of the Pension Plan on or after January 1, 1992 other than a member whose right to a benefit exists solely by virtue of a period of pensionable service prior to January 1, 1992 shall become a participant of this Arrangement on the later of January 1, 1992 and the date that is the earlier of the date

(a) such person's contributions pursuant to paragraph 3.2.1 and paragraph 17.2.1 of the Pension Plan become restricted by the limitation set out in subparagraph 3.2.3(a) of the Pension Plan, and

(b) such person's pension benefit under the Pension Plan becomes restricted by Section Nine of the Pension Plan.

Further, any person who is an active member of the Pension Plan on or after January 1, 1992, and as a consequence of such member's death a pension benefit becomes payable to such member's spouse or dependants pursuant to subsection 7.1 of the Pension Plan after 1991, which pension benefit is restricted by the limitation in respect of the Year's Maximum Pensionable Earnings set out in subclause 7.1.2(a)B of the Pension Plan, shall unless already a participant of this Arrangement pursuant to (a) or (b) above, be deemed to be a participant of this Arrangement on the day immediately prior to such person's date of death.

2.1.2 Early Retirement Program

Any person who retires under the Early Retirement Program shall, unless already a participant of this Arrangement pursuant to paragraph 2.1.1, become a participant of this Arrangement upon such retirement if the member's lifetime pension benefit and bridge pension benefit determined pursuant to such Early Retirement Program exceed the actual lifetime pension benefit and bridge pension benefit payable from the Pension Plan.

2.1.3 Enhanced Benefits Program

Any person in respect of whom a contribution is made by the Bank as described in Section 14 shall, unless already a participant of this Arrangement pursuant to paragraph 2.1.1, become a participant of this Arrangement.
SECTION THREE CONTRIBUTIONS

3.1 PARTICIPANT REQUIRED CONTRIBUTIONS

3.1.1 Current Service

Each participant who is required to contribute pursuant to paragraph 3.2.1 or paragraph 17.2.1 of the Pension Plan and who is restricted, on and after January 1, 1992, by the limitation set out in subparagraph 3.2.3(a) of the Pension Plan, is required to contribute to this Arrangement, by deduction from salary, the excess of

(a) the member current service contribution calculated pursuant to paragraph 3.2.1 or paragraph 17.2.1 of the Pension Plan

over

(b) the maximum member current service contribution calculated pursuant to subparagraph 3.2.3(a) of the Pension Plan.

3.1.2 Past Service

A participant who is required to contribute pursuant to paragraph 3.2.2 or paragraph 17.2.2 of the Pension Plan in respect of the member's prior pensionable service shall contribute under this Arrangement to the Supplementary Trust Fund such amounts, if any, as shall be determined by the Bank on a basis that is reasonably consistent with the basis used to determine member past service contributions pursuant to paragraph 3.2.2 or paragraph 17.2.2 of the Pension Plan.

3.2 NO WITHDRAWAL OF PARTICIPANT CONTRIBUTIONS

A participant who is an active member of the Pension Plan shall not withdraw any part of the participant's net supplementary contribution account, except in the event of the termination of the Arrangement.

3.3 EMPLOYER CONTRIBUTIONS

The Bank shall make contributions to the Arrangement at least equal to the participant's required contributions made pursuant to subsection 3.1.
4.1 NET SUPPLEMENTARY CONTRIBUTION ACCOUNT

The net supplementary contribution account of a participant at any time is equal to the sum of

(a) all contributions made to the Arrangement by the participant, and

(b) interest on the outstanding positive balance of the participant's net supplementary contribution account from time to time

less the sum of

(c) all payments under the Arrangement that are in respect of the pensionable service of the participant, whether single or periodic amounts, and

(d) interest on the outstanding negative balance of the participant's net supplementary contribution account from time to time.
5.1 RETIREMENT AT, AFTER OR BEFORE PENSIONABLE AGE

A participant who elects to retire pursuant to the provisions of paragraph 5.1.1, 5.2.1 or 5.3.1 of the Pension Plan will be entitled upon such retirement to an immediate supplementary pension benefit under this Arrangement equal to the excess of

(a) the lifetime pension benefit and bridge pension benefit (if any) determined pursuant to subsection 5.1, 5.2, 5.3 or 17.3 of the Pension Plan, as applicable, but in the case of a member who is entitled to become a participant pursuant to paragraph 2.1.1 of this Arrangement, without the limits imposed thereon by Section Nine of the Pension Plan,

over

(b) the actual lifetime pension benefit and bridge pension benefit (if any) payable from the Pension Plan.

Any supplementary pension benefit payable under this Section Five shall be paid at such times and in the same manner as is provided for payment of pension benefits from the Pension Plan.

If any such participant retires under the Early Retirement Program then the reference to subsection 5.3 of the Pension Plan in this subsection 5.1 shall be read as "the Early Retirement Program and subsection 5.3 of the Pension Plan."
SECTION SIX BENEFITS ON TERMINATION OF EMPLOYMENT FOR ANY REASON OTHER THAN RETIREMENT OR DEATH

6.1 DEFERRED SUPPLEMENTARY PENSION BENEFIT

6.1.1 Eligibility

A participant who upon termination of employment with the Bank becomes entitled to a deferred pension benefit pursuant to subsection 6.1 of the Pension Plan will be entitled under the Arrangement to a deferred supplementary pension benefit computed according to paragraph 6.1.2 and payable at pensionable age.

6.1.2 Amount of Supplementary Pension Benefits

The annual deferred supplementary pension benefit to which a participant is entitled pursuant to paragraph 6.1.1 shall equal the excess of

(a) the deferred lifetime pension benefit and deferred bridge pension benefit (if any) determined pursuant to paragraph 6.1.2 of the Pension Plan but without the limits imposed thereon by Section Nine of the Pension Plan,

over

(b) the actual deferred lifetime pension benefit and deferred bridge pension benefit (if any) payable from the Pension Plan.

6.1.3 Early Commencement

An election under paragraph 6.1.3 of the Pension Plan applies to the payment of the participant’s deferred supplementary pension benefit under the Arrangement and the deferred supplementary pension benefit under the Arrangement shall be adjusted for such earlier payment on the same basis as the deferred pension benefit is adjusted under the Pension Plan.

6.2 PAYMENT OF SUPPLEMENTARY PENSION BENEFIT CREDIT OR REFUND

6.2.1 Payment of Supplementary Pension Benefit Credit

Any participant entitled to a deferred supplementary pension benefit pursuant to subsection 6.1 may, in conjunction with a transfer of the pension benefit credit from the Pension Plan pursuant to paragraph 6.2.1, 6.2.2 or 6.2.4 of the Pension Plan or with a withdrawal of the pension benefit credit from the Pension Plan pursuant to subsection 11.3, elect, in lieu of the benefits otherwise payable, to receive the supplementary pension benefit credit from the Arrangement in a lump sum.
6.2.2 Refund

Effective July 1, 2011, any participant entitled to a deferred supplementary pension benefit pursuant to subsection 6.1 may elect, in lieu of the benefits otherwise payable and in conjunction with an election to receive a single payment from the Pension Plan in respect of all or a portion of the participant's pensionable service pursuant to subsection 6.3 of the Pension Plan, to receive a single payment from the Arrangement equal to the participant's supplementary pension benefit credit in respect of the same period of pensionable service and accrued interest up to the beginning of the month in which such payment is made.

6.2.3 Residual Payment

A participant for whom no supplementary pension benefit is payable pursuant to the calculation of a deferred supplementary pension benefit under paragraph 6.1.2 and who

(a) transfers the pension benefit credit under paragraph 6.2.1, 6.2.2 or 6.2.4 of the Pension Plan,

(b) makes an election under paragraph 6.3.1 of the Pension Plan,

(c) receives the pension benefit credit in a lump sum under subsection 10.2 of the Pension Plan, or

(d) makes an election under subsection 11.3 of the Pension Plan

shall receive in a lump sum an amount equal to the aggregate of

(e) the participant's net supplementary contribution account under this Arrangement,

(f) less the amount of any negative balance in the participant's net contribution account under the Pension Plan after the transfer or payment of the participant's benefits thereunder,

(g) plus accrued interest on the resulting amount up to the beginning of the month in which payment is made.

6.3 UNPAID LEAVE

A participant who is deemed to have terminated employment with the Bank pursuant to subsection 6.5 of the Pension Plan shall be deemed to have terminated such employment for the purposes of this Arrangement.
SECTION SEVEN  
DEATH BENEFITS

7.1 PRE-RETIREMENT SURVIVOR BENEFITS

Subject to applicable legislation regarding beneficiary designations, upon the death of a participant prior to the date the participant retires, the spouse and each dependant of the participant who receives an immediate pension benefit or transfer of a pension benefit credit pursuant to subsection 7.1 of the Pension Plan, shall receive under the Arrangement a supplementary pension benefit or supplementary pension benefit credit, as applicable, equal to the excess of

(a) the pension benefit or pension benefit credit, as applicable, calculated pursuant to subsection 7.1 or paragraph 17.4.1 of the Pension Plan but without the limits imposed thereon by Section Nine of the Pension Plan and without reference to the limitation in subclause 7.1.2(a)B of the Pension Plan in respect of the Year's Maximum Pensionable Earnings,

over

(b) the actual pension benefit, or pension benefit credit if applicable, payable from the Pension Plan.

The spouse may elect, in conjunction with the spouse's election to transfer the member's pension benefit credit pursuant to paragraph 7.1.4 of the Pension Plan and in lieu of the spouse's lifetime supplementary pension benefit otherwise payable, to receive the participant's supplementary pension benefit credit from the Arrangement in a lump sum.

7.2 POST-RETIREMENT SURVIVOR BENEFITS

Upon the death of a participant subsequent to the date the participant retires, the spouse and each dependant of the participant who receives a pension benefit pursuant to subsection 7.2 or 7.3 of the Pension Plan, shall receive a supplementary pension benefit under the Arrangement equal to the excess of

(a)  the pension benefit, calculated pursuant to subsection 7.2 or 7.3, as applicable, of the Pension Plan but, in the case of a member who is entitled to become a participant pursuant to paragraph 2.1.1 of this Arrangement, without the limits imposed thereon by Section Nine of the Pension Plan,

over

(b)  the actual pension benefit payable from the Pension Plan.

If any such participant retires under the Early Retirement Program then the reference to subsection 7.2 of the Pension Plan in this subsection 7.2 shall be read as "the Early Retirement Program and subsection 7.2 of the Pension Plan."
7.3 **OPTIONAL POST-RETIREMENT SPOUSE’S BENEFITS**

An election under subsection 7.3 of the *Pension Plan* applies to the payment of the participant's supplementary pension benefit under the *Arrangement*.

7.4 **DEEMED RETIREMENT**

A participant who is deemed to have retired pursuant to subsection 7.4 of the *Pension Plan* shall be deemed to have retired for the purposes of this *Arrangement*.

7.5 **RESIDUAL PAYMENT**

7.5.1 **For Pre-Retirement Survivor Benefits**

For deaths occurring on or after July 1, 2011, if no supplementary pension benefit is payable under subsection 7.1 or if all supplementary pension benefits which have been or could have become payable under subsection 7.1 arising out of the pensionable service of a deceased participant have ceased, a single payment will be paid to the participant's estate equal to the aggregate of the participant's supplementary pension benefit credit at the time of the participant's death, computed as if the participant had terminated employment at the participant's date of death and had not died, in respect of all of the participant's pensionable service under the *Pension Plan* which includes, for greater certainty, pensionable service prior to 2012 and after 2011, plus accrued interest on the resulting amount up to the beginning of the month in which such payment is made and net of the aggregate value of all payments under subsection 7.1. In no event shall this aggregate be less than the participant’s net supplementary contribution account, less the amount of any negative balance in the participant’s net contribution account under the *Pension Plan*.

7.5.2 **For Post-Retirement Survivor Benefits**

(a) If the participant is not a grandfathered member and no supplementary pension benefit is payable or if all supplementary pension benefits which have been or could have become payable have ceased, in each case under subsection 7.2, a single payment will be paid to the participant’s estate equal to

(i) if the participant dies after 60 monthly payments of the supplementary pension benefits have been made, the aggregate of the participant's net supplementary
contribution account, if positive, less the amount of any negative balance in the participant's net contribution account under the Pension Plan, in respect of all of the participant's pensionable service under the Pension Plan which includes, for greater certainty, pensionable service prior to 2012 and after 2011, plus accrued interest on the resulting amount up to the beginning of the month in which such payment is made; or

(ii) if the participant dies before 60 monthly payments of the supplementary pension benefits have been made, the sum of

(A) the aggregate of the participant's net supplementary contribution account, if positive, less the amount of any negative balance in the participant's net contribution account under the Pension Plan, in respect of the participant's pensionable service under the Pension Plan prior to 2012 (other than pensionable service bought back by the participant after 2011 under paragraph 3.2.2 of the Pension Plan, irrespective of whether the pensionable service is before or after January 1, 2012), plus accrued interest on the resulting amount up to the beginning of the month in which such payment is made; and

(B) the greater of

(1) the aggregate of the participant's net supplementary contribution account, if positive, less the amount of any negative balance in the participant's net contribution account under the Pension Plan, in respect of the participant's pensionable service under the Pension Plan after 2011 (and in respect of pensionable service bought back by the participant after 2011 under paragraph 3.2.2 of the Pension Plan, irrespective of whether the pensionable service is before or after January 1, 2012), plus accrued interest on the resulting amount up to the
beginning of the month in which each
payment is made; and

(2) the present value of the remainder of the 60
monthly payments of the supplementary
pension benefits, in respect of the
participant's pensionable service under the
Pension Plan after 2011 (and in respect of
pensionable service bought back by the
participant after 2011 under paragraph 3.2.2 of the Pension Plan, irrespective of
whether the pensionable service is before
or after January 1, 2012), which are not yet
paid.

(b) If the participant is a grandfathered member, if no supplementary
pension benefit is payable under subsection 7.2 or if all
supplementary pension benefits which have been or could have
become payable under subsection 7.2 arising out of the
pensionable service of a deceased participant have ceased, a
single payment will be paid to the participant's estate equal to the
aggregate of the participant's net supplementary contribution
account, if positive, less the amount of any negative balance in
the participant's net contribution account under the Pension
Plan, in respect of all of the participant's pensionable service
under the Pension Plan which includes, for greater certainty,
pensionable service prior to 2012 and after 2011, plus accrued
interest on the resulting amount up to the beginning of the month
in which such payment is made. For greater certainty, if the
participant is a grandfathered member by virtue only of his or her
becoming Governor or Senior Deputy Governor of the Bank after
2011, this clause 7.5.2(b) applies only to the participant's
pensionable service under the Pension Plan as Governor or
Senior Deputy Governor of the Bank.
8. The supplementary pension benefit payable as a result of the retirement, termination of employment or death of a participant, all as provided pursuant to Sections Five, Six or Seven of the Arrangement shall be adjusted on the same basis and at the same times as the pension benefits payable under Sections Five, Six or Seven and/or Seventeen of the Pension Plan are adjusted under Section Eight of the Pension Plan.
9.1 SUPPLEMENTARY PENSION BENEFITS IN MONTHLY INSTALMENTS

The provisions of subsection 10.1 of the Pension Plan apply to the payment of supplementary pension benefits under this Arrangement.

9.2 COMMUTATION OF SMALL PENSIONS

If the annual supplementary lifetime pension benefit of a participant or a deceased participant, as applicable, is less than two percent of the Year's Maximum Pensionable Earnings for the calendar year in which the participant ceases to be an active member and

(a) The participant transfers or withdraws the pension benefit or the pension benefit credit under paragraph 6.2.1, 6.2.2, 6.2.4 or subsection 11.3 of the Pension Plan, or

(b) the participant makes an election under paragraph 6.3.1 of the Pension Plan, or

(c) the spouse of a deceased participant elects to transfer the pension benefit credit under paragraph 7.1.4 of the Pension Plan, or

(d) the participant or the spouse or dependants of a deceased participant, as applicable, receive the pension benefit credit in a lump sum under subsection 10.2 of the Pension Plan,

such participant, spouse or dependants, as applicable, shall receive, in lieu of any other benefits under the Arrangement, the participant's supplementary pension benefit credit from the Arrangement in a lump sum as a result of an event described in (a), (c) or (d) above, subject to applicable legislation regarding beneficiary designations.
10.1 ASSIGNMENT OF RIGHTS

The provisions of subsection 11.1 of the Pension Plan apply to this Arrangement.

10.2 MARRIAGE BREAKDOWN

Notwithstanding any other provision of this Arrangement, where all or a portion of a participant’s entitlement under the Pension Plan has been assigned to his or her spouse or former spouse in accordance with paragraph 11.2.2 of the Pension Plan, the participant’s entitlement under the Arrangement shall be determined as if no such assignment had occurred in the Pension Plan. For greater clarity, benefits accrued under the Arrangement are not subject to assignment on marriage breakdown regardless of the treatment of benefits accrued under the Pension Plan.
SECTION ELEVEN  SOURCE OF PAYMENT OF SUPPLEMENTARY PENSION BENEFITS

11.1 SUPPLEMENTARY TRUST FUND

11.1.1 Trust Agreement

The Bank shall enter into an agreement with the Trustees which shall set out the rights and responsibilities of the Trustees and the terms and conditions under which the Trustees are to hold and administer the Supplementary Trust Fund.

The Bank will determine the form and terms of the agreement and may modify its terms at such time or times as may be necessary to accomplish the purposes of the RCA, and will be responsible for the selection of the Trustees and may appoint successor or further Trustees, including a trust company, as in its sole discretion, may be necessary or desirable for the purposes of the RCA.

11.1.2 Income Tax Matters

That part of this Arrangement comprising the Supplementary Trust Fund is intended to constitute a retirement compensation arrangement for the purpose of the Income Tax Act, and the Trustees shall act as the "custodian" of the RCA within the meaning of that term in the Income Tax Act.

The right to a refund of amounts in the refundable tax account maintained by Revenue Canada Taxation in respect of the Supplementary Trust Fund shall constitute an asset of the Supplementary Trust Fund.

11.1.3 Compliance

In connection with the Supplementary Trust Fund, the Trustees shall timely perform the withholding, remitting and reporting obligations in respect of retirement compensation arrangements imposed on custodians under the Income Tax Act.

11.1.4 Payments into and out of Supplementary Trust Fund

Participant current service contributions pursuant to paragraph 3.1.1, participant past service contributions pursuant to paragraph 3.1.2 which are tax deductible pursuant to the Income Tax Act and Bank contributions pursuant to subsection 3.3, all net of the refundable tax, shall be paid by the Bank into the Supplementary Trust Fund in accordance with procedures established by the Bank.

The Trustees shall have no responsibility for the collection of contributions required to be made into the Supplementary Trust Fund.

The Bank shall direct the Trustees to pay from the Supplementary Trust Fund to the Bank as their disbursing agent such amounts as are required to pay

(a) the benefits payable under the Arrangement in respect of any participant not exceeding the aggregate of
(i) the positive balance of the participant's net RCA account determined pursuant to paragraph 11.1.5 and

(ii) the amount, if any, by which the assets of the Supplementary Trust Fund exceed the aggregate of the positive balances of the net RCA accounts of all of the participants,

(b) all reasonable expenses incurred in the operation of the Supplementary Trust Fund (unless payment of such expenses is assumed by the Bank), and

(c) taxes payable under the Arrangement.

11.1.5 Net RCA Account

The net RCA account of a participant at any time is equal to the sum of

(a) all contributions made to the Arrangement by the participant, except any contribution made directly to the Bank pursuant to paragraph 3.1.2,

(b) all minimum contributions pursuant to subsection 3.3 made to the Arrangement by the Bank in respect of the participant, and

(c) interest on the outstanding positive balance of the participant's net RCA account from time to time

less the sum of

(d) all payments that are made from the Supplementary Trust Fund under the Arrangement that are in respect of the pensionable service of the participant, whether single or periodic amounts, and

(e) interest on the outstanding negative balance of the participant's net RCA account from time to time.

11.1.6 Residual Payment to the Bank

In the event a positive balance remains in a participant's net RCA account following

(a) payment of all supplementary pension benefits, if any, which have been or could have become payable under the Arrangement in respect of the participant, and

(b) payment of the residual amount, if any, in respect of the participant as provided in paragraph 6.2.3 or subsection 7.5, as applicable,

such balance will be paid from the Supplementary Trust Fund to the Bank at the Bank's direction.
11.2 BENEFIT PAYMENTS BY THE BANK

The Bank shall pay any benefits which become payable under the Arrangement and which are not paid from the Supplementary Trust Fund.
12.1 **RIGHT TO AMEND OR TERMINATE**

While the Bank intends to continue the Arrangement indefinitely, it necessarily must and does reserve the right to amend or terminate the Arrangement, in whole or in part, should future conditions, in the opinion of the Bank, warrant such action.

The termination of the Arrangement, either in whole or in part, constitutes an amendment to the Arrangement.

12.2 **NO REDUCTION IN BENEFITS**

No amendment or termination of the Arrangement, either in whole or in part, shall have the effect of reducing

(a) *supplementary pension benefits* accrued prior to the date of such amendment, or

(b) *supplementary pension benefit credits* relating to *supplementary pension benefits* accrued prior to the date of amendment

except, where reductions in *pension benefits* or *pension benefit credits* are made to the Pension Plan, comparable reductions shall be made to this Arrangement.

12.3 **RESIDUAL PAYMENTS ON TERMINATION**

If the Arrangement is terminated, any balance remaining in the Supplementary Trust Fund following payment of all *supplementary pension benefits*, if any, which have been or could have become payable under the Arrangement in respect of each participant including the payment of the residual amount, if any, in respect of a participant, as provided in paragraph 6.2.3 or subsection 7.5, as applicable, will be paid to the Bank at the Bank's direction.
13.1 ADMINISTRATION

13.1.1 Duties and Responsibilities of the Bank

The Bank shall

(a) conclusively decide all matters relating to the interpretation and application of the Arrangement's provisions,

(b) provide for the keeping of records necessary for the administration of the Arrangement, and

(c) perform any other act required of it according to the Arrangement or as prescribed.

13.1.2 Compliance

The Bank shall, upon establishing the Supplementary Trust Fund, apply for an "RCA Account Number" with Revenue Canada Taxation for purposes of remitting the refundable tax withheld from contributions to the Supplementary Trust Fund. In connection with the Supplementary Trust Fund, the Bank shall timely perform the withholding, remitting and reporting obligations in respect of retirement compensation arrangements imposed on employers under the Income Tax Act.

13.2 INFORMATION TO PARTICIPANTS

The Bank will provide to participants and their spouses such written information with respect to the provisions of the Arrangement, written statements of benefit entitlements under the Arrangement and access to the documents that comprise the Arrangement as are provided to such persons with respect to the Pension Plan.

13.3 PROVISION FOR REGULATIONS

The Board may make such regulations as it deems necessary to give effect to the provisions of the Arrangement, and such regulations shall be deemed to constitute part of the Arrangement.

13.4 INCAPACITY TO RECEIVE A BENEFIT

If, for any reason, an individual entitled to the payment of a benefit under the Arrangement is unable to give a valid receipt, payment of the benefit shall be made to the person having legal care or custody of the individual. Payment of the benefit pursuant to this subsection shall constitute a complete discharge of the payment under the Arrangement.
13.5 DETERMINATION OF AMOUNTS

Except as specifically provided for under the Arrangement, amounts determined in connection with the administration of the Arrangement shall be determined on a basis consistent with the determination of amounts under the Pension Plan.

Actuarial factors used to calculate supplementary pension benefit credits and other entitlements under the Arrangement shall be determined as if such supplementary pension benefits and other entitlements are provided under the Pension Plan.

13.6 ALTERNATIVE CALCULATION OF BENEFITS

Notwithstanding any other provision of this Arrangement, for the purposes of calculating the supplementary pension benefit payable as a result of the retirement, termination of employment or death of a participant as provided pursuant to Section Five, Six or Seven of the Arrangement, the percentage set out in paragraph 5.1.2. of the Pension Plan shall be read as such higher amount as the Board may determine.

13.7 AGREEMENTS WITH OTHER EMPLOYERS

The Bank at the direction of the Board may enter into a reciprocal transfer agreement with any reciprocal authority responsible for the administration of a supplementary pension arrangement for the purpose of preserving some or all of the supplementary pension benefits to which an individual who transfers from or to employment with the Bank is entitled. Such reciprocal transfer agreement shall constitute a part of the Arrangement.

Notwithstanding any other provision of this Arrangement, where an individual who transfers to employment with the Bank from the Government of Canada wishes to preserve some or all of a benefit acquired under the Government of Canada pension plan, and either a reciprocal transfer agreement is not in full force or the Board deems a transfer of the individual's benefits under such agreement to be financially disadvantageous to the Bank, then, at the Board's sole discretion, the individual may enter into arrangements with the Bank whereby his or her benefit is left in the Government of Canada pension plan and, for purposes of calculating the supplementary pension benefit payable as a result of the retirement, termination of employment or death of a participant as provided pursuant to Sections Five, Six or Seven of the Arrangement, an additional supplementary pension benefit shall be payable, determined as the amount, if any, by which the total pension which the individual would have received from the Pension Plan and Arrangement had a pension transfer been effected exceeds the combined pension payable under the Government of Canada pension plan, the Pension Plan and the Arrangement. For greater certainty, the calculation of an additional supplementary pension benefit referred to above shall not result in total benefits for an individual that are in excess of those which would be payable if a transfer of benefits was made under a reciprocal transfer agreement.
13.8 SERVICE WITH PREVIOUS EMPLOYER NOT OTHERWISE ELIGIBLE UNDER PENSION PLAN AND ARRANGEMENT

Notwithstanding any other provision of this Arrangement, the Board may, at its sole discretion, allow the crediting of pensionable service in respect of a participant who:

(a) is the Governor or a Deputy Governor of the Bank at the time when the Board exercises its discretion to allow the crediting of such participant's pensionable service;

(b) transfers to employment with the Bank from a previous employer;

(c) has to his or her credit a period of employment with the previous employer; and

(d) is not eligible to count the previous period of employment as pensionable service under paragraph 1.2.1 of the Pension Plan.

The Board shall determine the amount of pensionable service to be so credited.

In such situation, notwithstanding any other provision of this Arrangement, the following payments shall be payable to that participant under this Arrangement:

(e) upon the termination of employment after a minimum of five years of continuous employment, retirement or death of that participant, in addition to the supplementary pension benefit as provided pursuant to Section Five, Six or Seven of this Arrangement, a further supplementary pension benefit shall be payable, determined as the amount, if any, by which (i) the total pension which the participant would have received from the Pension Plan and this Arrangement had a transfer of such credited pensionable service been allowed under subparagraph 1.2.1(d) of the Pension Plan exceeds (ii) the total pension which the participant would have received from the Pension Plan and this Arrangement had a transfer of such credited pensionable service not been allowed under subparagraph 1.2.1(d) of the Pension Plan;

(f) upon the termination of employment of that participant prior to having completed five years of continuous employment, other than by reason of retirement or death, a single payment shall be made from this Arrangement equal to the aggregate of the participant's contributions in respect of the pensionable service credited under this subsection and accrued interest up to the beginning of the month in which such payment is made; except that this requirement of having completed five years of continuous employment may be waived by the Bank at its sole discretion, in which case the further supplementary pension benefit, calculated in accordance with (e) above, shall be payable.

For greater certainty, the provisions in this Arrangement relating to the calculation, payment, adjustment, portability rights and survivor's entitlement in respect of the supplementary pension benefit shall apply to the further supplementary pension benefit payable under this subsection, mutatis mutandis.
The *participant* shall be required, in respect of *pensionable service* credited under this subsection, to make contributions to the *Supplementary Trust Fund* in an amount equal to the aggregate of the contributions the *participant* would have been required to make

(i) pursuant to subclause 3.2.2(d)(ii)B of the *Pension Plan*; and

(ii) pursuant to paragraph 3.1.2 of this *Arrangement*,

in each case as if all such credited *pensionable service* had been eligible under subclause 3.2.2(d)(ii)B of the *Pension Plan*.

Such contributions shall be deemed to constitute contributions pursuant to paragraph 3.1.2 of this *Arrangement*.

If the aggregate of the contributions made by that *participant* under this subsection and the contributions made by the *Bank* in respect thereof is less than the contributions required to fund the further *supplementary pension benefit* payable to such *participant* under this subsection, the *Bank* shall make contributions to this *Arrangement* in such amount as required to make up such difference.

13.9 **NO DUPLICATION**

Nothing in this *Arrangement* shall be construed to provide for *supplementary pension benefits* or *supplementary pension benefit credits*, in duplicate, in respect of a *participant* for the same period of *pensionable service* or *credited service* under the *Pension Plan*. 
14.1 DEFINITIONS

In this Section 14:

"EBP" means an enhanced benefits program established by the Bank which provides for additional pension benefits for eligible participants;

"EBP pension benefit" means the increase in a participant's supplementary pension benefit described in subsection 14.3;

"EBP Salary" for a participant in a particular year means the target salary for the participant's job grade, as defined in the Bank's applicable salary scales, which may be amended from time to time, in effect on a date in that year determined in accordance with the EBP; and

"Net EBP contribution account" means the sum of:

(a) all contributions made to the Arrangement in respect of a participant pursuant to subsection 14.2, and

(b) interest on the outstanding positive balance of the participant's net EBP contribution account from time to time;

less the sum of:

(c) all payments of EBP pension benefit under the Arrangement that are in respect of the participant, whether single or periodic amounts, and

(d) interest on the outstanding negative balance of the participant's net EBP contribution account from time to time.

14.2 EBP CONTRIBUTION

In addition to the contributions made by the Bank under subsection 3.3, the Bank shall make contributions to the Arrangement in respect of a participant equal to the amount, if any, designated by the participant in accordance with the EBP.

14.3 AMOUNT OF EBP PENSION BENEFIT

For each year for which the Bank makes a contribution in respect of a participant under subsection 14.2, the participant's supplementary pension benefit if any, before adjustments under this Arrangement, will be increased by an amount equal to .08 per cent of the participant's highest average salary for each 1 per cent of the participant's EBP salary contributed by the Bank for that year, prorated for partial percentages.
14.4 NET SUPPLEMENTARY CONTRIBUTION ACCOUNT

Notwithstanding the provisions of subsection 4.1, the net supplementary contribution account of a participant at any time is equal to the participant's net EBP contribution account plus the positive balance, if any, in the participant's net supplementary contribution account determined under subsection 4.1.

14.5 EXCEPTIONS

Notwithstanding the provisions of subsection 14.4:

(a) for the purposes of determining the single payment under paragraph 6.2.3 and subsection 7.5, the negative balance in the participant's net contribution account under the Pension Plan will be subtracted only from that portion of the net supplementary contribution account determined under subsection 4.1; and

(b) that part of the supplementary pension benefit or supplementary pension benefit credit payable under subsection 7.1 that is attributable to the increase in the supplementary pension benefit under subsection 14.3 shall be calculated without reference to subclause 7.1.2 (a)B of the Pension Plan.
15.1 INTRODUCTION

The Bank of Canada has outsourced to EDS Canada Inc. (EDS) the Retail Debt Operations (RDO) while retaining overall responsibility for the retail debt function. Each affected member will cease to accrue credited service under the Pension Plan from the affected member's designated transfer date onward, but will still retain pension benefit rights under the Pension Plan and supplementary pension benefit rights under this Arrangement, if any, for credited service prior to this date.

For greater certainty, an affected member will remain an active member of the Pension Plan until the affected member ceases employment with EDS, and service with EDS will be included for purposes of determining entitlement to pension benefits under the Pension Plan and supplementary pension benefits under this Arrangement, if any.

Supplementary pension benefits, supplementary pension benefit credits, or any other benefits that an affected participant may be entitled to will be payable at the same time and in the same manner as the affected participant's pension benefits, pension benefit credits or any other benefits are payable under the Pension Plan, except as entitlement to such benefits may be modified or clarified in Section 15 of this Arrangement. However, any future amendment to provisions of Sections 1 to 14 of this Arrangement after the affected participant's designated transfer date, including an Early Retirement Program approved by the Board of Directors of the Bank of Canada after the designated transfer date, shall not apply to the affected participant unless explicitly otherwise indicated in such amendment.

15.2 APPLICATION AND ADDITIONAL DEFINITION

This Section 15 applies only to affected participants. Except as amended by this Section 15, all other provisions in Sections 1 to 14 of this Arrangement apply to the affected participants, mutatis mutandis. In the event of any inconsistency between any of the provisions in Sections 1 to 14 of this Arrangement and the provisions in this Section 15, the provisions in this Section 15 shall prevail.

For the purpose of this Section 15, the term "affected participant" means an affected member who has become a participant of this Arrangement pursuant to Section 2.

15.3 MODIFICATIONS AND CLARIFICATIONS OF EXISTING PROVISIONS

With respect to affected participants, the following provisions of this Arrangement shall be modified or clarified as follows:
15.3.1 General Modifications

The term "termination of employment" or "termination of employment with the Bank", or words of similar effect, shall be replaced by "termination of employment with the successor employer". The above modification does not apply to subsection 6.3.

15.3.2 Participant Required Contributions

(a) Current Service

An affected participant is not required nor permitted to contribute to this Arrangement on and after the affected participant's designated transfer date.

(b) Past Service

An affected participant who is required to contribute pursuant to paragraph 3.2.2 of the Pension Plan in respect of such affected participant's election prior to the designated transfer date shall continue to make contributions (if any) under paragraph 3.1.2 of this Arrangement in the manner previously determined, prior to the designated transfer date, by the Bank.

15.3.3 EBP Contribution

The Bank shall not be required nor permitted to make further contributions in respect of an affected participant under subsection 14.2 after the affected participant's designated transfer date.

15.4 AMENDMENTS APPLICABLE TO THE AFFECTED PARTICIPANT

The amendments to the provisions of paragraph 6.2.1, subparagraph 6.2.3 (a) and paragraph 9.2 (a) shall apply to the affected participant who, as of July 1, 2002, has not retired, terminated employment with the successor employer, or died.