

Two large, light blue decorative circles are positioned on the left side of the page. One is a solid circle in the upper left, and the other is a ring (annulus) in the lower right.

Stelco Inc. Retirement Plan for USW Local 1005 Members at Hamilton Works

Communication Package for Annuity Buy-In Contracts

June 21, 2022

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1. Communication Message for Plan Participants

On May 31st, 2022, LifeWorks (Canada) Ltd. (“LifeWorks”), in its capacity as Plan Administrator, purchased buy-in annuity contracts for the Stelco Inc. Retirement Plan for USW Local 1005 Members at Hamilton Works (“Plan to secure 100% of the pension benefits of all Plan participants (i.e., retirees, beneficiaries, deferred vested members and active/transferred members). The buy-in annuity contracts also protect the benefits of beneficiaries and surviving spouses in the event of the death of the original pensioner where a death benefit is payable based on the form of benefit elected at retirement.

The buy-in annuity contracts¹ were purchased with two reputable, highly rated, Canadian insurance companies:

- Brookfield Annuity Company
- Sun Life Assurance Company of Canada.

The buy-in annuity contracts are purely a de-risking investment and the Plan is therefore not being wound up at this time. The decision to wind up the Plan rests with the Financial Services Regulatory Authority of Ontario (“FSRA”). LifeWorks will advise all Plan participants when the Plan is being wound up.

The administration of the Plan and its payroll will not change until such time as the Plan is wound-up. As such, for the time being, LifeWorks remains the single point of contact and will continue to assume responsibility for all payments, communication, and any other day-to-day functions related to the administration of the Plan.

What this change means for participants:

- There will be **no change** to the amount of pension that participants receive or are entitled to receive - LifeWorks will continue to administer the Plan and pension payments;
- Plan participants **do not need to do anything** – LifeWorks is taking care of this transition;
- The **transition will be seamless** – there will be **no break or interruption** in participants’ monthly pension, if they are currently receiving one; and
- The **Plan is not wound up** because of the purchase of buy-in annuity contracts– when FSRA decides to wind up the Plan, LifeWorks will be in contact with Plan participants.

A list of common questions and answers (Q&A) related to the annuity buy-in has been provided below by LifeWorks. For questions that are not covered in the Q&A, and in particular member specific questions, you can contact the Stelco Pension Service Centre at LifeWorks as follows:

Telephone:	1-844-650-2820
In writing:	LifeWorks (Canada) Ltd. 895 Don Mills Road Tower One, Suite 100 Toronto, ON M3C 1W3 Attn: Stelco Pension Service Centre

¹ A buy-in annuity contract is an investment vehicle. Specifically, it’s when an insurance company agrees to cover the pension benefits for a group of participants for the rest of their life in exchange for a premium paid from the Plan’s assets.

2. Q&A

1. Is there anything I need to do as a result of the purchase of the buy-in annuity contracts?

No. No action is required on your part at this time.

2. Why did LifeWorks purchase buy-in annuity contracts?

Purchasing buy-in annuity contracts helps ensure participants continue to receive their promised pension benefits from two of the most highly rated, reputable insurance companies in Canada. These contracts allow LifeWorks to remove future investment and longevity risks that could negatively impact the pension benefits of all Plan participants.

3. I am currently receiving a monthly pension. Will my monthly pension change?

No. You will continue to receive your monthly pension in the same amount and form that you are currently receiving. LifeWorks will continue to administer your pension payments.

4. What is a buy-in annuity contract?

A buy-in annuity contract is an investment vehicle. Specifically, it's when an insurance company agrees to cover the pension benefits for a group of participants for the rest of their life in exchange for a premium paid from the Plan's assets. The insurance company pays the Plan the monthly benefit payments, and the Plan pays the pension benefits of Plan participants.

5. What is covered under the annuity buy-in contract?

The annuity buy-in contract covers 100% of participants' pension benefits. Plan participants include retirees, beneficiaries, deferred vested members, and active and transferred members. Note that the buy-in annuity contracts also protect the pension benefits of beneficiaries and surviving spouses in the event of the death of the original pensioner where a death benefit is payable based on the form of pension benefit elected at retirement.

6. Who will pay my pension going forward?

LifeWorks will continue to administer the Plan and your pension payments. If you have any questions about your pension, you should continue to contact the Stelco Pension Service Centre as follows:.

Telephone:	1-844-650-2820
In writing:	LifeWorks (Canada) Ltd. 895 Don Mills Road Tower One, Suite 100 Toronto, ON M3C 1W3 Attn: Stelco Pension Service Centre

7. Does this mean the Plan is being wound-up?

No. The purchase of annuity buy-in contracts is an investment decision and therefore the Plan is not being wound up at this time. You will be notified when the Plan is wound up.

8. Who has authority to wind up the Plan?

Only the Financial Services Regulatory Authority of Ontario ("FSRA") can order the wind up of the Plan.

9. Will I receive multiple payments each month as a retiree or beneficiary because of the annuity buy-in contracts?

No. You will continue to receive a single pension payment from LifeWorks.

10. I haven't retired yet; does this impact the pension I will receive once I retire?

No. Future pensions payable by the Plan are covered in their entirety by the buy-in annuity contracts.

11. Does this buy-in annuity contract also affect participants under the other Stelco pension plans?

No. This is only applicable to participants of the Stelco Inc. Retirement Plan for USW Local 1005 Members at Hamilton Works.

12. Who are the insurance companies for the annuity buy-in contract?

The annuity buy-in contracts have been purchased through two highly rated, reputable insurance companies in Canada:

- Brookfield Annuity Company
- Sun Life Assurance Company of Canada.

13. How did LifeWorks choose the insurance companies ?

For the previous two years, LifeWorks closely worked with numerous Canadian insurance companies to develop the strategy that would best achieve several objectives:

- Obtain competitive pricing,
- Maximize benefit protection,
- Ensure fairness of treatment to all participants, and
- Eliminate risk of future shortfall in the Plan.

LifeWorks launched a tender process and conducted a thorough and comprehensive analysis based on various factors, including competitive pricing, maximization of benefit protection and fairness of treatment to all participants. This led to the selection of Brookfield Assurance Company and Sun Life Assurance Company of Canada.

14. How is my pension protected?

In Canada, all life insurance products (including buy-in annuity contracts) are protected by Assuris – a not-for-profit organization that protects Canadian policyholders. In the remote possibility that the insurance companies are unable to pay the benefits insured, Assuris would protect the benefits.

The annuity contracts have been contracted with two insurance companies to maximize the protection provided by Assuris. You can learn more about this protection at <http://www.assuris.ca/>.

15. What happens to my pension benefits when the Plan is wound up?

The pensions would be paid by the insurance companies.

About LifeWorks

LifeWorks is a world leader in providing digital and in-person solutions that support the total wellbeing of individuals. We deliver a personalized continuum of care that helps our clients improve the lives of their people and by doing so, improve their business.

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