IT'S YOUR FUTURE

Your guide to Export Development Canada's Defined Contribution Pension Plan

Final interpretation is governed by the official plan documents and applicable legislation. Please refer to the *Important note.*

Version française est disponible.

WELCOME

Welcome to *It's your future*, your guide to Export Development Canada's Defined Contribution Pension Plan (DC Plan).

This guide helps maximize your understanding of the plan's features and advantages, as well as your opportunities and responsibilities.

It has information you'll need to start planning your financial future, including:

- information about retirement savings and investing;
- an overview of how the DC Plan works; and
- contacts and sources for more detailed information.

Read this guide carefully. Learn about the plan and understand what it offers. Invest the time now – it'll help put you on the right track to realizing your retirement savings goals.

REMEMBER THAT HELP IS ALWAYS AT HAND

Information about compensation and benefits is available on *EDC's website* and also, for employees, the intranet site *livewire.*

Canada Life – the administrator for the DC Plan – hosts the EDC pension and retirement savings website, *My Canada Life at Work*, and operates a call centre that will answer questions about investment funds and your account balance.

EDC's Employee Care Centre is your point of contact for any questions you may have about contributing to the plan and payroll deductions.

Service Canada and the Quebec Pension Board can provide information on government benefits, as well as useful tips on retirement planning.

Go to *Contact* for the information you'll need.

Please note: Each defined word in this guide is hyperlinked to its respective definition in the *Glossary*.

IMPORTANT NOTE

Throughout this guide, for the sake of brevity and readability, we have used *Defined Contribution Pension Plan* and *DC Plan* to refer to the Defined Contribution Component of the Pension Plan for Employees of Export Development Canada.

This guide summarizes, and is helpful for your understanding of, the main terms of the DC Plan. The official text of the Pension Plan for Employees of Export Development Canada governs your actual benefits from the plan and is the final authority in any dispute. Any eligible member, beneficiary, or other authorized person may see and copy the full plan text, annual financial information, and other relevant documents by contacting the Employee Care Centre.

EDC reserves the right to change or terminate the DC Plan at any time. No change to the DC Plan would reduce any benefits you have already earned.

SAVING FOR RETIREMENT

Why save?

Whether you're a new graduate, have just made a career change, or you're approaching retirement, saving should always be a priority.

Why? Two reasons:

1. Time grows money. Saving now rather than later could increase the amount of money you'll have at retirement.
2. Your retirement lifestyle depends on the financial decisions you make today, on the money you save today.

The average Canadian spends 20 to 30 years in retirement. A long retirement means you'll have to save money now to enjoy your retirement years. EDC's DC Plan is a great way to grow your retirement nest egg.

Why is it good to be a member of this plan?

CONVENIENCE

Your contributions take the form of payroll deductions. Saving is easy because you "pay" yourself first before you spend your money elsewhere. Contributions go into your personal DC account.

FLEXIBILITY

When you are hired, EDC will automatically enrol you at a contribution rate of 6% of your pensionable earnings. However, you have the flexibility to change your contributions to 4% or 5% of your pensionable earnings so you can customize your retirement savings strategy to fit your personal situation and retirement plans.

VALUE

Until termination or retirement, EDC matches and surpasses your contributions to your DC account based on the number of "points" you have reached. Your number of points is determined by adding your age and your years of eligible service with EDC. To your DC account, EDC contributes:

- 1.25 times your contributions if you have fewer than 45 points;
- 1.5 times your contributions if you have 45 or more but fewer than 65 points; and
- 2 times your contributions if you have 65 or more points.

TAX EFFECTIVENESS

Your contributions to the plan are fully deductible from your taxable income. You benefit right away, since contributions to the plan are deducted from your pay before income tax.

Continued on next page⟶

HELP WITH INVESTMENTS

Information on investment options, as well as tools to determine your risk profile and tools for retirement planning, are available to help you with your investment decisions.

When you are hired, EDC will automatically enrol you in the default target date fund based on your normal retirement age. The target date fund is a diversified investment that balances between growing your investment and protecting against risk to help you advance toward your retirement goals. However, at any time you can change this selection. You can change the target retirement age, or build your own portfolio from among the variety of individual funds offered.

Regularly reviewing your portfolio, educating yourself about investments, using the retirement planning tool, and investing to reach your retirement target are keys to increasing the value of your DC account and to ensuring you will have what you need to live the retirement lifestyle you want.

LOW FEES

The DC Plan's investment management fees are lower than those available to most retail investors. Lower fees mean more money stays in your DC account for you to invest.

COMPETITIVENESS

EDC's DC Plan is among the most attractive and competitive employer-sponsored plans in Canada. It is positioned well above the 90th percentile when compared to all other defined contribution pension plans, and around the 70th percentile when compared to EDC's comparators, which includes both defined contribution and defined benefit pension plans.

PLANNING YOUR RETIREMENT

All of us are somewhere along the path to retirement. Your retirement destination may be very far away, or it may be just around the corner. Wherever you are on the path, you need a solid plan in place if you want to have a secure retirement.

Under the DC Plan rules, the normal retirement age is 60 for members who joined prior to January 1, 2015 and age 65 for members joining on or after January 1, 2015. You can choose to retire ten years prior to your normal age of retirement. Will you be prepared for retirement by that time? You may want to travel, go on a great vacation, or move to a warmer place. Will you be ready?

Whatever you want to do, you will have to have enough money in your retirement savings to make it happen. You'll need to know your sources of retirement income.

Your EDC DC Plan is a key part of your retirement income. However, it is not your only source of retirement income. Two other sources – government benefits and personal savings – are necessary to provide a secure retirement.

Government benefit

CANADA/QUEBEC PENSION PLAN

You and EDC contribute to the Canada/Quebec Pension Plan (C/QPP). The retirement benefit you receive is based on several factors: your years in the workforce, the C/QPP contributions made while you were working, and your earnings during those years.

C/QPP benefits can start as early as age 60, or as late as age 70. Your pension will be adjusted to reflect the earlier or later starting date. Each year, adjustments are made to the C/QPP pension to reflect the cost of living.

If you die, your survivors can apply for C/QPP survivor benefits. Your spouse and dependent children may be eligible for a monthly benefit after your death.

Up-to-date CPP benefit amounts are available on the Government of Canada CPP website at www.canada.ca/cpp . You will also be able to view your CPP benefits statement online.

For information on the QPP, see the Quebec Pension Board's website at *www.rrq.gouv.qc.ca/en.*

OLD AGE SECURITY

If your income in retirement is below a certain amount, you may be eligible to receive a monthly payment from Old Age Security (OAS). The Government of Canada website at www.canada.ca/oas has up-to-date information on OAS benefits.

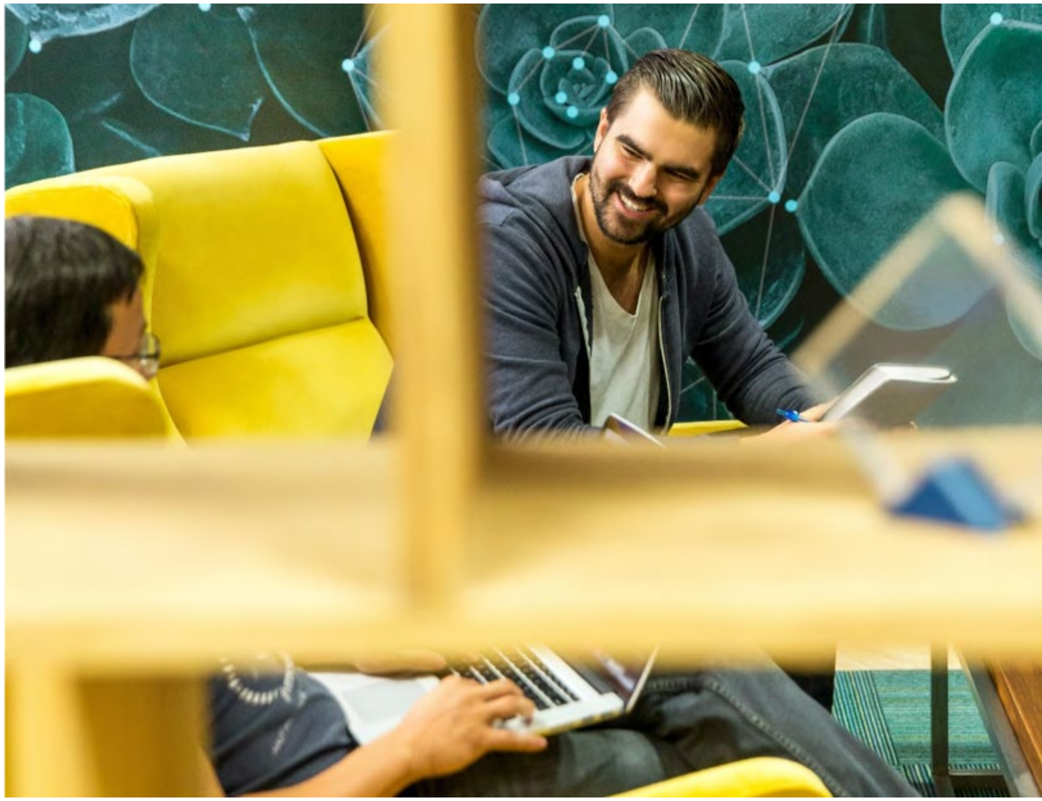
Continued on next page⟶

Personal savings

Your own savings will play an important part in ensuring an adequate retirement income. For most Canadians, personal savings for retirement use means contributing to registered retirement savings plans (RRSPs). You can put money into a personal or spousal RRSP and save on income tax, up to certain limits.

The Income Tax Act (Canada) states how much you can contribute to your RRSP. The Canada Revenue Agency indicates your RRSP contribution room on the Notice of Assessment you receive when you file your income tax return. You can carry forward unused contribution room to later years.

As an EDC employee, you may choose to participate in the Group Retirement Savings Plan (GRSP) and/or the Tax-Free Savings Account for personal savings and take advantage of the low investment management fees. For the GRSP, payroll deduction is available. For more information on these programs, go to the EDC pension and retirement savings website, *My Canada Life at Work*, which is hosted by Canada Life, the DC Plan administrator.



GETTING STARTED

Eligibility

If you are a full-time permanent employee, or part-time permanent employee and work 15 or more hours a week, you become a plan member on the date you start at EDC.

If you are part-time permanent and work fewer than 15 hours a week, you become a plan member after completing two years of eligible service, during which you must earn at least 35% of the year's maximum pensionable earnings (YMPE). The actual date your plan membership begins is the first of the month following your second anniversary or on your second anniversary if you were hired on the first of the month.

Auto enrolment in the plan

When you are hired, EDC will automatically enrol you in the plan and open a personal DC account under your name with Canada Life, the DC Plan administrator.

You will be automatically enrolled to contribute 6% of your pensionable earnings with contributions allocated to the default target date fund based on your normal retirement age

After enrolment, you can go to *HR Hub* (My HR) to change your contributions percentage to 5% or 4% of your pensionable earnings. You can go online to *My Canada Life at Work* to make changes to your investment choices.

Choosing a beneficiary

If you die and you have an eligible spouse when your pension benefits are determined, your spouse will have priority rights over any other named beneficiary.

However, if there is no surviving spouse, you may want to name a beneficiary who will receive benefits from the plan upon your death.

You may name a beneficiary on your My Canada Life at Work account. You may choose more than one person, but you must indicate the percentage of the benefit that you want each person to receive.

Annual and quarterly statements

You will receive a DC account statement each year showing your cumulative DC contributions, account assets, and investment activity.

You also have access to quarterly statements online on the *My Canada Life at* Work website.

These quarterly and annual statements are important for helping you with your financial planning. You should review your statements carefully, report any inaccuracies to Canada Life, and then file the statements with your other important papers.

CONTRIBUTING TO THE PLAN

EDC's DC Plan allows you to control how much you contribute, as well as the investment of your contributions and EDC's contributions.

Your contributions and EDC's contributions are credited to a DC account in your name within the DC Plan, recorded by Canada Life the DC Plan administrator.

Your contributions, EDC's contributions, and investment earnings (or losses) will provide you with retirement income. The amount of retirement income will depend on a number of factors, including your age at retirement, the investment earnings (or losses), if any, and the market interest rates when you retire.

EDC will automatically enrol you for a contribution level of 6% of your pensionable earnings. However, you have the flexibility to change your contributions rate at any time.

Your contributions

You may contribute 4%, 5%, or 6% of your pensionable earnings each plan year.

Your contributions are made through payroll deductions. As a result, your tax is reduced at source.

You cannot transfer in amounts from pension plans of previous employers or make additional voluntary contributions to your DC account.

EDC's contributions

EDC also contributes to your DC account. The size of EDC's contribution depends on the number of "points" you have reached. Your number of points is determined by adding your age and your years of eligible service with EDC. To your DC account, EDC contributes:

- 1.25 times your contributions if you have fewer than 45 points;
- 1.5 times your contributions if you have 45 or more but fewer than 65 points; and
- 2 times your contributions if you have 65 or more points.

The contributions that EDC makes on your behalf are tax-sheltered – you do not pay income tax on contributions and investment earnings until you begin to draw your retirement income.

Contributions above the income tax limit

If the total of your and EDC's contributions exceed the annual dollar limit set by the *Income Tax Act* *Money Purchase Limit* ($31,560 in 2023), excess contributions are covered by EDC's DC Supplementary Retirement Plan.

Immediate vesting

You are immediately entitled to the value of your DC account balance, but withdrawals are subject to the terms of the DC Plan and applicable tax legislation. You are not allowed to withdraw amounts from your DC account while employed at EDC.

INVESTING

You are responsible for making investment decisions, and you bear the investment risk. You are responsible not only for monitoring the progress of your investments on an ongoing basis, but also for making any changes you think necessary.

Investment approaches*

The plan provides two investment approaches for you.

1. Created for you	2. Created by you
• Target Date Fund	A menu of options: • Fixed Income Funds • Equity Funds

* EDC regularly reviews the asset classes, the types, and the number of funds offered. They will change from time to time, as determined by EDC. Please go to the *My Canada Life at Work* for the current investment options.

EDC will automatically enrol you in the default target date fund based on your normal retirement age. However, at any time,you can change to a different risk profile and retirement age – or you can build your own portfolio from among the variety of individual funds offered.

The *created for you* approach is a target date fund with asset mixes that evolve as you get closer to your retirement year. This provides you with a simplified, hands-off investment solution. Although easy to use, these funds are the most sophisticated investment options available.

The *created by you* approach allows you to select from a number of individual investment options to build your own portfolio.

For more information on investment choices and to select investments, you need to access the EDC pension and retirement savings website, *My Canada Life at Work*, which is hosted by Canada Life. Follow the online instructions. You are free to make changes to your investment direction at any time.

EDC will review the performance of the target date funds and individual funds in the plan and make changes to existing selections or add new ones, if required.

Continued on next page⟶

Choosing your investment options

You have a selection of investment choices in the plan. To help you determine which are right for you, the first step is to understand what type of investor you are.

When you start at EDC, you will be able to access the *My Canada Life at Work* and determine whether you are a conservative, moderate, or aggressive investor.

In addition, this website gives you access to tools and information to help you determine your investment strategy. The website will also give you all the information you need about the investment funds offered, including historical fund returns.

Canada Life is responsible for providing all the information you need to take advantage of the plan. It is your responsibility to use this information to make informed choices.

Your investment style and needs change as you get older or nearer retirement, so be sure to review your portfolio at least once a year or more often.

Options offered under the plan

Different funds and investment approaches may be appropriate at different points in your career, since the options range from low risk-return to higher risk-return. Here is a brief overview of the options under the plan.

* EDC regularly reviews the asset classes, the types, and the number of funds offered. They will change from time to time, as determined by EDC. Please go to the *My Canada Life at Work* website for the current investment options.

OPTION 1: Created for you

Target date funds:

Portfolios of diversified index funds with an asset allocation that is based on your investment horizon and evolves every year.

As you get closer to the retirement, your asset mix changes automatically and gradually become more conservative.

OPTION 2: Created by you*

ASSET CLASS	DESCRIPTION
Fixed Income Fund	Investments in bonds, issued by governments, companies and organization — bond values fluctuate with interest rates
Canadian Equity Funds	Investments in the stocks of Canadian companies
US Equity Fund	Investments in the stocks of US companies
International Fund	Investments in the stocks of companies in various developed markets (For example, Europe, Japan) or investments in emerging markets
Global Equity Fund	Investments in the stocks of US companies and of companies invarious developed markets and some emerging markets

Continued on next page⟶

Are your investments safe under the plan?

If you invest in fixed income or equity, the returns are variable. You will reap the rewards when investment returns are high and bear the risk if investment returns are low or negative. Certain funds offered under the plan entail more risk than others. You need to ask yourself if you are comfortable with the level of risk that comes with your asset allocation.

The online tools on the *My Canada Life at Work* will help you with your decisions.

Fees charged to your DC account

You pay investment management fees out of your DC account, which are charged by the investment managers to compensate them for their expertise. These fees are the cost of having your assets professionally managed and vary from fund to fund, but they are typically based on a percentage of your assets under management.

You can check current fees at any time on the *My Canada Life at Work* .You benefit from:

- no administration fees (fees for employees are paid by EDC);
- no transfer fees; and
- no acquisition fees (loads).

WORK/LIFE EVENTS & THE PLAN

What happens during periods of absence?

DURING PERIODS OF SHORT-TERM DISABILITY

You are required to make contributions to your DC account when you are receiving short-term disability benefits (for a maximum of 17 weeks). EDC's contributions continue based on your contribution rate and deemed pensionable earnings.

DURING PERIODS OF LONG-TERM DISABILITY

During a period of long-term disability, you are able to continue contributions to your DC account based on your deemed pensionable earnings and your contribution rate at the time your leave began. As long as you continue to make your contributions to your account, EDC will also continue to contribute. If at any time during your leave you cease to make contributions, EDC's contributions to your DC account will stop.

If you remain disabled until age 65, you will be considered to have retired, and EDC's contributions to your DC account will stop.

During illness and most leaves of absence, EDC's contributions to the DC Plan continue if you continue your employee contributions

DURING FAMILY LEAVE

For EDC's contributions to continue during your period of family care leave (e.g. maternity, parental or adoption leave, compassionate care etc.), you are required to continue your contributions into your DC account. Your contributions and EDC's contributions are based on your contribution rate at the time your leave began and deemed pensionable earnings. If you do not continue your contributions into your account during your leave, EDC's contributions will stop.

DURING PERIODS OF OCCUPATIONAL INJURY

You are required to make contributions to your DC account while you are on periods of occupational injury. EDC's contributions continue during this period, based on your contribution rate and deemed pensionable earnings.

DURING OTHER LEAVES OF ABSENCE WITHOUT PAY

You cannot make contributions to your DC account while you are on a leave of absence without pay. EDC's contributions do not continue during leaves of absence without pay.

Continued on next page⟶

What happens when you retire or end employment?

You have flexibility on what happens to your DC account assets when you leave EDC and your choices will depend on whether or not your assets are locked-in.

WITH FEWER THAN TWO YEARS OF SERVICE (NON-LOCKED-IN)

You can choose to:

- transfer the amount to your personal RRSP; or
- receive a cash payment, less applicable taxes.

WITH TWO OR MORE YEARS OF SERVICE (LOCKED-IN)

You can use your DC account balance in the following ways:

- purchase an annuity from an insurance company;
- transfer the balance to a locked-in RRSP, a life income fund (LIF) or another prescribed retirement vehicle; or
- leave the DC account balance in the plan (until the maximum retirement age at the latest, according to applicable pension legislation). For retirements or terminations, you pay all fees related to your account after 90 days.

You may be required to exercise one of the above portability options if the value of your DC account balance is less than a certain amount according to applicable pension legislation. You will be provided with a statement explaining your portability options when employment ends.

Purchasing an annuity

If you choose to purchase an annuity (a regular pension-like payout), the amount of your monthly annuity payment will depend on a number of factors, including:

- your DC account balance;
- interest rates in effect at the time of purchase; and
- your age at retirement.

You should consult your own financial advisor about your decision if you want advice specific to your personal situation. Any costs associated with obtaining financial advice are your responsibility.

If you have an eligible spouse when you retire and you choose to purchase an annuity with your DC account balance, that annuity must provide a 60% survivor benefit. This type of annuity is called a joint-and-survivor annuity. Following your death, your eligible surviving spouse will continue to receive annuity payments equal to 60% of the payment you were receiving at the time of your death.

A waiver, signed by your spouse, is required before your annuity begins, if you choose an alternate form of annuity payment. You may also choose a joint-and-survivor annuity with a higher survivor benefit; however, anything less than 60% requires your spouse's written consent.

If you do not have an eligible spouse at the time of your retirement, you may choose an annuity that is paid for the duration of your life only. Alternatively, you can select one that guarantees a pension will be paid for a minimum number of payments, with the balance going to your beneficiary if you die before receiving this minimum number of payments.

Purchasing a life income fund (LIF)

Instead of an annuity, you may choose to transfer your DC account balance to a LIF. Your spouse may be required to sign a waiver form.

LIFs require you to withdraw an annual amount that is based on your total account balance. Because your final account balance is difficult to predict, your monthly pension may be difficult to predict.

Like your RRSP, you can continue to invest the funds in a LIF; however, you cannot make contributions to it.

When you choose a LIF, your eligible surviving spouse is the automatic beneficiary of any proceeds if you die. A LIF that you subsequently convert to an annuity must carry a 60% survivor benefit if you have an eligible spouse, unless a spousal waiver has been signed.

Continued on next page⟶

What happens if you die?

What happens to your DC account if you die will depend on whether you die before you retire or after.

DEATH BEFORE RETIREMENT

With fewer than two years of eligible service (non-locked-in)

Your spouse – or if you have no spouse, your beneficiary or estate – will be entitled to a lump-sum payment of your DC account balance, less applicable taxes.

With two or more years of eligible service (locked-in)

Your spouse will be entitled to your DC account balance. Your spouse has several options, including:

- transferring the money to a locked-in RRSP, a LIF, or another prescribed retirement vehicle;
- purchasing an annuity from an insurance company;
- leaving the money in the plan (until the maximum retirement age at the latest, according to applicable pension legislation). Under this option, your spouse pays administration fees related to your account; or
- choosing a combination of these options.
- If you do not have a spouse at the time of your death, the money accumulated will be paid to your beneficiary (less applicable taxes). If you do not have a beneficiary, the money accumulated will be paid to your estate (less applicable taxes).

DEATH AFTER RETIREMENT

The benefits to your survivors will be made according to the retirement arrangement you chose when you retired or ended your employment.

What happens if your spousal relationship breaks down?

In the event of a breakdown in your spousal relationship, the division of the amount accumulated during that relationship will be subject to the applicable legislation.

CONTACT

Now that you have read through this DC Plan guide, you are ready to begin planning your retirement and making the most of EDC's DC Plan. You can reach out to the following for help in your retirement planning.

For questions about the DC Plan, investment funds, statements, account balance, Group Retirement Savings Plan, and Tax-Free Savings Account, please contact Canada Life:

- 1-833-792-1536 (Monday to Friday, 8:00 a.m. to 8:00 p.m. Eastern)
- *Contact us* by going to your My Canada Life at Work account
- My Canada Life at Work

For all other issues, please contact the EDC Employee Care Centre:

- 613-597-8000 or 1-800-267-8510 (Monday to Friday, 8:30 a.m. to 4:00 p.m. Eastern)
- employeecare@edc.ca
- Human Resources on livewire

If you have questions about Canada Pension Plan, Old Age Security, or retirement planning, please visit the Government of Canada website at: www.canada.ca

If you have questions about Quebec Pension Plan or retirement planning, please visit the Quebec Pension Board's website at: www.rrq.gouv.qc.ca/en

GLOSSARY

BENEFICIARY

The person you designate on *My Canada Life at Work*, EDC's pension and retirement savings website, as the person you wish to receive pension benefits if you die.

However, pension legislation requires that your spouse have priority over any other named beneficiary, unless your spouse waives this requirement in writing. The method of signing a waiver varies by province. If you want more information about signing a waiver of spousal benefits, please contact the Employee Care Centre.

DEEMED PENSIONABLE EARNINGS

During a paid leave of absence, deemed pensionable earnings include full base salary plus any actual increases and actual short-term incentive payments during the leave.

ELIGIBLE SERVICE

Includes:

- any time you worked at EDC as a permanent employee whether full time or part time;
- any time you worked on secondment and were on EDC's payroll as a permanent employee; and
- any time on a paid leave of absence approved by EDC (such as short-term disability, long-term disability, maternity/parental leave, compassionate care leave, etc.) where, immediately before such paid leave of absence, you were a permanent employee.

Does not include:

- any time you worked at EDC as a contract employee; or
- any time you worked at EDC as a consultant (non-employee).

LIFE INCOME FUND (LIF)

A retirement income arrangement for paying out locked-in funds usually transferred from a pension plan.

LOCKED-IN

Your DC account assets become locked-in once you have completed two years of service as a permanent employee since your most recent hire date. If money from a pension plan is locked in, it cannot be taken as cash; you must use it to provide yourself with retirement income.

Financial institutions accepting locked-in funds must agree to administer these funds according to applicable pension regulations. Locked-in money does not have to stay in the same account until retirement. You may transfer it to other permitted locked-in retirement arrangements or use it to buy an annuity at any time.

Under certain circumstances, your DC assets may be unlocked if:

- you have a shortened life expectancy or financial hardship; or
- the pension amount or lump-sum value is small (that is, less than a certain amount under the applicable pension legislation).

NORMAL RETIREMENT DATE

For members who joined prior to January 1, 2015, the date on which you reach 60. For members joining on or after January 1, 2015, the date on which you reach 65.

PENSIONABLE EARNINGS

Actual earnings paid for base salary, including any increases and short-term incentive payments.

RRSP (REGISTERED RETIREMENT SAVINGS PLAN)

A tax-deferred vehicle for retirement savings, RRSPs were established to encourage Canadians to save for retirement by providing tax-deductible contributions and tax-deferred growth of investments.

Continued on next page⟶

SPOUSE

For the purpose of the DC Plan:

- a person of the opposite or same sex to whom you are not legally married but with whom you currently live and have lived in a conjugal relationship for at least one year; or
- a person to whom you are legally married; or
- a person to whom you were legally married.

If pension assets are being divided as in a divorce, annulment or separation, the meaning of spouse will be defined by the applicable provincial law. In the event of conflicting claims, the matter will be referred to the courts.

YEAR'S MAXIMUM PENSIONABLE EARNINGS (YMPE)

The amount on which contributions and benefits under the Canada or Quebec Pension Plan are calculated. This amount is indexed every year according to the wage index. In 2023, the *YMPE* is equal to $66,600.