This is the situation as of September 5/2023:

**SHARE TRUST AGREEMENT UPDATE**

The tentative Share Trust Repurposing Agreement has been sitting with CRA since June 2022. The parties are seeking a presumptive tax ruling on how CRA will treat all monies from the share sales for future taxation purposes. At this time we do not know how the shares will be taxed. This is the reason for the delay in the initial $100 million payment to retirees that was originally expected to occur by the end of 2022.  

The tax ruling is a prerequisite condition that is contained within the STRA. Every party to the agreement has the ability to back out of the deal if the CRA tax ruling is not favourable. The deal will not be finalized until after CRA provides their ruling and it is acceptable to all parties. At that point, all parties to the agreement will sign a finalized version of the STRA.

We were told by the tax advisors at the time of filing that CRA typically takes 9 to 12 months for presumptive tax rulings.

CRA has been examining and working on this file since early 2023 and informed the parties in May 2023, that they would not be in a position to issue a ruling until after the 2nd quarter of 2023. However, CRA would not commit to a firm date. As of this date, no presumptive tax ruling has been received from CRA.

When the tax ruling is received and the STRA is finalized, a bulletin will be published advising all members that the deal has been finalized and timelines for payout should also be communicated. All Bulletins concerning the STRA must come from the company and the Council of Unions as joint communiques.

Despite the numerous rumours that have been circulating over the past several months, there is no contemplated change to the terms or timing of the VSP offerings that the IAMAW is aware of.

Shares will only be sold as and when required to fund specific payment amounts from the STRA. They will continue to be held in trust until such time as they are sold.

Q: If one of the groups is not happy with the CRA tax ruling, can they pull out from the agreement?

A: Yes. Each party to the STRA has an out clause if the CRA ruling is unsatisfactory.

Q: If one of the groups pulls out does that mean the whole thing is finished and does not go forward?

A: All parties must agree. One withdrawal will kill the deal. The STRA is actually an amendment to the original 2009 STA agreement, that adds language concerning the distribution of excess funds (above the original $24 million share value). Therefore, it is governed by the language of Section 14.14 (page 32) of the 2009 STA (attached).

Q: Also, would there be a vote to accept the CRA tax ruling?

A: No vote is contemplated. Each party shall make their own determination internally and communicate their final position to the group.

Q: Members have lots of questions why someone who was not employed by AC when the shares were granted being given any proceeds from it and someone who has been employed for their entire career potentially not get anything?

A: Every member of the DB pension plan had to have been an employee prior to June 17, 2012 to be a member of the DB plan. The 2009 STA was finalized in June 2010. Therefore, they were all members of the DB pension plan prior to it returning to a surplus funding status in January 2015. Therefore, they shared the underfunded risk for at least 2 years, the same as everyone else in the DB plan.

The 2021 STRA stipulates that all union members with greater than 10 years of seniority (2014) are eligible to apply for the VSPs. For the IAMAW, these members would be in the MEPP. So while they are eligible to apply, their seniority will never even get them close to being awarded a VSP. My personal over / under seniority number for 2024 for the IAMAW is 35 years. Based on the $13+ million available for the IAMAW, depending on the annual salaries of those successful applicants, I anticipate around 150 VSPs for the IAMAW in 2024. We have a LOT of 40+ year members across the country who are just hanging around for a VSP.

Q: Their understanding is that all pioneers are receiving money regardless of their retirement date.

A: All retirees and survivors who are and have been in receipt of a monthly pension benefit since at least December of the year prior to each lump sum payment to retirees, will receive a portion of that payment, with the dollar value based upon a number of factors. For the initial $100 million lump sum payment, all retirees and survivors who were in receipt of a monthly pension prior to the end of 2021 will receive a pro-rated lump sum amount based upon their year of retirement, back to 2009. No pensioner shall be credited for any time prior to 2009.

Their dollar value will be based upon the number of years retired, prior to the end of 2021 (in whole years), but in no circumstance will they be credited with retirement prior to 2009.