

STATEMENT OF EXECUTIVE COMPENSATION

About Central 1's Director Compensation

The Board of Directors (the “**Board**”) of Central 1 Credit Union (“**Central 1**”) represents its members and provides critical stewardship through guidance and oversight. Central 1 believes that better boards produce better results, and that better boards are made up of dedicated and competent members. Central 1's directors must possess the skills and expertise relevant to Central 1's strategic initiatives in an increasingly complex environment. Directors spend considerable time and effort carrying out their duties with due care and diligence.

As the primary liquidity manager, payments processor and trade association for our member credit unions in B.C. and Ontario, Central 1 provides financial products, payment processing solutions and direct banking services, as well as leadership and advocacy. It is important that it attracts and retains directors with the appropriate experience, skills and expertise to provide the oversight required to help Central 1 achieve current and future goals. Appropriate compensation is a component of ensuring that Central 1's Board attracts qualified candidates.

Central 1's philosophy is to provide director remuneration, subject to the limits set by the members of Central 1 by resolution, at approximately the 50th percentile of director compensation for comparable entities as that group is determined from time to time by the Board giving due consideration to the qualifications, liability, experience and involvement in value-added decision making commensurate with Central 1's size, complexity and functions.

The Board reviews compensation at least tri-annually.

Annual Retainers and Meeting Fees

Central 1's members may approve by resolution at an annual general meeting an aggregate amount that is available for compensation of directors and committee members. Currently, the aggregate amount that is available for the compensation of directors is \$800,000. Central 1's members have given the authority to the Board to allocate and distribute this amount.

In 2018, the Board compensation was determined as follows:

Content	2018
Annual Director Retainer (except Chair)	\$18,000
Annual Chair Retainer	\$45,000
Annual Vice Chair Retainer	\$24,000
Committee Chair (other than the Chair of the Audit and Finance Committee or the Risk Review & Investment and Loan Committee)	\$6,000
Chair of the Audit and Finance Committee and Risk Review & Investment and Loan Committee	\$12,000
AGM/Special Meeting Fee	\$0
Board and Committee Meeting Fee	Meetings equal to or less than 4 hours: \$500 Meetings more than 4 hours: \$800
Per Diem Fees for Central 1 business events or functions, etc.	Meetings equal to or less than 4 hours: \$500 Meetings more than 4 hours: \$800
Per Diem for Travel Time	For travel less than 4 hours: \$0 For travel 4 hours or more: \$500
Reasonable Expenses for Meetings and Business Events	Actual
Expenses for Spousal/Companion Event	\$0
Technology Allowance To support the purchase of personal computer equipment (e.g. iPad or other handheld technology necessary to assist the director in carrying out his or her duties to Central 1	Up to \$1,500 per 3-year term
For basic voice/data plan For costs incurred in relation to internet connection and email address	Up to \$75/month

2018 Director Compensation

The total compensation paid to directors in 2018 was \$648,099. Individual director compensation is set out in the table below.

Name of Director	Annual Cash Retainers	Meeting Fees	Total Remuneration (Annual Cash Retainer and Meeting Fees) ¹
Bob Armstrong (resigned effective Nov. 1, 2018)	\$14,933	\$10,400	\$25,393
Elmer Epp	\$23,999	\$19,500	\$43,499
Kerry Hadad	\$19,973	\$23,800	\$43,773
Rick Hoevenaars	\$34,931	\$33,700	\$68,631
Angela Kaiser	\$28,027	\$16,300	\$44,327
Bill Kiss	\$42,042	\$21,800	\$63,842
John Kortram	\$18,002	\$23,700	\$41,702
Joel Lalonde	\$18,002	\$20,100	\$38,102
Shelley McDade	\$22,027	\$20,100	\$42,127
Penny-Lynn McPherson	\$18,002	\$21,300	\$39,302
Jan O'Brien	\$18,002	\$13,200	\$31,202
Rob Paterson	\$23,999	\$25,700	\$49,699
Blaize Reich	\$23,999	\$18,400	\$42,399
Launi Skinner	\$18,002	\$11,200	\$29,202
Rob Wellstood	\$29,999	\$14,900	\$44,899
Total	\$353,999	\$294,100	\$648,099

(1) The above compensation may not be paid directly to Directors. At the direction of a Director, some or all of the compensation is paid to the credit union of which they are an officer or director.

Named Executive Officers' Compensation

The table below sets forth all compensation paid or that is payable to the President & CEO, the Chief Financial Officer, and the next highest-compensated executive officer at Central 1 whose total annual compensation exceeded \$150,000 (collectively, the “Named Executive Officers” or the “NEOs”). Central 1 does not grant options, stock appreciation rights, shares, units or other compensation securities as part of its compensation framework and has no outstanding equity compensation plan.

Name and Principal Position	Year ⁽¹⁾	Salary	Incentive ⁽²⁾	Committee or Meeting Fees	Value of Perquisites ⁽³⁾	Value of all other Compensation ⁽⁴⁾	Total Compensation
Mark Blucher ⁽⁵⁾ <i>President & CEO</i>	2018	\$369,231	\$197,687	-	\$42,038	\$22,154	\$631,110
	2017	-	-	-	-	-	\$0
Marilyn Mauritz ⁽⁶⁾ <i>Interim President & CEO</i>	2018	\$305,769	\$134,574	-	\$19,715	\$22,508	\$482,566
	2017	\$315,577	\$138,745	-	\$22,441	\$24,705	\$501,468
Dan Blue ⁽⁷⁾ <i>CFO</i>	2018	\$94,404	-	-	\$32,551	\$727,471	\$854,426
	2017	\$253,501	\$64,149	-	\$44,701	\$34,182	\$396,533
Kari Lockhart ⁽⁸⁾ <i>Interim CFO</i>	2018	\$294,900	-	-	\$1,170	-	\$296,070
	2017	-	-	-	-	-	\$0
Sheila Vokey ⁽⁹⁾ <i>CFO</i>	2018	\$62,308	\$30,127	-	\$6,605	-	\$99,040
	2017	-	-	-	-	-	\$0
Jeffrey (Brent) Clode <i>CIO</i>	2018	\$298,468	\$294,423	-	\$19,129	\$20,759	\$632,779
	2017	\$294,560	\$95,043	-	\$21,564	\$12,037	\$423,204

(1) Compensation reported is compensation earned in the specified calendar year.

(2) Amount includes annual non-equity incentive plan. The incentive reported for 2018 is calculated based on 2018 calendar year performance and is paid in 2019. The incentive reported for 2017 is calculated based on 2017 calendar year performance and was paid in 2018.

(3) Amount includes club membership (M. Blucher only), vacation allowance, car allowance, car maintenance and car parking.

(4) Amount includes employer contributions related to Group RRSP, pension plans and SERP, as applicable. Amount also includes severance (D. Blue only).

(5) Mark Blucher was appointed President & Chief Executive Officer on January 22, 2018.

(6) In 2017, Marilyn Mauritz was SVP Legal and General Counsel from January 1, 2017 through to July 7, 2017 and was appointed Interim President and CEO on July 7, 2017 to January 21, 2018. As of January 22, 2018, Marilyn Mauritz has been appointed Chief Transformation and Legal Officer. The amount reported above includes her compensation for service in her multiple roles in both 2017 and 2018.

(7) In 2018, Dan Blue was Chief Financial Officer from January 1, 2018 to May 10, 2018.

(8) Kari Lockhart was appointed Interim Chief Financial Officer from May 11, 2018 to October 8, 2018. This role was outsourced to Deloitte and the compensation reported reflects the total contract fee paid for this interim period.

(9) Sheila Vokey was appointed Chief Financial Officer as of October 9, 2018.

Employment Contracts

A. Compensation

Employment contracts were established with the NEOs. Central 1 has not entered into any employment or compensation agreement with any of its directors. The NEOs' employment contracts do not contain material terms relating to the compensation provided to the NEOs during the 2018 financial year. Also, the NEOs' employment contracts do not contain any change of control provisions.

Management functions of Central 1 and its subsidiaries are not performed by any person other than the directors or senior officers of Central 1 or its subsidiaries. There is no relationship between any NEO and any other NEO or director of Central 1 or its subsidiaries.

B. Termination

The employment of the NEOs may be terminated by any of the following means:

- Termination with cause
- Termination without cause
- Death
- Retirement

If any of the NEOs resign, they are not entitled to any severance or other payment. The NEOs may resign by providing Central 1 with notice of resignation. The President & CEO is required to provide a minimum of six months' notice of resignation and the remaining NEOs are required to provide between 6 to 12 weeks' notice of resignation depending on their specific role. The table sets forth the minimum notice requirement for the NEOs:

Name and Principal Position	Minimum Notice Required
Mark Blucher, President & CEO	six months
Marilyn Mauritz, Interim President & CEO	12 weeks
Jeffrey (Brent) Clode, Chief Investment Officer	12 weeks
Dan Blue, Chief Financial Officer	12 weeks
Kari Lockhart, Interim Chief Financial Officer	Not Applicable due to arrangement with Deloitte
Sheila Vokey, Chief Financial Officer	6 weeks

If any of the NEOs are terminated with cause, they are not entitled to any notice of termination or payment in lieu.

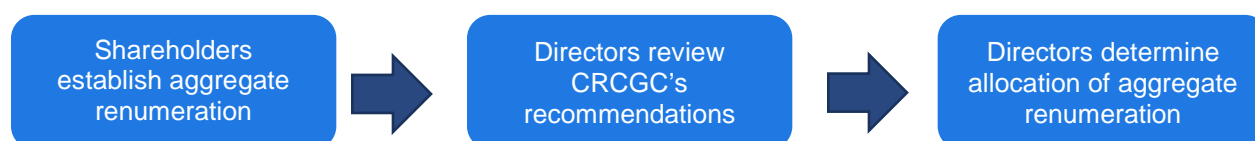
If any of the NEOs are terminated without cause, they are entitled to severance in the form of the monthly base salary, incentive payment and associated other compensation benefits, excluding pension obligations that the NEOs would have received during their severance period under their respective employment agreement for the following number of months:

Name and Principal Position	Termination without cause (as of December 31, 2018)
Mark Blucher, President & CEO	12 months
Marilyn Mauritz, Interim President & CEO	15 months
Jeffrey (Brent) Clode, Chief Investment Officer	15 months
Dan Blue, Chief Financial Officer	24 months
Kari Lockhart, Interim Chief Financial Officer	Not Applicable due to arrangement with Deloitte
Sheila Vokey, Chief Financial Officer	12 months

Oversight and Description of Directors and Named Executive Officers Compensation

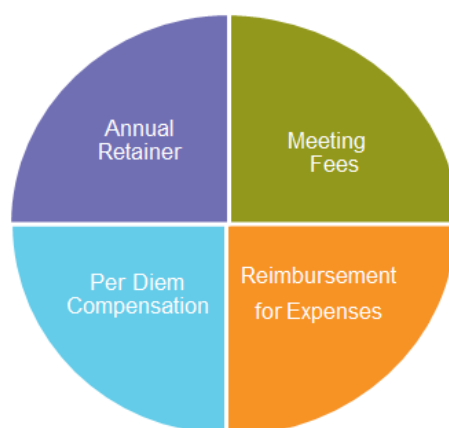
A. Director Compensation Governance

The process to determine the directors' compensation is outlined below.



In accordance with Section 110(1) of the *Financial Institutions Act* (British Columbia), the members of Central 1 determine, from time to time, the aggregate remuneration paid to the directors of Central 1, including annual retainers and per diems for attendance at meetings. The members of Central 1 have resolved that such amount will be allocated and distributed to the directors of Central 1 at the discretion of the Board.

Compensation for directors of Central 1 consists of:

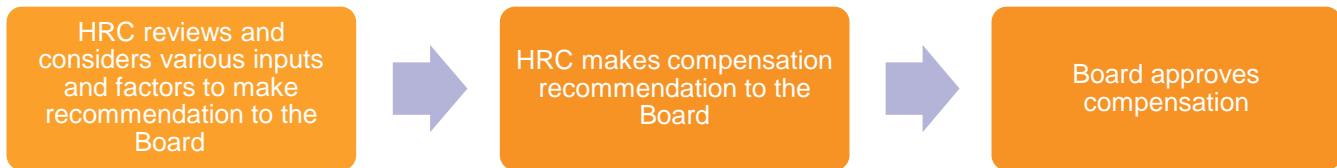


The Board recognizes that strong corporate governance is a key ingredient to an organization's success. The Board has determined that, subject to the limits set by the members of Central 1 by resolution, the directors of Central 1 should be remunerated at approximately the 50th percentile of directors' compensation for comparable entities. The group of comparable entities is determined, from time to time, by

the Board, on the recommendation of the Conduct Review and Corporate Governance Committee, giving due consideration to the qualifications, liability, experience, and involvement in value-added decision making commensurate with Central 1's size, complexity, and functions.

B. Executive Compensation Governance

The Board approves executive compensation. Central 1 requires all of its directors to complete mandatory director education to ensure they have the necessary knowledge to effectively govern the organization. The following diagram sets out the approval process for executives' compensation.



Central 1's Human Resources Committee (the "HRC") is a Board committee that is responsible for recommending Central 1's compensation philosophy to the Board and ensuring adherence to the approved philosophy. The review of the compensation programs includes, in part, periodically reviewing Central 1's compensation programs, reviewing salary and recommending salary increases that are incorporated into the annual budget proposal.

The HRC's responsibilities include reviewing the total compensation package and arrangements of the executives, including NEOs. All directors serving on that committee are independent. The members of the HRC are Blaize Reich (Chairperson), Kerry Hadad, Bill Kiss, Jan O'Brien, Launi Skinner. All HRC members have exposure to executive compensation issues at their own credit unions as either executive officers or directors of such credit unions.

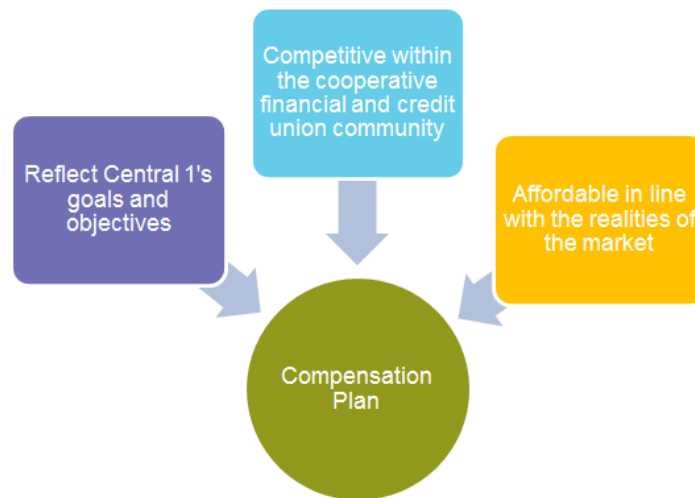
The HRC recognizes the importance and complexity of executive compensation and retains outside expertise as necessary to advise and assist in formulating the appropriate recommendations to the Board. An outside consultant is utilized to conduct a market review of the salaries of the executives, including NEOs. The consultant conducts a comprehensive market review every three years and supplements the survey data with data from its in-house database. A total compensation approach is used, which uses a combination of base and incentive compensation.

During 2017 the HRC engaged with Korn Ferry Hay Group to conduct an update review of executive compensation and finalized that review in 2018.

While the HRC may rely on external information and advice, all of the decisions with respect to executive compensation are made by the HRC alone and may reflect factors and considerations other than, or that may differ from, the information and recommendations provided by consultants.

C. Executive Compensation

Central 1's compensation philosophy is designed to attract, retain and motivate high-performing employees needed to deliver Central 1's products and services to its member credit unions and to their members. Central 1 believes the compensation an executive receives should be aligned to the contribution he or she makes to the overall short- and long-term objectives of Central 1. Central 1's compensation program is designed with three objectives:



The executive compensation program contains a mix of cash compensation and non-cash benefits. The components of the executive compensation program are summarized in the tables below.

Executive Compensation Overview

Central 1 seeks a balance between establishing cash compensation (both base salary and at-risk incentive pay) to attract qualified people from the financial and non-financial community and providing non-cash benefits commensurate with those in the credit union system. Overall, the executive compensation program is primarily cash-based. Central 1 does not grant options, stock appreciation rights, shares, units or other compensation securities as part of its compensation framework and has no outstanding equity compensation plans.

Cash Compensation Component	Description	Compensation Type
A. Base Salary	Provides executives with fixed compensation	Cash
B. Incentive Compensation	Variable compensation that rewards the executives for their achievement of the performance objectives established by the Board	Cash
C. Perquisite Allowance	Provides the executives with market competitive perquisites	Club membership, vacation allowance, car allowance, car maintenance, and parking benefits
Non-Cash Component	Compensation Description	Compensation Type
D. Benefits	Promote the executive's general wellness and preventative care	Central 1 paid health benefits, time off with pay, and access to an executive medical program
	Assist the executives with their financial goals	Access to staff mortgage loans
	Support executives to stay connected to his or her profession or industry	Membership and association fees
E. Retirement Plans	Assist the executives build retirement income during his or her working years	Defined benefit pension plan or Group RRSP, and SERP

In 2018, Central 1 worked with Korn Ferry to design a long term incentive program applicable to key executives impacting the long term strategic success. The details of this plan are highlighted below and documented in an update to the Human Resources Committee.

A. Base Salary

Base salary for executives is determined at the beginning of each year in line with the executive’s individual performance and the median level of compensation for his or her position in the designated market. The designated market for Central 1 includes large British Columbia-based credit unions, other credit unions with a significant asset base, and western-based financial institutions including ATB Financial, Canadian Western Bank, Coast Capital Savings Credit Union, The Co-operators General Insurance Company, The Co-operators Life Insurance Company, CUMIS, Intria Items Inc., Meridian Credit Union, Servus Credit Union, Symcor Inc., Vancouver City Savings Credit Union, Credit Union Central Alberta Ltd., Credit Union Central of Manitoba and Credit Union Central of Saskatchewan. Central 1 also uses additional market survey data provided by Mercer for the salaries of positions not found within this comparator group.

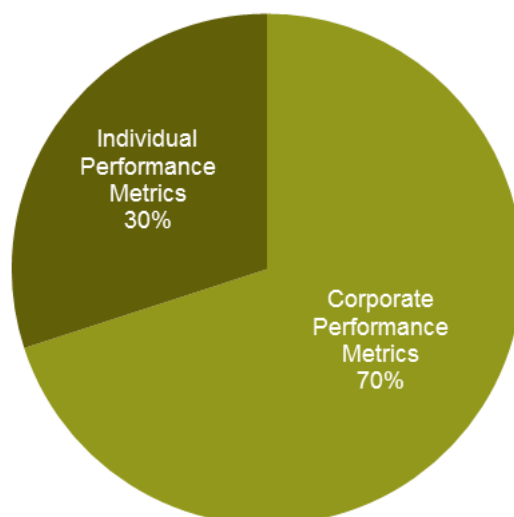
B. Incentive Compensation

Central 1 has a short-term variable incentive program that is designed to reward the achievement of performance objectives in the short term by providing a cash incentive.

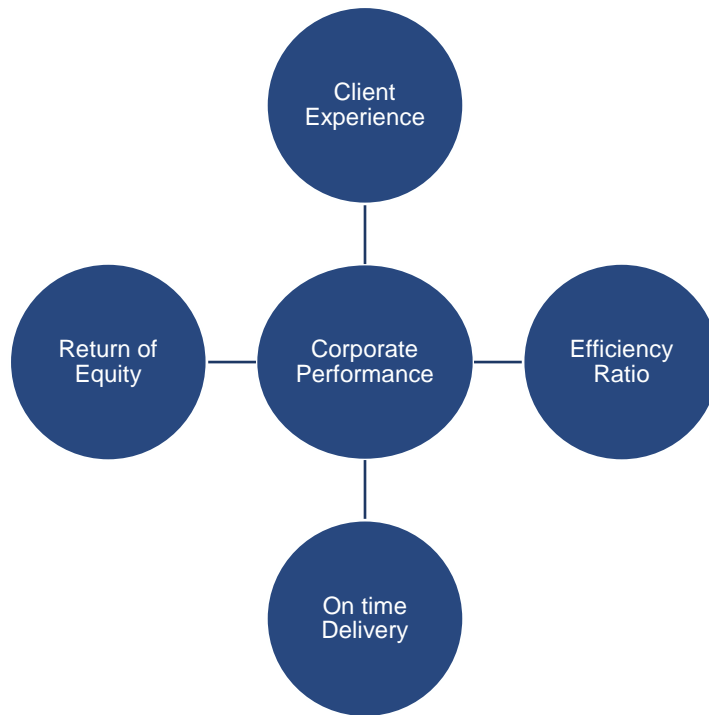
The Board determines the target and maximum incentive payments framework for the executive management team, including the NEOs. The table below defines the target and maximum incentive payments. These targets are a percentage of base salary and are calculated based on actual earnings in the year.

	Target Incentive Payment % of Base Salary	Maximum Incentive Payment (150% of target)
President & CEO	60%	90%
Interim President and CEO	60%	90%
Executive Management	35%	60%

Due to the strategic nature of the position of the President & CEO and executives, a higher percentage of their ‘at risk pay’ is aligned with the achievement of the corporate performance metrics as shown in the chart below.



Corporate performance is measured by four elements:



For each element, the Board pre-established targets and the executive’s performance is measured relative to these targets.

The program is based on a threshold or minimum level of performance for each measure which must be achieved before any incentive payout is received. Performance below the threshold for a particular measure will result in no payout for that measure. Once the threshold is reached for a particular measure, the measure will receive 50 percent of its weighting.

Target performance will result in a payment of 100 percent of the weighting for that measure. The maximum performance level represents a stretch which should be achievable approximately 20 percent of the time and is worth 150 percent of the weighting for that measure. The maximum performance level for each measure is limited to a maximum of 150 percent. Performance between the various performance levels will be pro-rated with the exception of risk management where ratings of zero or the maximum are the only options.

The program is designed to ensure that unnecessary risks are not encouraged through taking a balanced approach including member satisfaction and limits paid out for each measure.

Central 1 created a new long-term incentive program to direct and reward executives to longer term strategic success. This is complemented with the short-term incentive program which is designed to direct and reward the in-year operationalization of the strategy.

	Target Incentive Payment % of Base Salary	Maximum Incentive Payment (150% of target)
President & CEO	60%	90%
Chief Investment Officer	60%	90%
Chief Digital and Payments Officer	60%	90%

1. President & CEO Incentive

The Board establishes the performance objectives for the President & CEO. The Board reviews the performance of the President & CEO at the end of each year and its evaluation determines the amount of incentive compensation that is awarded to the President & CEO. The 2018 performance objectives

President & CEO Corporate Performance Metric

Metric	Definition	Measure	Targets			2018 Weighting
			Min	Target	Max	
1. Financial Metrics	Return on Equity	Financial Measures	4.8%	5.4%	7.02%	20%
	Efficiency Ratio	Financial Measures	95%	92%	85%	20%
2. Client Experience	Measured through our Member Voice Survey	Service Performance	66%	67%	70%	15%
		Class A leaders	61%	62%	64%	15%
3. On Time Delivery	Percentage of time that 4 client focused services are delivered on time and within defined scope.	UXP Origination Solutions Treasury Portal Wires	1 + UXP	2 + UXP	3+ UXP	30%

President & CEO Individual Performance Metric

The Board sets and assesses the individual performance for the President & CEO. The measures of success are assessed through both qualitative and quantitative measures with a similar minimum-maximum payment framework of 0 – 150 percent.

Measure	Scale
Superior	140%-150%
Exceeded	110%-140%
Achieved	100-109%
Partially Achieved	50-99%
Not Met	0%

The Interim President & CEO's individual performance metric are not included in the table as Marilyn Mauritz moved into her permanent role as Chief Transformation and Legal Officer on January 22, 2018. The enclosed metrics related to the President & CEO role held by Mark Blucher from January 22, 2018 to December 31, 2018, along with the weight assigned to each individual performance metric are provided below.

Interim President and CEO Metric	Weighting
Undertake continued comprehensive engagement with the Credit Union System, its members and stakeholders.	20%
Development of a comprehensive 5-year strategic plan.	30%
Establish a new Client Development Function.	20%
Development of a Cultural Health Plan.	30%

The overall performance of the President & CEO for 2018 is summarized in the table below:

President and CEO's Overall Achievement		
Name	Performance	Weighting
Mark Blucher	Corporate Performance	70%
	Individual Performance	30%
	Total Payout	\$197,687

2. Executive Management Incentive Compensation

The remaining NEOs are also included in Central 1's short-term variable incentive program that is developed by the Board. The program measures corporate and individual performance, with the amount of the incentive being a combination of the two.

Executive Management – Corporate Performance Metric

Metric	Definition	Measure	Targets			2018 Weighting	Result	Percentage Achievement
			Min	Target	Max			
1. Financial Metrics	Return on Equity	Financial Measures	4.8%	5.4%	7.02%	20%	131%	26.2%
	Efficiency Ratio	Financial Measures	95%	92%	85%	20%	111%	22.2%
2. Client Experience	Service performance of Central 1 by its clients.	Service Performance	76%	77%	80%	15%	100%	15%
		Class A Leaders	60%	61%	64%	15%	100%	15%
3. On Time Delivery	Percentage of time that 4 client focused services are delivered on time and within defined scope.	Qualitative and quantitative measures as assessed by the Board of Directors	1 + UXP	2 + UXP	3 + UXP	30%	100%	30%
TOTAL								108.4%

Executive Management – Individual Performance Metric

Each year, individual performance priorities are jointly established by the President & CEO and each executive, including the remaining NEOs. These priorities and metrics vary depending on the executive's role. The measures of success are assessed through both qualitative and quantitative measures. The remaining NEOs' individual performance metric, along with the weight assigned to each individual performance metric.

The combination of corporate and individual performance results is measured at year-end and this determines the amount of incentive compensation that is awarded to each executive. The overall performance of the remaining NEOs for 2018 is summarized in the table below.

Named Executive Officer's Overall Achievement		
Name and Principal Position	Performance	Weighting
Marilyn Mauritz-Loewen, Interim President & CEO and Chief Transformation and Legal Officer	Corporate Performance	70%
	Individual Performance	30%
	Total Payout \$134,574	
Sheila Vokey, Chief Financial Officer	Corporate Performance	70%
	Individual Performance	30%
	Total Payout \$30,127	
Jeffery (Brent) Clode, Chief Investment Officer	Corporate Performance	70%
	Individual Performance	30%
	Total Payout \$294,423	

C. Perquisite Allowance

Central 1 offers a market competitive perquisite program, including a car allowance, to the NEOs and other executives.

D. Benefits

Non-cash benefits include employer-paid benefits, time off with pay, membership and association fees, pension plan contributions and benefits, Supplemental Executive Retirement Plan (the "SERP") benefits, access to an executive medical program, and staff mortgage loans.

Non-cash benefits are provided at a level equal to, and in some cases greater than, those prevailing in the credit union system to ensure that Central 1's benefits remain competitive.

E. Retirement Plan

Retirement benefits are considered an integral part of total compensation. Central 1 sponsors a group BC registered retirement savings plan (the "Group RRSP"), a Registered Pension Plan (the "RPP") in Ontario and a defined benefit pension plan (the "Defined Benefit Pension Plan") for all of its salaried employees. All executives, including the NEOs, participate in one of Central 1's retirement plans. The directors of Central 1 are not permitted to participate in Central 1's retirement plans. The Defined Benefit Pension Plan is still in place but is now closed to new employees who are hired after January 1, 2011. In addition to the Group RRSP, RPP and the Defined Benefit Pension Plan, Central 1 offers a Supplemental Executive Retirement Plan to NEOs who are affected by the RRSP contribution limits or RPP money purchase limits imposed under the *Income Tax Act* (Canada) (the "ITA").

1. Defined Benefit Pension Plan

The British Columbia Defined Benefit Pension Plan is provided through the multi-employer B.C. Credit Union Employees' Pension Plan. It is a contributory plan that provides an unreduced pension benefit at retirement. The plan member is required to contribute a percentage of his or her earnings based on his or her age and Central 1 contributes a share of the cost required to pay for the plan member's pension benefit. The pension income from the Defined Benefit Pension Plan is determined by the following formula:

Credited Service	Number of years as a contributing member of the pension plan, plus any years of past service that were purchased by the employee
Highest Average Earnings	Highest average 60 consecutive months of earnings in the last 10 years of membership in the plan to a maximum benefit as defined under the <i>Income Tax Act</i> , at the normal retirement age as defined under the plan

The normal retirement age is 62. An employee may also retire early at the age of 55 with an adjusted pension depending on the employee's age and years of credited service.

An employee who ceases employment with Central 1 before the age of 55 is entitled to a deferred pension starting any time after the age of 55. Alternatively, an employee who ceases employment with Central 1 may transfer the greater of 1.5 times the employee's own required contributions accumulated with investment earnings or the value of the employee's pension to a locked in RRSP, Life Income Fund, annuity with an insurance company, or the employee's new employer's pension plan. An employee who ceases employment with Central 1 after the age of 55 may start receiving his or her pension immediately or delay the pension until the employee reaches the age of 62.

Mr. Blue participated in the Defined Benefit Pension Plan.

Supplemental Executive Retirement Plan

Central 1 offers the SERP Defined Benefit Pension Plan to executives who participate in the British Columbia Defined Benefit Pension Plan. Mr. Blue participated in the SERP Defined Benefit Pension Plan. His pension under the Defined Benefit Pension Plan is determined based on the following provisions:

Contribution Formula	Central 1 makes notional contribution to each plan member's notional account each month equal to: $\frac{1}{12} \times (\text{plan member's basic contributions without regard to the limits set in the ITA, based on earnings} - (\text{plan member's basic contributions based on earnings equal to the Defined Benefit Limit for the calendar year} \div 1.75\%))$ <p>i) A plan member is neither required nor permitted to make contributions to the plan</p>
Pension Formula	Monthly retirement payments equal to: <p>(i) $\frac{1}{12}$ of 1.75 of the plan member's Final Average Earnings times Credited Service; less</p> <p>(ii) $\frac{1}{12}$ of the Defined Benefit Limit for the calendar year in which payment of the pension is to commence, multiplied by Credit Services; less</p> <p>(iii) a notional monthly pension, the Commuted Value of which equals the value of the plan member's notional account on the date of retirement</p>
Final Average Earnings	If the plan member has 60 months of credit service, then the final average earnings is the plan member's earnings in the 60 consecutive months of the member's last 120 months of credit service in which the member's total earnings are highest divided by 5 <p>i) If the plan member has less than 60 months of credit service, then the final average earnings is the plan member's earnings during period of credited service divided by months of credited service multiplied by 12</p>

Normal Retirement Age	62
Reduction for Early Pension Commencement	A plan member who retires early with 10 or more years of credited service is entitled to receive, with respect to pre-2010 credited service, a reduced monthly pension by less than ¼ of 1% for each month that the plan member's retirement date precedes his or her age of 60 i) A plan member who retires early with less than 10 years of credited service is entitled to receive, with respect to pre-2010 credited service, a reduced monthly pension by less than ½ of 1% for each month that the plan member's retirement date precedes his or her age of 60
Definitions	(i) "Commuted Value" means the lump sum actuarial present value of a pension benefit determined using actuarial (ii) "Credited Service" means the number of years as a contributing member of the pension plan, plus any years of past service that were purchased by the employee (iii) "Defined Benefit Limit" means the maximum pension limit for defined benefit registered pension plans under the ITA

The earnings used to determine the plan member's contributions are the plan member's base salary and 50 percent of the regular annual bonus payments. A plan member's earnings do not include taxable benefits; lump sum payments on termination of employment, such as vacation pay, sick leave, or severance pay; and any extraordinary payments.

The table below sets out information regarding the Defined Benefit Pension Plan for Mr. Blue:

British Columbia Defined Benefit Pension Plan (including the SERP)							
Name	Number of Years Credited Service	Annual Benefits Payable		Opening present value of Defined Benefit Obligation	Compensatory Change	Non-Compensatory Change	Closing Present value of Defined Benefit Obligation
		At year end	At age 65				
Dan Blue ⁽¹⁾	13.68	\$622,461		\$741,155	\$28,555	(\$147,249)	\$622,461

(1) Credited service under the SERP = 4.10 years

2. Group Registered Retirement Savings Plan

The Group RRSP provides a retirement benefit based on employee and employer contributions that are accumulated with investment earnings. Under the Group RRSP, employees may make mandatory contributions to the plan and Central 1 matches the employees' contributions, up to six percent. Employees who participate in the plan direct their own investments within the plan.

All Central 1, contributions to the Group RRSP vest immediately. If the employee terminates employment with Central 1, he or she may transfer the accumulated contributions and investment income to another registered plan; take the funds as taxable cash; or use the funds to purchase an annuity or retirement income fund. If the employee dies while employed, the contributions and investment income will be payable to his or her named beneficiary or the employee's estate if no beneficiary was named.

The normal retirement age under the plan is 65 however an employee may retire early at 55. The amount of retirement income that an employee will receive under the plan will depend on when the employee retires and the amount the employee accumulated in his or her account.

Mr. Blucher, Mrs. Mauritz and Ms. Vokey participate in the Group Registered Retirement Savings Plan.

3. Registered Pension Plan

The RPP in Ontario also provides a retirement benefit based on employee and employer contributions that are accumulated with investment earnings. Under the RPP, employees may make mandatory contributions and Central 1 matches the employees' contributions, up to six percent. Employees who participate in the plan direct their own investments within the plan.

All Central 1, contributions to the RPP vest immediately. If the employee terminates employment with Central 1, he or she may transfer the accumulated contributions and investment income to another locked-in RRSP (LIRA), to registered plan of a new employer as a locked-in amount (if that plan allows), to a Life Income Fund or buy an annuity from a life insurance company starting any time after age 55. If the employee dies while employed, the contributions and investment income will be payable to his or her named beneficiary or the employee's estate if no beneficiary was named.

The normal retirement age under the plan is 65 however an employee may retire early at 55. The amount of retirement income that an employee will receive under the plan will depend on when the employee retires and the amount the employee accumulated in his or her account.

Mr. Clode participates in the Registered Pension Plan.

Supplemental Executive Retirement Plan

Since the ITA imposes maximum limits on benefits provided under RRSPs and RPPs, Central 1 provides a SERP to all executives, including NEOs, who are impacted by these limits. The SERP enables these employees to receive the benefit that they would have received if the ITA limits were not imposed on the registered plans.

The SERP is administered as an unfunded non-registered pension plan with two divisions, defined benefit and defined contribution, and is secured through a letter of credit.

Central 1 offers the SERP Defined Contribution Pension Plan to executives who participate in the Group RRSP or the RPP. The pension under the SERP Defined Contribution Pension Plan is determined based on the following provisions:

Contribution Formula	Central 1 makes notional contribution to the plan member's account equal to 6% of the plan members' earnings less amounts contributed on behalf of the plan members to the Group RRSP or RPP i) A plan member is neither required nor permitted to make contributions to the plan
Pension Payment	Amount credited to the plan member's notional account up to the plan member's retirement date, termination date, or death
Calculation of Interest Credited	The notional rate of return is equal to the Consumer Price Index (CPI) change plus 3% per annum i) The consumer price index change is the CPI in the year of the anniversary date divided by CPI in the year prior to the year of the anniversary date minus 1 a) CPI is determined using the 12 months average of the CPI for Canada ending on October
Retirement or Termination	A plan member receives benefits under the plan when he or she retires, ceases to be employed by Central 1, or dies before payment of any benefits under the plan i) All benefits under the plan are made to the plan member in a single lump sum payment a) At the discretion of the HRC, a plan member that retires or ceases to be employed by Central 1 may be provided with an option to receive the benefit over a fixed term in periodic payments

The earnings used to calculate the contribution is the plan member's total base pay plus 50 percent of the regular annual bonus payments. A plan member's earnings do not include taxable benefits; lump sum payments on termination of employment, such as vacation pay, sick leave, or severance pay; and any extraordinary payments.

The table below sets out information regarding the Defined Contribution Plan for Mr. Blucher, Mrs. Mauritz, Ms. Vokey and Mr. Clode:

Defined Contribution Plan (including the SERP)			
Name	Accumulated Value at Start of Year	Compensatory	Accumulated Value at Year end
Mark Blucher	-	\$22,154	\$33,711
Marilyn Mauritz ⁽¹⁾	\$84,244	\$22,509	\$73,328
Jeffrey (Brent) Clode ⁽²⁾	\$89,325	\$20,759	\$125,592
Sheila Vokey	-	-	-

⁽¹⁾ The decline in the accumulated value is due to the transfer out of a portion of the employee contribution account.

⁽²⁾ DC RPP + DC SERP