

FSRAFinancial Services Regulatory
Authority of Ontario

Ontario

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July 29, 2022

Attn: Paul A. Simon paul.simon@stelco.com
General Counsel
Stelco Inc.
386 Wilcox Street
Hamilton, ON L8L 8K5

Attn: Jennifer Agnew jennifer.agnew@bmkplaw.com
BMKP Law
130 Adelaide St. W. Suite 1005
Toronto, ON M5H 3P5

**Re: U.S. Steel Canada Inc. Retirement Plan for Salaried of the former Steelpipe
Registration Number 1017177**

Enclosed, please find the Notice of Intended Decision (NOID) with respect to the above noted registered Pension Plan.

Yours truly,

Mitzi D'Souza
Administrative Assistant, Pensions

Enclosure

c: David Pahn , Financial Services Regulatory Authority of Ontario

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the “Act”), subsections 78(1) and 79(3);

AND IN THE MATTER OF the U.S. Steel Canada Inc. Retirement Plan for Salaried Employees of the Former Stelpipe Ltd., Registration Number 1017177 (the “Plan”).

NOTICE OF INTENDED DECISION

TO: Stelco Inc.
386 Wilcox Street
Hamilton ON L8L 8K5

Attention: Paul A. Simon

Employer & Applicant

AND TO: Jennifer Agnew
Brown Mills Klinck Prezioso LLP
Richmond-Adelaide Centre, Box 17
130 Adelaide Street West, Suite 1005
Toronto ON M5H 3P5

Counsel for the Applicant

TAKE NOTICE THAT pursuant to subsection 78(1) of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Head, Pension Plan Operations and Regulatory Effectiveness (the “Head”), intends to make an order to consent to the payment of surplus in respect of the U.S. Steel Canada Inc. Retirement Plan for Salaried Employees of the Former Stelpipe Ltd. to Stelco Inc. in the amount of \$444,000 as at December 31, 2016, plus investment earnings from April 1, 2018 to the last day of the month in which the CEO’s approval of the surplus sharing application is received. Details of this intended decision are described below.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SUBSECTION 89(6) OF THE ACT. A hearing by the Tribunal about this Notice of Intended Decision may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
25 Sheppard Avenue West
Suite 100
Toronto ON M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, an order will be issued as described in this Notice of Intended Decision.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.fstontario.ca.

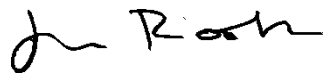
The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at (416) 590-7294, or toll free at 1-800-668-0128 extension 7294.

REASONS FOR INTENDED DECISION

1. Stelco Inc. is the Employer (the "Employer").
2. The Employer wound up the Plan on December 31, 2016.
3. The Employer's application ("Application") included a Written Agreement dated September 29, 2021, whereby \$306,800 of the Net Surplus, plus net investment returns on such amount for the period from April 1, 2018 to the last day of the month in which the CEO's approval of the surplus sharing application is received, using the net fund rate of return earned by the Plan for such period, will be distributed to the Employer. The remainder of the Net Surplus will be allocated on a pro rata basis based on the member's monthly pension payment from the Plan among the members, former members, retired members and other persons who are entitled to payments under the Plan as of the date of wind up, including annuitants for whom a pension was purchased from Canada Life under section 43.1 of the Act on December 22, 2016, collectively referred to as the "Surplus Sharing Group".
4. In accordance with the Written Agreement, any Affected Person whose individual share is less than \$1,000 will receive a payment of \$1,000.
5. Net Surplus is defined as the assets remaining in the Plan at the time of distribution, less the actual eligible administrative costs and expenses incurred in connection with the administration of the Plan and the distribution of surplus.

6. A supplementary report was prepared by the Plan's actuary which estimated the surplus remaining to be \$820,700 as at January 31, 2022, that is, assets of \$1,050,700 remaining in the pension fund for the Plan less a provision of \$230,000 for the expenses related to the distribution of the surplus.
7. Of the 162 surplus notices distributed, 111 Affected Persons returned consent forms (111 consents). At least two-thirds of all Affected Persons consented in writing to the Written Agreement proposed by the Employer pursuant to paragraph 77.11(7)2 of the Act.
8. The Employer has applied pursuant to paragraph 77.11(7)2, section 78 and subsection 79(3) of the Act for consent to the payment of \$306,800 from the pension fund for the Plan as at September 29, 2021, adjusted for investment earnings and expenses to the actual date of payment.
9. The Application appears to comply with paragraph 77.11(7)2, section 78, subsection 79(3) and all other applicable requirements under the Act and Regulation 909, R.R.O. 1990, as amended
10. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, July 29, 2022.



Jennifer Rook
Head, Pension Plan Operations and Regulatory Effectiveness

By delegated authority from the Chief Executive Officer