

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

NICOLE LACROIX and ROSIE LADOUCEUR

Plaintiffs/Appellants

-and-

CANADA MORTGAGE AND HOUSING CORPORATION and MARC ROCHON, CLAUDE
POIRIER-DEFOY, JIM MILLAR, KAREN KINSLEY, GERALD NORBRATEN, JEAN-GUY
TANGUAY, DAVID METZAK and BRIAN KNIGHT being the Trustees of the CANADA
MORTGAGE AND HOUSING CORPORATION PENSION FUND

Defendants

Proceedings under the Class Proceedings Act, 1992

AFFIDAVIT

I, Guy Martel, of the City of Ottawa, in the Province of Ontario, make oath and say as follows:

1. I am Fellow of the Canadian Institute of Actuaries and a principal in GML Actuaries and was retained by Barnes, Sammon LLP, counsel for Nicole Lacroix and Rosie Ladouceur, in the within class action and as such have knowledge of the matters hereinafter deposed to. Where I do not have personal knowledge I state the source of my information and belief and do verily believe same to be true.
2. From my review of the documents, it was apparent that as part of the workforce reduction program (WFA), Canada Mortgage and Housing Corporation (CMHC) introduced an early retirement incentive program in 1995. Some employees that were terminated elected an immediate or deferred pension, others transferred the value of their pension out of the Pension Plan. Members of the class action group, being the Lacroix Group, are employees who left CMHC as a result of the WFA and took their commuted value and left the Pension Plan and who did not share in the distribution of surplus described below.
3. Based on significant surplus available and based on the 1 January 1998 actuarial valuation, CMHC adopted certain measures including an enhancement of benefits, a reduction of employee contribution rates and a retroactive designation of employee contributions to voluntary contributions.
4. In my review of the documents it is apparent that effective 1 January 1999 (the 1998 Benefit Enhancement), the amount of \$44 million assigned to re-designated contribution

component was converted into a percentage of total contributions with interest to arrive at a percentage to apply at individual member allocations.

5. A second pension surplus review resulted in a second re-distribution effective 1 January 2001 (2000 Benefit Enhancement) of \$49.8 million dollars.

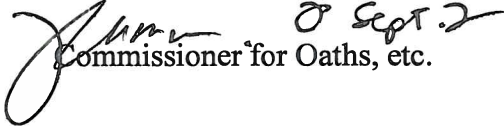
6. Using CMHC's approach to this re-designated amount I am satisfied that members of the Lacroix class action will receive the amount they should have received had they been included in the sharing group when the distributions were made, subject, of course, to any compromise made during mediation with respect to the total amount claimed.


7. To verify the appropriateness of the approach used, I was provided with a number of anonymous employee numbers, the amount of return of contributions related to their transfer restriction annuity (TRA), the date the lump sums were received, pre-1991 and post-1990 contributions with interest, the commuted value or TRA paid and the date of that payment.

8. For some of the anonymous employees, CMHC also provided a one-page summary of their termination options. CMHC's approach to the individual class member's share of the surplus using the same formula it would have used had these class members been included in the 1 January 1999 and 1 January 2001 distribution, was, in my opinion, proper relative to the Lacroix class members' individual damage claims.

9. I make this affidavit in support of the within settlement approval motion and with respect to the Lacroix class action and for no other or improper purpose.

SWORN BEFORE ME at the)
City of Ottawa, in the Province of)
Ontario, this 5th day of ~~June~~ Sept 2017.)


Commissioner for Oaths, etc.



GUY MARTEL