

October 2014

Dear Defined Benefit Plan Members:

Canada Post is exploring with stakeholders the options to address the challenges facing the Canada Post Pension Plan. We are committed to an ongoing effort to keep all Plan members and stakeholders informed and engaged including the bargaining agents and their members, retirees, and management and exempt employees.

To help us fulfill this commitment we are following the direction of the Office of the Superintendent of Financial Institutions (OSFI), the federal pension regulator. In doing so, a temporary committee made up of representatives of the above stakeholders, as well as the Corporation, have jointly developed a Framework. The Framework describes how Canada Post will inform and consult with Plan members about the Plan's current situation and about any proposals that may affect Plan members. It outlines the matters that should be communicated to Plan members, including potential options for restructuring the Plan, contributions to the Plan, and responsibility for the liabilities of the Plan. A copy of the Framework has been posted on cpcpension.com.

The next step under the Framework is to select and elect representatives from each stakeholder to be members of the new Communications and Consultation (C & C) Group. These representatives will provide input on how to best communicate and consult with Plan members on these matters and will be another channel for Plan members to ask questions, offer suggestions or raise concerns.

The C & C representatives will not be negotiating or making decisions on behalf of Plan members or on options to change the Plan, but they will be able to offer recommendations for consideration and discussion. Decisions on any course of action, under the responsibility of the Board of Directors of Canada Post, remain subject to the collective bargaining, notification or consent processes as applicable.

The Communications & Consultation (C & C) Group

The C & C Group will have 12 representatives, some of whom will be elected and some of whom will be selected:

Stakeholder	Number of representatives	Designation process
Management and Exempt Active Plan Members	1	To be -elected by all management and exempt active Plan members
Unionized Active Plan Members	1 for APOC 1 for CPAA 2 for CUPW (Urban and Rural) 1 for PSAC/UPCE	To be selected by their respective bargaining unit
Retirees, including survivors and deferred members	4	To be -elected by all retirees, survivors and deferred Plan members
Canada Post as Plan Administrator & Plan Sponsor	2	To be selected by the Corporation

Next step: have a voice

This fall, nominations will open for retirees (including survivors and deferred Plan members) and for management and exempt active Plan members to put their name forward as candidates for election to the C & C Group. Candidates will be asked to provide a brief summary of their experience and why they would like to represent their peers. Representatives for each bargaining unit and for Canada Post will be selected by the group they represent, as per the table above.

More information about nominations and the election will come in the mail and be posted on cpcpension.com. Since the election process will take place over the coming months, make sure to forward your mail if you plan to be away from home in order to receive your nomination and voting kits.

It's important to note that the C & C representatives will not replace your representatives on the Pension Advisory Council (PAC), which remains in place.

We encourage you to:

- put your name forward in the nomination process if you want to be involved in the C & C Group
- vote in the election
- stay informed and visit the pension website cpcpension.com for updates on the Plan and frequently asked questions
- contact your bargaining unit, management or your PAC representatives if you have questions
- reach out to your C & C representatives, once the C & C Group is in place, to share your comments, concerns or suggestions

We will keep you informed as we work to make the pension plan sustainable and affordable for all Plan members and the Corporation.

Sincerely,



Brad Smith
General Manager, Total Compensation and Pay

On behalf of the temporary committee that created the Communications & Consultation Framework:

Canada Post Corporation	Brad Smith
Management and Exempt active Plan members	John Polak
CUPW-represented active Plan members	George Kuehnbaum
PSAC/UPCE-represented active Plan members	John Wilson
APOC-represented active Plan members	Darrin Kohut
CPAA-represented active Plan members	Daniel Maheux
Retirees	Bill Price
Retirees (CUPW-selected)	Marion Pollack
Retirees (PSAC/UPCE-selected)	Marina Anstey
Retirees (APOC-selected)	Ron Goodwin
Retirees (CPAA-selected)	Darwin Hoimyr