

Important Notice to all Pension Plan Members

In the summer of 2023, an unauthorized party breached the Plan's information security systems resulting in the Pension Plan's assets being disbursed to unauthorized recipients outside the country. Unfortunately, law enforcement has been unsuccessful in locating and recovering any of the funds.

It is important to note that:

1. The disbursement of assets has had **no material impact** on the Plan's funded position or on the Plan's ability to provide pension benefits as promised to our Plan Members. The Plan remains fully funded, with **current assets just under \$300 Million**; and
2. The incident **did not compromise Plan Member personal information**.

The compromised funds amounted to just over 3% of the Plan's audited total assets of \$263,429,841 as of December 31, 2023, the year in which the incident occurred.

Please understand the Board of Trustees has not previously communicated this security incident as their primary focus was and continues to be to the recovery of these funds. As such, the Board of Trustees has been in confidential negotiations until now.

Since the incident, a number of steps have been taken to protect the Plan and prevent future breaches from recurring. The Board of Trustees has not only engaged foreign legal counsel, worked with the BC Financial Services Authority but also with law enforcement here in BC and in Hong Kong.

Furthermore, our legal counsel has been in discussions with two key service providers to the Plan that we believe caused or contributed to the loss: an IT service provider and the Plan's custodian, Canadian Western Bank Trust Services.

As an attempt to mediate a solution with these providers has been unsuccessful, the Board of Trustees have no choice but to formally file a lawsuit to recover the funds.

We remain hopeful for a timely resolution to this matter but want to ensure the membership is aware of the legal action that will be undertaken.

We understand the membership may have questions. The Board of Trustees and the Plan Office will do our best to answer as many questions as possible. However, we hope you will understand that because the matter is being litigated, there are limits on what we can share.

As the matter proceeds, information will be provided to Plan Members as appropriate given the circumstances.

April 2025