

February 14, 2023

To the ACAW Trust Funds Membership and Beneficiaries

We have taken this opportunity to write this letter in defense of the recent actions and accusations put forth by the Canadian Regional Council (CRC), formerly Alberta Regional Council of Carpenters, and others.

On November 29, 2022, members of the United Brotherhood of Carpenters & Joiners of America (UBCJA) entered the offices of ACAW Trust Funds (formerly the Alberta Carpenters & Allied Workers Trust Funds) and terminated Robert Provencher from his employment with the Alberta Regional Council of Carpenters. These gentlemen also told Mr. Provencher that the UBCJA was terminating his position with the ACAW Trust Funds. Mr. Provencher was then informed he was to leave the building immediately. Mr. Provencher was also told that he was banned from reentering the ACAW Trust Funds Office or any of the Alberta Regional Council of Carpenters offices, without escort. It should be noted ACAW Trust Funds offices are completely at arm's length from the UBCJA and are in fact an asset of the pension trust. It should also be noted no cause for termination was stated. Mr. Provencher, to no avail, did inform the UBCJA representatives that the UBCJA did not have the authority to remove him from the ACAW Trust Funds offices or to terminate his position with the ACAW Trust Funds.

The Board of Trustees of the ACAW Trust Funds have been accused, either in writing or by inference, of mismanagement of the Trust Funds and of hijacking the ability of the CRC and Construction Labor Relations Association of Alberta (CLRA) to appoint or remove Trustees at the discretion of either body.

The CRC has attempted to support their position by publishing erroneous statements, threatening the ACAW Trust Funds' Board of Trustees with court actions and interfering with the provision of services from consultants used by the ACAW Trust Funds Board of Trustees.

With regard to mismanagement of the ACAW Trust Funds, the Board of Trustees would like to state the Board annually files with the Office of the Superintendent of Pensions:

- Financial Statements (produced by an independent auditor, currently KPMG)
- Statement of Investment Policies & Procedures
- Actuarial Valuation Report
- Pension Plan Text, including amendments (also filed with the CRA Registered Plans Directorate)

The Agreement & Declaration of Trust, when amended, is filed with, and has been accepted by, the Office of the Superintendent of Pensions and the CRA Registered Plans Directorate.

The ACAW Pension Plan is governed by several Acts including but not limited to:

- Trustee Act of Alberta
- Employment Pension Plans Act of Alberta and its Regulations
- Pension Benefits Standards Act of BC
- Pension Benefits Standards Act of Canada and its investment requirements
- Pension Benefits Act of Manitoba
- Pension Benefits Act of Ontario

The Employment Pension Plans Act of Alberta allows the Board of Trustees of a registered pension plan to administer and/or structure the plan as they see fit, providing it meets the requirements of current legislation and is done so solely for the benefit of plan members and their beneficiaries.

The ACAW Pension Plan Board of Trustees has a combined experience of 90 years with an individual average experience of 13 years. Mr. Provencher has 21 years' experience as a Trustee and has held the Chair of the pension fund continuously since 2007. Under the management of the ACAW Pension Plan Board of Trustees, the asset value of the Pension Plan has risen from a value of \$400 million to a value of \$2.1 billion dollars today. The ACAW Pension Plan has never reduced benefits and, at this time, is fully funded on a going concern and solvency test basis, with a surplus.

The Pension Plan is considered by many to be one of the best managed pension plans in the country, with governance and oversight at the foundation of the success of the pension and health programs. Since the attempted removal of the Chair, the Trustees have sought guidance from the pension regulator in Alberta who has been at every pension meeting since. The regulator has advised the Trustees, in writing, that the current Board of Trustees have the ability to continue to operate in their current capacity. Additionally, the Trustees have also made the determination that it is in the best interest of the beneficiaries of both plans, to increase the size of the Board to 8 people, appointing two Trustees. This determination has resulted in the appointment of Mike Dunlop, current President of UBC Local 1325 and Paul Owens, previous Alberta Deputy Superintendent of Pensions. This reflects best practice in the industry, and helps ensure successful governance and stewardship of the programs for years to come.

The ACAW Senior Management and members of the ACAW Board of Trustees, including the Chair, annually present a full reporting of the financial position of the Trust Funds to members in BC and Alberta. We encourage all members to attend these information meetings and look forward to the opportunity to answer questions.

On behalf of the ACAW Trust Funds Board of Trustees

Robert J. Provencher
Board Chair