

**Financial Services
Commission
of Ontario**

Pension Plans Branch

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**Commission des
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September 14, 2016

Registration Number: 0351684

Mr. Howard Cimring
Partner
Morneau Shepell
895 Don Mills Road
Tower One, Suite 700
Toronto, ON M3C 1W3

Dear Mr. Cimring:

Re: Navistar Canada, Inc. Non-Contributory Retirement Plan (the "Plan")

Thank you for meeting with us and the representatives from Unifor on September 7, 2016. As discussed in this meeting, which was conducted on a without prejudice basis, there are items related to the partial wind up of the Plan as at July 28, 2011 that require your response.

1. Please provide us with a copy of the notice (and distribution date) that was provided to the members affected by the above partial wind up (affected members) indicating that the plant would be permanently closed and the Plan would be partially wound up.
2. Please provide us with a copy (in Excel format) of the data file containing the layoff dates for all the affected members.
3. Please provide us with your response and supporting documentation relating to Unifor's examples of service discrepancies for certain affected members.
4. Unifor asserts that their actuary cannot determine whether interest was effectively credited on the pension back payments owed as indicated on both page 8 of the Partial Wind up Report and in your response to item #2 of the "Supplementary comment on Navistar Partial wind up report and data". Please provide us with your response to Unifor with respect to accuracy of interest calculation for the pension back payments owed to the affected members.
5. In the meeting, Unifor requested copies of the unaudited financial statements including the monthly details used in the preparation of the Partial Wind up report as

at July 28, 2011. Please provide us with your response to Unifor and a copy of the requested information.

6. Unifor indicated that for certain members on disability, the value of their disability pension may have a greater value than their retirement benefit. Please provide us with your response to Unifor along with any supporting documentation for the calculation of these disabled members' benefit.

Also, we note that Navistar's counsel, Mr. Mitch Frazer, will be providing his comments on the issue of communication to the affected members on the Plant closure and the partial wind up. We look forward to receiving a copy of his response to this item.

Please respond the above items by September 30, 2016.

Should you have any questions or concerns, you may contact me directly at (416) 226-7815. Please quote the registration number shown at the top right-hand corner of this letter.

Yours truly,



David Pahn
Pension Officer

Copy: Michelle Rohner, Navistar Canada Inc.
Jeff Wareham, Unifor