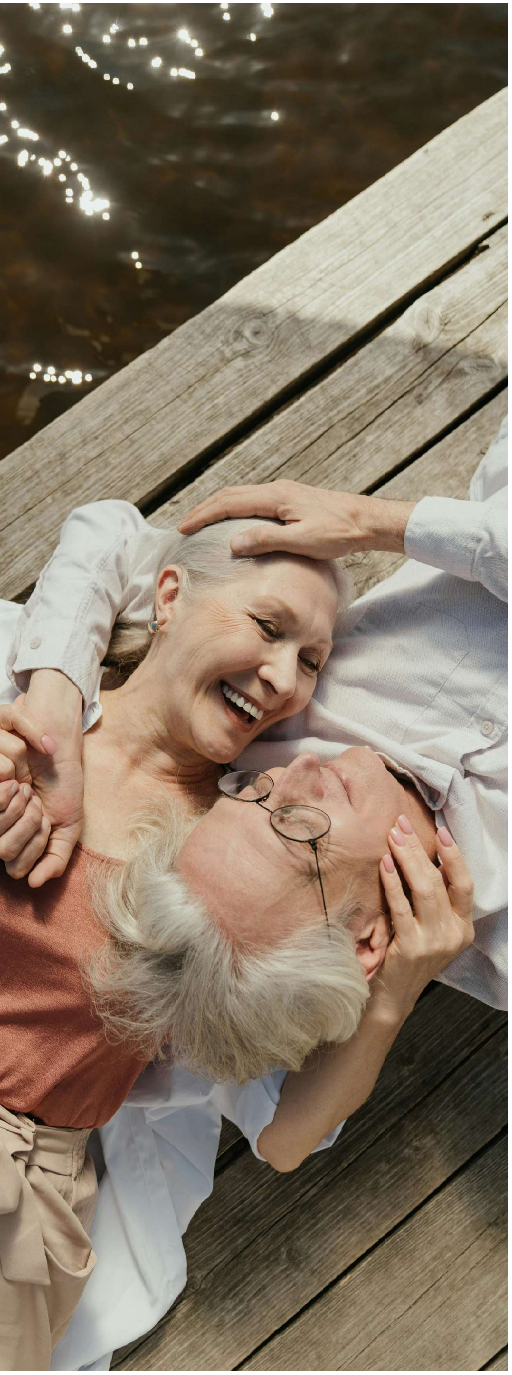
ASBESTOS WORKERS PENSION PLAN OF ALBERTA

and

ASBESTOS WORKERS' INSURANCE BENEFIT TRUST FUND

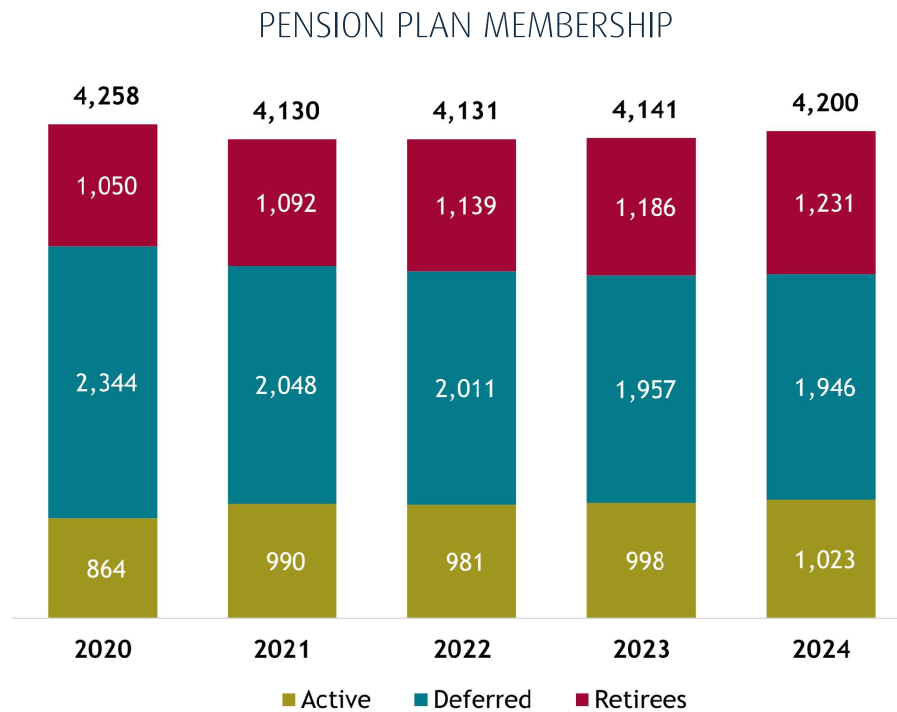
ANNUAL REPORTS
for the Year Ending December 31, 2024



YOUR PENSION PLAN

The Asbestos Workers Pension Plan of Alberta (the "Pension Plan") was established in 1976, to provide pension benefits to insulator through the International Association of Heat and Frost Insulators and Allied Workers Local Union 110 in Alberta.

Over the last 40 years, membership in the Pension Plan has fluctuated, but currently has 4,200 members. Of those members, 1,023 are actively working, 1,946 have ceased working and are deferring their pension into the future and 1,231 are retirees, beneficiaries, or disabled currently receiving a pension.



We expect 2025 will see an increase in the number of individuals joining the Union in the hopes of finding rewarding, long-term employment in the Asbestos industry.

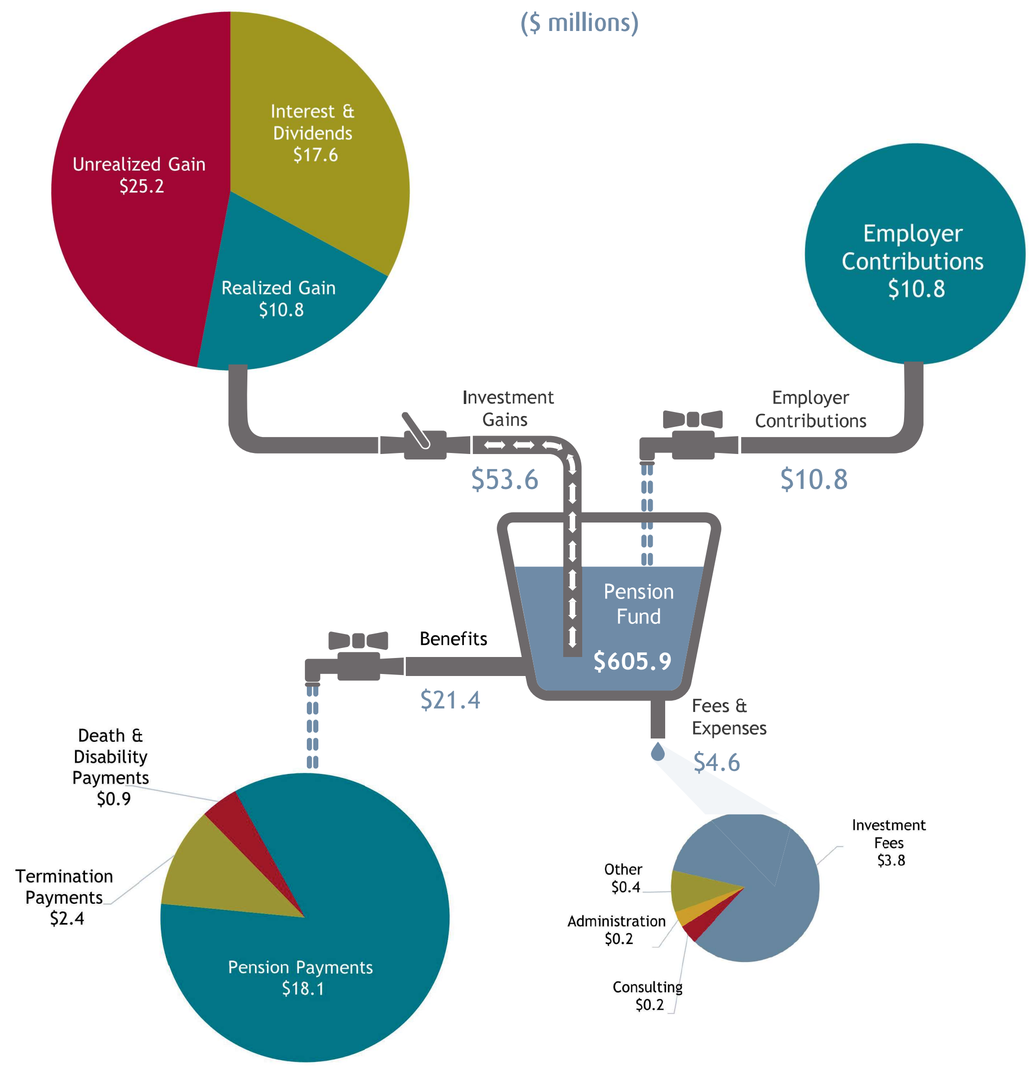
GROWING THE PENSION PLAN ASSETS

In 2024, participating employers contributed $10.8 million to the Pension Plan to fund your pension benefits.

The Pension Plan assets increased from $567.5 to $605.9 million in 2024. In addition to the employer contributions, there were investment gains of $53.6 million, benefit payments of $21.4 million, and $4.6 million in expenses.

What happened to the Pension Plan in 2024?

($ millions)

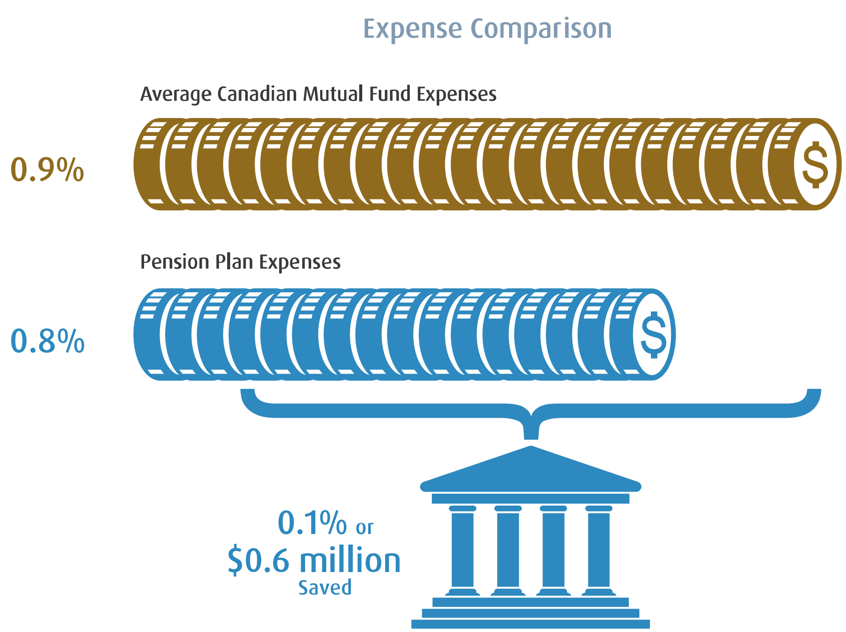


CONTROLLING THE PENSION PLAN EXPENSES

Pension Plan expenses in 2024 were $4.6 million, up from $4.2 million in 2023. The 2024 expenses included $3.8 million in investment manager fees, $0.2 million in consulting fees, $0.2 million in administration costs, and $0.4 million in other expenses (such as Trust Fund insurance, Trustee education, auditing, registration, and meeting expenses).

As a percentage of assets, Pension Plan expenses are similar to 2023, at 0.8%.

By investing collectively, members benefit from reduced expenses, saving money, and improving the stability of the Pension Plan.



INVESTING THE PENSION PLAN ASSETS

In 2024, the Pension Plan saw an asset increase of $38.5 million, which was predominately due to strong asset performance. This is consistent with the overall market performance in 2024.

The Trustees regularly assess the performance of the Pension Plan investment managers. The Pension Plan portfolio returned 9.56% over 2024 falling below the Plan Benchmark of 14.39% by 4.83%, before fees. Over three and five years, the Pension Plan have an average rate of return of 4.62% and 6.81%, respectively.

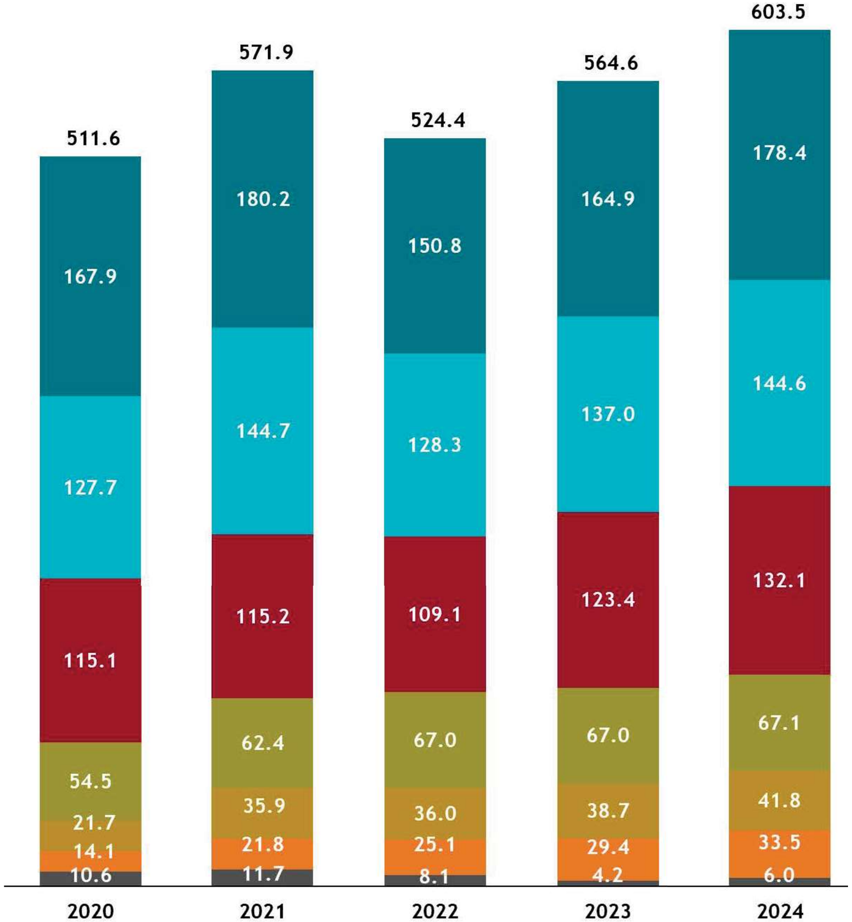
Investment Managers 5-Year Performance

	1 Year	3 Year	5 Year
Actual	9.56%	4.62%	6.81%
Benchmark	14.39%	4.99%	7.43%
Difference	-4.83%	-0.37%	-0.62%

	2020	2021	2022	2023	2024
Actual	5.43%	15.15%	-5.78%	10.94%	9.56%
Benchmark	9.38%	13.04%	-6.63%	8.36%	14.39%
Difference	-3.95%	2.11%	0.85%	2.58%	-4.83%

PENSION PLAN INVESTMENTS ($ millions)

in ($ millions)	2020	2021	2022	2023	2024
Canadian Equities	167.9	180.2	150.8	164.9	178.4
Global Equities	127.7	144.7	128.3	137.0	144.6
Bonds	115.1	115.2	109.1	123.4	132.1
Real Estate	54.5	62.4	67.0	67.0	67.1
Mortgage	21.7	35.9	36.0	38.7	41.8
Private Equity	14.1	21.8	25.1	29.4	33.5
Other/ Cash	10.6	11.7	8.1	4.2	6.0



VALUING THE PENSION PLAN

At the end of 2021, the Trustees engaged the actuary to perform an actuarial valuation of the Pension Plan. An actuarial valuation is required every three years, at a minimum. Prior to 2021, the last two actuarial valuations were performed at the end of 2017 and 2019. The next required actuarial valuation is as of December 31, 2024.

The Pension Plan's most recent actuarial valuation, as of December 31, 2021, has two valuations performed:

The Going Concern Valuation (or long-term funding basis assuming the Pension Plan continues indefinitely) indicated a Going Concern Funded Ratio of 158%.

The Solvency Valuation (or the basis assuming a hypothetical wind-up of the Pension Plan as of the valuation date) had a Solvency Ratio of 104%. Since there are many employers contributing to the Pension Plan, the risk of wind up is low.

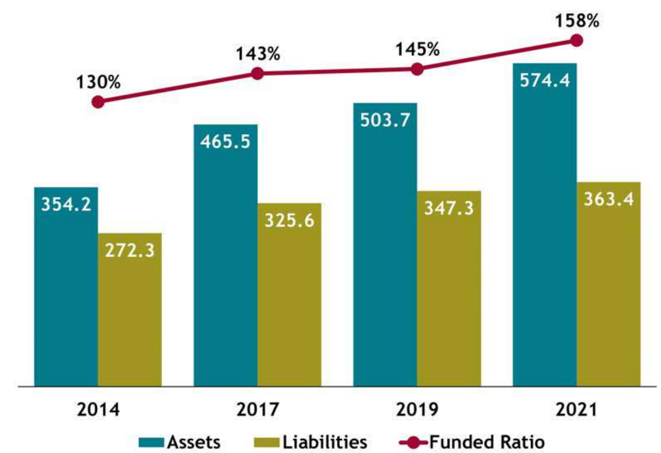
Of the average $6.85 per hour paid to the Pension Plan for hours worked by members in 2024, contributions are allocated as follows:

Contribution Rate	$6.85
Service Cost for Annual Hours Accrued	$ 5.80
Provision for Adverse Deviations	$ 1.03
Special Payments (Unfunded Liability)	N/A
Contingency Reserve	$ 0.02
Balance	-

Contribution rate was $6.57 from January 1, 2024 to May 4, 2024 and $7.00 from May 5, 2024 to December 31, 2024.

The Trustees reviewed the Pension Plan's funded positions and granted benefit improvements to the Plan effective May 1, 2024.

Going Concern Valuations from 2014 - 2021 ($ millions)



YOUR HEALTH PLAN

For over 50 years, your Insulators Local 110 Benefit Plan (the "Health Plan") has been there, providing financial support to you and your family during periods of medical necessity. The Health Plan is funded by employer contributions, and the Trustees are responsible for providing for the needs of plan members and their families, given the financial resources available. This report provides a snapshot of those efforts.

The Health Plan's paid claims in 2024 were consistent with those in 2023, which is attributed to a decrease in Dental, and Vision Claims, offset by an increase in all other claims.

The Health Plan's strong funded position allowed the Trustee's to credit eligible member's with $800 in the Plan's Health Spending Account starting in 2025, a $200 increase from previous years.

Members are encouraged to continue making prudent decisions when it comes to their health care purchases.

HEALTH PLAN OPERATIONS

In the 2024 reporting year, the Health Plan received $3.72 million in contributions from participating employers and self-pays from active and retired members.

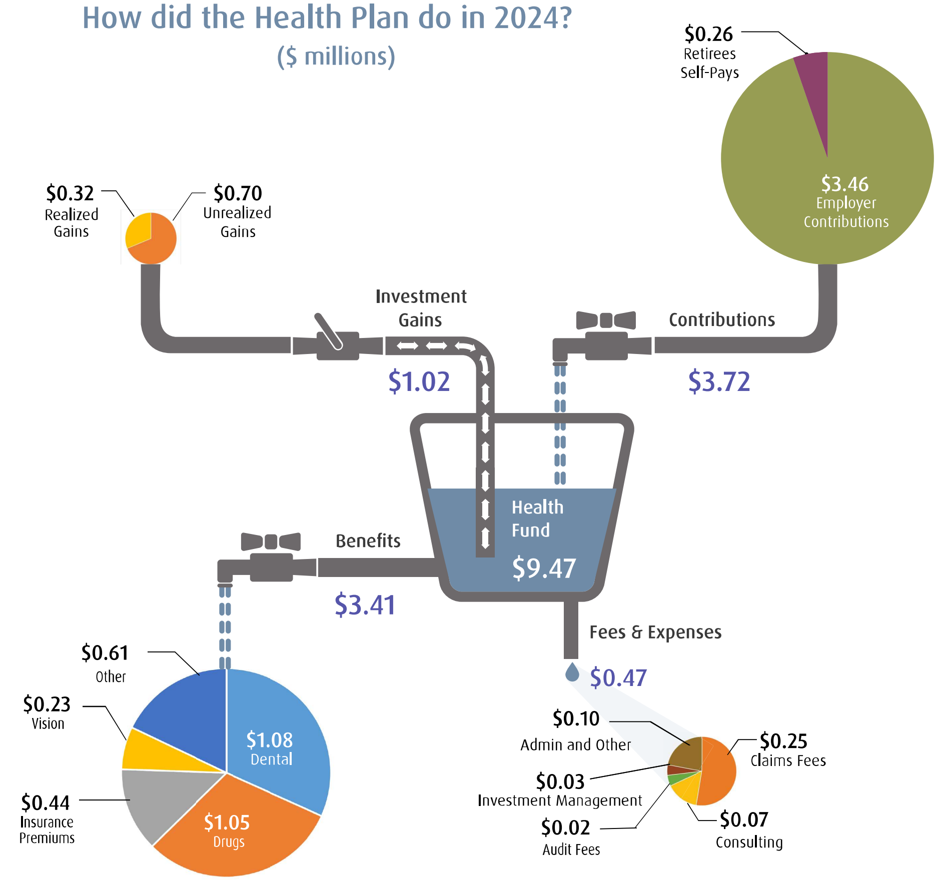
The invested assets incurred gains of $1.02 million in 2024, as a result of market conditions continuing to rebound from the difficult conditions in 2022. The investments gains were made up of $0.32 million of realized gains (interest & dividends, and the sale of investments) and $0.70 million in unrealized gains.

The Trustees continue to closely monitor the investment managers to ensure their performance is market competitive and aligns with the goals of the Health Plan.

Benefits paid in 2024 totaled $3.42 million, primarily driven by dental and prescription drugs, which were offset by a $0.01 million insurance refund. Fees and expenses in 2024 totaled $0.47 million.

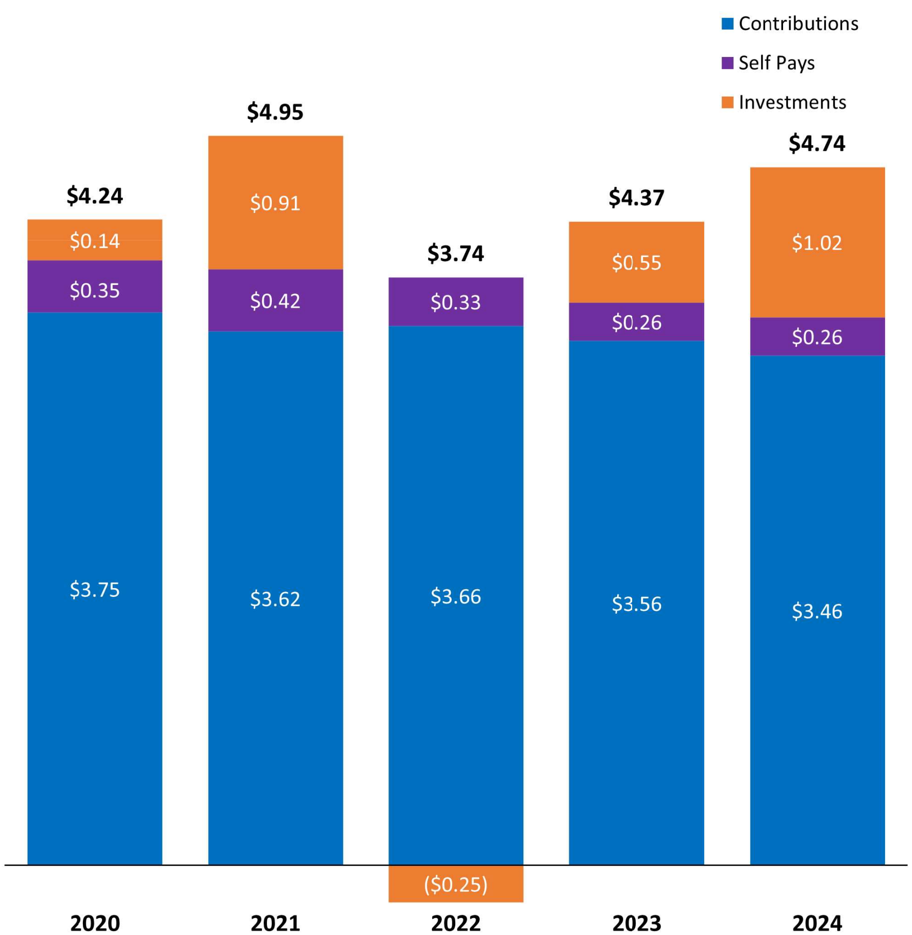
The Trustees will continue providing affordable benefits given the assets and cash flow available.

How did the Health Plan do in 2024?
($ millions)



HEALTH PLAN INCOME, 2020 - 2024 ($ millions)

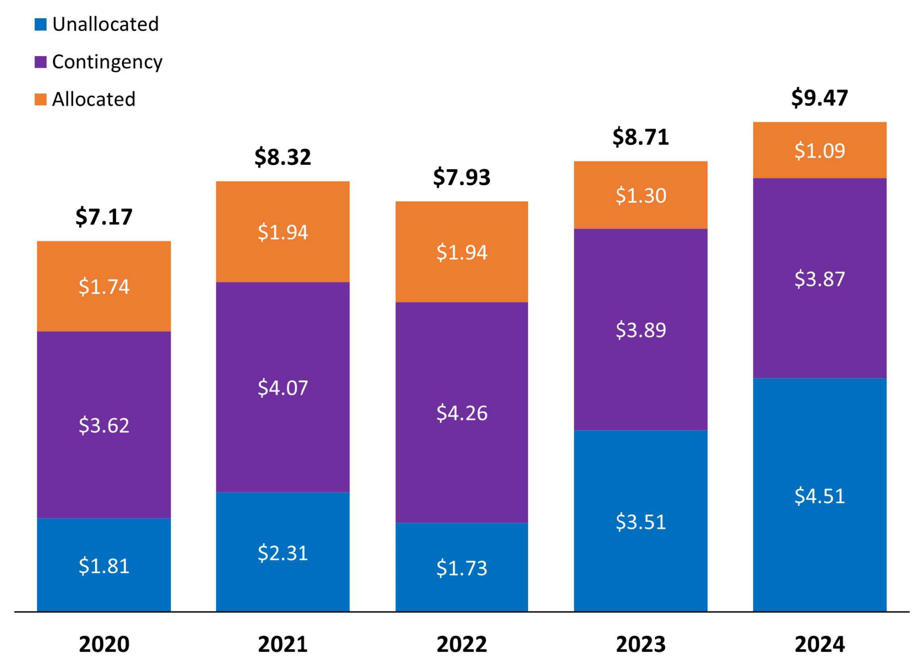
Over the last five years, contributions and investment income have fluctuated. The chart below compares the Health Plan's income from 2020 to 2024.



HEALTH PLAN RESERVES ($ millions)

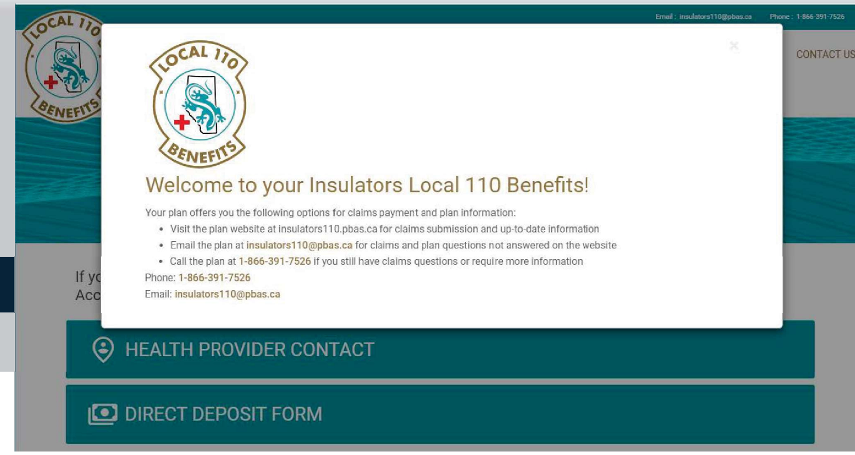
The Health Plan holds allocated, contingency and unallocated reserves. The purposes of those reserves are as follows:

- Unallocated reserves are held in the plan to be used as a buffer against future claims increases.
- Contingency reserves are maintained to protect against work slowdowns and unpredictable events.
- Allocated reserves are set aside to cover such things as incurred but not reported claims and hour banks that members have accumulated to provide their families with future coverage.



ACCESSING YOUR HEALTH DETAILS

An online member portal has been available for Health Plan members. That portal allows you to manage your spouse and dependant records, change your mailing address, update your beneficiary, access plan booklets and other plan information, print your drug card, submit claims online, access details about your claims and HSA history, and more.



You can access the online portal 24 hours a day, 7 days a week to find immediate answers to common questions you may have about the plans as well as receive important notifications.

If you have not yet registered, we encourage you to do so. Once you have finished registering, you can immediately start accessing the member portal.

Prior to registering on the portal, make sure you have your personal information handy. For the Health Plan, you will need your plan certificate number which can be found on your benefit card.

If you have questions about registering, or how to navigate the portal, call the Administrator at 1-866-391-7526, or email them at **insulators110@pbas.ca**.

Health Plan Portal: **insulators110.pbas.ca**

YOUR BOARDS OF TRUSTEES

Two Boards of Trustees oversee your plans. Six Union Trustees and two Employer Trustees share the related governance responsibilities.

Health & Welfare Fund

Union
Derek Stock (Chair)
Stacy Edmondson

Employer
Chitegetse Rutihinda
Position Vacant - *Formerly held by Mathew McNabb*

Pension Fund

Union
Derek Stock (Chair)
Neil Holatko (Co-Chair)
Andrew Doucet
Bill Spring
Stacy Edmondson
Ryan Lapointe

THE SUPPORTING CAST

In 2024, the Pension Plan and Health Plan were supported by teams of professionals that delivered various services. Some of these professionals are mentioned below.

Your administrator, performs the day-to-day administration functions of receiving contributions and maintaining your eligibility records.

Industry Alliance Insurance and Financial Services Inc. is your Plan Insurer for Life, AD&D and Travel. The PBAS Group is your Plan Insurer for Short-Term Disability, Dental, Vision, and Extended Health Care.

Donnelly & Company is auditor to the Plans, performing annual audits that are available for review by Plan members.

The investment managers worked to protect and grow your Plans' assets.

Benchmark Decisions Ltd. provides actuarial and consulting advice on plan design, regulatory compliance, benefit costing, insurance underwriting, confirms the Pension Plan's funding, and files reports with the Alberta government.

OBTAINING MORE INFORMATION

If you need to contact someone about your benefits, you can contact one of our professionals using the information below.

For Inquiries About the Pension Plan

1-780-426-2623
insulators110.com

For General Inquiries About Health Plan Eligibility and Hour Bank Balances

1-780-426-2874

For Health Plan Claims Payment Inquiries

The PBAS Group
1-866-391-7526
insulators110.pbas.ca

Asbestos Workers Pension Plan of Alberta
1-780-426-2623

Asbestos Workers' Insurance Benefit Trust Fund
1-780-426-2874

9335-47 Street
Edmonton, AB, T6B 2R7