

ADDENDUM

Directors Guild of Canada Health & Welfare Plan Trust Funding Policy

Motion passed on August 20, 2022

Brian presented his report which included a detailed overview on the current reserves held by the H&W Trust. He noted that Excess Reserves have grown by 7 million dollars. One year of reserves equates to 28 million dollars, and the Trust holds an approximate 9 million dollars more. He concluded that holding such a large amount of funds in reserves is excessive, and that the excess funds could be used to make improvements to the 2024 plan over a 7-year timeline. The Trust has tapped in to the reserves only once, during the global Covid-19 pandemic, in the amount of 1 million dollars and over the course of three months during the industry shut down. Assuming a 6-month reserve and a shorter time horizon of 5-7 years instead of 10 years, and based on the Trust's current assets of 38 million dollars, 17.5 million dollars could potentially be freed up to be used over the course of 7 years to improve the 2024 plan. This translates to an additional investment of \$400/member per year, in to the DGC Benefits plan.

MOTION: Be it resolved to amend the Trust's Funding Policy to hold 6 months of expenses in reserves.
Moved by: Grace Gilroy
Seconded by: Dave Forget
Motion Carried.