Trustees of the plan

After a decade as Trustee, Mr. Talman Pizzey stepped down as Trustee in February 2017. The Board thanks him for his insight and dedication to the plans. He was replaced by Phil Tetzlaff.

The Board of Trustees met in May, August and November 2016 to review and manage the operations of the pension plan. As a further safeguard, the plan's financial statements were audited as they are each year. This involves a review of expenses paid from the plan, the process of paying member benefits, and contributions into the plan.

The auditor found that the statements were fairly presented and the plan's records were in order.

The current Trustees are:

Mr. Tony Nguyen 2016
QCCC Prairie Region

Mr. Brent Hunt 2016
QCCC Central Region

Mr. Kent Oliver 2016
Int. Brotherhood of Boilermakers

Mr. Arnie Stadnick 2015
Boilermakers Lodge 146

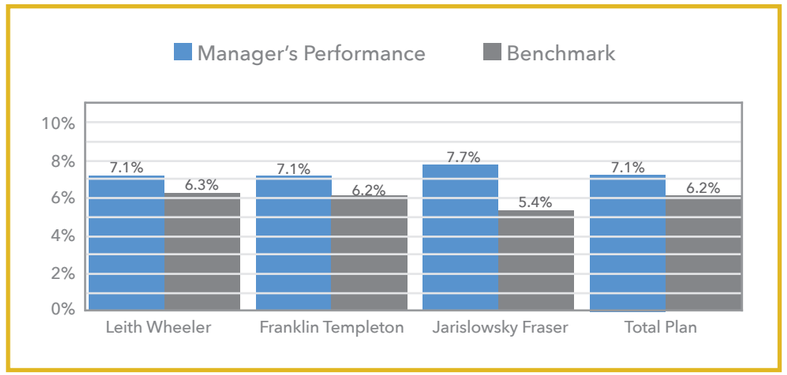
Mr. Rick Robichaud 2012
Team Industrial Services

Mr. Vince Vincelli 2008
Team Industrial Services

Mr. Phil Tetzlaff 2017
Superheat FGH

Mr. Gerry Sieben 1989
Acuren Group Inc.

2015-2016 Two-year annualized gross return



Four times a year, the Trustees compare the investment managers' performance to other managers, to the markets (labelled "benchmark" in the above graph), and to goals the Trustees have set for the plan. Through this process, the Trustees are satisfied that these investment managers have been a good choice for the plan and are well equipped to continue selecting appropriate investments for the plan.

Plan income and expenses

	2016	2015
Net assets at beginning of year	$561,407,209	$530,088,934
Contributions	34,428,250	$35,957,992
Member benefits	(25,097,694)	(21,139,211)
Plan expenses	($2,517,429)	($2,163,904)
Net investment earnings	62,259,941	$18,663,398
Net assets at end of year	630,480,277	$561,407,209
Expenses as a proportion of average net assets	0.42%	0.41%

This material has been compiled by the Trustees from information provided to them and is accurate to the best of their knowledge at the date of printing. Formal legal documents ultimately govern the operation of the plan, including the Plan Text, Trust Agreement and Relevant Legislation. Should there be any discrepancies between the information in this newsletter and the actual provisions in the Plan Text and Trust Agreement, the Plan Text and Trust Agreement Prevail.

QUALITY CONTROL COUNCIL OF CANADA
www.qcccanada.com

NDTMA
NONDESTRUCTIVE TESTING MANAGEMENT ASSOCIATION

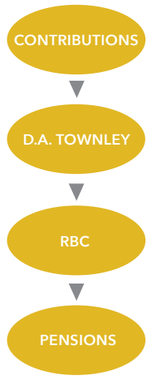
PRINTED May 2017

N.D.T Industry Pension Plan

The 2016 return was 10.9% before expenses were deducted.

How the plan works

Each month your employer sends pension contributions for each hour earned in the past month. D.A. Townley – plan administrator updates your file with the amount of contributions made. D.A. Townley checks that the contributions match the hours then sends the money to the trust account at RBC where all members' balances are held. When you want to retire, contact D.A. Townley for your options. The contributions are not taxed before they are deposited to the trust. You are not taxed on investment gains or on contributions.



(Your employer will show the contributions on your T4 tax slip in Box 52. This reduces your RRSP room while not directly affecting your taxes.) You will be taxed on any money you withdraw from the plan, but that is usually once you are in a lower tax bracket.

Responsible investments

While the Trustees' investment guidelines do not specifically incorporate Environmental, Social and Governance factors, Leith Wheeler, Franklin Templeton and Jarislowsky Fraser Limited incorporate these factors into their investment analysis, as they are signatories to the UN Principles for Responsible Investment.

New to the plan?

Learn more about how the plan works by reading the plan booklet which is online at ndtbenefits.org.

What a deal!

In addition to being cheaper than saving on your own, this plan has lower fees than a typical plan of this size and type. Last year, a study of Canadian pension plans by the Fraser Group showed that this plan has lower fees than the other plans which participated in the Fraser Group survey. The study found that a plan of this size would typically expect to pay fees of 0.52% of assets, but this plan paid 0.39% of assets in fees.

Update your address and beneficiary!

The data we have on file will determine your pension and how we contact you. It is very important that your address, birth date, e-mail address, and beneficiary information on file are up to date.

Retirement income options

This pension plan does not make payments to members. Instead, when you retire, the value of all contributions that have been paid to the plan on your behalf, plus any net investment returns on those contributions may be:

- turned into guaranteed even payments by purchasing an annuity;
- transferred to a Life Income Fund (LIF) for flexible payments;
- or transferred to a Locked-in Retirement Account (LIRA) to invest for later use; or
- left in the plan, to choose one of the above options later. You must choose one of the above options by the end of the year you turn 71. The main difference between the above options is whether payments are level for the rest of your life.
- an annuity will pay the same amount every month for your lifetime;
- With a LIF, you choose the investments and the amount of income each year. Unlike an annuity, payments from a LIF are not guaranteed for life, and may get smaller;
- A LIRA is an investment account that does not permit withdrawals. Later, you can convert it to an annuity or a LIF.

If you are interested in a detailed comparison of all your retirement options, please contact Craig Drake-Johnson at D.A. Townley at 604.299.7482 ext. 335

Which option is right for me?

While some people will like the certainty that an annuity provides, others will prefer the flexibility of a LIF. Seeking professional, unbiased advice and becoming informed early will help you better plan for a safe and secure retirement. Members often wonder if they can take their entitlement out of the pension plan as soon as they stop working. You may only withdraw a benefit from the plan when:

- you are over 55 and have stopped working under this plan
- you have not worked 350 hours in the past 2 years and are not working
- you become disabled
- you are terminally ill
- you die.

If you do qualify for transfer options, note that pension benefits are locked-in, which means that even once they are transferred to a bank or elsewhere, laws limit the amount you may withdraw each month.

What does "terminated" mean? Am I going to lose my pension?

No, if you become a terminated member of the pension plan, this just means you have a different membership status in the plan. If you work less than a total of 350 hours in a 2-year period, your status in the plan changes from active to terminated, which simply means you have the option to transfer your pension benefit from the plan. For details of your specific benefit, see your annual statement or contact D.A. Townley.

How can I get a bigger pension?

Your pension benefit is the total of contributions made for hours you earned plus investment growth. In general, your pension will be larger if you work more hours and if you retire later. Once you retire, unless you choose an annuity, your investment choices will affect your balance and hence the amount you have available to withdraw.

How much is my pension?

Your benefit is the total of contributions plus net investment returns. It is shown on your annual pension statement that is sent to you in May or June of each year, if we have your current address on file.

New CPP

Starting in 2019, contributions to the Canada Pension Plan (CPP) will gradually increase and members will earn larger pensions from the CPP. See the estimated impact for you of the CPP enhancement by entering your age and earnings on this website: www.cppenhancement.ca

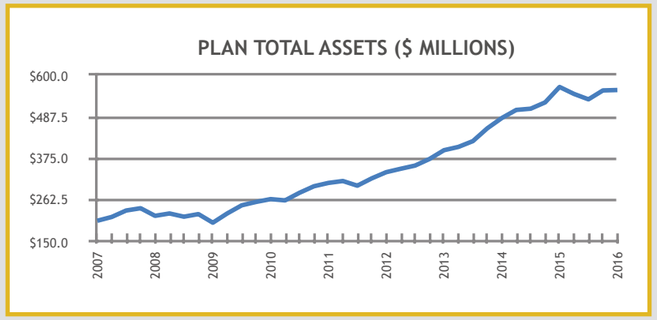
You can take a reduced pension as early as age 60 or begin receiving an increased pension after age 65. Once you reach age 70, there is no financial advantage in delaying CPP, as the payments do not increase after age 70. An individual who starts receiving their retirement pension at age 70 will receive 42% more per year than if they had taken it at 65.

The average payment from the Canada Pension Plan in October 2016 was $644/month. The maximum monthly CPP for 2017 is $1,114.17, but most retirees receive less than the maximum since they did not contribute the maximum amount in years where their earnings were lower. Pension payments from the CPP and OAS increase each year based on the amount of increase in the cost of living, which protects retirees in times of high inflation. The income from CPP and OAS is taxable.

In addition to the Canada Pension Plan, those who have lived in Canada for at least 10 years may receive Old Age Security (OAS) payments from age 65. For January to March 2017, the maximum OAS payment is $578.53/month.

You may defer your OAS Pension by up to 60 months in exchange for a higher monthly amount. A Guaranteed Income Supplement is paid to low-income Canadian seniors, in addition to OAS. If you earn more than a total of $74,789 while retired, you will be required to repay some of your OAS.

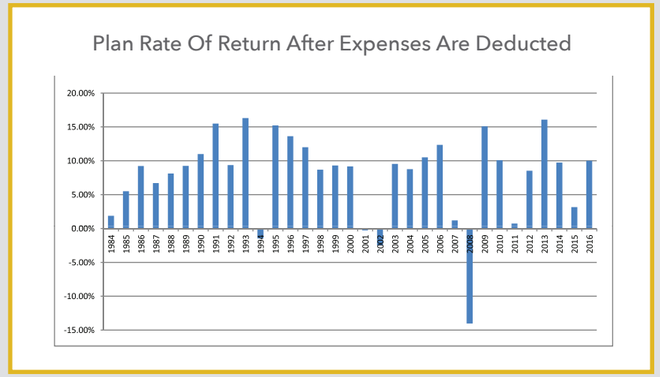
For more information, call Service Canada at 1-800-277-9914 or visit www.canada.ca



Since 1984, member accounts have been credited with a rate of return averaging 8%, consistently beating the major stock and bond markets thanks to carefully chosen and diversified investments. The Trustees are currently reviewing plan investments, keeping in mind their goals for reducing ups and downs and maximizing returns.

The Trustees have appointed money managers from four different firms to invest the plan's assets under guidelines from the Trustees. Leith Wheeler Investment Counsel and Franklin Templeton Investments manage their portions of the plan's assets with a balanced mandate. This means they invest plan funds in all major asset classes including Canadian, U.S and International stocks and bonds. A third manager, Jarislowsky Fraser Limited, invests the remainder of the assets of the N.D.T. Industry Pension Plan in Canadian stocks. After careful review, in 2017 the Trustees decided to hire Crestpoint Real Estate Investments as a fourth manager.

Investment returns



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