



IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990,
c. P.8, as amended (the “*PBA*”).

AND IN THE MATTER OF a Proposal to Refuse to
Approve a partial wind up report by the Superintendent
of Financial Services under section 70 of the *PBA*, relating
to the Wind-Up Report effective October 31, 2001 filed in respect
of the **Pension Plan For Employees of Schlumberger Industries
(C& D) Meter Reading Division, Registration Number
0926196.**

AND IN THE MATTER OF a Proposal to Require a
New Report by the Superintendent of Financial Services
under section 88 of the *PBA*, relating to the **Pension Plan For
Employees of Schlumberger Industries (C& D) Meter Reading
Division, Registration Number 0926196.**

TO: **Schlumberger Industries Canada Limited**
525 3rd Avenue South West,
Calgary, AB
T2P 0G4

Attention: Lori Atkins

Employer and Administrator

NOTICE OF PROPOSAL

I PROPOSE TO:

- (a) **REFUSE TO APPROVE A WIND UP REPORT** filed by Neptune Technology Group
(Canada) Inc. (“Neptune”) dated October 31, 2001 with respect to a full wind up of the Pension

Plan For Employees of Schlumberger Industries (C& D) Meter Reading Division (the “Plan”) effective October 31, 2001, pursuant to section 70(5) of the *PBA*; and

(b) **ORDER**, under section 88 of the *PBA*, that Schlumberger Industries Canada Limited (the “Company”) prepares and files a new wind up report within sixty (60) days from the date of this Notice of Proposal that contains a method by which the surplus assets are to be distributed.

REASONS:

1. The Plan is a single employer defined contribution pension plan registered under the *PBA*. In accordance with the Plan Text dated August 24, 1992 (the “Plan Text”) the Company is both the administrator and the employer under the Plan.

2. The Plan was wound up as of October 31, 2001. A wind up report was filed by Neptune with the Financial Services Commission of Ontario (“FSCO”) effective October 31, 2001 (the “Wind Up Report”). Further, Application of Registration of A Pension Plan Amendment (the “Application”) with respect to the Plan was received by FSCO on July 11, 2002 with an effective date of October 31, 2001.

Employer and Administrator Under the Plan

3. Both the Wind Up Report and the Application refer to Neptune as the employer or plan sponsor. As such, in a letter dated February 14, 2002, FSCO indicated to Neptune that details of this name change were required. However, FSCO does not have any formal amendments on file

that indicate the Plan was amended to change the name and status of the employer or the administrator.

4. Section 1.3 of the Plan Text defines an “employer” as “any participating subsidiary or affiliated employers as specified in section B.1 of the Application”. Section 1.3 of the Plan Text defines “Application” as application for the Plan signed by the Employer and attached to and forming part of the Plan.

5. Section B.1 of the Application received by FSCO on July 9, 1992 requires that all employers whose employees will be members of the Plan must be named excluding the name of the applicant employer already named in page 1. No names of other employers are indicated in this section. Page 1 of the Application shows Schlumberger Canada Limited as the applicant/policy holder employer. As such, in accordance with the Plan documents, the Company is the employer under the Plan.

6. The term administrator is not specifically defined in the Plan Text. However, the definition of “employer” in section 1.3 of the Plan Text states that “any reference in the Plan to any action to be taken, consent, approval or opinion to be given, discretion or decision to be exercised or made refers only to the Applicant”. As such, all duties, including Plan administration, are to be carried out by the employer, the Company.

Allocation of Surplus

7. Section 70(1) of the *PBA* sets out the required information to be contained in a wind up report. Specifically, a complete wind up report must set out:

- (a) The assets and liabilities of the pension plan;
- (b) The benefits to be provided under the pension plan to members, former members and other persons;
- (c) The methods of allocating and distributing the assets of the pension plan and determining the priorities for payment of benefits; and
- (d) Such other information as is prescribed.

8. According to the Wind Up Report filed by Neptune there is a surplus in the plan of \$18,384.22. The Wind Up Report does not contain a proposal for the allocation or distribution of this surplus. In a letter dated February 10, 2003 FSCO authorized the distribution of assets under section 70(3) of the *PBA* with the exception of the surplus assets. The letter further indicated that if any proposals regarding the surplus are found to be acceptable, the Superintendent could proceed with the approval of the Wind Up Report. The administrator of the Plan did not provide FSCO with any such proposal. Further, after several attempts to follow up with both the Company and Neptune, FSCO has still not received a response as to the Plan's intention with respect to the surplus assets.

9. As such, the Wind Up Report does not set out a method of allocating the assets of the pension plan as required by subsection 70(1)(c) of the *PBA*. The surplus funds in the Plan currently exist as unallocated assets and there has been no indication as to any proposal to

allocate or distribute these assets. As such, the Wind Up Report is incomplete for the purposes of section 70(1)(c) of the *PBA* and cannot be approved.

10. Section 88 of the *PBA* indicates that the Superintendent may order a plan administrator to file a new report if the report that has been filed does not meet the requirements and the qualifications of the *PBA* and the regulations.

11. For the reasons stated above, the Wind Up Report currently does not comply with subsection 70(1)(c) of the *PBA*. As such, the Superintendent has the power to order the Company to file a new wind up report pursuant to section 88 of the *PBA* that includes a proposal for a method by which the surplus assets are to be distributed.

12. Such further and other reasons as may come to my attention.

YOU ARE ENTITLED TO A HEARING by the Financial Services Tribunal (the “Tribunal”) pursuant to section 89(6) of the *PBA*. **To request a hearing, you must deliver to the Tribunal a written notice that you require a hearing, within thirty (30) days after this Notice of Proposal is served on you.**¹

YOUR WRITTEN NOTICE must be delivered to:

¹ NOTE - Pursuant to section 112 of the *PBA* any Notice, Order or other document is sufficiently given, served or delivered if delivered personally or sent by regular mail and any document sent by regular mail shall be deemed to be given, served or delivered on the seventh day after the date of mailing.

Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto, Ontario
M2N 6L9

Attention: The Registrar

FOR FURTHER INFORMATION, contact the Registrar of the Tribunal by phone at 416- 226-7752, toll free at 1-800-668-0128, ext. 7752, or by fax at 416-226-7750.

IF YOU FAIL TO REQUEST A HEARING WITHIN THIRTY (30) DAYS, I MAY CARRY OUT THE PROPOSAL AS DESCRIBED IN THIS NOTICE.

DATED at Toronto, Ontario, this 7th day of **January, 2010**

K. David Gordon
Deputy Superintendent, Pensions

CC: Neptune Technology Group (Canada) Inc.
7275 West Credit Avenue,
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L5N 5M9
Attention: Ms. Michelle Braganza, Human Resource Manager

Manulife Financial
Canadian Pension Operations
500 King Street North,
P. O. Box 1602,
Waterloo, ON
N2J 4C6
Attention: Ms. Krista Hofmeister