The University of Ottawa Retirement Pension Plan
Actuary's certification of valuation results

Mercer (Canada) Limited was retained by the University of Ottawa to perform an actuarial valuation of the University of Ottawa Retirement Pension Plan (the "Plan") for funding purposes as at January 1, 2013.

The main results can be summarized as follows:

– Going-concern deficit as at January 1, 2013: $109.6M
– Solvency deficit as at January 1, 2013 (excluding the value of future indexation): $289.1M
– Members' average required contribution in 2013: 5.62% of covered pay (approximately $16.5M)
– University's current service cost in 2013: 14.82% of covered pay (approximately $43.5M)
– Projected University's special payments required to fund deficits[1]:
  - 2013: $8.2M
  - 2014 to 2016: $11.9M
  - 2017 to 2026: $32.0M

The results are based on the following information:

- The asset data included in the Plan's 2012 audited financial statements
- The membership data as at January 1, 2013 provided by the University
- The Plan provisions effective on January 1, 2013
- The same going-concern assumptions as those used for the actuarial valuation as at January 1, 2012
- The solvency assumptions based on the relevant market information on January 1, 2013

Full disclosure of the above information and of the actuarial assumptions used to perform our valuations will be included in our valuation report to be filed with pension authorities by September 30, 2013.

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May 15, 2013

Mercer has prepared this summary of valuation results exclusively for the University of Ottawa to present results for the January 1, 2013 funding valuation. This summary may not be used or relied upon by any other party or for any other purpose; Mercer is not responsible for the consequences of any such other use. Its content may not be

[1] Based on the Stages 1 and 2 of the temporary solvency funding relief for public sector pension plans

modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's permission.

All parts of this summary, including any documents incorporated by reference, are integral to understanding and explaining its contents; no part may be taken out of context, used or relied upon without reference to the summary as a whole.

This summary is not a substitute for a formal valuation report.

Decisions about benefit changes, granting new benefits, investment policy, funding policy, benefit security and/or benefit-related issues should not be made solely on the basis of this summary, but only after careful consideration of alternative economic, financial, demographic and societal factors, including financial scenarios that assume future sustained investment losses.

The University of Ottawa is responsible for selecting the plan's funding policy (including margins for adverse deviations in the going concern valuation), the actuarial and asset valuation methods in the going concern valuation, and other methodologies permitted by legislation for the solvency valuation.

The actuarial assumptions used in the going concern valuation reflect the actuary's best estimate, except for the margin for adverse deviations which has been selected by the University. The University is responsible for reviewing the going concern valuation assumptions referenced and advising Mercer as to any information it deems worthy of consideration in the determination of such assumptions.

To prepare the results in this summary, actuarial assumptions are used to model a single scenario from a range of possibilities for each valuation basis. The results based on that single scenario are included in this summary. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. Different assumptions or scenarios within the range of possibilities may also be reasonable, and results based on those assumptions would be different. Furthermore, actuarial assumptions may be changed from one valuation to the next because of changes in regulatory and professional requirements, developments in case law, plan experience, changes in expectations about the future and other factors.

Mercer has used and relied on the membership data, as supplied by the University. If the data supplied are not sufficient and reliable for its intended purpose, the results of our calculation may differ significantly from the results that would be obtained with such data. Although Mercer has reviewed the suitability of the data for its intended use in accordance with accepted actuarial practice in Canada, Mercer has not audited any of the data or information provided.

Mercer has used and relied on the plan documents, including amendments, and interpretations of plan provisions, supplied by the University. If any plan provisions supplied are not accurate and complete, the results of any calculation may differ significantly from the results that would be obtained with accurate and complete information. Moreover, plan documents may be susceptible to different interpretations, each of which could be reasonable, and the results of estimates under each of the different interpretations could vary. There were no changes made to the plan provisions since the previous valuation.

We used financial data submitted by the University as of the valuation date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and general reasonableness.

Funding calculations reflect our understanding of the requirements of Ontario legislation, the Income Tax Act, and related regulations that are effective as of the valuation date. Mercer is not engaged in the practice of law or tax advice. This summary does not constitute and is not a substitute for legal or tax advice.