Saskatchewan

August 2026

SaskTel Pension Plan News

Inside this issue

Message from the Chair

I am pleased to provide an update regarding the SaskTel Pension Plan on behalf of the SaskTel Board of Directors.

As of March 31, 2026, the Plan had $795 million in assets and is sufficiently funded to meet all pension obligations. There are three plan members who continue active employment. There are approximately 1,617 retirees with monthly pension payments totaling approximately $5 million or $60 million per year. As per the terms of the Pension Plan Text, the cost-of-living adjustment for retired plan members was again increased by 2% as of April 1, 2026.

Effective April 30, 2026, the Plan has been terminated. The Board has commenced the process to wind-up the operations of the Plan, which is expected to be complete in 2027. Until then, the Plan continues to operate as normal.

"The Board's responsibility is to implement the termination decision by settling the pension benefits of all Plan Members in accordance with the applicable pension legislation and the Plan Text"

The Board's responsibility is to implement the termination decision by settling the pension benefits of all Plan Members in accordance with the applicable pension legislation and the Plan Text under the supervision of the regulator, the Financial and Consumer Affairs Authority. This will be accomplished by purchasing annuities from a licensed insurance company that will ensure that Plan Members monthly pensions will continue without interruptions.

The Board has engaged the services of professional consultants including legal counsel, an actuary, and pension consultants experienced with the annuitization process to assist with the wind-up process.

The Board is an engaged group that works diligently to serve the best interests of the members of the SaskTel Pension Plan.

Sincerely,

Marg Romanow
Chair, SaskTel Pension Board

Directors

Chair
Marg Romanow

Unifor Appointees

Andrew Malinowski
Gregory Young

SaskTel Appointees

Jamie Patterson
Scott Smith

Keep your information current

Please notify us immediately of any changes to your mailing address, phone number, banking details, marital status, or an appointment of a power of attorney overseeing your affairs.

This is especially important as we work through the wind-up process to ensure that important communications reach you during the transition.

The Pension Plan continues to use mail as the primary method to communicate with members which makes it vital that we have your current address.

To update your information, please contact us in one of the following ways:

By phone at 306-777-4123

By mail at 2121 Saskatchewan Drive
6th Floor
Regina SK
S4P 3Y2

By email at sasktel.pensionplan@sasktel.com

Note, we may follow-up on email messages by phone to verify the validity of the information received. Please ensure we have your current phone number on file.

Annual Pension Increase

The annual pension increase is 2.00% effective April 1, 2026. This reflects the Plan provisions for indexing which provide a maximum of a 2% increase based on the average consumer price index for Canada from December 2024 to December 2025. The increase was applied starting with your April 2026 payment.

2026/27 Pay Dates

Pension payments are deposited directly to your bank account on the last business day of the month except for December, where it is deposited no later than the 23rd of the month.

2026

August 31 (Mon)
September 29 (Tue)
October 30 (Fri)
November 30 (Mon)
December 23 (Wed)

2027

January 29 (Fri)
February 26 (Fri)
March 31 (Wed)
April 30 (Fri)
May 31 (Mon)
June 30 (Wed)
July 30 (Fri)
August 31 (Tue)
September 29 (Wed)

Pension Plan Wind-Up

On February 27, 2026, SaskTel announced the termination and wind-up of the SaskTel Pension Plan effective April 30, 2026. This change does **not** affect the amount, timing, or form of your pension payments.

You will continue to receive your monthly pension payments exactly as you do now. The only change is that, once the wind-up process is completed, your pension will be paid by a licensed Canadian insurance company instead of directly from the Plan. This will be done through the purchase of an annuity contract that guarantees payment of your pension on the same terms as under the Plan.

It is the Pension Board's responsibility is to carry out the wind-up process in accordance with the terms of the Plan Text and prevailing legislation.

This change does not affect your pension payments—the amount, timing, and form of your pension benefit will remain the same as it is today.

Termination and Wind-up Process

The Plan will be wound up in accordance with the requirements of the Pension Benefits Act (Saskatchewan) and the Income Tax Act (Canada) and will be subject to the supervision and approval of the Superintendent of Pensions – Financial and Consumer Affairs Authority (Saskatchewan) (the "Superintendent"). Throughout this process, the Pension Board will work closely with its professional advisors to ensure the wind-up is completed smoothly and in compliance with all statutory requirements.

What you need to do

The only action you need to take at this time is to ensure that you keep the Plan updated with any changes in address or other contact information. This will ensure that you continue to receive critical information from both the Plan and the insurance company as the windup progresses.

Status Update

The formal wind-up process began on April 30, 2026, and is expected to be completed by late 2027.

The termination actuarial report and supporting information was filed with the superintendent in June 2026. Once approved by the regulator, the Board will begin the process to select a qualified insurance company to purchase the annuities.

Key Findings from the Termination Actuarial Report

The termination actuarial report determined that the Plan has sufficient assets to meet all pension obligations through an annuity purchase.

The supporting information to the report found that the overall pension benefit provided by the Plan exceeds those provided by comparable plans governed by *The Superannuation (Supplementary Provisions) Act*.

For more information and the latest updates please visit the Plan's website, www.sasktel.com/pensionplan.

Key Figures

Net assets
$794.9 million

Accounting

- Obligation
  $691.5 million
- Surplus
  $103.4 million
- Status
  115.0%

Solvency status

109.0%

Going concern status

105.3%

Total membership

1,620

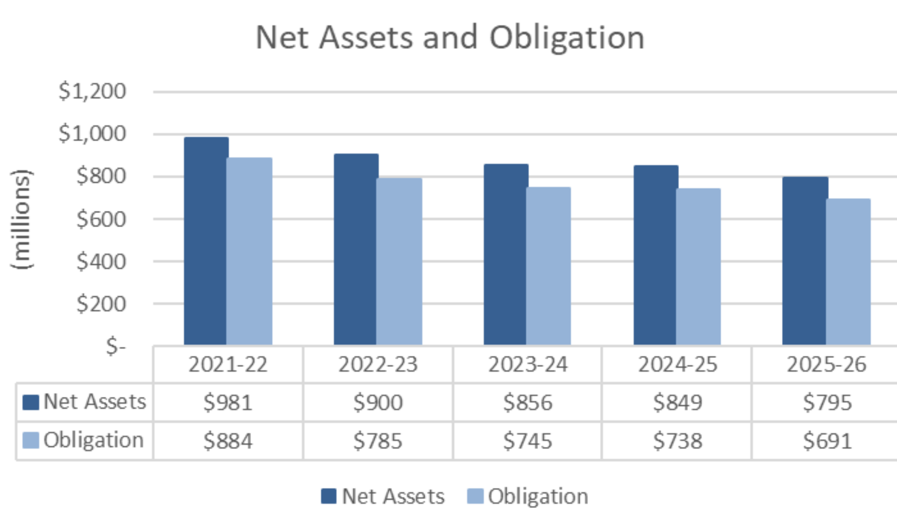
For a copy of the full annual report, please visit our website www.sasktel.com/pensionplan or contact us to request a copy be sent to you.

Annual Report Highlights

Financial Snapshot as at March 31, 2026

Thousands	2025/26	2024/25
Net assets available for benefits, opening balance	848,854	$855,764
Investment income	31,255	30,203
Unrealized gains	0	25,384
Benefits paid	(60,138)	(60,540)
Refunds and transfers	0	0
Expenses	(1,817)	(1,957)
Unrealized losses	(23,241)	0
Net assets available for benefits	**794,913**	**848,854**
Pension obligation	691,487	737,818
Surplus	**$103,426**	**$111,306**

Net Assets and Pension Obligation

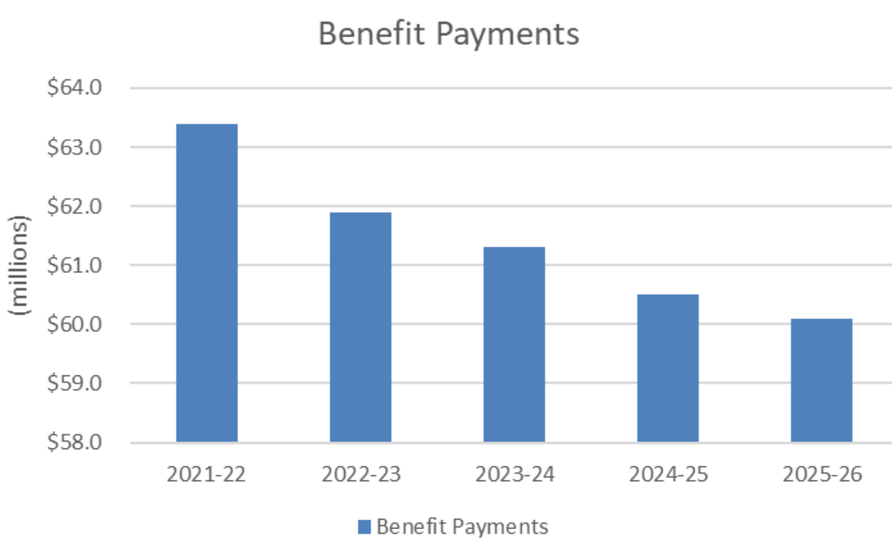


Net assets available for benefits decreased by $53.9 million, or 6.3%, year over year due to the benefits paid exceeding the investment income provided by the Plan assets and unrealized losses on the market value of plan assets. Decreasing net assets is a normal occurrence for closed plans with a fully retired membership.

The pension obligation decreased by $46.3 million, or 5.6%, year over year due to the benefits paid from the and the effect of an increase in the discount rate used to value the obligation, offset by the interest on the pension obligation.

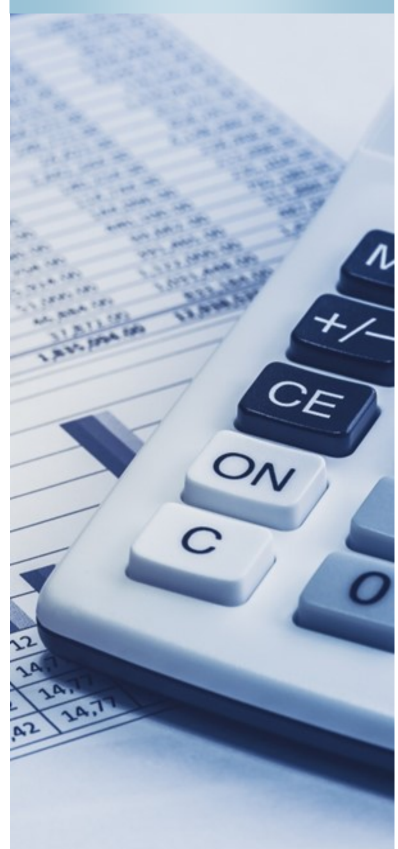
Plan Expenses

Member monthly benefit payments is the primary expense of the Plan with $60.1 million in pension payments made in 2025/26, a decrease of $0.4 million from the previous year due to fewer plan members drawing benefits.

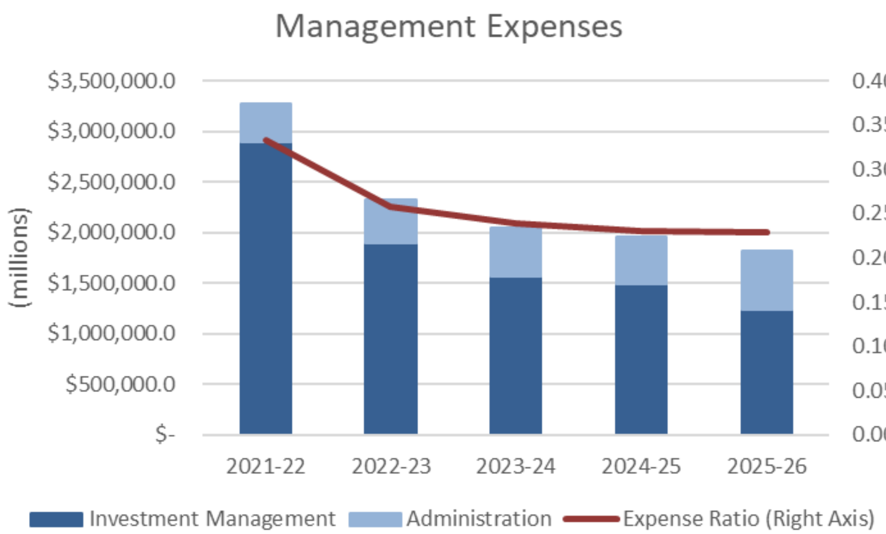


Management expenses, comprised of investment management and related fees along with plan administration costs, declined from $2.0 million in 2024/25 to $1.8 million in 2025/26. The primary reason is the lower investment management fees incurred due to the shift in the asset mix to fixed income, which incur lower fees than equities and real estate.

The management expense ratio, which is the management expenses expressed as a percentage of the assets of the Plan remained 0.23%, the same figure as the year before.



Annual Report Highlights Continued

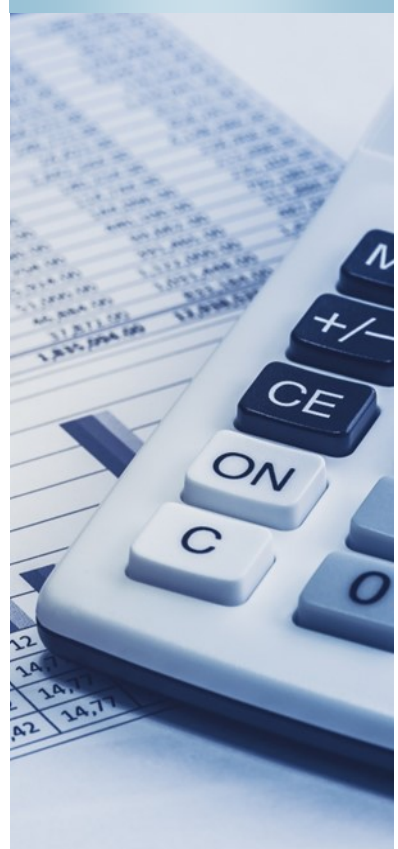


Investment Performance

Capital markets delivered a mixed set of results over the 12-month period ending March 31, 2026, with equities generating positive returns while Canadian long bonds and real estate continued to lag. The S&P/TSX Composite Index returned 34.8% over the period, supported by resilient corporate earnings and the strength in sectors tied to resources, financials and select growth industries. The global equity market rose 15.8%, as measured by the MSCI World Index, though in the past-year it was led by European and Asian countries, instead of the U.S.

In fixed income, the environment was not positive for long□duration bonds. Though inflation continued to moderate through much of the year, the war in Iran led to a sharp spike in inflation expectations and yields in the first quarter of 2026. As a result, the FTSE Canada Long Bond Index delivered a -2.5% return for the 12□month period ending March 31, 2026. The Bank of Canada (the BOC) cut the policy rate twice in the year, ending at a 2.25% overnight rate. The last rate cut was in October of 2025. The BOC announced its intention to hold rates steady until greater clarity exists in economic growth, inflation, US trade policies and geopolitical risks.

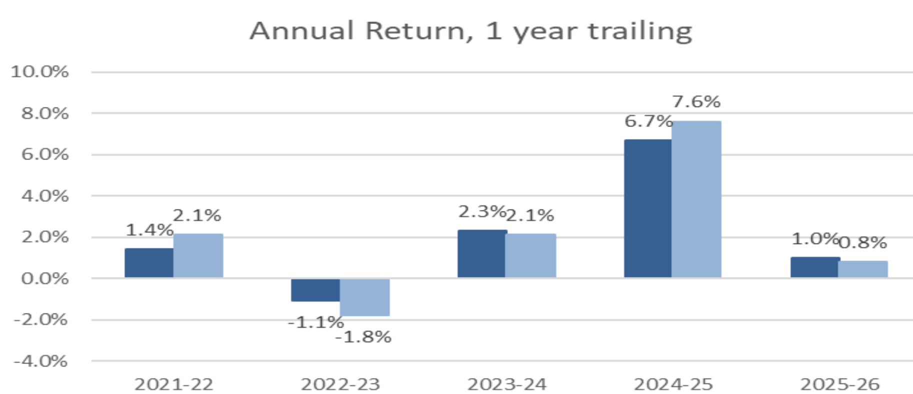
The Canadian commercial real estate market remained



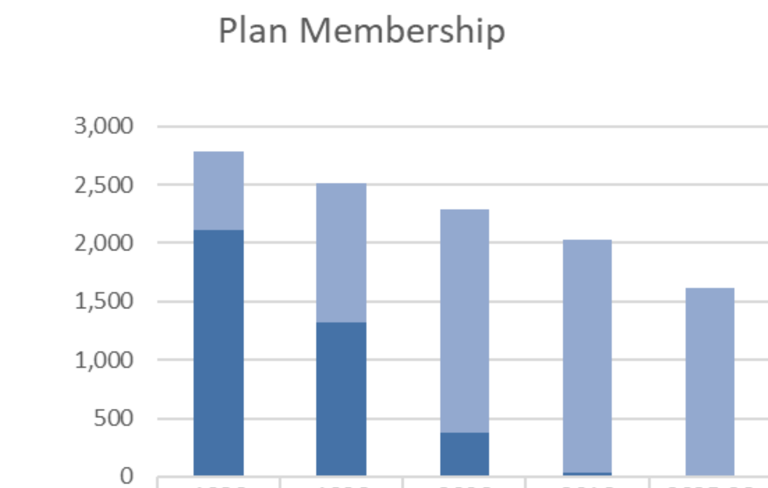
subdued and continued to underperform public capital markets. For the year ending March 31, 2026, the MSCI/ REALPAC Canada Quarterly Property Fund Index returned 1.88%, with stable income the primary driver of returns. Office properties continued to experience downward pressure on appraised values amid elevated vacancy rates and ongoing workplace normalization following the pandemic. Industrial properties, which had seen exceptional growth in prior years, faced moderating valuations as rent growth cooled and investors reassessed pricing following a prolonged period of strong performance. The Retail segment saw renewed strength as COVID-area vacancies continue to be absorbed. The closure of the Hudson’s Bay stores weighed on sentiment in the retail property market and is expected to continue to pressure appraised values and leasing fundamentals in affected centres through the balance of 2026.

“As the Total Fund de-risks the portfolio, performance will increasingly track the benchmark and the growth in Plan liabilities. This approach protects the funded status of the Plan and secures member benefits.”

The Total Fund returned 1.0%, modestly above the benchmark return of 0.8% over the year. TD Liability Matching Bonds outperformed by 0.5% in the year and the TD Real Estate Fund trailed its estimated benchmark Index by 2.5%. Over four years, the Total Fund tracked tightly to the benchmark, earning 2.2% vs. 2.1%. As the Total Fund de-risks the portfolio, performance will increasingly track the benchmark and the growth in Plan liabilities. This approach protects the funded status of the Plan and secures member benefits. As of March 31, 2026, the Total Fund held 9.7%% in real estate, with the intent to reduce the allocation to 0% by the end of 2027.

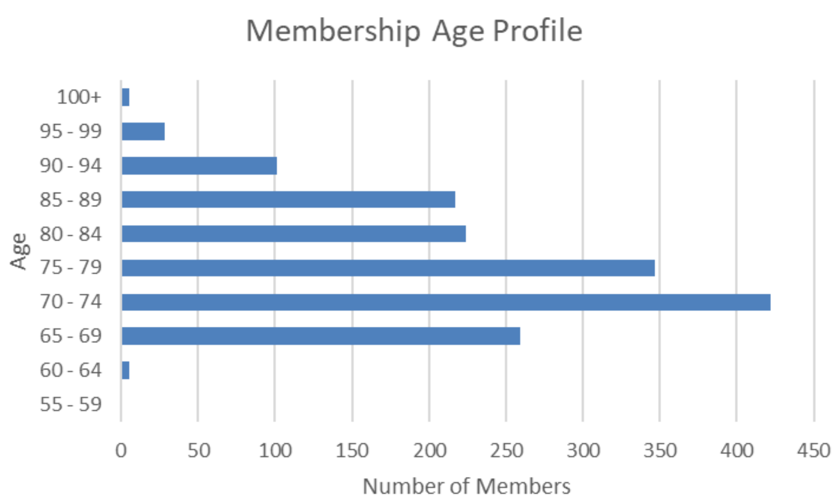


Plan Membership



	1986	1996	2006	2016	2025-26
Pensioners	672	1,195	1,911	1996	1617
Employees	2,110	1,319	375	39	3

Plan membership is comprised almost entirely of retired members with only three members still actively working for SaskTel. The membership age profile continues to be skewed to the older side with an overall average age of 78 years. This demographic profile is typical for a plan that has been closed to new entrants for almost 50 years.

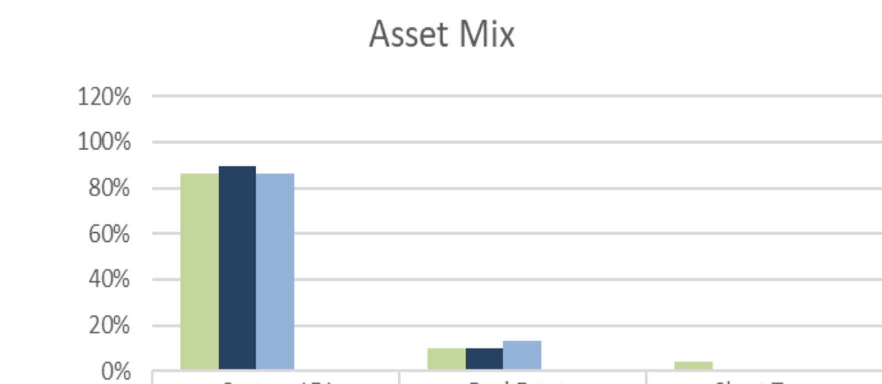


Investment Policy

The Board, in cooperation with their advisors, assessed the Plan maturity, funded status, risk preferences and tolerances. The Plan maturity is high, cash demands are high, the Plan is fully funded and there is a low tolerance for risk. Based on these factors, the Fund can assume a low level of investment risk. An investment philosophy focused on earning modest returns within a very low risk portfolio was adopted by the Board. The primary investment objective is to achieve returns in-line with the growth of Plan liabilities.

The Board identified the primary risk as movements in interest rates that unevenly impact assets and liabilities. To address the risk, the Fund is primarily invested in a custom liability matching bond mandate. Direct real estate remains in the portfolio until it can be fully redeemed by the investment manager.

"The purpose of the Saskatchewan Telecommunications Pension Plan (the "Plan) is to secure the fulfillment of all obligations accumulated on behalf of the Plan's participants.



	Custom LDI	Real Estate	Short Term
Benchmark	86.00%	10.00%	4.00%
31-Mar-26	89.56%	9.70%	0.74%
31-Mar-25	86.25%	12.96%	0.79%
Minimum	75.00%	0.00%	0.00%
Maximum	100.00%	25.00%	10.00%

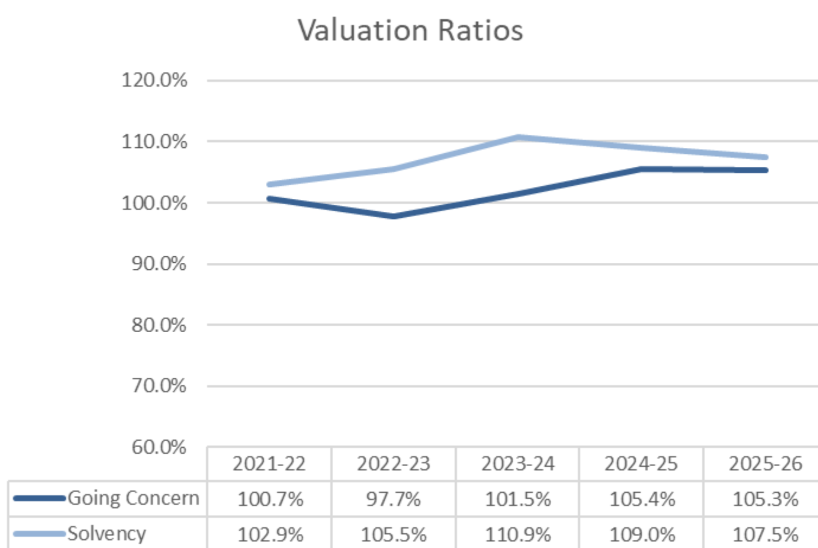
2026 Actuarial Update

The Board receives interim updates of the going concern and solvency status on a regular basis in order to monitor the health of the Plan.

As at March 31, 2026, the going concern estimate showed a surplus of $40 million. The solvency estimate remained in a surplus position at $55 million.

In thousands	March 31, 2026	
	Going Concern	Solvency
Assets	$794,913	$794,063
Liabilities	754,798	738,746
Surplus (Deficit)	**40,115**	**55,317**
Funded Ratio	105.3%	107.5%

"Since the Plan has a going concern surplus, no special payments are required in respect of the going concern valuation."



	2021-22	2022-23	2023-24	2024-25	2025-26
Going Concern	100.7%	97.7%	101.5%	105.4%	105.3%
Solvency	102.9%	105.5%	110.9%	109.0%	107.5%

Governance

The Board is committed to pursuing sound governance practices in discharging its responsibilities as Administrator of the Pension Plan. The Board strives to ensure the Pension Plan is administered always in an effective manner and consistent with the fiduciary duties owed to plan members and plan beneficiaries.

The Board met six times during 2025/26 to provide oversight and transact the business of the Plan. Notable activities include:

- Reviewed investment performance and the Plan's financial status quarterly.
- Reviewed the Plan's documents for compliance with prevailing legislation.
- Reviewed and updated the Statement of Investment Policies and Goals.
- Reviewed the performance of the service providers.
- Reviewed governance practices as outlined in the Plan's governance manual.

In the coming year, the Board will be focused on the orderly wind up of the Plan in accordance with the terms of the Plan Text and prevailing legislation.

The Board

The primary responsibility of the Board, as the Plan Administrator, is to deliver the earned pensions. The Board has a legal responsibility to act in accordance with the Plan documents, the Saskatchewan Pension Benefits Act and Regulations, and the Canada Income Tax Act.

Board meetings continue to be in person to enhance participation and discussion.

The mandate of the Board is to facilitate the prudent administration and investment of the Pension Plan.

The Board is committed to pursuing sound governance practices in discharging its responsibilities as administrator of the Pension Plan. The Board strives to ensure the Pension Plan is administered always in an effective manner and consistent with the fiduciary duties owed to plan members and plan beneficiaries.

SaskTel Pension Plan

Established in 1928, the Plan is a contributory-defined benefit pension plan. It has been closed to new members since 1977.

Effective January 1, 1999, the Plan is governed by the Pension Benefits Act, 1992 (the Act). Prior to January 1, 1999, the Plan was governed by the Saskatchewan Telecommunication Superannuation Act and the Superannuation (Supplementary Provisions) Act. The Plan is registered under The Income Tax Act and The Pensions Benefits Act, 1992. It's administered by a Board appointed by the Corporation and Union consisting of four members plus an independent chair.

Since the Plan’s inception it has paid $1.9 billion in pension benefits to its members, funded by $127 million in employee contributions and $334 million in employer contributions, with the difference coming from investment returns.

SaskTel Pension Plan
2121 Saskatchewan Drive
6th Floor
Regina SK
S4P 3Y2

Phone: 306-777-4123
E-mail: sasktel.pensionplan@sasktel.com

Website: www.sasktel.com/pensionplan