

Year in Review

A Report to Members

MESSAGE FROM THE CO-CHAIRS OF THE DEFINED BENEFIT PENSION PLAN BOARD OF TRUSTEES



Brendan Dick, Director of Pension and Benefits, B.C. Hospital Employees' Union
Co-Chair, Board of Trustees



Pauline Port, Chief Financial Officer and Vice-President, Corporate Services,
Canadian Blood Services
Co-Chair, Board of Trustees

We are pleased to present a review of our Defined Benefit Pension Plan to our members. Through this report, we aim to provide you with highlights of the plan's performance in 2014 and other key information relating to the plan.

2014 was an important year as we completed the triennial valuation of the plan's funded position as of Dec. 31, 2013. Every three years, our independent actuary reviews the plan's funded position to inform the board of trustees responsible for the governance of the plan of exactly how the plan is doing.

The valuation showed that the plan was 98 per cent funded, up from 90 per cent at Dec. 31, 2010. This improvement was due to higher than expected investment returns, offset by members living longer. As a result of the valuation, contribution rates for both Canadian Blood Services and members remain the same.

The board of trustees is always looking at ways to engage our plan's membership and we hope you find this report informative. If you have any questions about the plan, please speak to your local Talent Management business partner, call our plan administrator, Morneau Shepell, or visit the plan's website. All contact information is provided on the last page of this report.

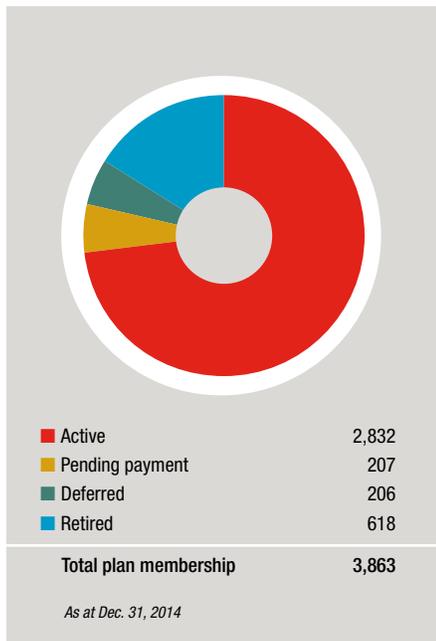


Three ways to get the most from your plan:

1. Visit the plan's website at <https://cbsdbpension.hroffice.com>
2. Designate your beneficiary.
3. Attend our webinars, "Sources of Retirement Income" and "Plan and Save," scheduled for the fall of 2015.

2014 at a glance

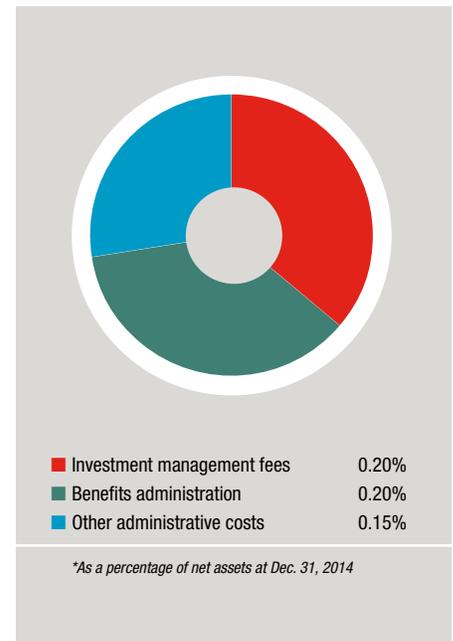
PLAN MEMBERSHIP



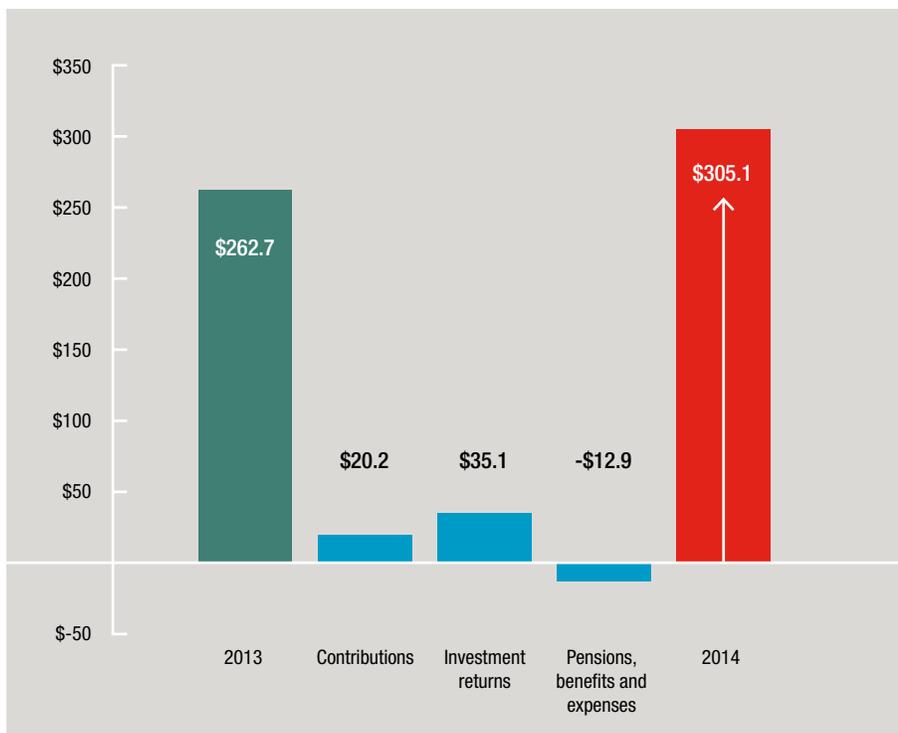
BENEFITS PAID – MILLIONS



COSTS TO RUN THE PLAN*



TOTAL PLAN NET ASSETS – MILLIONS

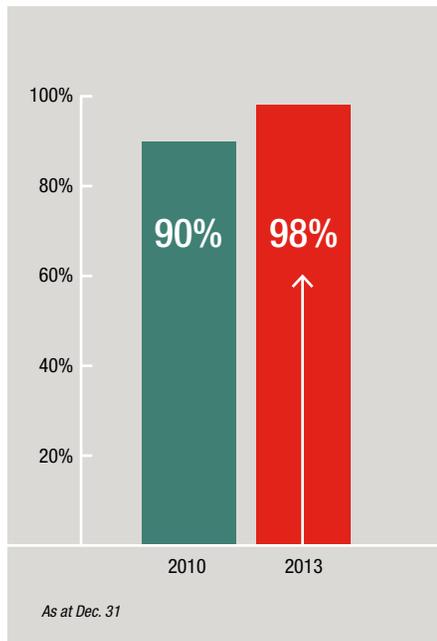


Average age of active members and pensionable service

Average age – 48 years old

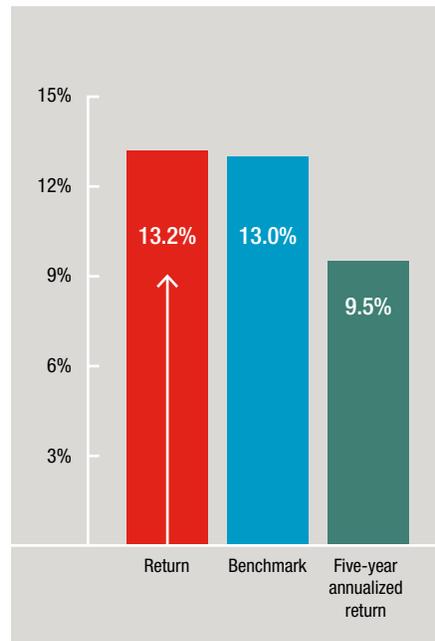
Average length of pensionable service – 7.2 years

FUNDED STATUS



INVESTMENT PERFORMANCE

– **TOTAL PLAN** For the period ended Dec.31, 2014



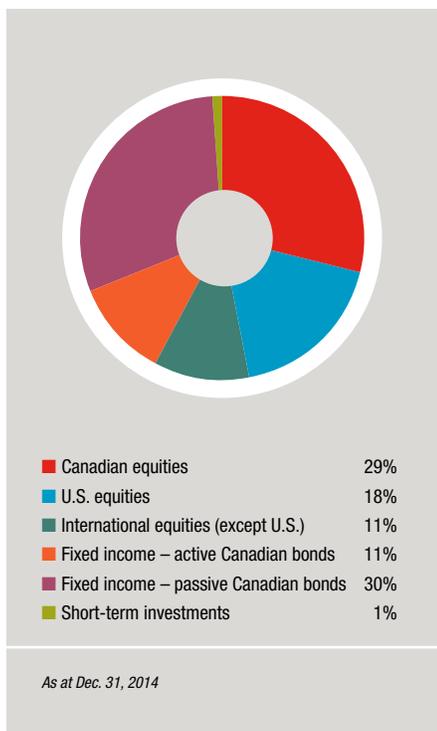
\$10,584

Average annual pension

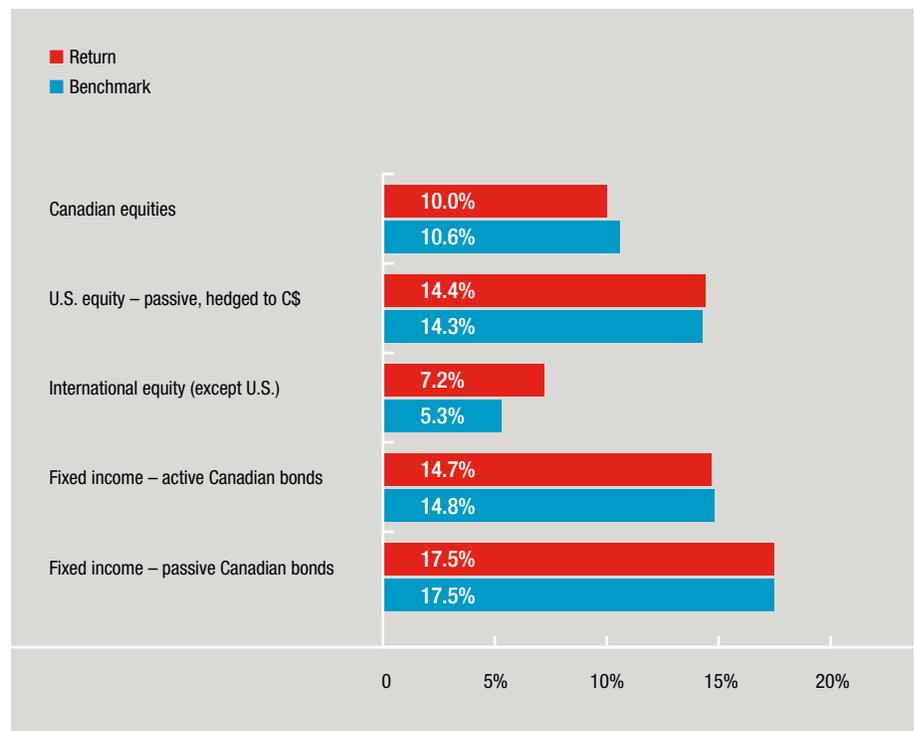
\$10,584 per pensioner

Average age of pensioners – 67 years old

ASSET ALLOCATION



RETURNS BY ASSET CLASS For the year ended Dec. 31, 2014



Making contact

The board of trustees has engaged Morneau Shepell to administer the plan on its behalf. In 2014, Morneau’s call centre received 105 queries per month, 90 per cent of which were resolved on the same day. Most members called to resolve basic pension questions, to follow up on payments and to request pension estimates. The plan’s website received an average of 153 visits per quarter in 2014.

Looking forward

In addition to offering “Sources of Retirement Income” and “Plan and Save” webinars to members in the fall of 2015, the board of trustees will review the plan’s investment allocations to ensure the plan is best positioned to grow its assets to continue to support benefit payments. A detailed study of the plan’s assets and liabilities will be undertaken to determine the future allocation of investments. A review that encompasses both the plan’s assets and liabilities enables the board to set an investment strategy that optimizes asset growth while balancing risk. The plan’s actuary and investment advisor will support and lead the board through this review.

Your board of trustees

As the plan is jointly sponsored, trustees are appointed to the board by each of Canadian Blood Services (the employer) and the participating unions. A total of six trustees and two alternates are appointed. Canadian Blood Services appoints three trustees and one alternate to the board as employer representatives, and participating unions appoint three trustees and one alternate as member representatives.

EMPLOYER REPRESENTATIVES

| Name | Trustee/Alternate |
|-------------------------|-------------------|
| Pauline Port (co-chair) | Trustee |
| Watson Gale | Trustee |
| Elaine Sibson | Trustee |
| Laurie Richer | Alternate |

MEMBER REPRESENTATIVES

| Name | Union | Trustee/Alternate |
|-------------------------|--|-------------------|
| Brendan Dick (co-chair) | Hospital Employees’ Union | Trustee |
| Cheri Hearty | Ontario Public Service Employees Union | Trustee |
| Randy Hoffman | Saskatchewan Union of Nurses | Trustee |
| Leanne Cooke | Ontario Nurses’ Association | Alternate |

Your annual pension statement

By June 30 each year, you will receive annual pension statement showing your service and pensionable earnings to Dec. 31, 2014. Your pension statement provides you a picture of the income you can expect from the pension plan and government plans at retirement. Please review the spousal and beneficiary designation portions of the statement and return the enclosed form to Morneau Shepell if any changes are necessary.

A review that encompasses both the plan’s assets and liabilities enables the board to set an investment strategy that optimizes asset growth while balancing risk.



For more information

CANADIAN BLOOD SERVICES DEFINED BENEFIT PENSION PLAN WEBSITE

cbssdbpension.hroffice.com

Find a wealth of information about the pension plan, including a summary of the plan, a pension forecast tool, a member booklet, forms and documents, a copy of your annual statement, valuation reports, audited financial statements and much more.

Canadian Blood Services’ Pension Call Centre
(operated by plan administrator Morneau Shepell)
1-877-252-4442