

**MINUTES – FIRST ANNUAL GENERAL MEETING OF THE
CANADA LIFE CANADIAN PENSION PLAN
MEMBERS' RIGHTS GROUP**

Oct.5, 2004

Opening Remarks by Wib Antler– A welcome to all. Votes will be a show of hands (scrutineers are John Melville and Brooke Biscoe).

Introduction of the "core committee" ; Wib Antler, Ed Barrett, Phil Davy, Don McIntyre, Jim Martin, Gary Nummelin. All have over 30 years in the industry and are no longer working and are standing for election today.

Background to the group's formation – Because of company changes to the wording on the employee pension benefit statement in 1997, Wib Antler started questioning the changes and changes since then. He was subsequently joined by a small group which evolved into the current "core group".

We are concerned only with the Canadian Pension Plan. The pension legislation, we are concerned with, has an upper limit. We are not dealing with, the "supplemental plan" which was created for higher salaried staff to be able to exceed this limitation.

We represent; Pensioners or Beneficiaries receiving plan benefits, plan contributing Employees, those entitled to deferred benefits. Included are agents and managers since the plans were merged in 1997.

Activities by the Group – Replies were not forthcoming from the trustees and as well, the company replies were late, incomplete and sometimes not at all. We then met with FSCO (Financial Services Commission of Ontario) and learned much from the files. They have provided assistance in getting answers regarding; whether the company can get administrative expenses, now over \$ 30,000,000, from the fund, return on investment, formation of an Advisory Committee, trustee roles, surplus ownership, partial and full wind-ups and retention of the indexing benefit. The company has been asked to respond on some and they again filed for a reply extension (to November 12th.)

A visit with FSCO, pertaining to the sale of Canada Life Casualty, eventually resulted in the company switching their basis to a different section which now states that the entitlement to surplus is unclear from their initial position that it was the company's.

Also, last January, we have met with a prominent legal firm specialising in pensions. They suggested that we increase our numbers to at least 1,000 and establish a "war chest" for a very probable fight in court against GWL/Power Corporation.

The web-site, established in 2001 and Newsletters in September 2002 have been of tremendous assistance in recruiting and in communicating with plan members. We now have over 500 members.

Major Outstanding Issues by Jim Martin – Partial Wind-up (PWU) of the plan

- Aug 27,2003 Canada Life applied for Partial Wind-up starting July 10,2003 and extending over the next 18 to 24 months. On July 29,2004 Supreme Court ruled 7-0 on Monsanto vs Superintendent of Ontario.
- Ownership of surplus
What Monsanto means to us. The Ontario Pension Benefits Act requires the distribution of pension surplus on both a full or partial wind-up.
Procedure for distributing surplus to an Employer is;

"Notice of Surplus Application" to Superintendent
 "Transmission" of Surplus Notice to affected members (PWU group)
 Submission of "Written Agreements" of 2/3 of PWU group
 Superintendent's **Proposed** Decision transmitted to Applicant & any person
 who has made a written representation
 Hearing within 30 days from Proposed Decision
 Plan Administrator notifies PWU group

NOTES- There is a desire, that companies do full disclosure, and this includes surplus.. The plan liabilities are some \$ 300,000,000 and a surplus of over \$ 200,000,000 suggests that an offer of a low amount such as \$1,000 or two pales as to what a reasonable offer should be on a partial or even a full wind-up.

- David Kidd will be preparing a paper, which we will post, explaining the age and service equal and greater than 55 implications.
- People should get their own legal advice as to their own position. Depending on years of service, position and other aspects, a settlement should not be construed as all people being handled the same way.

Constitution by Ed Barrettt –

Changing company attitudes combined with the takeover had us take stock.

In the case of other companies, events occurred so rapidly that employees were in "catch up" mode and so they never had the time to create a constitution. However, we have a head start. We have the opportunity to not only have a constitution and bylaws but to raise our numbers and create a war chest.

We have two categories of members. Those contributing monies will be voting members and the others will be non-voting members. However, both will share in our successes.

- Motions for adoption of constitution and Fees (initiation and annual)

Motion # 1 - The Constitution on the web-site dated Oct.3,2004 be adopted.

Proposed by Ed Barrett and seconded by Fraser Hale.

Unanimously carried as there were no dissenting votes.

Motion # 2 – That the annual fee be \$ 25.00 due now and on each subsequent

September 1st until changed and the initiation fee be \$ 100.00.

Proposed by Ed Barrett and seconded by Al Miller.

Unanimously carried as there were no dissenting votes.

Election – Wib Antler

Nomination, from the floor by Fred Taggart and seconded by John Cartmell that Alex Harvey also stand for election.

Next a motion to elect Wib Antler, Ed Barrett, Phil Davy, Alex Harvey, Jim Martin, Don McIntyre and Gary Nummelin was so moved by Al Miller and seconded by Gordon Connant. No dissenters and so all unanimously elected.

Membership and Fees – Phil Davy

Please complete the membership forms now or send in later.

- Repeated the need to recruit and increase our size to at least 1,000.

- We need to have people keep us informed of their latest Email and address updates.

Future Meetings

- Annual Meeting will have information posted in August into early September.
- Regular Meetings will be posted so that voting members will be aware.
- Any special meetings will be announced when the need arises.

Nature of Future Communications

- We will continue using the web-site and sending out Newsletters.
- You will be kept informed and notified of our progress, issues and any special meetings.

Closing - Wib Antler thanked everyone for their interest, assistance and in coming.

Other – Answers were given for questions raised. These are not all being listed. To do so would be a repetition of much of the material already posted on our Web-Site. We strongly urge you to review the site's material and newsletters.

- The \$100.00 will be towards the war chest and any unused annual fee monies as well. Annual fees will be for normal needs such as the meeting room rental.
- A class action is cheaper than our paying for all legal costs as we carry on. A class action, if lost, has the law firm on the hook for it's time. A win would have the law firm take it's costs from, for example, our part of the surplus. This would be quite a small per cent. The war chest will support us to get to this point.
- Mergers of pension plans must be between equivalent groups. One cannot be in the black and the other in the red.
- Again, we ask your support in recruiting many more new members so that we will get to have a **Loud Voice** and listened to.

Exhibit "D"

**Minutes of the General Meeting of
The Canada Life Canadian Pension Plan Members' Rights Group
April 27, 2005**

Executive present: Wib Antler, Ed Barrett, Phil Davy, Alex Harvey,
Jim Martin, Gary Nummelin

1. The meeting was brought to order at 7:05 pm, Wib Antler presiding.
2. Opening Remarks – Wib Antler
 - a. Welcome to members and introduction of executive.
 - b. Minutes of last October's general meeting are available from the website, via the AGM Minutes link.
 - c. Don MacIntyre has resigned from the executive for personal reasons. We thank Don for his hard work and significant contribution to the group over the past several years.
 - d. We are pleased to announce that Brian Lynch has accepted an appointment to the Executive Committee. He was formerly Vice President of Investor Relations and Corporate Communications at Canada Life. We look forward to receiving the benefit of his expertise as our action progresses.
 - e. In June 2004, at our request, the Financial Services Commission of Ontario wrote to the company about the changes made to the Trust Deed which permitted the removal of approximately \$40 million in expenses from the plan, and about their refusal to help set up an advisory committee as permitted under the Pension Benefits Act. FSCO received a response from the outside law firm representing Canada Life at the end of January, 2005. After reviewing the report for 1 month, FSCO sent it to us for comment. We received it on March 4, 2005.

Due to other developments about to be discussed, we have referred the expense issue to our lawyers, and have decided not to pursue the issue of the advisory committee at this time. We have so advised FSCO.

3. Legal Issues – Jim Martin

- a. After the last general meeting, we formed a legal search committee to select a law firm to represent us. By March of this year, we had a short list of 4 firms with significant expertise in pension litigation. Of these 4 firms, Koskie-Minsky stood out as a firm highly experienced in representing plan members as opposed to plan sponsors.
- b. On March 1, 2005, we learned that law firm Harrison Pensa of London, Ont had filed a Statement of Claim against Canada Life on behalf of Mr. JP Marentette, a former employee of CL in London, and member of the partial wind-up group. The plaintiff was seeking to have this claim certified as a class action suit on behalf of all members of the partial wind-up group, and was suing for a share of the actuarial surplus in the plan. We attempted to contact Mr Marentette to advise him of the existence of our group, with a view to joining forces, but were unable to reach him.
- c. At this point, we determined that we needed legal advice without delay. We were not familiar with the firm of Harrison Pensa, and felt strongly that we wanted to be represented by a firm that was expert in pension litigation. We therefore contacted Mr. Mark Zigler of the law firm Koskie-Minsky, who consented to act for us. Mr. Zigler contacted Harrison Pensa and was hopeful that a mutually satisfactory arrangement could be reached. However, on April 8, Harrison Pensa filed a certification motion on behalf of Mr. Marentette, and it appears that carriage of the suit will need to be determined by the court. Some of the factors which influence who is awarded carriage when two or more parties

are competing for certification, are the size of the groups involved, their familiarity with the issues, and the expertise of the law firms representing them. We will be following this matter closely.

- d. David Kidd and Alex Harvey, as members of the partial wind-up group, have stepped forward and agreed to be the named plaintiffs in our action and we are extremely grateful to them. Koskie-Minsky have agreed to take the case on a contingency fee basis. This means that we are not required to put money up front, and they only receive their fees if they win the case. It also means that they believe our case has merit. We cannot reveal the specifics of the retainer agreement, but we can say that their fees will be based on their regular hourly rates, and must be approved by the court.
- e. Our statement of claim will be drafted within 2 weeks, and will be posted on the KM web site some time after that. Some of the points will be similar to those put forward by Harrison Pensa, but there will be additional points as well.
- f. Because of the urgency created by the Harrison Pensa action, we were unable to seek ratification by the members of the selection and hiring of a law firm until this meeting..

It was moved and seconded that the selection and hiring of Koskie Minsky as our legal counsel, and the subsequent filing of the Kidd-Harvey class action suit be approved. Voting was conducted by a show of hands of those voting members present at the meeting. The motion carried unanimously.

4. Treasurer's Report – Gary Nummelin

Total Income to date	- \$27,894.98
Total Expenses - \$	<u>515.36</u>
Net Balance	- \$27,379.62

5. Membership Report – Phil Davy

- a. The Members' Rights Group now has a total membership of 850, with 211 voting members.
- b. There is a continuing need to recruit new members for our group, either voting or non-voting. In January 2003, the Pension Plan was comprised of 3,662 employees, 772 deferred pensioners, and 851 pensioners, for a total of 5,285. Although the composition is different today, there are clearly many potential members we have not reached yet.
It is still important to recruit voting members and to build up a fund for future expenses. We may have to seek outside accounting or actuarial help and these expenses may not be paid as part of the legal expense settlement. We would ask that any members who are financially able, sign up as voting members.
- c. Every time we send out a group e-mail, there are 12 or 15 messages returned because of an invalid address. Usually it is for people who had only provided us with a Canada Life address, and subsequently left the company. While we have alternative contact information for our voting members, that is not always the case for non-voting members. If your e-mail address changes, or if you no longer have e-mail, please let us know how we can keep in touch with you.

6. Questions and Answers – Ed Barrett

- a. How much is all this going to cost?

Because the legal action is being costed on a contingency basis, the fee will be higher than it would

be if it were pay-as-you-go. However, K-M will only receive their fees if they win. There is a legislated cap of 20% of the settlement, although we do not expect the fees to reach this maximum. Part of the Notice of Claim asks for legal fees to be taken out of any settlement awarded, and the amount of these fees must be approved by the court.

- b. Why is it necessary to proceed through the courts when the Financial Services Commission is charged with overseeing the operation of pension plans and ensuring that these plans are managed according to the Pensions Benefit Act?

FSCO is primarily concerned with compliance with the Act, while our group's claim to the surplus and fund expenses have more to do with trust law. FSCO has been very helpful in providing us with information and in corresponding with the company when asked. However, because of the Harrison Pensa court action, we have been compelled to proceed via the legal system rather than through the Commission.

- c. Will this case fall under federal or provincial jurisdiction?

Because the pension fund is registered in Ontario, provincial pension law will prevail.

- d. How long do you think this will take – 10 years? 20 years?

Our best estimate at this time is perhaps 5 years, but a lot will obviously depend on Great-West Life. They have not yet declared the end-date for the partial wind-up, so it may be the end of 2005 before we even begin to see serious action.

- e. What effect does the Monsanto ruling have on us? What has happened to the surplus in the London Life plan?

The Monsanto ruling means that the surplus which is attributable to the partial wind-up group must be disbursed at the time of the wind-up. However, it does not address the crucial question of who actually owns our surplus funds. Essentially, this is what our action seeks to determine. As far as we know, the London Life surplus issue has not been resolved. Originally, many London Life employees were terminated when Great-West Life took over, but no partial wind-up was announced. Employees successfully went before FSCO claiming that the large number of terminations effectively constituted a partial wind-up, and won enhanced pensions for many, according to the grow-in benefits required by the Pension Benefits Act. However, because this occurred before the Monsanto ruling, the surplus issue was not addressed.

- f. I have found that large corporations and government do not move unless prodded. Have you considered publicizing our case in the media?

Yes. We do not feel that the time is right yet, but we are willing to seek publicity if that's appropriate.. Brian Lynch, who has just joined our executive group has experience and will be leading our efforts in this area.

- g. Do you think a lot more people would join the group if they did not have to pay the \$125?

The \$125 fee is for voting membership only. There is no fee to join as a non-voting member. Anyone who is a member of the Pension Plan may sign up to receive our newsletter, access our website, and attend meetings.

h. Can the company change our benefits?

If you are referring to the pension benefit that is to be paid to you, it is a defined benefit and is guaranteed. However health benefits are not trustee'd and are not guaranteed. The supplementary plan for high earners is also not part of our group's mandate.

i. Can you provide us with a list of people in the group, to help us in recruiting new members?

We have been telling new members that we will not divulge their personal information. Initially, this was to protect people who were still employed at Canada Life, although with the large number of terminations, this is becoming less of an issue. However, we will continue to treat our membership list as confidential.

j. Will membership in this group present any risk of repercussions for people who are still employed at Canada Life / Great-West Life?

We have no reason to believe that the company would act in a retaliatory fashion, and feel that it is above this kind of behaviour.

k. If someone has removed his money from the Canada Life Plan to invest elsewhere, will he or she be eligible to share in any distribution of surplus?

If you are a member of the partial wind-up group, your right to a share of the surplus is not forfeited if you withdraw your commuted value. If you are *not* a member of the partial wind-up group, and if you have withdrawn your commuted value, you do not have any entitlement to a share of the surplus.

7. Closing Remarks – Wib Antler

- a. The next general meeting will be in October, 2005. Exact date, time and location are yet to be determined.
- b. Thanks to all for coming. Attendance was approximately 195.
- c. The meeting was adjourned at 8:30 pm.

Previous Minutes Oct 2004

Exhibit "E"

Canada Life Canadian Pension Plan Members' Rights Group (CLPENS)
Annual General Meeting – October 19, 2005

Call to order – the President, Wib Antler, called the meeting to order and introduced the current CLPENS Executive plus the individuals who were standing for election.

Legal - the President introduced Jim Martin to speak on the current status of legal activity.

Mr. Martin introduced the three named plaintiffs (Alex Harvey, David Kidd, Jean Paul Marentette) in the CLPENS class action and representatives of the law firms which comprise the CLPENS legal team - Mark Zigler of Koskie Minsky LLP and Jonathan Foreman of Harrison Pensa LLP.

Mr. Zigler addressed the meeting. He advised that the CLPENS legal team had a case conference with the judge in September; that the Company must file a partial windup report by December 31, 2005; and that the certification hearing for the class action suit had been scheduled to commence February 20, 2006.

Other than these dates, Mr. Zigler advised that there was no certainty regarding the timetable on which legal activities would proceed. Also, as in any legal matter, there was no certainty regarding the ultimate results of our legal activities.

Mr. Zigler listed three main issues:

- Who owns the plan surplus?

As noted below, this issue is of immediate interest with respect to the partial windup group. However, it is an important issue for all plan members given the possibility of a full plan windup in the future. Furthermore, even in the absence of a full plan windup, confirmation that plan members own the plan surplus is an important consideration in confirming that funds are held for the sole benefit of plan members.

- Is the Company in violation in paying plan expenses with fund assets?

This issue applies to all individuals who were plan members from the time the Company started taking expenses from the fund until our class action is certified.

On this issue, Mr. Zigler noted that *the Financial Services Commission of Ontario had become involved and had required the Company to suspend using plan assets to pay plan expenses pending a decision by the Ontario Superior Court of Justice with respect to this issue.* Mr. Zigler saw this as a positive development for our side.

- How will surplus assets be distributed as a result of the partial plan windup?

There is no guarantee that surplus assets will be paid to members affected by the partial wind-up. The ownership of surplus assets will first have to be determined – likely through litigation. If it is determined the surplus belongs to the members of the plan and their beneficiaries, surplus assets will be distributed pursuant to the partial plan windup that the Company has declared.

While this issue only directly affects members of the partial windup group, as noted above, it is of interest to all plan members.

Mr. Zigler noted that the two law firms had accepted the CLPENS class action work on a contingency basis which means that the firms' fees will be paid only if CLPENS is successful. He noted that other fees, such as those for actuarial services would be borne by CLPENS. Finally, he noted that the named plaintiffs were at risk in the event of an adverse judgment.

Mr. Zigler noted that all resolutions, including fees and settlements, had to be approved by the court.

Mr. Zigler advised that the CLPENS legal team would keep members advised via the Koskie Minsky LLP website; the Harrison Pensa LLP website; written communications; and a toll free telephone number.

Mr. Zigler answered a number of questions from the floor.

Supplementary Employee Retirement Plan (SERP) – the President introduced Fred Taggart who heads the CLPENS SERP sub-committee. Mr. Taggart described the Company's recent announcement that it had partially wound up the SERP. SERP members who had terminated employment but who had deferred vested benefits under the SERP were affected.

Mr. Taggart listed three main considerations. Was the Company's action legal? Was the Company's settlement to affected members fair? What can be done about any illegal and/or unfair action? Mr. Taggart advised members that the CLPENS SERP subgroup would develop a method of communication to provide ongoing information on this subject.

Treasurer's Report – the President introduced the CLPENS Treasurer, Gary Nummelin who provided the following year-end financial update:

Income	\$34,881.74
Expenses	2,454.90
Balance	\$32,426.84

Membership Report – the President introduced Phil Davy, Membership Chairman, who provided the following year-end membership report:

Members	972	Voting members	259
---------	-----	----------------	-----

Mr. Davy spoke of the need for CLPENS to make the strongest possible case in support of members' rights and urged all attendees to become voting members and to encourage others to join our group.

He reminded the members that the \$25 annual fee for voting members is now due. Cheques should be made payable to: "CLPENS Group" and sent to:

CLPENS Group
P.O. Box 37036
6502 Yonge St.

North York, Ont.
M2M 4J8

Mr. Davy singled out Suzanne Fecteau for special praise with respect to her work in translating CLPENS communications for our French-speaking members.

Elections – the President conducted the election of executive members. He noted that 33 proxies had been received from CLPENS members who were unable to attend in person. David Kidd and Fred Taggart were elected as new executive members and Brian Lynch and Jim Martin were re-elected as executive members for two-year terms.

Termination – there being no further business, the meeting was terminated.

CRR #669

DC9 76

Blusline

077133

DATE OCT 19/05

REÇU DE
RECEIVED FROM JANICE DURET

ADRESSE
ADDRESS Twenty-five

POUR
FOR DOLLARS (\$ 25⁰⁰ ~~75~~)

DU
FROM

AU
TO

N° D'ENR. TAXE
TAX REG. NO. CL PENS

MODE DE PAIEMENT - METHOD OF PAYMENT		COMPTE - ACCOUNT	
COMPTANT CASH		MONTANT TOTAL TOTAL AMOUNT	
CHÈQUE CHECK		MONTANT PAYÉ AMOUNT PAID	
MANDAT MONEY ORDER		SOLDE DÙ BALANCE DUE	

PAR
BY [Signature]

Exhibit "F"

◊ Home

◊ About Us:

[Mission Statement](#)
[Who We Are](#)
[Privacy Statement](#)
[Executive Committee](#)
[Constitution](#)

◊ Class Action

◊ Important Contacts

[Re Settlement Proposal](#)
[Plan Administrator](#)
[FSCO](#)
[CLPENS](#)

◊ AGM Minutes

◊ Compte rendu AGA

◊ Indexation

[Indexed Pension Table](#)
[Indexing Factors](#)

◊ About the Website

[What's New](#)

◊ FAQ

[CLPENS](#)
[Pensions](#)
[Surplus](#)
[Recently Terminated](#)

◊ Links

◊ Glossary

◊ Contact Us

◊ Appendix

Minutes of the Annual General Meeting

October 25, 2006

President's opening remarks – the President, Wib Antler, called the meeting to order; introduced the CLPENS Executive; and provided a summary of CLPENS' activities over the past year:

- **Search for Documentation** – CLPENS representatives visited the Financial Service Commission of Ontario (FSCO) in a continuation of their efforts to put together a complete set of documents;
- **SERP Concerns** – CLPENS thoroughly reviewed and, in the end, retained an actuarial consulting firm (Robertson Eadie Associates) to address concerns that the Company's action with respect to the Supplementary Employee Retirement Plan (SERP) resulted in a transfer of liabilities from the SERP to the registered pension plan (thereby, reducing the size of the registered plan's surplus). In the end, Robertson Eadie concluded that the Company's actions did not result in such a transfer;
- **Work with Legal Team** – The CLPENS Executive took part in ongoing work with our legal advisors (Koskie Minsky and Harrison Pensa). In particular, discussions took place in anticipation of a settlement offer from the Company. In order to receive a settlement offer, the CLPENS Executive was asked to enter into a Communications and Confidentiality Agreement to be effective during any negotiating process. This Agreement had to be thoroughly reviewed and then amended to the satisfy CLPENS' concerns. However, although the Company made many promises regarding an offer, none were kept and, to date, no settlement offer has been made. As a result, we await the rescheduled certification hearing set to take place on November 14 and 15, 2006;
- **Website** – Withdrawal of services by our longtime service provider necessitated a time-consuming move to a new supplier. Concurrently, an extensive overhaul/ enhancement to the website was completed;
- **Challenge Regarding 2005 Annual Financial Statement** – Given the Company's agreement with FSCO that, pending resolution of the expenses issue, no further expenses would be taken from the plan, CLPENS challenged the Company's treatment of expenses in the pension plan's 2005 Annual Financial Statement. The Company's response, that they were not taking expenses but were just setting up an accrued liability, was acceptable to both CLPENS and FSCO.

Legal update – the President, introduced Jim Martin, who, in turn, introduced representatives of our legal team (Clio Godkewitsch from Koskie Minsky and Jonathan Foreman from Harrison Pensa).

Mr. Foreman addressed the meeting. He complimented the CLPENS Executive on their efforts on behalf of the membership and reviewed, in general terms, how class actions work. In particular, Mr. Foreman stressed the importance of being certified as a class action as "it makes a three person case a 5,000 person case". Mr. Foreman described the two sub-classes present in our action:

- the main class (5,350 members) which is challenging the inappropriate removal of administrative expenses; and
- the partial wind-up sub-class (2,149 members) who have a statutory entitlement to be considered in the distribution of surplus assets.

He noted that our case will not be a class action until it is so certified by the judge and cautioned that the judge may reserve judgment (meaning that we may not have a decision at the time of the November certification hearing).

Mr. Foreman responded to questions from meeting attendees.

Report on voting procedures – Mr. Antler reviewed the voting procedures to be followed at the meeting. He also introduced John Wakeford, who had agreed to act as scrutineer.

Treasurer's Report – the Treasurer, Gary Nummelin, presented a report on CLPENS' financial position as at August 31, 2006. Total income for the past year was \$15,030.10; total expenses were \$2,282.55; resulting in net income of \$12,747.55. Total assets were \$44,214.95.

Membership Report – the Membership Chairman, Phil Davy, reported that CLPENS has over 1,000 members, of which 285 are voting members. He advised that, prior to the meeting, 43 individuals had renewed their membership for the upcoming year and urged all attendees who had not already renewed their membership to do so.

Constitutional Amendment – the Vice-President, Ed Barrett, explained that the CLPENS Executive was concerned that:

- to strengthen its position to serve all interested parties, it is important that CLPENS have representation from as broad a group as possible;
- certain sub-groups (most notably, currently active Canada Life employees) are not currently represented on the Executive; and
- current limits on the size of the CLPENS Executive preclude it from adding members to the Executive from these sub-groups.

Accordingly, Mr. Barrett, tabled the following amendments:

- RESOLVED that the second sentence of Article 3 of the constitution shall be amended by adding the words "or such other number" immediately after the comma.

PASSED (unanimously).

- RESOLVED that, in accordance with Article 3 of the Constitution, the maximum number of Directors shall be set at thirteen for the time being.

PASSED (unanimously).

Election of Executive Members – Mid-term appointee, Shriram Mulgund, and Executive members whose terms of office were expiring (Wib Antler, Ed Barrett, Phil Davy, Alex Harvey and Gary Nummelin) were elected (unanimously).

Exhibit "G"

[Français](#)[Home](#)[About Us](#)

[Mission Statement](#)
[Who We Are](#)
[Privacy Statement](#)
[Executive Committee](#)
[Constitution](#)

[Class Action](#)[Important Contacts](#)

[Re Settlement Proposal](#)
[Plan Administrator](#)
[FSCO](#)
[CLPENS](#)

[AGM Minutes](#)[Compte rendu AGA](#)[Indexation](#)

[Indexed Pension Table](#)
[Indexing Factors](#)

[About the Website](#)

[What's New](#)

[FAQ](#)

[CLPENS](#)
[Pensions](#)
[Surplus](#)
[Recently Terminated](#)

[Links](#)[Glossary](#)[Contact Us](#)[Appendix](#)**Minutes of the Annual General Meeting****November 14, 2007**

The 2007 Annual General Meeting of The Canada Life Canadian Pension Plan Members' Rights Group (CLPENS) was held at The Royal Canadian Legion, 6 Spring Bank Avenue, Toronto, at 7:00 p.m. on Wednesday, November 14, 2007.

Attendance: 105 CLPENS members; all 8 members of the Executive Committee; and 4 invited guests (Mark Zigler and Clio Godkewitsch of Koskie Minsky; Jonathan Foreman of Harrslon Pensa; and John-Paul Marentette, plaintiff) were in attendance.

Opening remarks - The President, Wib Antler, opened the meeting by introducing the CLPENS Executive Committee. He noted that David Kidd would act as the meeting's secretary and would also vote the 57 proxies which had been assigned to the Executive Committee. Wib introduced the guests and thanked them for their attendance. He also thanked John Wakeford and Rod Norton for acting as scrutineers on any voting matters.

Treasurer's Report - Gary Nummellin provided the Treasurer's Report.

Start of the year balance	\$44,214.95
Revenue	\$ 7,781.40
Expenses	\$21,526.77
End of year balance	\$30,469.58

Gary noted that most of the expenses for the year were for actuarial services to support the Executive Committee's work.

Announcement of Settlement Offer - Wib advised that the 3 week delay in the AGM enabled him to announce that a settlement offer would be presented to members at tonight's meeting.

SERP - Wib noted that CLPENS' role involved the regular staff pension plan and that CLPENS is not involved with ongoing developments regarding the supplemental retirement plan (SERP) as the Company's actions in this area do not have an impact on the regular plan. He further advised that a SERP action is being pursued and that any interested members should contact either Dennis Caponi at 416-367-4417 or Mark Zigler at Koskie Minsky, 416-595-2090 for further information.

Past Year's Activity - Wib gave a brief overview of Executive Committee activity over the past year. He noted that there had been much activity but that he and other Executive Committee members had been (and remain) bound by a Communication and Confidentiality Agreement.

Outgoing Executive Committee Members - Wib announced that Fred Taggart's term of office had expired and that Fred had decided not to seek re-election and that Phil Davy had decided not to continue on the Executive Committee. He thanked both Fred and Phil for their hard work over the years.

Terms of the Settlement Offer - Wib introduced Mark Zigler who gave a "big picture" account of the terms of a Memorandum of Understanding regarding a potential settlement agreement that had been signed by Canada Life and would be signed after the meeting by the CLPENS Executive Committee.

Mark's comments will be summarized and posted on the CLPENS website as soon as we are legally cleared to do so. Mark stressed that, while significant progress had been made to date and that the proposed settlement was reasonable, there was still much work to do including court attendances; communication packages, information meetings and consent agreements for all plan members; and regulatory/court applications and approvals. He stated that finalizing and implementing this type of settlement can take a long time and that we would get back to members with a target schedule once the deal has been signed.

Mark stressed the importance of waiting for the agreed-upon details to be posted and the danger of word-of-mouth communication. He asked all attendees to keep the information to themselves until such posting is made.

Election of Executive Committee - Wib noted that 3 Executive Committee members whose terms expired as of this AGM had agreed to stand for re-election. Upon a motion by Tony Lawes which was seconded by Karen Lubinsky, David Kidd, Brian Lynch and Jim Martin were unanimously re-elected for a 2-year term.

Adjournment - There being no further business, upon a motion by Cec Adams which was seconded by Gordon Conant, the meeting was adjourned.

[General Meeting Minutes October 25, 2006](#)

[General Meeting Minutes October 19, 2005](#)

[Home](#) | [Class Action](#) | [About Us](#) | [What's New?](#)

[FAQ](#) | [Links](#) | [Contact Us](#) | [Appendix](#)

Exhibit "H"

[Home](#)[About Us](#)

[Mission Statement](#)
[Who We Are](#)
[Privacy Statement](#)
[Executive Committee](#)
[Constitution](#)

[Class Action](#)[Important Contacts](#)

[Re Settlement Proposal](#)
[Plan Administrator](#)
[FSCO](#)
[CLPENS](#)

[AGM Minutes](#)[Compte rendu AGA](#)[Indexation](#)

[Indexed Pension Table](#)
[Indexing Factors](#)

[About the Website](#)

[What's New](#)

[FAQ](#)[CLPENS](#)[Pensions](#)[Surplus](#)[Recently Terminated](#)[Links](#)[Glossary](#)[Contact Us](#)[Appendix](#)**Minutes of the Annual General Meeting****November 05, 2008**

The 5th Annual General Meeting of the Canada Life Canadian Pension Plan Members' Rights Group (CLPENS) was held at The Royal Canadian Legion, 6 Spring Bank Avenue, Toronto, at 7:00 p.m. on Wednesday, November 5, 2008.

Attendance: 175 CLPENS members; all 8 members of the Executive Committee; and 4 invited guests (Mark Zigler and Clio Godkewitsch of Koskie Minsky; Jonathan Foreman of Harrison Pensa; and John-Paul Marentette, plaintiff) were in attendance.

Opening remarks – The President, Wib Antler, opened the meeting by introducing the CLPENS Executive Committee. He noted that David Kidd would act as the meeting's secretary and would also vote the 62 proxies which had been assigned to the Executive Committee. Mr. Antler introduced the guests and thanked them for their attendance. He also thanked John Wakeford for acting as scrutineer on any voting matters.

Election of Executive Committee – Mr. Antler noted that 5 Executive Committee members (Wib Antler, Ed Barrett, Alex Harvey, Shriram Mulgund and Gary Nummelin) whose terms expired as of this AGM had agreed to stand for re-election. Upon a motion by John Cartmell which was seconded by Bob Love, these Executive Committee members were unanimously re-elected for a 2-year term.

Constitutional Amendment – Ed Barrett presented a concern that the term limits which were included in the CLPENS constitution would dictate changes in office for a number of Executive Committee members that would not be prudent at this stage of our efforts to finalize a settlement. Accordingly, the following motion was made by Mr. Barrett and seconded by Brian Lynch:

Resolved that Article 6 (Nominations and Elections) of the Constitution shall be amended by striking out the first sentence of the second paragraph which reads: "No Executive officer shall hold the same office for more than two successive terms, but after a lapse of one term may resume the office again."

This motion was passed unanimously.

Treasurer's Report – Gary Nummelin provided the Treasurer's Report as at August 31, 2008.

Start of the year balance	\$30,469.58
Revenue	\$ 1,161.21
Expenses	\$7,775.77
End of year balance	\$23,855.02

Update on Status of Negotiations – Mr. Antler introduced Mark Zigler who provided an update on the status of the proposed settlement agreement.

Mr. Zigler reported "frustrating news" – the deal is still there but is moving slowly. In addition to the normal issues involved in turning a Memorandum of Understanding into final documentation, the inclusion of 3 other partial wind-ups (Adason Properties, Pelican Foods and Indago) in our settlement has been an added complication.

Also, the Financial Services Commission of Ontario (FSCO) refused to approve a mutually agreed upon settlement between another plan sponsor (Montreal Trust) and its plan members. As a result, similar cases (like ours) are waiting for the results of an appeal launched by the Montreal Trust and its plan members. Although Mr. Zigler was optimistic that the appeal would be successful, he noted that the rejection of this appeal would make our deal "much more complicated".

While moving slowly, there has been activity since the last AGM. A lengthy agreement was received from Canada Life in June; this document was reviewed by Koskie Minsky and discussed with the CLPENS executive; a response was sent to Canada Life in September; and, hopefully, our lawyers will meet with Canada Life lawyers within the next 30 days. Once this meeting occurs, all parties will continue to work towards completing the settlement. Upon completion of the settlement, all affected class members will be informed of the proposed settlement terms so that the necessary approvals can be obtained.

Mr. Zigler advised that recent adverse market developments should have little impact on our proposed settlement as funds held in respect of the partial plan wind-up have been segregated from other plan assets and held in a very conservative mix (88% fixed income; 12% equities).

In closing, Mr. Zigler noted that the CLPENS Executive had been "patient and diligent" in pursuing a final settlement but that there could be "a couple of other AGMs" before any money is paid out.

Following this update, Mr. Zigler responded to questions from the floor.

Adjournment – There being no further business, upon a motion by Gerry Fryer which was seconded by Karen Lubinsky, the meeting was adjourned.

[General Meeting Minutes November 14, 2007](#)

[General Meeting Minutes October 25, 2006](#)

[Home](#) | [Class Action](#) | [About Us](#) | [What's New?](#)

[FAQ](#) | [Links](#) | [Contact Us](#) | [Appendix](#)

Exhibit "I"

CLPENS**THE CANADA LIFE CANADIAN PENSION PLAN MEMBERS'
RIGHTS GROUP****Home****About Us**[Mission Statement](#)[Who We Are](#)[Privacy Statement](#)[Executive](#)[Committee](#)[Constitution](#)**Class Action****Important
Contacts**[Re Settlement
Proposal](#)[Plan Administrator](#)[FSCO](#)[CLPENS](#)**AGM Minutes****Indexation**[Indexed Pension
Table](#)[Indexing Factors](#)**About the Website**[What's New](#)**FAQ**[CLPENS](#)[Pensions](#)**Links****Glossary****Appendix****Information Meeting - November 18, 2009**

An information meeting of the Canada Life Canadian Pension Plan Members' Rights Group (CLPENS) was held at The Royal Canadian Legion, 6 Spring Garden Avenue, Toronto, at 7:00 p.m. on Wednesday, November 18, 2009.

Attendance - In addition to 138 CLPENS members, 3 invited guests (Mark Zigler and Anthony Guindon of Koskie Minsky and Marcus Robertson of Robertson Eadie & Associates) were in attendance. Attendance was down this year since a major disruption occurred on the Yonge St. subway line.

Opening remarks - The President, Wib Antler, opened the meeting by noting that the meeting would not be conducted as a formal Annual General Meeting but as an "Information Meeting".

President's Remarks - Mr. Antler provided a briefing on the history and current status of negotiations with Canada Life since our last meeting of November 5th, 2008:

- Last November, the Financial Services Commission of Ontario (FSCO) refused to approve a mutually agreed upon settlement between another plan sponsor (Montreal Trust) and its plan members. As a result, similar cases like ours were waiting for the result of an appeal launched by the Montreal Trust and its plan members. In December the appeal was settled by a Tribunal who ruled that these types of cases must be accepted.
- A case conference was held with The Honourable Mr. Justice Perell on May 6th, 2009. The Surplus Sharing Agreement was not completed and presented to him at that time. He set up another case conference for June 19th to review progress. We received a revised copy of the SSA in June but did not have time to review it before the case conference. A new case conference date was set for September 24th.
- A meeting was held on July 15th that included counsel for Canada Life, counsel for CLPENS, and representatives from the CLPENS Executive, where the few remaining issues under the draft Surplus Sharing Agreement were ironed out. Justice Perell was advised of the progress on September 24th.
- The next appearance before Justice Perell has been set for December 14th when we hope to finalize the Surplus Sharing Agreement and ask for his agreement on a couple of technical issues related to the settlement.
- The documentation of the Surplus Sharing Agreement is being revised to include Indago, Pelican Foods, and Adason.

December 31, 2008 Actuarial Valuation - Shriram Mulgund introduced CLPENS' consulting actuary, Marcus Robertson. Mr. Robertson distributed and commented on an outline of the results of the December 31, 2008 actuarial valuation as compared to the actuarial valuation of December 31, 2005.

In summary, the surplus position of the partial wind-up portion of the fund dropped from \$103 million at January 1, 2006 to \$72 million at January 1, 2009. The major causes of this decline were investment experience (actual investment results being less than assumed investment results by \$22.5 million) and changes in actuarial assumptions with respect to the percentage of plan members who would take their entitlement in the form of a pension as opposed to a commuted value (that is, as a lump sum transfer). This assumption results in a difference in valuation of \$26.5 million.

Remarks from the Legal Team - Mr. Antler introduced Mark Zigler who provided further comments on the status of the settlement.

- Mr. Zigler noted that, while action has been slow, the judge's involvement has been very helpful "in moving things along" and that, while the reduction in surplus is regrettable, the payout to plan members (approximately, \$50 million) is still "a very big number".
- Mr. Zigler outlined the next steps in the process. After the appearance before Justice Perell in December, we hope to quickly finalize the SSA. Once that is done, we will be arranging a meeting with FSCO to ensure that they are comfortable with the proposed settlement. After that, we will start working on a detailed communications package to send to all members of the class, to inform them of the details of the proposed settlement and invite them to information sessions we will be holding jointly with CL in those major centres across Canada where significant numbers of members live.
- CL has also agreed that once the SSA is finalized, they will take steps to pay out basic benefits to members, including the necessary approval from FSCO to do so.

Following this update, Mr. Zigler invited questions from the floor.

Questions from the Floor - There were many questions from the floor for both Mr. Robertson and Mr. Zigler. In particular:

- **If plan members fail to vote, are they deemed to be in agreement with the proposed settlement?** - "No. Quite the opposite." Positive votes will be required at the specified percentage levels.
- **Do all participating groups (that is, Indago, Pelican Foods, and Adason) have to agree?** - No. Each participating group's treatment will be based on the unique votes of its membership.
- **How many people are in the residual group?** - There are

approximately 2,000 people in the partial wind-up group and 3,000 in the remaining group (which group includes pensioners, active employees, and deferred vested members).

- **Can I "conservatively" expect to receive a cheque by December of 2010?** – No, that would be a "very liberal" expectation.
- **Is the \$12 million figure for expenses a "to date" figure? Will this figure be increased by ongoing expenses?** – No. The \$12 million amount includes anticipated future expenses. It is important to note that actual expenses could be greater or less than anticipated.
- **What happens if I die? Do my survivors lose out?** – No. The surplus sharing agreement provides for payments to survivors of deceased plan members.
- **Who controls the investment policy?** – The Company controls the investment policy and, in this regard, they have done a good job. They moved the vast majority of assets held on behalf of partial wind-up members to fixed income investments near the end of the first quarter of 2008.
- **Upon finalization of the surplus sharing agreement, how do you keep things moving?** – There will be a mailing to all plan members; plan member meetings across the country; a website; and 1-800- telephone numbers. It is an extensive undertaking but Koskie Minsky been through this process many times. As an example, the wind-up of the Eatons pension plan involved 50,000 plan members.
- **What if the vote fails?** – In theory, a failed vote means that we are back to the going-to-court option. However, so long as statutory consent levels are reached, Canada Life could say "okay, close enough" and proceed with a distribution as set out in the surplus sharing agreement.
- **What happens if only the partial wind-up group vote in favour?** – The vote would still be a failed vote. All sub-groups must meet vote threshold levels.

Exhibit "J"

Exhibit "K"

01338

JANICE DURST
147 MILVERTON BLVD
TORONTO ON M4J 1V2

THE CANADA LIFE
CANADIAN EMPLOYEES
PENSION PLAN
SETTLEMENT PROPOSAL

THE CANADA LIFE
CANADIAN EMPLOYEES
PENSION PLAN
SETTLEMENT PROPOSAL

Personal Information Statement for JANICE DURST

The Canada Life Canadian Employees Pension Plan (the "Plan") (Registration #0354563)

Please read this statement carefully. It is important that you confirm your Personal Data in this statement to ensure that your share of the proposed settlement is calculated accurately. Please return this statement to Canada Life as soon as possible.

For full details on the Settlement Proposal, please refer to "A Detailed Description of What You Need to Know" (green-bordered item D) in this information package. You can also refer to "Your Information and Instruction Guide" (black-bordered item A) for definitions of terms that may be unfamiliar to you.

Instructions:

- The data shown in **(1) Your Personal Data** reflects our current records. Please review the information and indicate any corrections in the right-hand column.
- Review **(2) Your Participation in the Settlement Proposal**.
- Review **(3) Your Estimated Share of Surplus (before tax)**.
- Complete **(4) Confirmation of Your Personal Data** on the back of this statement.
- Return **one** completed copy of this statement in the enclosed blue-bordered envelope as soon as possible. (The second copy is for your records.)

If you have any questions about your personal data in Section (1) please call the Canada Life Client Service Centre toll-free at 1-888-252-1847.

(1) Your Personal Data

CORRECTIONS

Name:

JANICE DURST

831880

CONTENTS

This legend (each document has its own letter and colour) is provided so that the contents are easy to find in this package.

A	Your Information and Instruction Guide – Read this First
B	Letter from Canada Life
C	Committee Report
D	A Detailed Description of What You Need to Know
E	Personal Information Statement (one copy for you to sign and return, and another copy for you to keep for your records) and reply envelope
F	Decision Form (please sign and return) and reply envelope
G	Sources of Information

If this information package doesn't include all of the documents listed above, please call the Canada Life Client Service Centre toll-free at 1-888-252-1847.

Exhibit "L"

MERCER

Mercer Benefits Processing Centre
70 University Avenue
P.O. Box 5
Toronto, Ontario M5J 2M4

June 22, 2011

JANICE DURST
147 MILVERTON BLVD
TORONTO ON M4J 1V2

Dear MS. DURST:

The Canada Life Canadian Employees Pension Plan Partial Wind-Up Benefit Election Package

You are included in the partial wind-up of the Canada Life Canadian Employees Pension Plan (the "Registered Plan"), Registration Number 0354563. The partial wind-up includes members of the Registered Plan (other than those in Quebec) whose employment with Canada Life (the "Company") terminated during the integration period following the acquisition of Canada Life by Great-West Life. The partial wind-up cannot be completed until regulatory approval to distribute all Registered Plan assets attributable to the partial wind-up has been obtained, and that regulatory approval will not be forthcoming until the court action commenced by certain former Registered Plan members has been resolved. However, Canada Life has received permission from the Superintendent of Financial Services to settle the basic benefits for partial wind-up members of the Registered Plan. The enclosed material outlines the options available to you with respect to your basic benefits.

The distribution of partial wind-up surplus will not proceed until the court action has been resolved and regulatory approval has been obtained. It is important to note that the option you elect with respect to your basic benefits will not affect any partial wind-up surplus allocation to which you may become entitled.

As you are included in the partial wind-up of the Registered Plan, you are fully vested in the pension benefits you have earned up to your date of termination of participation in the Registered Plan. The attached *Statement of Benefits and Election of Option* (the "Statement") (2 copies) outlines the value of your accrued pension and the options available to you in accordance with the Registered Plan provisions and the provincial pension legislation applicable to your province of employment.

Every effort has been made to ensure that the information shown on the enclosed package is correct. The Company reserves the right to amend the calculations in order to correct any data errors. If you believe any of the information in the Statement is

(over...)

MERCER

Page 2
June 22, 2011
JANICE DURST

incorrect or if you have any questions about your pension benefits, please call the Mercer Benefits Processing Centre at 1-888-841-7967.

Please complete one copy of the *Statement of Benefits and Election of Option* and any additional required forms as indicated under your elected option, and return it within **90 days** in the self-addressed envelope to the Mercer Benefits Processing Centre. **If you do not return the completed Statement postmarked by that date, you will be deemed to have chosen *Option 2 – Deferred Monthly Pension*.**

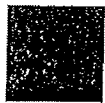
In order to ensure that you receive your entitlements in a timely manner, please complete and return the Statement, even if you wish to receive your benefits in the default form. Should you elect the Commuted Value Transfer option, it may take 4 to 6 weeks to process your election upon receipt of your completed Statement. **Please note that this is your only opportunity to elect the Commuted Value Transfer option.**

Please retain the other copy for your records.

Sincerely,

Mercer Benefits Processing Centre

Enclosure



Statement of Benefits and Election of Option Following the Partial Wind-Up of the Registered Plan as of June 30, 2005

Name: JANICE DURST
ID Number: 831880
Address: 147 MILVERTON BLVD
TORONTO ON M4J 1V2

This Statement is based on the information in the Registered Plan records. If you believe any of the information is incorrect or if you have any questions about this Statement, please contact the Mercer Benefits Processing Centre at 1-888-841-7967 immediately.

Member Information

Date of Birth:	NOVEMBER 12, 1951
Date of Employment:	AUGUST 17, 1981
Date of Plan Entry:	AUGUST 22, 1983
Date of Termination of Participation:	NOVEMBER 30, 2006
Pensionable Service:	22.2018 YEARS
Highest Average Earnings:	\$77,047.61
Normal Retirement Date:	NOVEMBER 30, 2016
Earliest Unreduced Retirement Date:	SEPTEMBER 30, 2014
Province of Employment:	ONTARIO
Spouse Information at Date of Termination of Participation	
Marital Status:	MARRIED
Spouse's Name:	KENDRICK PATERSON
Spouse's Date of Birth:	APRIL 10, 1959
Current Spouse Information on record	
Marital Status:	MARRIED
Spouse's Name:	KENDRICK PATERSON
Spouse's Date of Birth:	APRIL 10, 1959
Beneficiary(ies):	KENDRICK PATERSON
Employee Contributions with Interest at NOVEMBER 30, 2006:	\$66,986.17

Your Registered Plan Pension Benefits

Accrued Pension

As a result of your termination of Registered Plan membership, you are entitled to a deferred pension of \$2,545.84 per month, commencing on your Earliest Unreduced Retirement Date, SEPTEMBER 30, 2014. This amount is based on the **Normal Form of Pension** described under the **"More Information on Pension"** section. If you elect to commence your pension before SEPTEMBER 30, 2014, the amount of your pension will be reduced in accordance with the provisions described under the paragraph **Early Payment of Pension** in the **"More Information on Pension"** section.

Your Payment Options

Your benefits under the Registered Plan can be paid to you in **one** of the following options:

Option 1 – Immediate Monthly Pension

If you have an eligible spouse when your pension commences, pension legislation requires that your pension be paid in a joint and survivor form with a minimum of 60% of your payments continuing to your eligible spouse after your date of death. We have provided the following payment options based on the information in our current records. In the event that your marital status differs from our records, please provide us with your updated information and we will provide you with a revised Statement outlining the options available to you.

The conversion of the pension under the Normal Form of Pension to another optional form is based on the assumptions outlined under the Canadian Institute of Actuaries applicable for the month of June 2011. Specifically, interest rates used were 3.60% per year for the first 10 years following June 30, 2011, 4.80% per year thereafter and mortality rates in accordance with the UP-94 table with full generational projection.

a) Joint and Survivor Pension Reducing to 60%, 60% Guaranteed 60 Months

You may elect to receive a pension of \$2,097.77 per month, payable for your lifetime. Upon your death, your eligible spouse will receive a monthly lifetime pension of 60% of the amount you were receiving when you died.

If you and your eligible spouse die within 60 months of your pension commencement date, the survivor's beneficiary or estate will receive the commuted value of 60% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

b) Joint and Survivor Pension Reducing to 60%, 60% Guaranteed 120 Months

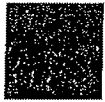
You may elect to receive a pension of \$2,097.41 per month, payable for your lifetime. Upon your death, your eligible spouse will receive a monthly lifetime pension of 60% of the amount you were receiving when you died.

If you and your eligible spouse die within 120 months of your pension commencement date, the survivor's beneficiary or estate will receive the commuted value of 60% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

c) Joint and Survivor Pension Reducing to 60%, 100% Guaranteed 60 Months

You may elect to receive a pension of \$2,094.71 per month, payable for your lifetime.

If you die within 60 months of your pension commencement date, your eligible spouse will receive a monthly pension of 100% of the amount you were receiving when you died for the balance of the



THE CANADA LIFE CANADIAN EMPLOYEES
PENSION PLAN (THE "REGISTERED PLAN")
REGISTRATION NUMBER: 0354563
PARTIAL WIND-UP AS OF JUNE 30, 2005

60 months. After the 60-month period, your eligible spouse will receive a monthly lifetime pension of 60% of the amount you were receiving when you died.

If you die after the 60-month period, your eligible spouse will receive a monthly lifetime pension of 60% of the amount you were receiving when you died.

If you and your eligible spouse die within 60 months of your pension commencement date, the survivor's beneficiary or estate will receive the commuted value of 100% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

d) Joint and Survivor Pension Reducing to 60%, 100% Guaranteed 120 Months

You may elect to receive a pension of \$2,083.81 per month, payable for your lifetime.

If you die within 120 months of your pension commencement date, your eligible spouse will receive a monthly pension of 100% of the amount you were receiving when you died for the balance of the 120 months. After the 120-month period, your eligible spouse will receive a monthly lifetime pension of 60% of the amount you were receiving when you died.

If you die after the 120-month period, your eligible spouse will receive a monthly lifetime pension of 60% of the amount you were receiving when you died.

If you and your eligible spouse die within 120 months of your pension commencement date, the survivor's beneficiary or estate will receive the commuted value of 100% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

e) Joint and Survivor Pension 100%, 100% Guaranteed 60 Months

You may elect to receive a pension of \$1,943.53 per month, payable for your lifetime. Upon your death, your eligible spouse will receive a monthly lifetime pension of 100% of the amount you were receiving when you died.

If you and your eligible spouse die within 60 months of your pension commencement date, the survivor's beneficiary or estate will receive the commuted value of 100% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

f) Joint and Survivor Pension 100%, 100% Guaranteed 120 Months

You may elect to receive a pension of \$1,943.02 per month, payable for your lifetime. Upon your death, your eligible spouse will receive a monthly lifetime pension of 100% of the amount you were receiving when you died.

If you and your eligible spouse die within 120 months of your pension commencement date, the survivor's beneficiary or estate will receive the commuted value of 100% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

Option 2 – Deferred Monthly Pension

You may elect to receive a deferred pension of \$2,545.84 per month, commencing on your Earliest Unreduced Retirement Date, SEPTEMBER 30, 2014.

Option 3 – Commuted Value Transfer

You may elect to receive a locked-in transfer of \$375,245.70, which represents the commuted value of your accrued pension at NOVEMBER 30, 2006.

Please note it may take approximately 4 to 6 weeks from the date the completed Statement is received before payment is finalized. Interest will be credited from the date of your termination of participation to the date of payment.

The transfer of the commuted value of your pension with interest, on a tax-sheltered basis, cannot exceed the maximum "Transfer Limit" prescribed by the *Income Tax Act* of Canada. Any amount in excess of this transfer limit must be paid in cash, less withholding taxes. At July 1, 2011, the Transfer Limit is estimated to be \$349,065.21. The actual Transfer Limit will be re-calculated at the time the transfer is made and it may be higher or lower than the amount shown here.

More Information on Pension

If you choose to receive a pension, you should note the following:

Early Payment of Pension

You may elect to have your pension commence immediately, up to SEPTEMBER 30, 2014. If your pension commences before SEPTEMBER 30, 2014, the amount of your pension is reduced based on your age and pensionable service at the pension commencement date, as described in the Registered Plan.

You will need to notify the Company or the selected insurance company after an annuity is purchased at least two months prior to the date you want to commence your pension.

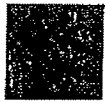
Death Benefits

If you die before your pension commences, an immediate pension is payable to your eligible spouse for his or her lifetime equal to 60% of the pension you accrued up to your date of termination of participation, with the guarantee that payments will be made for at least 120 months. In lieu of an immediate pension, your eligible spouse may elect to receive a deferred pension on an actuarially equivalent basis (but no later than age 71) or payment of the commuted value of the death benefit in a lump sum, less withholding taxes. If you were employed by the Company in Alberta, British Columbia or Manitoba, this lump-sum payment to your eligible spouse must be transferred to his or her retirement savings vehicle on a locked-in basis.

If you do not have an eligible spouse or if your eligible spouse has waived the death benefit (such waiver is not available to your eligible spouse if you were employed in New Brunswick, Newfoundland and Labrador, Nova Scotia or Prince Edward Island), the commuted value of 60% of your monthly pension payable for 120 months is payable in a lump sum to your beneficiary or your estate.

In any event, the commuted value of the death benefit payable to your eligible spouse, your beneficiary or your estate will not be less than the commuted value of your accrued pension at the date of termination of participation.

If you die after your pension commences, any death benefit payable will be made in accordance with the form of pension you have elected.



THE CANADA LIFE CANADIAN EMPLOYEES
PENSION PLAN (THE "REGISTERED PLAN")
REGISTRATION NUMBER: 0354563
PARTIAL WIND-UP AS OF JUNE 30, 2005

Normal Form of Pension

Your pension will be paid monthly, with payments continuing in full until your death.

If you have an eligible spouse at pension commencement, after your death, 60% of your monthly pension will continue to your eligible spouse for his or her remaining lifetime. If both you and your eligible spouse die within 60 months of your pension commencement, the survivor's beneficiary or estate will receive the commuted value of 60% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

If you do not have an eligible spouse at pension commencement and you die before a total of 120 payments have been made, your beneficiary or estate will receive the commuted value of 60% of your pension for the remaining guaranteed payments in a lump sum, less withholding taxes.

Annuity

If you choose a pension option, an annuity will be purchased on your behalf by the Registered Plan from a Canadian licensed life insurance company. The purchased annuity will be payable in the same amount and on the same terms and conditions of payment as the pension you would otherwise receive from the Registered Plan.

Once the annuity purchase is made, the selected insurance company will be responsible for the administration of the payments of your benefits under the Registered Plan. Therefore, if you have not commenced your pension at the date of the annuity purchase, you will be responsible for contacting the insurance company at least two months prior to the date you want to commence your pension.

Indexing

After your pension commences, your pension will be adjusted annually to protect you against some of the effects of inflation. The adjustment is based on both the change in the Consumer Price Index and the rate of return on the Registered Plan's assets.

More Information on Transfers

If you choose to transfer the commuted value of your benefit out of the Registered Plan, you must make all arrangements with the institution/employer who will be receiving the transfer, including completing all relevant forms. The additional forms that are required are listed in the "**Election - Payment of Benefit**" section. You must also ensure that the issuer of your locked-in arrangement is a financial institution acceptable to the provincial pension authorities.

Except where indicated otherwise, the transferred amount will be locked-in and can only be used to provide a life annuity or a life income fund. If you die before your annuity commences, the current value of the transferred amount will be paid as a death benefit to your eligible spouse, beneficiary or estate, as the case may be.

Please note it may take approximately 4 to 6 weeks from the date the completed Statement is received before payment is finalized.



Actuarial Assumptions

The commuted value of your pension was calculated as at NOVEMBER 30, 2006 in accordance with Registered Plan provisions and applicable legislation, and is consistent with the *Standard of Practice for Determining Pension Commuted Values effective February 1, 2005* recommended by the *Canadian Institute of Actuaries*. Following are the actuarial assumptions used in determining the commuted value of your pension:

- Retirement Age: Your normal retirement age or, if applicable, the eligible retirement age at which the commuted value of your pension is maximized.
- Interest Rates: 4.50% per year for the first 10 years following NOVEMBER 30, 2006, 4.75% per year thereafter.
- Mortality Table: UP-94 projected to 2015 (50% male and 50% female)
- Marital Status: We have used your actual marital status at the date of termination of participation if the assumed Retirement Age is the age at the date of termination of participation. Otherwise, we have assumed a probability of 100% that you will have an eligible spouse at pension commencement or death.
- Age Difference: Where available, we have used the actual difference between your age and your spouse's age at the date of termination of participation. Otherwise, we have assumed that the male partner will be three years older than the female partner.

Pension Adjustment Reversal

If you elect **Option 3 – Commuted Value Transfer**, you *may* be entitled to a Pension Adjustment Reversal (PAR). A PAR restores some RRSP contribution room which was lost due to pension plan participation as reported through Pension Adjustments. A PAR is calculated for any member who elects to receive a lump-sum payment (cash or transfer) in complete settlement from a pension plan. A PAR is reported 30 to 60 days after the end of the calendar quarter in which the transfer is made. A PAR is not calculated when a member elects to receive a deferred or immediate pension.

Examination of Documents

You are entitled to examine the pension plan documents and the wind-up report on submission of a written request to the Mercer Benefits Processing Centre.

This Statement was prepared in collaboration with Mercer, an independent consulting firm. The Registered Plan is registered with the Financial Services Commission of Ontario and the Canada Revenue Agency under Registration No. 0354563.

Every effort has been made to report information accurately, but the possibility of error exists. Should you notice any errors in this Statement, please advise the following so the Company records can be corrected:

Mercer Benefits Processing Centre
70 University Avenue
P.O. Box 5
Toronto ON M5J 2M4

Details of your benefits are found in the laws and legal documents on which the Registered Plan is based. The information furnished in this Statement is subject to these legal documents which will govern in case of difference or error.

Election – Payment of Benefit

I, JANICE DURST, elect:

(Choose one option by placing an X in the appropriate checkbox below and select one of the payment alternatives shown within that option, where applicable.)

Option 1 – Immediate Monthly Pension

- ☐ I choose to receive my pension commencing on June 30, 2011, and hereby elect to receive my pension in one of the following forms:
- ☐ \$2,097.77 per month as a Joint and Survivor Pension Reducing to 60%, 60% Guaranteed 60 Months
 - ☐ \$2,097.41 per month as a Joint and Survivor Pension Reducing to 60%, 60% Guaranteed 120 Months
 - ☐ \$2,094.71 per month as a Joint and Survivor Pension Reducing to 60%, 100% Guaranteed 60 Months
 - ☐ \$2,083.81 per month as a Joint and Survivor Pension Reducing to 60%, 100% Guaranteed 120 Months
 - ☐ \$1,943.53 per month as a Joint and Survivor Pension Reducing to 100%, 100% Guaranteed 60 Months
 - ☐ \$1,943.02 per month as a Joint and Survivor Pension Reducing to 100%, 100% Guaranteed 120 Months

I have studied the various options and fully understand that if I have an eligible spouse, pension benefits legislation requires that I must elect a joint and survivor option where not less than 60% of my pension continues to my eligible spouse in the event of my death, unless a prescribed waiver form is completed. Please contact the Mercer Benefits Processing Centre if you wish to proceed with this option.

I have enclosed the following completed documentation:

- a Bank Deposit Form;
- TD1 Forms (Federal and Provincial);
- a Spousal Declaration Form;
- a Beneficiary Designation Form;
- an official proof of age, such as a copy of my driver's license, birth certificate, baptismal certificate or passport; and
- an official proof of my eligible spouse's age (if applicable).

Option 2 – Deferred Monthly Pension

- ☐ I choose to receive a deferred pension of \$2,545.84 per month, commencing on SEPTEMBER 30, 2014. I will notify the Company or the selected insurance company after an annuity is purchased, at least two months in advance if I wish to commence this pension at any time before SEPTEMBER 30, 2014, in which case the pension will be reduced as described in the Registered Plan.

Upon election of the deferred monthly pension, I understand that I will not be permitted to elect a transfer of the commuted value of my benefit entitlements at a later date.

I have enclosed the following completed documentation:

- *a Spousal Declaration Form;*
- *an official proof of age, such as a copy of my driver's license, birth certificate, baptismal certificate or passport; and*
- *an official proof of my eligible spouse's age (if applicable).*

Option 3 – Commuted Value Transfer

- ☐ I choose to transfer the commuted value of my pension benefit, \$375,245.70 as at NOVEMBER 30, 2006, with interest to the date of payment, to one of the following locked-in arrangements (select **one**):

- ☐ a) Locked-In Retirement Account (LIRA)
I have enclosed a completed Canada Revenue Agency Form T2151 and Spousal Declaration Form.
- ☐ b) The Registered Pension Plan of my new employer.

Please provide the following information:

_____	_____
Pension Plan Administrator Contact Name	Phone Number

I have enclosed a completed Canada Revenue Agency Form T2151 and Spousal Declaration Form.

- ☐ c) A life annuity to be purchased from a Canadian licensed life insurance company of my choice, to commence at a date on or after age 55. For this option, the *Income Tax Act* requires that the commuted value of my pension benefit be transferred first to a Locked-In Retirement Account (LIRA) with the insurance company, which can then immediately apply the funds to purchase an annuity.

I have enclosed a completed Canada Revenue Agency Form T2151 and Spousal Declaration Form. Additional forms and information may be required by the life insurance company.

- ☐ d) Life Income Fund (LIF)
I have enclosed a completed Canada Revenue Agency Form T2151 and Spousal Declaration Form and Spousal Waiver Form (if I am married).

Any transfer under this Option 3 is subject to the maximum transfer limit described under the **"Your Payment Options"** section. If the transfer of the commuted value of the pension with interest exceeds the maximum transfer limit, the excess shall be payable to you in a lump sum less withholding tax.



At July 1, 2011, the Transfer Limit is estimated to be \$349,065.21. The actual Transfer Limit will be re-calculated at the time the transfer is made and it may be higher or lower than the amount shown here.

I have read and understood the information provided in this Statement and I confirm the data upon which it is based. I understand that upon receipt of my benefit in accordance with the option I have elected, I will not have any further claim to any benefit or other payment under The Canada Life Canadian Employees Pension Plan or from Canada Life or its agents, predecessors or successors. I also understand that the benefit amounts and payment options shown on this form may need to be adjusted to correct errors or to comply with regulatory requirements.

In the event of a conflict between any information provided in this Statement and the Registered Plan text or applicable legislation, the official Registered Plan text or applicable legislation will prevail.

I hereby request that the benefits to which I am entitled under the Registered Plan be paid in accordance with the Option that I have selected above.

Signature of Member

Date

IMPORTANT: You must properly complete and return this form and any other forms as required by the option that you have elected within 90 days of receipt of this Statement or you will be deemed to have chosen *Option 2 – Deferred Monthly Pension*.

Please retain a copy and return all original signed documents in the self-addressed envelope provided to the Mercer Benefits Processing Centre.

Exhibit "M"

THE CANADA LIFE CANADIAN EMPLOYEES PENSION PLAN (the "Plan")

IMPORTANT INFORMATION ABOUT THE CLASS PROCEEDINGS

NOTICE TO MEMBERS OF THE INTEGRATION PARTIAL WINDUP

From: David Kidd, Alex Harvey, and Jean-Paul Marentette, Plaintiffs; on notice to all parties

This announcement is approved by the Court and intended for all Members of the Integration Partial Wind Up Sub-Class included in the Canada Life Class Action Settlement, approved by the Ontario Superior Court of Justice by order dated January 27, 2012.

The purpose of this message is to provide an important update regarding the Settlement. Canada Life and Class Counsel have recently been informed by the external actuarial advisors to Canada Life that certain prevailing conditions in the financial and annuity markets, in concert with greater than assumed rates of election by Class Members of certain benefit settlement options, have adversely impacted the valuation of the Integration Partial Wind Up Surplus ("Integration PWU Surplus"). Specifically, the estimated value of the Integration PWU Surplus has decreased from an estimated \$54 million as of June 30, 2011 (net of projected expenses) to less than \$10 million as of December 31, 2011 (also net of expenses). An explanation of the principal factors leading to this decrease in the estimated Integration PWU Surplus is set out below.

Just how many did they estimate would willingly leave their jobs behind? Potential for class misvaluation.

Before reading any further, please be reassured that this decrease in the Integration PWU Surplus in no way affects your basic pension benefit entitlements under the Plan. The pension benefits that you have earned under the Plan, or the monthly benefits that you are currently receiving, are unaffected. Indexing of pensions under the Plan terms is also unaffected. This notice only relates to the Integration PWU Surplus and the financial benefits under the Canada Life Class Action Settlement.

Pension surplus is the excess value of the assets in a pension fund related to a pension plan over the value of the liabilities, both calculated in a manner prescribed by pension laws. The amount of the Integration PWU Surplus at any given time is actuarially determined under set guidelines and depends on a number of factors. Until all the basic benefits of the Integration PWU members have been settled (through a lump-sum transfer from the Plan or the purchase of an annuity), the surplus can only be estimated and may not be precisely determined. The actual amount of surplus may yet vary from the estimate based on the actual cost of purchasing annuities.

The decrease in the estimated Integration PWU Surplus over the six month period noted above is largely attributable to a change in prescribed actuarial assumptions arising from a drop in interest rates, which operate to significantly increase the cost of purchasing annuities. As interest rates decrease, the cost of buying annuities to satisfy the benefit entitlements of the PWU members increases appreciably. A secondary but also significant contributing factor is a higher take-up rate of the guaranteed pension option among members of the Integration PWU than what was assumed. The combined effect of low interest rates and the higher annuity take-up rate is to appreciably increase the cost of settling the basic benefits, hence reducing the amount of the estimated Integration PWU Surplus. We note that the Integration PWU assets were mostly

Not attributable to contribution in the Def. Benefits

immunized, and there has been no decrease in the value of assets. In fact, the assets have increased in value, but not by an amount sufficient to offset the increase in liabilities.

The decline in interest rates is a function of the current economic climate. The result is that annuity rates are at historically low levels. While changes in the surplus were expected, levels this low were not anticipated at the time of entering into the Surplus Sharing Agreement.

The effect of this decrease in estimated surplus is that there is currently significantly less surplus than the amount used to calculate the surplus share estimates communicated in the Member Information Packages sent out in March, 2011. The surplus estimate in connection with the Integration PWU was always, however, a variable amount (dependent on factors such as interest rate movements and the actual versus estimated cost of purchasing annuities) and accordingly, the amount of surplus to be distributed on the distribution date was never guaranteed, nor could it have been guaranteed. **This does not, however, impact your basic pension entitlement whatsoever.**

The parties are working together, under the supervision of Justice Perell of the Ontario Superior Court of Justice, to consider options to address the current situation, including possibly delaying the purchase of the annuities for a limited period of time and hence delaying the distribution of surplus shares to Integration PWU and eligible inactive Plan members. While there is no guarantee, if the parties are able to reach agreement to delay the purchase of annuities for a fixed period of time, there is a chance that interest rates will rise during the delay period thereby, depending on other factors, potentially increasing the amount of surplus available for distribution under the Settlement. There is also a risk, however, that interest rates could decline further, and along with them the amount of Integration PWU Surplus available for distribution. We will keep you informed of any developments.

If you have any questions, please contact Representative Counsel, Koskie Minsky LLP, at 1-800-286-2266 or canadalife@kmlaw.ca

PLEASE DO NOT CALL JUSTICE PERELL OR THE ONTARIO SUPERIOR COURT OF JUSTICE

Exhibit "N"

THE CANADA LIFE CANADIAN EMPLOYEES PENSION PLAN (the "Plan")

IMPORTANT INFORMATION ABOUT THE CLASS PROCEEDINGS

NOTICE TO MEMBERS OF THE INTEGRATION PARTIAL WINDUP

From: David Kidd, Alex Harvey, and Jean-Paul Marentette, Plaintiffs; on notice to all parties

This letter has been approved by the Court and is intended for all members of the Integration Partial Wind Up Sub-Class included in the Canada Life Class Action Settlement (the "Integration PWU Group"), which settlement was approved by the Ontario Superior Court of Justice by order dated January 27, 2012 (the "Settlement").

The purpose of this letter is to provide an update of events related to the Settlement since May 2012, as well as notice of next steps. Please be assured that, for those members who did not elect to transfer a lump sum amount out of the Plan in satisfaction of their basic pension benefits, and who therefore continue to be entitled to benefits under the Plan, nothing discussed in this letter affects benefits you have earned under the Plan, or the monthly benefit that you are currently receiving. Indexing of pensions under the Plan terms, for those eligible for it, is also unaffected. This letter describes proposed changes to the Settlement, as well as information regarding the source of payment of your pension benefits (for those members who continue to be entitled to benefits under the Plan).

In May 2012 we wrote to the Class to explain that the estimated value of the Integrated PWU Surplus had decreased from an estimated \$54 million as of June 30, 2011 (net of projected expenses) to less than \$10 million as of December 31, 2011 (also net of expenses). The principal factors leading to this decrease in estimated surplus were described as 1) a change in the prescribed actuarial assumptions arising from a drop in interest rates, which operate to significantly increase the cost of settling members' basic benefits; and 2) a higher take-up rate of the guaranteed pension option among members of the Integration PWU than what was assumed.

The effect of this decrease in estimated surplus is that there will be substantially less surplus to distribute than the amount used to calculate the surplus share estimates communicated in the Member Information Packages sent out in March 2011. The surplus estimate in connection with the Integration PWU was always, however, a variable amount (dependent on factors such as interest rate movements) and accordingly, the amount of surplus to be distributed was never guaranteed, nor can it be guaranteed at this time.

The decrease in estimated surplus does not, however, impact your basic pension entitlement whatsoever.

With the assistance of Class Counsel, we have been working to find ways to address this situation. After lengthy negotiations, we have reached an agreement with Canada Life which gives effect to the Settlement while taking into account the changed economic circumstances.

As your court-appointed representatives, we support the changes to the Settlement that have been negotiated, which represent the best possible outcome in difficult economic circumstances.

The parties will be bringing a motion in Court to amend the Settlement in accordance with an agreed set of terms (the "Amended Settlement") on March 18, 2013 at 10 AM at Osgoode Hall, 130 Queen Street West, Toronto, Ontario. At the hearing, the Court will consider any objections to or comments concerning the proposed amendment to the Settlement. Objections or comments are to be made in writing and should be faxed (416-204-2897), emailed (canadalife@kmlaw.ca) or mailed to Koskie Minsky LLP at the address listed below on or before March 11, 2013. Koskie Minsky LLP will ensure that any objections and/or comments received are filed with the Court in advance of the hearing. Provided a Class member has made written submissions, subject to the Court's discretion, that person shall be entitled to make oral submissions at the hearing to consider the proposed amendment to the Settlement. As the Court will only be considering the amendments to the Settlement, objections must be limited to the substance of the proposed amendments, and should not address the Settlement itself, which has already been approved by the Court. Do not write directly to the judge.

Purchase of Annuities

The Settlement required Canada Life to purchase annuities for all members of the Integration PWU Group who did not elect to transfer a lump sum amount out of the Plan in satisfaction of their earned pension benefits. In the Spring of 2012 Canada Life approached seven Canadian insurance companies to solicit bids to provide these annuities, but none of the insurance companies chose to provide bids. Because this term of the Settlement therefore could not be implemented, Canada Life instead transferred the assets and liabilities related to these members of the Integration PWU Group to the ongoing portion of the Plan. For these members, their pensions will therefore be paid from the Plan, and not through an annuity purchased from an insurance company as originally contemplated under the Settlement.

Those members of the Integration PWU Group who had not elected to transfer a lump sum amount out of the Plan in satisfaction of their earned pension benefits received a letter from Mercer in January 2013, informing them that their pension would be paid from the ongoing Plan instead of through an annuity issued by an insurance company. In order to comply with regulatory requirements, these members were given a second opportunity to elect the lump sum transfer option instead.

Amount of Surplus

The economic factors contributing to the initial decrease in surplus reported to you in Spring, 2012 have persisted. As a result, the net *estimated* Integration PWU Surplus available for distribution as at August 31, 2012 was \$2.6 million.

Under the Amended Settlement, the parties have agreed to augment the surplus available for distribution as follows:

- Canada Life will waive its right to receive interest on its expense reimbursement from the Plan, in respect of the period from August 31, 2012 to December 31, 2013, and the amount otherwise payable to it will be added to the Integration PWU Surplus. It is

estimated that this will increase the Integration PWU Surplus by approximately \$800,000;

- Canada Life will waive reimbursement of a portion of its legal fees in the amount of \$500,000, and will apply this amount to the Integration PWU Surplus;
- In addition, Class Counsel will forego the legal fees that were approved by the Court for work to be completed after the settlement in January 2012, estimated at \$200,000, and this amount will be paid solely to the benefit of the Integration PWU members and to the Pensioners and Deferred Vested Members.

Under the Settlement, Class Members will receive at least the promised \$1000 minimum lump-sum payment. In accordance with the current Settlement, if any member of the Integration PWU Group, or any Pensioner or Deferred Vested Member, would be receiving less than \$1000 in surplus, the surplus shares for individuals receiving more than \$1000 would be reduced and a portion of their surplus would be re-allocated to those who would otherwise receive less than \$1000, to bring everyone up to \$1000. Under the Amended Settlement, however, Canada Life will make any top-up payments required to bring the surplus share for members of the Integration PWU Group up to that \$1000 level, if such a member would otherwise be receiving less than \$1000 (estimated cost to Canada Life of \$1,200,000).

While these aspects of the Amended Settlement are intended to increase the amount of Integration PWU Surplus ultimately available for distribution, it is important to note that the amount of surplus to be distributed cannot be guaranteed.

Possible Second Surplus Distribution

The Settlement provided for a one-time payment of surplus shares to members of the Integration Partial Wind Up, to Pensioners and Deferred Vested Members, and to members affected by the Prior Partial Wind-Ups. Under the Amended Settlement, the parties have now agreed that a second surplus distribution may also occur in the future, as further described below.

Under the Amended Settlement, there may be a second distribution of surplus to members of the Integration PWU Group and to eligible Pensioners and Deferred Vested members if a surplus exists as at December 31, 2014 (the "2014 Gross Surplus") related to the assets and liabilities transferred to the ongoing portion of the Plan in respect of the Integration PWU Group members who do not elect to transfer their benefits out of the Plan. If the certified actuarial report of the Plan actuary discloses such a surplus, then a portion of such surplus, calculated in accordance with the terms of the Amended Settlement, will be distributed to the Integration PWU Group and eligible Pensioners and Deferred Vested Members subject to the following calculations and limits:

- 10% of the 2014 Gross Surplus shall be deducted off the top and remain in the Plan as a cushion;
- The 2014 Gross Surplus will be reduced to take into account any contributions and other payments (together with interest at the Plan rate of return) made by Canada Life into the

Plan after August 31, 2012 and that are notionally allocated to the assets and liabilities related to the Integration PWU Group members;

- 69.66% of the net Surplus will be paid to the Integration PWU Group and eligible Pensioners and Deferred Vested members, in accordance with the percentages set out in the Settlement;
- The total amount of all surplus payments to the Integration PWU Group and to eligible Pensioners and Deferred Vested Members under the possible second distribution will be capped at \$15 million; *Why? Expenses of 1st distribution? As much as 1st?*
- The amounts distributed to members of the Integration PWU Group and to eligible Pensioners and Deferred Vested Members will be calculated in accordance with the formula set out in the Amended Settlement, which takes into consideration amounts paid under the initial surplus distribution;
- In order to avoid distributing numerous small amounts, the threshold for surplus payments under the possible second distribution is \$100: if, based on the formula under the Amended Settlement, any individual would be receiving \$100 or less, no payment will be made to that individual and the individual's surplus share will instead be shared with the remaining members (if any) who are receiving \$100 or more.

The drop in the estimated Integration PWU surplus is a regrettable consequence of economic circumstances beyond the control of the parties. The Amended Settlement gives effect to intentions under the original Settlement based on the much lower surplus, but gives hope for a future distribution of surplus if the underlying economic assumptions improve. We recommend the Amended Settlement as fair and reasonable, and in the best interests of the Class as a whole.

The Settlement for PWU members of the Pelican, Adason and Indago groups, and the contribution holidays for active Plan members, are not changing under the Amended Settlement.

A copy of the proposed amendment to the Settlement can be found on our Representative Counsel's website, at <http://www.kmlaw.ca/Case-Central/Overview/?rid=56>.

Next Steps

As stated above, the parties are bringing a motion for approval of the Amended Settlement on March 18, 2013, at 10:00 a.m. Any Class member who wishes to object to the amendments to the Settlement may do so by submitting their objection in writing to Class Counsel at the following address by no later than March 11, 2013:

Koskie Minsky LLP, Barristers & Solicitors, 20 Queen Street West
Suite 900, Box 52, Toronto, Ontario M5H 3R3 Attn: Canada Life Class Action

If the amendment to the Settlement is approved, the plaintiffs will file an application in the Quebec Superior Court for recognition and enforcement of the Court Approval in Ontario. Following the court processes, the parties will seek the required regulatory approvals.

Assuming all the court and regulatory approvals are obtained, the surplus distribution will proceed.

If you have any questions, please contact Representative Counsel, Koskie Minsky LLP, at 1-800-286-2266 or canadalife@kmlaw.ca

PLEASE DO NOT CALL JUSTICE PERELL OR THE ONTARIO SUPERIOR COURT OF JUSTICE

Exhibit "O"

FACTUM OF CANADA LIFE ON APPEAL

Exhibit "P"

FACTUM OF PLAINTIFF'S ON APPEAL

Exhibit "Q"

FACTUM OF THE INTERVENORS

March 28, 2013

Via Facsimile 416-977-3316

Koskie Minsky LLP
20 Queen Street West,
Suite 900, Box 52
Toronto ON M5H 3R3

Attention: Mr. Mark Zigler/Ms. Clio M. Godkewitsch

Dear Counsel:

Re: Canada Life Assurance - Pension Surplus Class Action
Court File No: 05-CV-287556CP

I wish to advise that I have been retained by a number of the class members who filed objections to the recent motion for approval of an "Amended Settlement Agreement", to provide them with independent counsel and representation regarding this matter. I had in fact been consulted shortly before the March 18 hearing by Ms. Anne Carey and Ms. Janice Durst, and I subsequently met with four of the primary objectors a few days ago.

As a result of this recent meeting I have been instructed to contact you to advise of my involvement, and to:

- i) request an opportunity to participate in all ongoing proceedings regarding this matter;
- ii) request more thorough disclosure as to recent events, and in particular as to the reasons for the dramatic change to (or virtual elimination of) the proposed payout to class members, in particular those in the Integrated Wind-Up Group; and
- iii) advise counsel for Canada Life Assurance (CLA) - and all other counsel involved - of my involvement.

I have now had the opportunity of reviewing the ruling released by Justice Perell earlier today, which appears to confirm that independent counsel for the objectors is both appropriate and helpful in the circumstances - for reasons which I trust you will appreciate.

I also note that as a result of the ruling of Justice Perell it would appear further proceedings are likely going to take place. In this regard, I wish to clarify that I would consider further communications with counsel for CLA to be "ongoing proceedings" of which I would like to be advised, and afforded an opportunity to participate.

I thank you for your attention to this request and look forward to working with you to further the interests of the members of this class.

Yours truly;

Patrick Mazurek

Exhibit "S"

Mercer Benefits Processing Centre
70 University Avenue
P.O. Box 5
Toronto, Ontario M5J 2M4

201

Private & Confidential
Janice Durst
147 Milverton Blvd
Toronto, Ontario M4J 1V2

07 November 2011

Subject: The Canada Life Canadian Employees Pension Plan
Partial Wind-Up Benefit Election Package
ID Number - 831880

Dear Ms. Durst:

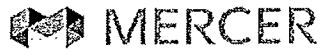
You were recently sent a *Statement of Benefits and Election of Option* (the "Statement") describing the benefits and options available to you as a result of the partial wind-up of the Canada Life Canadian Employees Pension Plan (the "Registered Plan").

As of the date of this letter, we have not yet received your completed Statement. If we do not receive your completed Statement by **December 9, 2011**, you will be deemed to have chosen the:

Deferred Monthly Pension option.

An annuity will be purchased on your behalf by the Registered Plan from a Canadian licensed life insurance company. The purchased annuity will be payable in the same amount and on the same terms and conditions of payment as the pension you would otherwise received from the Registered Plan. Once the annuity purchase is made, the selected insurance company will be responsible for the administration of the payment of your benefits under the Registered Plan. If you wish to commence your deferred pension, you will need to notify the company or the selected insurance company after an annuity is purchased at least two months prior to the date you want to commence your pension. You will not be able to transfer the commuted value of your pension benefits out of the Registered Plan once the annuity is purchased.

At your earliest convenience, please review, complete and sign a copy of the Statement and any other related documents. Completed and signed copy of the Statement should be returned to the Mercer Benefits Processing Centre using the self-addressed envelope included in the benefit election package, or to the address below:



Page 2
07 November 2011
Janice Durst

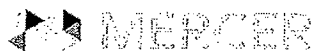
Mercer Benefits Processing Centre
70 University Avenue
P.O. Box 5
Toronto, Ontario M5J 2M4

If you have any questions, please call the Mercer Benefits Processing Centre at 1-888-841-7967.

Sincerely,

Mercer Benefits Processing Centre

Exhibit "T"



Mercer Benefits Processing Centre
161 Bay Street, P.O. Box 501
Toronto, Ontario M5J 2S5

January 3, 2013

JANICE DURST
147 MILVERTON BLVD
TORONTO ON M4J 1V2

Dear MS. DURST:

**The Canada Life Canadian Employees Pension Plan
Partial Wind-Up Benefit Election Package**

In 2011, you received a benefit election package as a member included in the partial wind-up of the Canada Life Canadian Employees Pension Plan (the "Registered Plan"), Registration Number 0354563. You either returned a completed election form selecting the monthly pension option, or you were deemed to have selected that option as you did not return a completed election form. As noted in the original benefit election package, annuities were expected to be purchased for all partial wind-up members who elected or were deemed to have elected the monthly pension option.

Subsequently, although Canada Life (the "Company") approached several annuity providers, the Company was unable to find an annuity provider that was prepared to provide annuities for this group. As a result, your monthly pension will be payable from the ongoing portion of the Registered Plan and not by way of an annuity. This also means that in the event of a future full wind-up of the Registered Plan, all benefits – including your monthly pension – will be subject to the terms of the Registered Plan and its funded status at that time. The Company is responsible for funding the Registered Plan in accordance with the terms of the Registered Plan and the requirements of the *Pension Benefits Act*.

In light of this change, the Company is re-issuing your July 2011 election package (attached) in the event you wish another opportunity to elect the Commuted Value Transfer option rather than to receive your monthly pension from the ongoing portion of the Registered Plan. If you submitted data changes with your original election, these will be reflected in the attached Statement.

If you wish to elect the Commuted Value Transfer option, please complete one copy of the Statement of Benefits and Election of Option and any additional required forms as indicated under your elected option, and return it within **90 days** in the self-addressed envelope to the Mercer Benefits Processing Centre. Please retain the other copy of the Statement for your records.

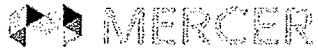
(over...)

Mercer (Canada) Limited

CONSULTING, OUTSOURCING, INVESTMENTS
JANICE DURST
831880



version 1
00025



Page 2
January 3, 2013
JANICE DURST

If you do not return the completed Statement postmarked within 90 days, your original election will not be affected and you will receive your benefits in the form of a pension payable from the ongoing portion of the Registered Plan.

Should you elect the Commuted Value Transfer option, the value shown in this package will be updated with interest to the date of transfer and it may take 4 to 6 weeks to process your election upon receipt of your completed Statement.

Every effort has been made to ensure that the information shown in the enclosed package is correct. The Company reserves the right to amend the calculations in order to correct any data errors. If you believe any of the information in the Statement is incorrect or if you have any questions about your pension benefits, please call the Mercer Benefits Processing Centre at 1-866-912-9442.

Sincerely,

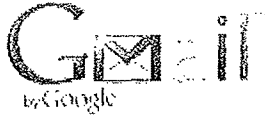
Mercer Benefits Processing Centre

Enclosure

Exhibit "U"

12/12/13

Gmail - Canada Life Pension Plan



Canada Life Pension Plan

Janice Durst <janicedurst@gmail.com>
To: jim_savage@canadalife.com

Wed, Aug 21, 2013 at 12:42 PM

Hello Jim:

I am a former employee of Canada Life and my employee / reference # is 31880.

I'm currently reviewing my portfolio and determining whether or not to make changes as I near my retirement date.

Will you please provide me with a quotation of the current value of my Canada Life Pension Plan? What would the commuted value be if I decide to do so at this time?

Thanks very much,

Janice M. Durst

Janice Durst <janicedurst@gmail.com>

Wed, Aug 21, 2013 at 12:45 PM

Savage, Jim <Jim.Savage@londonlife.com>
To: Janice Durst <janicedurst@gmail.com>

Wed, Aug 21, 2013 at 4:19 PM

Hi Janice,

As per our conversation today, you wished to be provided with the estimated current commuted value of your pension only.

Value of Basic Pension: A locked-in (Ontario jurisdiction) transfer of \$364,517.44, representing the commuted value of your basic deferred pension.

- locked-in transfer to a retirement savings vehicle; or
- locked-in transfer to the registered pension plan of my new employer (written consent from your new plan administrator is required).

Plus

Excess Over Tax Limits: A cash payment of \$179,542.09, representing the portion of the commuted value of your deferred pension that exceeds the limit set by the Income Tax Act (Canada) on the amount of money that can be transferred directly to a registered savings vehicle. Appropriate taxes will be withheld at source.

Note that the amount shown above may result in a higher or lower value depending on rates and factors determined on the date of payment.

If you wish to proceed with a transfer option, please contact us so that a full transfer option can be issued to you. As well, should you wish any early retirement estimates, please contact us.

Jim Savage

Pension Specialist, Human Resources, Staff Pensions
Great-West Life, London Life, Canada Life
255 Dufferin Ave T-005
London ON Canada N6A 4K1
Tel 519-435-7322
Fax 519-435-7330

Exhibit "V"

Summary of Reported Valuations of Surplus Amounts

Canada Life Employees Pension Plan

Communicated Date	Source of Info	Supporting Documents Available?	Total Actual Plan Surplus	Surplus Notationally Attributable to Integration PWU Group as per Proposed Settlement	Date of Assessment
Sept 13, 2003	CL PENS Website – CL Staff Pension Plan Valuation Report January 1, 2003	Attached	336.1		Jan 2, 2000
2001					
2002					
Sept 13, 2003	CLPENS Website – CL Staff Pension Plan Valuation Report January 1, 2003	Attached	179.9		Jan 1, 2003
Oct 5, 2004* Inaugural AGM	CLPENS@AGM in minutes reference – Pg 2	Attached		Over 200	[?]
Apr 27, 2005*	AGM audience advised that CL Employee Pension Plan had \$500 Million Total Surplus – J. Durst Personal Notes	Attached	250		
Apr 24, 2006	CLPENS [Summary] and CL's Partial WindUp Report***		232	92.994***	Jul 30, 2005
Feb 6, 2007	CLPENS Website	Attached	300	108.4	Jan 1, 2006
2008					
Nov 18, 2009**+	CLPENS			71.775	Dec 31, 2008
2010					

March 2011	At the time of the March Mailing				
January 2012					
May 2012	Plaintiff's May '12 letter++		54		Jun 30, 2011
			10		Dec 31, 2011
2013	Plaintiff's Feb '13 letter		2.6		Aug 31, 2012

Figures in \$Millions

Document developed May 2013 – Updated December 2013

*Minutes on CLPENS site

**Minutes and Handout on CLPENS site

*** Assessed value of the plan for FSCO

+ M. Zigler [in AGM minutes Nov. 2009] refers to a \$22.5 drop due to "unexpected" # of members declining commuted value as settlement option.

++ May 2012 - Class Members are advised via the letter posted May 14, 2012 that the current drop is due to "unexpected" # of members declining commuted value as settlement option.

Exhibit "W"

Canadian bond yields: 10-year lookup

View or save this data in: SDMX, XML, CSV

230

View data for the past:

- 1 month
- 3 months
- 6 months
- 1 year

Monthly series

V122553: Real return bond - long term

Low	2012-07-01	0.33
Average	2005-01-01 — 2013-09-01	1.45
High	2008-11-01	2.68

Date	V122553
2005-01	2.03
2005-02	2.07
2005-03	2.08
2005-04	1.92
2005-05	1.86
2005-06	1.87
2005-07	1.93
2005-08	1.73
2005-09	1.64
2005-10	1.70
2005-11	1.65
2005-12	1.44
2006-01	1.54
2006-02	1.44
2006-03	1.59
2006-04	1.79
2006-05	1.83
2006-06	1.90
2006-07	1.80
2006-08	1.61
2006-09	1.66
2006-10	1.78
2006-11	1.63

2006-12	1.73
2007-01	1.79
2007-02	1.75
2007-03	1.77
2007-04	1.76
2007-05	2.02
2007-06	2.15
2007-07	2.09
2007-08	2.15
2007-09	2.15
2007-10	2.05
2007-11	2.14
2007-12	1.99
2008-01	1.98
2008-02	1.94
2008-03	1.67
2008-04	1.72
2008-05	1.57
2008-06	1.45
2008-07	1.60
2008-08	1.53
2008-09	2.06
2008-10	2.49
2008-11	2.68
2008-12	2.10
2009-01	2.26
2009-02	2.19
2009-03	2.00
2009-04	2.01
2009-05	2.34
2009-06	1.91
2009-07	1.89
2009-08	1.82
2009-09	1.74
2009-10	1.63
2009-11	1.56
2009-12	1.52
2010-01	1.55

30

4

2010-02	1.59
2010-03	1.56
2010-04	1.54
2010-05	1.44
2010-06	1.42
2010-07	1.55
2010-08	1.40
2010-09	1.17
2010-10	1.17
2010-11	1.30
2010-12	1.12
2011-01	1.35
2011-02	1.31
2011-03	1.13
2011-04	1.05
2011-05	0.99
2011-06	1.04
2011-07	0.84
2011-08	0.88
2011-09	0.88
2011-10	0.85
2011-11	0.61
2011-12	0.47
2012-01	0.53
2012-02	0.44
2012-03	0.52
2012-04	0.59
2012-05	0.37
2012-06	0.42
2012-07	0.33
2012-08	0.40
2012-09	0.35
2012-10	0.38
2012-11	0.34
2012-12	0.38
2013-01	0.54
2013-02	0.52
2013-03	0.48
2013-04	0.42

13-05	0.68
13-06	1.12
13-07	1.02
13-08	1.10
13-09	1.16

31

Copyright © 1995 - 2013, Bank of Canada. Terms of Use.

4

KIDD et al.
Plaintiffs

- and -
CANADA LIFE et al.
Defendants

Court File No.: 05-CV-287556CP

SUPERIOR COURT OF ONTARIO

Proceeding commenced in TORONTO

AFFIDAVIT

PATRICK MAZUREK
Barrister (LSUC #228170)

31 Prince Arthur Avenue
Toronto, ON M5R 1B2

Tel.: (416) 646 1936

Fax: (416) 960 5456

Email: patrick@mazurek.ca

Lawyer for certain Class Members/Interveners

Court File No. 05-CV-287556CP

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

DAVID KIDD, ALEXANDER HARVEY
JEAN PAUL MARENTETTE, GARRY C. YIP, LOUIE NUSPL,
SUSAN HENDERSON and LIN YEOMANS

Plaintiffs

--and--

THE CANADA LIFE ASSURANCE COMPANY,
A.P. SYMONS, D.ALLEN LONEY and JAMES R. GRANT

Defendants

Proceeding under the Class Proceedings Act, 1992

AFFIDAVIT OF FRED TAGGART

I, FRED TAGGART, of the City of Mississauga, in the Province of
Ontario, MAKE AN OATH AND SAY:

1. I am a member of the Class, a member of the Partial Wind-up ("PWU") Group in that Class, and a former member of the CLPENS Executive Committee. After a 30-year career at Canada Life, I retired in 2003 as Vice President of Individual Insurance in Canada. Prior to that, I was Vice President of Investments and Pensions for Canada. In these roles, I had extensive dealings with actuaries who were responsible for fund valuations in my business areas. Because these fund valuations were so crucial to our business operational reporting,

I spent many hours with the actuaries both to understand their computer models and to probe the assumptions being used to arrive at their conclusions. Accordingly, although not an actuary, I am well versed in fund valuation practices and techniques.

2. I have followed the history of this matter very carefully over the ten years that have passed since my service with Canada Life ended in 2003. I wish to make the Court aware of things that I consider to be highly relevant to the determination of what would be a fair settlement of this action, as I do not consider the most recent proposal to be at all fair. I plan to make 3 main points: (1) That Canada Life used actuarial sleight of hand to demonstrate that surplus vanishes at a point in time, and then chose that point in time to trigger the partial wind-up - to the advantage of Canada Life and the disadvantage of Class Members; (2) That the alleged disappearance of the surplus is both notional and temporary; (3) That the proposed Amended Surplus Sharing Agreement is unfair to all Class Members, and particularly unfair to a sizeable sub-group of the Class.

Overview and Timeline

3. The partial wind-up was initiated by Canada Life in 2003 upon the acquisition of Canada Life by Great-West Life - and the subsequent downsizing of the Canada Life employee base by more than 2100 positions. The effective date of the partial wind-up is June 30, 2005 and covers those employees who resigned, were terminated,

or retired during the integration of the two companies in the period from July, 2003 to June, 2005.

4. This action was initiated in April 2005 and claimed two things. One was restitution of Plan and Fund expenses taken from the Fund by Canada Life over many years. The total expenses in dispute have never actually been disclosed to the members or to the Court. In fact, it is not clear that the parties themselves were even aware of the magnitude of the expenses claim - as that portion of the claim was quietly and surprisingly conceded by the plaintiffs as negotiations progressed. The second claim was that the PWU Group of the class (over 2,100 members) were entitled to the payment of (or "owned") 100% of the portion of the Plan surplus as of the effective date of the wind-up (i.e. June 30, 2005) that is properly attributable to the PWU Group. The total Plan surplus as of that date was established by way of a required actuarial valuation filed and accepted at FSCO in March 2006. The total Plan surplus at that time was \$233m, of which \$93m was considered to be properly allocable to the PWU Group.

5. After several years of discussions agreement was reached to share the PWU portion of the surplus between Class members and Canada Life (on a roughly 70/30 basis). However, by the time class members were advised of that agreement in 2011, the reported amount available for distribution had shrunk to about \$62m - after deduction of legal fees (of all parties, totaling \$13 m.) and some so called "wind-up costs" (of about \$5 m.) - and as a result of "changes in actuarial assumptions". By the time the agreement was presented

to the Court for approval in January 2012, the representation was that the amount available for distribution was approximately \$54 m.

6. A seemingly innocuous feature of the Court approved agreement was that Canada Life would be given control of surplus in the on-going Plan. At the time this was of little concern to PWU members as they would no longer be in the on-going Plan (they would get either a purchased insured annuity or a commuted value) and their share of the surplus would already have been paid to them.

7. The Court approved that Surplus Sharing Agreement on January 27, 2012. A mere 27 days after that approval, Canada Life alleged that they had become aware that the surplus available for distribution was in fact less than \$10m. Six months later it would reduce that figure further to only \$2.6m. News of this unfortunate information was first provided in February, 2012, despite the fact that the two events blamed for the precipitous drop in the figures (falling interest rates, and higher than anticipated rate of those electing insured annuities) were known months before the Court approval hearing.

8. It is inconceivable to me that Canada Life's team of actuaries (not to mention Mercer, their outside actuarial advisors) would not have performed scenario testing to determine the magnitude of the surplus based on changes in these two key factors. In this regard I note that the document that was circulated by Canada Life in February 2012 is actually described (in the attachment description to the e/mail) as "clsurplustracking(5)". It is also inconceivable to me

that Canada Life would not have been closely monitoring both the take-up rate (fully determined by September, 2011) and interest rates that directly affected the valuation of Plan liabilities. Such monitoring and testing is the essence of good management in every facet of their business, and particularly so on a contentious file where many millions of dollars are at stake. Finally, it is inconceivable to me that a company such as Canada Life, who is in the business of "managing risk", could lose \$100m in just six years - with nearly half of that loss occurring in the six months preceding Court approval, without them being aware of it.

9. In the affidavit filed by Wallace Robinson (a Canada Life actuary) on November 29, 2013 he admits that the PWU notional fund was managed under a different investment policy than that used for the main fund. He argues that rather than ensuring that the assets were matched to the pension liabilities, the assets were invested to correspond to the Mercer estimates of how many members might elect to take commuted values rather than insured annuities. Then, with hundreds of millions of dollars riding on those shaky estimates, Canada Life implies that it did not bother to check (at the end of the election period in September, 2011) how many people had actually elected commuted values. Moreover, with these hundreds of millions exposed to changes in interest rates, Canada Life implies that it also neglected to monitor those interest rates throughout the latter half of 2011. According to Canada Life, they were "first advised by Mercer" on February 10, 2012 that the estimates as of December 31, 2011 were under \$10 m. If these amounts were unknown and unforeseen by

Canada Life when the agreement was presented to the Court on January 27, 2012, it is because they had deliberately failed to ascertain them.

Disappearing Surplus at August 31, 2012 is notional and temporary

10. The valuation of the Plan liabilities is the "moving part" in this story of disappearing surplus. When the deal was originally agreed, Class members believed that the liabilities would be discharged by purchasing insured annuities. There was comfort that the marketplace would set a fair price for those liabilities. However, Canada Life claims that there was no market for such insured annuities (they were even unwilling to self-source those annuities) and that they were "forced" to continue making pension payments from the fund. Accordingly, the value of the liabilities had to be estimated in order to determine the surplus position.

11. The Canadian Institute of Actuaries suggests using the rate of a long term Real Return Bond to do this estimation. At the time selected by Canada Life to finally effect the partial wind-up (31Aug12), that rate was 40 basis points, very near the low point in such interest rates over the past several years. Using this low interest rate causes the liabilities to balloon and the surplus to disappear. Note, however, that this is just an estimation of liabilities and a resultant estimation of surplus - as no financial transactions actually took place. The fund was not exposed to the punishing interest rates in August, 2012 - only the estimated surplus was so exposed.

12. At the present time, the rate on Real Return Bonds has increased to 124 bp. Using the information supplied to the Court by Canada Life in September, 2012 - i.e. that each 50 bp change in the rate affects the surplus position by \$22.5m. - at today's RRB rate of 124 bp, surplus will have increased by \$37.8m ($124 \text{ bp} - 40 \text{ bp} = 84 / 50 \times 22.5\text{m}$). For every 50 bp increase in the RRB rate, we will see \$22.5m of surplus re-emerge. It is interesting to note that the RRB rate over the past 10 years has averaged 160 bp, which is four times the rate used when estimating the surplus at August 31, 2012. Just getting back to this average rate will increase the surplus in the Plan by \$54m.

13. The recent filings by Canada Life and Class Counsel disclose that the CIA standard has recently changed and there is now a 100 bp offset used to value the liabilities of indexed annuities. This will delay the re-emergence of Plan surplus as rates rise but it will not alter the eventual recovery.

14. As can be seen, the surplus position of the Plan varies, day by day, in step with very minor shifts in interest rates. It is clear that Canada Life chose an effective date to finalize the partial wind-up such that the notional surplus would be minimized. They knew that surplus would re-appear when interest rates rose, and they knew that they had effective ownership of that surplus due to the Court approval of the original agreement.

The Partial Wind-up Itself is notional

15. If one steps back from all of the actuarial and legal complexities of this case, one can see that Canada Life has technically executed a partial wind-up and they have done so without actually winding up anything. All of the practices that were in place before the partial wind-up was declared are still in place. No financial transactions (such as purchasing insured annuities at market rates) took place. Members still receive their pension payments from the pension plan. However, all members are being asked to forgive Canada Life's past expense charges against the fund and allowed such charges in future. Wind-up members and retirees will receive much less than what they believed they would receive when they voted for the agreement. Retirees and active employees have also ceded effective ownership of future surplus (including the re-emerging PWU surplus) to Canada Life. The only thing wound up here is Class members' claim to surplus ownership.

The Amended Surplus Sharing Agreement is Unfair

16. I cannot speak to the legal nuances of the *Dabbs* Criteria but I can recognize an unfair deal when I see one. Class members are bound by all of the terms and conditions of the original agreement and have made significant concessions to Canada Life (past expenses, future expenses, effective control of \$140m of non-PWU surplus, and a very significant percentage of the PWU surplus). For all of these concessions, they are to get only 56% of the 70% of the

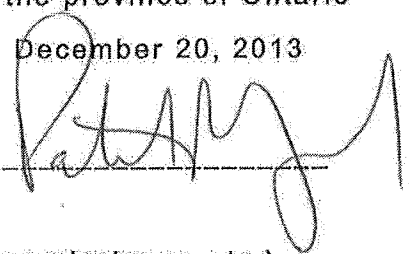
PWU surplus which they voted to accept in 2011. Attached as Exhibit A is a summary document prepared by me that describes the latest ASSA relative to the original claim and relative to the overall Plan.

17. Even though the intervention of objectors has seemingly precipitated significant movement from Canada Life, the relative improvement over the March, 2013 offer comes with a catch. The "guarantee" so forcefully marketed by Canada Life (and Class Counsel) is not an unconditional guarantee – it is predicated on the Court's approval and FSCO's approval of what I consider to be an unconscionable underpayment of pension value to those class members who unwittingly elected undervalued commuted values. The money now being offered as settlement of this action is primarily, if not entirely, the money derived from the mistreatment of those members.

18. Attached as Exhibit B is an exchange of views between myself and the CLPENS Executive Committee. Class Counsel answered on behalf of the Committee and that exchange of letters is also included. Those letters speak to a number of concerns with this latest ASSA and specifically to the unfairness of the commuted value offers. There has been a lot said by Canada Life (and, sadly, by Class Counsel) about the "perfect storm" of falling interest rates and unexpected insured annuity take-up rates that caused this very significant Plan surplus to vanish. It would be disappointing and frustrating if, in fact, market forces had somehow conspired against fruition of the original deal. It is much more troubling that calculated maneuvering by

Canada Life (and passive acceptance by Class Counsel) has brought us to this point.

Sworn before me at Toronto)
in the province of Ontario)
on December 20, 2013)



(Commissioner, etc.)



FRED TAGGART

Exhibit "A"

November 1, 2013

There is a recent new development in the Canada Life Pension Surplus litigation.

Canada Life Abandons Appeal

CLPENS and Class Counsel advised in early October that the original 3 named plaintiffs have reached agreement with Canada Life on a revised Amended Surplus Sharing Agreement.

Subject to the wording of that new ASSA being finalized, Canada Life will abandon the 9Oct13 appeal of Justice Perell's 28Mar13 decision. This new/revised ASSA would then go back before Justice Perell to determine if it is fair to Class Members.

The objectors to the original ASSA were (surprisingly) not invited to participate in the alleged "extensive negotiations" leading to the new ASSA. These objectors were also not advised that further settlement negotiations were underway.

There is no doubt that pressure from the objectors led to this renegotiation among the parties. It appears that Canada Life concluded that their appeal was not winnable and there was a real danger that the entire deal would unravel. The factums of the objectors, which created this pressure on the parties, can be found on the Koskie Minsky website by following this link:

<http://koskieminsky.com/Case-Central/Overview/?rid=56>

You are encouraged to read Patrick Mazurek's factum to get a sense of the strength of the objectors' case - it will also give you an appreciation for how much surplus (and expenses claim) is in play. It is important that you know this so that you can gauge the reasonableness of the new offer now presented.

The original claim and agreed settlement

This litigation started in 2005 when the surplus in the overall Plan was about \$233m. Of that, 40% was the PWU share (about \$93m) and the claim was that 100% of the PWU surplus belonged to the PWU members. Of note here is that Canada Life has been on a continuous Contribution Holiday since at least 1988, perhaps earlier, so the surplus in the fund is, in very large part, derived from member contributions and the investment earnings on those contributions. i.e. this is about your money.

The claim also asked for restitution of millions more in expenses that were charged to the Pension Fund by Canada Life. Class Counsel has stated that there is little chance of success on this issue but that view is debateable. There appears to be a fairly strong argument that pre-1994 expenses (plus interest) should be put back into the fund - the amounts here may be \$40m or so (nobody has actually chased this down) and 40% of that would increase the PWU surplus by another \$16m.

It's been 10 years since many members lost employment at Canada Life and a full 8 years since the litigation over the surplus began. During that time, the question of "Who owns the surplus?" seems to have been replaced by the question "How much surplus is there?". However, the Pension Benefit Act is clear - the ownership issue concerns the surplus that existed on the effective date of the partial wind-up, i.e. \$93m on 30Jun05. The Supreme Court of Canada (in the Monsanto case) made it clear that the \$93m is crystallized while the parties decide, or negotiate, ownership. They explicitly stated that members should not be at the risk of Plan performance once they have been terminated from the Plan.

Despite this, over the course of many years, a settlement emerged that gave Class members 70% of (a supposed surplus of) \$62m. In exchange for this, Class members forgave the expense charges from the past, gave 30% of the reduced surplus figure to Canada Life, and allowed Canada Life control of future surplus (i.e. the right to consume that surplus via indefinite Company contribution holidays, expense charges, etc.). The PWU members then agreed to share their 70% figure with the non-PWU members on a 57/13 basis so that these non-PWU members would also concede the expense issue and (effectively) give up ownership of future surplus in the on-going Plan. That was the deal members voted to accept in 2011.

The new and improved ASSA

The \$62m figure allegedly then went to \$2.6m and was bumped to \$4m via the original ASSA. Several members objected, Justice Perell agreed with them and declined approval of the ASSA. Then Canada Life (supported by Class Counsel) appealed his decision. Now it's announced that the appeal will be abandoned as there is a new/revised ASSA which all parties, CLPENS Executive, and Class Counsel propose is fair, reasonable, and in the best interest of Class members

The new offer is essentially that Class members will be guaranteed 56% of the personal amounts that they voted to accept in 2011. This \$24.4m payout to members (56% of 70% of \$62.2m) settles the expense issue for everyone in the Plan, and settles the surplus issue for everyone in the Plan (there is an argument that non-PWU members, technically, have not lost their ownership claim to surplus. However, since they've agreed that Canada Life can spend that surplus as they see fit, one can be fairly certain that the surplus position will be managed to zero so, non-PWU members retain an ownership claim to a then non-existing surplus).

If one considers the original PWU surplus of \$93m, the revised ASSA will pay 26% to the members and 74% to Canada Life. If, instead, one looks at the entire Plan (since everyone's surplus claim is effectively settled with this proposal) the overall Plan surplus of \$233m will be shared with 11% going to members and 89% going to Canada Life. (legal fees and windup costs alter these ratios somewhat but not significantly).

One last contentious item concerns members who elected a Commuted Value in lieu of a continuing lifetime pension. Those "cash outs" have been calculated using interest and mortality assumptions that are years out of step from when the members actually received their commuted values. This resulted in a significant understatement of the value of the pension being forfeited. It is clear that this sub-group of the Class has been treated very unfairly. It is possible that the entire amount of surplus now proposed for distribution to the members (\$24.4m) came from those members who unwittingly cashed out at these undervalued rates and left significant value in the Plan.

Everyone is suffering litigation fatigue so there will be a tendency to agree to this new offer. Some are saying "this is an unexpected windfall, so if I get anything it's a bonus". That is very true. Of course, it is a windfall for Canada Life too. There seems to be a strategy on the part of Canada Life to grind people down and wear them out ... perhaps all 5000 of us will settle for 56% of 70% of two thirds of the PWU surplus.

You now have a chance to consider (but note vote on) the fairness of this revised ASSA and decide whether or not further objection is warranted. Hopefully, the preceding discussion has given you a full picture of what is on the table. You can probably guess that I remain with the objectors.

If you are interested in joining the Objectors group, or have questions of them, you can reach them by email at objectors@mazurek.ca .

Regards to all,

Fred Taggart

Exhibit "B"

Mazurek

Barristers

Patrick Mazurek, Barristers Mail - Fw: The revised ASSA (1st of two emails for filing)

Fw: The revised ASSA (1st of two emails for filing)

1 message

Fred Taggart <fjtaggart@yahoo.com>
 Reply-To: Fred Taggart <fjtaggart@yahoo.com>
 To: Patrick Mazurek <patrick@mazurek.ca>

Tue, Dec 17, 2013 at 4:59 PM

----- Forwarded Message -----

From: Fred Taggart <fjtaggart@yahoo.com>
To: Wib Antler <wlanter@rogers.com>; Alex Harvey <alexh@sympatico.ca>; David Kidd <alcohekidd@sympatico.ca>; Ed Barrett <barrette178@rogers.com>; Shriram Mulgund <mulgund@sympatico.ca>; Gary Nummelin <gnummelin@sympatico.ca>; Jim martin <jekyllm@hotmail.com>; Brian Lynch <lynchbj2003@yahoo.ca>
Sent: Sunday, November 3, 2013 4:44:32 PM
Subject: The revised ASSA

Gentlemen,

I am writing to you in your capacity as the CLPENS Executive and mine as a CLPENS member. I regret having to write this email but I think you should hear some of what I've been hearing for the past several months.

Attached is a document, a version of which, I distributed a few weeks ago to several Class members. It describes the revised ASSA, as I understand it, and tries to explain this recent ASSA relative to the original claim that was filed in 2005 and relative to the surplus and expense issues for the entire Plan.

In the interest of full transparency to members, and in the interest of getting the best deal possible for members, I ask that you mail this document to all Class members and also have it posted on the CLPENS website and the Koskie Minsky website.

If you, or Class Counsel, feel that I am incorrect in my understanding of the Pension Benefits Act or the Monsanto case (and its applicability to our claim), then I welcome anything you can do to clear up that misunderstanding. I am also including a link to the Monsanto Case Law for your review (applicable sections of the Pension Benefits Act are included as an appendix to this document from the Supreme Court of Canada). The entire document is worth a read but I draw your attention to Paragraphs 6, 18, 29, 31, 32, 33, 36, 41, 42, 44, 47, 48. The link is at the bottom of this email.

I also encourage you to read the Objectors Factum written by Patrick Mazurek (available on the Koskie Minsky website) if you have not already done so.

There really has been no opportunity for Class members to speak with the representative plaintiffs or yourselves, the CLPENS Executive members, for nearly 4 years now (is it really that long since the last meeting with the Class?!). I don't know what methods you have used to keep apprised of the concerns of these Class members. I thought it appropriate to share with you some of the concerns that I've been hearing as I'm sure you will want an opportunity to consider these prior to the next court date.

1. CLPENS legitimacy

301

How can the CLPENS Executive claim to speak for the Class, or for the CLPENS membership, when the terms of office of all Executive members have expired? The Court believes that you are valid representatives of the class members but there is no longer any basis for the Court to continue with that understanding.

Why have there been no annual meetings when the Constitution of the organization requires such meetings at least in October of each year?

Why are the CLPENS Executive members not honouring the commitments they made to members with regard to protecting members' rights, open communication, and not accepting a deal (or a substantial revision to a deal) without the support of the membership?

2. The expense issue

The claim that was filed was concerned with surplus distribution and alleged inappropriate expenses taken from the fund by Canada Life. Why did we concede the expense issue so easily? The expenses may be a larger item than what Canada Life now purports the surplus to be.

3. The Pension Benefit Act and the Monsanto case law from the Supreme Court of Canada

How did we end up with a deal that seems so contrary to both the PBA and Monsanto? Is it at all likely that FSCO will approve a partial windup that flies in the face of the principles that FSCO fought to uphold in the Monsanto case? Were the CLPENS Executive and the named plaintiffs unaware of the PBA and Monsanto? Class Counsel and Canada Life's Counsel should have been well aware - they appear to have argued opposite sides of the Monsanto case, right up to the Supreme Court of Canada.

4. The unfairness of Commuted Values

Why did no-one object to the patently unfair commutation basis proposed by Canada Life? At a minimum, why did CLPENS not alert the members to the fact that the commuted values offered were significantly undervaluing the pension income relinquished - Isn't such an alert what one would expect from the "protecting members' rights" objective?

5. The fees paid to Class Counsel

In the circumstances, do the fees paid to Class Counsel seem appropriate? Rather than a reduction of \$1 million in the agreed fee arrangement, shouldn't one question the entire fee structure.

I expect that members have additional concerns but these are the ones that come up often. Hopefully there is still time to bring resolution to these concerns.

Regards,

Fred

Link to Monsanto case: <http://canlii.org/en/ca/scc/doc/2004/2004scc54/2004scc54.html>



CLA-CLPENS Revised ASSA 1NOV13.pdf

195K

November 1, 2013

There is a recent new development in the Canada Life Pension Surplus litigation.

Canada Life Abandons Appeal

CLPENS and Class Counsel advised in early October that the original 3 named plaintiffs have reached agreement with Canada Life on a revised Amended Surplus Sharing Agreement.

Subject to the wording of that new ASSA being finalized, Canada Life will abandon the 9Oct13 appeal of Justice Perell's 28Mar13 decision. This new/revised ASSA would then go back before Justice Perell to determine if it is fair to Class Members.

The objectors to the original ASSA were (surprisingly) not invited to participate in the alleged "extensive negotiations" leading to the new ASSA. These objectors were also not advised that further settlement negotiations were underway.

There is no doubt that pressure from the objectors led to this renegotiation among the parties. It appears that Canada Life concluded that their appeal was not winnable and there was a real danger that the entire deal would unravel. The factums of the objectors, which created this pressure on the parties, can be found on the Koskie Minsky website by following this link:

<http://koskieminsky.com/Case-Central/Overview/?rid=56>

You are encouraged to read Patrick Mazurek's factum to get a sense of the strength of the objectors' case - it will also give you an appreciation for how much surplus (and expenses claim) is in play. It is important that you know this so that you can gauge the reasonableness of the new offer now presented.

The original claim and agreed settlement

This litigation started in 2005 when the surplus in the overall Plan was about \$233m. Of that, 40% was the PWU share (about \$93m) and the claim was that 100% of the PWU surplus belonged to the PWU members. Of note here is that Canada Life has been on a continuous Contribution Holiday since at least 1988, perhaps earlier, so the surplus in the fund is, in very large part, derived from member contributions and the investment earnings on those contributions. i.e. this is about your money.

The claim also asked for restitution of millions more in expenses that were charged to the Pension Fund by Canada Life. Class Counsel has stated that there is little chance of success on this issue but that view is debateable. There appears to be a fairly strong argument that pre-1994 expenses (plus interest) should be put back into the fund - the amounts here may be \$40m or so (nobody has actually chased this down) and 40% of that would increase the PWU surplus by another \$16m.

It's been 10 years since many members lost employment at Canada Life and a full 8 years since the litigation over the surplus began. During that time, the question of "Who owns the surplus?" seems to have been replaced by the question "How much surplus is there?". However, the Pension Benefit Act is clear - the ownership issue concerns the surplus that existed on the effective date of the partial wind-up, i.e. \$93m on 30Jun05. The Supreme Court of Canada (in the Monsanto case) made it clear that the \$93m is crystallized while the parties decide, or negotiate, ownership. They explicitly stated that members should not be at the risk of Plan performance once they have been terminated from the Plan.

Despite this, over the course of many years, a settlement emerged that gave Class members 70% of (a supposed surplus of) \$62m. In exchange for this, Class members forgave the expense charges from the past, gave 30% of the reduced surplus figure to Canada Life, and allowed Canada Life control of future surplus (i.e. the right to consume that surplus via indefinite Company contribution holidays, expense charges, etc.). The PWU members then agreed to share their 70% figure with the non-PWU members on a 57/13 basis so that these non-PWU members would also concede the expense issue and (effectively) give up ownership of future surplus in the on-going Plan. That was the deal members voted to accept in 2011.

The new and improved ASSA

The \$62m figure allegedly then went to \$2.6m and was bumped to \$4m via the original ASSA. Several members objected, Justice Perell agreed with them and declined approval of the ASSA. Then Canada Life (supported by Class Counsel) appealed his decision. Now it's announced that the appeal will be abandoned as there is a new/revised ASSA which all parties, CLPENS Executive, and Class Counsel propose is fair, reasonable, and in the best interest of Class members

The new offer is essentially that Class members will be guaranteed 56% of the personal amounts that they voted to accept in 2011. This \$24.4m payout to members (56% of 70% of \$62.2m) settles the expense issue for everyone in the Plan, and settles the surplus issue for everyone in the Plan (there is an argument that non-PWU members, technically, have not lost their ownership claim to surplus. However, since they've agreed that Canada Life can spend that surplus as they see fit, one can be fairly certain that the surplus position will be managed to zero so, non-PWU members retain an ownership claim to a then non-existing surplus).

If one considers the original PWU surplus of \$93m, the revised ASSA will pay 26% to the members and 74% to Canada Life. If, instead, one looks at the entire Plan (since everyone's surplus claim is effectively settled with this proposal) the overall Plan surplus of \$233m will be shared with 11% going to members and 89% going to Canada Life. (legal fees and windup costs alter these ratios somewhat but not significantly).

One last contentious item concerns members who elected a Commuted Value in lieu of a continuing lifetime pension. Those "cash outs" have been calculated using interest and mortality assumptions that are years out of step from when the members actually received their commuted values. This resulted in a significant understatement of the value of the pension being forfeited. It is clear that this sub-group of the Class has been treated very unfairly. It is possible that the entire amount of surplus now proposed for distribution to the members (\$24.4m) came from those members who unwittingly cashed out at these undervalued rates and left significant value in the Plan.

Everyone is suffering litigation fatigue so there will be a tendency to agree to this new offer. Some are saying "this is an unexpected windfall, so if I get anything it's a bonus". That is very true. Of course, it is a windfall for Canada Life too. There seems to be a strategy on the part of Canada Life to grind people down and wear them out ... perhaps all 5000 of us will settle for 56% of 70% of two thirds of the PWU surplus.

You now have a chance to consider (but not vote on) the fairness of this revised ASSA and decide whether or not further objection is warranted. Hopefully, the preceding discussion has given you a full picture of what is on the table. You can probably guess that I remain with the objectors.

If you are interested in joining the Objectors group, or have questions of them, you can reach them by email at objectors@mazurek.ca .

Regards to all,

Fred Taggart

**KOSKIE
MINSKY LLP**
BARRISTERS & SOLICITORS

November 18, 2013

Mark Zigler
Direct Dial: 416-595-2090
Direct Fax: 416-204-2877
mzigler@kmlaw.ca

Via Email fjtaggart@yahoo.com

Mr. Fred Taggart

Dear Mr. Taggart:

Re: *David Kidd, et al v. The Canada Life Assurance Company, et al*
Court File No. 05-CV-287556 CP
Our File No. 04/0157

We have been asked to respond to your email to the CLPENS Executive Committee with questions concerning the litigation and the Revised Amendment to the SSA.

The plaintiffs will also make the content of this letter available to all class members via a "Q&A" on class counsel's website.

1. Plan Expenses

You have suggested that the Plan expenses claim, particularly the pre-1994 plan expenses, has greater merit than Class Counsel has articulated.

Simply put, we disagree. The Plan expense claim was carefully researched at the commencement of the case. The plaintiffs relied on the lower court decision in *Nolan v. Kerry*, and advanced their position vigorously and used it to positive effect in achieving the framework for the Surplus Sharing Agreement ("SSA").

However, certain risks were identified at the outset, and CLA always strongly opposed the Plan expenses claim. The following concerns about the expenses claim have always been present:

- 1) Whether the reference to "the Company" in clause 7 of the 1965 Trust Deed concerning Plan expenses referred to the Company paying the expenses itself or whether the Company was simply nominated under the trust deed to pay the expenses out of the pension contributions it was required to hold under the Trust Agreement – described as "deposited with the Company by the Trustees";

- 2) The exact nature of the expenses incurred before 1994 and whether those expenses, such as certain embedded investment fees or expenses associated with the real estate investments of the fund could be implied as reasonably permitted to be borne by the fund notwithstanding clause 7;
- 3) If the Company was required to pay the Plan expenses itself, whether the power to amend the Trust Deed or Plan regulations in clause 7 of the Trust Deed permitted the amendment concerning Plan expenses made effective December 31, 1993, and,
- 4) Whether any complaint concerning the 1993 expenses amendment and any expenses incurred prior to that time was statute barred by 2005 due to the passage of time.

In order to succeed on the pre-1994 Plan expenses claim, the class would need to insist at least in part on the strict application of the wording of the 1965 Trust Deed. That same 1965 Trust Deed also indicates at clause 10(c) that on the dissolution of the pension fund any excess money remaining after the satisfaction of the Plan's basic obligations are "payable to the Company". This clause suggests that any surplus in the plan on a wind-up should go to the company. As you know we have made many arguments against the enforceability of this particular clause on behalf of the class in achieving the surplus distribution for class members and indeed any viable settlement of this matter.

Perhaps most importantly in response to your point, the class members have leveraged a substantial benefit from the Plan expenses claim. That claim was used in part to negotiate the favorable overall rate of surplus division and all of the settlement benefits for class members who are not members of any partial wind-up group (pensioners, deferred/vested members, and active employees). This is a considerable achievement in this litigation and one which we urge you and the other class members to recognize.

The interpretation of pension plan documents is a very uncertain matter and there are considerable risks to the class in insisting on strict interpretations. Our view is that a review of those materials reveals quite clearly how well the class will fare under the Revised Amendment to the SSA relative to the risks of the case. We have stressed consistently to class members that risks have to be assessed along with the potential for upside in the matter. We understand you believe that the pension assets are "your money" or money owned by the class members – but as a legal matter, the issue is far from clear. Further the plaintiffs have the responsibility to manage those risks for the class.

Additionally, Koskie Minsky LLP was counsel for the pension beneficiaries in *Nolan v. Kerry*. The decision of the Supreme Court of Canada was released after the first SSA terms were reached and it dealt a blow to the strength of the Plan expenses claim.

Nolan v. Kerry stands for the proposition that the payment of pension plan expenses is necessary to ensure the continued integrity and existence of the pension plan – all of which is a benefit to employees. The court further held that the payment of plan expenses out of a pension plan does not constitute a revocation of trust – because the plan expenses are paid for the benefit of plan members. In addition, the court interpreted common pension text language in a way to impliedly permit certain expenses to be properly charged to a pension fund. As a result, the Supreme Court has held that there is nothing fundamentally wrong or objectionable with respect to the payment of plan expenses using the assets of a pension plan.

We and the plaintiffs recognize that the decision likely supports the notion that certain of the pre-1994 expenses (such as investment management or real estate investment-related expenses for example) could be implied to have been properly paid out of the Plan. Further, the decision likely supports the contention that CLA could have amended the Trust Deed in respect of expenses without committing any revocation of trust. The other terms of the Trust Deed and Plan regulations must also be considered under the analytical framework set out in *Nolan v. Kerry*. However for the reasons we have already indicated, that is no certain matter in respect of the terms of the Canada Life plan.

Had the framework for the SSA not been reached prior to the Supreme Court of Canada's decision in *Nolan*, the likelihood of any recovery for all non-PWU class members would have been very low.

2. The Monsanto Decision and the PBA

Koskie Minsky LLP acted for the pension plan members in the *Monsanto* case and made arguments before the Supreme Court of Canada. It follows that Monsanto is well understood by the plaintiffs and the advisors to the class.

Respectfully, you are not interpreting the decision correctly. You are incorrect that *Monsanto* stands for the proposition that the surplus amount calculated at the effective date of the partial wind-up is the amount which the employer is bound to distribute to eligible plan members. In this case, you assert that the amount of surplus from 2005 is approximately \$93 million.

Monsanto stands for the principle that s. 70(6) of the *Pension Benefits Act* requires an employer to distribute a pro rata share of any surplus existing in a pension fund attributable to the employees affected by a partial wind up, but that entitlement to surplus must be determined separately. Further, no surplus assets may be determined or distributed until all basic and enhanced pension benefits and liabilities are discharged. In other words, surplus assets must be

dealt with after a partial wind up, but *Monsanto* does not say to whom it must be paid, or how to measure how much should be paid. We have reviewed the paragraphs you have cited to us for particular attention. We can advise you that many of those paragraphs simply recite the positions of parties to the case and stand for no legal propositions. The other paragraphs reflect the fact that the court determined that the payment of surplus to plan members should be made in conjunction with a partial wind-up on its "effective date" as opposed to delaying any distribution until the occasion of a full wind-up of the plan.

Most importantly, *Monsanto* does not decide when the "effective date" of a partial wind up must be – other than that in the case of a partial wind-up, it must not await a full wind-up of the plan. Also, the *Monsanto* decision does not contend with the many additional approvals and mechanics which are involved in ascertaining the "effective date" of the partial wind-up and in determining the ultimate distribution of a partial wind-up surplus to plan members.

The "effective date" of a partial wind-up is a matter which involves considerable flexibility and which is subject to oversight by FSCO. The "effective date" is determined through s. 68(5) and (6) of the *Pension Benefits Act*. Together, these sections direct that the date shall not be earlier than the cessation of deduction of member contributions to the plan, the date notice is given to members of a wind-up or on any other date ordered by the Superintendent of FSCO. FSCO policy W100-102 states as follows at page 5: "The effective date of a wind up may not be obvious in some circumstances, such as where there are a series of terminations of employment related to downsizing" – a statement which fairly reflects the circumstances surrounding the Integration Partial Wind-Up at Canada Life.

Next, even once the effective date has been determined, there are many steps to be completed in conjunction with a partial wind-up involving a surplus distribution. As a practical matter, those steps generally take years to complete. FSCO policies and approvals impact the surplus distribution process, the timing of distribution and the valuation of the assets which can be distributed. In particular, we attach FSCO policy W100-233 for your review. The policy identifies requirements to complete in valuing and providing for the liabilities of the pension benefits payable to plan members. You will appreciate that the valuation of the liabilities in that exercise will impact the value of the partial wind-up surplus. The policy also makes clear that the valuation of the plan assets, including surplus assets, associated with the partial wind-up will continue to fluctuate between the effective date of the partial wind-up and the payment date. See in particular page 3 of the policy at paragraph 3 under the heading "Timing of the Transfer of the Assets and Liabilities of the Affected Group" where FSCO establishes requirements for the employer in a case where "the financial position of the wound up portion of the fund after the wind up effective date shifts to a deficit position".

As is clear, all final surplus distributions which are approved by FSCO pursuant to its policies are not estimates and are based on those precise surplus assets which remain after the payment of all plan liabilities through annuities, commuted value payments or by some

other means. In addition, as is obvious in the case of the Canada Life Plan, there are often contests between the employer and the plan members regarding the entitlement to surplus assets. Those contests must be resolved and valuation work must be completed in respect of any surplus sharing agreement or any court-ordered resolution of the matter. Further Court and Regulatory approvals must be obtained before the distribution of assets can occur.

It is simply not the case that the distributable surplus in this case is or should be \$93 million, nor is there any support for that assertion in law or in applicable FSCO policy.

3. Commuted Value Calculations

We also do not agree with your criticisms of the basis on which commuted values were calculated for class members. Payment of commuted values was approved by FSCO pursuant to its processes and policies and with regard to applicable actuarial standards for commuted value payments to Plan members. Section 29(2) of the *Pension Benefits Act* Regulation require the calculation of commuted value of a pension on a partial wind up to be determined as of the effective date of the wind-up. The argument you advance would cause the date of the commuted value calculations to be moved to a different date. Such a variation of the date would contravene the requirement prescribed by the Regulation.

We refer you to FSCO policy T-800-401 which was in effect at the time of the IPWU Report.

4. Class Counsel Fees

You have asked that the plaintiffs revisit the retainer arrangements of counsel after taking the benefit of our assistance for over 8 years of litigation undertaken at counsel's risk.

Class counsel fees are subject to court approval. The plaintiffs believe that the revised fees, including a waiver of \$1 million, are fair and reasonable for the very considerable work done and risk taken by Class Counsel in this case.

Class counsel have proposed a much reduced fee for approval by the court. That was done as we have continued to invest very considerable time in the conduct of the matter. More than two years' worth of additional legal work will have been devoted to the matter since the problems emerged with the original SSA without any additional compensation to counsel. In the end, counsel expect to be paid an amount that is very close to the straight legal time contributed to the case with little or no compensation for the risk we took or the delay in receiving payment for the legal work provided to the class throughout.

5. CLPENS Legitimacy

On the issue of CLPENS Executive Committee legitimacy, neither CLPENS nor its executive has any legal standing in this case. The individuals who signed the original SSA have continued

to work with and support the plaintiffs throughout this process and were also asked to sign the Revised Amendment to the SSA. Their names appear on Amendment #3 to the SSA for continuity of that requirement. Nothing concerning CLPENS and its processes have prejudiced the Class Action process.

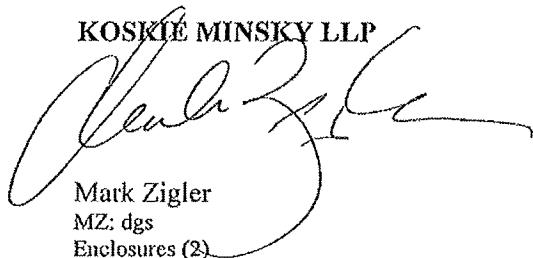
The plaintiffs are, and always have been the parties who must direct the lawsuit and be accountable for it to the Court. The *Class Proceedings Act* empowers them as representatives to file the claim, to prosecute and/or to settle it subject to court approval. Class counsel advises the plaintiffs and represents the interests of class members, including those in the CLPENS group.

At this stage of the litigation, communications must be vetted through the courts under the usual process for class action notice approval. The communications and objection rules under class action process have to run their course.

If you have any questions, please do not hesitate to contact us.

Yours truly,

KOSKIE MINSKY LLP



Mark Zigler

MZ: dgs

Enclosures (2)

c Clio M. Godkewitsch (Koskie Minsky LLP)
Jonathan Foreman (Harrison Pensa LLP)

K:\2004\040157\Letters\SENT\2013\Letter to F. Taggart Nov18 2013 (CMG).docx

Financial Services Commission of Ontario
Commission des services financiers de l'Ontario



SECTION:	Wind Up
INDEX NO.:	W100-233
TITLE:	Distribution of Benefits on Partial Wind Up Where Immediate or Deferred Pensions are Not Purchased
APPROVED BY:	Superintendent of Financial Services
PUBLISHED:	FSCO website (June 2010)
EFFECTIVE DATE:	March 10, 2010

Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 (FSCO Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or Regulation 909, R.R.O. 1990 (Regulation), the FSCO Act, PBA or Regulation govern.

Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at www.fSCO.gov.on.ca. All pension policies can be accessed from the Pensions section of the website through the Pension Policies link.

Administrators of pension plans (administrators) are no longer required to purchase annuities for members affected by a partial wind up who are receiving pension payments, or who chose or were deemed to have chosen a deferred pension (Affected Group). However, administrators may still purchase annuities for the Affected Group, as provided under section 43 of the PBA, if it determines that it is prudent to do so.

This policy outlines a procedure for administrators to follow in the event that the administrator chooses not to purchase annuities for the Affected Group. This policy also provides guidance on the determination of the value of the liabilities for the Affected Group and the timing of the transfer of the assets and liabilities relating to the Affected Group to the on-going portion of the pension plan. Unless specifically noted otherwise in this policy, the term "transfer" refers to the transfer of the assets and liabilities of the Affected Group.

Please note that this policy does not apply to members affected by the partial wind up who are eligible and have elected a transfer of the commuted value of the pension benefit out of the pension plan under section 42(1) of the PBA.

If administrators and their agents have questions about plan wind ups, they should refer to the PBA and Regulation. Additional information may also be obtained from other policies published by FSCO that deal with wind up issues. Policies are intended to clarify the interpretation of the PBA and Regulation in certain situations and to assist administrators and their agents in understanding the requirements of the PBA, Regulation and FSCO's practices so that full compliance can be achieved.

Background

The July 29, 2004 Supreme Court of Canada decision in respect of Monsanto Canada Inc. required the distribution of any surplus related to the wound up portion of the plan as part of the partial wind up process in order to complete the distribution of assets related to the partial wind up. In this process, the administrator was required to distribute all of the assets of the plan associated with the partial wind up. To satisfy that requirement, the Superintendent took the position that the purchase of annuities was necessary to settle the benefits that were payable to members, former members (including retired members) and other persons affected by the wind up who did not elect a transfer of the commuted value of their benefits. However, on December 2, 2009, the Financial Services Tribunal in a decision in respect of an Imperial Oil Limited pension plan held that administrators may satisfy the requirement to distribute plan assets related to the Affected Group's benefits on partial wind up by transferring the assets to the on-going portion of the plan and are not required to purchase annuities for this group.

Communicating the impact of the decision not to purchase annuities

In the event of a partial wind up, the plan administrator will need to make a decision as to whether or not to purchase annuities for some or all of the Affected Group. This decision must be communicated to FSCO and to all persons affected by the partial wind up.

If the administrator decides not to purchase some or all of the annuities, the administrator will be required to transfer the assets and liabilities in respect of the members of the Affected Group who chose to receive their pension benefits from the pension plan, to the on-going portion of the pension plan in order to complete the distribution of assets related to the partial wind up (Note: The transfer is said to be a notional transfer as the assets and liabilities of the Affected Group will simply remain in the plan).

FSCO will require the administrator to advise all persons affected by the partial wind up as to the impact on their pension benefit when a pension payment is being provided under the pension plan as opposed to it being provided through an annuity purchased from an insurance company. This information is to be included in the individual statement issued to all persons affected by the partial wind up (setting out the person's entitlement under the plan and the options available to those persons) as required under section 72(1) of the PBA and section 28(2) of the Regulation. The information being provided should clearly indicate that their pension benefits will be payable or continued to be payable from the pension plan and that any subsequent settlement will be subject to the terms of the plan and its funded status at that time.

Partial Windup Reports already Filed

In a situation where a partial wind up report has been filed with FSCO indicating that annuities are to be purchased for the Affected Group and the administrator subsequently decides not to purchase the annuities, the administrator is required to advise FSCO of the decision, revise the report to reflect the change and file the revised report with FSCO for review. Furthermore, for those members who made elections based on the administrator's previous decision to purchase annuities, the administrator is required to provide a revised statement to the Affected Members who made an election to receive an immediate or deferred pension on the premise that annuities will be purchased for them. The revised statement will include the information described above where annuities are not being purchased.

Basis for Determining the Value of Immediate and Deferred Pensions

Section 29(8) of the Regulation does not permit the payment of commuted values or purchase of annuities until the partial wind up deficit, if any, has been fully funded (except for a payment of the current value of any additional voluntary and/or required contributions made by the member employee prior to the wind up date). Where there is a partial wind up deficit as at the wind up date, section 31(2) of the Regulation requires additional funding over no more than 5 years annually in advance or funding by way of an immediate lump sum.

Where annuities are purchased for the Affected Group through an insurance company, the cost to fully settle the liabilities is known and the wind up surplus or deficit is calculated as the difference between the assets allocated to the partial wind up group and the sum of the following:

- (a) commuted value entitlements (for eligible members who elect commuted value transfers under section 73(2) of the PBA),
- (b) any cash lump sum payment payable under sections 39(4), 50, 63(2), 63(3) and 63(4) of the PBA,
- (c) the annuity purchase premium paid to a life insurance company (for members who are eligible for and chose or were deemed to have chosen an immediate or a deferred pension), and
- (d) partial wind up expenses.

Where an administrator chooses not to purchase annuities for the Affected Group, the wind up surplus or deficit is calculated the same way as above except that, instead of an actual annuity purchase premium paid to a life insurance company, the value of the immediate and deferred pensions would be based on the applicable guidance from the Educational Notes published by the Canadian Institute of Actuaries' Committee on Pension Plan Financial Reporting for the purpose of estimating annuity premiums as at the date a determination is to be used.

Timing of Transfer of the Assets and Liabilities of the Affected Group

Where there is a deficit as at the partial wind up date, section 75 of the PBA and section 31 of the Regulation require additional contributions to be made into the pension fund by the plan sponsor to increase the level of the funded position of the wind up assets to 100%. Until this funding is complete (either by way of amortized payments over no more than 5 years or an immediate lump sum), the administrator is required to track the assets and liabilities relating to the partial wind up separate and apart from the assets and liabilities relating to the on-going portion of the pension plan. When there is no further amount to be funded under section 75 of the PBA, the transfer of the assets and liabilities relating to the Affected Group to the on-going portion of the pension plan can occur once written confirmation from the actuary of full funding of the partial wind up is received by FSCO. FSCO will also require administrators to provide written confirmation to FSCO that the transfer of the assets and liabilities of Affected Group to the on-going portion of the pension plan has occurred. Confirmation about the transfer as set out above can be included in the annual reports required by section 32 of the Regulation, or can be provided in a separate letter addressed to the Superintendent.

In a situation where the sponsor of a pension plan is required to fund a partial wind up deficit and the financial position of the wound up portion of the pension fund after settlement of all benefits reveals there are assets remaining, the employer may apply for a refund of overpayment of contributions (under section 78(4) of the PBA) equal to an amount that is not in excess of the required payments made to fund the partial wind up deficit. If, after the refund of overpayment to the employer, there still remain assets then that amount may be distributed as surplus assets in accordance with the PBA and Regulation.

Where there is a surplus as at the partial wind up date and the financial position of the wound up portion of the pension fund after the wind up effective date shifts to a deficit position, the employer must pay the deficit in the manner and the times set out in section 31 of the Regulation. If the payment date is more than five years from the partial wind up date the payment must be paid in a lump sum payment. Once funding is complete, the transfer of the assets and liabilities relating to the Affected Group to the on-going portion of the pension plan can occur provided that confirmation of full funding of the partial wind up is received by FSCO.

Where there is a surplus as at the wind up date, the transfer of the assets and liabilities of the Affected Group can occur prior to the completion of the surplus distribution. The form of surplus distribution may be a lump sum cash payment or an increase to pension benefits to members affected by the wind up. For more information regarding the distribution of surplus on partial wind up, see policies S900-901 ("Allocation of Surplus to Members, Former Members and Other Persons on Wind Up") and S900-910 ("Distribution of Surplus to Employer on Partial Wind Up").

Tracking the pension benefits of the Affected Group

The notional split between the wound up and on-going portions of the pension plan must be maintained until all assets relating the partial wind up have been settled, including a surplus distribution, if any. That is, upon the (notional) transfer of the assets and liabilities relating to the Affected Group to the on-going portion of the pension plan, the administrator must ensure that Affected Group receive the pension benefit they are entitled to (including any grow-in entitlement as provided for Ontario members, early retirement subsidies, etc.)

Completion of Partial Wind Up

The administrator must advise the Superintendent in writing once all assets have been distributed from the wound up portion of the pension plan. Once the Superintendent is advised of this distribution, the file on the partial wind up will be closed.

Financial Services Commission of Ontario
Commission des services financiers de l'Ontario



SECTION:	Transfer Values
INDEX NO.:	T800-401
TITLE:	Recalculation of Transfer Values - PBA ss. 42(1) and 73(2) - Regulation 909 ss. 19(1), 20(1), 24(11.1), 24(12) and 29(2)
APPROVED BY:	Superintendent of Financial Services
PUBLISHED:	FSCO website (July 2001)
EFFECTIVE DATE:	August 1, 2001 [No longer applicable - replaced by T800-403 - January 2012]
REPLACES:	C125-500, T800-400

This policy replaces C125-500 and T800-400 as of the effective date of this policy.

Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 ("FSCO Act"), Pension Benefits Act, R.S.O. 1990, c. P.8 ("PBA") or Regulation 909, R.R.O. 1990 ("Regulation"), the FSCO Act, PBA or Regulation govern.

QUESTION

Since January 1, 1988, the *Pension Benefits Act* (the "PBA") has provided mandatory portability rights for individual pension plan members on termination of employment (now s. 42) and wind-up of a pension plan (now s. 73). In both circumstances, members are entitled to transfer the commuted value of their deferred pension to another pension fund, if the administrator of that plan agrees to accept the transfer, transfer the commuted value into a prescribed retirement savings arrangement or use the commuted value to purchase a life annuity.

When calculating a commuted value to be transferred on member termination as provided in subsection 42(1) of the PBA, subsection 19(1) of Regulation 909 (the "Regulation") requires that the commuted value shall not be less than the value determined in accordance with the Recommendations for the Computation of Transfer Values from Registered Pension Plans (the "Recommendations") issued by the Canadian Institute of Actuaries and effective on September 1, 1993.

When a person elects to exercise his or her entitlement under subsection 73(2) of the PBA on plan wind-up, subsection 29(2) of the Regulation provides that the commuted value of the pension benefit shall not be less than the value determined in accordance with the Recommendations. Subsection 29(2) of the Regulation became effective on March 3, 2000.

In both situations, some period of time may elapse between the date of computation and the date of transfer. Section 4 of the Recommendations suggests that an actuary should establish the period for which the transfer value applies before recomputation is required. When some period of time has elapsed between the date of computation and the date of transfer, should transfer values calculated under subsections 19(1) and 29(2) of the Regulation be recomputed?

ANSWER

Before addressing this question, a distinction must be made between commuted values calculated for two separate purposes:

- \$ when a calculation is made with respect to a mandatory portability right that becomes effective on an individual's termination date or the date of plan wind-up; and
- \$ when a calculation is made with respect to any other portability right provided for under a pension plan which becomes effective after an individual's termination date.

It is FSCO's view that section 4 of the Recommendations does not apply to commuted values calculated in the first instance, when a member has a mandatory right to make a portability election within a prescribed period and has made the election within this period.

Prescribed Election Periods

Section 42 of the PBA stipulates that terminated members (individual members who terminate employment or cease to be members of the pension plan) who are not eligible to receive an immediate pension at date of termination have the right to elect a portability option. Subsection 73(2) of the PBA requires that a person entitled to a pension benefit on the wind-up of a pension plan, other than a person receiving a pension, is also entitled to a portability option. These rights, however, are time-limited.

The required time period for making a transfer election under section 42 of the PBA is prescribed under subsection 20(1) of the Regulation. In accordance with clause 41(1)(p) of the Regulation, the election period must be identified in the termination statement provided to the member. If an individual does not make an election within the prescribed period, the right to require the administrator to transfer the commuted value is extinguished (subsection 42(4) of the PBA). In this case, the default option is a deferred pension payable from the pension plan.

Of course, in circumstances where an administrator fails to provide a written statement within the period prescribed under subsection 41(2) of the Regulation, a terminated member's election period cannot be shortened as a consequence of late notice. Accordingly, the appropriate election period would commence at the date the statement is provided.

The required time period for making a transfer election under section 73(2) is prescribed in subsection 28(3) of the Regulation. In accordance with clause 28(2)(o) of the Regulation, the election period must be identified in the notice statement provided to the member. If an individual does not make an election within the prescribed period, the right to require the administrator to transfer the commuted value is extinguished (subsection 72(2) of the PBA). In this case, the default option is a pension payable from the pension plan.

Computation Dates

Subsections 19(1) and 29(2) of the Regulation specify the method of determining a commuted value for the purposes of section 42 and subsection 73(2) of the PBA. The commuted value of the pension benefit may not be less than the value determined in accordance with the Recommendations issued by the Canadian Institute of Actuaries and effective September 1, 1993.

According to Section 2(C) of the Recommendations, the transfer value should be computed as of the date the beneficiary becomes entitled to a deferred pension. For a transfer under subsection 42(1) of the PBA, this entitlement occurs on the date of termination. Where a person exercises his or her entitlement under subsection 73(2) of the PBA, subsection 29(2) of the Regulation requires the commuted value to be determined as of the date of the wind-up.

When a pension plan provides portability entitlements for terminating members who are entitled to an immediate pension, the computation date will be the date of termination. When a plan provides or is amended to provide portability entitlements for deferred vested members who previously either had no statutory or plan rights or did not make a transfer election within the prescribed period, the computation date will be the date the transfer value is determined in accordance with the plan provisions.

Interest Accrual

Transfer values calculated under subsections 19(1) and 29(2) of the Regulation, where a member has a mandatory right to make a portability election within a prescribed period, should not be recomputed when the transfer occurs after the computation date. These values, however, may be subject to interest adjustment as prescribed in subsections 24(11.1) and 24(12) of the Regulation.

When a commuted value is calculated for the purposes of section 42 of the PBA and time has elapsed between the date of termination and the date of payment, subsection 24(11.1) of the Regulation requires that interest at the rate used to calculate the commuted value at the date of termination be credited from the date of termination to the beginning of the month in which the payment is made.

When a plan administrator fails to provide a written termination statement within the prescribed period, no downward adjustment of the commuted value plus interest is permitted. At the date the transfer is made from the pension plan, the amount transferred with respect to an individual should not be less than the commuted value computed as at the individual's date of termination, plus interest credited at the rate and over the period indicated above.

In accordance with subsection 24(12) of the Regulation, if an individual makes an election under subsection 73(2) of the PBA to transfer a pension benefit, the commuted value of the pension benefit shall accumulate interest at the same rate used to calculate the commuted value of the pension benefit in the wind-up report. This interest shall accumulate from the effective date of the wind-up to the beginning of the month in which the payment is made.

November 26, 2013

Via Email mzigler@koskieminsky.com

Dear Mr. Zigler:

Re: David Kidd, et al v. The Canada Life Assurance Company, et al
Court File No. 05-CV-287556 CP
Your File No. 04/0157

Thank you for your letter of November 18 responding to my email to the CLPENS Executive Committee. I am encouraged that the plaintiffs will provide the content of your letter to all class members via a "Q&A" on your website. Such a "Q&A" will be the first substantive discussion of the issues since the agreed settlement went so badly off the rails.

I do wish to comment on several of your answers and also bring to your attention questions that went unanswered.

1. Plan Expenses

You outline several risks that were identified at the outset and I acknowledge those risks. However, the fact that "CLA always opposed the Plan expenses claim" seems irrelevant. If CLA was not in opposition, there would be no need for a claim or litigation.

You indicate that the 1965 Trust Deed has a clause 10 (c) which purports to pay surplus to the Company. That clause is not helpful to class members and thus you feel that we cannot insist on a strict interpretation of the Trust Deed (on the expense issue) or we risk jeopardizing the surplus claim. I believe that clause 10 (c) was a unilateral and self-serving amendment added to the Trust Deed by Canada Life, sometime in 1997. For that reason, the clause is likely not enforceable. If the clause had any merit, CLA would be insisting that they own 100% of the surplus.

It is somewhat disingenuous to suggest that the expense issue was used as leverage to gain benefits for the non-PWU members. I fail to see how class members could have leveraged any significant benefit from the Plan expenses claim when the parties are not even clear as to the amount of money in dispute.

Further, negotiating settlement benefits for deferred/vested members and pensioners would seem to not require any leverage, since the SSA simply allocates some of the PWU surplus to the non-PWU members. From CLA's perspective, they probably wouldn't care if the entire members' share of that PWU surplus went to the non-PWU members – it cost them nothing extra. The only additional benefit derived from this leverage is the 2-year contribution holiday for active members.

You also indicate that the expense issue was used to negotiate a favorable overall rate of surplus division. However, class members had the original 1965 Trust Deed [without clause 10 (c)] that strongly supported their claim that class members owned 100% of the surplus. Additionally, Canada Life has been on a permanent contribution holiday for the past 25 years so the surplus that is in the fund comes

largely from the contributions of class members. In the circumstances, one would think that a 70/30 surplus division is more than generous to Canada Life, without also conceding the expense issue in its entirety.

In summary, there were risks to this part of the claim but Canada Life also faced similar risks. The concessions won for non-PWU members with this leverage seem quite small relative to what these members gave up – their claim to expense restitution and any effective claim to the \$140m of non-PWU surplus.

2. The Monsanto Decision and the PBA

I recognize that Monsanto does not speak to “entitlement of surplus” – as I said, that must be decided or negotiated separately. However, I believe that Monsanto does speak to the quantum of surplus and the point in time at which it is measured. I have relied on the wording from the Supreme Court of Canada in their reasons. To quote only a few:

Paragraph 29 – “the presence of this phrase confirms that rights and benefits are not only measured but realized on the effective date of partial wind-up”

Paragraph 41 – “It makes sense for the Affected Members to be subject to the risks of the Plan while they are part of it, but not after they have been terminated from it.”

Paragraph 42 – “... the most equitable solution is to distribute the fortunes of favourable markets at the time Affected Members are terminated. In this way, the windfall is related to their actual time and participation in the plan rather than being subject to the experience of a plan of which they are no longer a part”

Paragraph 44 – “Furthermore, the argument that actuarial surplus is notional and thus too unreliable to justify the liquidation of any Plan assets is unconvincing.”

In the end it will be the Court, rather than any of the parties, that decides what Monsanto means and its relevance to this litigation.

As for the “effective date” of the partial wind-up, one would hope that after eight years of “litigation” there would be certainty, at least on that point. Is anyone suggesting that the effective date of the partial wind-up is other than June 30, 2005?

In the alternative, if the Court or FSCO should decide that \$93m is not the amount of surplus in question, then one would have to look to the behaviour of the Plan Administrator (CLA) since June 30, 2005. FSCO places a fiduciary responsibility on the Administrator to pay out surplus in an expeditious manner, and requires that any interest in the surplus be protected. In fact, the FSCO letter of April 14, 2011 which gave a qualified approval to the interim partial wind-up report also contained an explicit admonition to Mercer and Canada Life about the need to protect the surplus.

Furthermore, Section 22 of the PBA requires that the Administrator "shall exercise the care, diligence and skill in the administration and investment of the pension fund that a person of ordinary prudence would exercise in dealing with the property of another person". It also requires that the Administrator "shall use in the administration of the pension plan and in the administration and investment of the pension fund all relevant knowledge and skill that the administrator possesses or, by reason of the administrator's profession, business or calling, ought to possess" [emphasis added]. When \$93m of surplus allegedly shrinks to \$2.6m, it is inexplicable that neither the plaintiffs nor class counsel pressed Canada Life on these responsibilities.

One would have expected the plaintiffs to raise such a challenge but they did not. Given that they did not, how can the SSA then purport to settle this issue via the blanket release buried in the SSA? See SSA Section 6 (a) (v) (E).

3. Commuted Value Calculations

With respect, you seem to have changed horses in your defense of the Commuted Value basis. You are arguing here that the date used must be the effective date of the wind-up which you earlier suggested "involves considerable flexibility" and "may not be obvious in some circumstances". Yet for the Commuted Value basis you are adamant that the appropriate date is June 30, 2005. It seems to me that CLA, with class counsel's agreement, lets the effective date float to suit their purposes. It is preposterous to use a basis that pre-dates, by several years, the distribution date of the commuted values.

I note that neither you nor the CLPENS Executive answered my question as to why members were not alerted to the fact that the basis used severely undervalued their pension as of the date it was presented.

4. Class Counsel Fees

I have not much to add on this issue but do note that the risk undertaken by counsel seems very minimal if counsel is willing to accept any deal offered by the defendants. Moreover, class members have also experienced "delay in receiving payment". On a related issue, it seems highly unusual for the legal fees of the defendants (Canada Life et al) to also be paid from the PWU surplus.

5. CLPENS Legitimacy

I realize that neither CLPENS nor its executive have any legal standing under the Class Proceedings Act but they do appear to be a "party" to the formal SSA document. The concern is that the executive present themselves to the Court (and/or FSCO) as speaking for the CLPENS membership when they no longer have any basis to do so. There has not been an annual general meeting of CLPENS members since October, 2008 which is in violation of the organization's constitution. The terms of office of all executive members are expired and, in fact, were expired when they signed the original SSA in 2011.

If class counsel or the plaintiffs (or even the former CLPENS Executive) wish to discuss any of these issues further, please do not hesitate to contact me.

Sincerely,

Fred Taggart
FT:fjt

C Clio M. Godkewitsch (Koskie Minsky LLP)
 Jonathan Foreman (Harrison Pensa LLP)

Mazurek

Barristers

Contact: Patrick Mazurek - patrick@mazurek.ca

Fw: Your email of November 3, 2013. (2nd of two emails for filing)

1 message

Fred Taggart <fjtaggart@yahoo.com>
Reply-To: Fred Taggart <fjtaggart@yahoo.com>
To: Patrick Mazurek <patrick@mazurek.ca>

Tue, Dec 17, 2013 at 5:01 PM

----- Forwarded Message -----

From: Fred Taggart <fjtaggart@yahoo.com>
To: Pension Group <clpens@rogers.com>
Cc: Mark Zigler <mzigler@koskieminsky.com>; "Foreman, Jonathan" <jforeman@harrisonpensa.com>; Clio M. Godkewitsch <cgodkewitsch@kmlaw.ca>; Wib Antler <wiantler@rogers.com>; Ed Barrett <barrette178@rogers.com>; Alex Harvey <alexh@sympatico.ca>; David Kidd <alcohekidd@sympatico.ca>; Brian Lynch <ducato@sympatico.ca>; Jim Martin <jekyllm@hotmail.com>; Gary Nummelin <gnummelin@sympatico.ca>; Shriram Mulgund <mulgund@sympatico.ca>
Sent: Tuesday, November 26, 2013 7:16:44 PM
Subject: Re: Your email of November 3, 2013.

Also with respect, I disagree with the position of the CLPENS Executive members and with many of the arguments outlined in the November 18, 2013 letter from class counsel. I have elaborated on such disagreements in the attached PDF document. Perhaps some of this will be of use when you prepare the Q&A that will be posted for all members to see.

From: Pension Group <clpens@rogers.com>
To: Fred Taggart <fjtaggart@yahoo.com>
Cc: Mark Zigler <mzigler@koskieminsky.com>; "Foreman, Jonathan" <jforeman@harrisonpensa.com>; Clio M. Godkewitsch <cgodkewitsch@kmlaw.ca>; Wib Antler <wiantler@rogers.com>; Ed Barrett <barrette178@rogers.com>; Alex Harvey <alexh@sympatico.ca>; David Kidd <alcohekidd@sympatico.ca>; Brian Lynch <ducato@sympatico.ca>; Jim Martin <jekyllm@hotmail.com>; Gary Nummelin <gnummelin@sympatico.ca>; Shriram Mulgund <mulgund@sympatico.ca>
Sent: Monday, November 18, 2013 11:33:57 AM
Subject: Your email of November 3, 2013.

We have reviewed your proposed communication and respectfully decline to post or distribute it. Any communication on the Class Action sent out by us at this time is vetted by class counsel and may require approval by the court. Your communication has been reviewed and we believe that the position you express on the legal and factual issues in the case is not accurate – for many of the reasons that are contained in the attached document prepared by counsel in response to your letter. If you require further clarification on legal interpretations, please contact class counsel directly at canadalifecclass@kmlaw.



Response-to-KM-letter-of-18Nov13_PDF.pdf
205K

November 26, 2013

Via Email mzigler@koskieminsky.com

Dear Mr. Zigler:

Re: David Kidd, et al v. The Canada Life Assurance Company, et al
Court File No. 05-CV-287556 CP
Your File No. 04/0157

Thank you for your letter of November 18 responding to my email to the CLPENS Executive Committee. I am encouraged that the plaintiffs will provide the content of your letter to all class members via a "Q&A" on your website. Such a "Q&A" will be the first substantive discussion of the issues since the agreed settlement went so badly off the rails.

I do wish to comment on several of your answers and also bring to your attention questions that went unanswered.

1. Plan Expenses

You outline several risks that were identified at the outset and I acknowledge those risks. However, the fact that "CLA always opposed the Plan expenses claim" seems irrelevant. If CLA was not in opposition, there would be no need for a claim or litigation.

You indicate that the 1965 Trust Deed has a clause 10 (c) which purports to pay surplus to the Company. That clause is not helpful to class members and thus you feel that we cannot insist on a strict interpretation of the Trust Deed (on the expense issue) or we risk jeopardizing the surplus claim. I believe that clause 10 (c) was a unilateral and self-serving amendment added to the Trust Deed by Canada Life, sometime in 1997. For that reason, the clause is likely not enforceable. If the clause had any merit, CLA would be insisting that they own 100% of the surplus.

It is somewhat disingenuous to suggest that the expense issue was used as leverage to gain benefits for the non-PWU members. I fail to see how class members could have leveraged any significant benefit from the Plan expenses claim when the parties are not even clear as to the amount of money in dispute.

Further, negotiating settlement benefits for deferred/vested members and pensioners would seem to not require any leverage, since the SSA simply allocates some of the PWU surplus to the non-PWU members. From CLA's perspective, they probably wouldn't care if the entire members' share of that PWU surplus went to the non-PWU members – it cost them nothing extra. The only additional benefit derived from this leverage is the 2-year contribution holiday for active members.

You also indicate that the expense issue was used to negotiate a favorable overall rate of surplus division. However, class members had the original 1965 Trust Deed [without clause 10 (c)] that strongly supported their claim that class members owned 100% of the surplus. Additionally, Canada Life has been on a permanent contribution holiday for the past 25 years so the surplus that is in the fund comes

largely from the contributions of class members. In the circumstances, one would think that a 70/30 surplus division is more than generous to Canada Life, without also conceding the expense issue in its entirety.

In summary, there were risks to this part of the claim but Canada Life also faced similar risks. The concessions won for non-PWU members with this leverage seem quite small relative to what these members gave up – their claim to expense restitution and any effective claim to the \$140m of non-PWU surplus.

2. The Monsanto Decision and the PBA

I recognize that Monsanto does not speak to “entitlement of surplus” – as I said, that must be decided or negotiated separately. However, I believe that Monsanto does speak to the quantum of surplus and the point in time at which it is measured. I have relied on the wording from the Supreme Court of Canada in their reasons. To quote only a few:

Paragraph 29 – “the presence of this phrase confirms that rights and benefits are not only measured but realized on the effective date of partial wind-up”

Paragraph 41 – “It makes sense for the Affected Members to be subject to the risks of the Plan while they are part of it, but not after they have been terminated from it.”

Paragraph 42 – “... the most equitable solution is to distribute the fortunes of favourable markets at the time Affected Members are terminated. In this way, the windfall is related to their actual time and participation in the plan rather than being subject to the experience of a plan of which they are no longer a part”

Paragraph 44 – “Furthermore, the argument that actuarial surplus is notional and thus too unreliable to justify the liquidation of any Plan assets is unconvincing.”

In the end it will be the Court, rather than any of the parties, that decides what Monsanto means and its relevance to this litigation.

As for the “effective date” of the partial wind-up, one would hope that after eight years of “litigation” there would be certainty, at least on that point. Is anyone suggesting that the effective date of the partial wind-up is other than June 30, 2005?

In the alternative, if the Court or FSCO should decide that \$93m is not the amount of surplus in question, then one would have to look to the behaviour of the Plan Administrator (CLA) since June 30, 2005. FSCO places a fiduciary responsibility on the Administrator to pay out surplus in an expeditious manner, and requires that any interest in the surplus be protected. In fact, the FSCO letter of April 14, 2011 which gave a qualified approval to the interim partial wind-up report also contained an explicit admonition to Mercer and Canada Life about the need to protect the surplus.

Furthermore, Section 22 of the PBA requires that the Administrator "shall exercise the care, diligence and skill in the administration and investment of the pension fund that a person of ordinary prudence would exercise in dealing with the property of another person". It also requires that the Administrator "shall use in the administration of the pension plan and in the administration and investment of the pension fund all relevant knowledge and skill that the administrator possesses or, by reason of the administrator's profession, business or calling, ought to possess" [emphasis added]. When \$93m of surplus allegedly shrinks to \$2.6m, it is inexplicable that neither the plaintiffs nor class counsel pressed Canada Life on these responsibilities.

One would have expected the plaintiffs to raise such a challenge but they did not. Given that they did not, how can the SSA then purport to settle this issue via the blanket release buried in the SSA? See SSA Section 6 (a) (v) (E).

3. Commuted Value Calculations

With respect, you seem to have changed horses in your defense of the Commuted Value basis. You are arguing here that the date used must be the effective date of the wind-up which you earlier suggested "involves considerable flexibility" and "may not be obvious in some circumstances". Yet for the Commuted Value basis you are adamant that the appropriate date is June 30, 2005. It seems to me that CLA, with class counsel's agreement, lets the effective date float to suit their purposes. It is preposterous to use a basis that pre-dates, by several years, the distribution date of the commuted values.

I note that neither you nor the CLPENS Executive answered my question as to why members were not alerted to the fact that the basis used severely undervalued their pension as of the date it was presented.

4. Class Counsel Fees

I have not much to add on this issue but do note that the risk undertaken by counsel seems very minimal if counsel is willing to accept any deal offered by the defendants. Moreover, class members have also experienced "delay in receiving payment". On a related issue, it seems highly unusual for the legal fees of the defendants (Canada Life et al) to also be paid from the PWU surplus.

5. CLPENS Legitimacy

I realize that neither CLPENS nor its executive have any legal standing under the Class Proceedings Act but they do appear to be a "party" to the formal SSA document. The concern is that the executive present themselves to the Court (and/or FSCO) as speaking for the CLPENS membership when they no longer have any basis to do so. There has not been an annual general meeting of CLPENS members since October, 2008 which is in violation of the organization's constitution. The terms of office of all executive members are expired and, in fact, were expired when they signed the original SSA in 2011.

If class counsel or the plaintiffs (or even the former CLPENS Executive) wish to discuss any of these issues further, please do not hesitate to contact me.

Sincerely,

Fred Taggart
FT:fjt

C Clio M. Godkewitsch (Koskie Minsky LLP)
 Jonathan Foreman (Harrison Pensa LLP)

KIDD et al.
Plaintiffs

- and -

CANADA LIFE et al.
Defendants

Court File No.: 05-CV-287556CP

SUPERIOR COURT OF ONTARIO

Proceeding commenced in TORONTO

AFFIDAVIT

PATRICK MAZUREK
Barrister (LSUC #228170)

31 Prince Arthur Avenue
Toronto, ON M5R 1B2

Tel.: (416) 646 1936

Fax: (416) 960 5456

Email: patrick@mazurek.ca

Lawyer for certain Class Members/Interveners

DAVID KIDD, et al.
Plaintiffs

**THE CANADA LIFE ASSURANCE
COMPANY, et al.**
Defendants

Court File No: 05-CV-287556CP

ONTARIO

SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

**SUPPLEMENTARY MOTION RECORD OF
THE PLAINTIFFS**

(Motion for Approval of Revised Amendment to SSA, returnable January 10,
2014)

KOSKIE MINSKY LLP

20 Queen Street West, Suite 900
Toronto, ON M5H 3R3

Mark Zigler (LSUC#: 19757B)

Tel: (416) 595-2090
Fax: (416) 204-2877

Clio M. Godkewitsch (LSCU#: 45412G)

Tel: (416) 595-2120
Fax: (416) 204-2827

HARRISON PENZA LLP

450 Talbot Street, P.O. Box 3237
London, ON N6A 4K3

David B. Williams (LSUC#: 21482V)

Jonathan Foreman (LSUC #45087H)
Tel: (519) 679-9660
Fax: (519) 667-3362

Lawyers for the Plaintiffs, David Kidd, Alexander Harvey, Jean
Paul Marentette, Susan Henderson and Lin Yeomans

SACK GOLDBLATT MITCHELL LLP

20 Dundas Street West
Suite 1100, Box 180
Toronto, ON M5G 2G8

Darrell Brown

Tel: (416) 979-4050
Fax: (416) 591-7333

Lawyers for the Plaintiffs, Garry C. Yip and Louie Nuspl