

Website Update December 5, 2008

In our last update, dated October 22, 2008, your Committee explained the reasons for the delay in the application to the regulators for termination of the National Trust Plan and for distribution of the surplus. We advised you that the Committee strongly disagrees with National Trust's decision to postpone the application process, and has taken the position that all necessary applications should proceed immediately. We also advised you that we had instructed our legal counsel to write to the pension regulator (the Superintendent of Financial Services) to seek an advance ruling on the question of surplus entitlement on the basis of the plan's partial wind-up group in order to expedite this matter.

Our counsel received a response from the Superintendent, by copy of a letter to National Trust's counsel dated November 7, 2008, in which we were advised that an application for consent to withdraw surplus was necessary before he could make a determination as to surplus entitlement. The Superintendent also requested that National Trust proceed with the completion of the existing partial wind-up of the Plan, effective June 30, 1999. In this letter, the Superintendent also reiterated his view that the amended settlement Order which the parties obtained from Madam Justice Lax this past summer appears to resolve the issue of surplus entitlement.

In response to the Superintendent's November 7, 2008 letter, National Trust's counsel reiterated National Trust's commitment to the implementation of the Surplus Sharing Agreement, and noted that this implementation has only been postponed, pending the outcome of the decision in the Montreal Trust case before the Financial Services Tribunal. Regarding the status of the surplus, National Trust's counsel also noted that the last actuarial valuation of the National Trust Plan, which was filed with the regulator on July 31, 2008, indicated that the Plan was still in a healthy surplus position on a solvency basis (estimated at \$173,258,799 as at October 31, 2007), and that the Plan's investment strategy was revised in late 2006 and the focus was shifted to fixed income investments rather than equities.

Finally, counsel to National Trust confirmed that, in the interim, the notices and other materials necessary for regulatory approval were being drafted, to ensure that the requisite applications can proceed expeditiously once the result of the Montreal Trust case is known.

Your Committee and its counsel remain committed to taking all necessary steps to push for the final implementation of the Surplus Sharing Agreement, notwithstanding the position taken by National Trust, and will keep you apprised of matters as they develop through this website.