

# Read this First

Version française de la trousse de renseignements  
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## THE CANADA LIFE CANADIAN EMPLOYEES PENSION PLAN SETTLEMENT PROPOSAL

### Your Information and Instruction Guide

#### Quick Facts

<b>What?</b>	This information package describes <b>financial benefits that you may be eligible to receive</b> under a proposed settlement of a class action. However, there must be a certain level of agreement from those eligible to participate or no one will receive any of the benefits proposed. The package was prepared to help you make an informed decision.
<b>Why?</b>	The benefits are part of the proposed settlement of court proceedings involving <i>The Canada Life Canadian Employees Pension Plan</i> . You are, or were, an active member of the Plan (or you are the spouse or beneficiary of a former Plan member).
<b>How?</b>	You can use the forms in this package to indicate if you agree or disagree with the proposed settlement. It's your choice - but please make an active, informed decision. Please complete and return the "Decision Form" (included in this package).
<b>How much?</b>	Your "Personal Information Statement" (included in this package) shows an <i>estimate</i> of the financial benefits you may receive if there is sufficient agreement to the Proposal from eligible individuals such as yourself.
<b>When?</b>	Timelines in this package show the history of the settlement process and the expected next steps.
<b>What's next?</b>	Please read this information and instruction guide carefully. It will explain how to review the package contents and make your decision. We request that you respond by returning your Decision Form by <b>May 13, 2011</b> . Information sessions will be held before that date to help you make your decision.

## An Offer of Financial Benefits for You

This information package explains a **Proposal to settle the court proceedings involving the Plan and to share some financial benefits with you** and with the other participants in the Surplus Sharing Group. Your share may be either (a) a transfer of money to you or (b) if you are an active Plan member, the opportunity for you to earn pension in the Plan without making contributions for a period of time (called a "contribution holiday").

Please read these documents carefully, so that you can make an informed decision about the Settlement Proposal.

You can attend an information session to hear more about the Proposal and have an opportunity to ask questions. The "Sources of Information" (pink-bordered item G) in this package lists the session times and locations. You can also ask questions about the Proposal by calling Koskie Minsky/Harrison Pensa toll-free at 1-800-286-2266 or sending an email to [canadalifeclient@kmlaw.ca](mailto:canadalifeclient@kmlaw.ca).

When you've made your decision, you should complete and return the enclosed Decision Form (orange-bordered item F). If you wish, you can also deliver it in person at an information session. We request that you return the Decision Form (orange-bordered item F), as well as the Personal Information Statement (blue-bordered item E) by May 13, 2011.

## Contents of the Package

This information package includes seven letter-coded (A to G) documents. Each one has a letter code and coloured border to help you tell them apart. If your package is missing any of the documents listed below, please call the Canada Life Client Service Centre toll-free at 1-888-252-1847.

<b>A</b>	"Your Information and Instruction Guide" (this black-bordered item A).
<b>B</b>	A letter from Canada Life (brown-bordered item B).
<b>C</b>	A report (yellow-bordered item C) from the Executive Committee of CLPENS (the CLPENS Committee). CLPENS is a voluntary association of Plan members. See "Important Definitions and Names" at the end of this document.
<b>D</b>	"A Detailed Description of What You Need to Know" (green-bordered item D) that explains the groups that may benefit from the Proposal, the background events, what will happen if the Proposal succeeds and your important next steps.
<b>E</b>	A Personal Information Statement (blue-bordered item E - two copies supplied). It provides an <i>estimate</i> of the benefits you might receive if there is sufficient agreement to the Proposal and if all approvals are obtained. A blue-bordered, postage-paid envelope to return this statement is also enclosed.
<b>F</b>	The Decision Form (orange-bordered item F). This form (among other things) allows you to indicate whether you agree or disagree with the Proposal. An orange-bordered, postage-paid envelope to return this form is also enclosed.
<b>G</b>	A Sources of Information (pink-bordered item G) which provides contact information if you have questions. It also includes a list of information sessions to be held in major centres across Canada to explain the Proposal.

## Your Next Steps

1. Read the cover letter from Canada Life (brown-bordered item B).
2. Read the report from the Executive Committee of CLPENS (yellow-bordered item C) and A Detailed Description of What You Need to Know (green-bordered item D) carefully, because they explain in detail the Proposal to settle the court proceedings and to share some of the surplus assets in the Plan.
3. Review your Personal Information Statement (blue-bordered item E). It includes an *estimate* of your potential financial benefits under the Proposal and reports your personal data. If the Proposal is approved, your personal data *must be complete and accurate* for you to receive your financial benefits. Therefore you should make any required corrections

to your personal information, sign one copy of the form, and return it in the blue-bordered, postage-paid envelope. The second copy is for your records. *Be sure to return the blue-bordered item E even if your personal information is correct.*

4. After you have read the package materials, whether you agree or disagree with the Proposal, fill out and return the Decision Form (orange-bordered item F), indicating your decision. If you prefer to wait until you attend an information session, you can deliver your form in person at the session instead. If you want to consent to the Proposal but you don't want to retain Koskie Minsky LLP and Harrison Pensa LLP to represent you, please call the Canada Life Client Service Centre toll-free at 1-888-252-1847 so that the necessary documents can be sent to you. If you choose to retain independent counsel, you will be responsible for your own legal expenses.
5. If there is an information session scheduled at a time and location that is convenient for you, please make plans to attend. We look forward to meeting you.

**Please return your signed copies of the Personal Information Statement (blue-bordered item E) noted in #3 on the previous page and the Decision Form (orange-bordered item F) noted in #4 above by May 13, 2011.**

If you can't attend an information session and you have questions about the Proposal, you can call the toll-free numbers shown on the Sources of Information (pink-bordered item G).

## Important Definitions and Names

A quick review of these important definitions and names will help you understand the package materials.

### Definitions

<b>active member</b>	An active member of a pension plan is currently employed by the pension plan sponsor and is earning pension benefits in the plan based on his or her continuing employment service.
<b>class proceedings</b>	Class proceedings are one method for going to court to seek a remedy for a complaint, and are commonly started when a large group of individuals share a similar complaint. Instead of each person having to start his or her own court action, one or more individuals acts on behalf of the group.
<b>contribution holiday</b>	If a pension plan is in a <i>surplus</i> position, surplus assets may be used to satisfy contribution obligations. A contribution holiday is a temporary suspension of contributions for either plan members, the employer or both, as determined by the employer in the circumstances.
<b>deferred/vested member</b>	A member with a deferred/vested entitlement under a pension plan is an inactive member (see below) who has not yet started to receive his or her monthly pension from the plan.
<b>defined benefit pension plan</b>	The Canada Life Plan is a defined benefit pension plan. If a pension plan provides benefits on a "defined benefit" basis, it means that the plan contains a formula that defines the benefit that a member is entitled to receive when he or she retires. A typical formula calculates the member's pension based on the number of years of the member's service, the member's salary (typically the average salary during the three or five years when the salary was highest), and a percentage. For example, for illustrative purposes, a typical formula may provide an annual pension on retirement equal to the average of the five years of highest salary, multiplied by the number of years of service, multiplied by 2%. Using this defined benefit formula, a member with 30 years of service and an average salary of \$40,000 would receive an annual pension on retirement of $\$40,000 \times 30 \times 2\%$ , or \$24,000.
<b>defined contribution pension plan</b>	If a pension plan provides benefits on a "defined contribution" basis, then what is defined is not the ultimate pension amount that the member will be entitled to on retirement, but rather the amount of contributions that will be made to the plan on behalf of the member each year. Those contributions go into an account set up for each member (much like an RRSP account). Upon retirement, the member will have a lump sum in his or her account (the contributions made over the years, plus investment returns). There are several methods the member can use to convert that lump sum into ongoing retirement income.
<b>inactive member</b>	An inactive member of a pension plan is entitled to benefits from the pension plan, but is no longer earning new benefits (for example, because his or her employment has terminated).
<b>partial wind-up</b>	A wind-up is the complete termination of a registered pension plan. A partial wind-up is the termination of a portion of a registered pension plan relating to a specific group of terminated employees.
<b>pensioner</b>	A pensioner is an inactive member of a pension plan (see above) who has retired and started to receive a monthly pension from the plan.

## Definitions

<b>Plan</b>	A short-form for <i>The Canada Life Canadian Employees Pension Plan</i> , a defined benefit pension plan sponsored by The Canada Life Assurance Company. It is registered under registration number 0354563 with the Financial Services Commission of Ontario (FSCO) and the Canada Revenue Agency.
<b>settlement proposal</b>	A document describing steps for resolving a dispute between two or more parties (individuals or groups) so that they can avoid having to decide the dispute in court. This information package describes a specific settlement proposal – referred to in this package as the Settlement Proposal or the Proposal.
<b>surplus</b>	If there is more money in a registered pension plan fund than is required to meet all of the plan's pension obligations to its members, then the excess is referred to as surplus.
<b>surviving spouse</b>	A surviving spouse is a person who is receiving a pension from the Plan because he or she is the spouse of a member who has died.

## Names

<b>Adason</b>	Adason Properties Limited*
<b>Adason Committee</b>	The committee that was formed to represent certain Plan members whose employment was terminated by Adason when the number of properties being managed by Adason decreased. The affected members were notified of their termination between November 1, 1999 and February 28, 2001.
<b>CLPENS</b>	A voluntary association of Plan members formally established in 2004 to advance members' interests regarding the Plan. The association's full name is the Canada Life Canadian Pension Plan Members' Rights Group.
<b>CLPENS Committee</b>	The executive committee of CLPENS.
<b>Indago</b>	Indago Capital Management Inc.*
<b>Indago Committee</b>	The committee that was formed to represent certain Plan members whose employment was terminated by Indago as a result of the February 26, 1999 merger of that company with Laketon Investment Management Ltd.
<b>Non-Partial Wind-Up Group (or Non-PWU Group)</b>	Individuals who are part of the Surplus Sharing Group (see below) but who are not part of the Partial Wind-Up Group (see below).
<b>Partial Wind-Up Group (or PWU Group)</b>	All individuals affected by the declared or undeclared partial wind-ups related to the Plan (all three potential Prior Partial Wind-Ups; that is, the potential Prior Partial Wind-Ups affecting Indago, Adason and Pelican groups, and the Integration Partial Wind-Up), as described in A Detailed Description of What You Need to Know (green-bordered item D) in this package.
<b>Parties to the proceeding</b>	The original parties to the court action commenced in the Ontario Superior Court of Justice in April 2005 were David Kidd and Alexander Harvey (former employees affected by the Integration Partial Wind-Up) and Canada Life and the Plan Trustees. Messrs. Kidd and Harvey, referred to as Plaintiffs, were subsequently joined by a third Plaintiff (Jean Paul Marentette – also a former employee) in September 2005. As the Settlement Proposal proceeds forward, representatives from each of the Adason Committee, the Indago Committee and the Pelican Committee will also be added as Plaintiffs in the proceeding.
<b>Pelican</b>	Pelican Food Services Limited*
<b>Pelican Committee</b>	The committee that was formed to represent certain Plan members whose employment was terminated by Pelican as a result of the outsourcing of certain operations by Canada Life in 2001.
<b>Surplus Sharing Group</b>	The individuals who are eligible for financial benefits if the Settlement Proposal described in this package receives all the necessary approvals. Members of this group are also called "eligible members" in this document. The Surplus Sharing Group includes both the PWU Group and the Non-PWU Group.

\*Employees of these companies were also members of the Plan. The individuals included in this Proposal are the employees of these companies whose membership in the Plan ended following certain corporate events between 1999 and 2001. A Detailed Description of What You Need to Know (green-bordered item D) provides more details.

*Note: The information package that includes this Information and Instruction Guide refers to a Settlement Proposal related to The Canada Life Canadian Employees Pension Plan (the "Plan"). While every effort has been made to ensure that these materials are accurate, in the event of any error, omission or discrepancy between what is said in the information package and what is contained in either the Surplus Sharing Agreement or the Plan, the provisions of the Surplus Sharing Agreement and the terms of the Plan, both as may be amended from time to time, as well as the terms of any applicable Court Order or regulatory approval, shall govern.*