

EE's hired on/after Jan 1, 2009

**Group Retirement Savings Plan and
Deferred Profit Sharing Plan for
Dal-Tile Corporation**

Prepared January 2009

Policy/Plan Number **65400**

Table of Contents

An Introduction to your Group Plan, Building for the Future.....	1
Your Rights and Responsibilities.....	1
Protecting Your Personal Information.....	2
Information about your Group Retirement Savings Plan and Deferred Profit	
Sharing Plan	3
Eligibility	3
When you are eligible to join the Group Retirement Savings Plan and Deferred Profit	
Sharing Plan.....	3
How to join the Group Retirement Savings Plan and Deferred Profit Sharing Plan.....	3
Contributions.....	4
Your contributions	4
• Payroll deduction.....	4
• Lump sum deposits	4
• Transfers	4
Employer contributions.....	5
Impact of employer contributions on your RRSP deduction limit.....	5
Spousal or Common-law Partner Plans	6
Tax Deductions	7
Tax deductions available.....	7
When tax receipts are issued	7
Excess RRSP Contributions	7
Investment Options.....	8
Default investment option.....	9
Withdrawal of Contributions	10
Retirement	11
When you can retire from the plans	11
The amount of pension you will receive at retirement	11
Retirement options available	12
Death Before Retirement	13

Amount of death benefit prior to retirement.....	13
Options available to your plan beneficiary.....	13
Termination of Employment.....	15
Amount you will receive if you terminate employment.....	15
Transfer options available	15
Disability	17
Marriage or Relationship Breakdown.....	17
Termination of the Plans	17
Amount you will receive upon termination of the plans	17
Information About the Plans	18
When you will receive information.....	18
How to get up-to-date information	18
Contact Information	19
Glossary of Terms.....	20

An Introduction to your Group Plan, Building for the Future

To help you plan for your financial security during your retirement years, your employer has established a Group Retirement Savings Plan and Deferred Profit Sharing Plan. Working closely with your employer, we are committed to delivering superior customer service to you and your family.

The information in this booklet provides an overview of the benefits available to you. While every effort has been made to ensure the accuracy of this booklet, your rights and benefits as a member of the Group Retirement Savings Plan and Deferred Profit Sharing Plan are governed by the terms of the official plan documents and the supporting contractual documentation. If you require more detailed information on the benefits available, please contact your plan administrator.

Services for this plan are provided by The Great-West Life Assurance Company (Great-West). The group retirement and savings products and investments described in this booklet are issued by The London Life Insurance Company (London Life). London Life is a subsidiary of Great-West.

Additional information may be obtained by calling our toll-free, automated phone service, *Access Line*, at **1-800-724-3402** or by accessing our interactive website, *GRS Access*, at **www.grsaccess.com**.

Note: In this booklet “you” means a person entitled to benefits under the Group Retirement Savings Plan and Deferred Profit Sharing Plan. Defined terms are capitalized throughout the booklet. Please refer to the *Glossary of Terms* at the end of this booklet for an explanation for each of the defined terms.

The Great-West Life Assurance Company and London Life Insurance Company are members of Assuris. Assuris is a not for profit corporation, funded by the life insurance industry, that protects Canadian policyholders against loss of benefits due to the financial failure of a member company. Details about the extent of Assuris’ protection are available at www.assuris.ca or in its brochure, which can be obtained from info@assuris.ca or by calling 1-866-878-1225.

Your Rights and Responsibilities

You are responsible for informing yourself about the plan and your rights under it by using the documents, information and tools made available to you. You are responsible for determining how much to contribute to the Group Retirement Savings Plan and the investment decisions you make, including any investment decisions made on your behalf, regardless of any advice or recommendation that you may have been given by your employer, plan administrator or any of their agents. The decisions you make will impact the amount of money accumulated in the plan.

The information contained in this booklet is important, please keep it in a safe place.

Protecting Your Personal Information

We recognize and respect every individual's right to privacy. A confidential information file that contains personal information concerning you will be created. This information may be provided to us by you or your employer. We collect, use and disclose this information to:

- process your application;
- authenticate you as a client;
- administer and service the plan you applied for, including call centre and web-based servicing; in order to help us assess and improve the quality of our services, we may at times contact you for your opinion on our performance;
- advise you of products and services which help plan for your financial security;
- research claims, if required, and pay benefits under the plan;
- create and maintain records concerning our relationship as appropriate;
- upon written direction from you or your employer, as applicable, transfer your business.

Personal information concerning you will only be available to you, your employer, pension and related government authorities, our companies and our affiliates and any duly authorized employees, agents, representatives or contracted third party service providers.

For more information about our privacy guidelines, please ask for our *Privacy Guidelines* brochure.

Information about your Group Retirement Savings Plan and Deferred Profit Sharing Plan

Accounts are established on your behalf under the Group Retirement Savings Plan and Deferred Profit Sharing Plan into which contributions, along with interest and/or investment gain/loss are allocated.

Eligibility

When you are eligible to join the Group Retirement Savings Plan and Deferred Profit Sharing Plan

You may join the Group Retirement Savings Plan at any time after you complete three months of employment.

As an employee who has materially and significantly contributed to the prosperity and profits of the employer, you may join the Deferred Profit Sharing Plan at any time after you complete three months of employment.

How to join the Group Retirement Savings Plan and Deferred Profit Sharing Plan

Your employer will provide you with an enrolment package including forms and instructions on how to become a member of the Group Retirement Savings Plan and Deferred Profit Sharing Plan.

Contributions

Your contributions

Group Retirement Savings Plan

There are two ways to make contributions. You can make contributions by payroll deduction and/or by lump sum deposit.

- **Payroll deduction**

Through payroll deduction, you must make regular contributions to the plan up to six per cent of your earnings (as defined by your employer). You may choose to increase your contributions to the plan and make contributions on a voluntary basis.

By contributing through payroll deduction, the amount you direct to the plan will be withheld from your pay and then remitted, through your employer on your behalf. This convenient method of making contributions also allows your employer to reduce the amount of income tax deducted from your pay (tax will be calculated based on your earnings less the amount of your contribution). This means that you save tax dollars right away, rather than waiting for a tax refund after you file your income tax return.

- **Lump sum deposits**

To make a lump sum deposit, simply write a personal cheque payable to London Life Insurance Company for the amount you wish to contribute and indicate your policy/plan number on the cheque. If you contribute to both a Personal Plan and a Spousal or Common-law Partner Plan, be sure and indicate how much should go to each plan. Please complete the *Lump sum deposit* form available from our website (www.grsaccess.com) or your plan administrator, and attach it to your cheque. The cheque and form should be mailed directly to our administration office, or you can send it in through your plan administrator.

- **Transfers**

Certain types of payments may be transferred to your registered retirement savings plan. For complete details, refer to Canada Revenue Agency's guide entitled *T4040-RRSP and Other Registered Plans for Retirement* or visit their website at www.cra-arc.gc.ca.

Deferred Profit Sharing Plan

You are not permitted to make contributions to the plan.

However, you may transfer funds from another deferred profit sharing plan into this plan as permitted under the Applicable Legislation.

Employer contributions

Group Retirement Savings Plan

Your employer does not contribute to the Group Retirement Savings Plan.

Deferred Profit Sharing Plan

Your employer will contribute on your behalf, an amount which represents a portion of the employer profits. The amount contributed will be determined by your employer.

Impact of employer contributions on your RRSP deduction limit

Your employer is required to report a Pension Adjustment (PA) on your T4 slip whenever contributions are made on your behalf to the Deferred Profit Sharing Plan. Your PA for the year will reduce your registered retirement savings plan deduction limit for the following year. Your employer can provide you with further details about employer contributions and PA reporting or you can visit the Canada Revenue Agency Website at www.cra-arc.gc.ca.

Spousal or Common-law Partner Plans

You and your Spouse or Common-law Partner can establish a Spousal or Common-law Partner Plan at any time. Under such a plan, you make contributions on behalf of your Spouse or Common-law Partner and you receive the tax relief for those contributions.

A Spousal or Common-law Partner Plan can be advantageous in a situation where your current income, or anticipated retirement income, is significantly higher than your Spouse's or Common-law Partner's.

When funds are withdrawn from a Spousal or Common-law Partner Plan, your Spouse or Common-law Partner claims the withdrawal as income, provided you have not contributed to any Spousal or Common-law Partner Plan in the year the funds are withdrawn from the plan or in either of the two preceding years. Otherwise, you (as the contributor to the plan) will probably have to include the withdrawal amount in your income. For further details, refer to Canada Revenue Agency's guide entitled *T4040-RRSP and Other Registered Plans for Retirement*.

Your plan administrator can provide further details on how to establish a Spousal or Common-law Partner Plan.

Tax Deductions

Tax deductions available

Because your retirement savings plan is registered with Canada Revenue Agency, contributions you make are deductible from your taxable income and payment of tax is deferred provided you do not exceed your registered retirement savings plan deduction limit. The notice of assessment form you receive from Canada Revenue Agency after filing your previous year's Income Tax Return will indicate your limit for the current year.

However, payment from the plan is generally considered taxable income (unless a tax-sheltered transfer is made). Any cash withdrawal is taxable in the year received and subject to withholding tax at the time of withdrawal.

When tax receipts are issued

Tax receipts for contributions made to the Registered Retirement Savings Plan will be issued twice each year and sent directly to your home address. Receipts are issued:

- in January of each year, covering contributions remitted to the plan from March to December of the previous year; and,
- in March of each year, covering contributions remitted to the plan during the first 60 days of the current year.

A tax deduction for contributions made during the first 60 days of the current calendar year may be claimed on either your current or previous year's Income Tax Return. Canada Revenue Agency requires that you attach a copy of the appropriate receipt to your Income Tax Return in order to support your claim for deductions. If you make contributions during the first 60 days of a calendar year and you do not claim them as a deduction on your Tax Return for the previous calendar year, you are still required, at that time, to notify Canada Revenue Agency that these contributions exist. Canada Revenue Agency includes instructions on how to report contributions, along with the appropriate forms, in the income tax package they send to you.

Excess RRSP Contributions

If, in any taxation year, contributions exceed your registered retirement savings plan deduction limit for that year, Canada Revenue Agency will not allow a tax deduction on contributions in excess of your limit. In addition, the excess contributions may be subject to penalty tax until withdrawn from the plan if your cumulative excess contributions are above the limits set by the *Income Tax Act* (Canada). You may contact your local taxation office to obtain the appropriate form to withdraw excess contributions.

Investment Options

Your Group Retirement Savings Plan and Deferred Profit Sharing Plan provide for a variety of guaranteed investments and variable investment funds which are listed on your *Investment Menu*.

We or your employer may add or remove investment options at any time.

Information about the investment returns and descriptions of the investment options available under your plan will be sent to you periodically.

You decide where contributions are invested by selecting from the investment options available under the plan. If you wish to change your investment options, you may do so by accessing our interactive website at **www.grsaccess.com**, by calling our toll-free, automated phone service at **1-800-724-3402** or by completing the *Member Investment Instructions* form which is available from your plan administrator. Please allow two full business days for processing. The transfer will be effective the business day that your investment instructions are received if we receive them prior to 2:00 p.m. ET.

If contributions are invested in a guaranteed investment, at the end of the month coinciding with or next following the selected guaranteed investment term, the maturity value of the guaranteed investment will be reinvested in another guaranteed investment for the same term, unless you advise otherwise before the end of the guaranteed term.

It's important to note that there may be circumstances (such as the removal of an investment option) where your employer may impose restrictions or conditions on your ability to invest or transfer contributions to a particular investment option. Your plan administrator will provide you with further details as applicable.

If contributions are received and investment options have not been selected, the contributions will be invested in the default option selected by your employer or, if a default has not been selected, in a short-term guaranteed investment that we have selected.

Please note that you are responsible for the investment decisions you make (including any investment decisions made on your behalf if you fail to make an election) regardless of any advice or recommendation that you may have been given by your employer, plan administrator or any of their agents. In addition, the decisions you make will impact the amount of money accumulated in the plan.

If contributions are invested in a guaranteed investment, the interest rate is guaranteed and compounded daily. However, if money is withdrawn before the end of the term, the money withdrawn may be subject to an adjustment and early withdrawal fee in accordance with the *Schedule of fees for members of the Group Retirement Savings Plan and Deferred Profit Sharing Plan*.

If contributions are invested in a variable investment fund, both the principal and any investment gain are not guaranteed. The amount of funds you'll receive depends on the investment performance of these assets. Your plan administrator can provide further details.

Default investment option

As a member of the plan, you are responsible for selecting the investments for your plan and to review and make changes on an ongoing basis. We provide a wide range of tools and information to assist you in making these decisions. In the event that you do not make an investment selection, your employer has chosen the Cadence Fund as the default. This investment, while likely suitable for medium or long-term investing, may or may not be appropriate for you and it is important that if you have not made an investment selection that you do so. The investment return on this fund is not guaranteed and with all similar investments does involve some risk which may not suit your personal risk tolerance and investment goals. You will receive statements on a regular basis. This will be your ongoing source of information on your plan and indicate into which fund(s) your assets are invested. As well, your personal internet access to your plan and call centre services allow you to get information and make changes to ensure that your assets are invested to suit your risk tolerance and investment goals.

Withdrawal of Contributions

Group Retirement Savings Plan

Withdrawals of any contributions while you are employed are permitted at any time.

Please refer to the section entitled Tax Deductions for information about tax consequences if a withdrawal is made.

Deferred Profit Sharing Plan

Generally withdrawals from your account are not permitted until you terminate employment, die, retire, or until the plan terminates.

Any contributions withdrawn may be subject to adjustments and fees in accordance with the provisions of the *Schedule of fees for members of the Group Retirement Savings Plan and Deferred Profit Sharing Plan*.

Retirement

When you can retire from the plans

Group Retirement Savings Plan

You can retire from the plan at any age as long as you retire no later than the end of the calendar year of your 71st birthday or such other time as required under the applicable tax legislation.

Deferred Profit Sharing Plan

The normal retirement date from the plan is the first day of the month following your 65th birthday. However, you may elect to retire earlier or later from the plan with the consent of your employer. If you decide to retire later than your normal retirement date, you must retire no later than the end of the calendar year of your 71st birthday or at such other time as required under the applicable tax legislation.

The amount of pension you will receive at retirement

Group Retirement Savings Plan

When you retire, you will receive an annuity which will be provided by:

- the Accumulated Value of your contributions.

Deferred Profit Sharing Plan

When you retire, you will receive an annuity which will be provided by:

- the Accumulated Value of the employer's contributions made on your behalf.

Retirement options available

Group Retirement Savings Plan

Numerous annuity options are available with or without guaranteed payment periods. These will be described to you in greater detail at the time of your retirement.

Instead of receiving an annuity, you may elect to receive the Accumulated Value as a cash payment or transfer the Accumulated Value to:

- a registered retirement income fund;
- a registered pension plan; or
- another insurer to purchase an annuity as permitted under the Applicable Legislation.

Notwithstanding the above, if you transferred pension funds that are Locked-in under the pension legislation to the Group Retirement Savings Plan those funds will continue to be Locked-in and subject to the locking-in requirements of the Applicable Legislation.

If you do not elect to retire by December 31 of the calendar year in which you turn age 71 or such other time as required under the applicable tax legislation, an annuity will be provided on your behalf.

Deferred Profit Sharing Plan

Numerous annuity options are available with or without guaranteed payment periods. These will be described to you in greater detail at the time of your retirement.

Instead of receiving an annuity, you may elect to receive the Accumulated Value as a cash payment or transfer the Accumulated Value to:

- a registered retirement income fund;
- a registered retirement savings plan;
- a registered pension plan;
- another deferred profit sharing plan; or
- another insurer to purchase an annuity as permitted under the Applicable Legislation.

Your plan administrator can provide direction on where to obtain further details on the options available when you retire.

Death Before Retirement

Amount of death benefit prior to retirement

Group Retirement Savings Plan

If you die while a member of the plan, your Plan Beneficiary is entitled to receive a cash refund equal to:

- the Accumulated Value of your contributions.

Deferred Profit Sharing Plan

If you die while a member of the plan, your Plan Beneficiary is entitled to receive a cash refund equal to:

- the Accumulated Value of the employer's contributions made on your behalf.

Options available to your plan beneficiary

Group Retirement Savings Plan

If your Plan Beneficiary is your Spouse or Common-law Partner, the amount of the cash refund may be:

- transferred to your Spouse's or Common-law Partner's Personal Plan;
- transferred to your Spouse's or Common-law Partner's registered retirement income fund; or
- used to purchase a life annuity as permitted under the Applicable Legislation.

Notwithstanding the above, if you transferred pension funds that are Locked-in under the pension legislation to the Group Retirement Savings Plan those funds will continue to be Locked-in and subject to the locking-in requirements of the Applicable Legislation.

If you name your minor child or grandchild as your Plan Beneficiary and that person is financially dependent on you (as defined by Canada Revenue Agency), the Plan Beneficiary may elect to receive payment in the form of an annuity certain with the income duration being equal to age 18 minus the age of the child at the date of your death. Prior to naming a minor as your Plan Beneficiary, we recommend you consider the possible implications by discussing this with legal professionals.

Deferred Profit Sharing Plan

If your Plan Beneficiary is your Spouse or Common-law Partner, that person may elect to transfer the Accumulated Value to:

- a registered retirement income fund;
 - a registered retirement savings plan;
 - a registered pension plan; or
 - another deferred profit sharing plan
- as permitted under the Applicable Legislation.

If your Plan Beneficiary is a minor or a person who otherwise lacks legal capacity, you may also wish to name a trustee to receive the cash refund on behalf of the Plan Beneficiary.

Your plan administrator can provide direction on where to obtain further details on the options available upon death.

Termination of Employment

Amount you will receive if you terminate employment

Group Retirement Savings Plan

If you terminate employment, you are entitled to receive a cash refund equal to:

- the Accumulated Value of your contributions.

Deferred Profit Sharing Plan

If you terminate employment, you are entitled to receive a cash refund equal to:

- the appropriate percentage (as determined below) of the Accumulated Value of the employer's contributions made on your behalf.

<u>Completed years of continuous membership</u>	<u>Percentage of Employer's contributions vested in Member</u>
Less than one year	0%
one year or more	100%

Transfer options available

Group Retirement Savings Plan

Instead of receiving a cash refund, you may elect to receive an annuity or transfer the Accumulated Value to:

- another registered retirement savings plan;
 - a registered retirement income fund;
 - a registered pension plan; or
 - another insurer to purchase an annuity
- as permitted under the Applicable Legislation.

Notwithstanding the above, if you transferred pension funds that are Locked-in under the pension legislation to the plan, those funds are subject to the locking-in requirements of the Applicable Legislation.

Deferred Profit Sharing Plan

Instead of receiving a cash refund, you may elect to purchase an annuity or transfer the Accumulated Value to:

- a registered retirement income fund;
- a registered retirement savings plan;
- a registered pension plan;
- another deferred profit sharing plan; or
- another insurer to purchase an annuity as permitted under the Applicable Legislation.

Your plan administrator can provide direction on where to obtain further details on the options available if you terminate employment.

Disability

If you become disabled and your employer determines that you are eligible to receive a disability benefit under the plan, you will be deemed to have terminated employment and you will be entitled to receive the Accumulated Value of the employer's contributions made on your behalf. The options available to you are the same as if you terminated employment.

Marriage or Relationship Breakdown

Your benefit under the plans may be subject to division in accordance with the terms of a court order or a written agreement. You may wish to consult a lawyer about the laws governing this situation and the options available to you and your Spouse or Common-law Partner.

Termination of the Plans

Your employer expects to continue the plans indefinitely, however reserves the right to amend or terminate the plans at any time.

Amount you will receive upon termination of the plans

If the Group Retirement Savings Plan is terminated, you will be entitled to the Accumulated Value of your contributions. If the Deferred Profit Sharing Plan is terminated, you will be entitled to the Accumulated Value of the employer's contributions made on your behalf.

Information About the Plans

When you will receive information

Semi-annually, you will receive a statement for each plan indicating the Accumulated Value of contributions remitted to the plan. This statement will also confirm personal information, such as your Plan Beneficiary. If you notice any discrepancies in your statement, it's important that you bring them to the attention of your plan administrator immediately.

You will also receive a statement if:

- you retire;
- you terminate employment; or
- the plan terminates.

If you should die, your Plan Beneficiary will receive a statement outlining the options available.

How to get up-to-date information

We offer fast and convenient ways to access information on your plans. As soon as you become a member, you'll receive your confidential access ID and password, in separate letters, at your home address. You can then access your plan information from your own personal computer or phone.

Visit www.grsaccess.com

Our password-protected, easy-to-use website, *GRS Access*, has been designed with your needs in mind. You can print your own statement, view and change the investment direction of your future deposits, transfer assets from one investment option to another, update your address and discover your investment personality. You will find information on the investment options in your plan, rates of return, the value of your investment options, and educational information on retirement planning... virtually everything you need to plan for your retirement. For a tour of our website's features, visit the *Learning Centre* on *GRS Access*.

Call 1-800-724-3402

Connect to your plans with our toll-free, automated phone service, *Access Line*, available 24 hours a day, seven days a week, from anywhere in North America. Access your account balance, transfer assets from one investment option to another, change the investment direction of your future deposits, obtain current interest rates and net unit values and check out one year gross rates of return.

If you prefer to speak with someone directly, through *Access Line* you can reach a client service representative at our bilingual Client Service Centre, between 8:00 a.m. and 8:00 p.m., ET.

Contact Information

When you want to	Contact / Use
Do retirement planning	<ul style="list-style-type: none"> • Member Kit or www.grsaccess.com
Enrol in the Group Retirement Savings Plan and Deferred Profit Sharing Plan	<ul style="list-style-type: none"> • Your Human Resources department
Change your contribution level	<ul style="list-style-type: none"> • Your Human Resources department / Payroll department
Transfer between funds and/or change where funds are invested	<ul style="list-style-type: none"> • www.grsaccess.com • Access Line (24 hours) – phone #1-800-724-3402 • Client Service Centre (8:00 a.m. to 8:00 p.m. ET) – phone #1-800-724-3402 • Complete Member Investment Instructions form – Human Resources department or www.grsaccess.com
Review your fund values	<ul style="list-style-type: none"> • www.grsaccess.com • Access Line (24 hours) - phone #1-800-724-3402 • Client Service Centre (8:00 a.m. to 8:00 p.m. ET) – phone #1-800-724-3402
Create a statement	<ul style="list-style-type: none"> • www.grsaccess.com
Receive investment education	<ul style="list-style-type: none"> • Client Service Centre (8:00 a.m. to 8:00 p.m. ET) – phone #1-800-724-3402
Withdraw contributions	<ul style="list-style-type: none"> • Client Service Centre (8:00 a.m. to 8:00 p.m. ET) – phone #1-800-724-3402 • Complete Request for Withdrawal form – Human Resources department or www.grsaccess.com
Change your address	<ul style="list-style-type: none"> • www.grsaccess.com • Client Service Centre (8:00 a.m. to 8:00 p.m. ET) – phone #1-800-724-3402
Designate or change your plan beneficiary	<ul style="list-style-type: none"> • Complete <i>Designation of revocable beneficiary/trustee appointment form</i> – Human Resources department or www.grsaccess.com
Learn more about investing and other retirement planning topics	<ul style="list-style-type: none"> • www.grsaccess.com • Smart Tools CD • Smart Investment Magazine

Glossary of Terms

Accumulated Value

The Accumulated Value refers to the contributions credited with interest and/or investment gains/losses.

Applicable Legislation

Applicable Legislation means the *Income Tax Act* (Canada) and any other federal or provincial legislation governing the administration of the plan.

Common-law Partner*

Common-law Partner means an individual with whom you cohabit in a conjugal relationship and:

- has so cohabited with you for a continuous period of at least one year, or
- you and that individual are the natural or adoptive parent of a child

and the individual is recognized as a Common-law Partner under the *Income Tax Act* (Canada).

Locked-in

When funds are “Locked-in” they cannot be received as a cash refund.

Personal Plan

A Personal Plan means a registered retirement savings plan under which the member/owner and the contributor to the plan are the same person.

Plan Beneficiary

Plan Beneficiary means an individual you name as your designated beneficiary, or your estate if a beneficiary has not been designated.

Spousal or Common-law Partner Plan

A Spousal or Common-law Partner Plan means a registered retirement savings plan under which your Spouse or Common-law Partner is the member/owner and you are the contributor to the plan (on behalf of your Spouse or Common-law Partner).

Spouse*

A Spouse means an individual who is married to you and is recognized as a spouse under the *Income Tax Act* (Canada).

* Reference to individual in both the definition of Common-law Partner and Spouse now may include an individual of the same sex.

Group Retirement Savings Plan - Member's Certificate Policy/Plan No. 65400

London Life Insurance Company will pay benefits in accordance with this certificate.

Section 1. Interpretation

In this Plan:

"Administrative Rules" means the rules and procedures of the Issuer relating to the operation of the Plan.

"Applicable Legislation" means the Income Tax Act and any other federal or provincial legislation affecting retirement savings plans or locked-in endorsements.

"Common-law Partner" has the meaning given to it under the Income Tax Act.

"Contributions" means amounts paid to the Issuer on behalf of a Member and includes direct transfers from other registered plans.

"Head Office" means the head office of the Issuer, located in London, Ontario, Canada, or such other administration office of the Issuer servicing the Plan, as may be communicated to the Plan Sponsor.

"Income Tax Act" means the *Income Tax Act* (Canada) and regulations, as amended.

"Investment Option" means any of the guaranteed investments and variable investment funds available under the Plan.

"Investment Rules" means the rules and regulations of the Issuer relating to the management of an Investment Option.

"Issuer" means London Life Insurance Company.

"Locked-in Endorsement" means the locked-in retirement account endorsement or locked-in retirement savings plan endorsement, as applicable, which forms part of the Plan.

"Maturity Date" of this certificate means December 31st of the calendar year in which the Member attains the maximum age for maturity provided under the Income Tax Act.

"Member" means an employee of the Plan Sponsor or a member of an association (where the Plan Sponsor is an association), or if included by the Plan Sponsor, that person's Spouse or Common-law Partner, for whom benefits are to be provided under the Plan. The Member is the applicant as stated on the application for membership and is the annuitant/owner as defined under the Applicable Legislation.

"Plan" means the Plan Sponsor's Group Retirement Savings Plan.

"Plan Sponsor" means the employer or association sponsoring this Group Retirement Savings Plan, and as applicable, includes any other employers authorized to participate in the Plan.

"Spouse" means an individual who is recognized as a spouse under the Income Tax Act.

Section 2. Group Plan

This certificate describes the rights and benefits of a Member of the Plan.

Section 3. Plan sponsor as Agent

The Plan Sponsor is required to provide the Issuer with any information or instructions required by the Issuer to administer the Plan.

The Issuer is entitled to rely on any information or instructions provided to it by the Plan Sponsor respecting a Member or on behalf of a Member as if such information or instructions were provided to the Issuer directly by the Member. Upon joining this Plan, the Member will be considered to have appointed the Plan Sponsor as the Member's agent for all purposes in connection with the provision of information or instructions to the Issuer respecting the Plan until such time as the Issuer receives notice that the Member is no longer a Member of the Plan.

Section 4. Administrative Rules

The Issuer will from time to time establish Administrative Rules relating to the operation of the Plan. The operation of the Plan, and the rights of the Members will be subject to such Administrative Rules. No prior notice to the Plan Sponsor or any Member will be required for any such administrative rule to become effective or be amended.

Section 5. Investment Rules

The Issuer has established Investment Rules relating to the management of the guaranteed investments and variable investment funds available under the Plan. The operation of the Plan and the rights of the Members will be subject to the Investment Rules. The Issuer may amend the Investment Rules. The Issuer will provide 60 days notice to the Plan Sponsor of any material change to the Investment Rules.

Section 6. Contributions

The Issuer will establish separate accounts for each Member and Contributions received on behalf of each Member will be allocated to the Member's account. All Contributions must be within the limits permitted under the Applicable Legislation.

In the event of an overpayment, on written request, the Issuer will refund to the contributor any amount as provided in paragraph 146(2)(c.1), or any successor provision, of the Income Tax Act. The amount refunded cannot be greater than the value of the investments held under this certificate on the date the request is received.

Section 7. Investment Options

Contributions will be invested in one or more of the various Investment Options which the Issuer makes available to the Plan from time to time, as directed by the Member and/or Plan Sponsor, as applicable. If no election has been made by the Member, new Contributions will be invested in the default Investment Option(s) selected by the Plan Sponsor, or in a short-term guaranteed investment selected by the Issuer if a default has not been selected by the Plan Sponsor. Contributions invested in an Investment Option will be subject to the Investment Rules. The Issuer may amend the terms of any Investment Option or add or withdraw any Investment Option at any time. The Issuer will provide 60 days notice to the Plan Sponsor of any material change to an Investment Option.

a) Guaranteed Investments

Contributions may be invested in guaranteed investments of various durations at guaranteed interest rates. Investments in the guaranteed investments described in this certificate are guaranteed both as to principal and interest. Contributions invested in a guaranteed investment will earn interest in the manner and at the rate applicable to that investment in accordance with the Investment Rules. The interest rate on any such investment is compounded daily and guaranteed until the end of the month in which the selected interest guarantee period expires.

At the end of the interest guarantee period of any guaranteed investment, the Member and/or Plan Sponsor, as applicable, may select any new interest guarantee period the Issuer is then offering, so long as it does not extend beyond the Maturity Date of this certificate. Alternatively, the Member and/or Plan Sponsor, as applicable, may select any other Investment Option the Issuer is then offering. If no selection has been made by the Member and/or Plan Sponsor, the Issuer will select an Investment Option for the Member and/or Plan Sponsor, as applicable.

Subject to the terms of this certificate, the Member may withdraw amounts from any guaranteed investment before the end of the interest guarantee period. If Contributions are withdrawn from a guaranteed investment, the value withdrawn will be calculated in accordance with the Schedule of Fees applicable to the Plan.

b) Variable Investment Funds

Contributions may be invested in variable investment funds. These funds are segregated funds offered and administered by London Life Insurance Company. Contributions invested in a variable investment fund are not guaranteed either as to earnings or as to principal. The value of the Member's investment in a variable investment fund will fluctuate with the financial experience of the fund.

The assets of a variable investment fund belong to the Issuer but they are available only for the benefit of unit holders of the fund. If the Member invests a Contribution in a variable investment fund the Member will acquire units in the fund equal to the value of the Member's Contribution on the date the investment is made.

The Issuer determines the value of the units of a variable investment fund on each valuation date of that fund and investments into and withdrawals from a fund can only be made on a valuation date. Most funds offered by the Issuer are valued on a daily basis but the Issuer may value funds less frequently in accordance with the Investment Rules. The unit value of a fund on a valuation date is determined by dividing the value of the assets of the fund, less the investment management fee described below, by the number of units in the fund immediately before the valuation date.

An investment management fee is charged and includes a fee for managing the variable investment funds, a fee for providing other services under the Plan and may include an amount for administrative expenses and other services under the Plan in accordance with the Schedule of Fees applicable to the Plan. This fee may either be deducted from the value of the assets of the fund (as part of the calculation of the unit value of a fund), or with the consent of the Issuer, the Plan Sponsor may elect to pay this fee separately.

Section 8. Benefits - Income at Maturity

If the Member is living on the Maturity Date the Issuer will liquidate all the Member's investments under this certificate and will either pay the proceeds in cash to the Member or apply the funds to provide a retirement income fund for the Member from the issuers of retirement income funds, including its affiliates, as the Issuer in its sole discretion may select, and the Member hereby appoints the Issuer as the Member's attorney in fact to execute all such documents and to make all such elections as are necessary or desirable to effect the foregoing. The Issuer will not be liable for any resulting loss. If the Member prefers, by notice to the Issuer, the Member may elect another form of retirement income that the Issuer is offering at that time and which is permitted for a retirement savings plan.

If an annuity is selected as the Member's retirement income, the Issuer undertakes to provide an annuity that provides for annuity payments in equal periodic amounts payable yearly or more frequently. The annuity will be issued in accordance with the Issuer's rules and issue rates for annuities which are then applicable. The Member must provide the Issuer with satisfactory proof of the date of the Member's birth and sex on or before the Maturity Date. If there has been any misstatement, the Issuer will make any adjustments it considers equitable.

Any annuity provided must comply with subsection 146(1), or any successor provision, of the Income Tax Act. Annuity benefits payable to the surviving Spouse or Common-law Partner of a Member following the death of the Member may not exceed the annuity payments which were being made to the Member before the Member's death, except for increases due to indexing as permitted under subparagraphs 146(3)(b)(iii)(iv) and (v), or any successor provision, of the Income Tax Act. If the beneficiary under the annuity is not the Spouse or Common-law Partner of a Member at the date of the Member's death, the present value, as determined by the Issuer, of any remaining payments will be paid in one sum and the annuity will be terminated.

If this certificate is governed by laws of the province of Quebec, the group policy was established on or after March 1, 2006 and an annuity is selected as the Member's retirement income on the Maturity Date, the amount of the annuity payments will be determined by multiplying the value of the investments held under this certificate (less any applicable fees and charges) by the greater of i) the Issuer's then current annuity rate for a single life non-participating annuity with a guaranteed period of 10 years; and ii) \$3.47 for each \$1,000 of the investments held under this certificate if the Member is male, or \$3.23 for each \$1,000 of the investments if the Member is female.

Section 9. Withdrawal of Funds

Subject to the terms of this certificate, on or before maturity, the Member may withdraw all or part of the funds held by the Issuer under this certificate by giving notice to the Issuer and may elect:

- i) to purchase any form of annuity that the Issuer is offering at that time and which is permitted for a retirement savings plan with payments commencing no later than the Maturity Date;
- ii) to transfer the funds directly to a retirement income fund, another retirement savings plan or a registered pension plan as permitted under the Income Tax Act; or
- iii) to receive payment in cash.

The value of the Member's account will be reduced by the amount of any withdrawals.

All such elections will be completed in accordance with the Administrative Rules and the Investment Rules.

Section 10. Termination of Plan or Membership

If the group policy of this Plan is terminated or if the Member ceases to be eligible to participate under the group policy, no further Contributions may be made under this certificate. When the Issuer receives notice that such an event has occurred, the Plan Sponsor will cease to be the Member's agent and the Issuer may, without accepting any obligation or responsibility to do so, withdraw or transfer the funds held for the Member under this certificate from the Plan. The Issuer may exercise this right at any time. The Member will be given 60 days from the date the Issuer receives notice of the occurrence of the event to provide the Issuer with withdrawal or transfer instructions. If the Member does not provide such instructions within the 60 day period, the Issuer may, without accepting any obligation or responsibility to do so, appoint itself as the Member's agent for the purpose of completing an alternate retirement savings plan application on the Member's behalf or withdrawing the Member's funds from the Plan, as it considers appropriate.

The Issuer may, on its own or at the request of the Plan Sponsor, resign as issuer, and allow for the appointment of a successor issuer. The Plan Sponsor will advise the Issuer of the identity of the successor issuer within 60 days of such resignation, and upon the transfer of all Plan assets to the successor issuer, the Issuer will be discharged from any further liability under the Plan.

Section 11. Limitation of Liability

The provision of a life annuity, or another form of annuity settlement option, or a withdrawal or transfer of all the funds held by the Issuer for a Member under the Plan, will constitute a full and final settlement of the rights of the Member or beneficiary, as applicable, with respect to the Plan, as against the Plan Sponsor, any employers authorized to participate in the Plan, any agents of the Plan Sponsor, the Issuer and any agents of the Issuer.

Section 12. Death of the Member

The Member may designate a beneficiary to receive all amounts payable under this certificate and may alter or revoke such beneficiary designation as permitted by law. If the Member dies before the funds held under this certificate have been applied to provide an annuity or have been withdrawn or transferred, the Issuer will withdraw all funds held under this certificate and make payment to the beneficiary in one sum in accordance with the Issuer's then current practices. If the Member dies and had named his or her Spouse or Common-law Partner as beneficiary, the Spouse or Common-law Partner may transfer the funds into another registered retirement savings plan, purchase an annuity, elect a lump sum payment, or transfer the funds to a registered retirement income fund in accordance with the Applicable Legislation. The beneficiary designated by the Member under this certificate will also serve as the beneficiary designation under any alternate retirement savings plan issued to the Member by the Issuer to replace this certificate upon the termination of the group policy or the Member's eligibility to participate under the group policy, until and unless the Member alters or revokes such beneficiary appointment.

Section 13. Registration under the Income Tax Act

The Issuer will apply to register the Plan as a retirement savings plan under the Income Tax Act and any similar provincial legislation. The Issuer has the right to amend, at any time and without notice, the terms of this certificate as the Issuer considers necessary so that the Plan will continue to qualify for registration.

All rights of a Member are subject to the requirements of the Income Tax Act, any similar provincial legislation and, if locked-in funds are held under this certificate, to the requirements of the relevant provincial or federal pension legislation.

No advantage that is conditional on the existence of the Plan or this certificate, other than which is specifically permitted under paragraph 146(2)(c.4), or any successor provision, of the Income Tax Act, may be extended to a Member or contributor under this certificate.

Section 14. Locked-in Pension Funds

If locked-in pension funds are transferred to the Plan, such funds will be governed by the provisions of the Locked-in Endorsement. To the extent of any inconsistency between the endorsement and this certificate, the Locked-in Endorsement will override the terms of this certificate.

Section 15. Taxes

All fees and charges payable in connection with the operation of the Plan or any services performed by the Issuer are net of any applicable taxes and any such taxes will be payable or recoverable in the same manner as the fees and charges to which they relate.

Section 16. General Provisions

Any notice to the Issuer must be in writing or such other form as may be agreed upon between the Issuer and the Plan Sponsor. Such notice will be effective when received at the Head Office of the Issuer.

Any notice to the Plan Members will be in writing and will be effective on the date it is delivered to the Plan Sponsor if delivered, or if it is mailed, on the date it is received by the Plan Sponsor. Notice to the Plan Sponsor will be considered notice to each Member.

The Issuer may amend the terms and conditions of the certificate issued to Members upon 60 days notice to the Plan Sponsor, unless otherwise specified. Continuation in the Plan after the effective date of such amendment will constitute acceptance of such amended terms.

If the Issuer agrees to amend or waive any provision of this certificate the amendment or waiver is effective only if it is in writing and signed on behalf of the Issuer by an authorized officer of the Issuer.

This certificate and the Member's rights and benefits under this certificate are not assignable, except to the extent permitted under the Income Tax Act and any similar provincial legislation upon marriage breakdown.

All payments to or by the Issuer will be in legal Canadian currency.

The Issuer may delegate some or all administrative functions to an agent. Notwithstanding any delegation to an agent, the ultimate responsibility for administering the Plan in accordance with the Plan's terms lies with the Issuer.

The Plan is subject to the Applicable Legislation. To the extent of any inconsistency between the Plan and the Applicable Legislation, the Applicable Legislation will override the terms of the Plan.



Chairman



President

