

**ARBOR MEMORIAL SERVICES INC.
2 Jane Street
Toronto, Ontario
M6S 4W8**

**ANNUAL INFORMATION FORM
for the 53 weeks ended October 31, 2010**

Dated: January 18, 2011

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ANNUAL INFORMATION FORM 2010

INTRODUCTION

General

In this Annual Information Form, unless the context otherwise requires, “Arbor” or the “Company” refers to Arbor Memorial Services Inc., its subsidiaries and divisions and their respective predecessors. Unless otherwise indicated, references to “dollars” and “\$” are to Canadian dollars. Unless otherwise indicated, the information contained herein is given as at October 31, 2010. References to “fiscal 2010” and “fiscal 2009” refer to Arbor’s fiscal years ended October 31, 2010 and October 25, 2009, respectively.

Forward-Looking Statements

Certain statements contained in this Annual Information Form, including but not limited to, information regarding the status and progress of the Company’s operating and capital activities, the plans and objectives of the Company and assumptions regarding the Company’s future performance are forward-looking statements. Forward-looking statements may include words such as “plans”, “believes”, “may”, “should”, “estimates”, “continues”, “indicates”, “suggests”, “anticipates”, “intends”, “expects” and similar expressions. These forward-looking statements are based on current expectations and various factors and assumptions. Accordingly, these forward-looking statements are subject to certain risks and uncertainties. The Company cautions readers not to place undue reliance on forward-looking statements as the Company’s actual results may differ materially from its expectations if known and unknown risks or uncertainties affect its business, or if its estimates or assumptions prove inaccurate. Risks and uncertainties that could cause or contribute to such differences include, but are not limited to, those discussed in this Annual Information Form under “Description of the Business – Risk Factors” at page 18 and those discussed in the Company’s 2010 Annual Report and particularly under “Management’s Discussion and Analysis – Risks, Events and Uncertainties”. The material factors and assumptions that were applied in making the forward-looking statements in this Annual Information Form include, but are not limited to: reliance on third-party reports from government bodies and industry associations, the use of economic forecasts prepared by various financial institutions, historical experience and financial reporting of competitors and suppliers. The Company cannot provide any assurance that forward-looking statements will materialize. The Company assumes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by applicable law. Unless otherwise indicated, forward-looking statements in this Annual Information Form describe the Company’s expectations as of January 18, 2011.

CORPORATE STRUCTURE

Name, Address and Incorporation

Arbor Memorial Services Inc. is an Ontario corporation subject to the provisions of the *Business Corporations Act* (Ontario). On March 14, 1994, the Company filed articles of amendment to change its name to “Arbor Memorial Services Inc.” and to delete the provisions contained in the Company’s articles entitling the holders of Class B Non-Voting Shares to receive a minimum

preferential payment of \$0.10 per share on the liquidation or dissolution of the Company. On March 15, 1994, the Company filed articles of amendment to effectively restate its articles of amalgamation dated November 1, 1978. A copy of the Company's articles of amendment and By-law A relating generally to the transaction of the business and affairs of the Company are available on SEDAR at www.sedar.com.

Arbor's head office and registered office is located at 2 Jane Street, Toronto, Ontario M6S 4W8. The telephone number for the Company at its head office is (416) 763-4531 and the fax number is (416) 763-3989.

Intercorporate Relationships

Most of Arbor's operations are carried on through its subsidiaries. The following table lists Arbor's subsidiary companies as at October 31, 2010. The table also shows the respective jurisdictions of incorporation of such companies. Arbor owns, directly or indirectly, all of the issued and outstanding shares of each listed subsidiary.

	<u>Jurisdiction of Incorporation</u>
(a) Companies wholly owned by Arbor Memorial Services Inc.:	
Arbor Jane Property Ltd.	Ontario
Arbor Memorial Services, Inc. (inactive)	Delaware
Lakeview Memorial Gardens (non-profit company - no share capital)	Quebec
Memorial Gardens Canada Limited	Canada
Trillium Funeral Service Corporation	Ontario
1053396 Ontario Limited (land holding company)	Ontario
(b) Companies wholly owned by Memorial Gardens Canada Limited:	
Rideau Memorial Gardens Limited	Quebec
Memorial Gardens (Oakville) Limited (land holding company)	Ontario
(c) Companies wholly owned by Trillium Funeral Service Corporation:	
Remembrance Services Inc.	Ontario

Funeral and cemetery operations are carried on through Memorial Gardens Canada Limited, except (i) in Ontario and two branches in Alberta, where funeral operations are carried on through Trillium Funeral Service Corporation and its subsidiary; and (ii) in Quebec, where certain of the Quebec cemeteries' operations are carried on through Lakeview Memorial Gardens and Rideau Memorial Gardens Limited.

Arbor Jane Property Ltd. owns an office building located at the intersection of Bloor Street West and Jane Street in Toronto, Ontario. Approximately 65% of this building was occupied by Arbor as its head office at October 31, 2010. The remainder of the building is held for lease as office or retail space and the current occupancy rate is 100%.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following may contain forward-looking statements. Reference should be made to “Forward-Looking Statements” on page 1 and for a description of material factors that could cause the Company’s actual results to differ materially from its forward-looking statements, please see “Description of the Business – Risk Factors” at page 18.

The Company is engaged in providing interment rights, cremations and funerals, together with associated merchandise and services, in eight provinces across Canada. Interment rights are sold for traditional ground burial, cremation ground burial, mausolea, columbaria and other cremation products including benches and pedestals. Associated merchandise and services include, but are not limited to, bronze memorials, upright monuments, caskets, burial vaults, cremation urns, candles, vases, interment services and cremation services. The Company offers a complete range of options for personalized memorialization and prides itself on providing the best quality products and services to its customers.

Funeral homes provide a range of services that includes preparation of the deceased, registration of death, the use of funeral home facilities for visitation, memorial services, funeral receptions and catering, transportation services, cremations and the sale of caskets, urns, flowers and other related merchandise and services. Most Arbor funeral homes have comfortable reception lounges with fully equipped kitchens and extensive seating. In the last three years, the Company has been able to increase its average sale per funeral service by providing customers with value-added merchandise and services such as receptions including the provision of food and alcohol (where licensed), flowers, custom printing and ancillary merchandise.

The acceptance of cremation as an alternative to traditional burial in Canada continues to grow. In 2010, the Cremation Association of North America (“CANA”) reported that the number of cremations in 2004 represented 54% of total Canadian deaths and that this percentage grew to 68% in 2009. The CANA projections that were provided for nine of the provinces also indicated that the percentages for eight of these nine provinces would grow to between 54% and 83% by 2015.

The increase (decrease) in year over year cremations, interments and existing home funeral services performed by Arbor, as well as the increase in the average sale per funeral service and cremation as a percentage of funeral services were as follows over the last three fiscal years.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Average</u>
Cremations	1.4%	(3.4%)	3.2%	0.4%
Interments	1.3%	1.0%	0.3%	0.9%
Existing home funeral services	0.9%	(0.1%)	0.6%	0.5%
Average sale per funeral service	2.9%	3.6%	1.4%	2.6%
Cremation % of funeral services	63%	61%	61%	62%

While cremation was originally seen as a less costly alternative to burial, it is increasingly accompanied by funeral services and memorialization, as well as value-added merchandise and services, which offsets the potential revenue decline.

Due to the trend towards cremation, the Company continues to develop cremation gardens in a number of its cemeteries. These gardens are landscaped with flowers, trees, shrubs, walkways, waterfalls and ponds and provide the Company's customers with alternatives for burial, memorialization or scattering, and can be accompanied by various other memorial products such as benches, pedestals, rocks, trees and memorial walls. Memorial product contracts written have increased annually on average by 17% from fiscal 2008 to fiscal 2010 and increased in fiscal 2010 over fiscal 2009 by 25%. The average selling price of memorial products is higher than traditional burial lots by 28.5%.

The average revenue per funeral service is increasing due to the addition of value added merchandise and services, as well as price increases. In 2010, revenue generated from value-added merchandise and services in the funeral segment increased by 18%, and this increase was mainly attributed to flower sales. Revenue generated from these products and services increased by 17% in fiscal 2009 and 10% in fiscal 2008. Comparatively, total funeral sales increased by 4.5%, 4.1% and 2.7% for the fiscal periods 2010, 2009 and 2008, respectively.

The implementation of a harmonized sales tax ("HST") in Ontario and British Columbia on July 1, 2010 caused many customers to make their pre-need funeral and cemetery arrangements in advance of the transition date. This had a significant impact on cemetery contracts written, pre-need burial space sales, funeral contracts written and funeral annuity fees. Fiscal 2010 also included an extra week compared to 2009 and 2008. In comparisons of sales, cost of sales, commissions, employee costs and certain other expenses, the extra week contributed approximately 2.0 percentage points to any increase from 2009 to 2010.

Sales and contracts written by business segment were as follows over the last three fiscal years (in \$000):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cemetery sales	131,831	106,599	102,683
Funeral sales	124,349	118,991	114,344
Cemetery contracts written	158,071	123,156	117,796
Pre-need funeral contracts written	98,419	58,261	54,852

The Company sells its pre-need funeral arrangements and either deposits the funds in trust or sets aside the funds under a group annuity insurance policy under which the customer is the policyholder. Over the last 3 years, the Company has been selling more pre-need funeral arrangements financed under the group annuity program. From fiscal 2009 to fiscal 2010, pre-need funeral sales funded under the group annuity program grew from \$37.2 million to \$70.5 million, an increase of 89% (increase 2008 to 2009 – \$3.1 million or 9% and 2007 to 2008 – \$2.7 million or 9%). Comparatively, sales of pre-need funeral sales arranged under the trust program increased over fiscal 2009 by \$6.9 million or 33% (increase 2008 to 2009 – \$0.3 million or 1% and decrease 2007 to 2008 – \$3.0 million or 13%). The increase in pre-need contracts written in fiscal 2010 over fiscal 2009 was significantly affected by the implementation of the HST in 2010. The increase in annuity sales and an increase in the payout percentage, translated to higher annuity fees received under the program. Annuity fees increased in fiscal 2010 over fiscal 2009 by 123%. The comparative growth for fiscal 2009 over fiscal 2008 was 10% and for fiscal 2008 over 2007 was 15.4%. Near the end of fiscal 2007, the Company began to fund certain pre-need cemetery merchandise sales under the group annuity program. Total group annuity sales in the cemetery division were less than \$0.1 million in fiscal 2010

(2009 – \$0.1 million).

Investment returns on pre-need and cemetery care funds have remained relatively consistent despite the decrease in returns in the market in the last few years due to the longer-term maturities in the investment portfolio. Investment returns on the cemetery care funds as well as the cemetery and funeral trust funds over the last three fiscal years, including referral fees retained by the Company in the case of pre-need trust funds, were as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cemetery care funds	5.0%	5.0%	5.0%
Funeral trust funds	4.3%	4.3%	4.3%
Cemetery trust funds	4.2%	4.3%	4.2%

According to Statistics Canada:

- the percentage increase in the number of deaths in Canada over the three years ended June 30, 2010 was as follows:

2008	1.7%
2009	1.8%
2010	2.2%
- historical data, such as the median age of the population, indicates that the nation's population is aging;
- between 2010 and 2016, the population aged 80 and over is expected to increase by 2.7% annually and is expected to increase by an additional 5.8% annually from 2016 to 2036; and
- between 2010 and 2016, the population aged 65 to 79 is expected to increase by 4.4% annually and is expected to increase by an additional 3.0% annually from 2016 to 2036.

In 2002, the results of the Bereavement Sector Advisory Committee ("BSAC"), which was formed by what is now known as the Ministry of Consumer Services (Ontario) were presented to the Ontario legislature as Bill 209 and subsequently received Royal Assent. The legislation provides increased consumer protection, promotes a level playing field between participants and suggests options for a single regulatory regime. The legislation also sets out rules for how "combinations" (funeral homes located on cemetery properties) will be permitted. Currently, Ontario is only one of two Canadian provinces that do not allow a funeral home to be located on the site of a cemetery. When the Ontario Government proclaims the legislation in force, the Company will further enhance its ability to serve its customers, since 21 of the Company's 41 cemeteries are located in that province. During the third quarter of 2009, the Ontario Ministry of Consumer Services released revised draft regulations pertaining to the Funeral, Burial and Cremation Services Act, 2002 (formerly Bill 209), to be reviewed for comment. The Company has been informed that the regulations are in their final stages of development and Ministry officials have signalled their intent to proclaim the legislation in fiscal 2011. The Company anticipates that full implementation of the regulations will occur within twelve months of proclamation and does not anticipate that the cost of compliance will be significant.

The Company is committed to revenue growth through internal development and financially attractive, strategic acquisitions and has an on-going corporate development program. A New Initiatives Committee was formed early in 2010 by management with the mandate of assessing markets in Canada that meet the Company's criteria for expansion. The Company's present priorities for future investment are:

- to establish funeral homes and reception centres within its cemeteries or stand-alone funeral homes in communities where there is market and financial justification and where the operation will achieve the goal of complete service to customers;
- to acquire existing funeral and cemetery operations;
- to acquire property to expand existing cemeteries or develop new cemeteries;
- to continue to develop new products and services that meet the unique needs of the many ethnic and religious groups the Company serves; and
- to establish or expand facilities, products and services to meet the needs of the growing cremation market.

In 2010, the Company completed construction of a reception centre in Ottawa, Ontario and acquired land and building adjacent to an existing branch operation for \$1.1 million. The Company also commenced construction of a new reception centre in Toronto, Ontario early in 2010, which is expected to be completed in the first quarter of fiscal 2011.

In 2009, the Company completed construction of a reception centre in Brampton, Ontario. In addition, the Company purchased the land and building of an existing funeral branch operation, which were previously leased, for \$1.0 million and acquired adjacent land and building to expand an existing funeral branch operation for \$0.5 million in 2009.

In fiscal 2008, the Company acquired a transfer service business in Kingston, Ontario and completed the construction of a new reception centre in Windsor, Ontario that services both the Victoria Memorial Gardens Cemetery and Greenlawn Memorial Gardens Cemetery.

The Company regularly monitors the financial performance of each of its branch operations and based on the branches' performance and other market factors, may dispose of certain of its branch operations. In fiscal 2009, the Company disposed of six funeral homes in Allardville, Lameque, Neguac, Shippagan and Tracadie, New Brunswick and St. Catharines, Ontario. In fiscal 2008, the Company disposed of three funeral homes in Glace Bay and New Waterford, Nova Scotia and Rothesay, New Brunswick.

The Company also monitors its cemetery land holdings to identify surplus parcels that can be sold and to identify branch locations that require additional land. Over the last three fiscal years, the activity in this regard included sales in fiscal 2009 of a parcel of undeveloped land for net cash proceeds of \$2.2 million and a small parcel of land for \$0.1 million.

DESCRIPTION OF THE BUSINESS

General

Arbor is the successor to a business formed in 1947 in Canada to establish a national system of park-like cemeteries with memorials set flush to the ground and to develop the pre-need concept, which enables consumers to make their cemetery arrangements in advance, avoiding additional emotional and financial stress during a time of bereavement. Sales were initially comprised of only interment rights for ground burials. Over the years, other related products such as bronze memorials, upright monuments, vases, candles, pictures, vaults, cremation services and interment services were made available. Mausolea and columbaria were introduced to satisfy public demand for alternatives to ground burials. In the late 1970s, Arbor commenced the construction of crematoria at several cemetery locations to address the public's

growing preference for cremation. The Company currently operates 26 crematoria. All Arbor cemeteries and funeral homes are non-denominational. Arbor has created special gardens, features and services to respectfully appeal to the traditions of many ethnic and religious groups in Canada.

One of the Company's key goals is to provide consumers with a complete selection of cemetery and funeral products and services, ideally in one location. Consistent with this goal, Arbor began to provide funeral products and services and commenced sales of pre-need funeral arrangements in the 1980s. A substantial increase by Arbor in the rate of acquisition and construction of funeral homes occurred from the middle of the 1980s to the late 1990s. In addition, Arbor continues to construct funeral homes and reception centres on cemetery sites where financially viable.

In 1983, Arbor built its first funeral home on a cemetery property at Chapel Lawn Memorial Gardens in Winnipeg, Manitoba. In total, the Company has built 13 funeral homes and six reception centres on cemetery properties and has established this practice as one of its strategic priorities. Based on fiscal 2009 data, Arbor is the largest combined funeral home, cemetery and crematoria operator in Canada in terms of consolidated revenues from Canadian operations. As of October 31, 2010, it wholly owned 41 cemeteries, 26 crematoria, six reception centres and 82 funeral homes. Arbor operates in all but two provinces of Canada, which are Prince Edward Island and Newfoundland. Of the Company's total cemeteries, crematoria, reception centres and funeral homes, 53% are located in Ontario.

The following table shows the number of the Company's operating facilities at the end of the years indicated:

	<u>2010</u> ⁽¹⁾	<u>2009</u>	<u>2008</u>
Cemeteries	41	41	41
Crematoria	26	26	26
Reception centres	6	5	4
Funeral homes	82	82	88

⁽¹⁾ The Company's operating locations as at October 31, 2010 are listed in Appendix "B".

In fiscal 2010, Arbor performed 18,353 (2009 – 18,113) cemetery interment services, 14,586 (2009 – 14,380) cremation services and 21,708 (2009 – 21,567) funeral services (including those performed at discontinued operations).

Principal Products and Services

Arbor's cemeteries and crematoria offer a variety of services and products that include interment rights, bronze memorials, upright monuments, vaults, urns, interment services and cremation services. Funeral homes provide a range of services that include preparation of the deceased, registration of death, the use of funeral home facilities for visitation, memorial services and funeral receptions, and the sale of caskets, urns, flowers, catering and related merchandise.

Products and services may be sold at the time of death ("at-need sales") or may be pre-arranged in advance of need ("pre-need sales"). Commissioned, licensed sales staff at the cemeteries arrange at-need and pre-need cemetery sales. Commissioned cemetery sales staff also arrange pre-need funeral sales across Canada, excluding Ontario and New Brunswick. At

October 31, 2010, the Company had 482 commissioned cemetery sales staff. A group of 25 licensed funeral directors arrange pre-need funeral sales in Ontario, New Brunswick and Quebec. Licensed funeral directors at the individual funeral homes arrange at-need funeral sales.

Cemetery gardens, mausolea and columbaria are developed for the sale of interment rights and are generally developed in advance of the time that pre-need contracts are written. In the case of private crypt and niche and memorial product contracts, the burial space is normally not constructed at the time the contract is written since the burial space is constructed according to the customer's specifications. When this occurs, the sale is deferred and recognized when the burial space is developed in accordance with the Company's revenue recognition policies. Development of cemetery gardens involves zoning the land appropriately if required, filling and preparing raw land, landscaping and numbering of the burial lots. Development of interior mausolea and columbaria involves planning and design, obtaining municipal and provincial permits (as applicable), development of the land and construction of the structure. Development of exterior columbaria and mausolea is a much simpler process and sometimes solely involves placing a pre-constructed structure on previously developed land along with appropriate landscaping.

Cemetery interment and cremation services are performed by grounds staff utilizing appropriate, and in some instances specialized, equipment. Funeral services, including arrangement of the services, registration of the death, preparation of the deceased and direction of the services and receptions, must be provided by licensed funeral directors according to funeral regulation. The Company has not experienced difficulty in hiring appropriately licensed funeral staff.

Sources, Pricing and Availability of Raw Materials, Component Parts and Finished Products

Cemetery gardens: The most significant raw material used for the development of cemetery gardens is fill. Fill is used to create a finished appearance to the garden, to allow easier maintenance of the land and to allow appropriate depth for burial. Fill may be obtained from many different sources and must comply with the Company's documented standards for suitable materials. Quality fill can be difficult to locate at the time of development and price is commensurate with market supply and demand.

Mausolea and columbaria: The significant raw materials used for the development of mausolea and columbaria are concrete, steel, granite and marble. All of these materials are readily available but their pricing is subject to market supply and demand. The most significant finished product used in the construction of mausolea and columbaria are the crypt and niche units. There are few sources for crypt and niche units. The main raw material used in the construction of crypt and niche units is generally concrete. However, the Company has explored the use of aluminum and granite niche units. The construction cost of mausolea and columbaria in recent years has increased modestly. Labour costs in some markets throughout fiscal 2009 to 2010 were lower than recent years due to an improvement in contractor availability, which offered a more competitive forum. Price increases for marble have been relatively stable over the years.

Bronze memorials: There are few national providers of bronze memorials for cemetery purposes in Canada. The Company has been purchasing almost all of its bronze memorials from one supplier for many years, mainly due to their storage program for memorials sold on a pre-need basis. This supplier stores pre-need bronze memorials for ground burial at their facility in Arkansas in the United States, once purchased and inscribed, until the time of death.

The cost of bronze memorials is subject to market supply and demand for copper, the main raw material used in the production of bronze memorials. For a few years prior to 2007, the Company's bronze memorial supplier had been including a copper surcharge in its pricing to the Company. This increase in cost had been passed on to the customer where possible with little or no mark-up. In 2007, the copper surcharge was incorporated into the base price of bronze memorials. Recently, analysts have reported that copper prices are expected to rise, which could cause an increase in the cost of memorial products. During fiscal 2009, the Company introduced a second supplier of bronze memorials that supplies approximately 30% of the product for at-need contracts, and primarily services cemetery branches located in Western Canada, South-Western Ontario and Eastern Canada. In addition, the Company introduced a new crypt memorial in its most recently constructed mausoleum. The memorial consists of a granite panel etched with names, dates and emblems surrounded by a bronze frame.

Granite bases for bronze memorials: There are five to six national suppliers of granite bases in Canada. The Company purchases most of its granite bases from two suppliers. Granite bases sold on a pre-need basis are purchased on behalf of the Company's customers after the customer has completed payment for the granite. Once purchased, pre-need granite bases obtained from one of the Company's suppliers are stored at that supplier's location in Manitoba. Pre-need granite bases obtained from other suppliers are stored at the cemeteries. Granite base pricing is subject to market factors, including the Canada/United States exchange rate in the case of the supplier that provides storage facilities. However, the Company has not experienced any significant changes in granite base pricing.

Upright monuments: Upright monuments are constructed of granite. There are many local suppliers of upright monuments across Canada. However, there may be only a few suppliers in any given market that can provide quality inscription services. The Company purchases most of its monuments from six suppliers and purchases most of its monuments for cemeteries in Ontario from one supplier located in Toronto, Ontario. The Company has not experienced any significant changes in upright monument pricing.

Cremation urns: There are many suppliers of cremation urns across Canada and many different types of urns. The Company sells primarily bronze and marble urns and purchases most of its urns from its primary casket supplier and a bronze foundry in Quebec. Other than a copper surcharge on the bronze urns in the two years prior to 2007 due to market factors, the Company has not experienced significant changes in cremation urn pricing. Recently, analysts have reported that copper prices are expected to rise, which could cause an increase in the cost of memorial products.

Candles and vases: Candles and vases are made of bronze and are affixed to bronze memorials sold for the memorialization of crypts, niches and lots. There are only two national suppliers of candles and vases. The Company has not experienced significant changes in the pricing of these products.

Caskets: There are only two national suppliers of caskets in Canada. The Company negotiates contracts with these suppliers that outline pricing and other terms and conditions. The Company has not experienced significant changes in the pricing of caskets. The Company is contractually committed to funeral inventory purchases of \$39.1 million during the period from February 1, 2008 to January 31, 2013 from its primary supplier. From February 1, 2008 to October 31, 2010, the Company had purchased \$24.3 million under this commitment.

Burial vaults: The Company sources burial vaults from local suppliers and there are generally one to two suppliers in each market. The Company's burial vaults are constructed of concrete and as such, the pricing is subject to market factors. The Company experienced significant price increases in burial vaults in Western Canada during fiscal 2010. Cost increases have been passed on to the customer where possible.

Intangible Properties

Each of the Company's locations has its own trade name. Trade names are particularly important to maintaining relationships with the community and families that the funeral homes and cemeteries have previously served. Where the Company has acquired a funeral home, it has mostly maintained the trade name of the previous owner. In addition, the "Arbor" logo and consistent signage is used at all locations.

In the purchase price allocation relating to an acquisition of seven funeral homes in the Ottawa area in 2006, the Company recognized a future benefit related to the value of the trade name. The value of the trade name acquired was calculated using the Capitalized Royalty Income Method, whereby the trade name was valued by reference to the amount of royalty income it could generate if it was licensed, in an arm's-length transaction, to a third party. The value of the trade name is not subject to amortization as the trade name has an indefinite life. The value of the trade name was \$1.1 million at the end of 2010 and 2009.

In 2010, the Company continued development of a new computer system called "The Arranger" for cemetery and funeral operations. The total cost of the project to the end of fiscal 2010 was \$2.8 million. The Arranger will assist sales counsellors in their at-need and pre-need cemetery and pre-need funeral sales efforts and will ultimately link into FOCUS, the Company's existing computer system for cemetery and funeral operations. FOCUS integrates all of the Company's operating systems and ensures that the Company is able to track and account for its pre-need revenue and costs and regulatory obligations.

Revenue from Principal Products and Services

A breakdown of revenue for the latest two fiscal years is provided below (in \$millions):

	2010		2009	
	\$	%	\$	%
Cemeteries and crematoria	131.8	46.8%	106.6	43.6%
Funeral homes	124.4	44.1%	119.0	48.6%
Investment and other income	25.6	9.1%	19.1	7.8%
	281.8	100.0%	244.7	100.0%

Sales generated by Arbor result from sales to numerous consumers, including groups, and no one consumer or group accounts for a significant percentage thereof. In addition, sales from no one operating location contributed more than 10% of Arbor's total revenues.

Competitive Conditions in the Principal Markets and Geographic Areas

Cemetery Operations:

In Canada, cemetery operations are owned by a large number of religious organizations, municipal governments and other “not-for-profit” organizations in addition to commercial owners. One large multi-national firm owns a small number of cemeteries in Canada; however, its presence in the cemetery business is significantly less than in the funeral business. In addition, the Company competes with monument dealers and other providers of cemetery products and services in certain of its markets. The Company’s cemeteries range in size from 17 acres to over 200 acres. The Company estimates that its interments represented 7.2% of total Canadian deaths for the period from July 1, 2009 to June 30, 2010 (July 1, 2008 to June 30, 2009 – 7.5%).

Only a small number of organizations have developed large modern cemeteries and even fewer provide a full range of services due to the significant barriers to entry. Specifically, entry into the cemetery industry can be very difficult due to:

- complex cemetery regulations that vary by province;
- zoning restrictions;
- the significant up-front capital investment required;
- land for new cemetery development being difficult to locate at a reasonable cost, particularly in metropolitan areas;
- the length of time and cost of changing land zoning and receiving approvals and permits; and
- the desire for families to return to the same cemetery for generations.

Arbor competes in the cemetery segment by presenting well-maintained premises, a wide variety of burial space selection and, where financially viable, a complete selection of cemetery and funeral products and services. In addition, the Company strives to provide products and services that appeal to the different cultural backgrounds of its customers. There is active competition in every major community in which Arbor operates cemeteries.

Funeral Operations:

Although Arbor competes with one large multi-national company that operates funeral homes in Canada, small independently owned firms, controlling one or two funeral homes, account for the largest number of funeral home operators in Canada. The Company also competes with casket stores, discount funeral providers and other providers of funeral products and services in certain of its markets. The Company estimates that it performed approximately 8.6% of all funeral services provided in Canada for the period from July 1, 2009 to June 30, 2010 (July 1, 2008 to June 30, 2009 – 8.9%).

Barriers to entry in the funeral industry are moderate to high and include:

- complex funeral regulations that vary by province;
- the importance of an established reputation in competing for market share;
- zoning restrictions;
- the significant up-front capital investment required for larger funeral homes in major markets; and
- land for new funeral developments being difficult to locate at a reasonable cost, particularly in metropolitan areas.

Throughout most of the 1980s and 1990s, the Company and its competitors engaged in the acquisition of independently owned firms. However, this trend slowed in 1999 when the Company and its competitors applied lower valuation criteria and many potential sellers withdrew their businesses from the market rather than pursuing transactions at lower prices. Until its acquisition of seven funeral homes in fiscal 2006, the Company had not made a funeral home acquisition since 1999. In 2008, the Company acquired a funeral transfer business that was amalgamated with an existing funeral home.

Arbor competes in the funeral segment by providing unique, personalized funeral services and by offering well-maintained, modern and attractive facilities that cater to its customers' requirements.

Industry Trends:

The following may contain forward-looking statements. Reference should be made to "Forward-Looking Statements" on page 1 and for a description of material factors that could cause the Company's actual results to differ materially from its forward-looking statements, please see "Description of the Business – Risk Factors" at page 18.

Establishment of new cemeteries: The establishment of individual cemeteries by religious organizations, municipal governments and other "not-for-profit" organizations continues to decline. Many existing religious cemeteries are nearing full capacity and few religious organizations have the funds to acquire new cemetery land and develop new facilities. Additionally, the interest of municipal governments in fulfilling the requirement for cemetery facilities has been declining.

Cremation: The acceptance of cremation as an alternative to traditional burial in Canada and internationally continues to grow. In 2010, the Cremation Association of North America ("CANA") reported, on a preliminary basis, that the number of cremations in 2004 represented 54% of total Canadian deaths and that this percentage grew to 68% in 2009. The CANA projections that were provided for nine of the provinces also indicated that the percentages for eight of these nine provinces would grow to between 54% and 85% by 2015.

While cremation was originally seen as a less costly alternative to traditional burial, it is increasingly accompanied by traditional funeral services and memorialization. Cremation also provides the Company with an opportunity to better serve its families by offering unique products and services. Arbor has been developing cremation gardens in a number of its cemeteries. These gardens are landscaped with flowers, trees, shrubs, walkways, waterfalls and ponds and provide the Company's customers with alternatives for burial or scattering, and can be accompanied by various other memorial products such as benches, pedestals, rocks, trees and memorial walls.

The number of deaths registered by cremation transfer services: The Ontario Board of Funeral Services reported that the number of deaths registered by transfer services increased by 17% in 2009 over 2008 and the cumulative average growth rate from 2005 to 2009 was 9%. The Company's market share of transfer services is lower than its overall share. Therefore, the Company believes that the increase in these types of services is at least partially responsible for the slight reduction in its market share for the year ended June 30, 2010.

Need for products and services: There is an inevitable need for the products and services the industry offers. In June 2010, Statistics Canada indicated that the number of seniors aged 65 and older is expected to grow by 115.2% over the 26-year period from 2010 to 2036.

Products and service offerings for pets: Funeral and cemetery customers are requesting, and cemetery and funeral operators are providing, products, services, cremations and interment options to memorialize and commemorate pets.

Ethnic product and service competitors: Due to the growth in visible minorities in Canada, the business generated by monument dealers and funeral homes that cater to specific visible minorities and other ethnicities is growing. In 2006, Canada had 5.3 million persons or 16.3% of the population belonging to a visible minority group. According to Statistics Canada Demography Division and under their medium-growth scenario, this segment of the population is expected to more than double over the next 25 years. In 2031, one in every three Canadians is expected to belong to a visible minority group.

Pre-need funeral contracts funded by third-party insurers under group annuity programs are increasing: Pre-need funeral contracts are increasingly being funded by third-party insurers under group annuity programs. The Company's pre-need funeral contracts funded in 2010 under the annuity program represented 71.6% of total pre-need funeral contracts written in the year (2009 – 63.9%; 2008 – 62.2%).

The sale of environmentally friendly products and services: Cemeteries and funeral homes in the North American market are increasingly offering environmentally friendly products and services such as biodegradable caskets and cremation containers that have no metal, plastic or chemical finishes, embalming fluids that are plant-based, topical washing and shrouding rather than embalming and burial lots that meet strict environmental guidelines.

Alternatives to cremation are being explored: Funeral homes and cemeteries in Europe and the United States are exploring alternatives to cremation such as promession and resomation. Promession is an ecological form of burial whereby the body is frozen in liquid nitrogen and turned into an organic powder. Resomation is a water/alkali based process with environmental benefits, which uses the same chemistry as natural decomposition but is much quicker.

Establishment of reception centres on cemetery property: Due to pending legislative change, more cemeteries in Ontario are constructing reception facilities on site.

Seasonality

While the death care industry is fairly stable and predictable, the Company's at-need business and pre-need deliveries of some merchandise and services can be affected by seasonal fluctuations in the death rate. Death rates are generally higher in the winter months. The Company's pre-need cemetery sales of burial spaces can also have seasonal fluctuations, whereby sales are generally lower in the winter and summer months.

Employees

As at October 31, 2010, the Company employed 2,473 people, including 903 part-time employees. A total of 73 employees at eight of the Company's locations are unionized and there are six collective agreements. The collective agreements expire as follows: three in 2010, one in 2011, one in 2012 and one in 2014.

Environmental and Human Rights Policies

The Company has an environmental policy (the “Environmental Policy”) that outlines the Company’s commitment to protection, preservation and enhancement of the natural environment. The Environmental Policy was updated in 2010 and outlines the Company’s commitment to adopt best practices and initiatives implemented within its industry and employed by leading businesses as follows:

- maintain compliance with all environmental laws and regulations to which the Company and its businesses are subject, monitor new developments and be involved in shaping new legislation ;
- having an Environmental Committee of the board of directors of the Company; and
- ensuring employees are familiar with the regulations concerning the environment and the Environmental Policy.

In addition, the Company is a member of CANA and provincial cemetery and funeral associations to ensure the Company is aware of the latest technology, industry trends and relevant legislation. The Environmental Policy was distributed to all employees upon implementation and is maintained in the Environmental Program Manual (the “Manual”). The Manual has been distributed to all Property Management employees and contains detailed policies and procedures for potential environmental liabilities including waste, chemicals, water, land and air.

The Company has a Code of Business Ethics and Conduct that applies to its directors, officers and employees. The Code of Business Ethics and Conduct is available on SEDAR at www.sedar.com. The Code of Business Ethics and Conduct has been distributed to all employees, is provided to all new employees in their New Hire Orientation kit and a copy is maintained in the Human Resources Policy Manual. The Code of Business Ethics and Conduct references other human rights policies including the:

- Alcohol and Drug Policy (distributed to all employees after initial development and located in the Company’s Human Resources Policy Manual);
- Social Gatherings Policy (distributed to all employees annually and located in the Company’s Human Resources Policy Manual);
- Respect in the Workplace Policy (distributed to all employees after initial development, located in the Company’s Human Resources Policy Manual and a Respect in the Workplace Policy – Prevention of Workplace Violence and Harassment brochure is provided to all new employees in the New Hire Orientation kit);
- Wrongful Conduct Reporting Policy (distributed to all employees after initial development, provided to all new employees in their New Hire Orientation kit and located in the Company’s Human Resources Policy Manual); and
- Whistle-Blower Policy (distributed to all employees after initial development and located in the Company’s Human Resources Policy Manual).

The Company has three other fundamental human rights policies: Prohibited Grounds of Discrimination Policy, Employee Personal Information Privacy Policy and Respect in the Workplace Policy. These policies were distributed to all employees after initial development and are located in the Company’s Human Resources Policy Manual.

Regulatory Environment

Cemetery and funeral operations of the Company are required to comply with municipal zoning and public health, as well as provincial and federal environmental, trust and consumer laws and regulations. In the Province of Ontario, cemeteries are regulated under the *Cemeteries Act* (Ontario) by the Cemeteries Regulation Section of the Ministry of Consumer Services (Ontario), and funeral services are regulated under the *Funeral Directors and Establishments Act* (Ontario) by the Board of Funeral Services. These two Acts provide the most stringent set of Canadian rules dealing with cemetery and funeral operations. The Company, along with the Ontario Association of Cemetery and Funeral Professionals and other industry stakeholders, has been active in the Bereavement Sector Advisory Committee, which was convened by the Ontario Ministry now known as the Ministry of Consumer Services (Ontario). See “General Development of the Business – Three Year History”.

Trust Funding

The major regulatory controls on funeral home and cemetery operations are the requirements of various provinces relating to the establishment of trust funds. The three types of trust funds that are required in order to comply with provincial laws are cemetery care funds, cemetery pre-need funds and funeral pre-need funds.

Cemetery Care Funds:

Arbor is required to place a certain percentage of sale proceeds from interment rights, and a certain portion of sales of bronze memorials and upright monuments, in irrevocable trusts in order to ensure income for the care and maintenance of its cemeteries. This practice has been legislated by most provinces. The level of care and maintenance funding for interment rights required by Arbor ranges by province and type of interment right from no funding requirements in Quebec and New Brunswick to 40% for burial lots in Ontario. In the provinces with no statutory funding requirements, the Company has elected to fund 5% of the sale proceeds from interment rights.

The book value of the investments in the care fund trusts of the Company at the end of fiscal 2010 was \$203.4 million (2009 – \$187.2 million), while the market value was approximately \$215.2 million (2009 – \$192.0 million). The book value of the bronze memorial and upright monument funds at the end of fiscal 2010 was \$2.3 million (2009 – \$2.1 million), while the market value was approximately \$2.4 million (2009 – \$2.2 million).

Cemetery Pre-Need Funds:

The Company is required to set aside with a corporate trustee a certain percentage of the receipts from pre-need cemetery merchandise and services sales. This percentage ranges from no funding requirement in Manitoba and New Brunswick to 100% in Ontario of the receipts from pre-need sales of products and services (excluding interment rights) and is set aside in trust in order to ensure the availability of funds to deliver the merchandise and services when they are required at the time of need. In the provinces with no statutory funding requirements, the Company has elected to fund 50% of the sales of merchandise and services until delivery. The pre-need funds and merchandise set-aside with trustees and suppliers are assets of the Company. The pre-need funds are included under “pre-need receivables and funds” on the balance sheet. The Company also undertakes a merchandise storage program for certain pre-need cemetery merchandise, whereby the merchandise is purchased after it has been fully paid

by the customer and stored for the customer, either at the Company's cemeteries or at third party facilities, until required for use. Once the merchandise has been purchased, the Company is allowed to withdraw the related funds from trust in accordance with provincial legislation. Stored merchandise, where the associated revenue has not been recorded, is recorded as an asset of the Company.

As at October 31, 2010, the Company had acquired and stored merchandise with a book value of approximately \$15.5 million (2009 – \$14.1 million) and had set aside or paid into trust approximately \$259.3 million (2009 – \$236.9 million) to meet future pre-need cemetery obligations. Investment income on the trust funds is distributed to the Company and/or to the customer in accordance with legislative requirements. In Ontario, for example, the income remains in trust until the time of delivery and any excess of the funds over the current selling price at the time of delivery must be refunded to the customer.

Funeral Pre-Need Funds:

The Company is required to set aside with a corporate trustee a certain percentage of the receipts from pre-need funeral sales. This percentage ranges from 80% in British Columbia to 100% in Ontario and New Brunswick. The pre-need funds are assets of Arbor and the funds are recorded under the balance sheet category "pre-need receivables and funds". As of October 31, 2010, the Company has set aside or paid into trust approximately \$210.8 million (2009 – \$203.9 million) for continuing operations to meet future pre-need funeral obligations. Investment income on the trust funds is distributed to the Company and/or customer in accordance with legislative requirements. In Ontario, for example, the income remains in trust until the time of delivery and any excess of the funds over the current selling price at the time of delivery must be refunded to the customer.

The Company also has agreements with various insurance companies whereby the funds collected from pre-need funeral and cemetery customers are set aside under group annuity policies administered by the insurance companies. The Company receives fees from one of the insurance companies on sales of pre-need contracts. As at the end of fiscal 2010, the Company had \$245.6 million (2009 – \$187.9 million) in pre-need funeral and cemetery contracts receivable from insurance companies for continuing operations. Of this amount, \$20.9 million (2009 – \$22.1 million) was recorded as an asset of the Company since the Company is the policyholder of the funds, while \$224.7 million (2009 – \$165.8 million) was excluded from the assets of the Company and disclosed in a note to the financial statements since the Company is not the policyholder of these funds. The accumulated benefit at October 31, 2010 of all such contracts sold by the Company's sales counsellors was \$218.6 million (2009 – \$160.5 million), while the portion sold by Assurant Life of Canada sales counsellors was \$6.1 million (2009 – \$5.3 million).

Trustees and Third-Party Insurers

The Company has trust agreements with TD Canada Trust Company and The Bank of Nova Scotia Trust Company. The capital of each fund in most cases may be invested only in securities qualified for investment by the applicable trustee acts and provincial cemetery and funeral acts, as well as the Statement of Investment Policies and Procedures approved by the Investment Committee of the Board of Directors of the Company. The Investment Committee monitors and approves the Company's investment strategy and ensures investments are directed in accordance with the trustee acts and provincial cemetery and funeral Acts. The Company receives fees from one of the trustees on the monthly balance of the pre-need

cemetery and funeral funds. Amounts on deposit in trust funds, excluding bonds and equities, are protected by the Canadian Deposit Insurance Corporation (“CDIC”) up to \$100,000 per depositor or per fund depending on whether the funds are invested by the investor or on a pooled basis. At October 31, 2010, the Company had \$7.4 million (2009 – \$22.6 million) of pooled funds that exceed \$100,000 and were not fully protected by CDIC.

The Company has third-party insurance agreements with Assurant Life of Canada, Forethought Life Insurance Company (of which the Canadian branch was acquired by Unity Life of Canada effective December 31, 2008) and BMO Life Assurance Company (acquired from AIG Life of Canada, effective April, 2009). However, since December 2001, the Company has only sold new pre-need contracts with Assurant Life of Canada. Amounts due from third party insurers are protected by Assuris up to \$200,000 per policyholder. Assuris is a not for profit organization that protects Canadian policyholders in the event that their life insurance company should fail. A life insurance company that is authorized to sell insurance policies in Canada is required, by the federal, provincial and territorial regulators, to become a member of Assuris.

Consumer Protection

In Ontario and certain other jurisdictions, the purchaser may cancel pre-need cemetery and funeral contracts at any time up to the provision of services and the delivery of merchandise. Upon cancellation, the Company may be required to repurchase unused interment rights and to pay the consumer the funds held in trust for undelivered supplies and services in the prescribed manner. Under the Funeral, Cremation and Burial Services Act, 2002 (formerly Bill 209) in Ontario, the Company would no longer be required to repurchase unused interment rights and customers would be allowed to re-sell interment rights on the open market. Consumers may also cancel pre-need cemetery and funeral contracts in the remaining jurisdictions, however, provincial cemetery or funeral law determines the amount of the refund owed to the customer, including, in certain situations, the amount of the attributed investment earnings.

In Ontario and certain other provinces, some of the Company’s prices for cemetery products and services, particularly interment rights and fees, are subject to regulatory approval. To date, this requirement has not had a significant impact on the Company’s operations or significantly affected its ability to adjust prices promptly to match changes in costs.

Environmental Protection

The Environmental Committee, which is made up of members of senior management and representatives from the cemetery and funeral divisions, continues to monitor changes in environmental standards and regulations. The Committee also reviews environmental issues with the Environmental Committee of the Board of Directors of the Company.

The Company engaged the services of a consultant in 2010 to review its Environmental Policy and programs. The consultant worked with the Environmental Committee to provide advice regarding environmental risks inherent at the Company’s properties across Canada.

The scope of this work included baseline assessments of five cemeteries and five funeral homes in Ontario, as well as phone interviews with approximately ten additional cemeteries and funeral homes across Canada, to identify the possibility of environmental risks. As a result, the Environmental Policy and programs were updated and an audit procedure was put in place for both the cemetery and the funeral divisions.

Several provinces, including Ontario and Quebec, have enacted and are enforcing pesticide by-laws that ban, or severely restrict, pesticide use in all areas, including cemeteries. Pesticide by-laws increase the cost of maintaining the Company's cemeteries and funeral home green spaces. However, the increase in cost has not been significant to date. The estimated annual incremental cost if all cemetery locations were subject to such by-laws is \$0.4 million.

Another possible regulatory change that could impact future results of operations is the potential requirement for additional equipment and operating costs to improve air emissions from crematoria. Environmental advocates are encouraging significantly higher emission standards. The Company estimates that the incremental investment in equipment and renovations and the increase in annual operating costs for all existing crematoria could be material. However, at this time, as defined by the National Pollutant Release Inventory, crematoria are classified as "other" and are not considered "large final emitters". As a result, it is unknown when or if a requirement for retrofitting the Company's existing equipment will occur in any jurisdiction. In addition, if these regulations were to be enacted, the Company would consider pricing and cost efficiency strategies that would minimize the impact on financial results, such as amalgamation and closure of certain of its facilities.

The Company also continues to monitor its compliance and programs with respect to other existing environmental standards and regulations as well as potential new standards and regulations across Canada and believes that costs will be incurred to comply with these regulations. However, the Company estimates that the one-time cost of compliance with known regulations will be approximately \$0.3 million and that the incremental annual cost of compliance will not be significant.

Risk Factors

The Company's operations and financial results are subject to various risks and uncertainties, which are outlined below and elsewhere in this Annual Information Form and in the Company's filings with securities regulatory authorities, including Management's Discussion and Analysis contained in the 2010 Annual Report.

Risks Related to the Company's Business:

Strategy: Our ability to execute our strategy is highly dependent upon our ability to:

- align divisions, functional departments, employee objectives and performance measures with the Company's overall objectives and strategy;
- respond to external trends; and
- successfully identify suitable acquisition candidates and negotiate acquisition transactions on favorable terms.

With respect to acquisitions, there is no assurance that we will be able to identify candidates that meet our criteria or that we will be able to reach terms with identified candidates for transactions that are acceptable to us. We intend to apply general business standards to evaluate acquisition candidates and there is no assurance that the Company will find attractive candidates that satisfy these standards.

Competition: In Canada, the funeral industry is characterized by a large number of locally-owned, independent operations. Cemetery operations are owned by a large number of religious, municipal government and other "not-for profit" organizations in addition to commercial

owners. To compete successfully, our funeral service locations and cemeteries must maintain good reputations and high professional standards in the industry, as well as offer attractive products, services and facilities at competitive prices. In addition, we must market our Company in such a manner as to distinguish us from our competitors.

The Company has historically experienced price competition from one large multi-national company that operates funeral homes in Canada, small to medium-sized independently owned funeral and cemetery operators that compete in specific markets, monument dealers, casket retailers, discount funeral providers and other non-traditional providers of services and merchandise. If the Company is unable to successfully compete, the Company's financial condition, results of operations and cash flows could be materially adversely affected. Price competition, increased advertising, better marketing or improvements in products and services offered by competitors in any market in which Arbor competes could reduce the Company's market share or cause the Company to reduce prices or incur increased costs in order to retain or recapture market share, either of which would reduce revenue and margins. While the Company performs regular market scanning and monitors existing customer preferences to detect customer trends and employs strategies to address the trends, if the Company is not able to respond effectively to changing consumer preferences, its market share, sales and profitability could decrease. See "Description of the Business- Competitive Conditions in the Principal Markets and Geographic Areas".

The Company's ability to grow at an accelerated pace is dependent on its ability to construct reception centres on its cemeteries in Ontario on a timely and affordable basis. To the extent that approvals for zoning, site plans and building permits take longer than expected, this will affect the Company's growth. In addition, new business initiatives are more difficult to forecast, which could result in a difference between actual and expected financial performance. If construction costs increase, this could have a negative impact on the Company's return on investment. The Company's growth is also dependent on the development of new cemeteries and expansion of existing locations where warranted. To the extent that the Company is unsuccessful in acquiring land in the right location at affordable prices, this could have an adverse impact on its growth strategy.

Market factors/customer demand: Future market share, revenues and profits will depend in part on our ability to anticipate, identify and respond to changing consumer preferences. In past years, we have implemented new product and service strategies based on results of customer surveys that we conduct on a continuous basis. However, we may not correctly anticipate or identify trends in consumer preferences, or we may identify them later than our competitors do. In addition, any strategies we may implement to address these trends may prove incorrect or ineffective, which could have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The Company's ability to generate pre-need sales depends on a number of factors, including local and general economic conditions and sales incentives. Due to the nature of the Company's products and services, the inevitable need for them and the cumulative impact on current period results from pre-need contracts written in prior years, the Company has not historically experienced significant declines in pre-need sales as a result of weak economic conditions. However, an extended period of weak economic conditions could cause the Company to experience a decline in pre-need arrangements or the amount that customers are willing to pay for at-need and pre-need arrangements. A decline in pre-need cemetery arrangements would reduce the amount of revenue and net earnings the Company recognizes each year as a result of a decrease in interment right sales. In addition, a decrease in pre-need

arrangements of cemetery and funeral products and services would reduce the Company's accumulation of deferred revenue to be recognized in future years. On the other hand, an increase in pre-need arrangements could have a negative impact on cash flow as a result of higher commissions and other costs incurred. The Company receives fees on the balance of pre-need cemetery and funeral funds under the trust program and receives fees on the deposit of cemetery and funeral funds under the group annuity program. These fees partially offset the commissions and other costs incurred for pre-need arrangements.

Unexpected increases in the cost of construction labour or raw materials, such as bronze, concrete, steel and granite, could materially adversely affect our future cash flows and operating margins as there is no guarantee that earnings from pre-need funeral and cemetery funds or pre-need funeral and cemetery contracts funded through third-party annuity contracts would cover future unexpected increases in such costs.

Business continuity: A disaster could affect the Company's ability to operate for a period of time if information systems or facilities could not be accessed, if data integrity is compromised or if an incident occurs that affects multiple employees. In addition, if security over customer or strategic information is compromised, the Company could incur financial losses. If multiple employees became unavailable, there is no guarantee that the Company could maintain operations at the current level of cash flow and profitability. The Company has developed a business continuity plan that will be communicated to employees in fiscal 2011. The Company has strong security in place over its information systems.

Fixed costs: Funeral homes and cemeteries are high fixed-cost businesses, making the Company vulnerable to declines in margins, profits and cash flows if it experiences declines in sales. The funeral and cemetery operations have a high percentage of fixed costs such as employee costs, motor vehicle expenses, facilities expenses and regional management costs. The Company must incur these costs regardless of the number of funeral services or interment services performed. Because the Company cannot necessarily reduce these costs immediately when it experiences lower sales volumes, a sales decline may cause margin percentages to decline at a greater rate than the decline in revenue, particularly within individual branch operations. In addition, cost increases could impair the Company's ability to achieve revenue growth that exceeds its cost increases, thus having a negative impact on earnings and cash flows. An increase in construction and development activity or the cost of construction materials could cause an increase in the cost of capital investments and cemetery burial space inventory projects.

Key personnel: The Company's success and ability to manage future growth depends in part upon the continued services of senior management and the ability to attract, retain and train key officers and other highly qualified personnel. There can be no assurance that the Company will continue to be successful in attracting and retaining qualified personnel, and the unexpected loss of the services of any of these individuals could have an adverse effect on the Company's revenue, financial performance and results of operations.

Interest rates: While the Company utilizes fixed interest rate swap agreements for a portion of its long-term debt, significant increases in interest rates would increase the interest cost of the Company's variable rate long-term debt and have an adverse effect on the Company's net income and earnings per share. As at October 31, 2010, the Company had \$19.9 million (2009 – \$25.0 million) or 50% (2009 – 56%) in variable rate long-term debt, after deducting variable term debt under fixed interest rate swap contracts. Therefore, a 1% increase or decrease in the

market interest rate could impact the Company's annual interest expense by approximately \$0.2 million (2009 – \$0.3 million).

Pre-need trust funds and cemetery care funds: Earnings from pre-need funeral and cemetery funds and cemetery care funds could be reduced by changes in stock and bond prices, and interest and dividend rates. Investment earnings and gains/losses on pre-need trust and cemetery care funds are affected by financial market conditions that are not within the Company's control. Earnings are also affected by the mix of fixed-income and equity securities that the Company has in the funds, and it may not choose the optimal mix for a particular market condition. While there is a cumulative impact on current period results as a result of prior years investment earnings, a significant decline in earnings from pre-need trust funds could cause a decrease in future revenue and a significant decline in earnings from cemetery care funds could cause a decrease in current revenue. In addition, for pre-need trust fund arrangements, there is no guarantee that increasing funds will cover future increases in the cost of providing a price guaranteed funeral service, which could affect the Company's financial condition. See "Description of the Business- Trust Funding".

Pre-need funeral and cemetery contracts funded through third-party annuity contracts: The Company has sold price guaranteed pre-need funeral contracts through various programs providing for future funeral services at prices prevailing when the agreements are signed. For pre-need funeral contracts funded through annuity contracts, there is an increasing death benefit associated with the contract of approximately 2% per year to be received in cash by the Company at the time the funeral is performed. While to date the Company has not experienced shortfalls in cumulative death benefits compared to the current cost of providing price guaranteed funeral services, there is no guarantee that the increasing death benefit will cover future increases in the cost of providing a price guaranteed funeral service, which could adversely affect our future cash flows, revenue and operating margins.

Environmental: Various jurisdictions develop new environmental legislation from time to time. While to date such cost increases have not been significant, compliance with such legislation could significantly increase the Company's cost of operations in the future. See "Description of the Business – Environmental Protection".

Risks Related to the Company's Industry:

Cremation: The increasing number of cremations in Canada could cause revenue to decline since the average revenue received from a cremation arrangement is generally lower than that received from a traditional arrangement. While the Company has been successful in creating new products and services to meet the needs of cremation customers and to date has not experienced adverse effects as a result of the increase in the number of cremations, a substantial increase in the rate of cremations without services that the Company performs could have a material adverse effect on the Company's financial condition, results of operations and cash flows. See "General Development of the Business – Three Year History" and "Description of the Business – Industry Trends – Cremation".

Decline in number of deaths: A decline in the number of deaths in any of the Company's markets could cause a decrease in revenues, particularly within individual branch operations. Changes in the number of deaths are not predictable over the short-term or from market to market. See "General Development of the Business – Three Year History" and "Description of the Business – Industry Trends – Need for products and services".

Regulations: Changes in, or failure to comply with, regulations applicable to the Company's business could increase costs, require changes to business administration or operational practices or cause loss of reputation. The death care industry is subject to extensive regulation and licensing requirements under federal, provincial and local laws. While to date, the Company has been able to comply with such regulations and has not experienced significant increases in the cost of operations as a result of such compliance, from time to time, various governments and agencies amend or add regulations, which could increase the Company's cost of operations. Although the Company shares some risk of loss with its insurance provider, loss of reputation as a result of non-compliance with regulations could significantly affect future earnings. To support protection of the Company's reputation, the Company has a Code of Business Ethics and Conduct in place, performs routine internal audits and requires quarterly certification from all managers. See "General Development of the Business – Three Year History" and "Description of the Business – Regulatory Environment" and "Description of the Business – Consumer Protection".

Seasonality: The Company's at-need business and pre-need deliveries of some merchandise and services can be affected by seasonal fluctuations in the death rate. The Company's pre-need cemetery sales of burial spaces can also have seasonal fluctuations. See "Description of the Business – Seasonality".

Risks Related to General Economic Conditions:

In addition to the ongoing business risks outlined above, the Company has given consideration to how the recent and current economic and financial market uncertainty has affected or will affect the Company's performance, resources, estimates, liquidity and other areas. Due to the nature of the Company's products and services, in particular the inevitable need for them and the cumulative impact on current period results from pre-need contracts written in prior years, the Company experienced an increase in the average sale per service in the funeral division in 2010 of 2.9% and an increase in pre-need funeral contracts written of 68.9%. In addition, both cemetery sales and pre-need cemetery contracts written had increased by 23.7% and 39.9%, respectively. A reduction in contracts written could impact revenue recognized in the future. In addition, a prolonged negative economic environment could result in price sensitivity and/or a reduction in the products and services purchased.

Management has been monitoring various factors, which could indicate negative trends in general economic conditions including the following: the potential for increasing receivables/uncollectible accounts, potential goodwill impairment, potential decreases in values of the pre-need trust funds and care funds and potential supply constraints. A substantial unfavourable change in these factors, either individually or in the aggregate, could have a material adverse effect on the Company's financial condition, results of operations and cash flows.

For further information regarding risk factors applicable to the Company, please see the Company's 2010 Management's Discussion and Analysis, including the section entitled "Risks, Events and Uncertainties".

DIVIDENDS

Cash dividends declared per Class A Voting Share and Class B Non-Voting Share for each of the three most recently completed financial years are as follows:

		<u>Cash Dividend Per Share ⁽¹⁾</u>	<u>Date Declared Payable</u>	<u>Date Paid</u>	<u>Date of Record of Shareholders</u>
Fiscal	2010	11 cents	Sept. 2, 2010	Sept. 30, 2010	Sept. 16, 2010
	2010	11 cents	June 3, 2010	June 30, 2010	June 16, 2010
	2010	11 cents	Mar. 4, 2010	Mar. 30, 2010	Mar. 16, 2010
	2010	11 cents	Dec. 17, 2009	Jan. 15, 2010	Dec. 31, 2009
Fiscal	2009	11 cents	Sept. 2, 2009	Sept. 28, 2009	Sept. 14, 2009
	2009	11 cents	June 3, 2009	June 30, 2009	June 16, 2009
	2009	11 cents	Mar. 4, 2009	Mar. 30, 2009	Mar. 20, 2009
	2009	11 cents	Dec. 18, 2008	Jan. 28, 2009	Jan. 14, 2009
	2008	11 cents	Aug. 28, 2008	Sept. 29, 2008	Sept. 15, 2008

- (1) The cash dividend per share is for each Class A Voting Share and Class B Non-Voting Share.

Arbor's banking arrangements require the Company to obtain the consent of its bankers before dividends may be declared in excess of 30% of the Company's net earnings for the year. All decisions by the Company's board of directors regarding the payment of dividends are subject to the foregoing consideration as well as factors such as earnings, the financial position of the Company, future capital requirements and general business conditions. The Company's dividend strategy is to provide a return to investors that is competitive with the returns in its industry in North America.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

Authorized shares include an unlimited number of common shares designated as "Class A Voting Shares", an unlimited number of special shares designated as "Class B Non-Voting Shares" and an unlimited number of a class of preferred shares, issuable in series ("Preferred Shares"). The Company had 2,425,497 Class A Voting Shares, 8,092,546 Class B Non-Voting Shares and no Preferred Shares issued and outstanding at October 31, 2010. The Class A Voting Shares and the Class B Non-Voting Shares have identical rights and privileges, except that the Class A Voting Shares are voting. In certain circumstances, if an offer is made by the Company or a third party to purchase Class A Voting Shares from each holder in Ontario, each Class B Non-Voting Share is convertible into one Class A Voting Share. The material characteristics of each class of authorized share are set out below.

Class A Voting Shares and Class B Non-Voting Shares:

The holders of Class A Voting Shares are entitled to receive notice of and to attend any meeting of shareholders of the Company and to vote thereat, except a meeting of the holders of shares

of another class. The holders of Class A Voting Shares have one vote for each Class A Voting Share held.

The holders of Class B Non-Voting Shares are entitled to receive notice of and to attend any meeting of shareholders of the Company, except a meeting of the holders of shares of another class. If the Company proposes to amend its articles to delete or vary a preference, right, condition, restriction, limitation or prohibition attaching to the Class B Non-Voting Shares or to create shares ranking in any respect in priority to or on a parity with the Class B Non-Voting Shares, the holders of Class B Non-Voting Shares will be entitled to vote separately as a class and such proposal will not be effective until, in addition to any other approval required by law, it has been confirmed by at least two-thirds of the votes cast by the holders of Class B Non-Voting Shares at a meeting of such holders called for that purpose.

The holders of Class A Voting Shares and Class B Non-Voting Shares will rank *pari passu* with each other with respect to the payment of dividends and with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purposes of winding-up its affairs.

Neither the Class A Voting Shares nor the Class B Non-Voting Shares will be increased in number by reason of being subdivided, or decreased in number by reason of being consolidated, unless at the same time, the shares of the other class are subdivided or consolidated in the same proportion.

Subject to the circumstances described below, in the event of an offer by the Company or a third party (an "Offer") being made to purchase, directly or indirectly, Class A Voting Shares from each holder of such shares whose last address on the records of the Company is in Ontario, then each outstanding Class B Non-Voting Share shall be convertible into one Class A Voting Share at the option of the holder. The conversion right will not come into effect if: (i) one or more shareholders who did not make the Offer and who, in the aggregate, beneficially own(s), directly or indirectly, or exercise(s) control or direction over, not less than 50% of the outstanding Class A Voting Shares, determine(s) not to accept the Offer or accept the Offer only to the extent that he or they continue(s) to so own or exercise control or direction over 50% or more Class A Voting Shares; (ii) contemporaneously an offer is made to the holders of the Class B Non-Voting Shares upon the same terms and conditions as those contained in the Offer; (iii) the board of directors determines that the Offer is not bona fide or is made primarily to cause the conversion right to come into effect and not for the purpose of acquiring Class A Voting Shares; or (iv) the Offer is not completed in accordance with its terms.

Preferred Shares:

Preferred Shares may be issued in one or more series, with each series (a) carrying dividends (if any) at such rate, in such amount, determined in such manner and with such dates of payment; (b) to be redeemable (if at all) at such time, at such price and on such terms and conditions; (c) to carry such sinking or other retirement fund (if any); (d) to be subject to such purchase provision (if any) by the Company; (e) to have such designation; (f) to carry such voting rights (if any); (g) to have such conversion rights (if any); and (h) to carry such other rights, privileges, restrictions and conditions and to be authorized in such number and as will be determined and fixed by resolution of the directors. If any amount of cumulative dividends, whether or not declared non-cumulative dividends, or if any amount payable on return of capital in the event of the liquidation, dissolution or winding up of the Company, in respect of a series of

Preferred Shares is not paid in full, the shares of the series will participate rateably with the shares of all other series of Preferred Shares in respect of all accumulated cumulative dividends, whether or not declared, and all declared non-cumulative dividends and all amounts payable on return of capital in the event of the liquidation, dissolution or winding up of the Company as the case may be. The Preferred Shares will be entitled to preference over the Class A Voting Shares, the Class B Non-Voting Shares and over any other shares of the Company ranking junior to the Preferred Shares with respect to any payment of dividends and return of capital.

Any amendment to the articles of the Company to delete or vary any right, privilege, restriction or condition attaching to the Preferred Shares or to create other Preferred Shares ranking in priority to or on a parity with the Preferred Shares, shall be authorized by special resolution of the holders of the Preferred Shares voting separately as a class.

Equity Plans

Amended and Restated 1994 Stock Option Plan:

The Company has a stock option plan (the "Option Plan"). Under the Option Plan, options to purchase Class B Non-Voting Shares ("Options") may be granted at the discretion of the board of directors (the "Board") to directors, officers, full-time and part-time employees of the Company or its subsidiaries and other persons who either perform services for the Company and/or its subsidiaries in certain circumstances (an "Optionee").

The aggregate number of Class B Non-Voting Shares for which Options may be granted shall not exceed 878,789 Class B Non-Voting Shares (less any Class B Non-Voting Shares otherwise reserved for issuance in connection with stock appreciation rights, any other option plans or under options for services), which represents 8.4% of the Company's total issued and outstanding securities (i.e. all Class A Voting Shares and Class B Non-Voting Shares) at October 31, 2010. The number of Class B Non-Voting Shares issued under grants made under the Option Plan is 461,200, which represents 4.4% of the Company's total issued and outstanding securities at October 31, 2010. The remaining number of Class B Non-Voting Shares issuable under the Option Plan is 417,589, which represents 4.0% of the Company's total issued and outstanding securities at October 31, 2010.

Under the terms of the Option Plan, the aggregate number of Class B Non-Voting Shares reserved for issuance to any one person shall not exceed 5% of the aggregate of the issued Class A Voting Shares and the issued Class B Non-Voting Shares outstanding from time to time (on a non-diluted basis). Class B Non-Voting Shares subject to and not delivered under an Option, which expires or terminates shall again be available for option under the Option Plan.

In accordance with the terms of the Option Plan, the exercise price per Class B Non-Voting Share cannot be lower than the "market price" (as that term is defined by the Toronto Stock Exchange) of the Class B Non-Voting Shares at the time of the grant.

The period during which an Option is exercisable may not, subject to the provisions of the Option Plan, extend beyond ten years, provided that the term of an Option shall automatically extend beyond ten years, up to a maximum of ten (10) business days after a black-out period, in circumstances where the expiration date falls within a black-out period or immediately thereafter. Options may be exercised as determined by the Board at the time of the grant of the Option. In the event that, at the option of the holder, the Class B Non-Voting Shares are

convertible into Class A Voting Shares as is provided for in the Company's articles, then all Options outstanding shall become immediately exercisable.

At the sole discretion of the Board, stock appreciation rights ("SARs") may be included in any Option, either at the time of grant or by amendment or supplemental grant. SARs entitle an Optionee to surrender to the Company all or any part of such Option which such Optionee could then exercise and receive from the Company Class B Non-Voting Shares or cash or a combination thereof as the Optionee may elect equal in value to the excess of the "fair market value" of one Class B Non-Voting Share over the exercise price multiplied by the number of Class B Non-Voting Shares with respect to which the Option is surrendered. The "fair market value" of the Class B Non-Voting Shares at the time of surrender is the weighted average price per share at which the Class B Non-Voting Shares have traded on the Toronto Stock Exchange during the most recent five days on which the Class B Non-Voting Shares are traded before the Option is surrendered. The weighted average price is determined by dividing the aggregate sale price of all such Class B Non-Voting Shares sold on the Toronto Stock Exchange during the five trading days by the total number of such shares so sold. The Board has sole discretion to consent to or to disapprove the election of the Optionee to receive cash in full or partial settlement of the SARs.

An Option (including SARs) may not be transferred. An Option (including SARs) may only be exercised by the Optionee, provided that where the Optionee is an individual, then during the lifetime of such Optionee, the Option (including SARs) may be exercised only by him or her, his or her legal personal representative or a nominee, which is a corporation wholly-owned by the Optionee.

Subject to the term of the Option and to the extent the Optionee is entitled to exercise the Option: (i) any Option held by an Optionee upon termination of employment for any reason (other than death, retirement or circumstances equating retirement as determined by the Board) is exercisable within thirty days of such termination; (ii) any Option held by an Optionee at death is exercisable by his or her executors, administrators or legal personal representatives within one year after the date of death; and (iii) any Option held by an Optionee upon retirement or termination of his or her employment or office with the consent of the Board under circumstances equating retirement is exercisable within three years after the date of such retirement.

Subject to the prior written approval of the Toronto Stock Exchange, the Board may, with the consent of the Optionee, cancel an existing Option and re-grant the Option at an exercise price determined in accordance with the Option Plan.

The Option Plan contains extensive amendment procedures. Under the Option Plan, the Board has the absolute discretion to amend, modify and change the provisions of the Option Plan or any Options granted, provided any such amendment, modification or change shall: (i) not adversely alter or impair any Option previously granted; (ii) be subject to any regulatory approvals, where required; and (iii) be subject to shareholder approval where the amendment, modification or change would reduce the exercise price of an Option held by an insider, extend the term of an Option held by an insider beyond the original expiration date (subject to certain exceptions) or increase the fixed maximum number of shares which may be issued pursuant to the Option Plan. The Option Plan also provides that the Board has the absolute discretion to amend, modify and change the provisions of the Option Plan or any Options granted in certain circumstances without shareholder approval. The Option Plan includes an extensive list of such circumstances. Shareholder approval is not required for any amendments permitted by this

provision. A copy of the Option Plan was included in the Company's Management Information Circular dated January 19, 2007, which is available on SEDAR at www.sedar.com. In addition, the Board may discontinue the Option Plan at any time without the consent of Optionees provided that such discontinuance shall not adversely alter or impair any Option previously granted.

Employee Stock Ownership Plan:

The Company's senior officers are eligible to participate in the Company's employee stock ownership plan (the "ESOP"). The ESOP allows members to acquire Class B Non-Voting Shares to the lesser of 10% of their base salary and \$10,000, and the Company will match any contribution at the rate of 20% to a maximum of \$2,000 per year.

MARKET FOR SECURITIES

Trading Price and Volume

Arbor's Class A Voting Shares (trading symbol ABO.A) and the Class B Non-Voting Shares (trading symbol ABO.B) have been listed for trading on the Toronto Stock Exchange since 1973. The price ranges and volume traded on the Toronto Stock Exchange in fiscal 2010 (in \$ other than volume traded) are as follows:

	Stock Prices - Class A Voting				Volume Traded
	Open	High	Low	Close	
November 2009	23.16	23.18	22.76	22.76	732
December 2009	22.24	23.40	22.24	22.90	8,080
January 2010	23.99	24.50	23.10	23.10	3,134
February 2010	23.09	25.99	22.81	25.99	105,401
March 2010	24.76	24.94	23.61	24.94	2,135
April 2010	24.44	24.95	24.44	24.95	1,610
May 2010	25.86	25.86	24.00	24.00	3,007
June 2010	24.00	24.00	22.02	23.50	1,936
July 2010	23.06	23.50	23.05	23.50	1,650
August 2010	24.59	24.59	22.61	23.00	2,860
September 2010	23.99	24.64	23.50	23.67	3,861
October 2010	24.80	25.50	24.80	25.02	803

Stock Prices - Class B Non-Voting

	Open	High	Low	Close	Volume Traded
November 2009	21.51	23.19	21.51	23.00	11,110
December 2009	22.80	24.25	21.51	24.25	17,851
January 2010	24.25	24.60	23.37	24.33	7,612
February 2010	24.35	24.35	23.29	24.24	13,675
March 2010	23.99	24.49	23.30	24.45	122,816
April 2010	24.44	25.49	23.90	24.75	10,165
May 2010	25.00	25.49	24.02	24.10	10,252
June 2010	24.39	24.90	23.89	24.00	19,592
July 2010	24.74	24.90	23.92	24.90	10,962
August 2010	24.90	24.90	24.00	24.00	3,601
September 2010	24.00	24.95	24.00	24.75	13,951
October 2010	24.94	25.83	24.60	25.10	18,812

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth information with respect to each of the current directors and executive officers of the Company. The following information is given as of January 18, 2011 and is based on 2,425,497 Class A Voting Shares issued and outstanding. The directors are elected annually by the shareholders at the Annual Meeting. The next annual meeting of shareholders will be held on March 8, 2011.

Name and Municipality of Residence	Office Held	Principal Occupation	Year Elected ⁽⁶⁾	Number and Percentage of Class A Voting Shares Owned or Controlled
David J. Scanlan ⁽⁵⁾ Mississauga, Ontario, Canada	Chairman, Senior Vice-President, Sales and Director	Senior Vice-President, Sales of the Company	2007	Nil Nil%
Brian D. Snowdon ⁽⁴⁾ Toronto, Ontario, Canada	President and Chief Executive Officer and Director	President and Chief Executive Officer of the Company	2007	Nil Nil%
Michael J. Scanlan ⁽³⁾⁽⁴⁾ Toronto, Ontario, Canada	Senior Vice-President, Marketing, Operations and Construction and Development and Director	Senior Vice-President, Marketing, Operations and Construction and Development of the Company	2006	Nil Nil%
Roger A. Hall ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾ Oliver, British Columbia, Canada	Director	Corporate Director and Management Consultant	2001	Nil Nil%
Robert E. Rose ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario, Canada	Director	Partner, Clarke Henning LLP (Accounting Firm)	2002	Nil Nil%

Name and Municipality of Residence	Office Held	Principal Occupation	Year Elected⁽⁶⁾	Number and Percentage of Class A Voting Shares Owned or Controlled
Brian L. Zenkovich ⁽¹⁾⁽²⁾⁽⁴⁾ Toronto, Ontario, Canada	Director	Chief Executive Officer and Secretary of Winzen Properties Inc. (Real Estate Development Company)	2002	1,000 ⁽⁷⁾ <1%
Kenneth T. Rosenberg ⁽⁴⁾⁽⁵⁾ Toronto, Ontario, Canada	Director	Partner, Paliare Roland Rosenberg Rothstein LLP (Law Firm)	2003	300 <1%
Jim Davies ⁽²⁾ Toronto, Ontario, Canada	Director	President and CEO (Toronto location) of IRESS Market Technology Canada L.P.	2010	Nil Nil%
Iain A. Robb Toronto, Ontario, Canada	Corporate Secretary	Partner, Gowling Lafleur Henderson LLP (Law Firm)	N/A	Nil Nil%
Laurel L. Ancheta Mississauga, Ontario, Canada	Vice-President and Chief Financial Officer	Vice-President and Chief Financial Officer of the Company	N/A	Nil Nil %
Rita Burman Toronto, Ontario, Canada	Assistant Secretary	Executive Assistant of the Company	N/A	Nil Nil%
Maureen A. Carey Toronto, Ontario, Canada	Vice-President, Human Resources	Vice-President, Human Resources of the Company	N/A	Nil Nil %
Gary R. Carmichael Markham, Ontario, Canada	Vice-President, Government and Corporate Affairs and Chief Privacy Officer	Vice-President, Government and Corporate Affairs and Chief Privacy Officer of the Company	N/A	Nil Nil%
Steven D. Predko Toronto, Ontario, Canada	Vice-President, Information Services	Vice-President, Information Services of the Company	N/A	Nil Nil %
Jerry E. Roberts Oakville, Ontario, Canada	Vice-President, Funeral Service	Vice-President, Funeral Service of the Company	N/A	Nil Nil %
Gary D. Rogerson Hamilton, Ontario, Canada	Vice-President, Operations	Vice-President, Operations of the Company	N/A	Nil Nil%

Notes:

- (1) Member of the Audit Committee. Robert E. Rose is the Chairman.
- (2) Member of the Human Resources and Compensation Committee. Roger Hall is the Chairman.
- (3) Member of the Investment Committee. Roger Hall is the Chairman.
- (4) Member of the Environmental Committee. Brian Zenkovich is the Chairman.
- (5) Member of the Nominating and Corporate Governance Committee. Kenneth Rosenberg is the Chairman.
- (6) All directors are elected for a term expiring immediately prior to the next annual meeting of shareholders or until their successors are elected or appointed.
- (7) Class A voting shares disclosed are those over which Mr. Zenkovich exercises control and direction on behalf of a family member.

The Board of Directors of the Company does not have an Executive Committee. The Company has an Audit Committee, Human Resources and Compensation Committee, Investment Committee, Environmental Committee and a Nominating and Corporate Governance Committee. The membership of each committee is noted above.

The directors and executive officers of Arbor as a group beneficially own directly or indirectly, or exercise control or direction over 1,300 Class A Voting Shares of Arbor, being approximately 0.1% of the issued and outstanding Class A Voting Shares.

The principal occupation, business or employment during the preceding five years of each of the directors and executive officers of the Company is summarized below.

David J. Scanlan – Chairman, Senior Vice-President, Sales and Director. Mr. Scanlan has been Chairman of the Company since June 3, 2010 and Senior Vice-President, Sales of the Company since November 1, 2007. From October 28, 2008 to June 2, 2010, Mr. Scanlan was Vice-Chairman, Senior Vice-President, Sales and Director; from May 30, 2007 to October 31, 2007, Mr. Scanlan was Vice-President, Sales of the Company; from November 1, 2006 to May 29, 2007, Mr. Scanlan was Assistant Senior Vice-President of Sales and Regional Director, Ontario of the Company; and from November 1, 2003 to October 31, 2006, Mr. Scanlan was Director of Sales, Ontario of the Company.

Brian D. Snowdon – President and Chief Executive Officer and Director. Mr. Snowdon has been President and Chief Executive Officer of the Company since November 1, 2007 and previously had been Vice-President and Chief Financial Officer of the Company since 1999.

Michael J. Scanlan – Senior Vice-President Marketing, Operations and Construction and Development and Director. Mr. Scanlan has been Senior Vice-President Marketing, Operations and Construction and Development since November 1, 2007 and previously had been Vice-President Marketing of the Company since 1995.

Roger A. Hall – Director. Mr. Hall has been a self-employed management consultant since 2000.

Robert E. Rose – Director. Mr. Rose has been a partner with the accounting firm of Clarke Henning LLP since 1990.

Brian L. Zenkovich – Director. Mr. Zenkovich is Chief Executive Officer and Secretary of Winzen Properties Inc., a diversified real estate company, and has held that position since 2000.

Kenneth T. Rosenberg – Director. Mr. Rosenberg has been a Partner of the law firm Paliare Roland Rosenberg Rothstein LLP since 2001.

Jim Davies – Director. Mr. Davies has been President and CEO (Toronto location) of IRESS Technology Canada L.P. since 2006. From 2003 to December 2005, Mr. Davies was Senior Vice-President RM Group, North America.

Iain A. Robb – Secretary. Mr. Robb has been a Partner of the law firm of Gowling Lafleur Henderson LLP since 1996.

Laurel L. Ancheta – Vice-President and Chief Financial Officer. Ms. Ancheta has been Vice-President and Chief Financial Officer of the Company since November 1, 2007. Previously, Ms. Ancheta had been Senior Director of Finance since November 1, 2006. From 2000 to 2006, Ms. Ancheta had been Director of Finance.

Rita Burman – Assistant Secretary. Ms. Burman has been Assistant Secretary of the Company since May 2005.

Maureen A. Carey – Vice-President, Human Resources. Ms. Carey has been Vice-President, Human Resources of the Company since June 2006. From 2003 to May 2006, Ms. Carey was Unit Commander, Human Resources of the Toronto Police Service Employment Unit.

Gary R. Carmichael – Vice-President, Government and Corporate Affairs and Chief Privacy Officer. Mr. Carmichael has been Vice-President, Government and Corporate Affairs of the Company since 1997 and Chief Privacy Officer since 2004.

Steven D. Predko – Vice-President, Information Services. Mr. Predko has been Vice-President, Information Services of the Company since September 2010. From August 2007 to September 2010, Mr. Predko was the Vice-President of Broadcasting Information Technology for Canwest. From September 2004 to August 2007, Mr. Predko was the Vice-President of Information Technology for Canwest.

Jerry E. Roberts – Vice-President, Funeral Service. Mr. Roberts has been Vice-President, Funeral Service since July 2008 and previously had been National Director of Operations from November 2006 to July 2008 and Regional Funeral Director of the Company from November 1999 to October 2006.

Gary D. Rogerson – Vice-President, Operations. Mr. Rogerson has been Vice-President, Operations of the Company since 1996.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the course of its business, the Company from time to time becomes involved in various claims and legal proceedings. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable. A provision for these claims has been recorded in the financial statements based on management's best estimate of the likely outcome. However, should claims be settled for amounts over and above established accruals, the excess expense will be charged to operations as incurred.

During the year ended October 31, 2010, there were no material legal proceedings and there are no such material legal proceedings that the Company is currently aware of that are contemplated and no penalties or sanctions were imposed against the Company by a court relating to securities legislation or by a securities regulatory authority (including by way of settlement agreement) or otherwise against the Company that would likely be considered important to a reasonable investor in making an investment decision.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar for Class A Voting Shares and Class B Non-Voting Shares is Computershare Investor Services Inc. of Toronto, Ontario ("Computershare"). The Company's share register is maintained in Toronto, Ontario. Contact details for Computershare are:

Telephone: 514-982-7555 or 1-800-564-6253
Email: service@computershare.com

INTERESTS OF EXPERTS

The Company's auditors are Deloitte & Touche LLP, Chartered Accountants.

AUDIT COMMITTEE INFORMATION

The following information is being provided in accordance with Form 52-110F1 under the Canadian Securities Administrators (CSA) Multilateral Instrument 52-110 – *Audit Committees*.

Audit Committee Charter

A copy of Arbor's audit committee charter is attached as Appendix "A" of this Annual Information Form. The audit committee charter was recently updated.

Audit Committee Report

The Audit Committee reports to and assists the Board of Directors of the Company (the "Board") by providing oversight of the financial management, external auditors and financial reporting procedures of the Company. The Audit Committee operates under a written charter approved by the Board.

In fulfilling its obligations, the Audit Committee has reviewed and discussed the audited financial statements of the Company for the fiscal year ended October 31, 2010 with management and the Company's external auditors. In addition, the Audit Committee has discussed with the external auditors the auditors' independence from the Company and management. Based on the review and discussions held, the Audit Committee recommended to the Board, and the Board has approved, that the audited financial statements be included in the Company's Annual Report and filed with securities regulatory authorities on SEDAR at www.sedar.com.

December 21, 2010

*Audit Committee: Robert E. Rose
Brian L. Zenkovich
Roger A. Hall*

Composition and Relevant Education and Experience of the Audit Committee

The members of the Audit Committee are Robert E. Rose, Chairman, Brian L. Zenkovich and Roger A. Hall. All members of the Audit Committee are considered independent and financially literate as determined with reference to the requirements provided in National Instrument 52-110.

Robert E. Rose is a Chartered Accountant and a Partner of Clarke Henning, LLP, an accounting and audit firm.

Brian L. Zenkovich is a Chartered Accountant and Chief Executive Officer and Secretary of Winzen Properties Inc., a real estate company.

Roger A. Hall is a self-employed management consultant. Previously, he spent 13 years with the General Electric Corporation in various senior management roles including, Vice-President Enterprise, Financial & Business Continuity Services for GE Capital Information Technology Solutions.

Pre-Approval Policy

The Audit Committee has adopted a policy that requires pre-approval of all audit services, audit-related services, tax services and other permitted non-audit services performed by the independent auditors. In approving the annual audit plan and related fees, the Audit Committee grants pre-approval for permitted services, to be provided by the independent auditors, without obtaining specific pre-approval from the Audit Committee.

External Auditor Service Fees

Audit Fees: The fees billed for auditing the Company's financial statements for fiscal 2010 and reviewing the Company's interim financial statements for the first, second and third quarters of fiscal 2010 were \$654,028. The fees billed for auditing the Company's financial statements for fiscal 2009 and reviewing the Company's interim financial statements for the first, second and third quarter of fiscal 2009 were \$574,699.

Audit Related Fees: The audit-related fees billed during fiscal 2010 and fiscal 2009 were \$349,800 and \$392,200, respectively. These fees were primarily for the audit of trust funds and pension plans.

Tax Fees: Fees billed for tax services, including tax compliance, tax advice and tax planning, totalled \$28,700 in fiscal 2010 and \$75,981 in fiscal 2009. Fees billed for tax services in fiscal 2010 and fiscal 2009 included advice regarding commodity tax issues for \$18,700 and \$48,428, respectively.

All Other Fees: Fees for all other services in fiscal 2010 were \$38,256 and nil for fiscal 2009. The fees for fiscal 2010 related to internal controls, real estate commissions, FOCUS network security and auto taxable benefits.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's 2010 Management Information Circular for its upcoming annual meeting of shareholders. Additional financial information, including audited consolidated financial statements for the years ended October 31, 2010 and October 25, 2009 and Management's Discussion and Analysis, is contained in the Company's 2010 Annual Report. Additional information relating to Arbor Memorial Services Inc., including

the Management Information Circular and the Annual Report, may be found on SEDAR at www.sedar.com.

Additional copies of this Annual Information Form and the materials listed in the preceding paragraphs of this section may be obtained, upon request, from the Assistant Secretary of Arbor Memorial Services Inc. at 2 Jane Street, Toronto, Ontario, M6S 4W8, telephone (416) 763-3230 extension 3044 and fax (416) 763-3989.

APPENDIX “A” - AUDIT COMMITTEE CHARTER

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Purpose:

The Audit Committee (the “**Committee**”) shall report to and assist the board of directors (the “**Board**”) of Arbor Memorial Services Inc. (the “**Company**”) by providing oversight of the financial management, external auditors and financial reporting procedures of the Company, as well as such other matters as directed by the Board or this Charter.

Composition of the Committee:

1. The Committee shall be comprised of three members of the Board.
2. All Committee members shall be “independent” within the meaning of the Canadian Securities Administrators’ National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).
3. Each Committee member shall be “financially literate” within the meaning of NI 52-110.

Meetings of the Committee:

1. The Committee will meet formally four times each fiscal year, and call additional meetings as required.
2. A quorum at meetings shall be a majority of the members.
3. The Committee will appoint a Secretary to record the major decisions. Meeting minutes will be prepared and filed in the Company’s minute book.

Authority of the Committee:

The Committee shall have authority to retain and consult with outside legal, accounting or other advisors, as the Committee may deem appropriate and to set and pay the compensation for any advisors retained and consulted with and to communicate directly with the internal and external auditors.

Responsibilities:

The Company’s management is responsible for preparing the Company’s financial statements and the external auditors are responsible for auditing those financial statements. The Committee is directly responsible for overseeing the conduct of these activities by the Company’s management and the external auditors. The Audit Committee shall have unrestricted access to Company personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

In carrying out its oversight responsibilities, the Committee shall perform the following functions:

A. Oversight of External Auditors

The external auditors are required to report directly to the Committee. The Committee's responsibilities relating to oversight of the external auditors include the following:

1. Recommending to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, as well as the compensation of the external auditors.
2. Reviewing and approving the original proposed scope of the annual external audit of the Company's financial statements and trust funds and the associated engagement fees, as well as any significant variations in the actual scope of the external audit and the associated engagement fees.
3. Overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting. Also ensuring that the external auditors are in good standing with the Canadian Public Accountability Board ("**CPAB**") and enquiring if there are any sanctions imposed by CPAB on the external auditors.
4. Pre-approving all non-audit services to be provided to the Company or its subsidiaries by the external auditors, subject to the *de minimis* provisions set out in NI 52-110 and any pre-approval policies and procedures adopted by the Committee.
5. Reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

B. Oversight of Internal Control over Financial Reporting and Disclosure Controls and Procedures

1. The Committee shall obtain annually reasonable assurance from management and the external auditors that the Company's accounting systems are reliable and internal controls over financial reporting are adequate.
2. The Committee shall review and discuss with management (including the internal auditor) the planned internal audit activities of the Company on an annual basis. The findings shall be reviewed and a determination made that they are being dealt with appropriately.
3. The Committee will also review and discuss with management the Company's disclosure controls and procedures to ensure that disclosure controls are reliable.
4. The Committee shall receive and review reports from the internal auditor on, among other things, matters of fraud and error and relating to the CEO/CFO certifications.

C. Oversight of Management's Conduct of the Company's Financial Reporting Process

1. *Audited Annual Financial Statements and Other Annual Filings:* The Committee shall review and discuss with management and the external auditors the audited annual financial statements, annual Management's Discussion & Analysis ("**MD&A**"), Annual Information Form ("**AIF**"), annual CEO/CFO certifications and any related earnings press releases

before this information is disclosed. Based on these discussions, the Committee will advise the Board whether it recommends approval of the audited annual financial statements, annual MD&A, AIF, and earnings press releases. This shall occur prior to public disclosure of such information.

2. *Interim Financial Statements and Other Interim Filings:* The Committee shall review and discuss with management and the external auditors the Company's interim financial statements, interim MD&A, interim CEO/CFO certifications and any related earnings press releases before this information is disclosed. Based on these discussions, the Committee will advise the Board whether it recommends approval of the interim financial statements, interim MD&A, and earnings press releases. This shall occur prior to public disclosure of such information.
 3. *Financial Reporting Practices:* The Committee shall review and discuss:
 - (a) significant changes in the Company's accounting policies and practices and significant judgments that may affect the financial results;
 - (b) the nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management; and
 - (c) the effect of changes in accounting standards that may materially affect the Company's financial reporting practices.
 4. *Other:* The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures.
- D. *Assist the Board in Oversight of the Company's Compliance with Policies and Procedures and Addressing Legal and Ethical Concerns.*
1. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters to the Chair of the Audit Committee.
 2. The Committee shall review and monitor, as appropriate:
 - (a) litigation or other legal matters that could have a significant impact on the Company's financial results; and
 - (b) significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax, such as the Ontario Securities Commission, other members of the Canadian Securities Administrators or the Canada Revenue Agency.
 3. The Committee shall review and monitor compliance with various policies and procedures of the Company when requested by the Board from time to time.

Reporting to the Board:

The Committee shall report regularly to the Board on its meetings and discussions and review with the Board significant issues or concerns that arise at Committee meetings.

Charter Review:

The adequacy of this Charter shall be reviewed by the Committee on an annual basis. The Committee will provide comments to the Nominating and Corporate Governance Committee regarding any proposed modifications to this Charter, which the Committee deems appropriate for ultimate approval by the Board.

Updated by the Board of Directors: December 21, 2010

APPENDIX “B” - SUMMARY OF OPERATING LOCATIONS

The following table shows, by jurisdiction, Arbor’s operating locations as at October 31, 2010.

	Cemeteries	Crematoria	Reception Centres	Funeral Homes
New Brunswick	1	1	-	2
Nova Scotia	3	1	-	5
Quebec	2	2	-	7
Ontario	21	11	6	44
Manitoba	3	1	-	4
Saskatchewan	3	3	-	4
Alberta	5	4	-	8
British Columbia	3	3	-	8
	41	26	6	82

CEMETERIES

Location	Name	Date of Establishment or Acquisition
<u>New Brunswick</u>		
Moncton	Fair Haven Memorial Gardens (i) (ii)	1955
<u>Nova Scotia</u>		
Dartmouth	Dartmouth Memorial Gardens (ii)	1983
Halifax (Lower Sackville)	Oakridge Memory Gardens (i) (iii)	1981
Halifax (Lower Sackville)	Linwood Cemetery	1983
<u>Quebec</u>		
Point Claire	Lakeview Memorial Gardens	1985
Dollard des Ormeaux	Rideau Memorial Gardens (i) (ii)	1954
<u>Ontario</u>		
Ajax/Pickering	Pine Ridge Memorial Gardens	1986
Brampton	Brampton Memorial Gardens (ii)	1986
Burlington	Burlington Memorial Gardens	1978
Gormley	Highland Hills Memorial Gardens	1999
Stoney Creek (Smithville)	Chapel Hill Memorial Gardens	1951
Hamilton	White Chapel Memorial Gardens (i)	1949
Kingston (Glenburnie)	Glenhaven Memorial Gardens (i)	1955
Kitchener (Breslau)	Memory Gardens	1950
London	Forest Lawn Memorial Gardens (i) (ii)	1947
Oakville	Glen Oaks Memorial Gardens (i) (ii)	1980
Ottawa (Nepean)	Capital Memorial Gardens (i) (ii)	1952
Peterborough	Rosemount Memorial Gardens (i)	1957

Location	Name	Date of Establishment or Acquisition
St. Catharines (Fonthill)	Pleasantview Memorial Gardens (i)	1952
Thunder Bay	Sunset Memorial Gardens (i) (iii)	1955
Toronto (Etobicoke)	Glendale Memorial Gardens (i)	1952
Toronto (North York)	Highland Memory Gardens	1953
Toronto (Scarborough)	Resthaven Memorial Gardens	1951
Vaughan	Glenview Memorial Gardens	2002
Whitby	Mount Lawn Memorial Gardens (i) (ii)	1981
Windsor (Oldcastle)	Greenlawn Memorial Gardens (i) (ii)	1954
Windsor (Oldcastle)	Victoria Memorial Gardens (ii)	1983
<u>Manitoba</u>		
Winnipeg	Chapel Lawn Memorial Gardens (i) (ii)	1949
Winnipeg	Glen Lawn Memorial Gardens (ii)	1961
Winnipeg (West St. Paul)	Glen Eden Memorial Gardens (ii)	1955
<u>Saskatchewan</u>		
Prince Albert	Prince Albert Memorial Gardens (i)	1954
Regina	Regina Memorial Gardens (i) (ii)	1954
Saskatoon	Hillcrest Memorial Gardens (i) (ii)	1952
<u>Alberta</u>		
Calgary	Mountain View Memorial Gardens (i) (ii)	1953
Calgary	Eden Brook Memorial Gardens	1985
Edmonton	Westlawn Memorial Gardens (i) (ii)	1983
Edmonton	Evergreen Memorial Gardens (ii)	1953
Edmonton (Sherwood Park)	Glenwood Memorial Gardens (ii)	1962
<u>British Columbia</u>		
Nanaimo (Cedar)	Cedar Valley Memorial Gardens (i)	1982
Vancouver (Surrey)	Valley View Memorial Gardens (i) (ii)	1955
Victoria	Hatley Memorial Gardens (i)	1978

- (i) Crematorium on site.
- (ii) Funeral home or reception centre on site.
- (iii) Cemetery sales office leased.

FUNERAL HOMES

<u>Location</u>	<u>Name</u>	<u>Date of Establishment or Acquisition</u>
<u>New Brunswick</u>		
Moncton	Fair Haven Funeral Home (ii)	1995
Saint John	Castle Funeral Home (Fallsview Chapel)	1986
<u>Nova Scotia</u>		
Amherst	Campbell's Funeral Home	1996
Dartmouth	Atlantic Funeral Home (ii)	1987
Halifax	Atlantic Funeral Home	1984
Sackville	Atlantic Funeral Home	1985
Windsor	Lindsay Funeral Home	1997
<u>Quebec</u>		
Cap-de-la-Madeleine	Garneau Funeral Home	1997
Dollard des Ormeaux	Rideau Funeral Home (ii)	1987
Grand-Mere	Pellerin Funeral Home (i)	1996
Quyon	Kelly Funeral Home (Quyon Chapel)	2005
Shawinigan	Pellerin Funeral Home	1996
Trois Rivieres	Garneau Funeral Home	1997
Ville St. Laurent	Armstrong Funeral Home	1985
<u>Ontario</u>		
Ajax	McEachnie Funeral Home	1994
Amherstburg	James H. Sutton Funeral Home	1984
Ancaster	Dodsworth & Brown Funeral Home (Ancaster Chapel)	1981
Nepean	Kelly Funeral Home (Barrhaven Chapel)	2005
Barrie	Scott Funeral Home (Georgian Chapel) (iii)	1995
Belle River	Melady Funeral Home & Chapel	1998
Belleville	Burke Funeral Home	1998
Brampton	Scott Funeral Home (Brampton Chapel)	1985
Burlington	Dodsworth & Brown Funeral Home (Burlington Chapel)	1981
Chatham	Bowman Funeral Home	1998
Goderich	McCallum & Palla Funeral Home	1996
Hamilton	Dodsworth & Brown Funeral Home (Robinson Chapel)	1981
Hamilton	L.G. Wallace Funeral Home	1981
Kanata	Kelly Funeral Home (Kanata Chapel)	2005
Kingston	Robert J. Reid & Sons Funeral Home	1999
Kingston	Kingston-Cataraqui Cremation Services (iii)	1999

Location	Name	Date of Establishment or Acquisition
Kingston	Tompkins Funeral Home (Central Chapel)	1993
Kingston	Tompkins Funeral Home (Township Chapel)	1993
London	Memorial Funeral Home & Chapel	1998
Markham	Highland Funeral Home "Markham Chapel"	2005
Midland	Nicholls Funeral Home	1997
Mississauga	Scott Funeral Home (Mississauga Chapel)	1993
Newmarket	Taylor Funeral Home	1995
Oakville	Oakview Funeral Home	1987
Orleans	Kelly Funeral Home (Orleans Chapel)	2005
Ottawa	Kelly Funeral Home (Somerset Chapel)	2005
Ottawa	Kelly Funeral Home (Carling Chapel)	2005
Ottawa	Kelly Funeral Home (Walkley Chapel)	2005
Penetanguishene	Penetanguishene Funeral Home	1997
Peterborough	Nisbett Funeral Home	1997
St. Catharines	Butler Funeral Home (Duke St. Chapel)	1991
St. Catharines	Butler Funeral Home (Niagara St. Chapel)	1991
Stouffville	O'Neill Funeral Home	1996
Tecumseh	Marcotte Funeral Home & Chapel	1998
Thunder Bay	Jenkins Funeral Home	1995
Toronto (Scarborough)	Highland Funeral Home & Cremation Centre	2000
Toronto	Lynett Funeral Home	1998
Toronto	McDougall & Brown Funeral Home (Eglinton Chapel)	1993
Toronto (Scarborough)	McDougall & Brown Funeral Home (Scarborough Chapel)	1987
Toronto	Scott Funeral Home (West Toronto Chapel)	1985
Toronto	Sherrin Funeral Home	1994
Windsor	Janisse Bros. - Marcotte Funeral Home	1998
Windsor	Morris Sutton Funeral Home	1983
Woodbridge	Scott Funeral Home (Woodbridge Chapel)	1985
<u>Manitoba</u>		
Winnipeg	Chapel Lawn Funeral Home (ii)	1983
Winnipeg	Desjardins Funeral Chapel	1984
Winnipeg (West St. Paul)	Glen Eden Funeral Home (ii)	1994
Winnipeg	Glen Lawn Funeral Home (ii)	2000
<u>Saskatchewan</u>		
Prince Albert	River Park Memorial Chapel	1986
Regina	Regina Funeral Home (ii)	1993
Saskatoon	Park Funeral Chapel	1986

Location	Name	Date of Establishment or Acquisition
Saskatoon	Hillcrest Funeral Home (ii)	2002
<u>Alberta</u>		
Calgary	Mountain View Funeral Home (ii)	1985
Calgary	Leyden's Funeral Home (i)	1999
Claresholm	Leyden's Funeral Home	1999
Edmonton	Evergreen Funeral Chapel (ii)	1983
Edmonton	Howard & McBride – Chapel of Chimes (i)	1985
Edmonton	Howard & McBride Funeral Home (Westlawn) (ii)	1985
Edmonton	South Side Memorial Chapel	1984
Edmonton (Sherwood Park)	Glenwood Funeral Home (ii)	1999
<u>British Columbia</u>		
Colwood	Sands Funeral Chapel	1985
Delta	Delta Funeral Home	1995
Duncan	Sands Funeral Chapel	1985
Nanaimo	Sands Funeral Chapel	1985
Richmond	Richmond Funeral Home	1984
Vancouver (Surrey)	Avalon & Surrey Funeral Home	1984
Vancouver (Surrey)	Valley View Funeral Home (ii)	1984
Victoria	Sands Funeral Chapel	1985

- (i) Crematorium on site.
- (ii) Funeral home located at cemetery.
- (iii) Funeral home located on leased premises.