

2114628 ONTARIO INC.

- and -

OnX ENTERPRISE SOLUTIONS INC.

ASSET PURCHASE AGREEMENT

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THIS AGREEMENT made as of the 27th day of October, 2006

B E T W E E N :

OnX ENTERPRISE SOLUTIONS INC., a corporation
incorporated under the laws of the Province of Ontario

(hereinafter called the “**Vendor**”)

OF THE FIRST PART

- and -

2114628 ONTARIO INC., a corporation incorporated
under the laws of Ontario

(hereinafter called the “**Purchaser**”)

OF THE SECOND PART

WHEREAS the Vendor carries on in Canada among other businesses, the business of the resale of hardware and software and the provision of value-added technical and consulting services (hereinafter collectively called the “**VAR Business**”);

AND WHEREAS the Purchaser desires to purchase and the Vendor desires to sell the property and assets of the VAR Business for the purchase price and upon the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the covenants, agreements and payments hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

“**Accounting Firm**” has the meaning ascribed thereto in Section 4.5(b).

“**Accounts Receivable**” means the trade accounts receivable due to the Vendor as at the Closing Date as reflected on the Closing Date Balance Sheet.

“**Affiliate**” has the meaning ascribed thereto in the *Business Corporations Act* (Ontario).

“**Agreement**” means this asset purchase agreement “hereof”, “hereto”, “hereunder” and similar expressions mean and refer to this Agreement and not to a particular article or section; and the expression “Article” or “Section” followed by a number means and refers to the specified article or section of this Agreement.

“**Assumed Liabilities**” means the liabilities and obligations to be assumed by the Purchaser as described in Section 5.1.

“**Board**” means the board of directors of the Vendor.

“**Bulk Sales Legislation**” means the *Bulk Sales Act* (Ontario) and the corresponding laws and regulations of any other jurisdiction, domestic or foreign.

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located at the City of Toronto are not open for business during normal banking hours.

“**Closing**” means the completion of the transactions herein contemplated, including the sale to and purchase by the Purchaser of the Purchased Assets hereunder as herein contemplated.

“**Closing Date**” means a date agreed upon by the Vendor and the Purchaser to be no later than 5 Business Days after Shareholder Approval has been obtained, or such later date as may be agreed upon.

“**Closing Date Balance Sheet**” means the balance sheet in respect of the VAR Business to be prepared, and as agreed upon by the Vendor and the Purchaser, in accordance with Section 4.5.

“**Competing Transaction**” means any proposal, whether written or unwritten, or any transaction regarding (i) any sale, lease, exchange, transfer, license or other disposition out of the ordinary course of any material portion of the assets of the VAR Business or the Vendor; (ii) any amalgamation, plan of arrangement, merger, consolidation, share exchange, business combination, joint venture or other similar transaction or series of related transactions involving the Vendor; (iii) any tender offer, take-over bid, exchange offer or similar transaction or series of related transactions made by any party or entity involving the acquisition or lock up of 10% or more of the outstanding shares of capital stock of the Vendor, coupled with or followed by an offer for the balance of such outstanding shares which when taken together with the shares previously acquired or locked up, would constitute a majority; (iv) the acquisition by any party or any group of Persons acting jointly or in concert (as defined in applicable securities legislation), directly or indirectly, of beneficial ownership of, or the formation of any group of Persons acting jointly or in concert to acquire beneficial ownership of, 10% or more of the then outstanding shares of any class of voting securities of the Vendor, which is coupled with or followed by an offer for the balance of such outstanding shares; or (v) any other substantially similar transaction or series of related transactions that would hinder the consummation of the transactions contemplated by, or otherwise defeat the purposes of, this Agreement.

“**Debt Instrument**” means any bond, debenture, promissory note or other instrument evidencing indebtedness for borrowed money or other liability.

“**Effective Time**” means immediately following the close of business on the Closing Date.

“**Employee Benefits**” means:

- (a) salaries, wages, bonuses, vacation entitlements, commissions, fees, stock option plans, stock purchase plans, incentive plans, deferred compensation plans, profit-sharing plans and other similar benefits, plans or arrangements;
- (b) insurance, health, welfare, disability, pension, retirement, travel, hospitalization, medical, dental, legal, counselling and other similar benefits, plans or arrangements; and
- (c) agreements or arrangements with any labour union or employee association, written or oral employment agreements or arrangements and agreements or arrangements for the retention of the services of independent contractors, consultants or advisors.

“**Encumbrance**” means any mortgage, charge, easement, encroachment, lien, adverse claim, assignment by way of security, security interest, servitude, pledge, hypothecation, conditional sale agreement, security agreement, title retention agreement, financing statement or other encumbrance.

“**GAAP**” means those accounting principles which are recognized as being generally accepted in Canada from time to time as recommended in the Handbook published by the Canadian Institute of Chartered Accountants.

“**GST**” means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder (collectively the “**GST Legislation**”).

“**Income Tax Act (Canada)**” means, collectively, the *Income Tax Act* (Canada) and the *Income Tax Regulations*, all as amended to date.

“**Intellectual Property**” means any patents, inventions (whether patented or not), trademarks or service marks, trade or business names, domain names, software (including the EPICOR system), literary or artistic content in the Websites and in any catalogues or promotional material, other works in which copyright subsists, trade secrets and confidential information, and other intellectual property that is owned or used by the Vendor exclusively or primarily in conducting the VAR Business, all registrations or applications for registration in respect thereof, and all the Vendor’s rights in respect of any infringement thereof (whether occurring before or after the Closing Date).

“**Inventories**” means all inventories of every kind and nature and wheresoever situate owned by the Vendor in respect of the VAR Business.

“**Leased Property**” means the portion of the property which is the subject of the Lease to be sublet by the Purchaser from the Vendor in accordance with the Sublease.

“Lease” means the real property lease entered into by the Vendor as identified in Schedule 1.1(a).

“Legal Proceeding” means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review and any application for same.

“Net VAR Working Capital” means the difference between the VAR Current Assets and the VAR Current Liabilities on the Closing Date as reflected on the Closing Date Balance Sheet.

“Non-VAR Current Assets” means all current assets of the Vendor other than VAR Current Assets.

“ordinary course”, when used in relation to the conduct by the Vendor of the VAR Business, means any transaction which constitutes an ordinary day-to-day business activity, conducted in a commercially reasonable and businesslike manner, having no unusual or special features, and being such as a Person of similar nature and size and engaged in a similar business might reasonably be expected to carry out from time to time.

“Person” means any individual, corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust and any unincorporated organization or association, any Tribunal; and pronouns have a similar extended meaning.

“Purchase Price” means the purchase price payable by the Purchaser to the Vendor for the Purchased Assets as provided for in Article 4.

“Purchased Assets” means the property and assets described in Section 3.1.

“Purchaser Objection” has the meaning ascribed thereto in Section 4.5(b).

“Shareholder Approval” means approval of the purchase transaction contemplated herein by the shareholders of the Vendor in accordance with applicable law including, without limitation, “majority of the minority” approval pursuant to Ontario Securities Commission Rule 61-501 and the companion rules and policies of other applicable jurisdictions.

“Sublease” means the sublease to be entered into by the Vendor and the Purchaser in form attached as Schedule 9.1.2;

“Superior Proposal” means a Competing Transaction:

- (a) that the Board has determined in good faith would, if consummated in accordance with its terms, result in a transaction: (1) more favourable to the Vendor than the transactions contemplated by this Agreement; and (2) reasonably capable of being completed within a reasonable period of time;
- (b) for which financing is committed at least to the extent that the financing for the transaction contemplated herein is committed;

- (c) in respect of which the Vendor has provided written notice to the Purchaser to the effect that it intends to furnish non-public information to, or enter into substantive discussions or negotiations with, the proposing party;
- (d) in respect of which if the Vendor intends to furnish non-public information to the proposing party, such party has signed an agreement to keep such non-public information provided to it by or on behalf of the Vendor confidential pursuant to a written confidentiality agreement; and
- (e) in respect of which the Vendor has provided a copy of all material terms and conditions reasonably required by the Purchaser (including the identity of the party proposing the Competing Transaction) to the Purchaser.

“Taxes” means all taxes payable under any applicable Tax Legislation, including, without limitation, income taxes, excise taxes, sales taxes, goods and services taxes, transfer taxes, property and municipal and school taxes, capital taxes, import and customs, duties and other governmental charges and assessments, and includes additions by way of penalties, interest, fines and other amounts with respect thereto.

“Tax Legislation” means, collectively, the *Income Tax Act* (Canada) and the *Income Tax Regulations*, all as amended to date, and the statute law, rules, regulations, interpretation bulletins and releases, orders and decrees of any jurisdiction, domestic or foreign which may impose a tax of any kind.

“Tax Returns” means all tax returns required to be filed under the provisions of any applicable Tax Legislation and any tax forms required to be filed, whether in connection with a Tax Return or not, under any provisions of any applicable Tax Legislation.

“Time of Closing” means 10:00 a.m. Toronto time on the Closing Date or such other time on the Closing Date as the parties may agree as the time at which the Closing shall take place.

“Transferred Employees” means all those employees who are employed by the Vendor in the VAR Business on the Closing Date and who become employees of the Purchaser pursuant to the terms of this Agreement.

“Tribunal” means:

- (a) any court (including a court of equity);
- (b) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality;
- (c) any securities commission, stock exchange or other regulatory or self-regulatory body;

- (d) any board of trade, chamber of commerce or other business or professional organization or association;
- (e) any arbitrator or arbitration tribunal; and
- (f) any other tribunal;

whether domestic or foreign.

“**Unaudited Schedules of the VAR Business**” means the internal unaudited schedules of the VAR Business for the 3 month period ended July 31, 2006 prepared by management of the Vendor, a copy of which is annexed hereto as Schedule 6.1.6.

“**VAR Business**” has the meaning described in the preamble hereto.

“**VAR Current Assets**” means the sum of prepaid expenses and Accounts Receivable in respect of the VAR Business as at the Closing Date as reflected in the Closing Date Balance Sheet.

“**VAR Current Liabilities**” means the trade accounts payable of the accrued liabilities and deferred revenue of the VAR Business as at the Closing Date as reflected in the Closing Date Balance Sheet.

“**Websites**” means websites, including all Intellectual Property relating thereto, now residing at “www.onx.com”.

1.2 Gender and Number

In this Agreement words importing a specific gender include all genders and words importing the singular include the plural and vice versa.

1.3 Currency

Unless otherwise indicated all dollar amounts referred to in this Agreement, including the symbol \$, refer to lawful money of Canada.

1.4 Headings

The division of this Agreement into Articles and Sections and the use of a table of contents and headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

ARTICLE 2 SCHEDULES

2.1 Description of Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule 1.1(a)	-	Lease
Schedule 3.1(a)	-	Machinery, Equipment, etc.
Schedule 3.1(d)	-	Agreements, Contracts, Commitments, etc. [To be delivered separately]
Schedule 3.1(e)	-	Intellectual Property
Schedule 6.1.3	-	Consents
Schedule 6.1.6	-	Financial Statements as at July 31, 2006
Schedule 6.1.8	-	Employee Benefits, Employees, etc.
Schedule 6.1.11	-	Legal Proceedings
Schedule 8.2	-	Options

The Schedules will be updated at the Time of Closing to reflect any changes between the date hereof and such time:

ARTICLE 3 AGREEMENT OF PURCHASE AND SALE

3.1 Property and Assets to be Purchased and Sold

Subject to the terms and conditions hereof, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase on the Closing Date the following property and assets:

- (a) all machinery, equipment (including, without limitation, office equipment and computer equipment), furnishings and accessories and supplies of all kinds owned by the Vendor in connection with the VAR Business located in or on the Leased Property, including without limitation those items set forth and described in Schedule 3.1(a);
- (b) all Inventories;
- (c) the Accounts Receivable in respect of the VAR Business;
- (d) the full benefit of all unfilled orders received by the Vendor relating to the VAR Business and all right, title and interest of the Vendor in, to and under all agreements, contracts, licences and commitments relating exclusively to the VAR Business including, without limitation, those set forth and described in Schedule 3.1(d);
- (e) all the right, title, benefit and interest of the Vendor in and to the Intellectual Property of the Vendor including without limitation the Intellectual Property identified on Schedule 3.1(e);
- (f) the goodwill of the VAR Business, together with the exclusive right of the Purchaser to represent itself as carrying on the VAR Business in continuation of and in succession to the Vendor under the names "OnX

Enterprise Solutions", "OnX Direct" and all variations thereof, and the right to use any words indicating that the VAR Business is so carried on;

- (g) all lists of customers of the VAR Business in the possession of the Vendor showing, to the extent known by the Vendor, the names, addresses, phone numbers, e-mail addresses and contact persons for each customer of the VAR Business;
- (h) all books, records, files and other documentation and written materials relating exclusively or primarily to the VAR Business and all information and materials in the possession or control of the Vendor in written or electronic form in a database or otherwise to the extent it relates to the VAR Business, except to the extent such information is proprietary to the Vendor or the Vendor needs to retain a particular book, record, file, document or other written or electronic material for its own purposes or those of its Affiliates, where the Vendor shall be entitled to retain the original thereof and, deliver to the Purchaser a copy thereof or provide the Purchaser reasonable access thereto and if such access requires a separation or extraction of such information or materials by the Vendor, such separation or extraction will be done in a reasonably timely manner and the Purchaser will bear the cost thereof;
- (i) all transferable rights of the Vendor in all the phone and fax numbers used exclusively in the VAR Business (unless, acting reasonably, the Vendor (or its Affiliates) requires such numbers for their own purposes); it is understood that non-transferable numbers may be made available pursuant to the transition services agreement referred to in Sections 9.1.7 and 10.1.6;
- (j) the Website located at onx.com;
- (k) any and all other assets and property of the VAR Business not otherwise specifically identified in Section 3.1 hereof; and
- (l) certain Non-VAR Current Assets if required to be purchased pursuant to Section 4.1.

3.2 Excluded Assets

Except as provided in Section 4.1, the purchase and sale transaction hereunder shall not include any assets of the Vendor used in any business other than the VAR Business and, if applicable, certain VAR Current Assets removed from the Purchased Assets pursuant to Section 4.1.

ARTICLE 4 PURCHASE PRICE

4.1 Purchase Price

The Purchase Price shall be equal to the sum of: (i) the amount of VAR Current Assets on the Closing Date less the value of any VAR Current Assets reassigned to the Vendor pursuant to Section 4.6; and (ii) \$4,500,000. For greater certainty, subject to Section 4.6, the net sale proceeds to the Vendor, after giving effect to the assumption of the VAR Current Liabilities, shall be \$6.8 million. In the event that the amount of the Net VAR Working Capital reflected in the Closing Date Balance Sheet is more or less than \$2.3 million, the difference will be made up by way of: (x) the Purchaser's acquisition of Non-VAR Current Assets, in the case of the shortfall below \$2.3 million; or (y) by the Vendor's retention of VAR Current Assets, in the case of an excess over \$2.3 million.

4.2 **Payment of the Purchase Price**

Subject to adjustment in accordance with Sections 4.5 and 4.6, the Purchase Price shall be satisfied by the Purchaser as follows:

- (a) as to \$4,500,000 by the delivery on the Closing Date to the Vendor by certified cheque, bank draft or electronic funds transfer;
- (b) as to an amount equal to the VAR Current Liabilities by the assumption thereof by the Purchaser as provided in Section 5.1 (such amount being the amount shown as the book value of the VAR Current Liabilities of the VAR Business on the Closing Date Balance Sheet); and
- (c) as to the balance, being the amount of the Net VAR Working Capital (less certain VAR Current Assets or plus certain Non-VAR Current Assets, if applicable, pursuant to Section 4.1) by one non-interest bearing instalment due 6 months after Closing, provided that if the uncollected Accounts Receivable at such time exceeds \$100,000 (the "Uncollected A/R Amount"), the payment pursuant to this Section 4.2(c) shall be reduced by the Uncollected A/R Amount until the final determination is made of the Accounts Receivable, if any, to be reassigned by the Purchaser to the Vendor pursuant to Section 4.6.

4.3 **Allocation of Purchase Price and Tax Elections**

(a) The Purchase Price shall be allocated among the Purchased Assets in accordance with the book values thereof reflected in the Closing Date Balance Sheet. The Vendor and the Purchaser shall execute and file an election as to the Accounts Receivables to the extent permitted under Section 22 of the *Income Tax Act* (Canada) or any equivalent election in any other jurisdiction, using as the consideration paid therefor the amount thereof as shown on the final and binding Closing Date Balance Sheet. In addition, the Vendor and Purchaser shall execute and file their respective Tax Returns in a manner consistent with the aforesaid allocations and election. If either party fails to file its Tax Returns as aforesaid, such party shall indemnify and save harmless the other party in respect of any additional Tax, and legal and/or accounting costs paid or incurred by the other party as a result of the failure to file as aforesaid. The Purchaser and the Vendor shall also elect jointly to have the provisions of subsection 20(24) of the *Income Tax Act* (Canada) (and any equivalent applicable provincial or territorial election)

apply by completing and filing any and all documents or writings in such manner and at such time in accordance with the provisions of subsections 20(24) and 20(25) of the *Income Tax Act* (Canada) (and any equivalent applicable provincial or territorial election).

(b) The Purchaser and the Vendor shall jointly elect in the prescribed form pursuant to section 56.4 as proposed in the Notice of Ways and Means Motion tabled by the Minister of Finance (Canada) on November 9, 2006 introducing amendments to the *Income Tax Act* (Canada) (or equivalent provision as finally enacted), in respect of the non-competition covenants of the Vendor set out in the non-competition agreement referred to in Sections 9.1.2 and 10.1.10 (the "Non-Compete"), to the extent available. The Vendor shall file a copy of the prescribed form(s) with the Canada Revenue Agency (the "CRA") before the due date for its Tax Return for the taxation year that includes the day on which the Non-Compete is given. If a prescribed form is not available at that time, then the election shall be made in a manner acceptable to the CRA. If any relevant provincial or territorial taxing authority proposes a similar provision, then the Purchaser and the Vendor shall make a similar provincial or territorial election. The form and content of any such election shall be determined by the Vendor and the Purchaser, acting reasonably. The Purchaser's and the Vendor's obligations under this section shall survive the Closing.

4.4 Transfer Taxes

The Purchaser shall be liable for and shall pay, either to the Vendor at Closing or directly to the government authority, as required, all federal and provincial sales taxes and all other Taxes or other like charges properly payable upon and in connection with the transfer of the Purchased Assets to the Purchaser, including, but not limited to GST but excluding any income taxes payable by the Vendor as a result of the completion of the transactions herein contemplated. The Vendor and Purchaser shall jointly elect under Section 167(1) of the GST Legislation following the prescribed form and including the prescribed information, with respect to the purchase and sale of the Purchased Assets pursuant to the provisions of this Agreement. Such joint elections shall be filed in compliance with the requirements of the GST Legislation.

4.5 Final Determination of Assets required to satisfy Purchase Price

(a) Within 30 days after the Closing Date, the Vendor shall prepare (in cooperation with representatives of the Purchaser and deliver to the Purchaser an unaudited balance sheet (the "**Closing Date Balance Sheet**") showing the VAR Current Assets and VAR Current Liabilities of the VAR Business as at the Effective Time. The Vendor will prepare the Closing Date Balance Sheet in accordance with, and on a consistent basis with, the accounting policies used in the preparation of the Financial Statements, including for greater certainty, accrued vacation pay and accrued commissions and bonus for Transferred Employees but not to include any such matter for employees who do not become Transferred Employees.

(b) The Closing Date Balance Sheet shall, within 30 days of receipt thereof by the Purchaser, be binding and conclusive upon, and deemed accepted by, the Purchaser unless the Purchaser shall have notified the Vendor in writing within such 30 days of any objection thereto (the "**Purchaser Objection**"). The Purchaser Objection shall set forth a specific description of the basis of the Purchaser Objection and the nature of adjustments to the Closing

Date Balance Sheet that the Purchaser believes should be made. Any items not specifically disputed during the said 30 day period shall be deemed to have been accepted by the Purchaser. The Vendor shall then have 15 days to notify the Purchaser that the Vendor objects to the Purchaser Objection, failing which the Vendor shall be deemed to accept same. If the parties hereto are unable to resolve any dispute within 30 days following the Vendor's receipt of the Purchaser Objection, they shall refer the remaining differences to KPMG LLP, the auditors of the Vendor, or such other firm of accountants acceptable to the Purchaser and the Vendor, each acting reasonably, (the "**Accounting Firm**") for decision, which decision shall be final and binding on the parties.

(c) The Closing Date Balance Sheet shall become final and binding on the parties upon the earliest of:

- (i) if no Purchaser Objection has been given, the expiration of the period within which the Purchaser must make its objection pursuant to paragraph (b) of this Section 4.5 hereof;
- (ii) agreement in writing by the Vendor and the Purchaser that the Closing Date Balance Sheet, together with any modifications thereto agreed by the Vendor and the Purchaser, shall be final and binding; and
- (iii) the date on which the Accounting Firm shall issue its written determination with respect to any dispute relating to the Closing Date Balance Sheet.

The Closing Date Balance Sheet, as submitted by the Vendor if no Purchaser Objection has been given, or as adjusted pursuant to any agreement between the parties or as determined pursuant to the decision of the Accounting Firm, when final and binding on all parties shall be used to determine the value of the VAR Current Assets and VAR Current Liabilities.

(d) Within 5 Business Days following the final determination of the Net VAR Working Capital, an adjustment to the composition of the Purchased Assets shall be made pursuant to Section 4.1 if the Net VAR Working Capital is more or less than \$2.3 million. Such adjustment shall be made in a fair and equitable manner as agreed upon by the Vendor and the Purchaser.

4.6 Accounts Receivable

Subject to the following provisions of Section 4.6, to the extent that any of the Accounts Receivable forming part of the Purchased Assets remain uncollected on the date which is 9 months following the Closing Date, such Accounts Receivable shall be reassigned by the Purchaser to the Vendor, provided that the Purchaser shall have made reasonable commercial efforts to collect such Accounts Receivable during such 9 month period which shall not, however, require the commencement of a legal action against the account debtor. The Purchase Price shall be reduced by the amount of the Accounts Receivable which are uncollected within 9 months following the Closing Date, and payment of the required amount shall be made promptly by the Vendor to the Purchaser or by the Purchaser to the Vendor taking into account the Uncollected A/R Amount under Section 4.2(c), if any. To the extent that following the Closing

Date, the Vendor receives any payments in respect of any Accounts Receivable assigned to the Purchaser, such amounts shall be paid by the Vendor to the Purchaser as soon as such amounts are received. To the extent that any Accounts Receivable are reassigned by the Purchaser to the Vendor as contemplated by this Section 4.6, and the Purchaser receives any money in respect of such Accounts Receivable, it shall hold such amounts in trust for the Vendor and forthwith remit any such amounts to the Vendor. The Purchaser agrees that during the 9 month period following the Closing Date it will: (i) not compromise any Accounts Receivable forming part of the Purchased Assets without the prior consent of the Vendor, which shall not be unreasonably withheld; and (ii) deliver the Vendor with a statement of Accounts Receivable forming part of the Purchased Assets every 30 days commencing on the date which is 60 days following the Closing Date.

4.7 Returns, Refunds, etc.

The Vendor and the Purchaser hereby agree that the Vendor shall be responsible for all customer returns, refunds, allowances, credits, warranty claims, adjustments for pricing errors, and the like (collectively “Returns”) received or granted by the Purchaser within [one year] following the Closing Date in respect of goods and services of the VAR Business supplied prior to the Closing (“Pre-Closing Goods and Services”). Returns shall be granted by the Purchaser only in accordance with the Vendor’s practices and procedures in effect at Closing. The Vendor shall reimburse the Purchaser for the face amount of all Returns properly granted during such one year period or, alternatively, the Vendor shall reimburse the Purchaser for the actual cost incurred by the Purchaser in repairing or otherwise remedying any Pre-Closing Goods and Services. The amount to be reimbursed to the Purchaser shall be calculated net of credits received by the Purchaser from the suppliers of any returned Pre-Closing Goods and Services. After the expiry of the aforementioned one year period, the Purchaser shall be solely liable for any customer returns, refunds, allowances, credits, adjustments for pricing errors and the like in respect of Pre-Closing Goods and Services and the Vendor shall have no liability whatsoever with respect thereto.

ARTICLE 5 LIABILITIES

5.1 Assumption of Liabilities

The Purchaser shall, from and after the Closing Date:

- (a) assume, perform and fulfill all VAR Current Liabilities reflected in the Closing Date Balance Sheet;
- (b) assume, perform and fulfil to the extent required thereunder all obligations of the Vendor under the unfilled orders and each of the agreements, contracts, licences and commitments referred to in clause (e) of Section 3.1 and any forward commitments by the Vendor for supplies or materials entered into in the ordinary course of the VAR Business for use in the VAR Business;

- (c) pay, satisfy, discharge, perform and fulfil all debts and liabilities incurred in connection with the conduct of the VAR Business after the Effective Time;
- (d) assume all obligations relating to the Transferred Employees in accordance with and subject to Section 11.1 hereof; and

Except for those matters set out above and as otherwise provided for in this Agreement or in any other agreement to be entered into by the Purchaser pursuant hereto, the Purchaser shall not be liable for any other liabilities of the VAR Business for the period prior to the Effective Time. For greater certainty, the Purchaser shall not assume any liabilities of any business of the Vendor other than the VAR Business.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE VENDOR

6.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions herein contemplated:

6.1.1 Incorporation, Organization and Qualification of the Vendor

The Vendor is a corporation duly incorporated or continued and subsisting under the laws of Ontario. No proceedings have been instituted or are pending for the dissolution or liquidation of the Vendor. The Vendor has the necessary corporate power, authority and capacity to own or lease the Purchased Assets and to carry on the VAR Business as now being conducted by it and is qualified to carry on the Purchased Business under the laws of Ontario, being the only jurisdictions in which the nature of the VAR Business as carried on by the Vendor or the Purchased Assets owned or leased by it makes such qualification necessary, or where failure to be so qualified would not have a material adverse effect on the VAR Business.

6.1.2 Due Authorization of Agreement

The Vendor has the necessary corporate power, authority and capacity to enter into this Agreement, to sell the Purchased Assets to the Purchaser as herein contemplated and to perform its other obligations hereunder. The execution and delivery of this Agreement and the completion of the transactions herein contemplated have been duly and validly authorized by all necessary corporate action on behalf of the Vendor and this Agreement has been duly and validly executed and delivered by the Vendor and is a valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms.

6.1.3 Conflicting Instruments

The entering into of this Agreement by the Vendor, the performance by the Vendor of its obligations hereunder and the completion of the transactions herein contemplated

do not and will not conflict with or result in the breach or violation of any of the terms and provisions of (i) the constating documents or by-laws of the Vendor, (ii) subject to obtaining any consent, approval, permit or acknowledgement which may be required thereunder, a complete list of which is set out as Schedule 6.1.3 in connection with the completion of the transactions herein contemplated, any licence or registration or any agreement, contract or commitment which the Vendor is a party to or bound by or subject to, or (iii) any law or regulation, domestic or foreign, or any judgment, decree, injunction, ruling, order or award of any Tribunal.

6.1.4 Title to Purchased Assets

At the Time of Closing, the Vendor will be the owner of the Purchased Assets free of any Encumbrance (except for the interest of the lessors under the Personal Property Leases), and the Vendor will be exclusively entitled to possess and dispose of the same.

6.1.5 Accuracy of Books and Records

To the Vendor's knowledge, the books and records, accounting, financial or otherwise, of the Vendor relating to the VAR Business fairly and correctly set out and disclose in all material respects the financial position of the VAR Business as at the date hereof and all material financial transactions of the Vendor relating to the VAR Business have been accurately recorded in such books and records.

6.1.6 Financial Information

The Unaudited Schedules of the VAR Business present fairly:

- (a) all of the assets and liabilities of the VAR Business as at July 31, 2006; and
- (b) the revenues and earnings of operations of the VAR Business for the 3 month period ended on July 31, 2006.

6.1.7 VAR Business Carried on in Ordinary Course

To the Vendor's knowledge, since September 30, 2006, the VAR Business has been carried on in the ordinary course, and the Vendor has not, since September 30, 2006, sold or otherwise disposed of any of its property or assets relating to the VAR Business except in the ordinary course.

6.1.8 Employment and Employee Benefit Matters

- (a) Except as set forth and described in Schedule 6.1.8, the Vendor is not:
 - (i) a party to or bound by or subject to any agreement or arrangement with respect to Employee Benefits relating to employees of the VAR Business;

- (ii) a party to or bound by or subject to any agreement or arrangement with any labour union or employee association relating to employees of the VAR Business and, to the knowledge of the Vendor, has made no commitment to or conducted any negotiation or discussion with any labour union or employee association with respect to any future agreement or arrangement relating to employees of the VAR Business; and
 - (iii) required to recognize any labour union or employee association representing employees of the VAR Business or any agent having bargaining rights for employees of the VAR Business and, to the knowledge of the Vendor, there is no current attempt to organize or establish any labour union or employee association with respect to employees of the VAR Business;
- (b) The names of the individuals currently employed in connection with the VAR Business, their date of hire with the Vendor or, to the knowledge of the Vendor, a predecessor of the Vendor to the VAR Business, their employment positions with the Vendor and the Employee Benefits to which they are entitled are set forth and described in Schedule 6.1.8.
 - (c) Except as set out on Schedule 6.1.8 hereto, the Vendor does not have any pension or retirement plan for the employees of the VAR Business.

6.1.9 Material Contacts

The Vendor is not a party to or bound by or subject to any material agreement, contract or commitment, written or oral, of any nature or kind relating to the VAR Business except for:

- (a) forward commitments by the Vendor for supplies or materials entered into in the ordinary course of the VAR Business for use in the VAR Business;
- (b) employment and other agreements or commitments and benefit plans identified on Schedule 6.1.8; and
- (c) those other agreements, contracts, licences or commitments disclosed in Schedule 3.1(d) or in any other Schedule hereto.

For the purpose hereof, material contract, agreement or commitment means any contract, agreement or commitment that has more than 3 months to run or under which the obligations of the Vendor exceed \$50,000 individually.

6.1.10 Intellectual Property

To the knowledge of the Vendor, except as disclosed in Schedule 3.1(e), the use of the Intellectual Property by the Vendor in conducting the VAR Business and the conduct of the VAR Business by the Vendor do not in any material respect infringe upon or breach any

intellectual property rights of any other Person and the Vendor is not aware of any infringement or violation by any other person of the rights of the Vendor to the Intellectual Property.

6.1.11 Legal Proceedings

Except as set forth and described in Schedule 6.1.11 or except as would not be materially adverse to the VAR Business, there is no Legal Proceeding (whether or not purportedly on behalf of the Vendor) in progress or pending or, to the knowledge of the Vendor, threatened against or affecting the Vendor relating to the VAR Business or the Purchased Assets at law or in equity or before or by any Tribunal, which Legal Proceeding involves the possibility of any judgment or other liability of the Vendor not fully covered by insurance. To the knowledge of the Vendor, except as set forth and described in Schedule 6.1.11, there are no grounds on which any such Legal Proceeding might be commenced with any reasonable likelihood of success. The Vendor has not received notice of any judgment, decree, injunction, ruling, order or award of any Tribunal outstanding against or affecting the Vendor relating to the VAR Business or the Purchased Assets.

6.1.12 Compliance with Applicable Laws

The Vendor has conducted and is conducting the VAR Business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction, domestic or foreign, in which the VAR Business is carried on, is not in breach of any of such laws, rules or regulations, except for non-compliance or breaches which in the aggregate are not material.

6.1.13 Residence of Vendor; GST Status

The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada). The Vendor is registered for purposes of the GST Legislation and its registration number is 104003454RT001.

6.2 **No Other Representations and Warranties**

Except for the representations and warranties set forth in this Article 6, the Vendor makes no further representations or warranties to the Purchaser, whether express or implied, statutory or otherwise, with respect to the Purchased Assets or the VAR Business.

6.3 **Survival of Representations and Warranties of the Vendor**

The representations and warranties of the Vendor contained in this Agreement and in any agreement, certificate, affidavit, statutory declaration or other document delivered or given pursuant to this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Purchaser with respect thereto, shall continue in full force and effect for the benefit of the Purchaser; provided, however, that no claim in respect thereof shall be valid unless it is made within 2 years from the Closing Date and in accordance with the provisions set forth in Article 16 and, upon the expiry of such limitation period referred to above, the Vendor shall have no further liability to the Purchaser with respect to any of such representations and warranties, except in respect of claims which have theretofore been made in accordance with the provisions set forth above. Notwithstanding the foregoing, the Vendor shall

not be liable for any breach of its representations and warranties hereunder if the Purchaser had knowledge at the Effective Time of the matter constituting such breach.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

7.1 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on such representations and warranties in connection with the transactions herein contemplated:

7.1.1 Incorporation, Organization and Authority of the Purchaser Due Authorization of Agreement and Enforceability of Obligations

The Purchaser is a corporation duly incorporated or continued and subsisting under the laws of Ontario and has the necessary corporate power, authority and capacity to enter into this Agreement, to purchase the Purchased Assets from the Vendor as herein contemplated and to perform its other obligations hereunder. The execution and delivery of this Agreement and the completion of the transactions herein contemplated have been duly and validly authorized by all necessary corporate action on behalf of the Purchaser and this Agreement has been duly and validly executed and delivered by the Purchaser and is a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.

7.1.2 Conflicting Instruments, etc.

The entering into of this Agreement by the Purchaser, the performance by the Purchaser of its obligations hereunder and the completion of the transactions herein contemplated do not and will not conflict with or result in the breach or violation of any of the terms and provisions of (i) the constating documents or by-laws of the Purchaser, (ii) any licence or registration or any agreement, contract or commitment which the Purchaser is a party to or bound by or subject to, or (iii) any law or regulation, domestic or foreign, or any judgment, decree, injunction, ruling, order or award of any Tribunal.

7.1.3 Knowledge of Matters

The Purchaser and its principals are not aware, and ought not to be aware given their positions as senior executors of the Vendor, that any representation or warranty made by the Vendor contained in this Agreement or in any agreement, certificate, affidavit, statutory declaration or other document delivered or given pursuant to this Agreement is false or inaccurate in any respect.

7.1.4 GST Status

The Purchaser is registered for purposes of the GST Legislation and its registration number is 838058923RT0001.

7.1.5 Investment Canada Act

The Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada).

7.1.6 Availability of Financing

The Purchaser has arranged the financing in an amount not less than \$4.5 million necessary to complete the purchase and sale transaction provided for herein, subject to compliance with the conditions of such financing imposed by the lenders thereof.

7.2 Survival of Representations and Warranties of the Purchaser

The representations and warranties of the Purchaser contained in this Agreement or in any agreement, certificate, affidavit, statutory declaration or other document delivered or given pursuant to this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Vendor with respect thereto, shall continue in full force and effect for the benefit of the Vendor; provided, however, that no claim in respect thereof shall be valid unless it is made within a period of 2 years from the Closing Date and in accordance with the provisions set forth in Article 16 and, upon the expiry of such limitation period, the Purchaser shall have no further liability to the Vendor with respect to any of such representations or warranties, except in respect of claims which have theretofore been made in accordance with the provisions set forth above.

ARTICLE 8 SUPERIOR PROPOSAL AND OPTIONS

8.1 Provisions relating to a Superior Proposal

(a) The Vendor hereby covenants that until the earlier of: (i) the Closing Time; and (ii) this Agreement having been terminated in accordance with its terms, neither it nor any of its Affiliates shall, nor shall it or any of its Affiliates, permit their respective officers, directors, employees, representatives or agents (including, without limitation any investment banker, attorney or accountant retained by it or any of its Affiliates), to initiate or solicit, directly or indirectly, any inquiries or the making or implementation of any proposal or offer (including, without limitation, any proposal or offer to the shareholders of the Vendor) with respect to a Competing Transaction, or engage in negotiations concerning, or provide any non-public information or data to, or have any substantive discussions with, or endorse or recommend a proposal of, or withdraw or modify in a manner adverse to the Purchaser the recommendation of the Board regarding the transactions contemplated hereby, or enter into any contract or understanding relating to a Competing Transaction, or otherwise facilitate any effort or attempt to make or implement a Competing Transaction, and that it will notify the Purchaser immediately if any such inquiries or proposals are received by, any such information is requested from or any such negotiations or discussions are sought to be initiated or continued with, it or any such Affiliates, officers, directors, employees, representatives or agents; provided, however, that nothing contained in this Agreement shall prohibit the Vendor or its Board from furnishing non-public information to or entering into discussions, negotiations, contracts or agreements with any party that proposes an unsolicited, bona fide, Competing Transaction in writing to the

Vendor or to the shareholders of the Vendor, if, and to the extent that such Competing Transaction would, if completed in accordance with its terms, constitute a Superior Proposal.

(b) The foregoing provisions shall not prevent the Vendor from providing information or making disclosures to its shareholders with respect to any unsolicited submission or proposal regarding a Competing Transaction, if in the opinion of the Board, based upon the advice of counsel, such information or disclosures are required by applicable Law.

(c) In addition, nothing in this Agreement shall prevent the Board from withdrawing, modifying or changing any recommendation regarding the transactions contemplated herein if an unsolicited, bona fide, Competing Transaction has been made in writing to the Vendor or the shareholders of the Vendor and the Board has determined in good faith that the Competing Transaction would, if completed in accordance with its terms, constitute a Superior Proposal, provided that:

- (i) The Vendor has immediately advised the Purchaser orally and in writing of any Superior Proposal and as soon thereafter as practicable provided the Purchaser with a copy of the material terms and conditions of such Superior Proposal and any agreement that the Vendor proposes to enter into in respect of such Superior Proposal (including the identity of the party proposing the Superior Proposal) and further provided the Purchaser with access to all non-public information provided to the party proposing the Superior Proposal to the extent not previously provided to the Purchaser; and
- (ii) 5 Business Days have elapsed after receipt by the Purchaser of such Superior Proposal information and the Purchaser does not, in such period, provide to the Vendor an irrevocable offer, in writing, to amend this Agreement to provide: (1) terms that are in aggregate at least as favourable to the Vendor; and (2) consideration with a value at least equal to the value of the consideration, in each case being offered to the Vendor or to holders of the Vendor's shares in such Superior Proposal (such determination to be made by the Board acting in good faith);

(d) The Board will review any written, irrevocable offer made by the Purchaser to amend the terms of this Agreement pursuant to Section 8.1(c) in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the Purchaser's offer to amend the terms of this Agreement upon acceptance by the Vendor would result in the Competing Transaction, if completed in accordance with its terms, not constituting a Superior Proposal. If the Board so determines, the parties hereto will enter into an amendment to this Agreement with the Purchaser reflecting the Purchaser's amended proposal. If the Board continues to believe, in good faith and after consultation with financial advisors and counsel, that the Competing Transaction would, if completed in accordance with its terms, nonetheless be a Superior Proposal and therefore rejects the Purchaser's amended proposal, the Vendor or the Purchaser, by written notice to the other, shall be entitled to terminate this Agreement.

(e) Unless the Board has determined and continues to believe that a Competing Transaction is a Superior Proposal, the Vendor shall promptly, and in any event within 5 Business Days, reaffirm its recommendation of the transactions contemplated by this Agreement by press release after: (i) any Competing Transaction is publicly announced or made (provided such obligation shall not apply during any period during which the Board is determining in good faith whether such transaction would, if completed in accordance with its terms, constitute a Superior Proposal); or (ii) the Purchaser and the Vendor enter into an amendment to this Agreement under Section 8.1(d); or (iii) any reasonable request by the Purchaser to do so.

(f) The Vendor also acknowledges and agrees that each successive modification of any Competing Transaction shall constitute a new Competing Transaction for purposes of this Section 8.1.

8.2 Options

Unless the Board otherwise determines, all exercisable options to purchase shares of the Vendor that are held by Transferred Employees at the Time of Closing shall expire on the date when such options are currently set to expire or 36 months after the Closing Date, whichever is earlier, unless any Transferred Employee ceases to be employed by the Purchaser earlier, in which event his or her options will expire in accordance with the Vendor's stock option plan. The expiry dates of the options held by the current employees of the VAR Business are set out in Schedule 8.2.

ARTICLE 9 COVENANTS OF THE VENDOR

9.1 Covenants of the Vendor

The Vendor hereby covenants and agrees with the Purchaser as follows:

9.1.1 Consents, etc.

Commencing forthwith after the date hereof, but subject to Section 8.1, the Vendor shall use commercially reasonable efforts to obtain at or prior to the Time of Closing all necessary consents, approvals, permits and acknowledgements which may be required in connection with the completion of the transactions herein contemplated including, without limitation, Shareholder Approval and by the Vendor's shareholders of the change of name contemplated by Section 9.1.8. For the purposes hereof, Schedule 6.1.3 identifies those Personal Property Leases, agreements, contracts and commitments that the Purchaser and the Vendor have identified as requiring the consent of the parties thereto as a condition to the Closing.

9.1.2 Delivery of Non-Compete

The Vendor shall execute and deliver the Non-Compete to the Purchaser at the Time of Closing in the form settled by the Vendor and the Purchaser in good faith.

9.1.3 Section 6 (*Retail Sales Tax Act* (Ontario)) Certificate

Forthwith upon the execution of this Agreement the Vendor shall apply for and, when received, deliver to the Purchaser a certificate issued by the Minister of Revenue pursuant to Section 6 of the Retail Sales Tax Act (Ontario), which certificate(s) shall indicate that the Vendor has paid all taxes collectable or payable under the said Act in respect of the VAR Business up to the Closing Date or has entered into an arrangement satisfactory to the said Minister for the payment of such taxes.

9.1.4 Arrangement re: Domain Names, Telephone and Fax Numbers, etc.

The Vendor will use commercially reasonable efforts to transfer to the Purchaser the rights in the domain name(s), telephone and fax numbers identified in Section 3.1(i) and to ensure that the Purchaser is the owner, or has the perpetual right to use the intellectual property comprising the Websites.

9.1.5 Delivery of Sub-leases

The Vendor shall execute and deliver to the Purchaser at the Time of Closing sub-leases in the form settled by the Vendor and the Purchaser in good faith relating to the Vendor's leased premises in Thornhill and Ottawa, Ontario.

9.1.6 Delivery of Agency Agreement

The Vendor shall execute and deliver to the Purchaser at the Time of Closing an agency agreement having a term of one year and otherwise in the form settled by the Vendor and the Purchaser in good faith.

9.1.7 Delivery of Transition Services Agreement

The Vendor shall execute and deliver to the Purchaser at the Time of Closing a transition services agreement in the form settled by the Vendor and the Purchaser in good faith. The transition services agreement will include provisions regarding the utilization of the Air Canada suite by the Vendor and the Purchaser, and the allocation of the cost thereof between them and a limited license in favour of the Vendor permitting it to use up all materials bearing the "OnX" trademark (ie. business cards, letterhead) and to use the OnX trademark for other transition purposes.

9.1.8 Change of Name

At or prior to the Time of Closing, the Vendor shall change its corporate name to a name that does not include the words "OnX Enterprise Solutions", and shall withdraw and cancel all trade names, business names and styles including the word "OnX". The Vendor intends to change its name to "Momentum Advanced Solutions Inc.". The Purchaser intends to change its name to "OnX Enterprise Solutions Ltd.".

9.1.9 Addenda to Employment Agreements

The Vendor shall enter into an addendum to the employment agreements with each of Phillip DeLeon and Sheldon Pollack as contemplated by Section 10.1.9.

ARTICLE 10
COVENANTS OF THE PURCHASER

10.1 **Covenants of the Purchaser**

The Purchaser hereby covenants and agrees with the Vendor as follows:

10.1.1 Consents, etc.

Commencing forthwith after the date hereof the Purchaser shall use commercially reasonable efforts to obtain at or prior to the Time of Closing all necessary consents, approvals, permits and acknowledgements which may be required in connection with the completion of the transactions herein contemplated including, without limitation, Shareholder Approval. For the purposes hereof, Schedule 6.1.3 identifies those Personal Property Leases, agreements, contracts and commitments that the Purchaser and the Vendor have identified as requiring the consent of the parties thereto as a condition to the Closing.

10.1.2 Taxes

For a period of 6 years after Closing the Purchaser shall furnish or cause to be furnished to the Vendor, upon request, as promptly as practicable, such information (including access to books and records) and assistance relating to the VAR Business or the Purchased Assets as is reasonably necessary for the filing by the Vendor of any Tax Return, for the preparation for any audit or for the prosecution or defense of any Legal Proceeding or proposed adjustment relating to Taxes of the Vendor or the Purchaser relating to the VAR Business or the Purchased Assets.

10.1.3 Maintenance and Access to Records

The Purchaser agrees that it will retain all books and records and any other documents, information and files relating to the VAR Business or the Purchased Assets delivered to it by the Vendor and relating to any period ending on or prior to the Closing Date for a period of at least 6 years following the Closing Date. So long as such books and records and such other documents, information and files are retained by the Purchaser, the Vendor or its authorized representatives shall have reasonable access thereto in connection with the affairs of the Vendor, including without limitation, as may be reasonably required for the purpose of this Agreement or any other arrangements between the Vendor and the Purchaser.

10.1.4 Delivery of Sub-leases

The Purchaser shall execute and deliver to the Vendor at the Time of Closing sub-leases in the form settled by the Vendor and the Purchaser in good faith relating to the Vendor's leased premises in Thornhill and Ottawa, Ontario.

10.1.5 Delivery of Agency Agreement

The Purchaser shall execute and deliver to the Vendor at the Time of Closing an agency agreement having a term of one year and otherwise in the form settled by the Vendor and the Purchaser in good faith.

10.1.6 Delivery of Transition Services Agreement

The Purchaser shall execute and deliver to the Vendor at the Time of Closing a transition services agreement in the form settled by the Vendor and the Purchaser in good faith. The transition services agreement will include provisions regarding the utilization of the Air Canada suite by the Vendor and the Purchaser, and the allocation of the cost thereof between them.

10.1.7 Assistance to Vendor

The Purchaser will provide assistance to and fully co-operate with the Vendor in obtaining all necessary consents, approvals and acknowledgements as referred to in Section 9.1.1 and, to the extent agreed to by the other parties to any contract and agreements to be assumed by the Purchaser hereunder (including, without limitation, the Lease and the Personal Property Leases), take reasonable steps to obtain releases from such other parties of the obligations of the Vendor under such contracts or agreements.

10.1.8 Financing for the Transaction

The Purchaser shall use its commercially reasonable efforts to arrange and satisfy the conditions of the financing necessary for the completion of the purchase and sale transaction provided for herein, including providing the lenders with all required information requested by them and taking all other reasonable actions and steps to complete such financing.

10.1.9 Severance Entitlement arising upon a Change of Control

The Purchaser shall cause its principals, Sheldon Pollack and Phillip DeLeon, as soon as possible after execution of this Agreement, to irrevocably waive their rights to treat the purchase and sale transaction provided for herein as an event entitling them to terminate their existing employment agreements with the Vendor on the basis of a change of control or similar transaction affecting the Vendor, provided that such employment agreements shall otherwise be unaffected by the purchase transaction provided for herein, and the Vendor shall, within a reasonable time after Closing, enter into an addendum with each of Sheldon Pollack and Phillip DeLeon to give effect to the foregoing and certain other changes to the employment agreements which have been agreed upon in principle.

10.1.10 Delivery of Non-Compete

The Purchaser shall execute and deliver the Non-Compete to the Vendor at the Time of Closing in the form settled by the Vendor and the Purchaser in good faith.

ARTICLE 11 **EMPLOYEE MATTERS**

11.1 Employees and Transferred Employees

(a) Subject to the Closing taking place as herein contemplated, the Purchaser shall offer employment, commencing the day following the Effective Time, to each of the employees of the Vendor designated as employees of the VAR Business in Schedule 6.1.8 (to the extent still employed at the Time of Closing plus any individuals hired primarily for the VAR Business between the date hereof and the Closing Date (which, for the avoidance of doubt, includes any such employees on disability, maternity, sickness or other leave of absence). Such offers shall be made on substantially the same terms and conditions as to Employee Benefits as are in effect on the Effective Time. Except as set out in (c) below, the Purchaser shall assume and shall indemnify the Vendor from and against any and all obligations with respect to the Transferred Employees arising after the Effective Time (including, without limitation, obligations related to the termination of their employment) and shall recognize the service of the Transferred Employees for all purposes including, without limitation, Employee Benefits, as if they had been employed by the Purchaser since their individual dates of hire by the Vendor or its predecessors to the VAR Business. Notwithstanding the foregoing, the Vendor shall not be relieved of any liability including, without limitation, liability for severance and termination costs and for Employee Benefits in respect of any employee who does not accept the Purchaser's offer of employment made in accordance with this Section 11.1(a).

(b) All liabilities and costs in respect of employees of the VAR Business including premiums for employment insurance, Canada Pension Plan, employer health tax, applicable statutory hospitalization insurance, workers' compensation assessments, accrued wages, salaries and commissions, vacation pay, employee benefit plan payments and employee bonus and incentive payments will be adjusted to the Closing Date and (unless any such adjustments form part of the Assumed Liabilities) shall be for the account of the Vendor to the extent they relate to the period up to and including the Closing Date and of the Purchaser, in respect of the Transferred Employees, to the extent they relate to the period following the Closing Date.

ARTICLE 12 BULK SALES LEGISLATION

12.1 Bulk Sales Compliance

The parties hereto believe that, assuming compliance with this Agreement by both the Vendor and the Purchaser, it is both unnecessary for the protection of the Vendor's creditors and impracticable to comply with the Bulk Sales Legislation in the jurisdictions in which the Purchased Assets are located and the Purchaser therefore hereby waives compliance with the applicable Bulk Sales Legislation. In the event that any creditor of the Vendor should make any claim against either the Purchaser or the Purchased Assets which is wholly or partially based on the premise that the sale of the Purchased Assets did not conform in any particular to the requirements of the Bulk Sales Legislation of any such jurisdiction, the Vendor agrees to indemnify and save the Purchaser harmless from and against any claim for principal, interest and costs, including reasonable legal and accounting fees, whether or not the claim is ultimately proved to be well founded, except to the extent that the claim relates to an Assumed Liability.

ARTICLE 13
PURCHASER'S CONDITIONS OF CLOSING

13.1 Conditions for the Benefit of the Purchaser

The transactions herein contemplated, including the sale and purchase of the Purchased Assets in accordance with the terms of this Agreement, are subject to the following conditions, each of which is hereby declared to be for the exclusive benefit of the Purchaser. Each of such conditions is to be fulfilled and/or performed at or prior to the Time of Closing. The Vendor agrees to use commercially reasonable efforts to cause each of such conditions to be fulfilled and/or performed at or prior to the Time of Closing.

13.1.1 Performance of Covenants, etc, by the Vendor

The Vendor shall have performed all obligations, covenants and agreements contained in this Agreement to be performed by the Vendor at or prior to the Time of Closing including, without limitation, the covenants set forth in Article 9.

13.1.2 Consents, etc.

There shall have been obtained from all appropriate Persons such consents, approvals, permits and acknowledgements as may be required in connection with the completion of the transactions herein contemplated as provided for in Section 9.1.1.

13.1.3 No Action Taken Restricting Sale

No Legal Proceeding shall have been commenced or shall be pending or threatened against the Vendor at law or in equity or before or by an Tribunal which would affect the title of the Vendor to the Purchased Assets or would enjoin, restrict or prohibit or would have the effect of preventing the completion of the transactions herein contemplated, including the sale and purchase of the Purchased Assets in accordance with the terms of this Agreement or which might adversely affect the ability of the Vendor to enter into this Agreement or to perform its obligations hereunder.

13.2 Non-Fulfilment of Conditions, etc. for the Benefit of the Purchaser

In the event that any condition, obligation, covenant or agreement of the Vendor to be fulfilled and/or performed hereunder at or prior to the Time of Closing, including, without limitation, the conditions set forth in this Article 13, shall not be fulfilled and/or performed at or prior to the Time of Closing, the Purchaser may rescind this Agreement by notice to the Vendor and in such event the Purchaser shall be released from all obligations hereunder and, unless the Purchaser can show that the one or more conditions, obligations, covenants or agreements for the non-fulfilment or non-performance of which the Purchaser has rescinded this Agreement is or are reasonably capable of being fulfilled and/or performed or caused to be fulfilled and/or performed by the Vendor, then the Vendor shall also be released from all obligations hereunder; provided, however, that any of the said conditions, obligations, covenants or agreements may be waived in whole or in part by the Purchaser without prejudice to the Purchaser's right of rescission in the event of the non-fulfilment and/or non-performance of any other condition,

obligation, covenant or agreement, any such waiver to be binding on the Purchaser only if the same is in writing.

ARTICLE 14
VENDOR'S CONDITIONS OF CLOSING

14.1 Conditions for the Benefit of the Vendor

The transactions herein contemplated, including the sale and purchase of the Purchased Assets in accordance with the terms of this Agreement, are subject to the following conditions, each of which is hereby declared to be for the exclusive benefit of the Vendor. Each of such conditions is to be fulfilled and/or performed at or prior to the Time of Closing. The Purchaser covenants and agrees to use commercially reasonable efforts to cause each of such conditions to be fulfilled and/or performed at or prior to the Time of Closing.

14.1.1 Performance of Covenants, etc. by the Purchaser

The Purchaser shall have performed all obligations, covenants and agreements contained in this Agreement to be performed by it at or prior to the Time of Closing, including, without limitation, the covenants set forth in Article 10.

14.1.2 Consents, etc.

There shall have been obtained from all appropriate Persons such consents, approvals, permits and acknowledgements as may be required in connection with the completion of the transactions herein contemplated as provided for in Section 10.1.1 hereof.

14.1.3 No Action Taken Restricting Sale

No Legal Proceeding shall have been commenced or shall be pending or threatened against the Vendor at law or in equity or before or by any Tribunal which would adversely affect the title of the Vendor to the Purchased Assets or would enjoin, restrict or prohibit or would have the effect of preventing the completion of the transactions herein contemplated, including the sale and purchase of the Purchased Assets in accordance with the terms of this Agreement or which might adversely affect the ability of the Vendor to enter into this Agreement and to perform its respective obligations hereunder.

14.1.4 Shareholder Dissent

Unless the Purchaser and the Vendor otherwise agree in writing and to the extent applicable, shareholders of the Vendor holding in excess of 10% of the outstanding common shares of the Vendor shall not have exercised their right of dissent in respect of the transaction provided for herein under applicable corporate law.

14.2 Non-Fulfilment of Conditions etc. for the Benefit of the Vendor

In the event that any condition, obligation, covenant or agreement of the Purchaser to be fulfilled and/or performed hereunder at or prior to the Time of Closing,

including, without limitation, the conditions set forth in this Article 14, shall not be fulfilled and/or performed at or prior to the Time of Closing, the Vendor may rescind this Agreement by notice to the Purchaser and in such event the Vendor shall be released from all obligations hereunder and, unless the Vendor can show that the one or more conditions, obligations, covenants or agreements for the non-fulfilment or non-performance of which the Vendor has rescinded this Agreement is or are reasonably capable of being fulfilled and/or performed or caused to be fulfilled and/or performed by the Purchaser, then the Purchaser shall also be released from all obligations hereunder; provided, however, that any of the said conditions, obligations, covenants or agreement may be waived in whole or in part by the Vendor without prejudice to its right of rescission in the event of the non-fulfilment and/or non-performance of any other condition, obligation, covenant or agreement, any such waiver to be binding upon the Vendor only if the same is in writing.

ARTICLE 15 **CLOSING ARRANGEMENTS**

15.1 Date, Time and Place of Closing

The Closing shall take place at the Time of Closing on the Closing Date at the offices of Cassels Brock & Blackwell, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario at or at such other time, on such other date and/or at such other place as may be agreed upon by the parties hereto.

15.2 Closing Arrangements

At the Time of Closing and subject to the fulfilment of all the terms and conditions set forth in this Agreement which have not been waived in writing by the parties hereto, respectively:

15.2.1 Purchase and Sale of Purchased Assets

The Vendor shall sell to the Purchaser the Purchased Assets and the Purchaser shall purchase the Purchased Assets from the Vendor and assume the Assumed Liabilities and otherwise pay and satisfy the Purchase Price, all as herein provided.

15.2.2 Delivery of Closing Documents

The Vendor shall deliver to the Purchaser all deeds, conveyances, bills of sale, assurances, transfers, assignments and consents (including all necessary consents, approvals, to the assignment of the Leases, Personal Property Leases and the contracts, agreements and commitments referred to in clause (c) of Section 3.1) and any other documents as shall be necessary or reasonably required to effectively transfer the Purchased Assets to the Purchaser free of any Encumbrance except as specifically provided in this Agreement, including the Schedules hereto.

15.2.3 Actual Possession

The Vendor shall deliver actual possession of the Purchased Assets to the Purchaser.

15.2.4 Payment of Purchase Price

Upon the fulfilment of the foregoing provisions of this Article 15 and subject to all the other terms and conditions contained in this Agreement being complied with, the Purchaser shall pay and satisfy the Purchase Price in the manner specified in Article 4.

15.2.5 Tender

Any tender of documents or money may be made on the party or parties designated to receive such documents or money or their respective legal counsel.

ARTICLE 16 **INDEMNIFICATION**

16.1 **Indemnification by Vendor**

(a) In the event that the transactions herein contemplated are completed at the Closing, the Vendor hereby agrees to indemnify and hold the Purchaser harmless from and against any loss, damage, claim, Legal Proceeding, deficiency or expense, including all out-of-pocket costs, and including, without limitation, all reasonable legal and accounting fees, relating to, arising from or in connection with the following matters:

- (i) any misrepresentation or breach of any warranty, obligation, covenant or agreement of the Vendor contained in this Agreement or in any agreement, certificate, affidavit, statutory declaration or other document delivered or given pursuant to this Agreement;
- (ii) non-compliance with any applicable Bulk Sales Legislation, except for any loss, damage, claim, Legal Proceeding, deficiency or expense resulting from the failure of the Purchaser to pay or discharge in due course those liabilities of the Purchased Business to be assumed by the Purchaser as provided in Section 5.1;
- (iii) any claims (including claims for severance, notice of termination, breach of contract, constructive dismissal or damages in connection therewith) relating to the employment of any of the employees of the VAR Business or the termination of any of such employees by the Vendor, arising from facts up to the Effective Time, provided that
 - (A) the Vendor shall not be liable for any claims relating to Assumed Liabilities ; and

(B) the Vendor shall not be liable for any claims which relate to the termination of employment or constructive dismissal of any Transferred Employee after Closing; and

(iv) subject to Section 4.7, any loss, damage, claim, Legal Proceeding, deficiency or expense relating to the supply of Pre-Closing Goods and Services.

(b) The obligation of the Vendor to indemnify the Purchaser as set forth in paragraph (a) of this Section 16.1 with respect to any misrepresentation or breach of warranty shall be subject to Section 6.3.

16.2 Indemnification by Purchaser

(a) In the event that the transactions herein contemplated are completed at the Closing, the Purchaser agrees to indemnify and hold the Vendor harmless from and against any loss, damage, claim, Legal Proceeding, deficiency or expense, including all out-of-pocket costs and including, without limitation, all reasonable legal and accounting fees, relating to, arising from or in connection with the following matters:

- (i) any misrepresentation or breach of any warranty, obligation, covenant or agreement of the Purchaser contained in this Agreement or in any agreement, certificate, affidavit, statutory declaration or other document delivered or given pursuant to this Agreement;
- (ii) the assertion against the Vendor of any claim or liability relating to the VAR Business which arises from a liability of the VAR Business to be assumed by the Purchaser as provided in Section 5.1 or the operation of the VAR Business after the Effective Time;
- (iii) the failure of the Purchaser to discharge those liabilities of the VAR Business to be assumed by the Purchaser as provided in Section 5.1 and
- (iv) subject to Section 11.1, any claims (including claims for severance, notice of termination, breach of contract, constructive dismissal or damages in connection therewith) relating to the employment of any of the Transferred Employees or the termination of the employment of any of such employees with claims arise from facts after the Closing Date, including the continuation, discontinuation or provision to any employee of the employment policies, benefit plans or other benefits previously provided by the Vendor.

(b) The obligation of the Purchaser to indemnify the Vendor as set forth in paragraph (a) of this Section 16.2 with respect to any misrepresentation or breach of warranty shall be subject to Section 7.2.

16.3 Procedure for Indemnification

(a) A party claiming indemnification under Sections 16.1 or 16.2 (in this Article 16 an "Indemnitee") shall give notice to the party against which indemnification is claimed (in this Article 16 an "Indemnitor") with reasonable promptness upon becoming aware of the claim or other facts upon which a claim for indemnification will be based. The notice shall set forth such information and be accompanied by such documentation with respect thereto as is then reasonably available to the Indemnitee.

(b) For the purposes of this Section 16.3 "Third Party Claim" means any demand which has been made on, or communicated to, the Vendor or the Purchaser by or on behalf of any Person other than the Vendor or the Purchaser and which, if maintained or enforced, might result in a claim for indemnification under Section 16.1 or Section 16.2 hereof.

(c) Promptly upon receipt by the Indemnitee of notice of any Third Party Claim in respect of which the Indemnitee proposes to demand indemnification from the Indemnitor, the Indemnitee shall forthwith give notice to that effect to the Indemnitor. The Indemnitor shall then have the right, exercisable by giving notice to the Indemnitee not later than 21 days after receipt of the notice described above, to assume the control of the defence, compromise or settlement of the Third Party Claim, provided that the Indemnitor shall first deliver to the Indemnitee written admission of complete liability for indemnification with respect to any such claim and its written consent to be joined as a party to any action or proceeding relating thereto.

(d) Upon the assumption of control by the Indemnitor as aforesaid, the Indemnitor shall, at its expense, diligently proceed with the defence, compromise or settlement of the Third Party Claim at the Indemnitor's sole expense, including employment of counsel reasonably satisfactory to the Indemnitee, and in connection therewith, the Indemnitee shall cooperate fully, but at the expense of the Indemnitor, to make available to the Indemnitor all pertinent information and witnesses under the Indemnitee's control and to make such assignments and take such other steps as in the opinion of counsel for the Indemnitor are necessary to enable the Indemnitor to conduct such defence.

(e) The final determination of any such Third Party Claim, including all related costs and expenses, will be binding and conclusive upon the parties hereto as to the validity or invalidity, as the case may be, of such Third Party Claim against the Indemnitor hereunder.

(f) Should the Indemnitor fail to give notice to the Indemnitee as provided in (c) hereof, the Indemnitee shall be entitled to undertake to take the defense of the Third Party Claim and to make such settlement of the Third Party Claim as in its reasonable discretion may appear advisable for the account and at the risk and expense of the Indemnitor, and such settlement or any other final determination of the Third Party Claim shall be binding upon the Indemnitor. Notwithstanding the foregoing, the Indemnitee will, at the request of the Indemnitor, keep the Indemnitor generally informed as to the progress of the matter.

16.4 Subsequent Recovery

In the event that the Indemnitee subsequently recovers all or part of a Third Party Claim from any other Person legally obligated to pay the same, the Indemnitee shall forthwith repay to the Indemnitor the amounts so recovered up to an amount not exceeding the amount theretofore paid by the Indemnitor by way of indemnity. Where the Indemnitee is entitled to recover from a third party or claim reimbursement of any sum in respect of which it also has a claim or potential claim against the Indemnitor hereunder, the Indemnitee shall take commercially reasonable steps to enforce the recovery or reimbursement against the third party.

16.5 **Insurance**

Where any claim hereunder relates to any matter which is in whole or in part insured by any insurance policy, the Indemnitee shall make commercially reasonable efforts that such claim is also made against the relevant insurer and pursued with all reasonable expedition.

16.6 **Details of Claims**

No claim for indemnity hereunder shall be valid unless and until written notice providing reasonable details of the reasons supporting the claim, including such information and documentation with respect thereto as is then reasonably available to the Indemnitee, is given by the Indemnitee to the Indemnitor at or prior to the expiration of any applicable limitation periods herein provided for.

ARTICLE 17
MISCELLANEOUS

17.1 **Brokerage, Commissions, etc**

It is understood and agreed that no broker, agent or other intermediary has acted for the Vendor or the Purchaser in connection with the transactions herein contemplated. The Vendor hereby agrees to indemnify and save harmless the Purchaser from and against any claim for commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or to have acted for the Vendor in connection with the transactions herein contemplated. The Purchaser agrees to indemnify and save harmless the Vendor from and against any claim for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or to have acted for the Purchaser in connection with the transactions herein contemplated.

17.2 **Further Assurances**

Each of the parties hereto upon the request of the other party or parties hereto, whether before or after the Time of Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions herein contemplated.

17.3 **Assignment of Contracts**

To the extent the assignment of any agreement, contract or commitment, including, without limitation, any lease or other asset to be assigned to the Purchaser pursuant to the provisions hereof, shall require the consent, approval, permit or acknowledgement of any Person, this Agreement shall not constitute a contract to assign the same if an attempted assignment would constitute a breach thereof. If any of such required consents, approvals, permits and acknowledgements is not obtained, the Vendor and the Purchaser shall co-operate with each other in any reasonable arrangement designed to provide the Purchaser with the benefit of any such agreement, contract or commitment, including, without limitation, any Lease or other asset, including enforcement of any and all rights of the Vendor against the other party thereto arising out of breach or cancellation thereof by such party or otherwise. Nothing contained herein shall be construed to negate or diminish, as between the Vendor and the Purchaser, the Vendor's covenants and obligations to transfer and deliver to the Purchaser the Purchased Assets as provided in this Agreement.

17.4 Announcements

Except to the extent required by law, the parties hereto agree that no disclosure or public announcement with respect to this Agreement or the transactions herein contemplated shall be made by any party hereto without the prior written consent of each of the other parties hereto, which consent shall not be unreasonably withheld.

17.5 Notices

(a) Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally, mailed or transmitted by fax to such party, as follows:

(i) in the case of the Vendor, at:

OnX Enterprise Solutions Inc.
155 Commerce Valley Drive East
Thornhill ON L3T 7T2

Attention: Chief Financial Officer
Fax No.: 905 881-6533

(ii) in the case of the Purchaser, at:

2114628 Ontario Inc.
155 Commerce Valley Drive East
Thornhill ON L3T 7T2

Attention: Sheldon Pollack and Phillip DeLeon
Fax No.: 905 881-6533

(b) Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the date on which it was delivered, provided

that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following such day; if mailed, shall be deemed to have been given and received on the fifth day after it was mailed, provided that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following such day; and if transmitted by fax, shall be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following the day of such transmission.

Any party hereto may change its address for service from time to time by notice given to the other parties hereto in accordance with the foregoing provisions.

17.6 **Time of the Essence**

Time shall be of the essence of this Agreement.

17.7 **Costs and Expenses**

All costs and expenses incurred in connection with this Agreement and the transactions herein contemplated shall be paid by the Vendor (including, without limitation, the fees and disbursements of Cassels Brock & Blackwell LLP, legal counsel to the Vendor, Goodmans LLP, legal counsel to the independent committee of the board of directors of the Vendor, and KPMG, the Vendor's auditors); provided, however, that the Purchaser shall be liable for the costs and expenses of any separate legal counsel and accounting and tax advisors that it retains in connection with this Agreement and the transactions herein contemplated, and any commitment fees, legal fees and other costs payable in respect of the financing of this transaction, unless the Vendor accepts a Superior Proposal, in which event all such costs incurred by the Purchaser shall be paid by the Vendor.

17.8 **Applicable Law**

This Agreement shall be performed, construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein. Any and all disputes arising under this Agreement, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the Courts of the Province of Ontario and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the Courts of such Province.

17.9 **Entire Agreement**

This Agreement, including the Schedules hereto, constitutes the entire agreement between the parties hereto with respect to the transactions herein contemplated and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties hereto with respect thereto, except as specifically provided or contemplated in this Agreement or in any agreement, certificate or other document delivered or given pursuant to this Agreement. There are no representations, warranties, terms, conditions, undertakings or

collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in this Agreement or in any such agreement, certificate or other document as aforesaid. This Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

17.10 **Severability**

If any provision of this Agreement is invalid or unenforceable, such provision shall be severed and the remainder of this Agreement shall be unaffected thereby but shall continue to be valid and enforceable to the fullest extent permitted by law. If any term or provision of this Agreement is held or deemed to be unenforceable, in whole or in part, by a court of competent jurisdiction, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement which shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement. Any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such terms or provisions in any other jurisdiction.

17.11 **Effect of Closing**

Any provision of this Agreement which is capable of being performed after but which has not been performed at or prior to the Time of Closing and all obligations, covenants and agreements contained in this Agreement or in any agreement, certificate or other document delivered or given pursuant to this Agreement, including, without limitation, the indemnities herein provided for, shall remain in full force and effect notwithstanding Closing, subject to the limitation periods referred to in Sections 6.3 and 7.2.

17.12 **Counterparts**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

17.13 **Assignment**

This Agreement may not be assigned by any of the parties hereto without the prior written consent of the other parties hereto.

17.14 **Parties in Interest**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

17.15 **Third Parties**

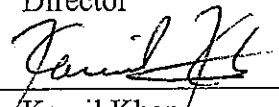
Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and their

respective successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

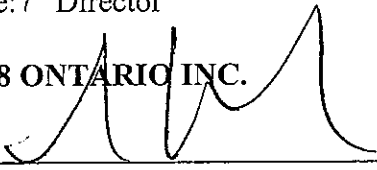
IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

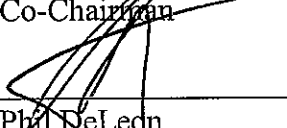
OnX ENTERPRISE SOLUTIONS INC.

By _____
Name: Henry Eaton
Title: Director

By  _____
Name: Kamil Khan
Title: Director

2114628 ONTARIO INC.

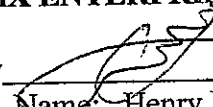
By  _____
Name: Sheldon Pollack
Title: Co-Chairman

By  _____
Name: Phil DeLeon
Title: Co-Chairman

respective successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

OnX ENTERPRISE SOLUTIONS INC.

By 
Name: Henry Eaton
Title: Director

By _____
Name: Kamil Khan
Title: Director

2114628 ONTARIO INC.

By _____
Name: Sheldon Pollack
Title: Co-Chairman

By _____
Name: Phil DeLeon
Title: Co-Chairman

Schedule 1.1(a) to the Asset Purchase Agreement:

Leases

1. Lease Extension and Amending Agreement dated the 15th day of June, 2006 between Commerce Valley Equities Inc. and RT Eleventh Pension Properties Limited (collectively the "**Landlord**") and OnX Enterprise Solutions Inc. to the Lease dated December 4, 1996 between Monarch Construction Limited and Onyx Computers Incorporated.
2. Extension and Amendment of Lease Agreement dated the 30th of March, 2006 between 30 Colonnade Road Inc. and OnX Enterprise Solutions Inc. to the Lease Agreement dated the 24th day of January, 2002, between 30 Colonnade Road Inc. and OnX Enterprise Solutions Inc.

Schedule 3.1(a) to the Asset Purchase Agreement:
Machinery, Equipment, etc.

See attached.

OnX Enterprise Solutions Inc.
 Capital Assets Being Sold

Furniture (Contents of 155 Commerce Valley Drive - 2nd Floor)

OFFICES

Office #	203	204	205	206	207	210	215	218	222	TOTAL
L-Shape (W)							1	1	1	4
L-Shape (O)	1	1	1	1						5
3P O Desk						2				2
L-Shape BU)							1			1
BU Dbookshelf										0
Desk Chair	1	1	1	1	2	1	1	1	1	12
H White Board							1			3
R White Board								1	1	2
White Board					1					1
1/2 Credenza										0
Credenza		1					1	1	1	6
Credenza w/ BS	1		1	1				1	1	3
TV Cab								1		4
BookShelf						1	1			2
3D Ped									1	1
2D Fcab									2	4
3D Fcab	1									10
5D Fcab						2				2
4D FireCab	1									1
Art/Picture		1					1		1	4
G.CH - Lounge	2	2	2	2		2	2	4	4	10
G.CH - Regular							1	2	2	24
Side Table								1		1
Meeting Table								1	1	4

Cub#	Desk	3D Ped	2D Fcab	3D Fcab	4D Fcab	Inest Chair	White Board	Book Shelf	Bar	Fridge	Table	G. Chair-	Louge
.2-39	1	3											
.2-40	1	1											
.2-41	1	2											
.2-42	1	1											
.2-43	1	1											
.2-44	1	1											
.2-45	1	2	2										
.2-46			1	2						1			
.2-47	1	1											
.2-48	1	2											
.2-49	1	2											
.2-50	1	1											
.2-51	1	1											
.2-52	1	2											
.2-53	1	1	1										
.2-54	1	1											
.2-56	1	1											
.2-57	1	1											
.2-58/60	1	2		2									
.2-59	1	1											
.2-61	1	2											
.2-62	2	2											
.2-63	1	1											
.2-66	1	1											
Totals	55	71	14	5	2	11	3	5	1	1	1	2	

MISCELLANEOUS FURNITURE

Area	2D Fcab	5D F Cab
2nd Floor extras (OnX)	14	1

2nd Floor Lunchroom

- Dishwasher
- Microwave
- Fridge

Warehouse

14 storage racks, 1 forklift truck, 2 pump trucks

MEETING ROOMS

Meeting Rooms	Board Rm	Table	Credenza	OH Projector	Screen	Cupboard	Hang White Bd	Rolling White Bd	WhiteBoard	Art Work	Tables
Pearce (221)	1							1		4	1
Markham (220)	1			1	1		1			1	
Amber (219)	1						1	1			2
	3		0	1	1	0	2	2	0	5	3

SYSTEMS

Employee Name	Type	Make	Model	CPU	Dept	RAM	S/N
[REDACTED]	Laptop	HP	nc6230	centrino	ESS	1Gb	CNU613127M
[REDACTED]	Laptop	HP	nc6000	centrino		1Gb	CNU440FTQH
[REDACTED]	Laptop	HP	nc6000	Pentium M	ESS	512GB	CNU504F67C
[REDACTED]	Laptop	HP	nx9010	Pentium 4	ESS	752MB	GNF41110SN
[REDACTED]	Laptop	Compaq	nc6000	Pentium 4	WSS	512MB	CNU447GF12
[REDACTED]	Laptop	Compaq	nc6000	centrino	ESS	512MB	CNU504F675
[REDACTED]	Laptop	HP	nc6000	Pentium M	ESS	512MB	CNU447GDWS
[REDACTED]	Laptop	IBM	ThinkPad T30	Pentium 4	MS	512MB	78-BYH35
[REDACTED]	Laptop	Compaq	nc6000	centrino		1GB	CNU51127GF
[REDACTED]	Desktop	HP	d530 SFF	Pentium 4	ESS	1.2GB	CAC427017R
[REDACTED]	Laptop	HP	nc6000	centrino		512MB	CNU440FTQP
[REDACTED]	Laptop	HP	nc6230	Centrino		1Gb	CNU61312NF
[REDACTED]	Desktop	Compaq	Desktop	Pentium III		256MB	6020DKZ2B591
[REDACTED]	Laptop	HP	nc6230	centrino	ESS	1Gb	CNU61312KK
[REDACTED]	Laptop	HP	nc6000	Pentium M		512 MB	CNU504F679
[REDACTED]	Laptop	HP	nc6000	Pentium M		512MB	CNU430029P
[REDACTED]	Laptop	IBM	ThinkPad T30	Pentium 4	CS	256MB	KPWGWLF
[REDACTED]	Desktop	HP	dc5100MT	Celeron			CAC5010425S
[REDACTED]	Laptop	HP	nc6000	Pentium M	Sales	512MB	CNU504F66X
[REDACTED]	Laptop	HP	D600	Centrino	ESS	1Gb	H3QSP51
[REDACTED]	Laptop	Dell	nc6230	centrino		1Gb	CNU6131270
[REDACTED]	Laptop	HP	nc6000	Pentium 4	ESS	512MB	CNU447GF2B
[REDACTED]	Desktop	Compaq	Evo D500	Pentium 4	CS	1.0GB	6Y24JYHF00C
[REDACTED]	Laptop	Compaq	Evo n610c	Pentium 4		1GB	CNU34208Z2
[REDACTED]	Laptop	HP	nc6000	Pentium M	WSS	512MB	CNU43002D0
[REDACTED]	Laptop	HP	nc6230	centrino	ESS	512MB	CNU5371VBJ
[REDACTED]	Laptop	Compaq	nx9010	Pentium 4		512MB	GNF4030HCP
[REDACTED]	Desktop	Dell	Optiplex GX270	Pentium 4			X10-23533
[REDACTED]	Laptop	Compaq	nc6000	centrino	Sales	512	CNU504F677
[REDACTED]	Laptop	HP	nc6000	Pentium 4	Sr Mgmt.	512 MB	SCNU511228T8
[REDACTED]	Laptop	HP	nc6000	Pentium M	WSS	512MB	CNU40403M3
[REDACTED]	Laptop	HP	nc6000	Centrino	WSS	512MB	CNU504F69K
[REDACTED]	Laptop	Compaq	nc6000	Pentium 4	ESS	512MB	CNU447GDXT
[REDACTED]	Laptop	HP	nc6000	Pentium M	ESS	512MB	CNU504F65Q
[REDACTED]	Laptop	Compaq	nx9010	Pentium 4		1GB	GNF41110S2
[REDACTED]	Laptop	HP	NC6230	centrino	WSS	2GB	CNU53732M1
[REDACTED]	Desktop	Compaq	DC5000	Pentium 4	CS	512MB	CAC4410406
[REDACTED]	Laptop	HP	nc6230	centrino		1Gb	CNU6090189
[REDACTED]	Laptop	HP	nw8440	centrino		2Gb	CNU6231BJP
[REDACTED]	Laptop	HP	nc6230	centrino	ESS	1Gb	CNU61312P6

Schedule 3.1(d) to the Asset Purchase Agreement:
Agreements, Contracts, Commitments, etc.

1. Employment Agreement dated May 1, 2006 between OnX Enterprise Solutions Inc. and [REDACTED]
2. License Agreement between OnX Enterprise Solutions Inc. and [REDACTED]
[REDACTED]
3. **[NTD: List of customer and supplier agreements to be delivered post closing]**

Schedule 3.1(e) to the Asset Purchase Agreement:

Intellectual Property

Trademarks

TRADEMARK	APPLICATION NO.	REGISTRATION NO.
OnX and design	1,270,503 (filed August 31, 2005)	

Domain Names

NAME	REGISTRANT	EXPIRY DATE
onxcentral.com	OnX Incorporated	Aug 16, 2007
onyx.ca	Onyx Computers Inc.	Jan 14, 2008
onx.com	OnX Enterprise Solutions Inc.	Jan 7, 2011
onx.ca	Onyx Computers Inc.	Jan 14, 2008
supplieslink.com	OnX Enterprise Solutions Inc.	Nov 11, 2006
suppliestown.com	OnX Enterprise Solutions Inc.	Nov 21, 2006
onxdirect.com	OnX Enterprise Solutions Inc.	Nov 6, 2010

Schedule 6.1.3:

Consents

1. Landlord consent to sublease between Momentum Advanced Solutions Inc. (formerly OnX Enterprise Solutions Inc.), and OnX Enterprise Solutions Ltd. (formerly 2114628 Ontario Inc.), for premises located 34 Colonnade Rd., Suite 100, Nepean, ON, K2E 7J6.
2. Landlord consent to sublease between Momentum Advanced Solutions Inc. (formerly OnX Enterprise Solutions Inc.), and OnX Enterprise Solutions Ltd. (formerly 2114628 Ontario Inc.) for the second floor of the premises located at 155 Commerce Valley Drive East, Markham, Ontario, L3T 7T2.
3. Miscellaneous supplier and customer agreements [**NTD: Consents to be obtained at or shortly after closing**]

Schedule 6.1.6:
Financial Statements as at July 31, 2006

See attached.

**UNAUDITED SCHEDULES
OF THE VAR BUSINESS OF OnX ENTERPRISE SOLUTIONS INC.**

The following unaudited schedule of assets to be sold and liabilities to be assumed of the VAR business of OnX Enterprise Solutions Inc. ("OnX") as at July 31, 2006 and the unaudited schedule of operations of the VAR business of OnX for the three months ended July 31, 2006, have been provided for information purposes only and may not be indicative of the results that would have occurred if the transactions had been effected for the dates indicated or which may be obtained in the future.

VAR BUSINESS OF OnX ENTERPRISE SOLUTIONS INC.

UNAUDITED SCHEDULE OF ASSETS TO BE SOLD AND LIABILITIES TO BE ASSUMED

As at July 31, 2006

(In thousands of Canadian dollars)

Assets to be Sold

Accounts receivable	\$	12,596
Prepays and other assets		30
Capital assets		217

Total Assets to be Sold	\$	12,843
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Liabilities to be Assumed

Current liabilities:		
Accounts payable	\$	9,897
Accrued liabilities		459

Total Liabilities to be Assumed	\$	10,356
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VAR BUSINESS OF OnX ENTERPRISE SOLUTIONS INC.

UNAUDITED SCHEDULE OF OPERATIONS

For the three months ended July 31, 2006

(In thousands of Canadian dollars)

Sales		
Hardware and software	\$	11,806
Infrastructure solutions and services		789
Sales		<u>12,595</u>
Cost of Sales		
Hardware and software		10,480
Infrastructure solutions and services		583
Cost of Sales		<u>11,063</u>
Gross Profit		
Hardware and software		1,326
Professional services		206
Gross Profit		<u>1,532</u>
Expenses:		
Selling		690
Administrative		408
		<u>1,098</u>
Income before amortization and interest	\$	<u>434</u>

Schedule 6.1.8:
Employee Benefits, Employees, etc.

Also see attached.

LIST OF VAR EMPLOYEES

Current employees who will be offered employment with the Purchaser

1	[REDACTED]
2	[REDACTED]
3	[REDACTED]
4	[REDACTED]
5	[REDACTED]
6	[REDACTED]
7	[REDACTED]
8	[REDACTED]
9	[REDACTED]
10	[REDACTED]
11	[REDACTED]
12	[REDACTED]
13	[REDACTED]
14	[REDACTED]
15	[REDACTED]
16	[REDACTED]
17	[REDACTED]
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26	[REDACTED]
27	[REDACTED]
28	[REDACTED]
29	[REDACTED]
30	[REDACTED]
31	[REDACTED]
32	[REDACTED]
33	[REDACTED]
34	[REDACTED]
35	[REDACTED]
36	[REDACTED]

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Current employees who have resigned and will not be an employee at the time of Closing



Individuals who are currently on maternity leave and who are expected to still be on maternity leave at the close of the transaction but will be offered employment by the Purchaser upon completion of their maternity leave



Purchaser will make offers of employment to employees listed above who remain employed at the Time of Closing.

Group Benefit Plan



Great-West Life
your Benefits Solutions People

On  **Enterprise**
Solutions

Executives

Great-West Life is a leading Canadian life and health insurer. Great-West Life's financial security advisors work with our clients from coast to coast to help them secure their financial future. We provide a wide range of retirement savings and income plans; as well as life, disability and critical illness insurance for individuals and families. As a leading provider of employee benefits in Canada, we offer effective benefit solutions for large and small employee groups.

Great-West Life Online

Information and details on Great-West Life's corporate profile, our products and services, investor information, news releases and contact information can all be found at our website www.greatwestlife.com.

This booklet describes the principal features of the group benefit plan sponsored by your employer, but **Group Policy Nos. 158083 and 158084** and **Plan Document No. 56313** issued by Great-West Life are the governing documents. If there are variations between the information in the booklet and the provisions of the policies and plan document, the policies and plan document will prevail.

This booklet contains important information and should be kept in a safe place known to you and your family.

The Plan is administered by



Protecting Your Personal Information

At Great-West Life, we recognize and respect the importance of privacy. When you apply for coverage or benefits, we establish a confidential file of personal information. We limit access to personal information in your file to Great-West Life staff or persons authorized by Great-West Life who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law.

We use the personal information to administer the group benefit plan under which you are covered. This includes many tasks, such as:

- determining your eligibility for coverage under the plan
- enrolling you for coverage
- assessing your claims and providing you with payment
- managing your claims
- verifying and auditing eligibility and claims
- underwriting activities, such as determining the cost of the plan, and analyzing the design options of the plan
- preparing regulatory reports, such as tax slips

Your employer has an agreement with Great-West Life in which your employer has financial responsibility for some or all of the benefits in the plan and we process claims on your employer's behalf. We may exchange personal information with your health care providers, your plan administrator, other insurance or reinsurance companies, administrators of government benefits or other benefit programs, other organizations, or service providers working with us when necessary to administer the plan.

All claims under this plan are submitted through you as plan member. We may exchange personal information about claims with you and a person acting on your behalf when necessary to confirm eligibility and to mutually manage the claims.

For more information about our privacy guidelines, please ask for Great-West Life's *Privacy Guidelines* brochure.

Liability for Benefits

Your employer has entered into an agreement with The Great-West Life Assurance Company whereby your employer will have full liability for Healthcare and Dentalcare benefits outlined in this booklet. This means your employer has agreed to fund these benefits and they are, therefore, uninsured. All claims will, however, be processed by Great-West Life.

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Long Term Disability (LTD) Income Benefits	
Healthcare	
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Dentalcare	
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Benefit Summary

This summary must be read together with the benefits described in this booklet.

Employee Basic Life Insurance 300% of annual earnings to a maximum of \$1,000,000, reducing by 50% at age 65

Any amount of Employee Basic Life Insurance over \$375,000 is subject to approval of evidence of insurability

Dependent Basic Life Insurance

Spouse \$10,000
Child \$5,000

Optional Life Insurance

Available in \$10,000 units to a maximum of \$500,000, for you or your spouse, subject to approval of evidence of insurability

If you are covered under this plan as both an employee and a spouse, you are limited to the \$500,000 maximum

**Employee Accidental Death,
Dismemberment and Specific
Loss (Principal Sum)**

An amount equal to your
Basic Life Insurance

NOTE: Your total amount of insurance under Basic Life, Optional Life
and AD&D Insurance may not exceed \$1,000,000

Long Term Disability Income Benefits

Waiting Period	119 days
Amount	66.7% of the first \$2,500 of your monthly earnings plus 50% of the remainder to a maximum benefit of \$7,000 or 85% of your pre-disability take-home pay, whichever is less
	Any amount of LTD insurance over \$5,000 is subject to approval of evidence of insurability

Healthcare

Deductible	Nil
Reimbursement Level	100%

Basic Expense Maximums

Hospital	Semi-private room
Home Nursing Care	\$10,000 each calendar year
In-Canada Prescription Drugs	Included
Smoking Cessation Products	\$300 lifetime
Fertility Drugs	\$6,000 lifetime
Hearing Aids	\$500 every 5 years
Custom-fitted Orthopedic Shoes	1 pair each calendar year

Stock-item Orthopedic Shoes	\$150 each calendar year
Custom-made Foot Orthotics	\$400 every 3 calendar years
Myoelectric Arms	\$10,000 per prosthesis
External Breast Prosthesis	1 every 12 months
Surgical Brassieres	2 every 12 months
Mechanical or Hydraulic Patient Lifters	\$2,000 per lifter once every 5 years
Outdoor Wheelchair Ramps	\$2,000 lifetime
Blood-glucose Monitoring Machines	1 every 4 years
Transcutaneous Nerve Stimulators	\$700 lifetime
Extremity Pumps for Lymphedema	\$1,500 lifetime
Custom-made Compression Hose	2 pairs each calendar year
Wigs for Cancer Patients	\$200 lifetime

Paramedical Expense Maximums

Chiropractors	\$400 each calendar year
Physiotherapists	\$400 each calendar year
Podiatrists	\$400 each calendar year
Naturopaths	\$400 each calendar year
Osteopaths	\$400 each calendar year
Psychologists/Social Workers	\$400 each calendar year
Speech Therapists	\$400 each calendar year
Massage Therapists	\$400 each calendar year
Acupuncturists	\$400 each calendar year

Visioncare Expense Maximums

Eye Examinations	1 every 12 months
Glasses, Contact Lenses and Laser Eye Surgery	\$400 every 2 calendar years
Visual Training and Remedial Therapy	\$200 lifetime

Lifetime Healthcare Maximum Unlimited

Dentalcare

Payment Basis	The dental fee guide in effect in your province of residence on the date treatment is rendered
Deductible	Nil
Reimbursement Levels	
Basic Coverage	100%
Major Coverage	100%
Orthodontic Coverage	80%
Accidental Dental Injury Coverage	100%
Plan Maximums	
Accidental Dental Injury Treatment	Unlimited
Orthodontic Treatment	\$3,000 lifetime
All Other Treatment	\$2,500 each calendar year

COMMENCEMENT AND TERMINATION OF COVERAGE

You are eligible to participate in the plan on the date your employment begins.

- You and your dependents will be covered as soon as you become eligible.

You may waive health and dental coverage if you are already covered for these benefits under your spouse's plan. If your coverage under your spouse's plan terminates, you must apply for coverage under this plan no later than 31 days after termination. After 31 days, you must provide evidence of insurability for you and your dependents before you can participate. Your dental benefits will be subject to certain restrictions.

- You must be actively at work when coverage takes effect, otherwise the coverage will not be effective until you return to work.

Increases in your benefits while you are covered by this plan will not become effective unless you are actively at work.

- Temporary, part-time and seasonal employees may not join the plan.

Your coverage terminates when your employment ends, you are no longer eligible, or the policy terminates, whichever is earliest.

- Your dependents' coverage terminates when your insurance terminates or your dependent no longer qualifies, whichever is earlier.
- When your coverage terminates, you may be entitled to an extension of benefits under the plan. Your employer will provide you with details.

Survivor Benefits

If you die while your coverage is still in force, the health and dental benefits for your dependents will be continued for a period of 2 years or until they no longer qualify, whichever happens first.

DEPENDENT COVERAGE

Dependent means:

- Your spouse, legal or common-law.

A common-law spouse is a person who has been living with you in a conjugal relationship for at least 12 months.

- Your unmarried children under age 21, or under age 25 if they are full-time students.

Children under age 21 are not covered if they are working more than 30 hours a week, unless they are full-time students.

Children who are incapable of supporting themselves because of physical or mental disorder are covered without age limit if the disorder begins before they turn 21, or while they are students under 25, and the disorder has been continuous since that time.

EMPLOYEE BASIC LIFE INSURANCE

You may name a beneficiary for your life insurance and change that beneficiary at any time by completing a form available from your employer. On your death, your employer will explain the claim requirements to your beneficiary. Great-West Life will pay your life insurance benefits to your beneficiary.

- Your life insurance terminates when you reach age 70.
- You are entitled to waiver of premium benefits after you have been continuously disabled for 119 days. You will be considered disabled during the period you are entitled to receive Long Term Disability benefits.
- If any or all of your insurance terminates on or before your 65th birthday, you may be eligible to apply for an individual conversion policy without providing proof of your insurability. You must apply and pay the first premium no later than 31 days after your group insurance terminates. See your employer for details.

DEPENDENT BASIC LIFE INSURANCE

If one of your dependents dies, Great-West Life will pay you the dependent life insurance benefit. Your employer will explain the claim requirements.

- Your dependent life insurance terminates when you reach age 70 or when you no longer have eligible dependents, whichever comes first.
- If you are disabled and the premiums for your employee life insurance are waived, your dependent life insurance will also continue without premium payment until your own coverage terminates or your dependents no longer qualify.
- If your spouse's insurance terminates on or before his or her 65th birthday, he or she may be eligible for an individual conversion policy without providing proof of insurability. You or your spouse must apply and pay the first premium no later than 31 days after the group insurance terminates. See your employer for details.

OPTIONAL LIFE INSURANCE

Optional Life Insurance allows you to choose additional coverage for yourself and your spouse. Check the **Benefit Summary** for the amount of Optional Life Insurance available. When you apply for Optional Life Insurance, you must provide proof of your insurability, and your application must be approved by Great-West Life. If you or your spouse die within two years after applying for Optional Life Insurance, Great-West Life has the right to verify any medical information you or your spouse provided. If any inconsistencies are discovered, the claim will be denied and any premiums paid will be refunded.

You may name a beneficiary for your optional life insurance and change that beneficiary at any time by completing a form available from your employer. On your death, Great-West Life will pay your life insurance to your beneficiary. If your spouse dies you will be paid the amount for which he or she was insured. Your employer will explain the claim requirements.

- If you are approved for waiver of premium on your basic life insurance, any optional life insurance for yourself or your spouse will also continue without premium payment as long as your basic life insurance continues but not beyond the date your optional insurance would otherwise terminate.
- If your or your spouse's optional life insurance terminates, you or your spouse may be eligible to apply for an individual conversion policy without providing proof of insurability. You must apply and pay the first premium no later than 31 days after your group insurance terminates. See your employer for details.
- Your optional life insurance terminates when you reach age 65. Your spouse's coverage terminates at the same time, or when he or she reaches age 65 or is no longer your spouse, whichever comes first.

Limitation

No benefit is paid for suicide within the first two years of initial or increased optional life coverage. In such a situation, Great-West Life refunds the premiums that have been received.

**ACCIDENTAL DEATH, DISMEMBERMENT AND
SPECIFIC LOSS (AD&D) INSURANCE**

If you suffer one of the losses listed below as the result of an accident which occurs while you are insured, Great-West Life will pay up to two times the Principal Sum. The loss must occur no later than 365 days after the accident. For loss of use, the loss must be continuous for 365 days.

Loss	Amount Payable
Life	Principal Sum
Both hands or both feet	Principal Sum
Sight of both eyes	Principal Sum
One hand and one foot	Principal Sum
One hand and sight of one eye	Principal Sum
One foot and sight of one eye	Principal Sum
Speech and Hearing in both ears	Principal Sum
One arm or one leg	3/4 Principal Sum
One hand or one foot or sight of one eye	1/2 Principal Sum
Speech	1/2 Principal Sum
Hearing in both ears	1/2 Principal Sum
Thumb and index finger or at least 4 fingers of one hand	1/4 Principal Sum
All toes of one foot	1/8 Principal Sum

Loss of Use

Both arms and both legs (quadriplegia)	2 X Principal Sum
Both legs (paraplegia)	2 X Principal Sum
One arm and one leg on the same side of the body (hemiplegia)	2 X Principal Sum
One arm and one leg on different sides of the body	Principal Sum
Both arms or both hands	Principal Sum
One hand and one leg	Principal Sum
One leg or one arm	3/4 Principal Sum
One hand	1/2 Principal Sum

Surgical Reattachment

If you suffer the loss of a limb that is surgically reattached, Great-West Life will pay 50% of the amount that would have been payable if the loss had been permanent, regardless of the amount of use regained. The balance of the benefit will be payable if the reattachment fails and the reattached part is removed within one year after the reattachment was performed.

Repatriation

If you die as the result of an accident that is at least 150 kilometres away from your home, Great-West Life will pay up to \$2,500 for the preparation and transportation of your body to the place of burial or cremation less any amounts paid under this plan's global medical assistance benefit.

Educational Benefit for Dependent Children

If benefits are payable under this benefit provision for your death, Great-West Life will pay the tuition fees for enrolling your dependent children as full-time students at a post-secondary institution. To qualify for an educational benefit, a dependent child must have been enrolled as a full-time student at a post-secondary institution at the time of the accident causing your death, or he must have been enrolled as a full-time student at the secondary school level at the time of the accident causing your death and enrolls as a full-time student at a post-secondary institution within 365 days after the accident.

Great-West Life will pay up to 5% of the Principal Sum, or \$5,000, whichever is less, for each year of full-time post-secondary school enrolment. Great-West Life will pay the educational benefit each year for a maximum of 4 consecutive years upon receipt of proof of full-time enrolment.

No benefits will be paid for tuition expenses incurred before the accident, or room or board or other ordinary living, travelling, or clothing expenses.

Family Transportation Benefit

If you are hospitalized more than 150 kilometres from your home as a result of an injury for which benefits are payable under this benefit provision, Great-West Life will pay the actual expense incurred less any amount paid for the same expenses under this plan's global medical assistance benefit, up to \$2,000, for transportation and lodging expenses for one family member to join you.

Benefits for lodging are limited to moderate quality accommodation for the area of hospitalization. Telephone expenses and taxicab and car rental charges are included. Meal expenses are not covered.

Transportation expenses are limited to round trip economy class transportation. If a private vehicle is used, expenses are limited to \$.20 per kilometre travelled.

Occupational Training Benefit for Spouses

If benefits are payable under this benefit provision for your death, Great-West Life will pay for expenses associated with your spouse's enrolment in an accredited occupational training program. The purpose of the training program must be to provide the spouse with at least the minimum qualifications required for employment in an occupation for which the spouse would not otherwise qualify.

Great-West Life will pay up to 10% of the Principal Sum, or \$10,000, whichever is less.

No benefits will be paid for expenses incurred more than 3 years after the accident causing your death, or room or board or other ordinary living, travelling, or clothing expenses.

Educational Benefit

If benefits are payable under this benefit provision for an injury that requires you to change occupations, Great-West Life will pay the tuition fees for enrolling you as a student at a post-secondary institution for training in a new occupation. To qualify for an educational benefit, you must enrol at a post-secondary institution within 365 days after the accident. Great-West Life will pay up to \$10,000.

No benefits will be paid for tuition expenses incurred before the accident, expenses incurred more than 2 years after the accident causing the injury, or room or board or other ordinary living, travelling, or clothing expenses.

Wheelchair Benefit

If benefits are payable under this benefit provision for an injury that requires the use of a wheelchair for you to be ambulatory, Great-West Life will pay for alterations to your principal residence to make it wheelchair accessible and habitable, and modifications to a motor vehicle you use to make it accessible to and driveable by you.

Benefits for home alterations are payable only if the person or persons making the changes are experienced in home alterations for wheelchairs, and recommended by an organization recognized for providing support and assistance to wheelchair users.

Benefits for vehicle modifications are payable only if the person or persons making the changes are experienced in vehicle modification for wheelchairs, and the modifications are approved by the provincial vehicle licensing authority.

Great-West Life will pay the actual expense incurred less any amount paid for the same expenses under this plan's healthcare benefit, up to \$10,000 for all home and vehicle modifications combined.

No benefits will be paid for expenses incurred more than 365 days after the accident, or for subsequent alterations to your home or vehicle after an initial claim for benefits has been made under this wheelchair benefit provision.

Your AD&D insurance terminates when you reach age 70.

Limitations

The Principal Sum is the maximum amount that will be paid for all injuries resulting from the same accident. For paraplegia, hemiplegia, and quadriplegia, the maximum amount that will be paid for all injuries resulting from the same accident is two times the Principal Sum.

No benefits are paid for injury or death resulting from:

- Intentionally self-inflicted injury or suicide
- Viral or bacterial infections, except pyogenic infections occurring through the injury for which loss is being claimed
- Any form of illness or physical or mental infirmity
- Medical or surgical treatment, except surgical reattachment
- War, insurrection or voluntary participation in a riot
- Service in the armed forces of any country
- Air travel serving as a crew member, or in aircraft owned, leased or rented by your employer, or air travel where the aircraft is not licensed or the pilot is not certified to operate the aircraft

How to Make a Claim

- To claim benefits for yourself, ask your employer for a claim form. Complete it and return it to your employer.
- If you die accidentally, your employer will explain the claim requirements to your beneficiary.
- Claims should be submitted as soon as possible, but no later than 15 months after the loss.

LONG TERM DISABILITY (LTD) INCOME BENEFITS

The plan provides you with regular income to replace income lost because of a lengthy disability due to disease or injury. Benefits begin after the waiting period is over and continue until you are no longer disabled **as defined by the policy** or you reach age 65, whichever comes first. Check the **Benefit Summary** for the benefit amount and waiting period.

- If disability is not continuous, the days you are disabled can be accumulated to satisfy the waiting period as long as no interruption is longer than 2 weeks and the disabilities arise from the same disease or injury. If your employer provides short term disability or sick leave benefits that are still being paid when the waiting period ends, the waiting period will be extended until the end of the short term disability or sick leave benefit period, but not later than one year after your disability started.
- LTD benefits are payable for the first 24 months following the waiting period if disease or injury prevents you from doing your own job. You are **not** considered disabled if you can perform a combination of duties that regularly took at least 60% of your time to complete.
- After 24 months, LTD benefits will continue only if your disability prevents you from being gainfully employed in any job. Gainful employment is work you are medically able to perform, for which you have at least the minimum qualifications, and provides you with an income of at least 50% of your indexed monthly earnings before you became disabled.
- After the waiting period, separate periods of disability arising from the same disease or injury are considered to be one period of disability unless they are separated by at least 6 months.
- Because you pay the entire cost of LTD coverage, benefits are not taxable.
- Your LTD insurance terminates when you reach age 65.

Other Income

Your LTD benefit is reduced by other income you are entitled to receive while you are disabled. Your benefit is first reduced by:

- disability benefits you or another member of your family is entitled to on the basis of your disability under the Canada or Quebec Pension Plan that are paid directly to you, except for increases that take effect after the benefit period starts
- retirement benefits under the Canada or Quebec Pension Plan, except for increases that take effect after the benefit period starts
- benefits under any Workers' Compensation Act or similar law

There is a further reduction of your LTD benefit if the total of the income listed below exceeds 85% of your monthly take-home pay before you became disabled. If it does, your benefit is reduced by the excess amount.

- your income under this plan
- loss of income benefits available through legislation, except for Employment Insurance benefits, which you and any other member of your family are entitled to on the basis of your disability, including automobile insurance benefits where permitted by law
- disability benefits under a plan of insurance available through membership in an association
- employment income, disability benefits, or retirement benefits related to any employment except an approved rehabilitation plan or program (termination pay and severance benefits are included as employment income under this provision)

Earnings received from an approved rehabilitation plan or program are not used to reduce your LTD benefit unless those earnings, together with your income from this plan and the other income listed above, including any increases in Canada or Quebec Pension Plan benefits that take effect after the benefit period starts, would exceed your indexed monthly take-home pay before you became disabled. If it does, your benefit is reduced by the excess amount.

Vocational Rehabilitation Benefits

Vocational rehabilitation involves a work related activity or training strategy that is designed to help you return to gainful employment and a more productive lifestyle. A plan or program will be approved if it is appropriate for the expected duration of your disability and it facilitates your earliest possible return to work.

Medical Coordination Benefits

Medical coordination is a process of early involvement to ensure that you are diagnosed quickly and receive appropriate treatment on a timely basis. The goal is to enable you to return to work as early as possible and to prevent the disability from becoming long term or permanent.

Limitations

No benefits are paid for:

- Disability arising from a disease or injury for which you received medical care before your insurance started. This limitation does not apply if your disability starts after you have been continuously insured for 1 year, or you have not had medical care for the disease or injury for a continuous period of 90 days ending on or after the date your insurance took effect.

- Any period in which you do not participate or cooperate in a prescribed plan of medical treatment appropriate for your condition.

Depending on the severity of the condition, you may be required to be under the care of a specialist.

If substance abuse contributes to your disability, the treatment program must include participation in a recognized substance withdrawal program.

- The scheduled duration of a lay-off or leave of absence.

This does not apply to any portion of a period of maternity leave during which you are disabled due to pregnancy.

- Any period after you fail to participate or cooperate in an approved rehabilitation plan or program.
- Any period after you fail to participate or cooperate in a recommended medical coordination program.
- Any 12-month period in which you do not live in Canada for at least 6 months.
- Any period of confinement in a prison or similar institution.
- Disability arising from war, insurrection, or voluntary participation in a riot.

How to Make a Claim

Obtain an Employee Claim Submission Guide (form M4307) from your employer and follow the guide's instructions. Return the completed form to your employer as soon as possible, but no later than 6 months after proof of your claim has been requested.

HEALTHCARE

A deductible may be applied before you are reimbursed. All expenses will be reimbursed at the level shown in the **Benefit Summary**. Benefits may be subject to plan maximums and frequency limits. Check the **Benefit Summary** for this information.

The plan covers the following services and supplies. All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is accepted by the Canadian medical profession, it is proven to be effective and it is of a form, intensity, frequency and duration essential to diagnosis or management of the disease or injury.

Your healthcare coverage terminates when you reach age 70.

Covered Expenses

- Ambulance transportation to the nearest centre where adequate treatment is available
- Semi-private room and board in a hospital in Canada

For out-of-province accommodation, any difference between the hospital's standard ward rate and the government authorized allowance in your home province is covered.

The plan also covers the hospital facility fee related to dental surgery and any out-of-province hospital out-patient charges not covered by the government health plan in your home province.

- Convalescent care for a condition that will significantly improve as a result of the care and follows a 3-day confinement for acute care
- The government authorized co-payment for accommodation in a nursing home. Residences established primarily for senior citizens or which provide personal rather than medical care are not covered.

- Home nursing services of a registered nurse, licensed practical nurse or registered nursing assistant who is not a member of your family, but only if the patient requires the specific skills of a trained nurse

You should apply for a pre-care assessment before home nursing begins

- Drugs and drug supplies described below when provided in Canada. Benefits for drug expenses outside Canada are payable only as provided under the out-of-country emergency care provision.
 - Drugs which require the written prescription of a physician or dentist, including oral contraceptives
 - Injectable drugs including vitamins, insulins and allergy extracts. Syringes for self-administered injections are also covered
 - Disposable needles for use with non-disposable insulin injection devices, lancets and test strips
 - Extemporaneous preparations or compounds if one of the ingredients is a covered drug
 - Certain other drugs that do not require a prescription by law may be covered when prescribed by your physician or dentist. If you have any questions, contact your plan administrator before incurring the expense.

For drugs eligible under a provincial drug plan, coverage is limited to the deductible amount and coinsurance you are required to pay under that plan.

- Rental or, at Great-West Life's discretion, purchase of certain medical supplies, appliances and prosthetic devices prescribed by a doctor
- Custom-made foot orthotics and custom-fitted orthopedic shoes upon recommendation of a physician or podiatrist. Stock-item orthopedic shoes including modifications to orthopedic footwear upon the recommendation of a physician or podiatrist

- Hearing aids including batteries, tubing and ear molds provided at the time of purchase
- Diabetic supplies: Novolin-pens or similar insulin injection devices using a needle, blood-letting devices including platforms but not lancets. Lancets are covered under prescription drugs
- Blood-glucose monitoring machines
- Diagnostic x-rays and lab tests, when coverage is not available under your provincial government plan
- Out-of-hospital treatment of muscle and bone disorders, including diagnostic x-rays, by a licensed chiropractor
- Out-of-hospital treatment of movement disorders by a licensed physiotherapist
- Out-of-hospital treatment of foot disorders, including diagnostic x-rays, by a licensed podiatrist
- Out-of-hospital treatment by a registered psychologist or qualified social worker
- Out-of-hospital treatment of speech impairments by a qualified speech therapist
- Out-of-hospital services of a qualified massage therapist
- Out-of-hospital services of a qualified acupuncturist
- Out-of-hospital services of a licensed osteopath, including diagnostic x-rays
- Out-of-hospital services of a licensed naturopath

Visioncare

- Eye examinations, including refractions, when they are performed by a licensed ophthalmologist or optometrist, and coverage is not available under your provincial government plan
- Glasses and contact lenses required to correct vision when provided by a licensed ophthalmologist, optometrist or optician
- Laser eye surgery required to correct vision when performed by a licensed ophthalmologist
- Visual training and remedial therapy to correct faulty visual skills when performed by a licensed ophthalmologist or optometrist

For information on available discounts on eyewear and vision care services, refer to the Preferred Vision Services section of this booklet following the Healthcare benefit.

Global Medical Assistance Program

This program provides medical assistance through a worldwide communications network which operates 24 hours a day. The network locates medical services and obtains Great-West Life's approval of covered services, when required as a result of a medical emergency arising while you or your dependent is travelling for vacation, business or education. Coverage for travel within Canada is limited to emergencies arising more than 500 kilometres from home. You must be covered by the government health plan in your home province to be eligible for global medical assistance benefits. The following services are covered, subject to Great-West Life's prior approval:

- On-site hospital payment when required for admission, to a maximum of \$1,000
- If suitable local care is not available, medical evacuation to the nearest suitable hospital while travelling in Canada. If travel is outside Canada, transportation will be provided to a hospital in

Canada or to the nearest hospital outside Canada equipped to provide treatment

- Transportation and lodging for one family member joining a patient hospitalized for more than 7 days while travelling alone. Benefits will be paid for moderate quality lodgings up to \$1,500 and for a round trip economy class ticket
- If you or a dependent is hospitalized while travelling with a companion, extra costs for moderate quality lodgings for the companion when the return trip is delayed due to your or your dependent's medical condition, to a maximum of \$1,500
- The cost of comparable return transportation home for you or a dependent and one travelling companion if prearranged, prepaid return transportation is missed because you or your dependent is hospitalized. Coverage is provided only when the return fare is not refundable. A rental vehicle is not considered prearranged, prepaid return transportation
- In case of death, preparation and transportation of the deceased home
- Return transportation home for minor children travelling with you or a dependent who are left unaccompanied because of your or your dependent's hospitalization or death. Return or round trip transportation for an escort for the children is also covered when considered necessary
- Costs of returning your or your dependent's vehicle home or to the nearest rental agency when illness or injury prevents you or your dependent from driving, to a maximum of \$1,000. Benefits will not be paid for vehicle return if transportation reimbursement benefits are paid for the cost of comparable return transportation home

Benefits payable for moderate quality accommodation include telephone expenses as well as taxicab and car rental charges. Meal expenses are not covered.

Out-Of-Country Emergency Care

The plan covers medical expenses incurred as a result of a medical emergency arising while you or your dependent is outside Canada for vacation, business or education purposes. To qualify for benefits, you must be covered by the government health plan in your home province.

- The following services and supplies are covered when related to the initial medical treatment:
 - treatment by a physician
 - diagnostic x-ray and laboratory services
 - hospital accommodation in a standard or semi-private ward or intensive care unit, if the confinement begins while you or your dependent is covered
 - medical supplies provided during a covered hospital confinement
 - paramedical services provided during a covered hospital confinement
 - hospital out-patient services and supplies
 - medical supplies provided out-of-hospital if they would have been covered in Canada
 - drugs
 - out-of-hospital services of a professional nurse
 - ambulance services by a licensed ambulance company to the nearest centre where essential treatment is available

If your medical condition permits you to return to Canada, benefits will be limited to the amount payable under this plan for continued treatment outside Canada or the amount payable under this plan for comparable treatment in Canada, plus return transportation, whichever is less.

Limitations

Except to the extent otherwise required by law, no benefits are paid for:

- Expenses private insurers are not permitted to cover by law
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have insurance coverage
- The portion of the expense for services or supplies that is payable by the government health plan in your home province, whether or not you are actually covered under the government health plan
- Services or supplies that do not represent reasonable treatment
- Services or supplies associated with:
 - treatment performed only for cosmetic purposes
 - recreation or sports rather than with other daily living activities
 - the diagnosis or treatment of infertility, other than drugs
 - contraception, other than oral contraceptives
- Services or supplies not listed as covered expenses
- Extra medical supplies that are spares or alternates
- Services or supplies received outside Canada except as listed under Out-of-Country Emergency Care and Global Medical Assistance
- Services or supplies received out-of-province in Canada unless you are covered by the government health plan in your home province and Great-West Life would have paid benefits for the same services or supplies if they had been received in your home province

This limitation does not apply to Global Medical Assistance

- Expenses arising from war, insurrection, or voluntary participation in a riot
- Chronic care
- Podiatric treatments for which a portion of the cost is payable under the Ontario Health Insurance Plan (OHIP). Benefits for these services are payable only after the maximum annual OHIP benefit has been paid
- Visioncare services and supplies required by an employer as a condition of employment

In addition under the prescription drug coverage, no benefits are paid for:

- Atomizers, appliances, prosthetic devices, colostomy supplies, first aid supplies, diagnostic supplies or testing equipment
- Non-disposable insulin delivery devices or spring loaded devices used to hold blood letting devices
- Delivery or extension devices for inhaled medications
- Oral vitamins, minerals, dietary supplements, homeopathic preparations, infant formulas or injectable total parenteral nutrition solutions
- Diaphragms, condoms, contraceptive jellies, foams, sponges, suppositories, contraceptive implants or appliances
- Any drug that does not have a drug identification number as defined by the Food and Drugs Act, Canada
- Proprietary or patent medicines registered under the Food and Drugs Act, Canada
- Any single purchase of drugs which would not reasonably be used within 34 days. In the case of certain maintenance drugs, a 100-day supply will be covered

- Drugs dispensed by a dentist or clinic or by a non-accredited hospital pharmacy
- Drugs dispensed during treatment as an in-patient or an out-patient in a hospital
- Preventative immunization vaccines and toxoids
- Non-injectable allergy extracts
- Drugs that are considered cosmetic, such as topical minoxidil or sunscreens
- Drugs used to treat erectile dysfunction

How to Make a Claim

- Out-of-country claims (other than those for Global Medical Assistance expenses) should be submitted to Great-West Life as soon as possible after the expense is incurred. It is very important that you send your claims to the Great-West Life Out-of-Country Claims Department immediately as your Provincial Medical Plan has very strict time limitations.

Obtain form M5432 (Statement of Claim Out-of-Country Expenses form) from your employer. Residents of all provinces except Manitoba and the Territories must also obtain the Government Assignment form and residents of British Columbia, Quebec and Newfoundland & Labrador must also obtain the Special Government Claim form. The Great-West Life Out-of-Country Claims Department will forward the appropriate government forms to your attention when required.

If you are a resident in the Territories or Manitoba, you must submit your out-of-country claims to your provincial or territorial government for processing before submitting the claim to Great-West Life. When you receive your Explanation of Benefits back from the province or territory, please send the following to the Great-West Life Out-of-Country Claims Department (be sure to keep copies for your own records):

- a copy of the payment from your province or territory
- a completed Statement of Claim Out-of-Country Expenses form (form M5432)
- all required information
- copies of all original receipts

Residents of all other provinces should complete all applicable forms, making sure all required information is included. Attach all original receipts and forward the claim to the Great-West Life Out-of-Country Claims Department. Be sure to keep a copy for your own records. The plan will pay all eligible claims including your Provincial Medical Plan portion. Your Provincial Medical Plan will then reimburse the plan for the government's share of the expenses.

Out-of-country claims must be submitted within a certain time period that varies by province. For the claims submission period applicable in your province or territory or for any other questions or for assistance in completing any of the forms, please contact Great-West Life's Out-of-Country Claims Department at 1-800-957-9777.

- For all other Healthcare claims, obtain form M635D from your employer. Complete this form making sure it shows all required information.

Attach your receipts to the claim form and return it to the Great-West Life Benefit Payment Office as soon as possible, but no later than 15 months after you incur the expense.

- **For drug claims**, your employer will provide you with a prescription drug identification card. Present your card to the pharmacist with your prescription.

Before your prescription is filled, a Health Assure check will be done. Health Assure is a series of seven checks that are electronically done on your drug claim history for increased safety and compliance monitoring. This has been designed to improve the health and quality of life for you and your dependents. Checks done include drug interaction, therapeutic duplication and duration of therapy, allowing the pharmacist to react prior to the drug being dispensed. Depending on the outcome of the checks, the pharmacist may refuse to dispense the prescribed drug.

When your coverage ends, return your direct pay drug identification card to your employer.

PREFERRED VISION SERVICES (PVS)

Preferred Vision Services (PVS) is a service provided by Great-West Life to its customers through Preferred Vision Services.

Preferred Vision Services (PVS) entitles you to a discount on a wide selection of quality eyewear and lens extras (scratch guarding, tints, etc.) when you purchase these items from a PVS network optician or optometrist. You are eligible to receive the PVS discount through the network whether or not you are enrolled for the healthcare coverage described in this booklet. You can use the PVS network as often as you wish to purchase eyewear for yourself and your dependents at a reduced cost.

Shopping for eyewear through PVS:

- Call the **PVS Information Hotline** at 1-800-668-6444 or visit the **PVS Web site** at www.pvs.ca for information about PVS locations and the program
- Arrange for a fitting or eye examination, if needed
- Present your group benefit plan identification card to identify your preferred status as a PVS member through Great-West Life at the time of purchase
- Select your eyewear and pay the reduced PVS price. If you have vision care coverage, obtain a receipt and submit it with a claim form to your insurance carrier in the usual manner.

DENTALCARE

A deductible may be applied before you are reimbursed. All expenses will be reimbursed at the level shown in the **Benefit Summary**. Benefits may be subject to plan maximums and frequency limits. Check the **Benefit Summary** for this information.

The plan covers reasonable and customary charges to the extent they do not exceed the dental fee guide level shown in the **Benefit Summary**.

Your dentalcare coverage terminates when you reach age 70.

Treatment Plan

- Before incurring any large dental expenses, or beginning any orthodontic treatment, ask your dentist to complete a treatment plan and submit it to Great-West Life. Great-West Life will calculate the benefits payable for the proposed treatment, so you will know in advance the approximate portion of the cost you will have to pay.

Basic Coverage

The following expenses will be covered:

- Diagnostic services including:
 - complete oral exam once every 2 calendar years
 - limited oral examinations twice each calendar year, except that only one limited oral examination is covered in any 12-month period that a complete oral examination is also performed
 - limited periodontal examinations twice each calendar year

- complete series of x-rays once every 2 calendar years
- intra-oral x-rays to a maximum of 15 films once every 2 calendar years and a panoramic x-ray once every 2 calendar years. Services provided in the same 12 months as a complete series are not covered
- Preventive services including:
 - polishing and topical application of fluoride each twice each calendar year
 - scaling, limited to a maximum combined with periodontal root planing of 16 time units each calendar year

A time unit is considered to be a 15-minute interval or any portion of a 15-minute interval
 - oral hygiene instruction once in a person's lifetime
 - pit and fissure sealants on bicuspid and permanent molars every 60 months
 - space maintainers including appliances for the control of harmful habits
 - finishing restorations
 - interproximal diskings
 - recontouring of teeth
- Minor restorative services including:
 - caries, trauma, and pain control
 - amalgam and tooth-coloured fillings. Replacement fillings are covered only if the existing filling is at least 2 years old or the existing filling was not covered under this plan

- retentive pins and prefabricated posts for fillings
- prefabricated crowns for primary teeth
- Endodontics. Root canal therapy for permanent teeth will be limited to one course of treatment per tooth. Repeat treatment is covered only if the original treatment fails after the first 18 months
- Periodontal services including:
 - root planing, limited to a maximum combined with preventive scaling of 16 time units each calendar year
 - occlusal adjustment and equilibration, limited to a combined maximum of 4 time units every 12 months

A time unit is considered to be a 15-minute interval or any portion of a 15-minute interval
- Denture maintenance, after the 3-month post-insertion care period, including:
 - denture relines for dentures at least 6 months old, once every 36 months
 - denture rebases for dentures at least 2 years old, once every 36 months
 - resilient liner in relined or rebased dentures, once every 36 months
 - denture repairs and additions and resetting of denture teeth
 - denture adjustments, once every 12 months
- Oral surgery
- Adjunctive services

Major Coverage

- Crowns. Coverage for crowns on molars is limited to the cost of metal crowns. Coverage for complicated crowns is limited to the cost of standard crowns
- Onlays. Coverage for tooth-coloured onlays on molars is limited to the cost of metal onlays

Replacement crowns and onlays are covered when the existing restoration is at least 5 years old and cannot be made serviceable

- Standard complete dentures, standard cast or acrylic partial dentures or complete overdentures or bridgework when required to replace one or more teeth extracted while the person is covered. Overdentures and bridgework are covered only when standard complete or partial dentures are not viable treatment options. Coverage for tooth-coloured retainers and pontics on molars is limited to the cost of metal retainers and pontics. Replacement appliances are covered only when:

- the existing appliance is a covered temporary appliance
- the existing appliance is at least 5 years old and cannot be made serviceable. If the existing appliance is less than 5 years old, a replacement will still be covered if the existing appliance becomes unserviceable while the person is covered and as a result of the placement of an initial opposing appliance or the extraction of additional teeth.

If additional teeth are extracted but the existing appliance can be made serviceable, coverage is limited to the replacement of the additional teeth

- Denture-related surgical services for remodelling and recontouring oral tissues
- Denture and bridgework maintenance following the 3-month post-insertion period including:
 - denture remakes, once every 36 months
 - tissue conditioning
 - repairs to covered bridgework
 - removal and recementation of bridgework

Orthodontic Coverage

- Orthodontics are covered for children who are between 6 and 18 when treatment starts

Accidental Dental Injury Coverage

- Treatment of injury to sound natural teeth. Treatment must start within 60 days after the accident unless delayed by a medical condition

A sound tooth is any tooth that did not require restorative treatment immediately before the accident. A natural tooth is any tooth that has not been artificially replaced

Limitations

No benefits are paid for:

- Duplicate x-rays, custom fluoride appliances, audio-visual oral hygiene instruction and nutritional counselling
- The following endodontic services - root canal therapy for primary teeth, isolation of teeth, enlargement of pulp chambers and endosseous intra coronal implants
- The following periodontal services - desensitization, topical application of antimicrobial agents, subgingival periodontal irrigation, charges for post surgical treatment and periodontal re-evaluations
- The following oral surgery services - implantology, surgical movement of teeth, services performed to remodel or recontour oral tissues (other than minor alveoloplasty, gingivoplasty and stomatoplasty) and alveoloplasty or gingivoplasty performed in conjunction with extractions. Services for remodelling and recontouring oral tissues will be covered under Major Coverage
- Hypnosis or acupuncture
- Veneers, recontouring existing crowns, and staining porcelain
- Crowns or onlays if the tooth could have been restored using other procedures. If crowns, onlays or inlays are provided, benefits will be based on coverage for fillings
- Overdentures or initial bridgework if provided when standard complete or partial dentures would have been a viable treatment option.

If overdentures are provided, coverage will be limited to standard complete dentures.

If initial bridgework is provided, coverage will be limited to a standard cast partial denture and restoration of abutment teeth when required for purposes other than bridgework

If additional bridgework is performed in the same arch within 60 months, coverage will be limited to the addition of teeth to a denture and restoration of abutment teeth when required for purposes other than bridgework

Benefits will be limited to standard dentures or bridgework when equilibrated and gnathological dentures, dentures with stress breaker, precision and semi-precision attachments, dentures with swing lock connectors, partial overdentures and dentures and bridgework related to implants are provided

- Expenses covered under another group plan's extension of benefits provision
- Accidental dental injury expenses for treatment performed more than 12 months after the accident, denture repair or replacement, or any orthodontic services
- Expenses private plans are not permitted to cover by law
- Services and supplies the person is entitled to without charge by law or for which a charge is made only because the person has insurance coverage
- Services or supplies that do not represent reasonable treatment
- Treatment performed for cosmetic purposes only
- Congenital defects or developmental malformations in people 19 years of age or over
- Temporomandibular joint disorders, vertical dimension correction or myofacial pain
- Expenses arising from war, insurrection, or voluntary participation in a riot

How to Make a Claim

Obtain form M445D from your employer. Have your dentist complete the form and return it to the Great-West Life Benefit Payment Office as soon as possible, but no later than 15 months after the dental treatment.

COORDINATION OF BENEFITS

- Benefits for you or a dependent will be directly reduced by any amount payable under a government plan. If you or a dependent are entitled to benefits for the same expenses under another group plan or as both an employee and dependent under this plan or as a dependent of both parents under this plan, benefits will be co-ordinated so that the total benefits from all plans will not exceed expenses.
- You and your spouse should first submit your own claims through your own group plan. Claims for dependent children should be submitted to the plan of the parent who has the earlier birth date in the calendar year (the year of birth is not considered). If you are separated or divorced, the plan which will pay benefits for your children will be determined in the following order:
 1. the plan of the parent with custody of the child;
 2. the plan of the spouse of the parent with custody of the child;
 3. the plan of the parent without custody of the child;
 4. the plan of the spouse of the parent without custody of the child

You may submit a claim to the plan of the other spouse for any amount which is not paid by the first plan.

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Group Benefit Plan



Great-West Life
your Benefits Solutions People

On  **Enterprise**
Solutions

Managers

Great-West Life is a leading Canadian life and health insurer. Great-West Life's financial security advisors work with our clients from coast to coast to help them secure their financial future. We provide a wide range of retirement savings and income plans; as well as life, disability and critical illness insurance for individuals and families. As a leading provider of employee benefits in Canada, we offer effective benefit solutions for large and small employee groups.

Great-West Life Online

Information and details on Great-West Life's corporate profile, our products and services, investor information, news releases and contact information can all be found at our website www.greatwestlife.com.

This booklet describes the principal features of the group benefit plan sponsored by your employer, but **Group Policy Nos. 158083 and 158084** and **Plan Document No. 56313** issued by Great-West Life are the governing documents. If there are variations between the information in the booklet and the provisions of the policies and plan document, the policies and plan document will prevail.

This booklet contains important information and should be kept in a safe place known to you and your family.

The Plan is administered by



Protecting Your Personal Information

At Great-West Life, we recognize and respect the importance of privacy. When you apply for coverage or benefits, we establish a confidential file of personal information. We limit access to personal information in your file to Great-West Life staff or persons authorized by Great-West Life who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law.

We use the personal information to administer the group benefit plan under which you are covered. This includes many tasks, such as:

- determining your eligibility for coverage under the plan
- enrolling you for coverage
- assessing your claims and providing you with payment
- managing your claims
- verifying and auditing eligibility and claims
- underwriting activities, such as determining the cost of the plan, and analyzing the design options of the plan
- preparing regulatory reports, such as tax slips

Your employer has an agreement with Great-West Life in which your employer has financial responsibility for some or all of the benefits in the plan and we process claims on your employer's behalf. We may exchange personal information with your health care providers, your plan administrator, other insurance or reinsurance companies, administrators of government benefits or other benefit programs, other organizations, or service providers working with us when necessary to administer the plan.

All claims under this plan are submitted through you as plan member. We may exchange personal information about claims with you and a person acting on your behalf when necessary to confirm eligibility and to mutually manage the claims.

For more information about our privacy guidelines, please ask for Great-West Life's **Privacy Guidelines** brochure.

Liability for Benefits

Your employer has entered into an agreement with The Great-West Life Assurance Company whereby your employer will have full liability for Healthcare and Dentalcare benefits outlined in this booklet. This means your employer has agreed to fund these benefits and they are, therefore, uninsured. All claims will, however, be processed by Great-West Life.

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Benefit Summary

This summary must be read together with the benefits described in this booklet.

Employee Basic Life Insurance	200% of annual earnings to a maximum of \$100,000, reducing by 50% at age 65
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Dependent Basic Life Insurance

Spouse	\$10,000
Child	\$5,000

Optional Life Insurance

Available in \$10,000 units to a maximum of \$500,000, for you or your spouse, subject to approval of evidence of insurability

If you are covered under this plan as both an employee and a spouse, you are limited to the \$500,000 maximum

Employee Accidental Death, Dismemberment and Specific Loss (Principal Sum)

An amount equal to your Basic Life Insurance

Long Term Disability Income Benefits

Waiting Period	119 days
Amount	66.7% of the first \$2,500 of your monthly earnings plus 50% of the remainder to a maximum benefit of \$7,000 or 85% of your pre-disability take-home pay, whichever is less
	Any amount of LTD insurance over \$5,000 is subject to approval of evidence of insurability

Healthcare

Deductible	Nil
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Reimbursement Levels

In-Canada Prescription Drug Expenses

- Dispensing Fee Portion	100%
- All Other Drug Expenses	80%

Global Medical Assistance, In-Canada Hospital and Out-Of-Country Emergency Care Expenses

	100%
All Other Expenses	80%

Basic Expense Maximums

Hospital	Semi-private room
Home Nursing Care	\$10,000 each calendar year
In-Canada Prescription Drugs	Included
Dispensing Fee Limit	The covered expense for the dispensing fee portion of a prescription drug charge is limited to \$7
Smoking Cessation Products	\$300 lifetime
Fertility Drugs	\$6,000 lifetime
Hearing Aids	\$500 every 5 years
Custom-fitted Orthopedic Shoes	1 pair each calendar year
Stock-item Orthopedic Shoes	\$150 each calendar year
Custom-made Foot Orthotics	\$400 every 3 calendar years
Myoelectric Arms	\$10,000 per prosthesis
External Breast Prosthesis	1 every 12 months
Surgical Brassieres	2 every 12 months
Mechanical or Hydraulic Patient Lifters	\$2,000 per lifter once every 5 years
Outdoor Wheelchair Ramps	\$2,000 lifetime
Blood-glucose Monitoring Machines	1 every 4 years
Transcutaneous Nerve Stimulators	\$700 lifetime
Extremity Pumps for Lymphedema	\$1,500 lifetime
Custom-made Compression Hose	2 pairs each calendar year
Wigs for Cancer Patients	\$200 lifetime

Paramedical Expense Maximums

Chiropractors	\$400 each calendar year
Physiotherapists	\$400 each calendar year
Podiatrists	\$400 each calendar year
Naturopaths	\$400 each calendar year
Osteopaths	\$400 each calendar year
Psychologists/Social Workers	\$400 each calendar year
Speech Therapists	\$400 each calendar year
Massage Therapists	\$400 each calendar year
Acupuncturists	\$400 each calendar year

Visioncare Expense Maximums

Eye Examinations	1 every 12 months
Glasses, Contact Lenses and Laser Eye Surgery	\$150 every 2 calendar years
Visual Training and Remedial Therapy	\$200 lifetime

Lifetime Healthcare Maximum Unlimited

Dentalcare

Payment Basis The dental fee guide in effect
in your province of residence
on the date treatment is
rendered

Deductible Nil

Reimbursement Levels

Basic Coverage	80%
Major Coverage	50%
Accidental Dental Injury Coverage	100%

Plan Maximums

Accidental Dental Injury Treatment	Unlimited
Basic Treatment	\$2,500 each calendar year
Major Treatment	\$1,000 each calendar year

COMMENCEMENT AND TERMINATION OF COVERAGE

You are eligible to participate in the plan on the date your employment begins.

- You and your dependents will be covered as soon as you become eligible.

You may waive health and dental coverage if you are already covered for these benefits under your spouse's plan. If your coverage under your spouse's plan terminates, you must apply for coverage under this plan no later than 31 days after termination. After 31 days, you must provide evidence of insurability for you and your dependents before you can participate. Your dental benefits will be subject to certain restrictions.

- You must be actively at work when coverage takes effect, otherwise the coverage will not be effective until you return to work.

Increases in your benefits while you are covered by this plan will not become effective unless you are actively at work.

- Temporary, part-time and seasonal employees may not join the plan.

Your coverage terminates when your employment ends, you are no longer eligible, or the policy terminates, whichever is earliest.

- Your dependents' coverage terminates when your insurance terminates or your dependent no longer qualifies, whichever is earlier.
- When your coverage terminates, you may be entitled to an extension of benefits under the plan. Your employer will provide you with details.

Survivor Benefits

If you die while your coverage is still in force, the health and dental benefits for your dependents will be continued for a period of 2 years or until they no longer qualify, whichever happens first.

DEPENDENT COVERAGE

Dependent means:

- Your spouse, legal or common-law.

A common-law spouse is a person who has been living with you in a conjugal relationship for at least 12 months.

- Your unmarried children under age 21, or under age 25 if they are full-time students.

Children under age 21 are not covered if they are working more than 30 hours a week, unless they are full-time students.

Children who are incapable of supporting themselves because of physical or mental disorder are covered without age limit if the disorder begins before they turn 21, or while they are students under 25, and the disorder has been continuous since that time.

EMPLOYEE BASIC LIFE INSURANCE

You may name a beneficiary for your life insurance and change that beneficiary at any time by completing a form available from your employer. On your death, your employer will explain the claim requirements to your beneficiary. Great-West Life will pay your life insurance benefits to your beneficiary.

- Your life insurance terminates when you reach age 70.
- You are entitled to waiver of premium benefits after you have been continuously disabled for 119 days. You will be considered disabled during the period you are entitled to receive Long Term Disability benefits.
- If any or all of your insurance terminates on or before your 65th birthday, you may be eligible to apply for an individual conversion policy without providing proof of your insurability. You must apply and pay the first premium no later than 31 days after your group insurance terminates. See your employer for details.

DEPENDENT BASIC LIFE INSURANCE

If one of your dependents dies, Great-West Life will pay you the dependent life insurance benefit. Your employer will explain the claim requirements.

- Your dependent life insurance terminates when you reach age 70 or when you no longer have eligible dependents, whichever comes first.
- If you are disabled and the premiums for your employee life insurance are waived, your dependent life insurance will also continue without premium payment until your own coverage terminates or your dependents no longer qualify.
- If your spouse's insurance terminates on or before his or her 65th birthday, he or she may be eligible for an individual conversion policy without providing proof of insurability. You or your spouse must apply and pay the first premium no later than 31 days after the group insurance terminates. See your employer for details.

OPTIONAL LIFE INSURANCE

Optional Life Insurance allows you to choose additional coverage for yourself and your spouse. Check the **Benefit Summary** for the amount of Optional Life Insurance available. When you apply for Optional Life Insurance, you must provide proof of your insurability, and your application must be approved by Great-West Life. If you or your spouse die within two years after applying for Optional Life Insurance, Great-West Life has the right to verify any medical information you or your spouse provided. If any inconsistencies are discovered, the claim will be denied and any premiums paid will be refunded.

You may name a beneficiary for your optional life insurance and change that beneficiary at any time by completing a form available from your employer. On your death, Great-West Life will pay your life insurance to your beneficiary. If your spouse dies you will be paid the amount for which he or she was insured. Your employer will explain the claim requirements.

- If you are approved for waiver of premium on your basic life insurance, any optional life insurance for yourself or your spouse will also continue without premium payment as long as your basic life insurance continues but not beyond the date your optional insurance would otherwise terminate.
- If your or your spouse's optional life insurance terminates, you or your spouse may be eligible to apply for an individual conversion policy without providing proof of insurability. You must apply and pay the first premium no later than 31 days after your group insurance terminates. See your employer for details.
- Your optional life insurance terminates when you reach age 65. Your spouse's coverage terminates at the same time, or when he or she reaches age 65 or is no longer your spouse, whichever comes first.

Limitation

No benefit is paid for suicide within the first two years of initial or increased optional life coverage. In such a situation, Great-West Life refunds the premiums that have been received.

**ACCIDENTAL DEATH, DISMEMBERMENT AND
SPECIFIC LOSS (AD&D) INSURANCE**

If you suffer one of the losses listed below as the result of an accident which occurs while you are insured, Great-West Life will pay up to two times the Principal Sum. The loss must occur no later than 365 days after the accident. For loss of use, the loss must be continuous for 365 days.

Loss	Amount Payable
Life	Principal Sum
Both hands or both feet	Principal Sum
Sight of both eyes	Principal Sum
One hand and one foot	Principal Sum
One hand and sight of one eye	Principal Sum
One foot and sight of one eye	Principal Sum
Speech and Hearing in both ears	Principal Sum
One arm or one leg	3/4 Principal Sum
One hand or one foot or sight of one eye	1/2 Principal Sum
Speech	1/2 Principal Sum
Hearing in both ears	1/2 Principal Sum
Thumb and index finger or at least 4 fingers of one hand	1/4 Principal Sum
All toes of one foot	1/8 Principal Sum

Loss of Use

Both arms and both legs (quadriplegia)	2 X Principal Sum
Both legs (paraplegia)	2 X Principal Sum
One arm and one leg on the same side of the body (hemiplegia)	2 X Principal Sum
One arm and one leg on different sides of the body	Principal Sum
Both arms or both hands	Principal Sum
One hand and one leg	Principal Sum
One leg or one arm	3/4 Principal Sum
One hand	1/2 Principal Sum

Surgical Reattachment

If you suffer the loss of a limb that is surgically reattached, Great-West Life will pay 50% of the amount that would have been payable if the loss had been permanent, regardless of the amount of use regained. The balance of the benefit will be payable if the reattachment fails and the reattached part is removed within one year after the reattachment was performed.

Repatriation

If you die as the result of an accident that is at least 150 kilometres away from your home, Great-West Life will pay up to \$2,500 for the preparation and transportation of your body to the place of burial or cremation less any amounts paid under this plan's global medical assistance benefit.

Educational Benefit for Dependent Children

If benefits are payable under this benefit provision for your death, Great-West Life will pay the tuition fees for enrolling your dependent children as full-time students at a post-secondary institution. To qualify for an educational benefit, a dependent child must have been enrolled as a full-time student at a post-secondary institution at the time of the accident causing your death, or he must have been enrolled as a full-time student at the secondary school level at the time of the accident causing your death and enrolls as a full-time student at a post-secondary institution within 365 days after the accident.

Great-West Life will pay up to 5% of the Principal Sum, or \$5,000, whichever is less, for each year of full-time post-secondary school enrolment. Great-West Life will pay the educational benefit each year for a maximum of 4 consecutive years upon receipt of proof of full-time enrolment.

No benefits will be paid for tuition expenses incurred before the accident, or room or board or other ordinary living, travelling, or clothing expenses.

Family Transportation Benefit

If you are hospitalized more than 150 kilometres from your home as a result of an injury for which benefits are payable under this benefit provision, Great-West Life will pay the actual expense incurred less any amount paid for the same expenses under this plan's global medical assistance benefit, up to \$2,000, for transportation and lodging expenses for one family member to join you.

Benefits for lodging are limited to moderate quality accommodation for the area of hospitalization. Telephone expenses and taxicab and car rental charges are included. Meal expenses are not covered.

Transportation expenses are limited to round trip economy class transportation. If a private vehicle is used, expenses are limited to \$.20 per kilometre travelled.

Occupational Training Benefit for Spouses

If benefits are payable under this benefit provision for your death, Great-West Life will pay for expenses associated with your spouse's enrolment in an accredited occupational training program. The purpose of the training program must be to provide the spouse with at least the minimum qualifications required for employment in an occupation for which the spouse would not otherwise qualify.

Great-West Life will pay up to 10% of the Principal Sum, or \$10,000, whichever is less.

No benefits will be paid for expenses incurred more than 3 years after the accident causing your death, or room or board or other ordinary living, travelling, or clothing expenses.

Educational Benefit

If benefits are payable under this benefit provision for an injury that requires you to change occupations, Great-West Life will pay the tuition fees for enrolling you as a student at a post-secondary institution for training in a new occupation. To qualify for an educational benefit, you must enrol at a post-secondary institution within 365 days after the accident. Great-West Life will pay up to \$10,000.

No benefits will be paid for tuition expenses incurred before the accident, expenses incurred more than 2 years after the accident causing the injury, or room or board or other ordinary living, travelling, or clothing expenses.

Wheelchair Benefit

If benefits are payable under this benefit provision for an injury that requires the use of a wheelchair for you to be ambulatory, Great-West Life will pay for alterations to your principal residence to make it wheelchair accessible and habitable, and modifications to a motor vehicle you use to make it accessible to and driveable by you.

Benefits for home alterations are payable only if the person or persons making the changes are experienced in home alterations for wheelchairs, and recommended by an organization recognized for providing support and assistance to wheelchair users.

Benefits for vehicle modifications are payable only if the person or persons making the changes are experienced in vehicle modification for wheelchairs, and the modifications are approved by the provincial vehicle licensing authority.

Great-West Life will pay the actual expense incurred less any amount paid for the same expenses under this plan's healthcare benefit, up to \$10,000 for all home and vehicle modifications combined.

No benefits will be paid for expenses incurred more than 365 days after the accident, or for subsequent alterations to your home or vehicle after an initial claim for benefits has been made under this wheelchair benefit provision.

Your AD&D insurance terminates when you reach age 70.

Limitations

The Principal Sum is the maximum amount that will be paid for all injuries resulting from the same accident. For paraplegia, hemiplegia, and quadriplegia, the maximum amount that will be paid for all injuries resulting from the same accident is two times the Principal Sum.

No benefits are paid for injury or death resulting from:

- Intentionally self-inflicted injury or suicide
- Viral or bacterial infections, except pyogenic infections occurring through the injury for which loss is being claimed
- Any form of illness or physical or mental infirmity
- Medical or surgical treatment, except surgical reattachment
- War, insurrection or voluntary participation in a riot
- Service in the armed forces of any country
- Air travel serving as a crew member, or in aircraft owned, leased or rented by your employer, or air travel where the aircraft is not licensed or the pilot is not certified to operate the aircraft

How to Make a Claim

- To claim benefits for yourself, ask your employer for a claim form. Complete it and return it to your employer.
- If you die accidentally, your employer will explain the claim requirements to your beneficiary.
- Claims should be submitted as soon as possible, but no later than 15 months after the loss.

LONG TERM DISABILITY (LTD) INCOME BENEFITS

The plan provides you with regular income to replace income lost because of a lengthy disability due to disease or injury. Benefits begin after the waiting period is over and continue until you are no longer disabled **as defined by the policy** or you reach age 65, whichever comes first. Check the **Benefit Summary** for the benefit amount and waiting period.

- If disability is not continuous, the days you are disabled can be accumulated to satisfy the waiting period as long as no interruption is longer than 2 weeks and the disabilities arise from the same disease or injury. If your employer provides short term disability or sick leave benefits that are still being paid when the waiting period ends, the waiting period will be extended until the end of the short term disability or sick leave benefit period, but not later than one year after your disability started.
- LTD benefits are payable for the first 24 months following the waiting period if disease or injury prevents you from doing your own job. You are **not** considered disabled if you can perform a combination of duties that regularly took at least 60% of your time to complete.
- After 24 months, LTD benefits will continue only if your disability prevents you from being gainfully employed in any job. Gainful employment is work you are medically able to perform, for which you have at least the minimum qualifications, and provides you with an income of at least 50% of your indexed monthly earnings before you became disabled.
- After the waiting period, separate periods of disability arising from the same disease or injury are considered to be one period of disability unless they are separated by at least 6 months.
- Because you pay the entire cost of LTD coverage, benefits are not taxable.
- Your LTD insurance terminates when you reach age 65.

Other Income

Your LTD benefit is reduced by other income you are entitled to receive while you are disabled. Your benefit is first reduced by:

- disability benefits you or another member of your family is entitled to on the basis of your disability under the Canada or Quebec Pension Plan that are paid directly to you, except for increases that take effect after the benefit period starts
- retirement benefits under the Canada or Quebec Pension Plan, except for increases that take effect after the benefit period starts
- benefits under any Workers' Compensation Act or similar law

There is a further reduction of your LTD benefit if the total of the income listed below exceeds 85% of your monthly take-home pay before you became disabled. If it does, your benefit is reduced by the excess amount.

- your income under this plan
- loss of income benefits available through legislation, except for Employment Insurance benefits, which you and any other member of your family are entitled to on the basis of your disability, including automobile insurance benefits where permitted by law
- disability benefits under a plan of insurance available through membership in an association
- employment income, disability benefits, or retirement benefits related to any employment except an approved rehabilitation plan or program (termination pay and severance benefits are included as employment income under this provision)

Earnings received from an approved rehabilitation plan or program are not used to reduce your LTD benefit unless those earnings, together with your income from this plan and the other income listed above, including any increases in Canada or Quebec Pension Plan benefits that take effect after the benefit period starts, would exceed your indexed monthly take-home pay before you became disabled. If it does, your benefit is reduced by the excess amount.

Vocational Rehabilitation Benefits

Vocational rehabilitation involves a work related activity or training strategy that is designed to help you return to gainful employment and a more productive lifestyle. A plan or program will be approved if it is appropriate for the expected duration of your disability and it facilitates your earliest possible return to work.

Medical Coordination Benefits

Medical coordination is a process of early involvement to ensure that you are diagnosed quickly and receive appropriate treatment on a timely basis. The goal is to enable you to return to work as early as possible and to prevent the disability from becoming long term or permanent.

Limitations

No benefits are paid for:

- Disability arising from a disease or injury for which you received medical care before your insurance started. This limitation does not apply if your disability starts after you have been continuously insured for 1 year, or you have not had medical care for the disease or injury for a continuous period of 90 days ending on or after the date your insurance took effect.

- Any period in which you do not participate or cooperate in a prescribed plan of medical treatment appropriate for your condition.

Depending on the severity of the condition, you may be required to be under the care of a specialist.

If substance abuse contributes to your disability, the treatment program must include participation in a recognized substance withdrawal program.

- The scheduled duration of a lay-off or leave of absence.

This does not apply to any portion of a period of maternity leave during which you are disabled due to pregnancy.

- Any period after you fail to participate or cooperate in an approved rehabilitation plan or program.
- Any period after you fail to participate or cooperate in a recommended medical coordination program.
- Any 12-month period in which you do not live in Canada for at least 6 months.
- Any period of confinement in a prison or similar institution.
- Disability arising from war, insurrection, or voluntary participation in a riot.

How to Make a Claim

Obtain an Employee Claim Submission Guide (form M4307) from your employer and follow the guide's instructions. Return the completed form to your employer as soon as possible, but no later than 6 months after proof of your claim has been requested.

HEALTHCARE

A deductible may be applied before you are reimbursed. All expenses will be reimbursed at the level shown in the **Benefit Summary**. Benefits may be subject to plan maximums and frequency limits. Check the **Benefit Summary** for this information.

The plan covers the following services and supplies. All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is accepted by the Canadian medical profession, it is proven to be effective and it is of a form, intensity, frequency and duration essential to diagnosis or management of the disease or injury.

Your healthcare coverage terminates when you reach age 70.

Covered Expenses

- Ambulance transportation to the nearest centre where adequate treatment is available
- Semi-private room and board in a hospital in Canada

For out-of-province accommodation, any difference between the hospital's standard ward rate and the government authorized allowance in your home province is covered.

The plan also covers the hospital facility fee related to dental surgery and any out-of-province hospital out-patient charges not covered by the government health plan in your home province.

- Convalescent care for a condition that will significantly improve as a result of the care and follows a 3-day confinement for acute care
- The government authorized co-payment for accommodation in a nursing home. Residences established primarily for senior citizens or which provide personal rather than medical care are not covered.

- Home nursing services of a registered nurse, licensed practical nurse or registered nursing assistant who is not a member of your family, but only if the patient requires the specific skills of a trained nurse

You should apply for a pre-care assessment before home nursing begins

- Drugs and drug supplies described below when provided in Canada. Benefits for drug expenses outside Canada are payable only as provided under the out-of-country emergency care provision.
 - Drugs which require the written prescription of a physician or dentist, including oral contraceptives
 - Injectable drugs including vitamins, insulins and allergy extracts. Syringes for self-administered injections are also covered
 - Disposable needles for use with non-disposable insulin injection devices, lancets and test strips
 - Extemporaneous preparations or compounds if one of the ingredients is a covered drug
 - Certain other drugs that do not require a prescription by law may be covered when prescribed by your physician or dentist. If you have any questions, contact your plan administrator before incurring the expense.

For drugs eligible under a provincial drug plan, coverage is limited to the deductible amount and coinsurance you are required to pay under that plan.

- Rental or, at Great-West Life's discretion, purchase of certain medical supplies, appliances and prosthetic devices prescribed by a doctor

- Custom-made foot orthotics and custom-fitted orthopedic shoes upon recommendation of a physician or podiatrist. Stock-item orthopedic shoes including modifications to orthopedic footwear upon the recommendation of a physician or podiatrist
- Hearing aids including batteries, tubing and ear molds provided at the time of purchase
- Diabetic supplies: Novolin-pens or similar insulin injection devices using a needle, blood-letting devices including platforms but not lancets. Lancets are covered under prescription drugs
- Blood-glucose monitoring machines
- Diagnostic x-rays and lab tests, when coverage is not available under your provincial government plan
- Out-of-hospital treatment of muscle and bone disorders, including diagnostic x-rays, by a licensed chiropractor
- Out-of-hospital treatment of movement disorders by a licensed physiotherapist
- Out-of-hospital treatment of foot disorders, including diagnostic x-rays, by a licensed podiatrist
- Out-of-hospital treatment by a registered psychologist or qualified social worker
- Out-of-hospital treatment of speech impairments by a qualified speech therapist
- Out-of-hospital services of a qualified massage therapist
- Out-of-hospital services of a qualified acupuncturist
- Out-of-hospital services of a licensed osteopath, including diagnostic x-rays
- Out-of-hospital services of a licensed naturopath

Visioncare

- Eye examinations, including refractions, when they are performed by a licensed ophthalmologist or optometrist, and coverage is not available under your provincial government plan
- Glasses and contact lenses required to correct vision when provided by a licensed ophthalmologist, optometrist or optician
- Laser eye surgery required to correct vision when performed by a licensed ophthalmologist
- Visual training and remedial therapy to correct faulty visual skills when performed by a licensed ophthalmologist or optometrist

For information on available discounts on eyewear and vision care services, refer to the Preferred Vision Services section of this booklet following the Healthcare benefit.

Global Medical Assistance Program

This program provides medical assistance through a worldwide communications network which operates 24 hours a day. The network locates medical services and obtains Great-West Life's approval of covered services, when required as a result of a medical emergency arising while you or your dependent is travelling for vacation, business or education. Coverage for travel within Canada is limited to emergencies arising more than 500 kilometres from home. You must be covered by the government health plan in your home province to be eligible for global medical assistance benefits. The following services are covered, subject to Great-West Life's prior approval:

- On-site hospital payment when required for admission, to a maximum of \$1,000
- If suitable local care is not available, medical evacuation to the nearest suitable hospital while travelling in Canada. If travel is outside Canada, transportation will be provided to a hospital in Canada or to the nearest hospital outside Canada equipped to provide treatment

- Transportation and lodging for one family member joining a patient hospitalized for more than 7 days while travelling alone. Benefits will be paid for moderate quality lodgings up to \$1,500 and for a round trip economy class ticket
- If you or a dependent is hospitalized while travelling with a companion, extra costs for moderate quality lodgings for the companion when the return trip is delayed due to your or your dependent's medical condition, to a maximum of \$1,500
- The cost of comparable return transportation home for you or a dependent and one travelling companion if prearranged, prepaid return transportation is missed because you or your dependent is hospitalized. Coverage is provided only when the return fare is not refundable. A rental vehicle is not considered prearranged, prepaid return transportation
- In case of death, preparation and transportation of the deceased home
- Return transportation home for minor children travelling with you or a dependent who are left unaccompanied because of your or your dependent's hospitalization or death. Return or round trip transportation for an escort for the children is also covered when considered necessary
- Costs of returning your or your dependent's vehicle home or to the nearest rental agency when illness or injury prevents you or your dependent from driving, to a maximum of \$1,000. Benefits will not be paid for vehicle return if transportation reimbursement benefits are paid for the cost of comparable return transportation home

Benefits payable for moderate quality accommodation include telephone expenses as well as taxicab and car rental charges. Meal expenses are not covered.

Out-Of-Country Emergency Care

The plan covers medical expenses incurred as a result of a medical emergency arising while you or your dependent is outside Canada for vacation, business or education purposes. To qualify for benefits, you must be covered by the government health plan in your home province.

- The following services and supplies are covered when related to the initial medical treatment:
 - treatment by a physician
 - diagnostic x-ray and laboratory services
 - hospital accommodation in a standard or semi-private ward or intensive care unit, if the confinement begins while you or your dependent is covered
 - medical supplies provided during a covered hospital confinement
 - paramedical services provided during a covered hospital confinement
 - hospital out-patient services and supplies
 - medical supplies provided out-of-hospital if they would have been covered in Canada
 - drugs
 - out-of-hospital services of a professional nurse
 - ambulance services by a licensed ambulance company to the nearest centre where essential treatment is available

If your medical condition permits you to return to Canada, benefits will be limited to the amount payable under this plan for continued treatment outside Canada or the amount payable under this plan for comparable treatment in Canada, plus return transportation, whichever is less.

Limitations

Except to the extent otherwise required by law, no benefits are paid for:

- Expenses private insurers are not permitted to cover by law
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have insurance coverage
- The portion of the expense for services or supplies that is payable by the government health plan in your home province, whether or not you are actually covered under the government health plan
- Services or supplies that do not represent reasonable treatment
- Services or supplies associated with:
 - treatment performed only for cosmetic purposes
 - recreation or sports rather than with other daily living activities
 - the diagnosis or treatment of infertility, other than drugs
 - contraception, other than oral contraceptives
- Services or supplies not listed as covered expenses
- Extra medical supplies that are spares or alternates
- Services or supplies received outside Canada except as listed under Out-of-Country Emergency Care and Global Medical Assistance

- Services or supplies received out-of-province in Canada unless you are covered by the government health plan in your home province and Great-West Life would have paid benefits for the same services or supplies if they had been received in your home province

This limitation does not apply to Global Medical Assistance.

- Expenses arising from war, insurrection, or voluntary participation in a riot
- Chronic care
- Podiatric treatments for which a portion of the cost is payable under the Ontario Health Insurance Plan (OHIP). Benefits for these services are payable only after the maximum annual OHIP benefit has been paid
- Visioncare services and supplies required by an employer as a condition of employment

In addition under the prescription drug coverage, no benefits are paid for:

- Atomizers, appliances, prosthetic devices, colostomy supplies, first aid supplies, diagnostic supplies or testing equipment
- Non-disposable insulin delivery devices or spring loaded devices used to hold blood letting devices
- Delivery or extension devices for inhaled medications
- Oral vitamins, minerals, dietary supplements, homeopathic preparations, infant formulas or injectable total parenteral nutrition solutions
- Diaphragms, condoms, contraceptive jellies, foams, sponges, suppositories, contraceptive implants or appliances

- Any drug that does not have a drug identification number as defined by the Food and Drugs Act, Canada
- Proprietary or patent medicines registered under the Food and Drugs Act, Canada
- Any single purchase of drugs which would not reasonably be used within 34 days. In the case of certain maintenance drugs, a 100-day supply will be covered
- Drugs dispensed by a dentist or clinic or by a non-accredited hospital pharmacy
- Drugs dispensed during treatment as an in-patient or an out-patient in a hospital
- Preventative immunization vaccines and toxoids
- Non-injectable allergy extracts
- Drugs that are considered cosmetic, such as topical minoxidil or sunscreens
- Drugs used to treat erectile dysfunction

How to Make a Claim

- Out-of-country claims (other than those for Global Medical Assistance expenses) should be submitted to Great-West Life as soon as possible after the expense is incurred. It is very important that you send your claims to the Great-West Life Out-of-Country Claims Department immediately as your Provincial Medical Plan has very strict time limitations.

Obtain form M5432 (Statement of Claim Out-of-Country Expenses form) from your employer. Residents of all provinces except Manitoba and the Territories must also obtain the Government Assignment form and residents of British Columbia, Quebec and Newfoundland & Labrador must also obtain the Special Government Claim form. The Great-West Life Out-of-Country Claims Department will forward the appropriate government forms to your attention when required.

If you are a resident in the Territories or Manitoba, you must submit your out-of-country claims to your provincial or territorial government for processing before submitting the claim to Great-West Life. When you receive your Explanation of Benefits back from the province or territory, please send the following to the Great-West Life Out-of-Country Claims Department (be sure to keep copies for your own records):

- a copy of the payment from your province or territory
- a completed Statement of Claim Out-of-Country Expenses form (form M5432)
- all required information
- copies of all original receipts

Residents of all other provinces should complete all applicable forms, making sure all required information is included. Attach all original receipts and forward the claim to the Great-West Life Out-of-Country Claims Department. Be sure to keep a copy for your own records. The plan will pay all eligible claims including your Provincial Medical Plan portion. Your Provincial Medical Plan will then reimburse the plan for the government's share of the expenses.

Out-of-country claims must be submitted within a certain time period that varies by province. For the claims submission period applicable in your province or territory or for any other questions or for assistance in completing any of the forms, please contact Great-West Life's Out-of-Country Claims Department at 1-800-957-9777.

- For all other Healthcare claims, obtain form M635D from your employer. Complete this form making sure it shows all required information.

Attach your receipts to the claim form and return it to the Great-West Life Benefit Payment Office as soon as possible, but no later than 15 months after you incur the expense.

- **For drug claims**, your employer will provide you with a prescription drug identification card. Present your card to the pharmacist with your prescription.

Before your prescription is filled, a Health Assure check will be done. Health Assure is a series of seven checks that are electronically done on your drug claim history for increased safety and compliance monitoring. This has been designed to improve the health and quality of life for you and your dependents. Checks done include drug interaction, therapeutic duplication and duration of therapy, allowing the pharmacist to react prior to the drug being dispensed. Depending on the outcome of the checks, the pharmacist may refuse to dispense the prescribed drug.

When your coverage ends, return your direct pay drug identification card to your employer.

PREFERRED VISION SERVICES (PVS)

Preferred Vision Services (PVS) is a service provided by Great-West Life to its customers through Preferred Vision Services.

Preferred Vision Services (PVS) entitles you to a discount on a wide selection of quality eyewear and lens extras (scratch guarding, tints, etc.) when you purchase these items from a PVS network optician or optometrist. You are eligible to receive the PVS discount through the network whether or not you are enrolled for the healthcare coverage described in this booklet. You can use the PVS network as often as you wish to purchase eyewear for yourself and your dependents at a reduced cost.

Shopping for eyewear through PVS:

- Call the **PVS Information Hotline** at **1-800-668-6444** or visit the **PVS Web site** at **www.pvs.ca** for information about PVS locations and the program
- Arrange for a fitting or eye examination, if needed
- Present your group benefit plan identification card to identify your preferred status as a PVS member through Great-West Life at the time of purchase
- Select your eyewear and pay the reduced PVS price. If you have vision care coverage, obtain a receipt and submit it with a claim form to your insurance carrier in the usual manner.

DENTALCARE

A deductible may be applied before you are reimbursed. All expenses will be reimbursed at the level shown in the **Benefit Summary**. Benefits may be subject to plan maximums and frequency limits. Check the **Benefit Summary** for this information.

The plan covers reasonable and customary charges to the extent they do not exceed the dental fee guide level shown in the **Benefit Summary**.

Your dentalcare coverage terminates when you reach age 70.

Treatment Plan

- Before incurring any large dental expenses, or beginning any orthodontic treatment, ask your dentist to complete a treatment plan and submit it to Great-West Life. Great-West Life will calculate the benefits payable for the proposed treatment, so you will know in advance the approximate portion of the cost you will have to pay.

Basic Coverage

The following expenses will be covered:

- Diagnostic services including:
 - complete oral exam once every 2 calendar years
 - limited oral examinations twice each calendar year, except that only one limited oral examination is covered in any 12-month period that a complete oral examination is also performed
 - limited periodontal examinations twice each calendar year

- complete series of x-rays once every 2 calendar years
- intra-oral x-rays to a maximum of 15 films once every 2 calendar years and a panoramic x-ray once every 2 calendar years. Services provided in the same 12 months as a complete series are not covered
- Preventive services including:
 - polishing and topical application of fluoride each twice each calendar year
 - scaling, limited to a maximum combined with periodontal root planing of 16 time units each calendar year

A time unit is considered to be a 15-minute interval or any portion of a 15-minute interval
 - oral hygiene instruction once in a person's lifetime
 - pit and fissure sealants on bicuspid and permanent molars every 60 months
 - space maintainers including appliances for the control of harmful habits
 - finishing restorations
 - interproximal disking
 - recontouring of teeth
- Minor restorative services including:
 - caries, trauma, and pain control
 - amalgam and tooth-coloured fillings. Replacement fillings are covered only if the existing filling is at least 2 years old or the existing filling was not covered under this plan

- retentive pins and prefabricated posts for fillings
- prefabricated crowns for primary teeth
- Endodontics. Root canal therapy for permanent teeth will be limited to one course of treatment per tooth. Repeat treatment is covered only if the original treatment fails after the first 18 months
- Periodontal services including:
 - root planing, limited to a maximum combined with preventive scaling of 16 time units each calendar year
 - occlusal adjustment and equilibration, limited to a combined maximum of 4 time units every 12 months

A time unit is considered to be a 15-minute interval or any portion of a 15-minute interval
- Denture maintenance, after the 3-month post-insertion care period, including:
 - denture relines for dentures at least 6 months old, once every 36 months
 - denture rebases for dentures at least 2 years old, once every 36 months
 - resilient liner in relined or rebased dentures, once every 36 months
 - denture repairs and additions and resetting of denture teeth
 - denture adjustments, once every 12 months
- Oral surgery
- Adjunctive services

Major Coverage

- Crowns. Coverage for crowns on molars is limited to the cost of metal crowns. Coverage for complicated crowns is limited to the cost of standard crowns
- Onlays. Coverage for tooth-coloured onlays on molars is limited to the cost of metal onlays

Replacement crowns and onlays are covered when the existing restoration is at least 5 years old and cannot be made serviceable

- Standard complete dentures, standard cast or acrylic partial dentures or complete overdentures or bridgework when required to replace one or more teeth extracted while the person is covered. Overdentures and bridgework are covered only when standard complete or partial dentures are not viable treatment options. Coverage for tooth-coloured retainers and pontics on molars is limited to the cost of metal retainers and pontics. Replacement appliances are covered only when:
 - the existing appliance is a covered temporary appliance
 - the existing appliance is at least 5 years old and cannot be made serviceable. If the existing appliance is less than 5 years old, a replacement will still be covered if the existing appliance becomes unserviceable while the person is covered and as a result of the placement of an initial opposing appliance or the extraction of additional teeth.

If additional teeth are extracted but the existing appliance can be made serviceable, coverage is limited to the replacement of the additional teeth

- Denture-related surgical services for remodelling and recontouring oral tissues
- Denture and bridgework maintenance following the 3-month post-insertion period including:
 - denture remakes, once every 36 months
 - tissue conditioning
 - repairs to covered bridgework
 - removal and recementation of bridgework

Accidental Dental Injury Coverage

- Treatment of injury to sound natural teeth. Treatment must start within 60 days after the accident unless delayed by a medical condition

A sound tooth is any tooth that did not require restorative treatment immediately before the accident. A natural tooth is any tooth that has not been artificially replaced

Limitations

No benefits are paid for:

- Duplicate x-rays, custom fluoride appliances, audio-visual oral hygiene instruction and nutritional counselling
- The following endodontic services - root canal therapy for primary teeth, isolation of teeth, enlargement of pulp chambers and endosseous intra coronal implants

- The following periodontal services - desensitization, topical application of antimicrobial agents, subgingival periodontal irrigation, charges for post surgical treatment and periodontal re-evaluations
- The following oral surgery services - implantology, surgical movement of teeth, services performed to remodel or recontour oral tissues (other than minor alveoloplasty, gingivoplasty and stomatoplasty) and alveoloplasty or gingivoplasty performed in conjunction with extractions. Services for remodelling and recontouring oral tissues will be covered under Major Coverage
- Hypnosis or acupuncture
- Veneers, recontouring existing crowns, and staining porcelain
- Crowns or onlays if the tooth could have been restored using other procedures. If crowns, onlays or inlays are provided, benefits will be based on coverage for fillings
- Overdentures or initial bridgework if provided when standard complete or partial dentures would have been a viable treatment option.

If overdentures are provided, coverage will be limited to standard complete dentures.

If initial bridgework is provided, coverage will be limited to a standard cast partial denture and restoration of abutment teeth when required for purposes other than bridgework

If additional bridgework is performed in the same arch within 60 months, coverage will be limited to the addition of teeth to a denture and restoration of abutment teeth when required for purposes other than bridgework

Benefits will be limited to standard dentures or bridgework when equilibrated and gnathological dentures, dentures with stress breaker, precision and semi-precision attachments, dentures with swing lock connectors, partial overdentures and dentures and bridgework related to implants are provided

- Orthodontic treatment
- Accidental dental injury expenses for treatment performed more than 12 months after the accident, denture repair or replacement, or any orthodontic services
- Expenses private plans are not permitted to cover by law
- Services and supplies the person is entitled to without charge by law or for which a charge is made only because the person has insurance coverage
- Services or supplies that do not represent reasonable treatment
- Treatment performed for cosmetic purposes only
- Congenital defects or developmental malformations in people 19 years of age or over
- Temporomandibular joint disorders, vertical dimension correction or myofacial pain
- Expenses arising from war, insurrection, or voluntary participation in a riot

How to Make a Claim

Obtain form M445D from your employer. Have your dentist complete the form and return it to the Great-West Life Benefit Payment Office as soon as possible, but no later than 15 months after the dental treatment.

COORDINATION OF BENEFITS

- Benefits for you or a dependent will be directly reduced by any amount payable under a government plan. If you or a dependent are entitled to benefits for the same expenses under another group plan or as both an employee and dependent under this plan or as a dependent of both parents under this plan, benefits will be co-ordinated so that the total benefits from all plans will not exceed expenses.
- You and your spouse should first submit your own claims through your own group plan. Claims for dependent children should be submitted to the plan of the parent who has the earlier birth date in the calendar year (the year of birth is not considered). If you are separated or divorced, the plan which will pay benefits for your children will be determined in the following order:
 1. the plan of the parent with custody of the child;
 2. the plan of the spouse of the parent with custody of the child;
 3. the plan of the parent without custody of the child;
 4. the plan of the spouse of the parent without custody of the child

You may submit a claim to the plan of the other spouse for any amount which is not paid by the first plan.

Group Benefit Plan



Great-West Life
your Benefits Solutions People

On  **Enterprise**
Solutions

Great-West Life is a leading Canadian life and health insurer. Great-West Life's financial security advisors work with our clients from coast to coast to help them secure their financial future. We provide a wide range of retirement savings and income plans; as well as life, disability and critical illness insurance for individuals and families. As a leading provider of employee benefits in Canada, we offer effective benefit solutions for large and small employee groups.

Great-West Life Online

Information and details on Great-West Life's corporate profile, our products and services, investor information, news releases and contact information can all be found at our website www.greatwestlife.com.

This booklet describes the principal features of the group benefit plan sponsored by your employer, but **Group Policy Nos. 158083 and 158084** and **Plan Document No. 56313** issued by Great-West Life are the governing documents. If there are variations between the information in the booklet and the provisions of the policies and plan document, the policies and plan document will prevail.

This booklet contains important information and should be kept in a safe place known to you and your family.

The Plan is administered by



Protecting Your Personal Information

At Great-West Life, we recognize and respect the importance of privacy. When you apply for coverage or benefits, we establish a confidential file of personal information. We limit access to personal information in your file to Great-West Life staff or persons authorized by Great-West Life who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law.

We use the personal information to administer the group benefit plan under which you are covered. This includes many tasks, such as:

- determining your eligibility for coverage under the plan
- enrolling you for coverage
- assessing your claims and providing you with payment
- managing your claims
- verifying and auditing eligibility and claims
- underwriting activities, such as determining the cost of the plan, and analyzing the design options of the plan
- preparing regulatory reports, such as tax slips

Your employer has an agreement with Great-West Life in which your employer has financial responsibility for some or all of the benefits in the plan and we process claims on your employer's behalf. We may exchange personal information with your health care providers, your plan administrator, other insurance or reinsurance companies, administrators of government benefits or other benefit programs, other organizations, or service providers working with us when necessary to administer the plan.

All claims under this plan are submitted through you as plan member. We may exchange personal information about claims with you and a person acting on your behalf when necessary to confirm eligibility and to mutually manage the claims.

For more information about our privacy guidelines, please ask for Great-West Life's ***Privacy Guidelines*** brochure.

Liability for Benefits

Your employer has entered into an agreement with The Great-West Life Assurance Company whereby your employer will have full liability for Healthcare and Dentalcare benefits outlined in this booklet. This means your employer has agreed to fund these benefits and they are, therefore, uninsured. All claims will, however, be processed by Great-West Life.

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Benefit Summary

This summary must be read together with the benefits described in this booklet.

Employee Basic Life Insurance	100% of annual earnings to a maximum of \$100,000, reducing by 50% at age 65
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Dependent Basic Life Insurance

Spouse	\$10,000
Child	\$5,000

Optional Life Insurance	Available in \$10,000 units to a maximum of \$500,000, for you or your spouse, subject to approval of evidence of insurability
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If you are covered under this plan as both an employee and a spouse, you are limited to the \$500,000 maximum

Employee Accidental Death, Dismemberment and Specific Loss (Principal Sum)	An amount equal to your Basic Life Insurance
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Long Term Disability Income Benefits

Waiting Period	119 days
Amount	66.7% of the first \$2,500 of your monthly earnings plus 50% of the remainder to a maximum benefit of \$7,000 or 85% of your pre-disability take-home pay, whichever is less
	Any amount of LTD insurance over \$5,000 is subject to approval of evidence of insurability

Healthcare

Deductible	Nil
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Reimbursement Levels

In-Canada Prescription Drug Expenses	
- Dispensing Fee Portion	100%
- All Other Drug Expenses	80%
Global Medical Assistance, In-Canada Hospital and Out-Of-Country Emergency Care Expenses	
	100%
All Other Expenses	80%

Basic Expense Maximums

Hospital	Semi-private room
Home Nursing Care	\$10,000 each calendar year
In-Canada Prescription Drugs	Included
Dispensing Fee Limit	The covered expense for the dispensing fee portion of a prescription drug charge is limited to \$7
Smoking Cessation Products	\$300 lifetime
Fertility Drugs	\$6,000 lifetime
Hearing Aids	\$500 every 5 years
Custom-fitted Orthopedic Shoes	1 pair each calendar year
Stock-item Orthopedic Shoes	\$150 each calendar year
Custom-made Foot Orthotics	\$400 every 3 calendar years
Myoelectric Arms	\$10,000 per prosthesis
External Breast Prosthesis	1 every 12 months
Surgical Brassieres	2 every 12 months
Mechanical or Hydraulic Patient Lifters	\$2,000 per lifter once every 5 years
Outdoor Wheelchair Ramps	\$2,000 lifetime
Blood-glucose Monitoring Machines	1 every 4 years
Transcutaneous Nerve Stimulators	\$700 lifetime
Extremity Pumps for Lymphedema	\$1,500 lifetime
Custom-made Compression Hose	2 pairs each calendar year
Wigs for Cancer Patients	\$200 lifetime

Paramedical Expense Maximums

Chiropractors	\$400 each calendar year
Physiotherapists	\$400 each calendar year
Podiatrists	\$400 each calendar year
Naturopaths	\$400 each calendar year
Osteopaths	\$400 each calendar year
Psychologists/Social Workers	\$400 each calendar year
Speech Therapists	\$400 each calendar year
Massage Therapists	\$400 each calendar year
Acupuncturists	\$400 each calendar year

Visioncare Expense Maximums

Eye Examinations	1 every 12 months
Glasses, Contact Lenses and Laser Eye Surgery	\$150 every 2 calendar years
Visual Training and Remedial Therapy	\$200 lifetime

Lifetime Healthcare Maximum Unlimited

Dentalcare

Payment Basis The dental fee guide in effect
in your province of residence
on the date treatment is
rendered

Deductible Nil

Reimbursement Levels

Basic Coverage	80%
Major Coverage	50%
Accidental Dental Injury Coverage	100%

Plan Maximums

Accidental Dental Injury Treatment	Unlimited
Basic Treatment	\$2,500 each calendar year
Major Treatment	\$1,000 each calendar year

COMMENCEMENT AND TERMINATION OF COVERAGE

You are eligible to participate in the plan on the date your employment begins.

- You and your dependents will be covered as soon as you become eligible.

You may waive health and dental coverage if you are already covered for these benefits under your spouse's plan. If your coverage under your spouse's plan terminates, you must apply for coverage under this plan no later than 31 days after termination. After 31 days, you must provide evidence of insurability for you and your dependents before you can participate. Your dental benefits will be subject to certain restrictions.

- You must be actively at work when coverage takes effect, otherwise the coverage will not be effective until you return to work.

Increases in your benefits while you are covered by this plan will not become effective unless you are actively at work.

- Temporary, part-time and seasonal employees may not join the plan.

Your coverage terminates when your employment ends, you are no longer eligible, or the policy terminates, whichever is earliest.

- Your dependents' coverage terminates when your insurance terminates or your dependent no longer qualifies, whichever is earlier.
- When your coverage terminates, you may be entitled to an extension of benefits under the plan. Your employer will provide you with details.

Survivor Benefits

If you die while your coverage is still in force, the health and dental benefits for your dependents will be continued for a period of 2 years or until they no longer qualify, whichever happens first.

DEPENDENT COVERAGE

Dependent means:

- Your spouse, legal or common-law.

A common-law spouse is a person who has been living with you in a conjugal relationship for at least 12 months.

- Your unmarried children under age 21, or under age 25 if they are full-time students.

Children under age 21 are not covered if they are working more than 30 hours a week, unless they are full-time students.

Children who are incapable of supporting themselves because of physical or mental disorder are covered without age limit if the disorder begins before they turn 21, or while they are students under 25, and the disorder has been continuous since that time.

EMPLOYEE BASIC LIFE INSURANCE

You may name a beneficiary for your life insurance and change that beneficiary at any time by completing a form available from your employer. On your death, your employer will explain the claim requirements to your beneficiary. Great-West Life will pay your life insurance benefits to your beneficiary.

- Your life insurance terminates when you reach age 70.
- You are entitled to waiver of premium benefits after you have been continuously disabled for 119 days. You will be considered disabled during the period you are entitled to receive Long Term Disability benefits.
- If any or all of your insurance terminates on or before your 65th birthday, you may be eligible to apply for an individual conversion policy without providing proof of your insurability. You must apply and pay the first premium no later than 31 days after your group insurance terminates. See your employer for details.

DEPENDENT BASIC LIFE INSURANCE

If one of your dependents dies, Great-West Life will pay you the dependent life insurance benefit. Your employer will explain the claim requirements.

- Your dependent life insurance terminates when you reach age 70 or when you no longer have eligible dependents, whichever comes first.
- If you are disabled and the premiums for your employee life insurance are waived, your dependent life insurance will also continue without premium payment until your own coverage terminates or your dependents no longer qualify.
- If your spouse's insurance terminates on or before his or her 65th birthday, he or she may be eligible for an individual conversion policy without providing proof of insurability. You or your spouse must apply and pay the first premium no later than 31 days after the group insurance terminates. See your employer for details.

OPTIONAL LIFE INSURANCE

Optional Life Insurance allows you to choose additional coverage for yourself and your spouse. Check the **Benefit Summary** for the amount of Optional Life Insurance available. When you apply for Optional Life Insurance, you must provide proof of your insurability, and your application must be approved by Great-West Life. If you or your spouse die within two years after applying for Optional Life Insurance, Great-West Life has the right to verify any medical information you or your spouse provided. If any inconsistencies are discovered, the claim will be denied and any premiums paid will be refunded.

You may name a beneficiary for your optional life insurance and change that beneficiary at any time by completing a form available from your employer. On your death, Great-West Life will pay your life insurance to your beneficiary. If your spouse dies you will be paid the amount for which he or she was insured. Your employer will explain the claim requirements.

- If you are approved for waiver of premium on your basic life insurance, any optional life insurance for yourself or your spouse will also continue without premium payment as long as your basic life insurance continues but not beyond the date your optional insurance would otherwise terminate.
- If your or your spouse's optional life insurance terminates, you or your spouse may be eligible to apply for an individual conversion policy without providing proof of insurability. You must apply and pay the first premium no later than 31 days after your group insurance terminates. See your employer for details.
- Your optional life insurance terminates when you reach age 65. Your spouse's coverage terminates at the same time, or when he or she reaches age 65 or is no longer your spouse, whichever comes first.

Limitation

No benefit is paid for suicide within the first two years of initial or increased optional life coverage. In such a situation, Great-West Life refunds the premiums that have been received.

**ACCIDENTAL DEATH, DISMEMBERMENT AND
SPECIFIC LOSS (AD&D) INSURANCE**

If you suffer one of the losses listed below as the result of an accident which occurs while you are insured, Great-West Life will pay up to two times the Principal Sum. The loss must occur no later than 365 days after the accident. For loss of use, the loss must be continuous for 365 days.

Loss	Amount Payable
Life	Principal Sum
Both hands or both feet	Principal Sum
Sight of both eyes	Principal Sum
One hand and one foot	Principal Sum
One hand and sight of one eye	Principal Sum
One foot and sight of one eye	Principal Sum
Speech and Hearing in both ears	Principal Sum
One arm or one leg	3/4 Principal Sum
One hand or one foot or sight of one eye	1/2 Principal Sum
Speech	1/2 Principal Sum
Hearing in both ears	1/2 Principal Sum
Thumb and index finger or at least 4 fingers of one hand	1/4 Principal Sum
All toes of one foot	1/8 Principal Sum

Loss of Use

Both arms and both legs (quadriplegia)	2 X Principal Sum
Both legs (paraplegia)	2 X Principal Sum
One arm and one leg on the same side of the body (hemiplegia)	2 X Principal Sum
One arm and one leg on different sides of the body	Principal Sum
Both arms or both hands	Principal Sum
One hand and one leg	Principal Sum
One leg or one arm	3/4 Principal Sum
One hand	1/2 Principal Sum

Surgical Reattachment

If you suffer the loss of a limb that is surgically reattached, Great-West Life will pay 50% of the amount that would have been payable if the loss had been permanent, regardless of the amount of use regained. The balance of the benefit will be payable if the reattachment fails and the reattached part is removed within one year after the reattachment was performed.

Repatriation

If you die as the result of an accident that is at least 150 kilometres away from your home, Great-West Life will pay up to \$2,500 for the preparation and transportation of your body to the place of burial or cremation less any amounts paid under this plan's global medical assistance benefit.

Educational Benefit for Dependent Children

If benefits are payable under this benefit provision for your death, Great-West Life will pay the tuition fees for enrolling your dependent children as full-time students at a post-secondary institution. To qualify for an educational benefit, a dependent child must have been enrolled as a full-time student at a post-secondary institution at the time of the accident causing your death, or he must have been enrolled as a full-time student at the secondary school level at the time of the accident causing your death and enrolls as a full-time student at a post-secondary institution within 365 days after the accident.

Great-West Life will pay up to 5% of the Principal Sum, or \$5,000, whichever is less, for each year of full-time post-secondary school enrolment. Great-West Life will pay the educational benefit each year for a maximum of 4 consecutive years upon receipt of proof of full-time enrolment.

No benefits will be paid for tuition expenses incurred before the accident, or room or board or other ordinary living, travelling, or clothing expenses.

Family Transportation Benefit

If you are hospitalized more than 150 kilometres from your home as a result of an injury for which benefits are payable under this benefit provision, Great-West Life will pay the actual expense incurred less any amount paid for the same expenses under this plan's global medical assistance benefit, up to \$2,000, for transportation and lodging expenses for one family member to join you.

Benefits for lodging are limited to moderate quality accommodation for the area of hospitalization. Telephone expenses and taxicab and car rental charges are included. Meal expenses are not covered.

Transportation expenses are limited to round trip economy class transportation. If a private vehicle is used, expenses are limited to \$.20 per kilometre travelled.

Occupational Training Benefit for Spouses

If benefits are payable under this benefit provision for your death, Great-West Life will pay for expenses associated with your spouse's enrolment in an accredited occupational training program. The purpose of the training program must be to provide the spouse with at least the minimum qualifications required for employment in an occupation for which the spouse would not otherwise qualify.

Great-West Life will pay up to 10% of the Principal Sum, or \$10,000, whichever is less.

No benefits will be paid for expenses incurred more than 3 years after the accident causing your death, or room or board or other ordinary living, travelling, or clothing expenses.

Educational Benefit

If benefits are payable under this benefit provision for an injury that requires you to change occupations, Great-West Life will pay the tuition fees for enrolling you as a student at a post-secondary institution for training in a new occupation. To qualify for an educational benefit, you must enrol at a post-secondary institution within 365 days after the accident. Great-West Life will pay up to \$10,000.

No benefits will be paid for tuition expenses incurred before the accident, expenses incurred more than 2 years after the accident causing the injury, or room or board or other ordinary living, travelling, or clothing expenses.

Wheelchair Benefit

If benefits are payable under this benefit provision for an injury that requires the use of a wheelchair for you to be ambulatory, Great-West Life will pay for alterations to your principal residence to make it wheelchair accessible and habitable, and modifications to a motor vehicle you use to make it accessible to and driveable by you.

Benefits for home alterations are payable only if the person or persons making the changes are experienced in home alterations for wheelchairs, and recommended by an organization recognized for providing support and assistance to wheelchair users.

Benefits for vehicle modifications are payable only if the person or persons making the changes are experienced in vehicle modification for wheelchairs, and the modifications are approved by the provincial vehicle licensing authority.

Great-West Life will pay the actual expense incurred less any amount paid for the same expenses under this plan's healthcare benefit, up to \$10,000 for all home and vehicle modifications combined.

No benefits will be paid for expenses incurred more than 365 days after the accident, or for subsequent alterations to your home or vehicle after an initial claim for benefits has been made under this wheelchair benefit provision.

Your AD&D insurance terminates when you reach age 70.

Limitations

The Principal Sum is the maximum amount that will be paid for all injuries resulting from the same accident. For paraplegia, hemiplegia, and quadriplegia, the maximum amount that will be paid for all injuries resulting from the same accident is two times the Principal Sum.

No benefits are paid for injury or death resulting from:

- Intentionally self-inflicted injury or suicide
- Viral or bacterial infections, except pyogenic infections occurring through the injury for which loss is being claimed
- Any form of illness or physical or mental infirmity
- Medical or surgical treatment, except surgical reattachment
- War, insurrection or voluntary participation in a riot
- Service in the armed forces of any country
- Air travel serving as a crew member, or in aircraft owned, leased or rented by your employer, or air travel where the aircraft is not licensed or the pilot is not certified to operate the aircraft

How to Make a Claim

- To claim benefits for yourself, ask your employer for a claim form. Complete it and return it to your employer.
- If you die accidentally, your employer will explain the claim requirements to your beneficiary.
- Claims should be submitted as soon as possible, but no later than 15 months after the loss.

LONG TERM DISABILITY (LTD) INCOME BENEFITS

The plan provides you with regular income to replace income lost because of a lengthy disability due to disease or injury. Benefits begin after the waiting period is over and continue until you are no longer disabled **as defined by the policy** or you reach age 65, whichever comes first. Check the **Benefit Summary** for the benefit amount and waiting period.

- If disability is not continuous, the days you are disabled can be accumulated to satisfy the waiting period as long as no interruption is longer than 2 weeks and the disabilities arise from the same disease or injury. If your employer provides short term disability or sick leave benefits that are still being paid when the waiting period ends, the waiting period will be extended until the end of the short term disability or sick leave benefit period, but not later than one year after your disability started.

- LTD benefits are payable for the first 24 months following the waiting period if disease or injury prevents you from doing your own job. You are **not** considered disabled if you can perform a combination of duties that regularly took at least 60% of your time to complete.
- After 24 months, LTD benefits will continue only if your disability prevents you from being gainfully employed in any job. Gainful employment is work you are medically able to perform, for which you have at least the minimum qualifications, and provides you with an income of at least 50% of your indexed monthly earnings before you became disabled.
- After the waiting period, separate periods of disability arising from the same disease or injury are considered to be one period of disability unless they are separated by at least 6 months.
- Because you pay the entire cost of LTD coverage, benefits are not taxable.
- Your LTD insurance terminates when you reach age 65.

Other Income

Your LTD benefit is reduced by other income you are entitled to receive while you are disabled. Your benefit is first reduced by:

- disability benefits you or another member of your family is entitled to on the basis of your disability under the Canada or Quebec Pension Plan that are paid directly to you, except for increases that take effect after the benefit period starts
- retirement benefits under the Canada or Quebec Pension Plan, except for increases that take effect after the benefit period starts
- benefits under any Workers' Compensation Act or similar law

There is a further reduction of your LTD benefit if the total of the income listed below exceeds 85% of your monthly take-home pay before you became disabled. If it does, your benefit is reduced by the excess amount.

- your income under this plan
- loss of income benefits available through legislation, except for Employment Insurance benefits, which you and any other member of your family are entitled to on the basis of your disability, including automobile insurance benefits where permitted by law
- disability benefits under a plan of insurance available through membership in an association
- employment income, disability benefits, or retirement benefits related to any employment except an approved rehabilitation plan or program (termination pay and severance benefits are included as employment income under this provision)

Earnings received from an approved rehabilitation plan or program are not used to reduce your LTD benefit unless those earnings, together with your income from this plan and the other income listed above, including any increases in Canada or Quebec Pension Plan benefits that take effect after the benefit period starts, would exceed your indexed monthly take-home pay before you became disabled. If it does, your benefit is reduced by the excess amount.

Vocational Rehabilitation Benefits

Vocational rehabilitation involves a work related activity or training strategy that is designed to help you return to gainful employment and a more productive lifestyle. A plan or program will be approved if it is appropriate for the expected duration of your disability and it facilitates your earliest possible return to work.

Medical Coordination Benefits

Medical coordination is a process of early involvement to ensure that you are diagnosed quickly and receive appropriate treatment on a timely basis. The goal is to enable you to return to work as early as possible and to prevent the disability from becoming long term or permanent.

Limitations

No benefits are paid for:

- Disability arising from a disease or injury for which you received medical care before your insurance started. This limitation does not apply if your disability starts after you have been continuously insured for 1 year, or you have not had medical care for the disease or injury for a continuous period of 90 days ending on or after the date your insurance took effect.
- Any period in which you do not participate or cooperate in a prescribed plan of medical treatment appropriate for your condition.

Depending on the severity of the condition, you may be required to be under the care of a specialist.

If substance abuse contributes to your disability, the treatment program must include participation in a recognized substance withdrawal program.

- The scheduled duration of a lay-off or leave of absence.

This does not apply to any portion of a period of maternity leave during which you are disabled due to pregnancy.

- Any period after you fail to participate or cooperate in an approved rehabilitation plan or program.

- Any period after you fail to participate or cooperate in a recommended medical coordination program.
- Any 12-month period in which you do not live in Canada for at least 6 months.
- Any period of confinement in a prison or similar institution.
- Disability arising from war, insurrection, or voluntary participation in a riot.

How to Make a Claim

Obtain an Employee Claim Submission Guide (form M4307) from your employer and follow the guide's instructions. Return the completed form to your employer as soon as possible, but no later than 6 months after proof of your claim has been requested.

HEALTHCARE

A deductible may be applied before you are reimbursed. All expenses will be reimbursed at the level shown in the **Benefit Summary**. Benefits may be subject to plan maximums and frequency limits. Check the **Benefit Summary** for this information.

The plan covers the following services and supplies. All covered services and supplies must represent reasonable treatment. Treatment is considered reasonable if it is accepted by the Canadian medical profession, it is proven to be effective and it is of a form, intensity, frequency and duration essential to diagnosis or management of the disease or injury.

Your healthcare coverage terminates when you reach age 70.

Covered Expenses

- Ambulance transportation to the nearest centre where adequate treatment is available
- Semi-private room and board in a hospital in Canada

For out-of-province accommodation, any difference between the hospital's standard ward rate and the government authorized allowance in your home province is covered.

The plan also covers the hospital facility fee related to dental surgery and any out-of-province hospital out-patient charges not covered by the government health plan in your home province.

- Convalescent care for a condition that will significantly improve as a result of the care and follows a 3-day confinement for acute care
- The government authorized co-payment for accommodation in a nursing home. Residences established primarily for senior citizens or which provide personal rather than medical care are not covered.

- Home nursing services of a registered nurse, licensed practical nurse or registered nursing assistant who is not a member of your family, but only if the patient requires the specific skills of a trained nurse

You should apply for a pre-care assessment before home nursing begins

- Drugs and drug supplies described below when provided in Canada. Benefits for drug expenses outside Canada are payable only as provided under the out-of-country emergency care provision.
 - Drugs which require the written prescription of a physician or dentist, including oral contraceptives
 - Injectable drugs including vitamins, insulins and allergy extracts. Syringes for self-administered injections are also covered
 - Disposable needles for use with non-disposable insulin injection devices, lancets and test strips
 - Extemporaneous preparations or compounds if one of the ingredients is a covered drug
 - Certain other drugs that do not require a prescription by law may be covered when prescribed by your physician or dentist. If you have any questions, contact your plan administrator before incurring the expense.

For drugs eligible under a provincial drug plan, coverage is limited to the deductible amount and coinsurance you are required to pay under that plan.

- Rental or, at Great-West Life's discretion, purchase of certain medical supplies, appliances and prosthetic devices prescribed by a doctor
- Custom-made foot orthotics and custom-fitted orthopedic shoes upon recommendation of a physician or podiatrist. Stock-item orthopedic shoes including modifications to orthopedic footwear upon the recommendation of a physician or podiatrist

- Hearing aids including batteries, tubing and ear molds provided at the time of purchase
- Diabetic supplies: Novolin-pens or similar insulin injection devices using a needle, blood-letting devices including platforms but not lancets. Lancets are covered under prescription drugs
- Blood-glucose monitoring machines
- Diagnostic x-rays and lab tests, when coverage is not available under your provincial government plan
- Out-of-hospital treatment of muscle and bone disorders, including diagnostic x-rays, by a licensed chiropractor
- Out-of-hospital treatment of movement disorders by a licensed physiotherapist
- Out-of-hospital treatment of foot disorders, including diagnostic x-rays, by a licensed podiatrist
- Out-of-hospital treatment by a registered psychologist or qualified social worker
- Out-of-hospital treatment of speech impairments by a qualified speech therapist
- Out-of-hospital services of a qualified massage therapist
- Out-of-hospital services of a qualified acupuncturist
- Out-of-hospital services of a licensed osteopath, including diagnostic x-rays
- Out-of-hospital services of a licensed naturopath

Visioncare

- Eye examinations, including refractions, when they are performed by a licensed ophthalmologist or optometrist, and coverage is not available under your provincial government plan
- Glasses and contact lenses required to correct vision when provided by a licensed ophthalmologist, optometrist or optician
- Laser eye surgery required to correct vision when performed by a licensed ophthalmologist
- Visual training and remedial therapy to correct faulty visual skills when performed by a licensed ophthalmologist or optometrist

For information on available discounts on eyewear and vision care services, refer to the Preferred Vision Services section of this booklet following the Healthcare benefit.

Global Medical Assistance Program

This program provides medical assistance through a worldwide communications network which operates 24 hours a day. The network locates medical services and obtains Great-West Life's approval of covered services, when required as a result of a medical emergency arising while you or your dependent is travelling for vacation, business or education. Coverage for travel within Canada is limited to emergencies arising more than 500 kilometres from home. You must be covered by the government health plan in your home province to be eligible for global medical assistance benefits. The following services are covered, subject to Great-West Life's prior approval:

- On-site hospital payment when required for admission, to a maximum of \$1,000
- If suitable local care is not available, medical evacuation to the nearest suitable hospital while travelling in Canada. If travel is outside Canada, transportation will be provided to a hospital in Canada or to the nearest hospital outside Canada equipped to provide treatment

- Transportation and lodging for one family member joining a patient hospitalized for more than 7 days while travelling alone. Benefits will be paid for moderate quality lodgings up to \$1,500 and for a round trip economy class ticket
- If you or a dependent is hospitalized while travelling with a companion, extra costs for moderate quality lodgings for the companion when the return trip is delayed due to your or your dependent's medical condition, to a maximum of \$1,500
- The cost of comparable return transportation home for you or a dependent and one travelling companion if prearranged, prepaid return transportation is missed because you or your dependent is hospitalized. Coverage is provided only when the return fare is not refundable. A rental vehicle is not considered prearranged, prepaid return transportation
- In case of death, preparation and transportation of the deceased home
- Return transportation home for minor children travelling with you or a dependent who are left unaccompanied because of your or your dependent's hospitalization or death. Return or round trip transportation for an escort for the children is also covered when considered necessary
- Costs of returning your or your dependent's vehicle home or to the nearest rental agency when illness or injury prevents you or your dependent from driving, to a maximum of \$1,000. Benefits will not be paid for vehicle return if transportation reimbursement benefits are paid for the cost of comparable return transportation home

Benefits payable for moderate quality accommodation include telephone expenses as well as taxicab and car rental charges. Meal expenses are not covered.

Out-Of-Country Emergency Care

The plan covers medical expenses incurred as a result of a medical emergency arising while you or your dependent is outside Canada for vacation, business or education purposes. To qualify for benefits, you must be covered by the government health plan in your home province.

- The following services and supplies are covered when related to the initial medical treatment:
 - treatment by a physician
 - diagnostic x-ray and laboratory services
 - hospital accommodation in a standard or semi-private ward or intensive care unit, if the confinement begins while you or your dependent is covered
 - medical supplies provided during a covered hospital confinement
 - paramedical services provided during a covered hospital confinement
 - hospital out-patient services and supplies
 - medical supplies provided out-of-hospital if they would have been covered in Canada
 - drugs
 - out-of-hospital services of a professional nurse
 - ambulance services by a licensed ambulance company to the nearest centre where essential treatment is available

If your medical condition permits you to return to Canada, benefits will be limited to the amount payable under this plan for continued treatment outside Canada or the amount payable under this plan for comparable treatment in Canada, plus return transportation, whichever is less.

Limitations

Except to the extent otherwise required by law, no benefits are paid for:

- Expenses private insurers are not permitted to cover by law
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have insurance coverage
- The portion of the expense for services or supplies that is payable by the government health plan in your home province, whether or not you are actually covered under the government health plan
- Services or supplies that do not represent reasonable treatment
- Services or supplies associated with:
 - treatment performed only for cosmetic purposes
 - recreation or sports rather than with other daily living activities
 - the diagnosis or treatment of infertility, other than drugs
 - contraception, other than oral contraceptives
- Services or supplies not listed as covered expenses
- Extra medical supplies that are spares or alternates
- Services or supplies received outside Canada except as listed under Out-of-Country Emergency Care and Global Medical Assistance

- Services or supplies received out-of-province in Canada unless you are covered by the government health plan in your home province and Great-West Life would have paid benefits for the same services or supplies if they had been received in your home province

This limitation does not apply to Global Medical Assistance

- Expenses arising from war, insurrection, or voluntary participation in a riot
- Chronic care
- Podiatric treatments for which a portion of the cost is payable under the Ontario Health Insurance Plan (OHIP). Benefits for these services are payable only after the maximum annual OHIP benefit has been paid
- Visioncare services and supplies required by an employer as a condition of employment

In addition under the prescription drug coverage, no benefits are paid for:

- Atomizers, appliances, prosthetic devices, colostomy supplies, first aid supplies, diagnostic supplies or testing equipment
- Non-disposable insulin delivery devices or spring loaded devices used to hold blood letting devices
- Delivery or extension devices for inhaled medications
- Oral vitamins, minerals, dietary supplements, homeopathic preparations, infant formulas or injectable total parenteral nutrition solutions
- Diaphragms, condoms, contraceptive jellies, foams, sponges, suppositories, contraceptive implants or appliances

- Any drug that does not have a drug identification number as defined by the Food and Drugs Act, Canada
- Proprietary or patent medicines registered under the Food and Drugs Act, Canada
- Any single purchase of drugs which would not reasonably be used within 34 days. In the case of certain maintenance drugs, a 100-day supply will be covered
- Drugs dispensed by a dentist or clinic or by a non-accredited hospital pharmacy
- Drugs dispensed during treatment as an in-patient or an out-patient in a hospital
- Preventative immunization vaccines and toxoids
- Non-injectable allergy extracts
- Drugs that are considered cosmetic, such as topical minoxidil or sunscreens
- Drugs used to treat erectile dysfunction

How to Make a Claim

- Out-of-country claims (other than those for Global Medical Assistance expenses) should be submitted to Great-West Life as soon as possible after the expense is incurred. It is very important that you send your claims to the Great-West Life Out-of-Country Claims Department immediately as your Provincial Medical Plan has very strict time limitations.

Obtain form M5432 (Statement of Claim Out-of-Country Expenses form) from your employer. Residents of all provinces except Manitoba and the Territories must also obtain the Government Assignment form and residents of British Columbia, Quebec and Newfoundland & Labrador must also obtain the Special Government Claim form. The Great-West Life Out-of-Country Claims Department will forward the appropriate government forms to your attention when required.

If you are a resident in the Territories or Manitoba, you must submit your out-of-country claims to your provincial or territorial government for processing before submitting the claim to Great-West Life. When you receive your Explanation of Benefits back from the province or territory, please send the following to the Great-West Life Out-of-Country Claims Department (be sure to keep copies for your own records):

- a copy of the payment from your province or territory
- a completed Statement of Claim Out-of-Country Expenses form (form M5432)
- all required information
- copies of all original receipts

Residents of all other provinces should complete all applicable forms, making sure all required information is included. Attach all original receipts and forward the claim to the Great-West Life Out-of-Country Claims Department. Be sure to keep a copy for your own records. The plan will pay all eligible claims including your Provincial Medical Plan portion. Your Provincial Medical Plan will then reimburse the plan for the government's share of the expenses.

Out-of-country claims must be submitted within a certain time period that varies by province. For the claims submission period applicable in your province or territory or for any other questions or for assistance in completing any of the forms, please contact Great-West Life's Out-of-Country Claims Department at 1-800-957-9777.

- For all other Healthcare claims, obtain form M635D from your employer. Complete this form making sure it shows all required information.

Attach your receipts to the claim form and return it to the Great-West Life Benefit Payment Office as soon as possible, but no later than 15 months after you incur the expense.

- **For drug claims**, your employer will provide you with a prescription drug identification card. Present your card to the pharmacist with your prescription.

Before your prescription is filled, a Health Assure check will be done. Health Assure is a series of seven checks that are electronically done on your drug claim history for increased safety and compliance monitoring. This has been designed to improve the health and quality of life for you and your dependents. Checks done include drug interaction, therapeutic duplication and duration of therapy, allowing the pharmacist to react prior to the drug being dispensed. Depending on the outcome of the checks, the pharmacist may refuse to dispense the prescribed drug.

When your coverage ends, return your direct pay drug identification card to your employer.

PREFERRED VISION SERVICES (PVS)

Preferred Vision Services (PVS) is a service provided by Great-West Life to its customers through Preferred Vision Services.

Preferred Vision Services (PVS) entitles you to a discount on a wide selection of quality eyewear and lens extras (scratch guarding, tints, etc.) when you purchase these items from a PVS network optician or optometrist. You are eligible to receive the PVS discount through the network whether or not you are enrolled for the healthcare coverage described in this booklet. You can use the PVS network as often as you wish to purchase eyewear for yourself and your dependents at a reduced cost.

Shopping for eyewear through PVS:

- Call the **PVS Information Hotline** at **1-800-668-6444** or visit the **PVS Web site** at **www.pvs.ca** for information about PVS locations and the program
- Arrange for a fitting or eye examination, if needed
- Present your group benefit plan identification card to identify your preferred status as a PVS member through Great-West Life at the time of purchase
- Select your eyewear and pay the reduced PVS price. If you have vision care coverage, obtain a receipt and submit it with a claim form to your insurance carrier in the usual manner.

DENTALCARE

A deductible may be applied before you are reimbursed. All expenses will be reimbursed at the level shown in the **Benefit Summary**. Benefits may be subject to plan maximums and frequency limits. Check the **Benefit Summary** for this information.

The plan covers reasonable and customary charges to the extent they do not exceed the dental fee guide level shown in the **Benefit Summary**.

Your dentalcare coverage terminates when you reach age 70.

Treatment Plan

- Before incurring any large dental expenses, or beginning any orthodontic treatment, ask your dentist to complete a treatment plan and submit it to Great-West Life. Great-West Life will calculate the benefits payable for the proposed treatment, so you will know in advance the approximate portion of the cost you will have to pay.

Basic Coverage

The following expenses will be covered:

- Diagnostic services including:
 - complete oral exam once every 2 calendar years
 - limited oral examinations twice each calendar year, except that only one limited oral examination is covered in any 12-month period that a complete oral examination is also performed
 - limited periodontal examinations twice each calendar year

- complete series of x-rays once every 2 calendar years
- intra-oral x-rays to a maximum of 15 films once every 2 calendar years and a panoramic x-ray once every 2 calendar years. Services provided in the same 12 months as a complete series are not covered
- Preventive services including:
 - polishing and topical application of fluoride each twice each calendar year
 - scaling, limited to a maximum combined with periodontal root planing of 16 time units each calendar year

A time unit is considered to be a 15-minute interval or any portion of a 15-minute interval
 - oral hygiene instruction once in a person's lifetime
 - pit and fissure sealants on bicuspid and permanent molars every 60 months
 - space maintainers including appliances for the control of harmful habits
 - finishing restorations
 - interproximal diskings
 - recontouring of teeth
- Minor restorative services including:
 - caries, trauma, and pain control
 - amalgam and tooth-coloured fillings. Replacement fillings are covered only if the existing filling is at least 2 years old or the existing filling was not covered under this plan

- retentive pins and prefabricated posts for fillings
- prefabricated crowns for primary teeth
- Endodontics. Root canal therapy for permanent teeth will be limited to one course of treatment per tooth. Repeat treatment is covered only if the original treatment fails after the first 18 months
- Periodontal services including:
 - root planing, limited to a maximum combined with preventive scaling of 16 time units each calendar year
 - occlusal adjustment and equilibration, limited to a combined maximum of 4 time units every 12 months

A time unit is considered to be a 15-minute interval or any portion of a 15-minute interval
- Denture maintenance, after the 3-month post-insertion care period, including:
 - denture relines for dentures at least 6 months old, once every 36 months
 - denture rebases for dentures at least 2 years old, once every 36 months
 - resilient liner in relined or rebased dentures, once every 36 months
 - denture repairs and additions and resetting of denture teeth
 - denture adjustments, once every 12 months
- Oral surgery
- Adjunctive services

Major Coverage

- Crowns. Coverage for crowns on molars is limited to the cost of metal crowns. Coverage for complicated crowns is limited to the cost of standard crowns
- Onlays. Coverage for tooth-coloured onlays on molars is limited to the cost of metal onlays

Replacement crowns and onlays are covered when the existing restoration is at least 5 years old and cannot be made serviceable

- Standard complete dentures, standard cast or acrylic partial dentures or complete overdentures or bridgework when required to replace one or more teeth extracted while the person is covered. Overdentures and bridgework are covered only when standard complete or partial dentures are not viable treatment options. Coverage for tooth-coloured retainers and pontics on molars is limited to the cost of metal retainers and pontics. Replacement appliances are covered only when:
 - the existing appliance is a covered temporary appliance
 - the existing appliance is at least 5 years old and cannot be made serviceable. If the existing appliance is less than 5 years old, a replacement will still be covered if the existing appliance becomes unserviceable while the person is covered and as a result of the placement of an initial opposing appliance or the extraction of additional teeth.

If additional teeth are extracted but the existing appliance can be made serviceable, coverage is limited to the replacement of the additional teeth

- Denture-related surgical services for remodelling and recontouring oral tissues
- Denture and bridgework maintenance following the 3-month post-insertion period including:
 - denture remakes, once every 36 months
 - tissue conditioning
 - repairs to covered bridgework
 - removal and recementation of bridgework

Accidental Dental Injury Coverage

- Treatment of injury to sound natural teeth. Treatment must start within 60 days after the accident unless delayed by a medical condition

A sound tooth is any tooth that did not require restorative treatment immediately before the accident. A natural tooth is any tooth that has not been artificially replaced

Limitations

No benefits are paid for:

- Duplicate x-rays, custom fluoride appliances, audio-visual oral hygiene instruction and nutritional counselling
- The following endodontic services - root canal therapy for primary teeth, isolation of teeth, enlargement of pulp chambers and endosseous intra coronal implants

- The following periodontal services - desensitization, topical application of antimicrobial agents, subgingival periodontal irrigation, charges for post surgical treatment and periodontal re-evaluations
- The following oral surgery services - implantology, surgical movement of teeth, services performed to remodel or recontour oral tissues (other than minor alveoplasty, gingivoplasty and stomatoplasty) and alveoplasty or gingivoplasty performed in conjunction with extractions. Services for remodelling and recontouring oral tissues will be covered under Major Coverage
- Hypnosis or acupuncture
- Veneers, recontouring existing crowns, and staining porcelain
- Crowns or onlays if the tooth could have been restored using other procedures. If crowns, onlays or inlays are provided, benefits will be based on coverage for fillings
- Overdentures or initial bridgework if provided when standard complete or partial dentures would have been a viable treatment option.

If overdentures are provided, coverage will be limited to standard complete dentures.

If initial bridgework is provided, coverage will be limited to a standard cast partial denture and restoration of abutment teeth when required for purposes other than bridgework

If additional bridgework is performed in the same arch within 60 months, coverage will be limited to the addition of teeth to a denture and restoration of abutment teeth when required for purposes other than bridgework

Benefits will be limited to standard dentures or bridgework when equilibrated and gnathological dentures, dentures with stress breaker, precision and semi-precision attachments, dentures with swing lock connectors, partial overdentures and dentures and bridgework related to implants are provided

- Orthodontic treatment
- Accidental dental injury expenses for treatment performed more than 12 months after the accident, denture repair or replacement, or any orthodontic services
- Expenses private plans are not permitted to cover by law
- Services and supplies the person is entitled to without charge by law or for which a charge is made only because the person has insurance coverage
- Services or supplies that do not represent reasonable treatment
- Treatment performed for cosmetic purposes only
- Congenital defects or developmental malformations in people 19 years of age or over
- Temporomandibular joint disorders, vertical dimension correction or myofacial pain
- Expenses arising from war, insurrection, or voluntary participation in a riot

How to Make a Claim

Obtain form M445D from your employer. Have your dentist complete the form and return it to the Great-West Life Benefit Payment Office as soon as possible, but no later than 15 months after the dental treatment.

COORDINATION OF BENEFITS

- Benefits for you or a dependent will be directly reduced by any amount payable under a government plan. If you or a dependent are entitled to benefits for the same expenses under another group plan or as both an employee and dependent under this plan or as a dependent of both parents under this plan, benefits will be co-ordinated so that the total benefits from all plans will not exceed expenses.
- You and your spouse should first submit your own claims through your own group plan. Claims for dependent children should be submitted to the plan of the parent who has the earlier birth date in the calendar year (the year of birth is not considered). If you are separated or divorced, the plan which will pay benefits for your children will be determined in the following order:
 1. the plan of the parent with custody of the child;
 2. the plan of the spouse of the parent with custody of the child;
 3. the plan of the parent without custody of the child;
 4. the plan of the spouse of the parent without custody of the child

You may submit a claim to the plan of the other spouse for any amount which is not paid by the first plan.

Schedule 6.1.11:
Legal Proceedings

I. DataSCIENCE Inc. v. OnX ENTERPRISE SOLUTIONS INC. ET AL.

DataSCIENCE Inc. filed a claim in the Ontario Superior Court of Justice in April of 2005 claiming damages in excess of \$1 million and alleging that OnX breached its licensing arrangements with DataSCIENCE in respect of use of DataSCIENCE proprietary software known as "QS-Quote". OnX has filed its defence in this matter on the basis it has a fully paid up license to use the software and no ongoing obligation to use the services of DataSCIENCE for software maintenance and catalogue updates. DataSCIENCE has not been actively pursuing this claim since July of 2005 although this could change at any time.

This claim will be retained by the Vendor and will not form part of the Assumed Liabilities.

Schedule 8.2:

Options

**Pro Forma Schedule of Options Held by VAR Employees*
As at November 30, 2006**

Employee Name	Price	Vesting	Grant	Expiry	Number
[REDACTED]	0.140	1/3 over the next 3 years	6/27/2006	6/27/2011	50,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.200	1/3 over the next 3 years	4/30/2005	4/30/2010	10,000
[REDACTED]	0.165	1/3 over the next 3 years	9/12/2006	9/12/2011	25,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	2,000
[REDACTED]	0.200	1/3 over the next 3 years	4/30/2005	4/30/2010	10,000
[REDACTED]	0.240	1/3 per year starting from date of original grant	5/1/2003	5/1/2008	1,500
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.440	1/3 per year starting from date of original grant	3/5/2002	3/5/2007	20,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.200	1/3 over the next 3 years	4/30/2005	4/30/2010	20,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	2,500
[REDACTED]	0.225	1/3 per year starting from date of original grant	1/31/2003	1/31/2008	3,000
[REDACTED]	0.140	1/3 over the next 3 years	6/27/2006	6/27/2011	25,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.140	1/3 over the next 3 years	6/27/2006	6/27/2011	25,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	2,500
[REDACTED]	0.250	Immediate	7/8/2002	7/8/2007	20,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	100,000

[REDACTED]	0.240	1/3 per year starting from date of original grant	7/31/2003	7/31/2008	100,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	7,500
[REDACTED]	0.285	Immediate	9/16/2003	9/16/2008	100,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	2,500
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	1,000
[REDACTED]	0.150	1/3 over the next 3 years	6/27/2006	6/27/2011	200,000
[REDACTED]	0.220	1/3 over the next 3 years	7/31/2004	7/31/2009	30,000
[REDACTED]	0.140	1/3 over the next 3 years	6/27/2006	6/27/2011	25,000
[REDACTED]	0.225	Immediate	9/20/2002	9/20/2007	2,000
				TOTAL	791,500

*Adjusted to remove options which expire October 31, 2006