

September 1, 2009

NOTICE OF CONVOCATION

To: All active and inactive members of the ILA Checkers – Local 1657
Pension Plan and their spouses

From: Pension Plan Board of Trustees

Subject: Pension Plan Changes in Response to Economic Conditions

As you know, global financial markets have been going through very difficult times over the past year. The financial crisis is not only having a rippling effect on the security of jobs, the price of goods and the functioning of our institutions, it is also having an effect on the financial stability of pension plans.

In the past, positive returns have helped us maintain a healthy financial situation in the Pension Plan. However, last year's decline in financial markets has significantly reduced the assets of a number of pension plans, including ours. In 2008, our Plan's returns were a disappointing -13.2% and the actuarial valuation as at December 31, 2008 indicated a solvency ratio of 86.4%. This means that assets would not have been sufficient to fully pay all active and retiree benefits had the Plan been terminated on that date.

After a careful analysis of the Plan, the Board of Trustees is taking steps to amend the Plan to ensure the security of benefits for all members and meet the Office of the Superintendent of Financial Institutions' (OSFI's) minimum funding requirements. OSFI is the supervisory authority of the Plan.

Pending approval from OSFI, the following changes will be made to the Plan:

For current retirees: Pensions in payment on June 1, 2009 will be reduced by 5% starting October 1, 2009. However, there will be no reduction for pensions below \$1,000 per month and only a partial reduction for pensions between \$1,000 and \$2,000.

For other members: Pension benefits accumulated as at December 31, 2008, will be reduced as follows:

Date of retirement, termination of employment or death of an active member	Percentage of reduction
2009*	5%
2010	4%
2011	3%
2012	2%
2013	1%
2014 and after	0%

* For members who retired before October 1, 2009, the reduction will apply only from that date.

In addition, the employer's hourly contributions will continue to be used to fund the remaining deficit over a period of up to 10 years.

We will also undertake a review of our current investment policy to ensure it continues to reflect an appropriate level of risk.

These changes are necessary to ensure the financial viability of the Plan. The Board of Trustees, which is responsible for ensuring that benefits can be paid, did not take this decision lightly and believes this is the least disruptive solution given the current economic outlook.

Next steps

As the proposed changes require amending the Plan, we will be holding a meeting on September 27, 2009 at 10 am at the Wyndham Dorval Hotel (formerly Hilton), 12505 Côte de Liesse, Dorval, Québec, Canada H9P 1B7 (tel.: 514-631-2411) with all plan members to explain the situation in detail. At the meeting, we will explain the process and next steps.

We strongly encourage you to attend the meeting and ask questions. Also, if you have questions either before or after the meeting, we invite you to submit them in writing to the Board of Trustees at the following address:

ILA Checkers – Local 1657 Pension Plan
2100 Pierre-Dupuy Avenue
Wing 2, Suite 1040
Cité du Havre
Montreal, QC, H3C 3R5

We will do our best to answer your inquiries in a timely manner and remain committed to acting in the best interest of all members. More information will be forwarded to you.

In accordance with pension legislation, you will be entitled to make representations to the Superintendent regarding the amendment at OSFI located at 255 Albert Street, Ottawa, Ontario K1A 0H2. You will have to indicate the Plan registration number with OSFI: 55638.