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PRIVATE & CONFIDENTIAL

THE 'BENEPLAN EMPLOYEE BENEFITS CO-OPERATIVE INC'
(THE CO-OPERATIVE)

This document outlines the main components of the above co-operative governing document

Contents

Financial Services Commission of Ontario
5160 Yonge Street,
Box 85
Toronto ON M2N 6L9

Commission des services financiers de l'Ontario
5160, rue Yonge
C.P. 85
Toronto ON M2N 6L9

Ontario Corporation Number
Numéro de la compagnie de l'Ontario

For Commission Use Only
À l'usage exclusif de la commission

Articles of Incorporation of a Co-operative Without Share Capital
Statuts consitutifs d'une coopérative sans capital social

Co-operative Corporations Act/
Loi sur les sociétés coopératives

1. The name of the co-operative is: *La dénomination sociale de la coopérative est:*

Beneplan Employee Benefits Co-operative Inc.

2. The head office is at the: *Le siège social est situé dans la:*

City

Status of Municipality/*Statut de la municipalité*

of *de*

Toronto

Name of Municipality/*Nom de la municipalité*

in the *dans le*

County, etc. or District/*Comté, etc. ou district*

of *de*

County, etc. or District/*Comté, etc. ou district*

3. The address of the head office is: *L'adresse du siège social est:*

#500-150 Ferrand Drive

Street & Number or R.R. Number & if Multi-Office Building give Room No.
Rue et numéro ou numéro de la r.r. et s'il s'agit d'un immeuble à bureaux, indiquer le numéro du bureau

Toronto	M3C 3E5
Name of Municipality or Post Office *Nom de la municipalité ou du bureau de poste*	Postal Code *Code postal*

4. The number (or minimum and maximum number) of directors is:

Le nombre (ou nombre minimal et maximal) d'administrateurs est:

a minimum of eight (8) and a maximum of twelve (12) .

5. The number (or minimum and maximum number) of directors each stakeholder group in a multi-stakeholder co-operative may elect is

Le nombre (ou nombre minimal et maximal) d'administrateurs que chaque groupement dans le cas d'une coopérative composée de partenaires multiples peut élire est:

Not applicable

6. The first directors are:

Les premiers administrateurs sont:

Name in full, including all given names *Nom de famille y compris tous les prénoms*	Residential address, giving street and number or R.R. number and municipality or post office *Adresse personnelle, y compris la rue et le numéro, ou le numéro de la r.r., et la municipalité ou le bureau de poste*	Resident Canadian State Yes or No *Résident Canadien Indique voui̇o ou vnono*
Mark Soubry	1460 Tanner Court, Oakville Ontario L6M 2Z3	Yes
Mike Robert Miller	1496 Stoneybrook Crescent London, Ontario N5X 1C5	Yes
Joseph Michael Indovona	3317 Bressfire Crescent, Mississauga, Ontario L4Y 3J8	Yes

7. Restrictions, if any, on the business the co-operative may carry on or on powers the co-operative may exercise:

Restrictions imposées, le cas échéant, aux activités que la coopérative peut entreprendre ou aux pouvoirs qu'elle peut exercer:

None

8. The amount of the minimum member loan, if any:

Le montant du prêt minimal consenti par les membres, le cas échéant :

Not Applicable

9. The restrictions on transfer of member loans are:

Les restrictions sur les transferts de prêts consentis par les membres sont:

Not Applicable

10. The amount of membership fee is:

Le montant des frais d'adhésion est :

Not Applicable

11. The classes of membership, if any, are:

Les catégories de membres, le cas échéant, sont:

Not Applicable

12. The terms and conditions attaching to each class of membership are: *Les conditions applicable à chaque catégorie de membres sont:*

Not Applicable

13. The stakeholder groups, if any, are: *Les groupements de partenaires, le cas échéant, sont:*

Not Applicable

14. The terms and conditions for membership in each stakeholder group are: *Les conditions d'adhésion à chaque groupement de partenaires sont:*

Not Applicable

15. Special provisions, if any, are: *Les dispositions spéciales, le cas échéant, sont:*

The directors
- shall serve without remuneration, and

- shall not receive, directly or indirectly, any profit from their positions as directors, but may be paid reasonalbe expenses incurred in the performance of their duties

-Non-members may use the services of the co-operative provided the co-op does not do more than 49% of its total business with non-members.

-Directors must at all times be protected from liabulities arising from their involvement in the Co-operative, using directors liability insurance.

-Upon dissolution and after the payment of all debts and liabilities, the co-operative's remaining assets shall be distributed among the current members in proportion to the reserve contributions each member made during their membership.

Question 16 continued on next page
Question no. 16 continue à la page suivante

16. The names and residential addresses of the incorporators are: *Les noms et adresses personnelles des fondateurs sont:*

Full names, including all given names *Noms de famille compris tous les prénoms*	Full residential address, giving street and number or R.R. number and municipality or post office *Adresse personnelle, y compris la rue et le numéro ou le numéro de la r.r., et la municipalité ou le bureau de poste*
Mark Soubry	1460 Tanner Court, Oakville Ontario L6M 2Z3
Mike Robert Miller	1496 Stoneybrook Crescent London, Ontario N5X 1C5
Joseph Michael Indovina	3317 Grassfire Crescent, Mississauga, Ontario L4Y 3J8
Jennifer Leigh Osborn	1328 Outlook Terrace, Oakville, Ontario L6M 2B9
Daniel Seymour Friedman	481 Highcliffe Drive, Thornhill, Ontario L4J 8L3

These articles are signed in duplicate. *Les présents statuts sont signés en double examplaires.*

Signatures of Incorporators
Signatures des fondateurs

BENEPLAN EMPLOYEE BENEFITS CO-OPERATIVE INC.
"THE CO-OPERATIVE BY-LAWS"

Preliminary
The Co-operative's By-laws must respect the Co-operative Corporations Act ("the Act") which can be found at http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90c35_e.htm The Co-operative is incorporated as a Co-operative without Share Capital under the Act.

1) Membership
a) Membership is open to employers who are registered to conduct business in Canada and have completed the required application forms.

To become a Member, an employer must submit an application for membership to the Co-operative Executive Officer who will submit all eligible applications to the Executive Committee of the Board of Directors on behalf of the Board of Directors ("the Committee"). No employer shall become a Member until the employer's application for membership has been approved by the Committee.

A Member is entitled to participate in all decisions made by the Co-operative and receive any balance of surplus as described below.

Each Member is entitled to only one vote and to hold only one elected position.

A Member in good standing is entitled to all the rights, benefits and privileges of Membership and to stand for any elected office in the Co-operative. To remain in good standing, a Member must abide by these By-laws and any other policies the Co-operative may establish from time to time pursuant to these By-laws.

A Member may withdraw from the Co-operative by giving the Executive Officer and Insurer 30 days' WRITTEN notice.

A Member who withdraws from the Co-operative is not entitled to recover their contributions to reserves. At withdrawal, a member is liable for premiums billed but not paid as at the withdrawal date.

Membership in the Co-operative shall not be transferable unless authorized by the Board.

Membership in the Co-operative shall terminate upon the resignation of the Member from the Co-operative, on the dissolution of the Member's business, or on the expulsion of the Member from the Co-operative by a unanimous resolution passed by the Board pursuant to the Act or as may also be prescribed from time to time by the Act.

2) Non-Member Participants
(a) Are employers that chose to participate in the Co-operative, agreeing to the bylaws of the Co-operative but choose not to be Members and as such eschew any voting rights

(b) Participants shall mean the Members of the Co-operative as well as Non-Members of the Co-operative.

3) Board of Directors

a) The business of the Co-operative shall be managed by the Board, who may pay from its funds the expenses of the Co-operative and may exercise all its powers, subject to the Act and these By-laws.

b) Directors must be a representative of Members in good standing, must be over the age of 18 and resident in Canada and no person who is related to an employee of the Co-operative to the extent that they would be a "related person" as defined in the Income Tax Act, RSC 1985, c1 (5th Supp) is eligible for nomination, election and appointment to the Board (spouse, parent,
child, brother or sister of any employee and the spouse or partner of any such family Member).

c) Directors in exercising their powers and performing their functions shall act honestly and in good faith and in the best interest of the Co-operative, and shall exercise the care, diligence and skill of reasonably prudent persons.

d) Directors shall serve without compensation but are entitled to receive any expenses they incur on behalf of the Co-operative, as approved by the Board of Directors.

e) The Directors may cause the Co-operative to purchase and maintain insurance for the benefit of any person who is serving or has served as a Director, Officer, employee or agent of the Co-operative and the person's heirs or personal representatives, against any liability incurred by the person as such Director, Officer, employee or agent.

f) The number of Directors shall be twelve (12).

g) The length of the term for any Director, notwithstanding the special conditions surrounding the first Annual General Meeting (AGM) (subparagraph f)), shall be three years (3) years. A Director's term may be renewed by a vote of the Members.

h) The first Directors shall be the persons so named in the Articles of Incorporation and shall hold office until the first AGM.

- i) At the first AGM,
- i) one-third (4) of the Directors shall be elected for a one (1) year term;
- ii) one-third (4) of the Directors shall be elected for a two (2) year term;
- iii) one-third (4) of the Directors shall be elected for a three (3) year term.

i) At subsequent AGMs, one-third of the Board positions shall be filled for a three (3) year term and any other vacancies on the Board shall be filled for lesser terms so that immediately after each election the remaining terms of the Directors will be three (3) years for one-third of the Board, two (2) years for one-third of the Board, and one (1) year for the remaining one-third of the Board.

j) Directors hold office until the conclusion of the meeting to elect new Directors.

k) Candidates for election to the Board shall be nominated by a nominating committee appointed by the Board at least thirty (30) days prior to the AGM. Candidates may also nominate themselves or other members by sending a nomination sheet and resume to the Executive Officer at least 30 days before the AGM.

l) Where a vacancy occurs in the Board the remaining Directors may appoint a Member to fill the vacancy, but any Member who is so appointed shall only hold office to the close of the next AGM.

m) There must always be a minimum of three (3) Directors in office. If at any meeting at which an election of Directors ought to occur, the places of the vacating Directors are not filled up, the meeting shall stand adjourned until the same day in the next week at the same time and place. If at this subsequent meeting the places of the vacating Directors are still not filled, the vacating Directors shall be deemed to have been elected again at the subsequent meeting.

n) The office of Director shall be vacated if the Director:

i) ceases to be a Member in good standing;

ii) is removed by way of a special resolution of Members passed by a majority of the votes cast at a general meeting duly called for that purpose.

iii) is absent from three (3) consecutive regular meetings of the Directors without the consent of the Directors.

o) No Director shall be required to vacate the office by reason of being an employee of a company which has entered into contracts with or done any work for the Co-operative. In such a case the Director shall disclose the fact of this employment to the other Directors and shall not participate in any discussion or votes in respect of that contract or work.

p) In addition to the two Standing committees described in clause r) below, the Directors may delegate any of their powers to committees consisting of Members of the Co-operative as they see fit. Any committee shall, in the exercise of the powers delegated, conform to any regulations that may be imposed on it by the Directors.

q) The Directors will establish the following two (2) Standing Committees of the Board:

i) Executive Committee: shall consist of the Chair, Vice-Chair and one other Director elected by the Board. The Executive Committee shall act on behalf of the full Board between Board meetings; shall in consultation with the Executive Officer(EO) of the Co-operative, approve new applicants, decide on the Agenda for Board meetings; act as a liaison between the Board and the EO, including the making of recommendations to the Board re. EO objectives, evaluation and compensation; receive submissions and resolutions from Members of the Co-operative and make recommendations to the Board as to their status.

ii) Audit and finance Committee: shall consist of three (3) Directors elected by the Board. The Audit and Finance Committee shall be responsible for overseeing the work of the auditor as well as other financial matters of the Co-operative; receive, review and recommend the approval of the annual auditor's report and the EO's annual report; review the reserve and refund calculation and make appropriate recommendations to the Board.

4) Officers

a) Officers are elected by the Board of Directors from within the ranks of the Directors.

b) Term of Officers is one year and is renewable.

c) Officer positions include the following:

i) Chair/President

(1) Presides at Board Meetings and General Meetings of the Co-operative.

ii) Vice Chair

(1) Exercises the powers of the Chair/President in the absence of the Chair/President.

iii) Secretary

(1) Maintains an up-to-date Registry of Members;
(2) Provides a Membership Directory to all Members;
(3) Ensures all Filings are up to date with the Financial Services Commission of Ontario;
(4) Advises Directors and Members of future meetings;
(5) Maintains minutes of all Meetings of the Co-operative, including but not limited to
(6) Records of all Officer elections;
(7) Names of the Directors present at each meeting of Directors or of any committee;
(8) All resolutions and proceedings at all meetings of the Co-operative, the Directors, or any committee.
The Secretary may delegate the above activities to the EO.

d) Signing authority shall be held by three (3) Officers, one of which must be the Chair/President, and two of the members of the finance committee. Any two of the three shall constitute a full signature.

5) Meetings
a) Annual General Meeting

i) The purpose of the Annual General Meeting (“AGM”) is to:

1. Receive the report of the President on the previous year’s business
2. Approve any proposed changes to the By-Laws
3. Approve the annual financial reports for the complete fiscal year
4. Elect Directors
5. Appoint financial auditor for the New Year
6. Conduct other business

ii) The AGM shall be held annually, by May 1st of the year at the latest, in order to receive and discuss the results of the prior fiscal (calendar) year.

Iii) Notice of the AGM will be provided to all Members by the EO at least 30 days in advance of the meeting by regular mail or electronic mail to the Member’s latest address as shown on the records of the Co-operative. This notice will state the date, time and place of the AGM, the Agenda, the Board’s Annual Report, and if possible, the year- end Financial Statements as well as the nature of any motions that the Directors propose to table.

iv) All Members in good standing and present at the meetings have the right to vote.

v) The quorum for the Annual General Meeting shall be the lesser of 30 Members or 20% of the number of Members in good standing at the date of the meeting.

vi) The Directors shall appoint a chairperson. The chairperson does not need to be a member in good standing.

vii) If within 30 minutes of the time appointed for the AGM, there is not a quorum, the chairperson of the meeting will adjourn the meeting to another date within the following 4 weeks. Notice of the new time and location will be provided to all Members by regular mail or electronic mail and if at the adjourned meeting a quorum is not present within one hour from the time appointed, the Members present shall form a quorum provided there are not less than 25 Members present.

viii) Members must vote in person at AGM; proxy voting is not allowed

ix) If the Chairperson is a member in good standing, a tie vote will be decided by a vote of the Chairperson of the meeting who otherwise does not vote.

x)The Secretary will distribute Minutes of the Annual General Meeting within 60 days of the conclusion of the Meeting.

b) Special General Meetings

i) A Special General Meeting of all the Members may be called by the Board on its own initiative or in response to a request from 20% of the number of Members in good standing. Such requests shall set forth the object of the meeting and be deposited at the registered office of the Co-operative. If the Directors do not call the meeting within seven (7) days after the deposit of the request, the Members making the request may themselves convene a Special General Meeting.

ii) Notice of a Special General Meeting will be provided to all Members at least 15 days in advance of the meeting by regular mail or electronic mail to the Member's latest address as shown on the records of the Co-operative. This notice will state the date, time, place and method (electronic or not) within the NCR of the Special Meeting and the business to be considered.

iii) All Members in good standing and present in person, on the telephone or via electronic means at the meetings have the right to vote. The availability of mail, telephone or electronic options will be at the discretion of the board.

iv) The quorum for the Special General Meeting shall be the lesser of 30 Members or 20% of the number of Members in good standing at the date of the meeting.

v) The Secretary will distribute Minutes of Special General Meetings within 60 days of the conclusion of the Meeting.

vi) The Directors shall appoint a chairperson. The chairperson does not need to be a member in good standing.

vii) If there is not a chairperson present within thirty (30) minutes after the time appointed for holding the general meeting, or the designated chair is not willing to act, the Members present shall choose one of their number to chair.

viii) If within one hour from the time appointed for a general meeting, a quorum is not present, the meeting, if convened in response to a Request from Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within one hour from the time appointed, the Members present shall form a quorum providing there are not less than 25 Members present.

ix) The chairperson shall run the meetings in order to further the best interests of the Co- op and its Members, and to facilitate the participation of all Members present in the discussions. The agenda shall be approved at the beginning of each meeting.

c) Board of Director Meetings:

i) The Board of Directors shall meet at least 3 times a year. One of the meetings must be in March, just prior to the AGM, one meeting as soon as possible after the AGM to elect Officers for the coming year and to conduct other business as required and one meeting during the months of October or November of the year.

ii) The Chair/President may call other meetings of the Board of Directors as required.

iii) A resolution signed by all Directors shall have the same force and effect as if passed at a duly constituted meeting of the Directors.

iv) The Directors may additionally meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any Director's meeting shall be decided by a majority of votes. In case of an equality of votes the chair shall have a second or casting vote. A Director may, and the Secretary, on requisition of a Director, shall, at any time summon a meeting of the Directors.

v) Notice of a Board Meeting will be provided to all Directors at least 30 days in advance of the meeting by regular mail and/or at least 14 days in advance by electronic mail. This notice will state the date, time, place and method (electronic or not) of the Board Meeting and the business to be considered. The notice shall also be posted on the Co-operative website.

vi) Directors may participate and vote at Board Meetings via telephone or other medium.

vii) The quorum for a Board Meeting will be 50 percent plus one of Directors holding office at the time of the meeting.

viii) The Secretary will distribute Minutes of the Board of Directors Meetings to the Members within 30 days of the Meeting.
ix) Meetings of the Board of Directors shall be open to Members in good standing.

6) Voting

a) Decisions shall be decided by a simple majority of votes, except:
i) Where the Act or these By-Laws require a greater number.
ii) When changes to By-laws are confirmed with or without variation at an AGM or a Special Meeting specifically called for the purpose of amending, deleting or adding to these By-laws by at least a two-thirds majority of the votes cast.

b) Voting to elect Directors:
i) The Directors shall be elected by the Members in a general meeting, and the election shall be by ballot in the manner prescribed by section 91 of the Act. ("Every member entitled to vote at an election of Directors, if the member votes, shall cast at the election a number of votes equal to the number of Directors to be elected, and the Member shall distribute the votes among the candidates in such manner as the member sees fit, but no candidate shall receive more than one vote from each Member.") If the number of candidates is the same as or fewer than the number of needed to be elected, directors may be elected by acclamation.

c) Voting on matters other than the election of Directors:
i) Every member in good standing may vote in person, by mail, telephone or electronic means. The availability of mail, telephone or electronic options will be at the discretion of the board.

d) The chairperson, if a member in good standing, shall, in the case of tied vote, have a casting or second vote at any general meeting, both on a show of hands and on a ballot.

e) In the case of a vote by show of hands, the declaration of the chairperson of the meeting shall be conclusive evidence of the result, unless three (3) or more Members, before or on the declaration of the result, demand a poll, in which case a poll shall be taken immediately.

7) Financial

a) The fiscal year of the Co-operative begins January 1st and ends December 31st of each year.

b) Approval of Expenditures:
i) The signature of two Officers is required on each cheque issued by the Co-operative.
ii) Officers may not sign cheques payable to themselves.
iii) Individual expenditures greater than $5000 or aggregate expenditures to a single entity over $25000 in any 12-month period must be approved in advance by the Board of Directors.

c) The Directors shall cause true accounts to be kept of money received and expended and the matter for which that receipt and expenditure takes place and the assets and liabilities (if any) of the Co-operative.

d) The books of accounts shall be kept at the registered office of the Co-operative, and may for temporary purposes be kept at another place the Directors think fit, and shall at all reasonable times be open to the inspection of the Directors and Members.

e) An auditor shall be appointed by the Members at every AGM No Director or Officer may be appointed or act as auditor.

f) Every Member shall, upon request, be supplied free of charge with a copy of the financial statements required by the Act.

g) A copy of the financial statements shall be sent to every Member at least fourteen (14) days before the meeting at which they are to be presented.

8) Distribution of Surplus

The Board, after approving the annual financial statements, shall approve the payments of the Patronage Dividends arising from the yearly business of the Co-operative as calculated in accordance to the Policies of the Co-operative

9) Ability to Borrow

a) The Board may authorize the Co-operative to borrow capital to finance all or part of the Co-operative's operations to a maximum of $100,000.

10) Disputes

a) Any dispute arising out of the affairs of the Co-operative, between a Member, or any person aggrieved who has not ceased to be a Member for more than six (6) months, or any Member claiming on behalf of a Member or person aggrieved, and the Co-operative or a Director, shall be referred to a committee of three (3) Members of the Co-operative. The Chair/President, in the case of a grievance against the Co-operative, or the Director involved, and the Member or other person aggrieved shall each nominate one Member, and the third shall be chosen by the two (2) nominated. The decision of the committee shall be final and binding on all parties and may be enforced on application to the Supreme Court of Ontario.

11) Alteration of the By-Laws

a) These By-Laws may only be altered or added to at an AGM of the Co- operative or a Special Meeting specifically called for to the purpose of amending, deleting or adding to these By-laws.

12) Dissolution

a) Upon dissolution and after the payment of all debts and liabilities, the Co-operative's remaining property shall be distributed or disposed of among its current Members prorate to the reserve contributions that each member made up to the date of dissolution.

The rate calculations for the Health & Dental benefits of the Cooperative members shall be calculated by the Executive Officer (Beneplan Inc.) in accordance with Appendix A.

The Stop-Loss insurance must be assessed actuarially equally among all Members regardless of size or claims experience of the Members. All members with the same risk profile must be assessed the same stop-loss rate. The Stop-Loss rates may be two or more tiers depending upon the level of risk posed by the Members' plan design.

The Patronage Dividends for the Health and Dental benefits shall be calculated as per appendix B attached. The Auditor and Beneplan shall calculate the Patronage Dividends that each member is entitled to after the Board of Directors approves the financial statements. The Patronage Dividend shall be reduced by an amount for Reserves as per Appendix C. Beneplan shall direct the Insurer to issue the Patronage Dividends directly to the Members.

The Patronage Dividend that each Member is entitled to from the Life Insurance Refund shall as outlined in the Appendix B attached.

Beneplan shall calculate the Health & Dental Reserves that each member must set aside in the Reserve Fund at the Insurer as per Appendix C attached.

The Insurer (The Co-operators) shall set reserves for the Life Insurance benefit as per agreement attached as Appendix E

The Auditor shall follow the Audit Protocol as outlined in Appendix D attached.

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THE BENEPLAN EMPLOYEE BENEFITS CO-OPERATIVE INC. POLICIES & PROCEDURES

Appenidx A

Calculation of premiums for health & dental benefits
Beneplan Inc shall set the premiums of Health & Dental benefits for each participant in the cooperative's pool as follows: This applies to both new participants and renewal rates for existing participants.
For new participants, Beneplan Inc will require that the new participant has experience with another carrier in the 12-36 months prior to setting the rates.

Definitions
"Claims consumption rate" means the average amount claimed by a "family" employee per month. A "single" employee's consumption rate shall be a percentage of the "family" employee's rate as determined by Beneplan Inc. Beneplan Inc, if appropriate, will adopt the rate that exists with the prior carrier and usually ranges from 25%-50% of the family rate.

Health
The claims consumption rate for a participating employer shall be the sum of the "credible rate" plus the "manual rate" for that employer.
The credible rate is the rate that is entirely derived from the member's experience.
The manual rate schedule for various plan designs shall be determined by Beneplan Inc and used accordingly.
Manual rates shall be the average of all claims consumption rates of the participants of the cooperative.

- Participants that have 40 employees or more participating in the Health & Dental benefits shall have 100% credibility.

This means that their credible rate that is derived from their experience is the rate they shall be assessed.

- Participants with 35-39 employees participating in the health & dental benefits shall have 90% credibility.
- Participants with 30-35 employees participating in the health & dental benefits shall have 80% credibility.
- Participants with 25-29 employees participating in the health & dental benefits shall have 70% credibility.
- Participants with 20-24 employees participating in the health & dental benefits shall have 60% credibility.
- Participants with less than 19 employees participating in the health & dental benefits shall have 50% credibility.

The credible premium for a participating employer for the next 12-month period shall be calculated by the Administrator using the following formula:

- 70% of the latest 12-month health claims rate plus
- 20% of the prior 12-month health claims rate plus
- 10% of the health claims rate of the 12-month period that is prior to the prior 12-month period.

The weighted sum of:
Plus the current rates of drug inflation/ utilization as determined by Beneplan Inc and approved by the Board of Directors from time to time.
Plus the total administration charges as agreed with the new participant plus Premium Sales Tax as set by the provincial government/s where employees reside.

In the absence of drugs claims rates for any of the above periods, Beneplan Inc shall use rates that are appropriate in its opinion and approved by the Board of Directors. However, Beneplan Inc is only allowed to vary the percentages used for each year by 10% in either direction, i.e. 80% of latest 12 months 20% of prior 12 months, and so on.

Pooled health claims
Prospective participants with continuing pooled claims are not eligible to join the cooperative unless they place a drug cap that would limit the current continuing pooled claims.
The claims of an employee/dependent, who incurs claims that are subject to the cooperative stop-loss, shall be either removed entirely if such claims are non-recurring.
If claims of an employee/dependent are deemed to be recurring, the then Executive Director shall remove a percentage of these claims from the experience subject to the nature of such claims.

Dental
Dental premium rates shall be calculated in the same manner as health calculations. There are no pooled claims in dental.

Appendix B

Calculation of Patronage Dividends for Health, Dental and Life Insurance

Definitions
"Excess Premium" is the positive difference between the aggregate of the health & dental premiums paid into the Co-operative and the aggregate of all health & dental claims under the stop-loss and their administration fees.

"Proportional Life Insurance Refund" is the portion of the life insurance refund for the cooperative attributable to the participant, i.e. if the total life insurance refund for the year is A, and the total life insurance premiums paid by all participants of the cooperative is B and the particular participant's life insurance premiums paid in that year is C, then the Proportional Life Insurance Refund is = (C/B)*A

"Qualified Employers" are employers whose total of the "Excess Premium" and "Proportional Life Insurance Refund" at the end of the fiscal year is positive.

"Pooling Charge" for each Qualified Employer is assessed at the end of the fiscal year as follows:
Pooling charge = (Total amount of deficits of the participants with a deficit) / (total amount of claims of all participants that are in a surplus) X (amount of total claims of the participant with a surplus).

No participant may fall into a deficit as a result of being assessed a pooling charge. If there are participants with small surpluses that fall into a deficit after they are assessed the first pooling charge, such deficits should be reset to "0".

A second pooling charge will have to be assessed as above, then a third if needed until all deficits are satisfied.

The pooling charge of any member shall not be greater than that member's surplus. Members with a deficit would not be assessed anything

Health & Dental Patronage Dividend that each member is entitled to is equal to:
The Excess Premium that a Member end the fiscal (calendar) year less the Pooling Charge and less the reserve that the Member must contribute in accordance with Appendix C

Life Insurance Patronage that a Member is entitled to is the Member's Proportional Life Insurance Refund.

Patronage dividends for future endeavors shall be proposed by Beneplan and approved by the Board of Directors and the members at the annual general meeting.

Appendix C

Calculation of the Health & Dental Reserve
All reserves shall be tracked historically.

"Target Reserve" is equal to 5% of a participant's total of health & Dental claims in the latest year.

Participants must contribute an amount equaling no more than 10% of their patronage dividend in any year to the "Health & Dental Reserve" until they had contributed an amount equal to their target reserve.

Participants with no patronage dividends in any year are not required to contribute to the "Health & Dental Reserve".

Once a participant's contribution to the "Health & Dental Reserve" has reached their "Target Reserve", they need not contribute to the "Target Reserve".

Participants whose total contributions exceed their "Target Reserve" by more than 10% shall have the excess refunded to the participant.

Appendix D

Audit Protocol
Due to the onerous and sensitive nature of auditing claims, the Auditor is hereby directed to accept the claims as reported by the Insurance Company and Beneplan Inc.

The Auditor is directed to review the premium side to ensure that the premiums invoiced and paid by each participant were correctly reported by the Insurance Company. The Auditor is also directed to calculate the Patronage Dividends that each participant is entitled to as per Appendix B of the Policies & Procedures of the cooperative.

The Auditor is directed to produce his/her annual report to the Board of Directors at least 10 business days before the Annual General Meeting of the members.

Beneplan Inc is directed to investigate cases where claims are well beyond the expectations without breaching PIPEDA.

Beneplan Inc is directed to produce their annual Report to the Broad of Directors at least 10 business days before the Annual General Meeting of the members.

Beneplan Inc is directed to maintain a “Health & Dental Reserve” historical record of participants’ contribution in each year going back to 2001.

Beneplan Inc is directed to calculate the required reserve contribution for each participant as per Appendix E of the Bylaws of the cooperative.

Beneplan Inc is directed to produce a “Net Patronage Dividend Report” for each participant containing their “Patronage Dividend” entitlement, “Health & Dental Reserve” and any other relevant adjustment for that participant.

Beneplan Inc is directed to instruct the Insurance Company to withhold the reserves as set out in the report and pay such net amounts to participants directly.

---x---

beneplan

500-150 Ferrand Drive · Toronto · ON · M3C 3E5
Tel: 416-863-6718 · Fax: 416-863-5157 · Toll free: 1-800-387-1670
admin@beneplan.ca| www.beneplan.ca

MEMBERSHIP & TPA AGREEMENT
THE BENEPLAN EMPLOYEE BENEFITS CO-OPERATIVE INC. (THE “CO-OPERATIVE”)

Effective Date of Membership		
Legal Name of Applicant		
Registered Business Number of Applicant (for T4A Purposes)		
Address of applicant		
City	Province	Postal Code
Tel #	Fax #	

Name of Authorized Representative	
Title	Email

I, as authorized representative of the applicant above, hereby make application for my company to join the Co-operative. I acknowledge that I have read the bylaws, policies and procedures and the agreements of the Co-operative, and the terms and conditions attached hereto, and hereby agree to abide by them.

Signed | Date Signed

Name | Signed at (City, Country)

Title

Witness Name | Witness Title

TERMS AND CONDITIONS OF APPLICATION FOR MEMBERSHIP

1. **Application for Membership**. Subject to the terms and conditions hereof, the applicant (the "Applicant") named on the cover page of this application for membership hereby submits this application to become a member of the Co-operative in accordance with Section 61 of the Co-operative Corporations Act (Ontario) (the "Act"). The admission of the Applicant as a member of the Co-operative is subject to approval by the board of directors of the Co-operative. As a condition of the admission of the Applicant as a member of the Co-operative, and the Applicant's continued membership in the Co-operative, the Applicant agrees to be bound by the representations, warranties, covenants and terms and conditions set forth in these "Terms and Conditions of Application for Membership" (the "Terms" and, together with the cover page of this application, the "Application").

2. **Acceptance of Application for Membership.** It is understood and agreed that the board of directors of the Co-operative shall have the sole right, at its complete discretion, to accept or reject this Application, in whole or in part, for any reason and that the same shall be deemed to be accepted by the Co-operative only when it is signed by a duly authorized officer of the Co- operative and delivered to the Applicant. If the Application is rejected in whole, any cheques or other forms of payment delivered to the Co-operative representing the Applicant's member loans will be promptly returned to the Applicant without interest or deduction.

3. **Representations and Warranties of the Co-operative.** The Co-operative hereby represents and warrants that:

a) The Co-operative has been duly incorporated and is validly existing and in good standing as a Co-operative without share capital under the laws of the Province of Ontario pursuant to the Act.
b) The Co-operative has all requisite corporate power and authority to enter into and carry out its obligations under this Application.
c) The Application is enforceable against the Co-operative in accordance with its terms subject to the customary limitations with respect to bankruptcy, insolvency or other laws affecting creditor's rights generally and to the availability of equitable remedies.
d) The execution and delivery of this Application and the compliance by the Cooperative with the terms hereof will not result in any breach or conflict with or constitute a default under any term or provision of the Co-operative's constating documents, by-laws, policies and procedures or resolutions of the directors of the Cooperative.

4. **Acknowledgements, Representations and Warranties of the Applicant.** The Applicant hereby acknowledges, represents, warrants to, and covenants with the Cooperative as follows, and acknowledges that the Co-operative is relying on such acknowledgements, representations, warranties and covenants in connection with this Application and the ongoing membership of the Applicant in the Co-operative:

a) **Authorization.** This Application and all other necessary documentation in connection with the Application has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of, the Applicant. This Application is enforceable in accordance with its terms against the Applicant. If the Applicant is:
   (i) a corporation, the Applicant is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Application, to apply for membership in the Co-operative as contemplated herein and to carry out and perform its obligations under the terms of this Application;
   (ii) a partnership, syndicate or other form of unincorporated organization, the Applicant has the

necessary legal capacity and authority to execute and deliver this Application and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof; or

(iii) an individual, the Applicant is of the full age of majority and is legally competent to execute this Application and to observe and perform his or her covenants and obligations hereunder.

b) **No Violation.** The execution and delivery of this Application, the performance and compliance with the terms hereof and the application for membership in the Cooperative by the Applicant will not result in any material breach of, be in conflict with or constitute a material default under any term or provision of the constating documents, by-laws or resolutions of the Applicant or any other laws applicable to the Applicant, any agreement to which the Applicant is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Applicant.

c) **Investigations**. The Applicant has made its own legal, tax, accounting and financial evaluation of the merits and risks of its application for membership in the Co-operative.

d) **Transfer of Membership.** The Applicant's ability to transfer its membership in the Co-operative is limited by, among other things, the Act and the constating documents of the Co-operative including its articles of incorporation, by- laws, policies and procedures.

e) **Applicant Personal Information.** The Applicant acknowledges and consents to the fact that the Co-operative is collecting the Applicant's personal information (as that term is defined under applicable privacy legislation, including, without limitation, the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5 and any other applicable similar, replacement or supplemental provincial or federal laws in effect from time to time) for the purpose of completing this Application. The Applicant acknowledges and consents to the Co-operative retaining such personal information for as long as permitted or required by law. In addition to the foregoing, the Applicant agrees and acknowledges that the Co- operative may use and disclose the Applicant's personal information, as follows:

(iv) for internal use with respect to managing the relationships between and contractual obligations of the Co-operative and the Applicant;

(v) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to the Canada Revenue Agency;

(vi) for disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;

(vii) for disclosure to professional advisers of the Co-operative in connection with the performance of their professional services;

(viii) for disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Applicant prior written consent;

(ix) in accordance with the Privacy Policy of the Co-operative then in force; or

(x) for use and disclosure as otherwise required or permitted bylaw.

5. Employee Enrollment. In connection with the provision of group benefits or other insurance policies to members of the Co-operative, the Applicant may provide to the Co-operative or its affiliates (including Beneplan Inc.) personal information about the employees of the Applicant for the purpose of enrolling such employees in any group benefits or other insurance plans provided to the Applicant by or through the Co-operative whether through paper forms or electronic means. The Applicant confirms that any information so provided shall, without the need for further confirmation, to the best knowledge of the Applicant, be true and correct in all respects, and that the Cooperative may rely on any such information without the need for further confirmation.

6. Data Extraction. In connection with the provision of group benefits or other insurance policies to members of the Co-operative, the Applicant may grant to the Cooperative or its affiliates (including Beneplan Inc.) direct access to its human resources, payroll, or other electronic systems through which the Co-operative will extract personal information about the employees of the Applicant for the purpose of enrolling such employees in any group benefits or other insurance plans provided to the Applicant by or through the Co-operative. By providing such access to the Co-operative, the Applicant consents to such access and the extraction of data, including personal information, from the Applicant's systems. The Applicant confirms that any information so extracted shall, without the need for further confirmation, to the best knowledge of the Applicant, be true and correct in all respects, and that the Co- operative may rely on any such information without the need for further confirmation. The Applicant further covenants to ensure that any such human resources, payroll or other electronic systems, access to which has been granted to the Co-operative, will at all time be kept current and accurate, and that the Applicant will notify the Co- operative forthwith if it discovers any errors or omissions in the data contained in such systems.

a) **Employee Personal Information.** The Applicant acknowledges and consents to the fact that, in providing information about its Employees to the Co- operative, whether directly or by allowing access to the human resources, payroll or other electronic systems of the Applicant, the Co-operative is collecting the personal information (as that term is defined under applicable privacy legislation, including, without limitation, the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5 and any other applicable similar, replacement or supplemental provincial or federal laws in effect from time to time) of the Applicant's employees for the purpose of enrolling such employees in any group benefits or other insurance programs available to the Applicant by or through the Co-operative. The Applicant confirms that it has obtained the express consent for such disclosure from any person whose personal information is provided to, or obtained by, the Co-operative or its affiliates. In addition to the foregoing, the Applicant agrees and acknowledges that the Co-operative may use and disclose the personal information of its employees as follows, and confirms that the Applicant has obtained the necessary consent for allowing such disclosure:
   (i) for internal use with respect to managing the relationships between and contractual obligations of the Co-operative and the Applicant;
   (ii) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to the Canada Revenue Agency;
   (iii) for disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
   (iv) for disclosure to professional advisers of the Co-operative in connection with the performance of their professional services;
   (v) for disclosure to insurance carriers for the purpose of ensuring that the Applicant's employees are able to benefit from the group benefits or other insurance provided by or through the Co-operative to the Applicant;
   (vi) in accordance with the Privacy Policy of the Co-operative then in force; or for use and disclosure as otherwise required or permitted by law.

6. Reliance on Representations, Warranties, Covenants and Acknowledgements. The Applicant acknowledges and agrees that the representations, warranties, covenants and acknowledgments made by the Applicant in this Application are made with the intention that they may be relied upon by the Co-operative in determining the Applicant's eligibility to become, and remain, a member of the Co-operative. The Applicant further agrees that by accepting membership in the Co-operative, the Applicant shall be representing and warranting that such representations, warranties, covenants and acknowledgements will remain true for so long as the Applicant is a member of the Co-operative with the same force and effect as if they had been made by the Applicant at such times.

7. Limitation of Liability. In no event shall the Co-operative, Beneplan Inc. or any of their affiliates be liable to the Applicant or to any third party (including its employees) for any damages whatsoever, including (without limitation) for any consequential, incidental, indirect, exemplary, special or punitive damages however arising where information about the Applicant or its employees provided to the Co-operative, whether pursuant to Sections 4(f), 4(g) or 4(h) or otherwise, is inaccurate or incomplete.

8. Entire Agreement and Amendment. This Application constitutes the entire agreement between the parties with respect to the subject matter herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties. There are no representations, warranties, covenants, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the parties other than those expressly set forth in this Application. This Application may not be amended or modified in any respect except by written instrument executed by each of the parties hereto. Neither this Application nor any provisions hereof shall be waived, modified, changed, discharged or terminated except by an instrument in writing, signed by the party against whom any waiver, change, discharge or termination is sought.

9. Assignability. Neither this Application nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Co-operative or the Applicant without the prior written consent of the other. The provisions of this Application shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

10. Submission to Jurisdiction and Governing Law. Any and all disputes arising under this Application, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario in the City of Toronto and each of the parties hereby irrevocable attorns to the jurisdiction of the courts of such Province. This Application shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

11. **Independent Legal Advice.** The Applicant is responsible for obtaining such legal, investment, tax and other advice as it considers appropriate in connection with its execution, delivery and performance of this Application.

12. **Time of the Essence.** Time shall be of the essence in this Application and every part hereof.

13. **Section and Other Headings.** The section and other headings contained in this Application are for reference purposes only and shall not affect the meaning or interpretation of this Application.

14. **Counterparts.** This Application may be executed in any number of counterparts and delivered by facsimile, email or other means of electronic delivery, each of which when so executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

15. **Notices**. All notices and other communications provided for herein shall be in writing and shall be deemed to have been duly given on the day such notice is delivered personally or sent by e-mail or facsimile, or 3 days following the day such notice is sent by regular mail, in each case to the addresses set out on the cover page of this Application, provided that if such day is not a business day then the notice or communication shall be deemed to have been given and received on the next business day.

16. **Survival.** All representations, warranties, acknowledgements and covenants of the Applicant contained in this Application shall survive the acceptance of the Application by the Co-operative, and the withdrawal or expulsion of the Applicant from the Cooperative, without limitation of time, and shall continue in full force and effect, notwithstanding any investigations made by or on behalf of the Co-operative. All representations, warranties, acknowledgements and covenants of the Co-operative contained in this Application shall survive the acceptance of the Application by the Cooperative, and shall continue in full force and effect, notwithstanding any investigations made by or on behalf of the Applicant with respect thereto.

17. **Indemnification and Expulsion**. Each of the Co-operative and the Applicant shall indemnify and save harmless the other and their directors, officers, affiliates, advisors and employees against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur as a result of any breach by the other of any representation, warranty or covenant made or given pursuant to this Applicant. In addition to the indemnification obligations herein, and any other rights available to the Co-operative at law, in the event that the Applicant breaches any representation, warranty or covenant made or given by it pursuant to this Applicant, the Co-operative may expel the Applicant from membership in the Co-operative in accordance with the Act.

18. **Notification of Changes**. For so long as the Applicant is a member of the Cooperative, the Applicant hereby covenants and agrees to notify the Co-operative promptly upon the occurrence of any event which would cause any representation, warranty, acknowledgement or covenant of the Applicant contained in this Application to be false or incorrect.

19**. Severability**. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Application or invalidate or render unenforceable such term or provision in any other jurisdiction.

I, as authorized representative of the Applicant, hereby confirm that I have read the foregoing Terms and hereby agree to abide by them, and that the Co-operative is relying upon the Applicant's agreement to these Terms in determining whether to admit the Applicant as a member of the Co-operative.

Signed ____________________

Date Signed ____________________

Signed at (City, Country) ____________________

Name ____________________ Title ____________________

Witness Name ____________________ Witness Title ____________________

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CANADA'S ANTI-SPAM LEGISLATION (CASL) CONSENT

With respect to Canada's Anti-Spam Legislation (CASL), by signing below, the Applicant hereby expressly consents to receiving commercial electronic messages from Beneplan Inc., or their affiliates, located at 500-150 Ferrand Drive, Toronto, Ontario, M3C 3E5, phone number 1- 800-387-1670, including newsletters, updates, alerts, other publications, news and communications. You may withdraw this consent at any time.

Signed ____________________

Date Signed ____________________

Signed at (City, Country) ____________________

Name ____________________ Title ____________________

Witness Name ____________________ Witness Title ____________________

USE OF APPLICANT'S INTELLECTUAL PROPERTY FOR PROMOTIONAL PURPOSES

By signing below, the Applicant hereby authorizes Beneplan Inc., and their affiliates to disclose publicly for promotional purposes the fact that the Applicant works with Beneplan Inc. The Applicant further hereby grants to Beneplan Inc. and their affiliates a royalty-free, perpetual, worldwide, non-revocable license to use the name of the Applicant and any of the Applicant's trademarks (whether registered or unregistered), logos, brand names, and business names, for promotional purposes only including the use of such intellectual property in Beneplan's promotional materials.

Signed ____________________

Date Signed ____________________

Signed at (City, Country) ____________________

Name ____________________ Title ____________________

Witness Name ____________________ Witness Title ____________________

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THE APPLICATION AS SET FORTH ABOVE IS CONFIRMED AND ACCEPTED BY BENEPLAN INC.

Beneplan Inc.

Signed	Date Signed
Signed at (City, Country)	
Name	Title

beneplan

PLAN ADMINISTRATION ACCESS FORM
WEB MASTER

The Personal Information Protection Electronic Documents Act (PIPEDA) requires the protection of personal information by the Employer and any agent of the Employer. Beneplan has developed and published a Privacy Policy in compliance of the Act. The Beneplan website hosts private information on employees and dependents of our Employers, as such access to our website must be strictly regulated in the spirit of PIPEDA.

Access to the website will be set-up by Beneplan Inc., using the web-master's email address. A temporary password will be issued and should be changed after initial log-in. Plan Sponsors can appoint more than one Web Master, as long as they acknowledge herein that all Web Masters have full access to all information.

Web Masters can create Web Users on the site and determine the level of access for each Web User.

Name of Company

REQUEST FOR PRIMARY PLAN ADMINISTRATION ACCESS (WEB MASTER)

Please list primary plan administrators (web masters) below:

1.	Name	Email	Division
2.	Name	Email	Division

I hereby appoint the above-named person(s) as the primary Web Master(s) with the understanding that the/she will have full access to the web administration of the policy which includes, but is not limited, to the following:

- Update company address & contact information
- Create & limit access for secondary administrators
- View all billings
- View all member information, including address, date of birth, and dependent information
- Enter changes to employee data, including salaries (if applicable)

Authorization	
Plan Sponsor's Name	
Title	Email Address
Signature	Date

Please note that if there are any changes to the Web Master following the completion of this form, you must provide us with an update by completing a new form. Failure to do so will result in Beneplan Inc. relying on the information shown on the most current form in our possession.

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PLAN ADMINISTRATION ACCESS FORM
SECONDARY WEB USER

REQUEST FOR PLAN ADMINISTRATION ACCESS (WEB USER)

Name of person requiring access
Email

Please indicate the divisions for which access is required:

1.
2.
3.
4.
5.

Please specify the type of access required for the above noted divisions:

MEMBER LISTING	BILLINGS
☐View Only ☐View and Edit	☐View
☐See and Edit Salary Information	

AUTHORIZATION (This section can only be completed by the Plan Sponsor and/or Primary Plan Administrator/Web Master) Title
Signature
Date

Please note that if there are any changes to the Web Users following the completion of this form, you must provide us with an update by completing a new form. Failure to do so will result in Beneplan Inc. relying on the information shown on the most current form in our possession.

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BANKING PRE-AUTHORIZED CHEQUING (PAC) FORM

PREMIUM PAYMENT PRE-AUTHORIZATION

The Client hereby agrees to pay monthly premiums in twelve (12) monthly payments as billed, plus premium tax, where applicable, following the signature of this form. The Client hereby authorizes their bank to pay such premium to Beneplan Inc's trust account accordingly. Premiums are due upon receipt of the billing. Depending upon your insurance carrier, claims may be suspended if premiums are not received within 60 days of the date of the invoice.

Client information

Client Full Name ______________________

Client Email ______________________

Financial Institution ______________________

Address ______________________

Transit ______________________

Account # ______________________

Acceptance

Your execution and submission to Beneplan Inc. of this form is sufficient authorization for Beneplan Inc to withdraw your monthly benefit plan costs from your bank account herein. You have authority to bind your organization.

Client signing authority name ______________________

Client title ______________________

Client signature ______________________

Dated ______________________

☐ Yes, I have authority to bind the corporation

____

(Client Signature)

Please attach a 'VOID' cheque with this form