

**TAB 'D'**

This is *Exhibit "D"* referred to in the affidavit of **KEITH B. CARRUTHERS** sworn before me, this day of August, 2009

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Commissioner for taking affidavits

September 2008

# **Retirement Plan for the Executive Employees of Indalex Limited and Associated Companies**

Report on the Actuarial Valuation for  
Funding Purposes as at January 1, 2008

## **MERCER**

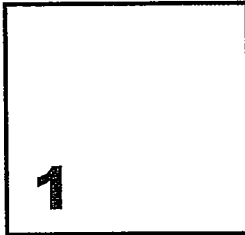


MARSH MERCER KROLL  
GUY CARPENTER OLIVER WYMAN

**Consulting. Outsourcing. Investments.**

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## Summary of Results

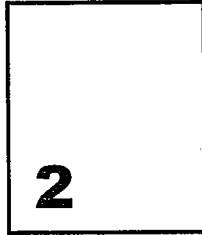
<b>Going-Concern Financial Position</b>	<b>01.01.2008</b>	<b>01.01.2005</b>
Actuarial value of assets	\$4,837,300	\$7,190,500
Actuarial liability	\$7,372,400	\$8,812,500
Funding excess (funding shortfall)	(\$2,535,100)	(\$1,622,000)
 <b>Solvency Financial Position</b>	 <b>01.01.2008</b>	 <b>01.01.2005</b>
Solvency assets	\$4,772,300	\$7,115,500
Adjusted solvency assets	\$6,685,900	\$7,830,700
Solvency liability	\$7,768,700	\$9,917,000
Solvency excess (deficiency)	(\$1,082,800)	(\$2,086,300)
Transfer ratio	61%	72%
 <b>Wind-Up Financial Position</b>	 <b>01.01.2008</b>	 <b>01.01.2005</b>
Market value of assets (net of termination expenses)	\$4,772,300	\$7,115,500
Total wind-up liability	\$7,768,700	\$9,917,000
Wind-up excess (deficiency)	(\$2,996,400)	(\$2,801,500)
 <b>Maximum Funding Valuation Results</b>	 <b>01.01.2008</b>	 <b>01.01.2005</b>
Actuarial value of assets	\$4,837,300	\$7,190,500
Actuarial liability	\$5,716,300	\$7,699,300
Funding excess (unfunded liability)	(\$879,000)	(\$508,800)

**Summary of Results**

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<b>Estimated Minimum and Maximum Annual Contribution Requirements</b>	<b>Minimum</b>	<b>Maximum</b>
2008	\$897,000	\$897,000
2009	\$18,000	\$18,000
2010	\$18,000	\$18,000

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## **Introduction**

### **Report on the Actuarial Valuation as at January 1, 2008**

#### ***To Indalex Limited***

At the request of Indalex Limited (the "Company"), we have conducted an actuarial valuation of the Retirement Plan for the Executive Employees of Indalex Limited and Associated Companies as at January 1, 2008. We are pleased to present the results of the valuation.

The purpose of this valuation is to:

- determine the funded status of the plan as at January 1, 2008 on going-concern, solvency, and maximum funding valuation bases; and,
- determine the funding requirements from January 1, 2008.

Although the transfer ratio of this plan is less than 80%, since this plan is a designated plan, the next actuarial valuation will be required as at a date not later than January 1, 2011 or as at the date of an earlier amendment to the plan, in accordance with the minimum requirements of the *Ontario Pension Benefits Act*.

The minimum contribution that Indalex Limited has to make to the plan in 2008, 2009 and 2010 are estimated to be \$897,000, \$18,000 and \$18,000 respectively. As a result of the restrictions imposed by the Income Tax Act on designated plans, these are also the estimated maximum permissible contributions to the plan. Additional details are provided in Section 6 of this report.

The minimum contribution requirements based on this report exceed the minimum contribution requirements recommended in the previous actuarial valuation. Upon filing this report, Indalex Limited must contribute the excess, if any, of the contributions

recommended in this report over contributions actually made in respect of the period following January 1, 2008. This contribution, along with an allowance for interest, is due no later than 60 days following the date this report is filed.

The plan is not fully funded on a wind-up basis. Even if Indalex Limited contributes in accordance with the funding requirements described in this valuation report, the assets of the plan may be less than the liabilities of the plan upon wind-up. Emerging experience, including the growth of wind-up liabilities compared to the plan's assets (including future contributions and investment returns), will also affect the wind-up funded position of the plan.

At the time of the last filed valuation as at January 1, 2005, the plan had two participating employers, namely, Indal Technologies Inc ("ITI") and Indalex Limited. A partial wind-up of the plan was declared effective March 1, 2005 in respect of all current and former ITI employees. This partial wind-up was approved by the Financial Services Commission of Ontario ("FSCO"), and all the benefits of the affected members were settled, in 2006.

This valuation reflects the provisions of the plan as at January 1, 2008. The plan was amended effective September 1, 2005 to close the plan to new entrants. A summary of the plan provisions is provided in Appendix D.

The going-concern valuation assumptions have been updated to reflect market conditions at the valuation date. These assumption changes increased the liabilities by \$873,600 and the employer current service cost by \$4,000 and are described in more detail in Appendix B.

Currently, there is no allowance for administrative expense in the investment return assumption on a going concern basis, nor is there any explicit loading to the going-concern normal cost. Including a provision for administrative expense would worsen the financial position of the plan; however, this would not have any impact on the contribution requirement due to the funding restrictions applicable to designated plans.

The solvency and wind-up assumptions have also been updated to reflect market conditions at the valuation date.

The assumptions used for purposes of this valuation are described in Appendix B. All assumptions made for the purposes of the valuation were reasonable at the time the valuation was prepared.

A new Canadian Institute of Actuaries Standard of Practice for Determining Pension Commuted Values ("CIA Standard") became effective on February 1, 2005. The new CIA Standard changes the assumptions to be used to value the solvency and wind-up liabilities for benefits assumed to be settled through a lump sum transfer and for other benefits for which this basis has been used as a proxy to the cost of purchasing annuities. The financial impact of the new CIA Standard has been reflected in this actuarial valuation.



This report has been prepared on the assumption that all of the assets in the pension fund are available to meet all of the claims on the pension plan. We are not in a position to assess the impact that the Ontario Court of Appeal's decision in *Aegon Canada Inc. and Transamerica Life Canada versus ING Canada Inc.* or similar decisions in other jurisdictions might have on the validity of this assumption.

On July 29, 2004, the Supreme Court of Canada dismissed the appeal in *Monsanto Canada Inc. versus Superintendent of Financial Services ("Monsanto")*, thereby upholding the requirement to distribute surplus on partial plan wind-ups under The Pension Benefits Act (Ontario). The decision has retroactive application. We are unaware of any partial plan wind-up having been declared in respect of the plan where Monsanto may apply. In preparing this actuarial valuation, we have assumed that all plan assets are available to cover the plan liabilities presented in this report. The subsequent declaration of a partial wind-up of the plan where Monsanto may apply in respect of a past event, or disclosure of an existing past partial wind-up, could cause an additional claim on plan assets, the consequences of which would be addressed in a subsequent report. We note the discretionary nature of the power of the regulatory authorities to declare partial wind-ups and the lack of clarity with respect to the retroactive scope of that power. We are making no representation as to whether the regulatory authorities might declare a partial wind-up in respect of other events in the plan's history.

Since the valuation date there have been some fluctuations in the financial markets and movements in long term interest rates. We have reflected the financial position of the plan as of the valuation date (i.e. January 1, 2008) and have not taken into account any experience after the valuation date. After checking with representatives of Indalex Limited, to the best of our knowledge, there have been no other events subsequent to the valuation date which, in our opinion, would have a material impact on the results of the valuation.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice. It has also been prepared in accordance with the funding and solvency standards set by the Pension Benefits Act (Ontario) and in accordance with the *Income Tax Act*.

The information contained in this report was prepared for Indalex Limited for its internal use and for filing with the Financial Services Commission of Ontario ("FSCO") and with the Canada Revenue Agency ("CRA"), in connection with our actuarial valuation of the plan. This report is not intended or necessarily suitable for other purposes.

This report will be filed with FSCO and CRA.

Respectfully submitted,



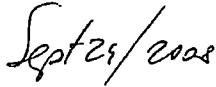
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Hrvoje Lakota  
Fellow of the Society of Actuaries  
Fellow of the Canadian Institute of Actuaries



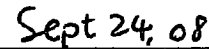
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Wendy W.Y. Lo  
Fellow of the Society of Actuaries  
Fellow of the Canadian Institute of Actuaries



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Date

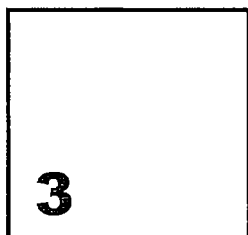


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Date

***Retirement Plan for the Executive Employees of Indalex Limited and Associated  
Companies***

Registration number with the Financial Services Commission of Ontario and with the Canada  
Revenue Agency: 0455626



## Financial Position of the Plan

### Valuation Results — Going-Concern Basis

When conducting a valuation on a going-concern basis, we determine the relationship between the respective values of assets and accumulated benefits, assuming the plan will be maintained indefinitely.

#### *Financial Position*

The results of the valuation as at January 1, 2008, in comparison with those of the previous valuation as at January 1, 2005, are summarised as follows:

#### Financial Position — Going-Concern Basis

	01.01.2008	01.01.2005
Market value of assets	\$4,837,300	\$7,190,500
Actuarial liability		
Present value of accrued benefits for:		
▪ Active members	\$521,200	\$2,573,600
▪ Transferred members with frozen service	\$44,800	\$889,800
▪ Deferred pensioners	\$812,300	\$410,400
▪ Pensioners and beneficiaries	\$5,994,100	\$4,938,700
Total liability	\$7,372,400	\$8,812,500
Funding excess (shortfall) (A)	(\$2,535,100)	(\$1,622,000)
Present value of existing going-concern unfunded liability special payments (B)	\$1,258,300	\$0
Going-concern unfunded liability created at this valuation = max[0, -(A + B)]	\$1,276,800	\$1,622,000

***Reconciliation of Financial Position***

The plan's financial position, a funding shortfall of \$2,535,100 as at January 1, 2008, is reconciled with its previous position, a funding shortfall of \$1,622,000 as at January 1, 2005, as follows:

**Reconciliation of Financial Position**

Funding excess (shortfall) as at 01.01.2005		(\$1,622,000)
Interest on funding excess (shortfall) at 6.00% per year to 01.01.2008		(\$309,800)
Impact of the plan's partial wind-up at March 1, 2005		
▪ Gain/(Loss) at the time of partial wind-up	(\$312,800)	
▪ Experience between the partial wind-up date and the date of settlement	\$600	
	<u>(\$312,200)</u>	(\$312,200)
Employer contributions		
▪ Employer contributions to fully fund the deficiency of the partial wind-up at March 1, 2005	\$417,400	
▪ Other special payments	\$533,800	
▪ Impact of maximum contribution limits for designated plans	<u>(\$18,700)</u>	
	\$932,500	\$932,500
Net investment return less than expected		(\$12,500)
Impact of changes in actuarial assumptions		(\$873,600)
Demographic experience		
▪ Mortality experience	\$282,400	
▪ Termination experience	(\$196,600)	
▪ Retirement experience	<u>(\$76,300)</u>	
	\$9,500	\$9,500
Data Corrections and impact of other elements of gains and losses		(\$347,000)
Funding excess (shortfall) as at 01.01.2008		<u>(\$2,535,100)</u>

## Valuation Results — Solvency Basis

When conducting a solvency valuation, we determine the relationship between the respective values of the plan's assets and its liabilities on a solvency basis, determined in accordance with the *Ontario Pension Benefits Act*. The values of the plan's assets and liabilities on a solvency basis are related to the corresponding values calculated as though the plan were wound up and settled on the valuation date.

The solvency liabilities do not include any value for potential benefits related to projected earning increases following the valuation date. This is consistent with the assumption that the employment of all active members terminated on the valuation date. We have included the value of all other benefits that may be recognized upon the circumstances of the postulated plan wind-up.

### Financial Position on a Solvency Basis

The plan's solvency position as at January 1, 2008, in comparison with that of the previous valuation as at January 1, 2005, is determined as follows:

<b>Solvency Position</b>		
	<b>01.01.2008</b>	<b>01.01.2005</b>
Market value of assets	\$4,837,300	\$7,190,500
Termination expense provision	(\$65,000)	(\$75,000)
Solvency assets (1)	\$4,772,300	\$7,115,500
Present value of special payments for the next 5 years	\$1,913,600	\$715,200
Adjusted solvency assets	\$6,685,900	\$7,830,700
Actuarial liability		
Present value of accrued benefits for:		
▪ Active members	\$563,600	\$2,980,000
▪ Transferred members with frozen service	\$41,900	\$1,066,900
▪ Deferred pensioners	\$847,500	\$456,500
▪ Pensioners and beneficiaries	\$6,315,700	\$5,413,600
Solvency Liabilities (2)	\$7,768,700	\$9,917,000
Solvency excess (deficiency) created as at the valuation date	(\$1,082,800)	(\$2,086,300)
Transfer ratio = (1) ÷ (2)	61%	72%

### ***Payment of Benefits***

Since the transfer ratio is less than one, the plan administrator should ensure that the monthly special payments are sufficient to meet the requirements of the *Ontario Pension Benefits Act* to allow for the full payment of benefits. Otherwise, the plan administrator should take the actions prescribed by the *Act*.

### ***Financial Position on a Wind-Up Basis***

The plan's hypothetical wind-up position as of January 1, 2008, in comparison with that of the previous valuation as at January 1, 2005, assuming circumstances producing the maximum wind-up liabilities on the valuation date, is determined as follows:

<b>Wind-Up Position</b>		
	<b>01.01.2008</b>	<b>01.01.2005</b>
Market value of assets	\$4,837,300	\$7,190,500
Termination expense provision	(\$65,000)	(\$75,000)
Wind-up assets	\$4,772,300	\$7,115,500
Present value of accrued benefits for:		
▪ Active members	\$563,600	\$2,980,000
▪ Transferred members with frozen service	\$41,900	\$1,066,900
▪ Deferred pensioners	\$847,500	\$456,500
▪ Pensioners and beneficiaries	\$6,315,700	\$5,413,600
Total wind-up liability	\$7,768,700	\$9,917,000
Wind-up excess (deficiency)	(\$2,996,400)	(\$2,801,500)

### ***Impact of plan Wind Up***

In our opinion, the value of the plan's assets would be less than its actuarial liabilities if the plan were to be wound up on the valuation date.

Specifically, actuarial liabilities would exceed the market value of plan assets by \$2,996,400. This calculation includes a provision for termination expenses that might be payable from the pension fund.

### ***Pension Benefits Guarantee Fund (PBGF) Assessment***

Since this plan is a designated plan under the *Income Tax Act*, no PBGF assessment is payable.

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## **Funding Requirements**

### **Current Service Cost – Going-Concern Basis**

The estimated value of the benefits that will accrue on behalf of the active and disabled members during 2008, in comparison with the corresponding value determined in the previous valuation as at January 1, 2005, is summarised below:

#### **Employer's Current Service Cost for 2008**

	2008	2005
Total current service cost (per annum)	\$28,800	\$131,000
Estimated pensionable earnings	\$115,000	\$1,468,200
Employer's current service cost expressed as a percentage of members' pensionable earnings	25.0%	8.9%

An analysis of the changes in the employer's current service cost follows:

#### **Changes in Employer's Current Service Cost**

Employer's current service cost as at 01.01.2005	8.9%
Demographic changes	12.7%
Changes in assumptions and methods	3.4%
Employer's current service cost as at 01.01.2008	25.0%

**Special Payments****Going-Concern Basis**

Before considering the maximum funding restrictions imposed by the *Income Tax Act*, the present value of the unfunded liability monthly special payment determined in the previous valuation, is as follows:

**Present Value of Monthly Special Payments  
Determined as at January 1, 2005**

Type of Deficit	Effective Date	Current Special Payment	Last Payment	Present Value of Remaining Payments as at Jan 1, 2008
Unfunded liability	January 1, 2005	\$11,508	December 31, 2019	\$1,258,300
Total		\$11,508		\$1,258,300

Due to the experience loss arising since the previous valuation, a new going-concern unfunded liability of \$1,276,800 was created as at January 1, 2008.

In accordance with the *Ontario Pension Benefits Act*, this going-concern unfunded liability should be amortized over a period not exceeding 15 years. As such, before taking into account the maximum funding restrictions imposed by the *Income Tax Act*, special payments should be increased by \$9,960 per month, until December 31, 2022 to amortize this going-concern unfunded liability.

**Solvency Basis**

In accordance with the *Ontario Pension Benefits Act*, each solvency deficiency should be eliminated by special payments within five years of the respective effective date. Before considering the maximum funding restriction imposed by the *Income Tax Act*, the present values as at January 1, 2008 of the special payments established to eliminate the solvency deficiencies are as follows:

**Present Value of Existing Monthly Special Payments**

Type of Deficit	Effective Date	Special Payment	Last Payment	Present Value of Remaining Payments as at Jan 1, 2008
Unfunded liability	January 1, 2005	\$11,508	December 31, 2019	\$623,000
Unfunded liability	January 1, 2008	\$9,960	December 31, 2022	\$539,300
Solvency deficiency	January 1, 2005	\$32,667	December 31, 2009	\$751,300
Total		\$54,135		\$1,913,600



Since there is a new solvency deficiency created as at January 1, 2008, before considering the maximum funding restriction imposed by the *Income Tax Act*, the *Ontario Pension Benefits Act* would require special payments to be increased by \$20,001 per month until December 31, 2012 to eliminate this new solvency deficiency.

### **Total Special Payments**

Before considering the maximum funding restrictions imposed by the *Income Tax Act*, the following table summarizes the minimum monthly special payments that would have to be made to the plan to eliminate the going-concern unfunded liability and the solvency deficiency as at January 1, 2008, within the periods prescribed by the *Ontario Pension Benefits Act*.

<b>Minimum Monthly Special Payments</b>			
<b>Type of Deficit</b>	<b>Effective Date</b>	<b>Special Payment</b>	<b>Last Payment</b>
Unfunded liability	January 1, 2005	\$11,508	December 31, 2019
Unfunded liability	January 1, 2008	\$9,960	December 31, 2022
Solvency deficiency	January 1, 2005	\$32,667	December 31, 2009
Solvency deficiency	January 1, 2008	\$20,001	December 31, 2012
Total		\$74,136	

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## Maximum Funding Valuation

This plan is a designated plan under the *Income Tax Act*. For a designated plan, the *Income Tax Act* imposes an additional restriction on the maximum permissible tax-deductible contribution that can be made. The assumptions and methodology used to determine the plan liabilities and current service cost under this maximum funding valuation basis are prescribed in Section 8515 of the Income Tax Regulations.

## Financial Position

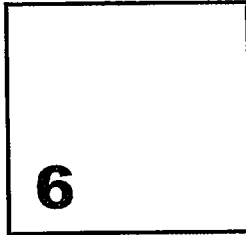
The results of the maximum funding valuation as at January 1, 2008, in comparison with those of the previous valuation as at January 1, 2005, are summarised below:

	01.01.2008	01.01.2005
Actuarial value of assets	\$4,837,300	\$7,190,500
Actuarial liability		
Present value of accrued benefits for:		
▪ Active members	\$325,900	\$2,221,200
▪ Transferred members with frozen service	\$17,100	\$622,600
▪ Deferred pensioners	\$607,800	\$417,600
▪ Pensioners and beneficiaries	\$4,765,500	\$4,437,900
Total liability	\$5,716,300	\$7,699,300
Funding excess (unfunded liability)	(\$879,000)	(\$508,800)

## **Current Service Cost**

On a maximum funding valuation basis, the annualized current service cost of the plan in 2008 is \$18,000, or 15.7% of the members' estimated pensionable earnings. The 2008 current service cost on a maximum funding valuation basis, in comparison with the corresponding values determined in the previous valuation as at January 1, 2005, is as follows:

	<b>2008</b>	<b>2005</b>
Total current service cost (annualized)	\$18,000	\$112,100
Monthly current service cost	\$1,500	\$9,342
Estimated pensionable earnings during the year	\$115,000	\$1,468,200
Employer's current service cost expressed as a percentage of members' pensionable earnings	15.7%	7.6%



### **Minimum and Maximum Employer Contributions**

Since this plan is a designated plan, special rules for designated plans prescribed in Section 8515 of Regulations to the *Income Tax Act* impose restrictions on the maximum tax-deductible contributions that can be made to the plan. Effectively, the maximum tax-deductible contribution that can be made to the plan is limited to the sum of the current service cost and the funding deficiency based on the maximum funding valuation results outlined in Section 5 of this report.

Taking into account these restrictions, the minimum and maximum required contributions to the plan are as described on the following pages.

**Minimum and Maximum Contributions**

The current service cost on the maximum funding valuation basis is less than on a going-concern basis, and the plan has a smaller deficiency on a maximum funding valuation basis than on either the going-concern or the solvency basis. As a result, the maximum tax-deductible contributions allowed under the *Income Tax Act* are as follows:

**Indalex Limited – Maximum Employer Contributions**

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Current service cost:
15.7% of members' pensionable earnings
Special payments for unfunded liability and solvency:
A total contribution of \$879,000 (i.e. the maximum funding valuation deficiency).

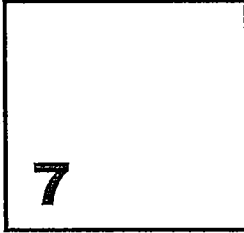
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As such, the estimated minimum required and maximum permitted annual contributions over the next three years are outlined in the following table:

		<b>Minimum Employer Contribution</b>	<b>Maximum Employer Contribution</b>
	Current service cost*	\$18,000	\$18,000
2008	Special payments	<u>879,000</u>	<u>879,000</u>
	Total	\$897,000	\$897,000
	Current service cost*	\$18,000	\$18,000
2009	Special payments	<u>0</u>	<u>0</u>
	Total	\$18,000	\$18,000
	Current service cost*	\$18,000	\$18,000
2010	Special payments	<u>0</u>	<u>0</u>
	Total	\$18,000	\$18,000

\* The only member accruing benefits under the plan is on disability. Therefore the current service cost is projected to remain at the same level.

The minimum contribution requirements based on this report exceed the minimum contribution requirements recommended in the previous actuarial valuation. Upon filing this report, Indalex Limited must contribute the excess, if any, of the contributions recommended in this report over contributions actually made in respect of the period following January 1, 2008. This contribution, along with an allowance for interest, is due no later than 60 days following the date this report is filed.



## Actuarial Opinion

With respect to the Actuarial Valuation as at January 1, 2008  
of the Retirement Plan for the Executive Employees of Indalex  
Limited and Associated Companies  
Financial Services Commission of Ontario Registration No. 0455626  
Canada Revenue Agency Registration No. 0455626

Based on the results of this valuation, we hereby certify that, as at January 1, 2008,

- On a going-concern basis, Employer's current service cost for 2008 and subsequent years, up to the next actuarial valuation should be calculated as 25.0% of the members' pensionable earnings.
- On a going-concern basis, Employer's current service cost for 2008 is estimated to be \$28,800.
- The plan would be fully funded on a going-concern basis if its assets were augmented by \$2,535,100. If this was not a designated plan, in order to comply with the *Ontario Pension Benefits Act* the unfunded liability would have to be liquidated at least equal to the amounts indicated, and for the periods set forth, below:

### Monthly Unfunded Liability Special Payments

Type of Deficit	Effective Date	Special Payment	Last Payment
Unfunded liability	January 1, 2005	\$11,508	December 31, 2019
Unfunded liability	January 1, 2008	\$9,960	December 31, 2022
Total		\$21,468	

- The plan would be fully funded on a solvency basis if its assets were augmented by \$2,996,400. If this was not a designated plan, in order to comply with the *Ontario Pension Benefits Act*, the solvency deficiency would have to be liquidated by monthly special payments at least equal to the amounts indicated, and for the periods set forth, below:

**Monthly Solvency Special Payments**

Type of Deficit	Effective Date	Special Payment	Last Payment
Unfunded liability	January 1, 2005	\$11,508	December 31, 2019
Unfunded liability	January 1, 2008	\$9,960	December 31, 2022
Solvency deficiency	January 1, 2005	\$32,667	December 31, 2009
Solvency deficiency	January 1, 2008	\$20,001	December 31, 2012
Total		\$74,136	

- The solvency liabilities used to determine the solvency status of the plan do not include any benefit related to projected earnings increases following the valuation date.
- Since this plan is a designated plan, special rules for designated plans prescribed in Section 8515 of Regulations to the *Income Tax Act* impose a restriction on the maximum tax-deductible contributions that can be made to the plan. As a result of these restrictions, the maximum permitted contributions to the plan are as follows:

**Maximum Employer Contributions**

For current service: 15.7% of members' pensionable earnings  
(estimated to be \$1,500 per month  
in each year of 2008, 2009 and 2010)

Special payments for unfunded liability and solvency:  
A total contribution of \$879,000

- Since this plan is a designated plan under the *Ontario Pension Benefits Act*, no PBGF assessment is payable.
- The transfer ratio of the plan is 61%. The Prior Year Credit Balance on January 1, 2008 is \$0.

- In our opinion,
  - the data on which the valuation is based are sufficient and reliable for the purposes of the valuation,
  - the assumptions are, in aggregate, appropriate for the purposes of determining the funded status of the plan as at January 1, 2008 on going-concern and solvency bases, in the absence of the maximum funding rules,
  - the methods employed in the valuation are appropriate for the purposes of determining the funded status of the plan as at January 1, 2008 on going-concern and solvency bases, in the absence of the maximum funding rules, and
  - the assumptions and the methods employed in the valuation for the purposes of determining the funded status of the plan as at January 1, 2008 on Maximum Funding Valuation basis are those prescribed by the *Income Tax Act* Section 8515.
- This report has been prepared, and our opinions given, in accordance with accepted actuarial practice. It has also been prepared in accordance with the funding and solvency standards set by the *Ontario Pension Benefits Act* and the *Income Tax Act*.
- All assumptions made for the purposes of the valuation were reasonable at the time the valuation was prepared.



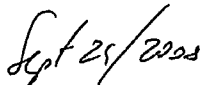

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Hrvoje Lakota  
Fellow of the Society of Actuaries  
Fellow of the Canadian Institute of Actuaries



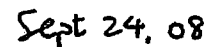

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Wendy W.Y. Lo  
Fellow of the Society of Actuaries  
Fellow of the Canadian Institute of Actuaries




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Date




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Date



Appendix A

## **Plan Assets**

### ***Sources of Plan Asset Data***

The pension fund is held in trust by CIBC Mellon and is invested in accordance with the investment policy by McLean Budden.

We have relied upon fund statements prepared by CIBC Mellon, for the period from January 1, 2005 to January 1, 2008.

### ***Reconciliation of Plan Assets***

The pension fund transactions for the period from January 1, 2005 to January 1, 2008 are summarised as follows:

**Reconciliation of Plan Assets (Market Value)**

	<b>2005</b>	<b>2006</b>	<b>2007</b>
January 1	\$7,174,365	\$7,537,088	\$5,776,820
PLUS			
Company's contributions	\$0	\$1,009,532 <sup>1</sup>	\$7,700
Investment income	\$13	\$197,784	\$268,312
Net realized and unrealized capital gains/(losses)	\$908,139	\$298,885	(\$277,394)
	\$908,152	\$1,506,201	(\$1,382)
LESS			
Pensions paid	\$422,750	\$423,456	\$384,055
Lump-sum refunds	\$0	\$864,033 <sup>2</sup>	\$465,069
Benefit payments in respect of the March 1, 2005 partial wind-up	\$0	\$1,840,825	\$0
Administration fees	\$122,679	\$138,155	\$89,673
	\$545,429	\$3,266,469	\$938,797
December 31	\$7,537,088	\$5,776,820	\$4,836,641

This market value of assets was adjusted to reflect in-transit contribution of \$700. The resulting market value of assets as at January 1, 2008 is \$4,837,341.

We have tested the pensions paid, the lump-sum refunds and the contributions for consistency with the membership data for the plan members who have received benefits or made contributions. The results of these tests were satisfactory.

<sup>1</sup> Includes the contribution to fully fund the wind-up deficiency in respect of the members affected by the plan's partial wind-up effective March 1, 2005.

<sup>2</sup> Includes an adjustment of \$21,405 for a payment made from an incorrect plan.

### ***Investment Policy***

The plan administrator adopted a statement of investment policy and procedures effective July 1, 2006. This policy is intended to provide guidelines for the manager(s) as to the level of risk which is commensurate with the plan's investment objectives. A significant component of this investment policy is the asset mix.

The constraints on the asset mix, and the actual asset mix as at January 1, 2008, are provided for information purposes:

#### **Distribution of the Market Value of the Fund by Asset Class**

	<b>Investment Policy</b>			<b>Actual Asset Mix As at 01.01.2008</b>
	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>	
Fixed Income Securities	60%	80%	100%	78.7%
Equities	15%	20%	25%	20.6%
Cash and cash equivalents	N/A	N/A	N/A	0.7%
		100%		100%

### ***Performance of Fund Assets***

The performance of fund assets, net of expenses, from January 1, 2005 to January 1, 2008 as per our calculations (which assume that the net cash flow occurred in the middle of each month) are shown below:

<b>Year</b>	<b>Net Rate of Return</b>
2005	11.3%
2006	7.1%
2007	(1.5%)

The average return on the adjusted market value, net of expenses, since the last valuation at January 1, 2005 was 5.5% per year. This rate is less than the assumed investment return of 6.00% by 0.5% per year.

Appendix B

## **Actuarial Methods and Assumptions**

Actuarial Valuations Methods — Going-Concern Basis

### ***Valuation of Assets***

For this valuation, we used the market value of plan assets.

### ***Valuation of Actuarial Liabilities***

Over time, the real cost to the employer of a pension plan is the excess of benefits and expenses over member contributions and investment earnings. The actuarial cost method allocates this cost to annual time periods.

For purposes of the going-concern valuation, we have continued to use the *projected unit credit actuarial cost method*. Under this method, we determine the actuarial present value of benefits accrued in respect of service prior to the valuation date, including ancillary benefits, based on projected final average earnings. This is referred to as the *actuarial liability*.

The *funding excess* or *funding shortfall*, as the case may be, is the difference between the actuarial value of assets and the actuarial liability. An unfunded liability will be amortised over no more than 15 years through special payments as required under the *Ontario Pension Benefits Act*. A funding excess may, from an actuarial standpoint, be applied immediately to reduce required employer current service contributions unless precluded by the terms of the plan or by legislation.

This actuarial funding method produces a reasonable matching of contributions with accruing benefits. Because benefits are recognised as they accrue, the actuarial funding method aims at keeping the plan fully funded at all times. This promotes benefit security, once any unfunded liabilities and solvency deficiencies have been funded.

### ***Current Service Cost***

The *current service cost* is the actuarial present value of projected benefits to be paid under the plan with respect to service during the year following the valuation date.

The employer's current service cost has been expressed as a percentage of the members' pensionable earnings to provide an automatic adjustment in the event of fluctuations in membership and/or pensionable earnings.

Under the projected unit credit actuarial cost method, the current service cost for an individual member will increase each year as the member approaches retirement. However, the current service cost of the entire group, expressed as a percentage of the members' pensionable earnings, can be expected to remain stable as long as the average age of the group remains constant.

### ***Employer's Contribution***

Accordingly, the employer's contributions for this purpose are determined as follows:

#### **Employer's Contributions**

<b>With a funding excess</b>	<b>With an unfunded liability</b>
Current service cost	Current service cost
MINUS	PLUS
Any funding excess applied to cover the employer's current service cost	Payments to amortise any unfunded liability

### ***Actuarial Assumptions — Going-Concern Basis***

The actuarial value of benefits is based on economic and demographic assumptions. At each valuation, we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them if necessary.

In this valuation, we have used the same assumptions as in the previous valuation, except as noted. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations. For this valuation, we have used the following assumptions:

## ***Economic Assumptions***

### ***Investment Return***

We have assumed that the investment return on the actuarial value of the fund, net of expenses charged to the fund, will average 4.9% per year over the long term. We have based this assumption on an expected long-term return on the pension fund less an allowance for investment expenses less a margin for adverse deviation.

Specifically,

- We have assumed a gross rate of return of 5.8% consistent with market conditions applicable on the valuation date, based on estimated returns for each major asset class and the target asset mix specified in the plan's investment policy. Additional returns of 0.1% are assumed to be achievable due to active management .
- We have allowed for investment expenses of 0.5% per year.
- We have included a margin for adverse deviations, from all sources, of 0.5% per year.

The previous valuation assumed an investment return of 6.0% per year.

### ***Expenses***

The assumed Investment Return reflects an implicit provision for investment management expenses.

There is no allowance for administrative expense in the investment return assumption, nor is there any explicit loading to the normal cost. Including a provision for administrative expense would worsen the financial position of the plan; however, this would not have any impact on the contribution requirement due to the funding restrictions applicable to designated plans.

### ***Inflation***

The benefits ultimately paid depend on the level of inflation. We assumed inflation will be 2.25% per year. This assumption reflects our best estimate of future inflation considering the Bank of Canada's inflation target and market expectations of long-term inflation implied by the yields on nominal and real return bonds.

### ***Increases in Pensionable Earnings***

The benefits ultimately paid will depend on each member's final average earnings. To calculate the pension benefits payable upon retirement, death or termination of employment, we have assumed the pensionable earnings will increase at 4.00% per year after 2008.

This is based on:

- an inflation rate of 2.25% per year,
- productivity increases of 1.00% per year, and
- merit and promotional increases of 0.75% per year.

The current merit and promotional increases component is based on our best estimate of future merit and promotional increases considering current economic and financial market conditions. The experience indicates that these assumptions remain appropriate.

The previous valuation had assumed an increase of 4.50% per year.

### *Increases in the YMPE*

Since the benefits provided by the plan depend on the final average Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension plan, it is necessary to make an assumption about increases in the YMPE for this valuation. We have assumed that the YMPE will increase at the assumed rate of inflation of 2.25% per year plus an allowance of 1.0% per year for the effect of real economic growth and productivity gains in the Canadian economy, which is consistent with historical real economic growth. The increase was applied from the 2008 level of the YMPE of \$44,900.

The previous valuation had assumed an increase of 3.75% per year from the 2005 level of \$41,100.

### *Increases in the Maximum Pension under the Income Tax Act*

The *Income Tax Act* stipulates that the maximum pension that can be provided under a registered pension plan will be increased to specified amounts in 2009, and automatically, starting in 2010, in accordance with general increases in the average wage.

For this valuation, we have assumed that the maximum pension payable under the plan will increase based on the amounts specified in the *Income Tax Act* up to 2009, and will increase starting in 2010 at the same rate as the YMPE of 3.25% (previously 3.75%) per year.

## **Demographic Assumptions**

### *Retirement Age*

Because early retirement pensions are reduced in accordance with a formula, the retirement age of plan members has an impact on the cost of the plan.

Retirement rates are typically developed taking into account the past experience of the plan. However, considering the size of the plan, there is no meaningful retirement experience appropriate for predicting the future rates of retirements. Accordingly, the rates of retirement have been developed as our expectation of the best-estimate rates of retirement based on the plan provisions and our experience with other similar plans.

We have assumed that all members will retire on their 59<sup>th</sup> birthday.

### *Termination of Employment*

No allowance has been made for termination of employment prior to retirement. This is because the only member accruing benefits under the plan is on disability, and we have assumed that he would continue to accrued benefits until retirement in accordance with the plan terms.

### *Mortality*

The actuarial value of the pension depends on the lifetime of the member.

The 1994 Uninsured Pension Mortality Table reflects the mortality experience as of 1994 for a large sample of North American pension plans. Applying projection scale AA provides an allowance for improvements in mortality after 1994. This table is commonly used for valuations where the membership of a plan is insufficient to assess plan specific experience and where there is no reason to expect the mortality to differ from that of other pension plans. Both are true for this plan.

While there is strong evidence of continuing improvement in mortality, forecasts of the rate of future improvement are very uncertain. We have used the projection scale AA to reflect future improvements in mortality.

We have assumed mortality rates, both before and after retirement, in accordance with the 1994 Uninsured Pension Mortality Table with projection scale AA to reflect continuing future improvements in mortality. According to this table, the life expectancy at age 65, as of the valuation date, is 19.4 years for males and 21.9 years for females.

The previous valuation had assumed mortality in accordance with the Group Annuity Mortality (GAM) Table for 1994.

### *Family Composition*

Benefits in case of death, before and after retirement, depend on the plan member's marital status.

For this valuation, we have assumed that 100% of plan members will have an eligible spouse on the earlier of death or retirement, and that the male partner will be four years older than the female partner.



## ***Actuarial Valuation Methods and Assumptions — Solvency and Impact of Plan Wind-up***

We have used the market value of the plan's assets in our valuation of the plan for solvency purposes.

To determine the solvency actuarial liability, we have valued those benefits that would be payable if the employment of each member had been terminated and the plan were wound up and settled on the valuation date, with all members fully vested in their accrued benefits.

The solvency actuarial liabilities do not include any value for potential benefits related to projected earning increases following the valuation date. This is consistent with the assumption that the employment of all active members terminate on the valuation date. Therefore, no assumption is required for future rates of termination of employment. We have included the value of all other benefits that may be contingent upon the circumstances of the postulated plan wind-up.

We have considered that members under 55 years of age on the valuation date would be entitled to a deferred pension payable from age 65 or such earlier age for which plan eligibility requirements have been satisfied at January 1, 2008. Members aged 55 and over are considered to be entitled to an immediate pension, reduced in accordance with the plan rules. We have also considered that Ontario members whose age plus years of service equal at least 55 at January 1, 2008 would be entitled to a deferred pension payable from the age that would produce the greatest value if employment were to have continued for the purpose of determining eligibility for early retirement benefits.

Benefits are assumed to be settled through a lump sum transfer for one transferred member who is under age 55 as at January 1, 2008. The value of the benefits accrued on January 1, 2008 for this member is based on the assumptions described in Section 3800 – *Pension Commuted Values* of the Canadian Institute of Actuaries Standards of Practice applicable for January 1, 2008 for benefits expected to be settled through transfer in accordance with relevant portability requirements.

Benefits of all other members are assumed to be settled through the purchase of immediate annuities. The value of the benefits accrued on January 1, 2008, for such members, is based on an estimate of the cost of settlement through purchase of annuities.

We have estimated the cost of settlement through purchase of annuities in accordance with the *Canadian Institute of Actuaries Educational Note: Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates Between December 31, 2007 and December 30, 2008*.

Assumptions are as follows:

**Actuarial Assumptions**

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Mortality:	UP94 projected to year 2015
Interest rates for benefits to be settled through lump sum transfer:	4.50% per year for the first 10 years following January 1, 2008, 5.0% per year thereafter
Interest rates for benefits to be settled through annuity purchase:	4.30% per year
Interest rates used to determine the present value of the solvency deficiency special payments :	4.30% per year
Final average earnings:	Based on actual pensionable earnings over the averaging period
Family composition:	Same as for going-concern valuation
Termination expenses:	\$65,000

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In a solvency valuation, the accrued benefits are based on the member's final average earnings on the valuation date; therefore, no salary projection is used. Also the employment of each member is assumed to have terminated on the valuation date; therefore, no assumption is required for future rates of termination of employment.

The provision for termination expenses payable from the plan's assets is in respect of actuarial, administration and legal expenses that would be incurred in terminating the plan.

Because the settlement of benefits on wind-up is assumed to occur on the valuation date and is assumed to be uncontested, the provision for termination expenses does not include custodial, investment management, auditing, consulting and legal expenses that would be incurred between the wind-up date and the settlement date or due to the terms of the hypothetical wind-up being contested.

In determining the provision for termination expenses payable from the plan's assets, we have assumed that the plan sponsor would be solvent on the wind-up date.

In accordance with the *Ontario Pension Benefits Act*, we have not included a provision for adverse deviation in the solvency and wind-up valuations.

Appendix C

## **Membership Data**

### ***Analysis of Membership Data***

The actuarial valuation is based on membership data as at January 1, 2008 provided by Indalex Limited, adjusted to reflect the retirement of a transferred member who commenced his pension in the first quarter of 2008.

We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, gender, etc.), pensionable earnings, credited service, contributions accumulated with interest and pensions to retirees and other members entitled to a deferred pension. Lump sum payments and pensions to retirees were compared with corresponding amounts reported in financial statements. The results of these tests were satisfactory.

Plan membership data are summarised below. For comparison, we have also summarised corresponding data from the previous valuation.

**Membership Data**

	<b>01.01.2008</b>	<b>01.01.2005</b>
<b>Active or Disabled Members</b>		
▪ Number	1 <sup>1</sup>	6 <sup>2</sup>
▪ Total estimated pensionable earnings in the year following the valuation date	n/a <sup>3</sup>	\$1,468,194
▪ Average estimated pensionable earnings in the year following the valuation date	n/a <sup>3</sup>	\$244,699
▪ Average years of pensionable service	n/a <sup>3</sup>	18.9 years
▪ Average age	n/a <sup>3</sup>	51.0
<b>Transferred Members with Frozen Service</b>		
▪ Number	1	3
▪ Total annual pension	n/a <sup>3</sup>	\$83,106
▪ Average annual pension	n/a <sup>3</sup>	\$27,702
▪ Average age	n/a <sup>3</sup>	50.5
<b>Deferred Pensioners</b>		
▪ Number	2	3
▪ Total annual pension	n/a <sup>3</sup>	\$46,847
▪ Average annual pension	n/a <sup>3</sup>	\$15,616
▪ Average age	n/a <sup>3</sup>	59.9
<b>Pensioners and Survivors</b>		
▪ Number	14	13
▪ Total annual lifetime pension	\$454,055	\$420,957
▪ Average annual lifetime pension	\$32,432	\$32,381
▪ Average age	67.8	67.2

<sup>1</sup> Disabled member.

<sup>2</sup> This includes 2 disabled members.

<sup>3</sup> Information not provided due to confidentiality issues.

The membership movement for all categories of membership since the previous actuarial valuation is as follows:

**Reconciliation of Membership**

	<b>Active / Disabled Members</b>	<b>Transferred Members with Frozen Service</b>	<b>Deferred Vested</b>	<b>Pensioners and Beneficiaries</b>	<b>Total</b>
<b>Total at 01.01.2005</b>	6 <sup>1</sup>	3	3	13	25
Terminations:					
▪ Transfers/refunds	(3)				(3)
▪ Deferred pensions		(1)	1		
▪ Benefits settled as a result of March 1, 2005 partial wind-up	(2)			(1)	(3)
Deaths				(1)	(1)
Retirements		(1)	(2)	3	-
<b>Total at 01.01.2008</b>	1 <sup>2</sup>	1	2	14	18

<sup>1</sup> Includes 2 disabled members.

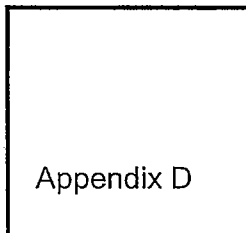
<sup>2</sup> Disabled member.

The distribution of the inactive members by age as at January 1, 2008, is summarised as follows:

**Distribution of Inactive Members  
By Age Group as at 01.01.2008**

<b>Age</b>	<b>Deferred Pensioners</b>		<b>Pensioners and Survivors</b>	
	<b>Number</b>	<b>Average Annual Pension</b>	<b>Number</b>	<b>Average Annual Pension</b>
50 – 54				
55 – 59	1	n/a <sup>1</sup>	1	n/a <sup>1</sup>
60 – 64	1	n/a <sup>1</sup>	1	n/a <sup>1</sup>
65 - 69			9	\$26,377
70 - 74			3	\$42,554
75 - 79				
80 - 84				
<b>Total</b>	<b>2</b>	<b>n/a<sup>1</sup></b>	<b>14</b>	<b>\$32,432</b>

<sup>1</sup> Information not provided due to confidentiality issues.



## **Summary of Plan Provisions**

### **Introduction**

The *Retirement Plan for the Executive Employees of Indalex Limited and Associated Companies* became effective January 1, 1983.

This valuation is based on the plan provisions in effect on January 1, 2008. The following is a summary of the plan's main provisions in effect on January 1, 2008. It is not intended as a complete description of the plan.

### **Eligibility for Membership**

Designated Executives who were members of the Prior plan on December 31, 1982 automatically became members of this plan on the effective date and were entitled to one year of additional service if they enrolled in the Prior Plan when first eligible. Other employees were enrolled on the first day of the month coincident with or next following their date of employment.

Effective September 1, 2005, the plan was closed to new entrants.

### **Contributions**

Members are not required to contribute. Executives may have made contributions as previous members of the Salaried Plan.

### **Retirement Dates**

#### ***Normal Retirement Date***

The normal retirement date is the first day of the month coincident with or next following the member's 65<sup>th</sup> birthday.

### ***Early Retirement Date***

If a member has been in the plan for at least two years, the member may choose to retire as early as age 55.

### ***Postponed Retirement***

With Company consent, retirement may be postponed on a year by year basis but not beyond age 69.

## **Retirement Benefits**

### ***Normal Retirement Pension***

If a member retires on the normal retirement date, the member will be entitled to an annual pension equal to 1.25% of the member's final average earnings up to the final average YMPE, plus 2.0% of the member's final average earnings in excess of the final average YMPE for each year of credited service.

The final average earnings means the average of the member's earnings during the 36 consecutive months within the 120 month period preceding the member's retirement, death or termination of continuous employment in which the highest average is attained. The final average YMPE is determined based on the period used in the determination of the final average earnings.

### ***Early Retirement Pension***

If a member retires early, the member will be entitled to a pension that is calculated in the same way as for normal retirement; however, this pension will be reduced if the member elects to commence it prior to the normal retirement date. The reduction is determined as follows:

- If the member has attained age 60 and 20 years of continuous employment, the pension will not be reduced.
- If the member has attained age 55 and 10 years of continuous employment, the pension will be reduced by 1/6 of 1% for each month by which pension commencement precedes the date on which the member would have been entitled to an unreduced pension if his or her employment had continued.
- If the member has attained age 55, the pension will be reduced by 0.4% for each month by which pension commencement precedes the date on which the member would have been entitled to an unreduced pension if his or her employment had continued.



### ***Postponed Retirement Pension***

If a member remains in continuous employment after the normal retirement date, the member will receive a pension commencing on the postponed retirement date. This pension will be calculated in the same manner as for normal retirement based on the final average earnings, final average YMPE and pensionable service at the postponed retirement date.

### ***Maximum Pension***

The annual pension provided under the plan cannot exceed the maximum pension benefit permissible under the Income Tax Act in effect at the date of pension commencement.

### **Survivor Benefits**

#### ***Death Before Retirement***

If a member dies before the normal retirement date and before any pension payment has begun, the member's spouse, or beneficiary if there is no spouse, will receive a lump sum payment equal to the accumulated balance of member's required contributions to the Prior Plan made before January 1, 1987, together with credited interest to the date of death, plus the commuted value of the vested pension accrued after December 31, 1986.

#### ***Death After Retirement***

The normal form of pension for single members is a lifetime pension guaranteed for 10 years. For members who have a spouse at the date of pension commencement, the normal form of pension is a joint and survivor pension with 50% of the member's benefit continuing to the surviving spouse. The percentage continuing to a surviving spouse is adjusted if the spouse is more than 10 years younger than the member. In that case, the spouse's continuing pension will be reduced by 1% of the member's pension for each complete year of age difference in excess of 10 years.

At retirement, members can elect to receive an optional form of pension based on an actuarial equivalent basis.

## **Termination Benefits**

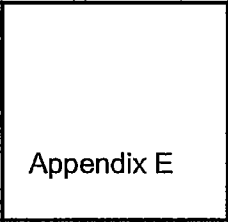
If a member's employment terminates for reasons other than death or retirement, the benefits payable in respect of service prior to January 1, 1987 will be as follows:

- If a member has less than five years of continuous employment, the member will receive a refund of the accumulated balance of his required contributions made before January 1, 1987 to the Prior Plan with credited interest.
- If a member has five or more years of continuous employment, the member will be entitled to a deferred pension payable at the normal retirement date. Alternatively, the member can elect to transfer the value of the benefit out of the plan in a lump sum.

## ***Benefits Accrued After December 31, 1986***

If a member's employment terminates for reasons other than death or retirement, the benefits payable in respect of service after December 31, 1986 will be as follows:

- If a member has been a member of the plan for less than two years, the member will receive a refund of the accumulated balance of his required contributions made after December 31, 1986 to the Prior Plan with credited interest.
- If a member has been a member of the plan for more than two years, the member will be entitled to a deferred pension payable at the normal retirement date. Alternatively, the member can elect to transfer the value of the benefit out of the plan in a lump sum.

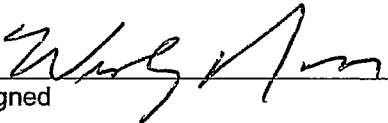


**Employer Certification**

With respect to the report on the actuarial valuation of the *Retirement Plan for the Executive Employees of Indalex Limited and Associated Companies* as at January 1, 2008, I hereby certify that, to the best of my knowledge and belief:

- a copy of the official plan documents and of all amendments made up to January 1, 2008, were provided to the actuary;
- the membership data provided to the actuary include a complete and accurate description of every person who is entitled to benefits under the terms of the plan for service up to January 1, 2008, and
- all events subsequent to January 1, 2008 that may have an impact on the results of the valuation have been communicated to the actuary.

SEPTEMBER 19, 2008  
Date

  
Signed

WESLEY ROSS  
Name

# MERCER



MARSH MERCER KROLL  
GUY CARPENTER OLIVER WYMAN

Mercer (Canada) Limited  
161 Bay Street  
P.O. Box 501  
Toronto, Ontario M5J 2S5  
416 868 2000

**Consulting. Outsourcing. Investments.**

# TAB 'E'

This is *Exhibit "E"* referred to in the affidavit of **KEITH B. CARRUTHERS** sworn before me, this day of August, 2009

.....  
Commissioner for taking affidavits

July 16, 2009

Privileged

Mr. Andrew J. Hatnay  
Koskie Minsky LLP  
Barristers & Solicitors  
20 Queen Street West, Suite 900  
Toronto, Ontario M5H 3R3

**Re: Retirement Plan for the Executive Employees of  
Indalex Limited and Associated Companies**

Dear Mr. Hatnay:

You have retained us to provide you with a rough estimate of the amount that should be deposited into the above-mentioned Plan assuming it were to be wound up as at July 15, 2009.

We understand that:

1. You are representing the retirees of the Plan.
2. The actuarial report as at January 1, 2008 that you provided to us was the most recent report filed with the pension regulators.
3. No amendments have been made to the Plan since January 1, 2008.
4. All required contributions set out in the actuarial report as at January 1, 2008, have been deposited into the Plan as at July 15, 2009.
5. You do not have any information regarding the current value of the Plan's assets. We are asked to estimate this figure.
6. The Plan is registered in Ontario and is subject to the funding requirements of the Pension Benefits Act of Ontario and Regulation 909. All members, former members, and retirees were employed in Ontario.

Pursuant to Section 75 of the Pension Benefits Act of Ontario, the employer is required to pay into the Plan the amount by which the Plan's wind up liability exceed the Plan's assets. You requested us to provide you with a rough estimate of this amount.

For the purpose of our calculations, we have relied on the information and results set out in the actuarial report as at January 1, 2008. There is insufficient information in the report for us to verify the reasonableness of the results of actuarial report as at January 1, 2008.

Mr. Andrew J. Hatnay  
July 16, 2009  
Page 2 of 2

It may take two years or more for the Plan administrator to complete the wind up process and fully settle the pension benefits under the Plan. The Plan's financial position can change significantly from now to the date when the benefits are fully settled. We have not quantified the financial implications of the potential adverse deviations. Should the Plan's assets be insufficient to settle the full benefits, the Plan beneficiaries' benefits would have to be reduced.

We have set out the assumptions that we used in the attached Exhibit.

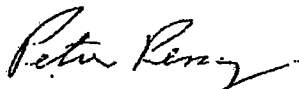
Our rough estimate of the Plan's wind up liability is \$8.0 million as at July 15, 2009 and the assets available for benefits are \$4.8 million, resulting in a wind up deficiency of \$3.2 million.

In performing our calculations, in our opinion:

- a) The data on which our calculations are based are sufficient and reliable for the purposes of this letter.
- b) The assumptions used are appropriate for the purposes of this letter.
- c) The methods employed are appropriate for the purposes of this letter.

Please call us if you have any questions.

Yours truly,



Peter Peng, F.C.I.A., F.S.A.  
Principal



Richard M. Kular, F.C.I.A., F.S.A.  
Principal



ExhibitAssumptions

In determining the assets and liabilities of the Plan, it is necessary to make assumptions with respect to the factors which will affect these amounts in the future. Emerging experience, differing from the assumptions, will result in gains or losses, which will be revealed at the time the assets of the Plan are disbursed.

The factors and assumptions used to develop the financial position as at the last valuation date of January 1, 2008 and July 15, 2009 are described below.

	July 15, 2009 Wind up Valuation	January 1, 2008 Wind up/ Solvency
Interest rates for lump sum settlements	3.8% per annum for 10 years, 5.8% per annum thereafter	4.5% per annum for 10 years, 5% per annum thereafter
Interest rate for settlement through annuity purchase	4% per annum	4.3% per annum
Settlement method	All but one transferred member would be settled by annuity purchase	All but one transferred member would be settled by annuity purchase
Settlement date	July 15, 2009	January 1, 2008
Mortality	1994 Uninsured Pensioners Mortality Table (projected by scale AA to 2020) (UP94@2020).	1994 Uninsured Pensioners Mortality Table (projected by scale AA to 2015) (UP94@2015)
Percentage of members who are married at retirement and assumed spousal ages	100% married Husband is 4 years older than the wife.	100% married Husband is 4 years older than the wife.
Retirement	Will retire at an age between 55 and 65 at which the value of their pension benefits is greatest.	Will retire at an age between 55 and 65 at which the value of their pension benefits is greatest.
Contingency reserve for any data corrections or additions	Nil	Nil
Wind up expenses	\$100,000	\$65,000

According to the actuarial report as at January 1, 2008, the Plan provides that the annual pension is limited to the maximum pension benefit permissible under the Income Tax Act in effect at the date of pension commencement. The report did not disclose any assumption regarding the escalation of the maximum benefit permissible. We have assumed that the valuation has appropriately escalated the maximum, where necessary.

### Asset Extrapolation

We extrapolated the asset value as at July 15, 2009, by adding to the value of the assets as at January 1, 2008 the contributions set out in Section 6 of the actuarial report as at January 1, 2008, subtracting the assumed pension payments and expenses, and adjusting for the assumed investment gains and losses from January 1, 2008 to July 15, 2009.

We assumed that there were no changes to the membership from January 1, 2008 to July 15, 2009. Specifically, we assumed that there were no deaths among the pensioners. Consequently, our assumed pension payments were calculated as the annual amount set out in Appendix C of the actuarial report as at January 1, 2008, multiplied by 19 / 12 (representing 19 monthly payments).

We assumed that the Plan's expenses from January 1, 2008 to July 15, 2009, were at the same rate as the average of the three years prior to January 1, 2008.

We assumed that the Plan's asset allocation remained the same from January 1, 2008 to July 15, 2009. (Assets were invested 80% in fixed income and 20% in equities.) We also assumed that the rate of investment gains and losses for each asset class was the same as the appropriate market total-return index.

### Rationale for Key Assumptions

The most important assumptions we made were with respect to the annuity prices, which are determined by interest rates and mortality table.

We have referred to the "Educational Note – Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates between December 31, 2008 and December 30, 2009" prepared by the Canadian Institute of Actuaries, and made adjustments for the following:

1. Based on our recent experience, the risk premium over the Canada bonds has narrowed since the publication of the Educational Note.
2. The Plan's average annual pension amount was over \$32,000. The insurance companies will assume lower mortality rates for retirees with higher pension amounts, resulting in higher annuity prices.
3. It will be necessary to split the pension amounts among insurance companies to ensure full Assuris coverage.

We assumed the wind up expenses to be \$100,000 in total based on our experience with other plan wind ups with similar characteristics.

# TAB 'F'

This is *Exhibit "F"* referred to in the affidavit of **KEITH B. CARRUTHERS** sworn before me, this day of August, 2009

.....  
Commissioner for taking affidavits

June 26, 2009

**E-MAILED**

Andrew J. Hatnay  
Direct Dial: 416-595-2083  
Direct Fax: 416-204-2872  
ahatnay@kmlaw.ca

**Sent via Email**

Linc Rogers / Jackie Moher  
Blake, Cassels & Graydon LLP  
199 Bay Street  
Suite 2800, Commerce Court West  
Toronto, ON M5L 1A9

Ashley Taylor  
Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9

Dear Counsel:

- Re: In the Matter of the *Companies Creditors' Arrangement Act* (the "CCAA")  
and in the Matter of a Plan of Compromise or Arrangement of Indalex  
Limited, Indalex Holdings (B.C.) Ltd., 6326765 Canada Inc. and Novar Inc.  
("Indalex Canada" or the "company")**
- Re: The Supplementary Retirement Plan for the Executive Employees of Indalex  
Canada and Associated Companies, Registration Number 0455626 (the  
"Executive Plan")**
- Re: Our File No. 09/0776**

As you are know, we represent Keith Carruthers, Leon Kozierok, Max Degen, Bertram McBride, Eugene D'Iorio, Neil Fraser, Robert Leckie and Richard Smith who are retirees of Indalex or its predecessor companies. We are in the process of reviewing the company's motion record for the motion returnable on July 2, 2009 seeking approval of a proposed bidding procedure and deeming the Asset Purchase Agreement dated June 16, 2009 between Sapa Holding AB and the Applicants as a "Qualified Bid".

It appears to us that no provision has been made in that Asset Purchase Agreement nor elsewhere for any purchaser to take on responsibility for the Executive Plan, which is a registered pension plan with approximately 14 members and which is underfunded. Our clients are 8 of those members.

It also appears to us that there is no provision in that Asset Purchase Agreement nor elsewhere for a purchaser to take on responsibility for the Supplementary Pension Plan of which our clients are also members.

In the event the company does not adequately fund the Executive Plan or if it the Executive Plan will be wound-up in an underfunded state, please be advised that we will be asserting all rights under section 57(4) of the Ontario *Pension Benefits Act*, which states:

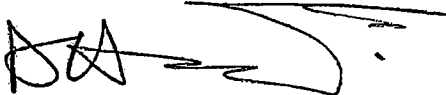
(4) Where a pension plan is wound-up in whole or in part, an employer who is required to pay contributions to the pension fund shall be deemed to hold in trust for the beneficiaries of the pension plan an amount of money equal to employer contributions accrued to the date of the wind-up, but not yet due under the plan or regulations.

We will also rely on section 57(5) of the Ontario *Pension Benefits Act* which states:

(5) The administrator of the pension plan has a lien and charge on the assets of the employer in an amount equal to the amounts deemed to be held in trust under subsection subsections (1), (3) and (4).

Yours truly,

**KOSKIE MINSKY LLP**



Andrew J. Hatnay

AJH:jm

cc: Keith Carruthers  
Leon Kozierok  
Max Degen  
Bertram McBride  
Eugene D'Iorio  
Neil Fraser  
Dick Smith  
Robert Leckie  
Service List  
Mark Bailey, *Financial Services Commission of Ontario*

**TAB '3'**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
1985, R.S.C. c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
INDALEX LIMITED, INDALEX HOLDINGS (B.C.) LTD., 6326765 CANADA INC.  
and NOVAR INC.

Applicants

**AFFIDAVIT OF MAX DEGEN  
(sworn August , 2009)**

I, MAX DEGEN, of the City of Toronto, in the Province of Ontario, MAKE OATH  
AND SAY:

1. I am a former executive employee of Indalex Division of Indal Limited, which is a predecessor company to Indalex Limited and/or one of its affiliated companies, (collectively, "Indalex Canada" or the "company"), who are the Applicants in these proceedings.

2. I am currently 76 years of age. I have been retired for 15 years. When I retired, I was the Vice-President of Manufacturing Services of Indalex for North America. I worked in the extrusion industry for almost 40 years and with the Indalex group of companies (including related or predecessor companies) for 32 years. As a former employee and current pensioner of Indalex Canada, I have knowledge of the matters to which I hereinafter depose, except where stated to be based upon information and belief.



**Overview**

3. I am part of a group of pensioners along with Keith Carruthers, Leon Kozierok, Bertram McBride, Eugene D'Iorio, Richard Smith, Robert Leckie, Neil Fraser, Richard Benson, John Faveri, Jack Rooney, Robert Waldron and Fred Granville (the "Pensioners"). The Pensioners are members of the Retirement Plan for the Executive Employees of Indalex Limited and Associated Companies (the "Executive Plan").

4. I believe it is important for this Court to be aware of the years of work that I and the other Pensioners contributed to the success of the Applicants. Prior to our retirement through our years of employment with the Applicants and their predecessors, we became entitled to receive pension benefits to be paid during our retirement years for our lifetimes. I and the other Pensioners who I have spoken with are shocked and dismayed that the Applicants have terminated payment of our Supplementary pension benefits and, to make matters worse, we are now facing an additional loss to our retirement incomes when the underfunded Executive Plan will be wound up.

5. The Executive Plan is underfunded. There is an approximate \$3.2 million wind up deficiency in the Executive Plan.

6. To make matters worse, the Pensioners have not been paid any of our pension benefits under the Supplemental Plan since the Company obtained protection from its creditors under the CCAA on April 3, 2009. We have lost pension benefits under the Supplemental Plan completely.

7. As such, unless the amounts owed under the Executive Plan are subject to a deemed trust or administrator's charge under the *Pension Benefits Act*, the Pensioners will lose approximately

one-half to two-thirds of their current pension benefits. This is a dramatic drop to our fixed incomes during our retirement years.

8. This affidavit is sworn in support of a motion by the Pensioners for a declaration that the amounts owed to the Executive Plan, namely the \$3.2 million, are subject to a deemed trust.

9. This affidavit is sworn further to a recent affidavit to be sworn by Keith Carruthers, the June 23, 2009 affidavit of Keith Carruthers and the July 17, 2009 affidavit of Andrea Mckinnon, which I understand from my lawyers will also be filed in support of this motion. The recent affidavit of Keith Carruthers also sets out the background and relevant documentation regarding the Executive Plan, Supplemental Plan, and the wind-up deficiency.

### **Background**

10. Since 1955, I was working in the Canadian Aluminium industry. At that time, I was in the engineering department of Aluminium Extruders, in St. Therese, Quebec. In 1956 I was promoted to a superintendent and continued to work there over the next decade.

11. In 1961, I was asked to help in the start up of Indalex in Cheltenham, United Kingdom and was given a leave of absence to do so. Upon my return from England, Aluminium Extruders was purchased by Reynolds.

12. In 1962, I was hired by Custom Air Aluminium to build a plant in Pointe Claire, Quebec. Custom Air Aluminium was shortly thereafter purchased by Indalex.

13. In 1969, I was appointed as a Plant manager at Vancouver. In 1975, I was eventually appointed as a manufacturing manager. In the 1970's, I advised Indalex about acquiring new

plants throughout North America, including those in California, Pennsylvania, Illinois, and Mississippi.

14. In the 1980's, I was appointed as the Vice President of Manufacturing Services.

15. During my time as manufacturing manager and Vice President of Manufacturing Services, I opened or modified a number of other plants throughout Canada for Indalex, including Calgary, Vancouver, Mississauga, and Montreal, along with the odd international posting.

16. At the age of 61, I retired in May 1994.

#### **Hardship Caused by the Termination of our Pension Benefits**

17. I, along with the other Pensioners are directly impacted by the company's sudden termination of payment of our monthly benefits from the Supplemental Plan. Our benefits under the Executive Plan will be greatly reduced unless the \$3.2 million held in reserve with the Monitor is paid to the plan. The Pensioners were contractually promised that our pension benefit payments would continue to be paid by the company for our lifetimes and in some cases with survivor benefits to be paid to our surviving spouses.

18. The Pensioners were a dynamic work force that built and operated Indalex into a world class, modern, efficient and very profitable business over many years. However, to the people who decide our future, we are only pensioners and unsecured creditors.

19. I for my part worked on my goal to improve and better Indalex ever since I joined the company in 1962, and even as far back as 1955 when I worked with a predecessor company.

20. We started as the first independent aluminum extruder, a run of the mill company, and on my retirement I left a world class state of the art extrusion business, delivering quality metal to our very satisfied customers. I designed the best plants Indalex operated when it sold.

21. During this long journey we adapted the latest technology and environmental friendly methods and equipment. Over the years we encountered many obstacles, but we resolved these problems with our efforts and ingenuity.

22. I invented and received US and Canadian Patents for a "fixed dummy block". This device was needed for our goal to further improve automation and productivity. The fixed dummy block is still used all over the world in the extrusion industry!

23. At that time, I received one Dollar for my effort and the satisfaction to have succeeded.

24. All our plants specifically, Anodizing and Paint lines, were fitted with the latest pollution control equipment.

25. We all deserve better than the treatment we are receiving from the current company.

26. My wife has no income. My wife and I are entirely reliant on the pension benefits that I earned for the work I performed for Indalex. The reduction in the Executive Plan (compounded by the cessation of the pension benefits under the Supplemental Plan) will cause a significant and sudden drop in our monthly retirement income and has/will cause immediate hardship to my family. My wife and I require these pension benefits in order to cover our daily living and health expenses. My wife is dependent on my pension benefits and will require these funds to cover her living expenses on my passing.

27. In 1994 I signed a contract to receive my pension and selected a 41% Joint and Survivor (Member Death) plan at my retirement because my wife is 20 years my junior.

28. If our main pension, the Executive Plan, is wound up in an underfunded state, it will put not only my, but my spouse's future in jeopardy.

29. If we had known that Indalex would break its contractual obligations to pay our pensions, my wife could have further pursued her career and built up her own pension plan instead of depending on mine.

30. We all deserved that the company would have defended our rights but all our efforts to reinstate our Supplemental Plan have been dismissed.

31. I am currently 76 years of age. I am too old to find new employment that would pay me for the loss of my pension benefits.

32. After 32 years of service with the company, I would be disappointed and shocked by the company's decision to object to the within motion and by the company allowing the Executive Plan to become so underfunded (I am also further disappointed and shocked by the company's refusal to pay pension benefits from the Supplemental Plan).

33. It is unfair to discriminate against me and the other Pensioners by not funding our pensions under the Executive Plan (and terminating our supplemental pension benefits) while other pension plans have been and will continue to be funded. According to paragraph 66 of the Affidavit of Timothy Stubbs filed by the company in support of the original CCAA stay (the "Stubbs Affidavit), Indalex Canada has maintained its obligations for "payroll, source deductions, current pension liabilities and GST, and was not in arrears in respect of these items".

Further, according to paragraphs 64 and 65 of the Stubbs Affidavit, Indalex Canada "is current on all payments" to the Canada-Wide Industrial Plan for its unionized employees and to the Group Registered Retirement Savings Plan for its union employees at the Port Coquitlam facility.

34. I swear this Affidavit in good faith and in support of a motion that \$3.2 million of the company's funds is subject to a deemed trust under the *Pension Benefits Act* in respect of the wind up deficiency of the Executive Plan and for no improper purpose.

SWORN BEFORE ME at the \_\_\_\_\_ of, \_\_\_\_\_ in the Province of \_\_\_\_\_, on August \_\_\_\_\_, 2009.

\_\_\_\_\_  
Commissioner for Taking Affidavits

\_\_\_\_\_  
**MAX DEGEN**

**TAB '4'**

Court File No. CV-09-8122-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. C. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
INDALEX LIMITED, INDALEX HOLDINGS (B.C.) LTD., 6326765 CANADA INC.  
and NOVAR INC.

Applicants

**AFFIDAVIT OF KEITH B. CARRUTHERS  
(sworn June 23, 2009)**

I, KEITH B. CARRUTHERS, of the City of London, in the Province of Ontario, MAKE  
OATH AND SAY:

1. I am a former executive employee of the Indalex Division of Indal Limited, which is a predecessor company to Indalex Limited and/or one of its affiliated companies, (collectively, "Indalex Canada" or the "company"), who are the Applicants in these proceedings.
2. I am currently 67 years of age. I have been retired for 10 years. When I retired, I was President and CEO of Indalex Division of Caradon Limited.



3. I worked with the Indalex group of companies for over 27 years. As a former employee and current retiree of Indalex Canada, I have knowledge of the matters to which I hereinafter depose, except where stated to be based upon information and belief.

4. This Affidavit is sworn in support of a motion brought by me and fellow retirees Leon Kozierok, Bertram McBride, Max Degen, Eugene D'Iorio, Richard Smith, Robert Leckie and Neil Fraser (members of the Indalex supplemental executive retirement plan or "SERP", referred to collectively herein as the "SERP Group"). We seek an order that the company reinstate the payment of our monthly supplemental pension benefits that we have been receiving and to which we are entitled, that the company terminated immediately after it obtained protection from its creditors under the *Companies' Creditors Arrangement Act* (the "CCAA") on April 3, 2009.

5. By letter dated April 9, 2009, the company sent a letter to me, Mr. Kozierok, Mr. McBride, Mr. Degen, Mr. D'Iorio, Mr. Fraser announcing that the payment of our supplemental pension benefits was being stopped and that we would become "unsecured creditors". Prior to obtaining protection under the CCAA, Indalex Canada was making a total monthly payment of approximately \$15,675 in respect of our supplemental pension benefit payments, in accordance with the terms of the supplemental pension plan arrangement. I, and the other SERP Group members are suddenly not being paid a significant portion of our retirement pension benefits. Attached hereto as **Exhibit A** are copies of the letters sent by Indalex to each of us dated April 9, 2009.

6. The last monthly benefit payment I received from the Supplemental Plan was in March, 2009. No member of the SERP Group has received a monthly supplemental benefit since March, 2009.

7. Two other individuals in the SERP Group, Richard Smith and Robert Leckie, are similarly entitled to receive supplemental pension benefits from Indalex Canada. I am advised that Mr. Smith and Mr. Leckie both have recently applied to receive their pensions, but that their applications are pending with the company. Further, I am advised by Mr. Smith and Mr. Leckie that they have been told by Indalex Canada that they will not be receiving the supplemental portion of their pension to which they are entitled. The monthly supplemental pension benefits owing to Mr. Smith and Mr. Leckie by the company are \$3,832 and approximately \$1,700 respectively, for a total monthly payment of approximately \$5,532.

8. Based on my discussions with the members of the SERP Group, the total monthly supplemental benefit amounts payable by the company to the SERP Group is approximately \$21,207.

#### **Background**

9. I was hired by Indal Limited on September 8, 1972 as Sales Manager for the Toronto operations of Indalex Division of Indal Limited. Prior to my employment with Indalex Canada, I was a salesman for Kaiser Aluminium and had been involved in the aluminium extrusion industry for approximately six years.

10. During my 27 years of service with the company, I became a member of the management team responsible for the company's Canadian operations, and eventually, I became a member of the management team responsible for the company's entire North American operations.

11. I worked as Sales Manager for the Toronto operations for approximately 5 years before moving into positions as General Manager of Toronto, then Vice-President of Eastern Region and then President of Indalex Canada, at which point I became responsible for overseeing all

four plants in Canada. For the last 8 to 10 years of my employment with the company, I was President and Chief Executive Officer of the Indalex Division of Caradon Limited (which the division had been re-named after it was acquired by Caradon Limited).

12. In my position as President and CEO of Indalex Division, I was responsible for all North American extrusion operations, which included seven extrusion operations and one ladder manufacturing plant.

13. During my years as a manager and then as an executive employee of Indalex Division, my team and I worked very hard to build up the company. While I was President and CEO of Indalex Division, the company experienced significant growth in size and in profitability. We built four state-of-the-art manufacturing facilities, making the company one of the most modern aluminium extrusion operations in North America. In 1998, my last year with the company, Indalex Division had sales of approximately USD \$300,000,000 and profits of approximately USD \$30,000,000.

**The SERP Group earned pension benefits during our employment service**

14. During my employment with the company, I was a member of the company's pension plans. Through my 27 years of employment service, I earned an entitlement to pension benefits on my retirement to be paid to me for my lifetime from three sources:

a) the Retirement Plan for the Executive Employees of Indalex Limited and Associated Companies (previously entitled the Retirement from the Retirement Plan for Executive Employees of Caradon Limited and Associated Companies (CRA Registration Number: 0455626), hereinafter the "Executive Plan"). The Executive Plan is a defined benefit pension plan and the benefits are paid from a separate pension trust fund; and

b) the Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the "Supplemental Plan"). The Supplemental Plan is also a defined benefit pension plan but does not have a separate pension trust fund. It is my understanding that the amount of my pension benefit that can be paid from the Executive Plan is capped by a maximum stipulated by the *Income Tax Act* (Canada) ("ITA"). The Supplemental Plan was established to provide pension benefits in addition to the benefits from the Executive Plan which are limited by the ITA. The Supplemental Plan the benefits are paid by the company.

c) I am entitled to a supplemental pension from the RTZ Supplemental Retirement Plan, which is being paid by a separate company and is not the subject of this motion. This pension benefit is also unfunded and unsecured.

Attached hereto as **Exhibit B** is a copy of the Supplemental Plan and amendments. I have never been provided with a copy of the Supplemental Plan text until yesterday when it was provided to me by my counsel. The other members of the SERP Group also did not have a copy of the Supplemental Plan text.

15. In 1999, I accepted an early retirement package from the company. Under the option that I selected under this package, I became entitled to receive monthly pension benefits of \$3958.35 from the Executive Plan and monthly pension benefits of \$3570.50 from the Supplemental Plan. Attached hereto as **Exhibit C** is a copy of the retirement package documents that I received from the company's actuary (William M. Mercer) dated October 6, 1999, which outlines my pension benefit entitlements and provided me with my Statement of Election Forms.

16. On December 17, 1999, I signed and submitted my pension Election Forms. I chose to receive my pension as a Joint & Survivor 60% (reduced upon first death with survivor benefits paid to my beneficiary). My wife, Margaret Carruthers, is my beneficiary under both the Executive Plan and the Supplemental Plan. On my death, Margaret is entitled to a surviving spouse pension benefit for her lifetime, payable at a reduced amount of 60%. **Exhibit C** includes a copy of my signed Statement of Election and Benefits on Retirement.

17. According to the terms of the Executive Plan and the Supplemental Plan and as reflected in my Statement of Election and Benefits on Retirement from the company's actuary, my wife and I are entitled to receive the above-described pension benefits for our lifetime. My Statement of Election forms for both the base Executive plan and the supplemental plan indicate that I have earned pension benefits which are *payable for my life* and that on my death, a percentage of this amount will be *payable to my spouse for her lifetime*. Accordingly, I am contractually entitled to receive my monthly pension benefits for my lifetime.

**The Executive Plan is underfunded. If wound up, benefits will be reduced**

18. I have reviewed the Affidavit of Timothy J. Stubbs, the current President and Chief Executive Officer of Indalex Limited, sworn on April 3, 2009 in the CCAA proceedings (the "Stubbs Affidavit"). Paragraph 62 of the Stubbs Affidavit states that the Executive Plan is a defined benefit pension plan which was closed by the company to new members, effective September 1, 2005. The Stubbs Affidavit also indicates that there are currently 14 retirees receiving benefits under the Executive Plan. Attached hereto as **Exhibit D** is a copy of the Stubbs Affidavit, without exhibits.

19. According to paragraph 62 of the Stubbs Affidavit, the Executive Plan is underfunded. As of January 1, 2008, the Executive Plan had a funding deficiency on an ongoing basis of \$2,535,100, on a solvency basis of \$1,102,800 and on a wind-up basis of \$2,996,400. Given the recent drop in the bond and equity markets in Canada, I am very concerned that the Executive Plan is now even more underfunded. This means that if the Executive Plan is wound up, which is real possibility given the status of the company, there are insufficient assets in the fund of the plan to pay all the pension benefits to all the retirees, including the members of the SERP Group. It means that the pension benefits paid to me and the SERP Group, as well as all the retirees in the Executive Plan will be reduced. Attached hereto as **Exhibit E** is a copy of the Actuarial Valuation Report of the Executive Plan as of January 1, 2008.

20. We do not have information about the current funded status of the plan, nor do we know whether the company is making the required special payments as set out in the above-noted Valuation Report since commencing its CCAA proceedings. Our counsel Koskie Minsky LLP has requested this information (among other things) from counsel for the Applicants and the Monitor, however, as of my swearing of this affidavit, they have not yet received a response. Attached hereto as **Exhibit F** is a letter from Koskie Minsky LLP to counsel for the Applicants and the Monitor, dated June 17, 2009.

**Supplemental Plan benefits were terminated by the company post CCAA**

21. To my best knowledge, there are only 8 individuals who are members of the Supplemental Plan and who are in the SERP group. As I will discuss further below, I am aware of 6 individuals, including myself, who were in receipt of our benefits from the Supplemental Plan prior to the commencement of the company's CCAA proceedings. Two others, Richard

Smith and Robert Leckie, are also members of the Supplemental Plan. Mr. Smith and Mr. Leckie have requested the commencement of the pension benefits to which they are entitled from both the Executive Plan and the Supplemental Plan. They have not yet started to receive their monthly pension benefits at the date of the commencement of the CCAA proceedings, and have since been told by the company that they will be not receiving any of the benefits from the Supplementary Plan to which they are entitled.

22. According to paragraph 63 of the Stubbs Affidavit, , the Applicants' liabilities under the Supplemental Plan totalled \$2,966,244 as at December 31, 2008, based on the present value of the projected future benefit payments.

#### **Indalex Canada's CCAA Proceedings**

23. On April 3, 2009, Indalex Canada obtained protection from its creditors under the CCAA, pursuant to an Order of this Honourable Court (the "CCAA Proceedings"). FTI Consulting Canada was appointed as Monitor.

24. I understand that Indalex Canada's CCAA Proceedings were brought in conjunction with proceedings under Chapter 11 of the United States Bankruptcy Code, commenced by way of voluntary petition filed on March 20, 2009 in the United States Bankruptcy Court for the District of Delaware (the "Chapter 11 Proceedings").

25. The Stubbs Affidavit at paragraphs 6-7 states that Indalex Canada requested relief under the CCAA in order to stabilize the business and seek a strategy that would maximize value for stakeholders and allow the company to identify a viable going concern solution.

26. I have been advised by my counsel Andrea McKinnon of Koskie Minsky LLP that Indalex Canada obtained debtor-in-possession financing in the amount of \$24,360,000. The interim financing facility was later increased to the amount of \$29,500,000. This is reflected in the Monitor's Fourth Report, dated June 11, 2009 and the subsequent Endorsement and Order of the Honourable Justice Morawetz, dated June 12, 2009.

27. Based on my 27 years of experience with Indalex Canada and my 32 years of experience in the aluminium extrusion industry, I am not surprised by the Applicants' liquidity issues during the fourth quarter of 2008 and the first quarter of 2009. Historically, December, January and February are difficult months of operation for Indalex Canada, and its affiliated companies in the United States, due to a decrease in demand for the company's products during these months.

28. In my experience as CEO of Indalex Canada, however, profitability and cash flow tend to improve during the months of April and May. These positive trends typically continue through the summer months and into the beginning of the fourth quarter. I am of the opinion that Indalex Canada's cash flow should continue to improve during 2009, as the company moves into its historically more profitable quarters. This is supported by the memo from Timothy Stubbs dated June 5, 2009 which is attached hereto as **Exhibit G** which states, among other things, that "all our plants made money in May".

**Company assured me and the SERP Group that our supplemental benefits were secure**

29. During the time I was the President of Indalex Division of Indal Limited, concerns were expressed by me and several executive employees of Indal Limited with regard to the security of the pension benefits to be paid to us under the Supplemental Plan. At that time, I (and other members of the SERP Group) were assured by P.G. Selley, the Executive Vice-President,



Finance & Administration of Indal Limited, that the company was "absolutely committed to meeting all such obligations as they fall due". The letter also states to members of the SERP Group that "your peace of mind with respect to your future retirement income is important to us". Attached hereto as **Exhibit H** is a copy of the letter that I received from P.G. Shelley of Indal Limited, dated January 13, 1993

30. The amount of the pension benefit that I am entitled to receive from the Supplemental Plan is approximately \$3,570.50 (gross) or \$2,499.35 (net) per month. The last supplemental pension benefit payment that I received from the Supplemental Plan was in March, 2009. Attached hereto as **Exhibit I** is a copy the monthly Earnings Statement I receive in respect of my pension benefits from the Supplemental Plan, dated January 31, 2009.

**Company terminates benefits for all SERP Group Members**

31. After the Applicants commenced proceedings under the CCAA, I contacted other former employees whose monthly supplemental benefits from the Supplemental Plan had also been stopped by the company after it obtained CCAA protection. Their circumstances are set out below.

32. I am advised by Leon Kozierok (former President of Indalloy Division, Indalex Limited), age 67, that he receives a monthly pension benefit from the Executive Plan in the amount of \$3,600.14 and that he is entitled to receive a monthly benefit payment from the Supplemental Plan in the amount of \$4,325.80. The company has stopped paying his supplemental pension benefits. Attached hereto as **Exhibit J** is a copy of Leon Kozierok's Earnings Statement from ADP, dated March 13, 2009. Attached hereto as **Exhibit K** is a copy of Leon Kozierok's Employee Pension Statement for the year 2000, outlining his estimated entitlement in the

Executive Plan and the Supplemental Plan. See also the letter attached at **Exhibit A**, which informs Leon Kozierok that the supplemental pension benefits owing to him from Indalex Canada have been suspended.

33. I am advised by Max Degen (former Vice-President, Manufacturing Services), age 76, that he receives a monthly pension benefit from the Executive Plan in the amount of \$3,981.98 and that he is entitled to receive a monthly benefit payment from the Supplemental Plan in the amount of \$645.59. The company has stopped paying his supplemental pension benefits. Attached hereto as **Exhibit L** is a copy of Max Degen's Earnings Statement from ADP, dated March 13, 2009. Attached hereto as **Exhibit M** is a copy of a letter to the Canadian Imperial Bank of Commerce from Dennis A. Bamber of Indalex Division of Caradon Limited, dated April 25, 1994, outlining Max Degen's entitlement to a supplementary pension benefit from the company. See letter attached at **Exhibit A**, which informs Max Degen that the supplemental pension benefits owing to him from Indalex Canada have been suspended.

34. I am advised by Bertram McBride (former Account Manager, Indalex Limited), age 61, that he is entitled to receive a monthly pension benefit from the Executive Plan in the amount of \$5,833.33 and a monthly benefit payment from the Supplemental Plan in the amount of \$2,082.92. The company has stopped paying his supplemental pension benefits. Attached hereto as **Exhibit N** is a copy of Bertram McBride's Earnings Statement from ADP, dated February 13, 2009. Attached hereto as **Exhibit O** is a copy of Bertram McBride's Statement of Election and Benefits on Retirement from both Executive Plan and the Supplemental Plan, dated November 3, 2008. See letter attached at **Exhibit A**, which informs Bertram McBride that the supplemental pension benefits owing to him from Indalex Canada have been suspended.

35. I am advised by Neil Fraser (former President and CEO of Caradon Windows and Doors Ltd.), age 70, that he is entitled to receive a monthly pension benefit from the Executive Plan in the amount of \$1,722.22 and a monthly benefit payment from the Supplemental Plan in the amount of \$2,800.73. The company has stopped paying his supplemental pension benefits. Attached hereto as **Exhibit P** is a copy of Neil Fraser's Earnings Statement from ADP, dated February 13, 2009. Attached hereto as **Exhibit Q** is a copy of the retirement package that Neil Fraser received from the company's actuarial firm (William M. Mercer) dated October 25, 1999, which outlines his pension benefit entitlements and includes a copy of Mr. Fraser's Statement of Election and Benefit on Retirement. Attached as **Exhibit R** is a copy of the letter from Neil Fraser which confirms the amount of monthly pension benefits payable to Mr. Fraser and his wife that are payable for life. See letter attached at **Exhibit A**, which informs Neil Fraser that the supplemental pension benefits owing to him from Indalex Canada have been suspended..

36. I am advised by Eugene D'Iorio (former President, Indalex South Region of Indalex Limited), age 64, that he is entitled to receive a monthly pension benefit from the Executive Plan in the amount of \$1,583.33 and that he is entitled to receive a monthly benefit payment from the Supplemental Plan in the amount of \$2,249.23. The company has stopped paying his supplemental pension benefits. Attached hereto as **Exhibit S** is a copy of Eugene D'Iorio's Earnings Statement from ADP, dated January 13, 2009. See letter attached at **Exhibit A**, which informs Eugene D'Iorio that the supplemental pension benefits owing to him from Indalex Canada have been suspended.

37. I am advised by Richard Smith (former President of Mideast Aluminium, a division of Caradon), age 59, that he is a member of the Supplemental Plan and will be entitled to receive a monthly supplemental benefit of \$3,831.74 from the Supplemental Plan, as of July 1, 2009. It is

my understanding that Mr. Smith became entitled to receive an unreduced pension and supplemental pension benefit from Indalex Canada as of the date he reached the age of 60, and that these benefits were to become payable starting July 1, 2009. It is also my understanding that when Mr. Smith requested his pension paperwork from Indalex Canada, Mr. Smith was told that he was no longer entitled to receive an unreduced registered pension, and that he would not receive supplemental pension benefits from the Supplemental Plan. Attached hereto as **Exhibit T** is a letter to Richard Smith from the Indalex USA Pension Plan Administration, dated August 14, 2009, which outlines Mr. Smith's entitlements in the Executive Plan and the Supplemental Plan. Attached also at **Exhibit U** is a letter to Richard Smith dated October 23, 2000, which outlines Mr. Smith's termination package and his entitlement to pension benefits from the company.

38. I am advised by Robert Leckie (Vice-President, General Counsel of Indal Limited) age 61, that he is a member of the Supplemental Plan. I am advised by my counsel Andrea McKinnon of Koskie Minsky LLP, that Mr. Leckie is entitled to receive a monthly benefit payment from the Supplemental Plan in the amount of approximately \$1,700. I am advised by my counsel that Mr. Leckie has now reached the age of 60 and is eligible to receive monthly pension benefits from the Executive Plan and the Supplemental Plan. Mr. Leckie has requested to start receiving his monthly pension benefit payments, but has not yet received a monthly pension payment from either the Executive Plan or the Supplemental Plan. I am advised by my counsel that Indalex Canada told Mr. Leckie that he will not be paid the benefits from the company of his monthly benefits from the Supplemental Plan to which he is entitled. Attached hereto as **Exhibit V** is a copy of email correspondence between Robert Leckie and Dale

Tabinowski, of Indalex Limited, which informs Mr. Leckie that he is a member of the Supplemental Plan.

39. As I mentioned before, the aggregate monthly cost to the company of the Supplemental Plan benefits to the eight individuals in the SERP Group is approximately \$21,207. According to the applicable contractual arrangements between the company and the members of the SERP Group, these benefits are payable for our lifetimes, and for the lives of our beneficiaries, unless the survivor benefit has been waived.

#### **Hardship Caused by the Termination of our Supplemental Benefits**

40. I, along with the other members in the SERP Group, are very concerned that the company has suddenly terminated payment of our monthly benefits from the Supplemental Plan. The members of the SERP Group and I were contractually promised that our supplemental pension benefit payments would continue to be paid by the company for our lifetimes, and in some cases with survivor benefits to be paid to our surviving spouses.

41. My wife has no income. My wife and I are entirely reliant on the pension benefits that I earned for the work I performed for Indalex Division. The cessation of these payments has caused a significant and sudden drop in our monthly retirement income and has caused immediate hardship to my family. My wife and I require these benefits in order to cover our living and health expenses.. My wife Margaret is dependent on my supplementary pension benefits and will require these funds to cover her living expenses on my passing. Margaret will have no independent source of income with the exception of a basic pension from the Canada Pension Plan.

42. I am currently 67 years of age. I am too old to find new employment that would compensate me for the termination of my supplemental pension benefits.

43. Further, I and the other members of the SERP Group were reassured verbally and by letter from Indal Limited that the company was "committed to meeting all such obligations" for the payment of our supplemental pension benefits. The company even indicated that my and the others' "peace of mind" regarding our supplemental retirement benefits was of importance to the company.

44. After constant assurance by the company that we would receive these benefits for the remainder of our lifetime, my wife and I believed that my supplemental pension benefits were safe. We relied on these benefits being paid when planning our retirements.

45. Yet, contrary to the company's statements, immediately after obtaining protection from its creditors under the CCAA on April 3, 2009, the company proceeded to terminate the payment of our supplemental benefits.

46. After 27 years of service with the company, I am disappointed and shocked by the company's decision to stop paying our benefits from the Supplemental Plan. At the date of my retirement as President and CEO in 1999, Indalex Division, was a growing and vibrant company, with a bright future. It is my view that the parties responsible for the company's success are now being unfairly penalized and without justification.

47. It is unfair to discriminate against me and the other members of the SERP Group by terminating payment of our supplemental pension benefits while the company continues to make payments to other employee groups. According to paragraph 66 of the Stubbs Affidavit, Indalex

Canada has maintained its obligations for “payroll, source deductions, current pension liabilities and GST, and was not in arrears in respect of these items”. Further, according to paragraphs 64 and 65 of the Stubbs Affidavit, Indalex Canada “is current on all payments” to the Canada-Wide Industrial Plan for its unionized employees and to the Group Registered Retirement Savings Plan for its union employees at the Port Coquitlam facility.

48. Furthermore, membership to the Supplemental Plan is closed. To my best knowledge, the 8 SERP Group members are the only members of the Supplemental Plan. The amount of the company's supplementary benefit payment obligations is finite. The monthly cost of these benefits payments to the company is only \$21,207. This is a negligible amount for the company, yet these benefits provide vital income for me and the SERP Group.

49. The payment of our supplemental benefits would not impede or imperil a restructuring of the company or more likely, a sale of the company.

50. According to the actual cash flow for the month of May 2009 reported by the Monitor in its Fourth Report, Indalex Canada had total disbursements of \$20,591,000, of which \$573,000 were for “benefits” and \$797,000 were for “legal and professional fees” (the latter being more double the forecasted amount). The approximate \$21,207 monthly Supplemental Plan payment for our pension benefits thus is a mere .1 of a percent of the company's monthly total disbursements.

51. In my opinion, Indalex Canada's liability under the Supplemental Plan is finite and readily manageable and the company should be required to continue to pay us the pension benefits to which we are entitled.

52. I am advised by my counsel that very soon after obtaining CCAA protection, the company put itself up for sale and commenced a "Marketing Process". The company is not restructuring, rather, it is selling itself. Cutting the supplemental benefits owing to the SERP Group is not necessary for the sale of the company under the CCAA.

53. I swear this Affidavit in good faith and in support of a motion to reinstate my Supplemental Plan pension benefit payments and those of the SERP Group, retroactive to April 3, 2009 and for no improper purpose.

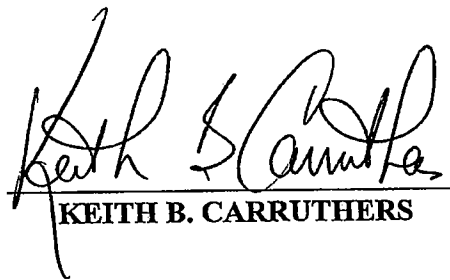
SWORN BEFORE ME at the  
City of Toronto in the  
Province of Ontario, on June  
23, 2009.



Commissioner for Taking Affidavits

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ANDREW HATWAY

  
KEITH B. CARRUTHERS



**TAB 'A'**

This is Exhibit "A" referred to in the  
affidavit of Keith Camthers  
sworn before me, this 23  
day of June 2009  
[Signature]  
A COMMISSIONER FOR TAKING AFFIDAVITS

Received  
APRIL 17th  
2009

197



Indalex Limited  
5675 Kennedy Road  
Mississauga, Ontario  
Telephone: 905-890-8821  
Web site: indalex.com

April 9, 2009

K.B. Carruthers  
1270 SandySomerville Drive,  
London, ON  
N6K5R2

**Subject: Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the "Plan")**

Dear Mr. Carruthers,

As you may know, Indalex Limited commenced proceedings under the Companies' Creditors Arrangement Act on April 3, 2009 in the Ontario Superior Court of Justice through which we can reorganize our debt under court supervision. While this was a difficult decision, management determined this course is necessary to undertake a restructuring of the Company's indebtedness.

Mr. Carruthers, I must regretfully inform you that with this action benefit payments to participants in the Plan are suspended immediately.

As set forth in Article 4.1 of the Plan document the Plan is unfunded. The rights of Participants and their Surviving Spouses and Beneficiaries shall be solely those of a general unsecured creditor of the Company. As a general unsecured creditor, any claim you may have will be dealt with in the CCAA proceedings. You may obtain more information about the filing by visiting the Company's website at [www.indalex.com](http://www.indalex.com) or [www.cfcana.ca/ficconsulting.com/indalex..](http://www.cfcana.ca/ficconsulting.com/indalex..)

On behalf of the Company, let me again express regret that this action became necessary. Should you have questions, please contact me at 847.612.2091.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dale Tabinowski', written in a cursive style.

Dale Tabinowski  
SVP, Human Resources  
Indalex, Inc.



Indalex Limited  
5675 Kennedy Road  
Mississauga, Ontario  
Telephone: 905-890-8521  
Web site: [indalex.com](http://indalex.com)

April 9, 2009

Leon Kozierok  
260 Heath St West, Suite 1801  
York, ON  
M5P3L6

Subject: Supplemental Retirement Plan for Executive Employees of Indalex Limited and  
Associated Companies (the "Plan")

Dear Leon,

As you may know, Indalex Limited commenced proceedings under the Companies' Creditors Arrangement Act on April 3, 2009 in the Ontario Superior Court of Justice through which we can reorganize our debt under court supervision. While this was a difficult decision, management determined this course is necessary to undertake a restructuring of the Company's indebtedness.

Leon, I must regretfully inform you that with this action benefit payments to participants in the Plan are suspended immediately.

As set forth in Article 4.1 of the Plan document the Plan is unfunded. The rights of Participants and their Surviving Spouses and Beneficiaries shall be solely those of a general unsecured creditor of the Company. As a general unsecured creditor, any claim you may have will be dealt with in the CCAA proceedings. You may obtain more information about the filing by visiting the Company's website at [www.indalex.com](http://www.indalex.com) or [www.cfcanada.fticonsulting.com/indalex..](http://www.cfcanada.fticonsulting.com/indalex..)

On behalf of the Company, let me again express regret that this action became necessary. Should you have questions, please contact me at 847.612.2091.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Dale Tabinowski', is written over a horizontal line.

Dale Tabinowski  
SVP, Human Resources  
Indalex, Inc.



Indalex Limited  
 5675 Kennedy Road  
 Mississauga, Ontario  
 Telephone: 905-890-8821  
 Web site: indalex.com

April 9, 2009

Mr. M. Degen  
 3 Rowntree Road, Apt #2311  
 Etobicoke, ON  
 M9V5G8

**Subject: Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the "Plan")**

Dear Mr. Degen,

As you may know, Indalex Limited commenced proceedings under the Companies' Creditors Arrangement Act on April 3, 2009 in the Ontario Superior Court of Justice through which we can reorganize our debt under court supervision. While this was a difficult decision, management determined this course is necessary to undertake a restructuring of the Company's indebtedness.

Mr. Degen, I must regrettably inform you that with this action benefit payments to participants in the Plan are suspended immediately.

As set forth in Article 4.1 of the Plan document the Plan is unfunded. The rights of Participants and their Surviving Spouses and Beneficiaries shall be solely those of a general unsecured creditor of the Company. As a general unsecured creditor, any claim you may have will be dealt with in the CCAA proceedings. You may obtain more information about the filing by visiting the Company's website at [www.indalex.com](http://www.indalex.com) or [www.cfcanada.fticonsulting.com/indalex](http://www.cfcanada.fticonsulting.com/indalex).

On behalf of the Company, let me again express regret that this action became necessary. Should you have questions, please contact me at 847.612.2091.

Sincerely,

A handwritten signature in cursive script, appearing to read 'D. Tabinowski'.

Dale Tabinowski  
 SVP, Human Resources  
 Indalex, Inc.



Indalex Limited  
5675 Kennedy Road  
Mississauga, Ontario  
Telephone: 905-890-8821  
Web site: indalex.com

April 9, 2009

Bert McBride  
568 Khyber Lane,  
Venice, FL  
34293

Subject: Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the "Plan")

Dear Bert,

As you may know, Indalex Limited commenced proceedings under the Companies' Creditors Arrangement Act on April 3, 2009 in the Ontario Superior Court of Justice through which we can reorganize our debt under court supervision. While this was a difficult decision, management determined this course is necessary to undertake a restructuring of the Company's indebtedness.

Bert, I must regretfully inform you that with this action benefit payments to participants in the Plan are suspended immediately.

As set forth in Article 4.1 of the Plan document the Plan is unfunded. The rights of Participants and their Surviving Spouses and Beneficiaries shall be solely those of a general unsecured creditor of the Company. As a general unsecured creditor, any claim you may have will be dealt with in the CCAA proceedings. You may obtain more information about the filing by visiting the Company's website at [www.indalex.com](http://www.indalex.com) or [www.cfcanada.fticonsulting.com/indalex..](http://www.cfcanada.fticonsulting.com/indalex..)

On behalf of the Company, let me again express regret that this action became necessary. Should you have questions, please contact me at 847.612.2091.

Sincerely,

Dale Tabinowski  
SVP, Human Resources  
Indalex, Inc.



Indalex Limited  
5675 Kennedy Road  
Mississauga, Ontario  
Telephone: 905-890-8821  
Web site: [indalex.com](http://indalex.com)

April 9, 2009

Neil Fraser  
715 Lake Placid Se  
Calgary, AB  
T2J4B9

Subject: Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the "Plan")

Dear Neil,

As you may know, Indalex Limited commenced proceedings under the Companies' Creditors Arrangement Act on April 3, 2009 in the Ontario Superior Court of Justice through which we can reorganize our debt under court supervision. While this was a difficult decision, management determined this course is necessary to undertake a restructuring of the Company's indebtedness.

Neil, I must regretfully inform you that with this action benefit payments to participants in the Plan are suspended immediately.

As set forth in Article 4.1 of the Plan document the Plan is unfunded. The rights of Participants and their Surviving Spouses and Beneficiaries shall be solely those of a general unsecured creditor of the Company. As a general unsecured creditor, any claim you may have will be dealt with in the CCAA proceedings. You may obtain more information about the filing by visiting the Company's website at [www.indalex.com](http://www.indalex.com) or [www.cfcanada.fticonsulting.com/indalex..](http://www.cfcanada.fticonsulting.com/indalex..)

On behalf of the Company, let me again express regret that this action became necessary. Should you have questions, please contact me at 847.612.2091.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dale Tabinowski', written over a horizontal line.

Dale Tabinowski  
SVP, Human Resources  
Indalex, Inc.

A

Christina

Indalex Limited  
 5675 Kennedy Road  
 Mississauga, Ontario  
 Telephone: 905-890-8821  
 Web site: indalex.com

April 9, 2009

Eugene D'Iorio  
 20 N. Village Dr.  
 Palm Coast, FL  
 32137

**Subject: Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the "Plan")**

Dear Eugene,

As you may know, Indalex Limited commenced proceedings under the Companies' Creditors Arrangement Act on April 3, 2009 in the Ontario Superior Court of Justice through which we can reorganize our debt under court supervision. While this was a difficult decision, management determined this course is necessary to undertake a restructuring of the Company's indebtedness.

Eugene, I must regretfully inform you that with this action benefit payments to participants in the Plan are suspended immediately.

As set forth in Article 4.1 of the Plan document the Plan is unfunded. The rights of Participants and their Surviving Spouses and Beneficiaries shall be solely those of a general unsecured creditor of the Company. As a general unsecured creditor, any claim you may have will be dealt with in the CCAA proceedings. You may obtain more information about the filing by visiting the Company's website at [www.indalex.com](http://www.indalex.com) or [www.cfcanada.fticonsulting.com/indalex](http://www.cfcanada.fticonsulting.com/indalex).

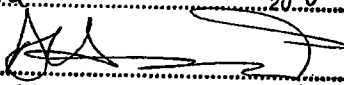
On behalf of the Company, let me again express regret that this action became necessary. Should you have questions, please contact me at 847-612-2091.

Sincerely,

Dale Tabinowski  
 SVP, Human Resources  
 Indalex, Inc.



**TAB 'B'**

This is Exhibit "B" referred to in the  
affidavit of Keith Camthers  
sworn before me, this 23  
day of June 2009  
  
A COMMISSIONER FOR TAKING AFFIDAVITS

SUPPLEMENTAL RETIREMENT PLAN  
FOR  
EXECUTIVE EMPLOYEES  
OF  
INDALEX LIMITED AND ASSOCIATED COMPANIES

Effective January 1, 2000

October 2001

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## ARTICLE 1 – ESTABLISHMENT OF THE SUPPLEMENTAL RETIREMENT PLAN

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- 1.1 Indalex Limited (the “Company”) hereby establishes the Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the “Supplemental Retirement Plan”), effective January 1, 2000.
- 1.2 The Supplemental Retirement Plan applies to persons:
- (1) who are members of the Retirement Plan for Executive Employees of Indalex Limited and Associated Companies, as amended from time to time (the “Executive Retirement Plan”);
  - (2) who are actively employed by an Employer on or after January 1, 2000; and
  - (3) whose benefits under the Executive Retirement Plan are limited by the *Income Tax Act*.
- 1.3 The Supplemental Retirement Plan provides benefits, under the terms set out herein, in respect of service with an Employer.

## ARTICLE 2 – DEFINITIONS

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For purposes of the Plan, the following words and phrases shall have the meanings set forth below, unless the context indicates otherwise:

- 2.1 ***Actuarial Equivalent*** means “Actuarial Equivalent” as defined in the Executive Retirement Plan.
- 2.2 ***Actuary*** means the person or firm who is the “Actuary” as defined in the Executive Retirement Plan.
- 2.3 ***Affiliate Company*** means “Affiliate Company” as defined in the Executive Retirement Plan.
- 2.4 ***Beneficiary*** means the person, or persons, designated in accordance with Article 12 of the Executive Retirement Plan.
- 2.5 ***Commuted Value*** means the actuarial present value of a deferred or immediate annuity determined on the basis of assumptions adopted by the Company on the recommendation of the Actuary for the purposes of the Executive Retirement Plan.
- 2.6 ***Company*** means Indalex Limited. Where any reference in the Supplemental Retirement Plan is made to any action to be taken, consent, approval or opinion to be given, discretion or decision to be exercised by the Company, “Company” means Indalex Limited acting through the board of directors of Indalex Limited or any person authorized by that board of directors for purposes of the Supplemental Retirement Plan.

- 2.7 ***Continuous Employment*** means “Continuous Employment” as defined in the Executive Retirement Plan.
- 2.8 ***Early Retirement Date*** means a Member’s retirement date on or after age 55 but before Normal Retirement Date.
- 2.9 ***Earnings*** means “Earnings” as defined in the Executive Retirement Plan.
- 2.10 ***Effective Date*** means January 1, 2000.
- 2.11 ***Employee*** means “Employee” as defined in the Executive Retirement Plan.
- 2.12 ***Employer*** means a corporation which is an “Employer” as defined in the Executive Retirement Plan.
- 2.13 ***Executive Retirement Plan*** means the Retirement Plan for Executive Employees of Indalex Limited and Associated Companies, as amended from time to time, and registered with the Financial Service Commission of Ontario under the *Pension Benefits Act* (Ontario) and the Canada Customs and Revenue Agency under the *Income Tax Act* with Registration Number 0455626.
- 2.14 ***Final Average Earnings***, in respect of a Member, means the Member’s “Final Average Earnings” for purposes of the Executive Retirement Plan.
- 2.15 ***Government Benefit Base***, in respect of a Member, means the Member’s “Government Benefit Base” for purposes of the Executive Retirement Plan.
- 2.16 ***Income Tax Act*** means “*Income Tax Act*” as defined in the Executive Retirement Plan.

- 2.17 **Member** means a person described in Section 3.1(1) and who continues to be entitled to benefits under the Plan.
- 2.18 **Normal Retirement Date** means the first day of the month coincident with or next following the Member's 65th birthday.
- 2.19 **Pension Commencement Date** means the date on which a Member's pension commences under the Executive Retirement Plan.
- 2.20 **Postponed Retirement Date** means the earlier of:
- (1) the first day of the month coincident with or next following the date the Member terminates Continuous Employment after Normal Retirement Date; and
  - (2) the first day of December of the calendar year in which the Member attains age 69 while still employed by the Employer.
- 2.21 **Pensionable Service**, in respect of a Member, means the Member's "Pensionable Service" for purposes of the Executive Retirement Plan including any service as a Member of the Retirement Plan for Salaried Employees of Indalex Limited and Associated Companies.
- 2.22 **Plan Year** means "Plan Year" as defined in the Executive Retirement Plan.
- 2.23 **Prior Supplemental Plan** means "RTZ Supplemental Retirement Plan".
- 2.24 **Special Leave of Absence** has the meaning set out in Article 5 of the Executive Retirement Plan.



2.25 *Spouse* has the following meanings:

- (1) For a Member employed in **Alberta**, “Spouse” means, in relation to the Member,
  - (a) a person who, at the relevant time, was married to the Member and had not been living separate and apart from the Member for 3 or more consecutive years, or
  - (b) if there is no person to whom paragraph (a) applies, a person who had lived with the Member in a marriage-like relationship for the 3-year period immediately preceding the relevant time.
  
- (2) For a Member employed in **British Columbia**, “Spouse” means, in relation to the Member,
  - (a) a person who, at the relevant time, was married to the Member and not living separate and apart from the Member for the 2-year period immediately preceding the relevant time, or
  - (b) if paragraph (a) does not apply,
    - (i) a person who, at the relevant time, lived with that other person as husband and wife for the 2-year period immediately preceding the relevant time, or
    - (ii) a person of the same gender who, at the relevant time, lived in a marriage-like relationship with that other person for the 2-year period immediately preceding the relevant time.

- (3) For a Member employed in **New Brunswick**, "Spouse" means a person of the opposite sex who, at the relevant time:
- (a) is married to the Member;
  - (b) is married to the Member in a marriage that is voidable and has not been voided by a declaration of nullity;
  - (c) has gone through a form of marriage with the Member in good faith that is void and has cohabited with the Member within the preceding year; or
  - (d) not being married to the Member, has cohabited with the Member:
    - (i) continuously for a period of not less than 3 years in a conjugal relationship in which one person has been substantially dependent upon the other for support, or
    - (ii) in a relationship of some permanence where there is a child born of whom the person and the Member are natural parents, andthe person and the Member have cohabited within the preceding year.
- (4) For a Member employed in **Ontario**, "Spouse" means, at the relevant time, a person to whom the Member is:
- (a) legally married, provided the Member is not living separate and apart from that person;

- (b) not legally married, but the Member and that person are and have been cohabiting continuously in a conjugal relationship for at least 3 years; or
  - (c) not legally married, but the Member and that person are cohabiting in a conjugal relationship of some permanence and are jointly the natural or adoptive parents of a child, both as defined in the *Family Law Act* (Ontario).
- (5) For a Member employed in **Québec**, “Spouse” means, at the relevant time, a person who is,
- (a) married to the Member; or
  - (b) has been living in a conjugal relationship with the unmarried Member, whether the person is of the opposite or the same sex, for a period of not less than 3 years, or for a period of not less than 1 year if:
    - (i) at least one child is born, or to be born, of their union;
    - (ii) they have adopted, jointly, at least one child while living together in a conjugal relationship; or
    - (iii) one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.
- (6) For a Member employed in **Saskatchewan**, “Spouse” means
- (a) a person who is married to the Member; or

- (b) if the Member is not married, a person with whom the Member is cohabiting in a conjugal relationship at the relevant time and who has been cohabiting continuously with the Member in a conjugal relationship for at least one year prior to the relevant time.

2.26 ***Supplemental Pension*** means the pension payable under the Supplemental Retirement Plan determined in accordance with Article 7 hereof.

2.27 ***Supplemental Retirement Plan*** means the Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies, established effective January 1, 2000, as set out herein and as amended from time to time.

2.28 ***U.S. Plan*** means a pension plan as listed from time to time in Appendix A.

2.29 ***YMPE*** means, in respect of any Plan Year, "YMPE" as defined in the Executive Retirement Plan.

## ARTICLE 3 – ELIGIBILITY AND MEMBERSHIP

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### 3.1 Conditions of Membership

(1) **Participation**

An Employee shall automatically participate in the Supplemental Retirement Plan on or after the Effective Date; provided that:

- (a) the Employee is a member of the Executive Retirement Plan;  
and
- (b) the Employee's benefits under the Executive Retirement Plan are limited by the maximum lifetime retirement benefits under the *Income Tax Act*.

(2) **Termination of Participation**

A Member shall cease to accrue benefits under the Supplemental Retirement Plan when:

- (a) the Member ceases to accrue benefits under the Executive Retirement Plan; or
- (b) the Member's benefits under the Executive Retirement Plan are no longer limited by the maximum lifetime retirement benefits under the *Income Tax Act*.

## ARTICLE 4 – UNFUNDED AND UNREGISTERED PLAN

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### 4.1 Status of Plan

(1) **Plan is Not Funded**

The Company is not obligated to fund any of the benefits provided under the Supplemental Retirement Plan. The benefits under the Supplemental Retirement Plan may be paid out of the general revenues of the Employer.

(2) **Plan is Not a Registered Pension Plan Nor a Retirement Compensation Arrangement**

The Supplemental Retirement Plan is neither a registered pension plan nor a retirement compensation arrangement within the meaning of the *Income Tax Act* or the *Pension Benefits Act* (Ontario) or the pension legislation of any other province.

## ARTICLE 5 – ACCRUAL DURING SPECIAL LEAVE OF ABSENCE

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### 5.1 Determination of Supplemental Pension During Special Leave of Absence – Deemed Earnings

(1) **Pensionable Service During a Special Leave of Absence**

For purposes of calculating the Member's Supplemental Pension during a Special Leave of Absence, a Member shall accrue Pensionable Service during a Special Leave of Absence under the terms and conditions set out in Article 5 of the Executive Retirement Plan.

(2) **Deemed Earnings**

For purposes of calculating the Member's Supplemental Pension during a Special Leave of Absence, the Member's Earnings shall be equal to the deemed rate of Earnings under Article 5 of the Executive Pension Plan.

## ARTICLE 6 – TRANSFER OF EMPLOYEES

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### 6.1 Transfer To the Supplemental Retirement Plan

If an employee of an Employer or Affiliate Company is transferred to a category of employment with an Employer such that the employee becomes a member of the Executive Retirement Plan, such employee shall automatically become a Member of the Supplemental Retirement Plan if the employee's benefits under the Executive Retirement Plan are limited by the maximum lifetime retirement benefits under the *Income Tax Act*.

Any benefit paid from the Supplemental Retirement Plan will be calculated on the basis of the Member's

- (1) Pensionable Service; and
- (2) Final Average Earnings.

### 6.2 Transfers From the Supplemental Retirement Plan

Subject to Section 6.3, if a Member of the Supplemental Retirement Plan is transferred to other employment with an Employer or to an Affiliate Company and as a result of the transfer, under the terms of the Executive Retirement Plan, the Member's accrual of benefits under the Executive Retirement Plan ceases, then the Member's accrual of benefits under the Supplemental Retirement Plan will cease at the same time. No benefit will be payable from the Supplemental Retirement Plan until the Member retires, dies or terminates employment with the Employer or Affiliate



Company. Any benefit paid from the Supplemental Retirement Plan will be calculated on the basis of:

- (1) the Member's Pensionable Service as at the date the Member transfers employment; and
- (2) the Member's deemed Final Average Earnings and deemed Government Benefit Base determined at the Member's subsequent date of retirement, termination of employment with the new Employer or Affiliated Company, or death, which is equal to the Member's Final Average Earnings and Government Benefit Base determined as at the date of the Member's transfer of employment ( as if the Member's Continuous Employment terminated at that date).

### 6.3 Transfers To a U.S. Plan After April 1, 1998

If a Member of the Supplemental Retirement Plan is transferred to other employment with an Employer in the U.S. after April 1, 1998 and, as a result of the transfer, under the terms of the Executive Retirement Plan, the Member's accrual of benefits under the Executive Retirement Plan ceases, then the Member's accrual of benefits under the Supplemental Retirement Plan will cease at the same time.

The Member's benefit will be payable from the Supplemental Retirement Plan at the time the Member retires, dies or terminates employment with the Employer in the U.S. (unless the Member is transferred back to employment with an Employer in Canada). Any benefit paid from the Supplemental Retirement Plan will be calculated on

the basis of:

- (1) the Member's Pensionable Service as at the date the Member transfers employment; and
- (2) the Member's deemed Final Average Earnings and deemed Government Benefit Base determined at the Member's subsequent date of retirement, termination of employment or death which will be equal to the Member's Final Average Earnings and Government Benefit Base determined as at the date the Member transfers employment (as if the Member's Continuous Employment terminated at that date) increased by the percentage of annual increase to the transferred Member's U.S. earnings effective after the transfer.

## ARTICLE 7 – AMOUNT OF SUPPLEMENTAL PENSION BENEFIT

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### 7.1 Normal Retirement Supplemental Pension

A Member who retires at Normal Retirement Date shall be entitled to receive an annual Supplemental Pension, payable in equal monthly instalments commencing on the Member's Normal Retirement Date in an amount equal to

A minus B

where:

A is:

- (1) 1.25% of the Member's Final Average Earnings up to the Government Benefit Base; plus
- (2) 2% of the Member's Final Average Earnings in excess of the Government Benefit Base,

multiplied by the Member's Pensionable Service; and

B is the annual pension payable to the Member under the Executive Retirement Plan and the Prior Supplemental Plan at the Member's Normal Retirement Date, in the normal form of pension determined under the Executive Retirement Plan.

## 7.2 Early Retirement Supplemental Pension

A Member who retires at an Early Retirement Date shall be entitled to receive an annual Supplemental Pension, payable in equal monthly instalments commencing on the Member's Early Retirement Date, in an amount equal to:

$$A \text{ minus } B$$

where

A is the amount determined under "A" in Section 7.1, based on the Member's Pensionable Service as at the Member's Early Retirement Date, but reduced by either:

- (1) 0.4% for each month by which the Member's Early Retirement Date precedes the Member's Normal Retirement Date; or
- (2) if the Continuous Employment of a Member terminates while employed in Canada after he has attained age 55 and has completed 10 or more years of Continuous Employment, 1/6 of 1% for each month by which the Member's Pension Commencement Date precedes the date on which the Member would have completed 20 years of Continuous Employment and attained age 60 had the Member continued in Continuous Employment; and

B is the annual pension payable to the Member under the Executive Retirement Plan and the Prior Supplemental Plan at the Member's Early Retirement Date, in the normal form of pension determined under the Executive Retirement Plan.

### 7.3 Postponed Retirement Supplemental Pension

A Member who retires at a Postponed Retirement Date shall be entitled to receive an annual Supplemental Pension, payable in equal monthly instalments, equal to one of the following amounts as applicable in accordance with the Member's retirement election under the Executive Retirement Plan:

- (1) If the Member elects the Normal Retirement Date as Pension Commencement Date, the Member's Supplemental Pension shall be determined in accordance with Section 7.1.
- (2) If the Member elects a Postponed Retirement Date as Pension Commencement Date, the Member shall receive a Supplemental Pension commencing on the Member's Pension Commencement Date equal to the pension determined in accordance with Section 7.1, based on the Member's Final Average Earnings at Pension Commencement Date and taking into account the Member's Pensionable Service after Normal Retirement Date.

## ARTICLE 8 – PAYMENT OF SUPPLEMENTAL PENSION

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### 8.1 Form of Payment

At retirement, a Member is entitled to receive the Member's Supplemental Pension in equal monthly instalments in accordance with the normal, legislated or optional form of pension payment applicable or elected by the Member in accordance with the terms and conditions of the Executive Retirement Plan. Such Supplemental Pension shall be paid to the Member on the first day of every month in accordance with the provisions of the Executive Retirement Plan which would apply if it were being paid under that plan.

The form of pension payment under the Supplemental Retirement Plan and the related conditions of payment shall be the same as the form of pension payment and related conditions of payment applicable to the Member under the Executive Retirement Plan. The amount of payment payable in a form other than the normal form shall be the Actuarial Equivalent of the normal form of pension as described in the Executive Retirement Plan.

### 8.2 Payments made in Error

If at any time the Employer pays a Member, or the Member's Spouse or Beneficiary, an amount in excess of the amount otherwise due and payable under the Supplemental Retirement Plan, the Member, or if applicable, the Member's Spouse or Beneficiary, shall return such amount on the request of the Company. Alternatively, the Company may elect to deduct such amount from any future payment out of the Supplemental Retirement Plan.

## ARTICLE 9 – TERMINATION OF EMPLOYMENT

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### 9.1 Vested Entitlement

If, at the date the Member's Continuous Employment terminates other than by death or retirement, a Member has attained vested status under Article 11 of the Executive Retirement Plan, the Member may elect to receive:

- (1) an annual deferred vested Supplemental Pension, payable in equal monthly instalments, commencing at the Members' Normal Retirement Date, equal to the amount of the Supplemental Pension determined in accordance with Section 7.1; or
- (2) the Commuted Value of the annual deferred vested Supplemental Pension, determined in accordance with section 7.1, paid to the Member in a lump sum.

For purposes of attaining vested status continuous employment under a U.S. Plan or a plan maintained by an Affiliate Company shall be considered Continuous Employment.

### 9.2 Early Commencement of Deferred Supplemental Pension

Upon proper application to the Company, a Member may elect to have the Member's deferred vested Supplemental Pension commence on an Early Retirement Date, in which case, the amount of the Member's Supplemental Pension shall be as determined in accordance with Section 7.2.

## ARTICLE 10 – DEATH BENEFITS

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### 10.1 Death Benefits Prior to Supplemental Pension Commencement

(1) **With a Spouse**

If a Member dies after attaining vested status under Article 11 of the Executive Retirement Plan, but prior to Pension Commencement Date, a death benefit in the form of an annuity is payable to the Member's Spouse equal to:

- (a) 100% the Commuted Value of the Member's Supplemental Pension accrued to the date of death for Members employed in **Ontario, Québec and Saskatchewan;**
- (b) 60% of the Commuted Value of the Member's Supplemental Pension accrued to the date of death for Members employed in **British Columbia and New Brunswick;** and
- (c) 60% of the Commuted Value in respect of Continuous Employment prior to January 1, 2000 and 100% of the Commuted Value in respect of Continuous Employment on and after January 1, 2000, of the Member's Supplemental Pension accrued to the date of death for Members employed in **Alberta.**



(2) **Without a Spouse**

If at the date of death, the Member does not have a Spouse, or the death benefit has been waived in accordance with Section 10.2, the Commuted Value of the Member's Supplemental Pension accrued to the date of death shall, at the Company's discretion, be paid to the Member's Beneficiary in a lump sum.

**10.2 Waiver of Spousal Death Benefits**

The Spouse of a Member who is employed in **Ontario** or **Quebec** may waive the Spouse's entitlement to receive a death benefit under Section 10.1 above by completing and filing a waiver with the Company on a form prescribed by the Company prior to the death of the Member. In such event, death benefits payable under the Supplemental Retirement Plan shall be paid to the Member's Beneficiary.

**10.3 Death After Supplemental Pension Commencement**

If a Member dies after payment of the Member's Supplemental Pension has commenced, the determination and payment of any benefits due under the Supplemental Retirement Plan following the Member's death shall be in accordance with the form of pension payment applicable to such Member pursuant to Article 10 of the Executive Retirement Plan.

## ARTICLE 11 – ADMINISTRATION OF SUPPLEMENTAL RETIREMENT PLAN

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### 11.1 General Administration

- (1) The administrator of the Supplemental Retirement Plan is the Company.
- (2) The Company is entitled to deal conclusively with all matters relating to the administration, interpretation or application of the Supplemental Retirement Plan subject to and consistent with the terms thereof.
- (3) The Company is entitled to rely conclusively on tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, controller, counsel or other persons who may be employed or retained for such purposes.

### 11.2 Employee Disclosure

- (1) **Supplemental Retirement Plan Document**  
A copy of the Supplemental Retirement Plan will be made available to the Members by the Company.
- (2) **Notice of Amendment**  
The Company shall provide notice and written explanation of any amendment to the Supplemental Retirement Plan to a Member, or any other person entitled to a payment from the Supplemental Retirement Plan who is affected by the amendment.

## ARTICLE 12 – RIGHT TO AMEND OR TERMINATE THE SUPPLEMENTAL RETIREMENT PLAN

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### 12.1 Continuation and Amendment of the Supplemental Retirement Plan

The Company intends to maintain the Supplemental Retirement Plan indefinitely and until all of its obligations thereunder have been discharged, but reserves the sole right to amend, discontinue, segregate or merge the Supplemental Plan in whole or in part at any time.

### 12.2 Termination of the Supplemental Retirement Plan

In the event of the termination of the Supplemental Retirement Plan, benefits accrued to the Member under the Supplemental Retirement Plan to the date of termination shall continue to be provided by the Company in accordance with the terms of the Supplemental Retirement Plan. The Supplemental Pension to which a Member is entitled shall be determined in accordance with the terms of the Supplemental Retirement Plan on the date of termination based on the Member's Pensionable Service and Final Average Earnings at that date. Benefits under the Supplemental Retirement Plan shall be determined assuming that the Executive Retirement Plan is also terminated on the date that the Supplemental Retirement Plan terminated.

### 12.3 Wind-Up or Bankruptcy of the Company

If the Company winds-up or becomes bankrupt, the Supplemental Retirement Plan shall be deemed fully terminated and the provisions of Section 12.2 above shall apply.

Notwithstanding any other provision of the Supplemental Retirement Plan, if at any time the Company is insolvent, there shall be no liability whatsoever on the part of any director or officer of the Company to fund the Supplemental Retirement Plan or otherwise provide for the benefits hereunder.

## ARTICLE 13 – GENERAL PROVISIONS

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### 13.1 Right to Employment

Membership in the Supplemental Retirement Plan shall not confer upon any Member or Employee the right to be retained in Continuous Employment with the Employer nor will it interfere in any manner with the right of the Employer to discharge any person, nor shall participation in the Supplemental Retirement Plan give a Member, or the Member's Spouse, personal representative, estate or Beneficiary any claim or legal right to any benefit hereunder except as expressly set forth herein.

### 13.2 Non-Alienation of Benefits

No benefit under the Supplemental Retirement Plan is subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge to attachment or legal process for debts of the person entitled to receive a benefit except as provided by statute, nor shall any such benefit be capable of surrender or being given as security, except as provided in the Supplemental Retirement Plan.

### 13.3 Assignment of Benefits on Marriage Breakdown

Notwithstanding Section 13.2, a benefit payable under the Supplemental Retirement Plan is subject to execution, seizure or attachment in satisfaction of an order for support or maintenance enforceable in a court of competent jurisdiction in Ontario or another relevant jurisdiction.

#### 13.4 Non-Commutation of Benefits

A vested Supplemental Pension or deferred Supplemental Pension payable under the Supplemental Retirement Plan is not capable of being commuted into a lump sum cash settlement except:

- (1) as permitted under Section 9.1; or
- (2) if such commutation is at the option of the Company and with its specific consent, and is in respect of:
  - (a) a death benefit payable to a Spouse or Beneficiary in accordance with Section 10; or
  - (b) shortened life expectancy as described in Section 15.4(d) of the Executive Retirement Plan.

#### 13.5 Information to be Provided Before Payment of Benefits

Each Member shall be required to file satisfactory proof of the Member's age and spousal status with the Company and the Supplemental Pension payments shall not commence until such proof of age and spousal status has been received and acknowledged by the Company. A Member who is required to receive the pension under the Executive Retirement Plan in the legislated form of pension pursuant to Article 10 of the Executive Retirement Plan is required to file with the Company satisfactory proof of the age of the Member's joint annuitant. The Company is entitled to rely upon the representations made by a Member in respect to age or other pertinent facts.

### 13.6 Payment to Incompetents

If the Company receives evidence that a person entitled to receive any payment under the Supplemental Retirement Plan is physically, mentally or legally incompetent to receive such payment and to give a valid receipt therefor, the payment may be made to:

- (1) the guardian, committee or other representative of the person; or
- (2) a court or authorized government agency of the jurisdiction to which the pension is subject, for the credit of the person, in accordance with the laws of the jurisdiction governing such payment.

Any such payment will operate as a complete discharge of liability under the Supplemental Retirement Plan.

### 13.7 Severability

If any provision of the Supplemental Retirement Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Supplemental Retirement Plan and the Supplemental Retirement Plan shall be construed and enforced as if such provision had not been included therein.

### 13.8 Evidence of Survival

The Company shall have the right to require satisfactory evidence that a retired Member, Spouse or Beneficiary under the Supplemental Retirement Plan is living on each day a Supplemental Pension benefit is due to such Member, Spouse or Beneficiary. In the absence of such evidence when required by the Company, the benefits otherwise due shall not be paid until such evidence has been received.

### 13.9 Records

Whenever the records of the Company are used for the purposes of the Supplemental Retirement Plan, such records shall be conclusive of the facts with which they are concerned, unless they are proven to be in error.

### 13.10 Elections and Applications

Any election, option or application in respect of the Supplemental Retirement Plan shall be in such form as the Company shall determine from time to time. Without limiting the generality of the foregoing, any person entitled to any benefit under the Supplemental Retirement Plan shall be responsible for notifying the Company in writing of the person's mailing address and subsequent change of mailing address.

### 13.11 Currency

All payments from the Supplemental Retirement Plan will be made in lawful Canadian currency provided, however, that in the case where a Member's Earnings are paid in other than Canadian currency, the Company may from time to time in its discretion, fix the rate of exchange to be used for the purpose of the Supplemental Retirement Plan in converting to Canadian currency the Member's Earnings and benefits under the Supplemental Retirement Plan.

### 13.12 Construction

The Supplemental Retirement Plan, and all rights thereunder, shall be governed, construed and administered in accordance with the laws of Ontario.



APPENDIX A

AFFILIATED UNITED STATES PENSION PLANS

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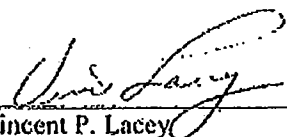
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INDALEX LIMITED  
WRITTEN CONSENT OF THE MANAGEMENT COMMITTEE  
OF THE BOARD OF DIRECTORS


The undersigned, being all the members of the Management Committee of the Board of Directors of Indalex Limited (formerly Caradon Limited), an Alberta corporation, hereby unanimously consent to the adoption of the resolutions annexed hereto as follows:


Exhibit A: Amendment No. 1 to the Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies

DATED this 26th day of November, 2002.

  
\_\_\_\_\_  
Vincent P. Lacey

  
\_\_\_\_\_  
Robert B. Leckie

  
\_\_\_\_\_  
Mark A. Russell

  
\_\_\_\_\_  
A. Graham Thayer

**EXHIBIT A****AMENDMENT NO. 1****to the****Supplemental Retirement Plan for Executive Employees of  
Indalex Limited and Associated Companies**

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**WHEREAS:**

- A. the Corporation maintains the Supplemental Retirement Plan for Executive Employees of Indalex Limited and Associated Companies (the "Plan") for its employees; and
- B. the Corporation has reserved the right to amend the Plan pursuant to Section 12.1; and
- C. the Corporation desires to grant portability rights to members of the Plan who retire and are entitled to an immediate pension under the Plan.

**NOW THEREFORE IT IS RESOLVED THAT**, effective September 15, 2002, the Plan is amended as follows:

- 1. New Section 7.4 is added to the Plan as follows:

**"7.4 Receipt of Commuted Value of Pension**

- (1) In lieu of receiving a Supplemental Pension payable to the Member in equal monthly instalments under this Article 7, the Member may elect, before pension payments commence, to receive the Commuted Value of such Supplemental Pension in a lump sum.
- (2) If the Member elects a lump sum Commuted Value transfer of the pension payable to the Member under Article 9 of the Executive Retirement Plan, the Member must receive the Supplemental Pension payable under this Article 7 in a lump sum in accordance with subsection (1)."

*EXHIBIT A*

2. Section 9.1 is amended by adding the following paragraph after subsection (2):  
"If the Member elects a lump sum Commuted Value transfer of the deferred pension payable to the Member under Article 11 of the Executive Retirement Plan, the Member must receive the deferred Supplemental Pension in a lump sum in accordance with subsection (2)."
3. Any one of the directors or officers of the Corporation is hereby authorized to sign such documents, under the Corporation's seal or otherwise, and perform such acts as may be necessary to give effect to the foregoing resolutions.