

The **BENEFITS** *of work*

*Your EcklerRewards
disability benefits plan
supplement*

July 2022

ECKLER | rewards

Shareholders

The benefits of work

At Eckler, we understand the advantages of a well-designed benefits program. After all, designing benefit plans is a key part of what we do.

For example, we know that to be effective, a benefits program must:

- address the needs of a changing and increasingly diverse workforce;
- offer important financial protection; and
- be tax effective.

The *EcklerRewards* benefits plan does all of these things... and more. To make the most of the program, however, you need to know how it works. That's where this booklet comes in.

1. **It offers a detailed look at the coverage provided**, so you know what's covered and, equally important, what's not.
2. **It explains what you need to do and when**, to make the most of your benefits coverage.
3. **It allows you to compare the coverage under this plan versus other plans** (such as a spousal plan), so you know which one offers the better value based on your needs.

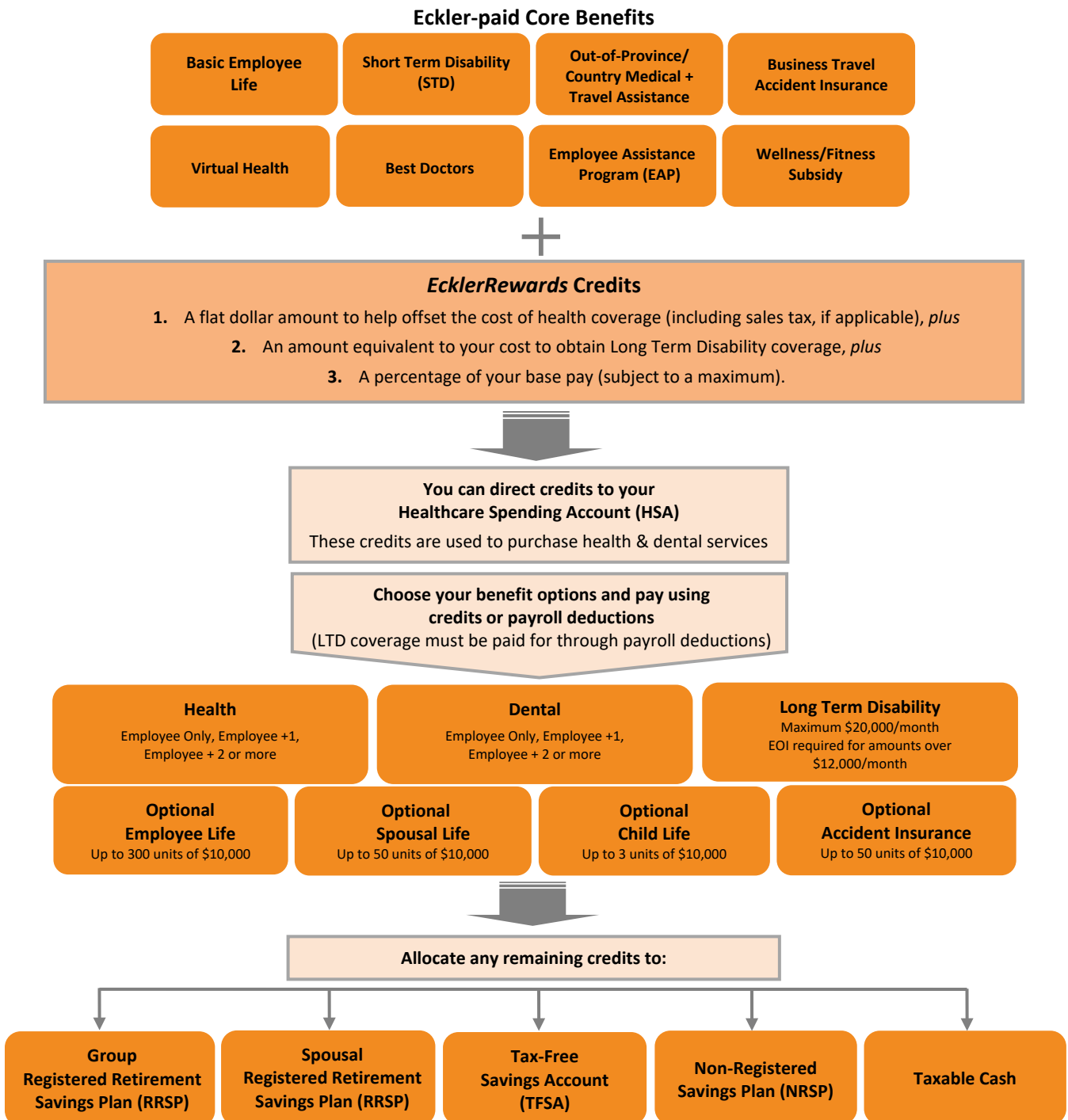
We encourage you to read the supplemental booklet carefully and to keep it handy for future reference. Please refer to the Employee Booklet for additional details related to your coverage.

EcklerRewards – making sure your career at Eckler is a rewarding one.

Our starting points

Your benefits program in a nutshell

EcklerRewards offers a comprehensive benefits plan, with options to meet your benefits and lifestyle needs. Here's how it works:



Highlights of your core Shareholder disability benefits

Core benefit	Coverage
Short Term Disability (STD)	<ul style="list-style-type: none"> • <i>Short Term Disability</i> – 100% of your base salary or draw for up to 180 calendar days. • Must be totally disabled (unable to do the substantial duties of your regular occupation, including any work made available by Eckler). • Any payments you receive will be taxable. • Benefits will be offset by Canada/Quebec pension plan benefits and/or benefits paid by a workers' compensation or similar program (excluding EI disability benefits), as well as income from "other sources" as outlined in the plan document. • Refer to the official document for details on requirements, limits, and exclusions.

Highlights of your mandatory LTD

Mandatory LTD	Coverage
Long Term Disability (LTD)	<ul style="list-style-type: none"> • 63% of first \$2,500 of monthly insurable earnings; 48% of next \$2,500 of monthly insurable earnings; 40% of remaining insurable earnings. • Benefits are capped at \$20,000 per month. • Evidence of insurability is required for amounts over \$12,000 per month. • You pay for your LTD coverage through payroll deductions. As a result, any disability benefits you receive under the LTD plan will not be taxed as regular income. • Upon approval, benefits will start at six months, after Short Term Disability ends. • As a Shareholder, total disability means not being able to do your own job. • Coverage will end when your employment with the company ends, you retire, or you reach age 70, whichever comes first. • LTD benefit payments will continue until: <ul style="list-style-type: none"> ○ <i>If totally disabled before turning 65</i> – the later of your 65th birthday or two years from the date LTD benefit payments start; ○ <i>If totally disabled after turning 65</i> – two years from the date LTD benefit payments start or the date you turn 70, whichever is earlier. • Includes cost-of-living adjustment, based on the Consumer Price Index (CPI) – up to a maximum of 3% annually. • Benefits will be reduced by Canada/Quebec pension plan benefits and / or benefits paid by a workers' compensation or similar program. Income from all sources cannot exceed 85% of your pre-disability net earnings. • If you are eligible for rehabilitation incentive benefits (benefit paid during your transition back to work), the total of your disability benefit, employment income and income from other sources, cannot exceed 100% of your indexed pre-disability earnings.

The rules of the game

Eligibility

As a shareholder, you are eligible to participate in the *EcklerRewards* benefits program – provided you regularly work at least 15 hours per week. You must be actively at work for coverage to begin.

Your Shareholder disability core coverage

Because we feel it is important to have a minimum level of benefits, you are automatically covered for “core disability benefits.” These are benefits that you receive automatically and that are paid for entirely by Eckler. Your core benefits include:

1. Short Term Disability

If you are prevented from working due to illness or injury, you will be eligible for Short Term Disability (STD) benefits. STD benefits replace 100% of your base salary or draw for up to 180 calendar days. (If you are still disabled when the Short Term Disability benefit payment period ends, you can apply for Long Term Disability benefits.)

Coverage starts on the first day of active employment.

All payments from the STD plan are taxable as regular income. These payments are calculated based on your basic weekly earnings, excluding any overtime or bonus payments.

To qualify for STD benefit payments, you must be totally disabled (as defined below). You must also be participating in an:

- appropriate care and treatment program prescribed or performed by a licensed physician (including a certified specialist, where appropriate);
- approved addiction treatment program that is supervised by a qualified medical specialist (if alcohol, drug and/or substance abuse, or other addiction is a factor in your disability); or
- approved rehabilitation program.

Definition of “totally disabled”

You will be considered totally disabled if you are unable – due to injury or illness – to perform substantially all the duties of your regular occupation or any other position offered by Eckler.

Your responsibilities

You may be required to provide medical evidence for any absence due to disability (injury or illness). At a minimum, you will be required to provide:

- a doctor's certificate for any disability absence lasting five days or longer; and
- a claim form, including an attending physician's statement, for any disability absence lasting 10 days or longer.

Periodic updates will be required at reasonable intervals, based on the nature and expected duration of your disability.

During a period of disability, you are expected to make reasonable efforts to:

- provide acceptable proof of disability on a timely basis;
- recover from your disability and return to gainful employment;
- co-operate in appropriate care and treatment;
- participate in rehabilitation programs when approved by the claims adjudicator and/or Eckler; and
- claim any benefits that may be available from other sources.

Failure to make such reasonable efforts may result in benefits being modified, delayed, withheld, or discontinued.

Recurring disabilities

If, after receiving benefits and returning to work for fewer than 10 days, you become totally disabled again due to the same disease or injury, the later disability will be considered a continuation of the previous disability (provided you are still covered for STD).

Benefit offsets

STD benefits will be offset by any benefits you are entitled to receive (for the same disability) from:

- workers' compensation, the Canada/Quebec Pension Plan, or similar government plans (excluding Employment Insurance);
- any employer-sponsored or group income-replacement plan; and/or
- a motor vehicle insurance plan or policy (except where prohibited by law or when the insurance plan's benefits take into account income payments from Employment Insurance).

Limitations and exclusions

You will not qualify for STD benefits if:

- you are not receiving appropriate care and treatment from a licensed physician;
- you are laid off or on an approved leave of absence (except as required by law);
- you are receiving maternity, parental or compassionate care benefits under the Employment Insurance Act (except as required by provincial regulations);
- you are receiving payments from an employer, including severance or vacation pay;
- you are lawfully imprisoned;
- you are receiving LTD benefits for a recurring disability;
- your disability is the result of war, service in an armed force, participation in a riot, or disorderly conduct;
- your disability occurs while committing or attempting to commit a criminal offense;

- your absence is the result of plastic surgery conducted solely for cosmetic purposes (except where related to an illness or injury); or
- you have been outside of Canada for more than four weeks, unless on a temporary work assignment authorized by Eckler.

When STD payments stop

STD payments will stop at the earliest of:

- your recovery (when you no longer qualify as totally disabled);
- your death;
- your termination of employment; or
- the end of the 180-day maximum benefit period.

That said, if disability benefits begin before your notice of termination, benefits will continue for up to 15 weeks or until you recover, whichever comes first.

When STD coverage ends

Your STD coverage will stop at the earliest of:

- the end of your full-time employment with Eckler;
- your death; or
- your retirement.

Keep in mind that you will not receive STD payments during any leave of absence or period during which you are laid off (except as required by provincial regulation).

Long Term Disability

What you get

Long Term Disability is perhaps the single most important insurance coverage you can have – and it’s mandatory. It helps to ensure that you and your family will have a secure source of income should a serious illness or injury prevent you from earning a living.

Eckler provides you with LTD coverage equal to:

- 63% of the first \$2,500 of monthly insurable earnings; plus
- 48% of the next \$2,500 of monthly insurable earnings; plus
- 40% of your remaining insurable earnings.

Monthly benefits are capped at \$20,000 per month. Evidence of insurability is required for coverage above \$12,000 per month.

Defining insurable earnings

For the purposes of the LTD plan, your “insurable earnings” are equal to the average of your base salary, plus earned performance bonus, profit-sharing payments, and dividends paid on shares you own or control for the current and prior year.

Your monthly insurable earnings will be determined as of your initial enrolment date and will be updated at the start of each plan year.

If you haven't worked for Eckler for two full calendar years, your monthly insurable earnings will be based on your current base salary plus the average of any earned and guaranteed bonus received in the current and previous calendar year.

Defining disability

As a Shareholder, you will be considered totally disabled if you are unable to perform the duties of your own occupation/profession and generate an income that provides at least 60% of your monthly earnings.

Tax considerations

You pay for your LTD coverage through payroll deductions. As a result, any disability benefits you receive under the LTD plan will not be taxed.

When LTD payments start

During the first 180 calendar days of a disability, you will receive coverage under the Short Term Disability (STD) plan (see page 14).

LTD benefits will start after STD ends. The period until LTD benefits begin is called the elimination period. You can still satisfy the elimination period even if you return to work during this period, but earn less than 80% of your pre-disability earnings.

If you return to work and earn more than 80% of your pre-disability earnings in any month during this period, the elimination period will be extended by one month. If you earn more than 80% during more than one month, you'll have to re-apply for LTD benefits and the elimination period will go back to 180 days.

Adding it up

Your LTD benefit will be reduced by any benefits you receive (or are entitled to receive) from the following sources:

- a provincial workers' compensation program or similar legislation;
- the Canada/Quebec Pension Plan (excluding benefits paid on behalf of your dependents or resulting from indexing adjustments);
- retirement benefits provided by any employer or government programs;
- income or benefits available to you under:
 - any group program provided by or through Eckler Ltd.;
 - a plan sponsored by an association, union or fraternal organization that you belong to;
 - any automobile insurance plan (where the reduction is not prohibited by law); and
 - wages or remuneration payable from any employer (excluding earnings received under an approved Rehabilitation Incentive Program).

If necessary, your benefit will be further reduced so that your total income from all sources does not exceed 85% of your pre-disability net earnings. Net earnings are your monthly earnings after deductions for federal and provincial income taxes, Canada and Quebec Pension Plan contributions, federal Employment Insurance premiums (statutory deductions) and, if applicable, Quebec Parental Insurance Plan premiums.

If you receive LTD benefit payments in excess of what should have been paid, the insurer reserves the right to recover the excess from you, or to deduct it from future LTD benefit payments.

Cost-of-living adjustment

LTD benefit payments are eligible for an annual cost-of-living adjustment. The adjustment is equal to the lesser of:

- the increase in the Consumer Price Index for the 12-month period ending three months prior to the anniversary of your LTD payments starting; or
- 3%.

Cost-of-living adjustments are applied each year on the anniversary of the date you started receiving LTD payments.

Rehabilitation Incentive provision

The LTD plan is designed to help you return to a productive lifestyle as quickly as possible. With that in mind, the LTD plan features a rehabilitation incentive. This feature is intended to ease your return to full-time or part-time work. Depending on your disability, participation in the program, which can include vocational training, may be required.

While participating in the Rehabilitation Incentive program, you will continue to receive LTD benefits. Your LTD benefit will not be reduced by your rehabilitation earnings unless the monthly total of your LTD benefits, rehabilitation earnings, and benefits from individual disability insurance plans exceeds 100% of your monthly pre-disability earnings. If the sum of your disability and rehabilitation earnings exceeds the 100% limit, your monthly LTD benefit will be reduced by the excess.

Recurring disability

If, after a period of disability, you resume working your regular hours, but then become disabled again within six months due to the same or a related cause, the second period of disability will be considered a continuation of the first period. Your LTD benefits will resume immediately – you do not have to satisfy another elimination period. If the recurrence takes place more than six months following the first disability, it will be treated as a new disability and you must satisfy the elimination period again before LTD benefit payments can resume.

If, after a period of disability, you return to work for one full day and become disabled again due to a totally *unrelated cause*, you will have to submit a new LTD claim.

What the plan doesn't cover

Benefits are not paid for any of the following:

- Any disability that is due to a pre-existing condition for which you received medical attention, consultation, diagnosis, or treatment during the 90 days immediately before you became eligible for coverage or increased coverage under the plan. (This exclusion will be waived if you have been actively at work for 12 consecutive months with no absence related to the pre-existing condition.)
- Any period during which you are not under the continuous active care and treatment of a qualified physician.

- Any period during which you fail to fully participate in a rehabilitation program recommended or approved by the insurer.
- Any period during which you are:
 - imprisoned or confined in a similar institution,
 - not residing in Canada,
 - laid off, or
 - on maternity or other leave (as allowed by law or agreed to by Eckler Ltd.).
- Any disability that is the result of insurrection or war (declared or not).
- A disability that is the result of drug or alcohol abuse, unless you participate in a rehabilitation program specifically for the treatment of substance abuse.

While on STD and LTD

If you complete the elimination period and are approved for LTD benefit payments, the cost of your LTD coverage will be waived until your benefit payments stop.

When coverage ends

Your LTD coverage will end when your employment with the company ends, you retire, you reach age 70 or you work less than 15 hours per week (unless working as part of a Rehabilitation Incentive provision) ... whichever comes first.

When benefit payments stop

Assuming your total disability continues, your LTD benefits payments will stop:

- *If you became totally disabled before age 65* – the later of your 65th birthday or two years from the date you started receiving LTD benefits.
- *If you became totally disabled after turning 65* – two years from the date you started receiving LTD benefits.

Important information

If you become disabled

While receiving Short Term Disability (STD) benefits, your Health, Dental, Life and Optional Accident Insurance will continue at the levels in place before your disability.

While receiving Long Term Disability (LTD) benefits:

- Your Health, Dental, Life and Optional Accident Insurance will continue at the levels in place before your disability.
- You will continue to receive *EcklerRewards* credits to pay for health and dental coverage; however your amount of credits will remain the same in the future as they are in the year of disability.
- Your credits will be used to pay the cost of your Health, Dental, Optional Life and/or Optional Accident Insurance. The cost of these benefits could change over time. If there are credits left over, they'll go to your Healthcare Spending Account. If there is a shortfall in credits to pay for the costs of these benefits in any plan year, then you must pay Eckler directly (by cheque or deposit) within the year.
- You can apply to have the cost of your coverage waived for existing Optional Life and/or Optional Accident Insurance while you are receiving LTD benefits.

You cannot change your benefit selections while you are receiving payments under the STD or LTD plans unless you experience an eligible life event.

You can contact Payroll and Benefits at 416-696-3038 or payrollandbenefits@eckler.ca to get details of your available credits and the costs of your benefits.

If you leave the company

Coverage under the *EcklerRewards* program will end at the end of the day on which you leave the company, subject to the employment standards legislation in your province. Coverage for your dependents will automatically end when your coverage ends.

For more information

Looking for information about your *EcklerRewards* disability benefits program? You have a few options to choose from:

- ***If you have any questions about your EcklerRewards disability benefits, or are looking for general information*** that you can't find in this booklet... then please contact Payroll and Benefits at 416-696-3038 or payrollandbenefits@eckler.ca.
- ***If you are looking for forms...*** they are available on the Canada Life website at <https://my.canadalife.com/sign-in..>

The final word

This supplement to the employee booklet is intended to provide an easy-to-understand summary of your Shareholder *EcklerRewards* disability benefits program. In no way does it confer any contractual rights or obligations.

The full provisions of the individual plans are contained in the official plan contracts and policy documents. If there are any discrepancies between the official contracts and this guide, the terms of the contract will apply in all cases. Your right to access the plan documents, including your enrolment form and the plan contracts, is based on applicable provincial and territorial legislation. Contact Payroll and Benefits at 416-696-3038 or payrollandbenefits@eckler.ca to determine your access rights.

Any legal action or proceedings you take against an insurer for the recovery of money under the *EcklerRewards* benefits program must be initiated within the time limits set out in applicable provincial or territorial legislation.

Coverage under the various plan options is limited to a 12-month period (July 1 – June 30). Any changes to the terms and conditions of the individual plans will be communicated during the annual re-enrolment period and will take effect for the next plan year.

The company reserves the right to change, amend or terminate its benefits plan as conditions warrant in the future. In addition, the company reserves the right to amend the terms and conditions of the various coverages, as well as the amount charged to the individual plan members, based on the financial performance of the individual plans that make up the *EcklerRewards* program.

The background features a large-scale geometric design. A diagonal line runs from the top-left to the bottom-right, dividing the page into two main triangular sections. The top-left section is a light beige color, while the bottom-right section is a vibrant orange. The top-right and bottom-left sections are a darker, more saturated orange. At the very top and bottom of the page, there are thin horizontal bars in purple, orange, green, and blue, which appear to be part of a larger design or header/footer area.

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