

NOTICE REGARDING AMENDMENT TO THE CBS DEFINED BENEFIT PENSION PLAN

The Board of Trustees of the Canadian Blood Services Defined Benefit Pension Plan (the "Plan") recently approved an amendment to the definition of "best average earnings" under the Plan (the "Amendment").

Your "best average earnings" is used to calculate your benefits when you terminate your membership in the Plan – through retirement, termination of employment, or death. Before the Amendment, the Plan provided that the "best average earnings" of a member who joined the Plan or the Red Cross Plan before January 1, 1999 was to be calculated using earnings over five consecutive years of membership, while the "best average earnings" of a member who joined the Plan on or after January 1, 1999 was to be calculated using earnings over any five years of service after January 1, 1999. For the reasons described below, the Trustees decided to amend the definition of "best average earnings" to correct a typographical error and to treat all Plan members the same – regardless of date of membership.

For members who joined the Plan on or after January 1, 1999, the definition inaccurately indicated that "best average earnings" would be determined over any five years of earnings. The Amendment corrects this typographical error and ensures that the "best average earnings" for all members is calculated using consecutive years of earnings. Since five years from January 1, 1999 had not elapsed when this amendment was first approved (September 2003), five years of earnings has never been used to calculate "best average earnings". If a member did not have five years of service, his or her "best average earnings" would be calculated using his or her earnings over his or her actual period of service.

The Plan required that the "best average earnings" of members be calculated differently depending on when they joined the Plan. For a member who joined the Plan on or after January 1, 1999, "best average earnings" was to be determined over years of service since January 1, 1999; for a member who joined the Plan before January 1, 1999, "best average earnings" was to be determined over years of membership. The Trustees determined that "best average earnings" should be calculated in the same manner for all members and that it should be calculated over years of membership in the Plan.

The Board of Trustees of the Plan will be applying to register the Amendment with the Superintendent of Financial Services (the "Superintendent"). If you have any comments on the Amendment, you can send them to the Board of Trustees and/or the Superintendent at the following addresses:

Board of Trustees of the Canadian Blood
Services Defined Benefit Pension Plan
1800 Alta Vista Drive
Ottawa, ON K1J 4J5

The Superintendent of Financial Services
Financial Services Commission of Ontario
5160 Yonge St., Box 85, 4th Floor
North York, ON M2N 6L9

Attention: Chris Thom

The Superintendent may register the Amendment forty-five (45) days after this Notice is sent.