
MORGUARD CORPORATION
SHAREHOLDER DIVIDEND
REINVESTMENT PLAN

INFORMATION TO SHAREHOLDERS



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A Message from the Chairman and Chief Executive Officer

Dear Shareholder,

Morguard Corporation (the “Company”) is pleased to be able to offer holders of record of its common shares (who are resident in Canada) an opportunity to increase their holdings of common shares by participating in this Shareholder Dividend Reinvestment Plan (the “Plan”).

Through the Plan, shareholders can reinvest dividends paid on their shares, less applicable withholding taxes, in additional common shares of the Company without paying any administration fees, brokerage charges or commissions.

The enclosed information material outlines in detail the features and benefits of the Plan being offered to you. To participate in the Plan, please complete and sign the enclosed authorization form and return it to Computershare Trust Company of Canada in the postage prepaid envelope provided. If you have any questions concerning the Plan, you may contact Computershare Trust Company of Canada (1-800-663-9097 (toll free)).

On behalf of the Directors and Officers, we hope you will continue to share in the growth of your Company.

Yours sincerely,

K. (Rai) Sahi
Chairman and Chief Executive Officer

INTRODUCTION

The shareholder dividend reinvestment plan (the “Plan”) of Morguard Corporation (the “Company”) is being offered to holders of record of its common shares (the “Eligible Shares”) who satisfy eligibility requirements. The Plan is administered by Computershare Trust Company of Canada (the “Agent”), which acts as agent for the participants under the Plan (the “Participants”).

PURPOSE

The purpose of the Plan is to enable Participants to reinvest all cash dividends paid on their Eligible Shares in additional shares (the “Plan Shares”) of the Company. All such Plan Shares are purchased directly from the Company by the Agent. The Plan enables the Company to issue additional equity capital to existing shareholders.

ADVANTAGES UNDER THE PLAN

- a Participant may purchase Plan Shares with the cash dividends paid on the Eligible Shares, net of applicable withholding taxes, which are registered in the name of the Participant;
- full investment of cash dividends is possible under the Plan because the Plan permits fractions of Plan Shares as well as whole Plan Shares to be purchased and held for Plan Participants;
- cash dividends in respect of Plan Shares purchased under the Plan will be held by the Agent for the Participant's account and will automatically be reinvested in purchasing additional shares; and
- no commissions, service charges or brokerage fees are payable by the Participant in connection with the Plan.

The price at which Plan Shares will be purchased by Participants with the cash dividends will be the Average Market Price, defined as 100% of the simple average of the closing price for common shares of the Company on The Toronto Stock Exchange for the twenty (20) trading days immediately preceding a Dividend Date (defined below).

Plan Shares issued under the Plan will be issued directly from the treasury of the Company.

ADMINISTRATION

The Company shall promptly pay over to the Agent, on behalf of the Participants, all cash dividends paid on the Eligible Shares, net of applicable withholding taxes. The Agent shall use such funds to purchase Plan Shares for the Participants directly from the Company. Plan Shares purchased under the Plan shall be registered in the name of the Agent, as agent for the Participants in the Plan.

Accounts under the Plan shall be maintained, separately, in the names in which Eligible Shares were registered at the time the Participants entered the Plan.

PARTICIPATION

PARTICIPATION IN THE PLAN

Who can Participate?

- Any Canadian resident holder of record of Eligible Shares may enrol in the Plan at any time.
- A beneficial shareholder (whose Eligible Shares are held and registered in a nominee account) can enrol in the Plan by instructing the registered holder of its Eligible Shares to enrol or by becoming a shareholder of record, as provided below.
- Shareholders resident outside of Canada will be entitled to participate in the Plan only if permitted without registration or qualification of the Eligible Shares under applicable law of the jurisdiction in which they reside. Such shareholders will generally be subject to Canadian withholding taxes in respect of dividends and only cash dividends after payment of applicable withholding taxes will be reinvested under the Plan.

Shareholders who are resident in the United States or who are United States persons (as defined in Regulation S under the *Securities Act of 1933* (United States)) will not be entitled to participate in the Plan.

How to Participate

Canadian Resident Holder of Record

- By completing the enclosed authorization form (“Authorization Form”) and returning it to the Agent.

Beneficial Shareholder (Not an Owner of Record)

- By contacting the registered holder of its shares, or the broker, dealer, bank or other financial institution or other person on whose behalf The Canadian Depository for Securities Limited or other clearing agency (as defined under the *Securities Act* (Ontario)) holds Eligible Shares, to instruct the registered shareholder to take all actions necessary to become a Participant;
- If a beneficial owner holds Eligible Shares in, for example, more than one brokerage account, and wishes to participate in the Plan in respect of Eligible Shares in all such accounts, the registered shareholder of each such account should be instructed to take all actions necessary to become a Participant;

Or

- If the registered shareholder is unable to participate in the Plan, the beneficial holder of the Eligible Shares will be required to become a shareholder of record by transferring such Eligible Shares into his or her own name or into a specific segregated registered account, such as a numbered account with a bank or trust company, with the bank or trust company’s concurrence. This will enable the shareholder to participate in the Plan. An Authorization Form can then be completed and returned to the Agent in order to enrol in the Plan.

Shareholder Resident Outside of Canada

The Corporation or Agent does not verify that a non-resident is eligible to participate in the Plan. Non-residents are responsible to ensure that they are able to join the Plan.

Once a Participant has enrolled in the Plan, participation shall continue automatically unless terminated in accordance with the terms and conditions of the Plan or unless participation becomes unlawful under the laws governing the Company.

Authorization Form

An Authorization Form may be obtained from the Agent at any time upon written request addressed to the Agent or from the Company by visiting the Company's website at www.morguard.com and downloading an Authorization Form. The Authorization Form directs the Company to forward to the Agent, and the Agent to invest in Plan Shares, all of the Participant's cash dividends, net of applicable withholding taxes, paid on the Eligible Shares. The Agent will apply such funds received under the Plan to the purchase of Plan Shares. When enrolling in the Plan, if a completed Authorization Form is received by the Agent on or before a dividend record date ("Dividend Record Date"), being at least five business days before a Dividend Date (defined below), the immediately following cash dividend will be invested under the Plan.

An election to participate in the Plan by a shareholder must be made in respect of all of the Eligible Shares held by such shareholder as specified in the Authorization Form. Dividends paid on Eligible Shares held by the Agent for the account of a Participant under the Plan will be automatically reinvested, after payment of applicable withholding taxes, in additional Plan Shares on each dividend date ("Dividend Date"), being on or about the last days of March and September in each calendar year.

No interest will be paid to Participants on any funds held for investment under the Plan.

Participant No Longer Eligible

Upon ceasing to be eligible to participate in the Plan, a Participant shall forthwith notify the Agent in writing of his/her termination of their participation in the Plan.

NO TRANSFER OF PARTICIPATION RIGHTS

The right to participate in the Plan may not be transferred by a Participant without the prior written approval of securities regulatory authorities.

TERMINATION OF PARTICIPATION

Who can Terminate?

Participation in the Plan may be terminated:

- by a Participant at any time; or
- by the Company, in respect of a particular Participant, where such Participant has failed to comply with the terms and conditions of the Plan, or, in the reasonable opinion of the Company, has abused the

Plan to the detriment of the Company or its shareholders; or

- by the Company, in respect of a particular Participant, where the number of Plan Shares acquired by a Participant through the Plan is less than one Plan Share over a period of twelve (12) consecutive months; or
- automatically upon receipt by the Agent of a written notice of the death of a Participant.

How to Terminate

A Participant may terminate participation in the Plan by giving written notice to the Agent.

If notice of termination is received by the Agent at least five business days prior to a Dividend Record Date, termination will have effect for the corresponding Dividend Date.

If notice of termination is received less than five business days before a Dividend Record Date, the dividend made on the corresponding Dividend Date will be invested in Plan Shares and the termination will be effective only after the Dividend Date.

Effect of Termination

When participation in the Plan is terminated, the Participant will receive a certificate for the whole Plan Shares held for such Participant's account and a cash payment for any fractional Plan Shares. Any fractional Plan Share interest will be paid in cash calculated on the basis of the closing price of the Company's common shares traded on The Toronto Stock Exchange on the last trading day prior to the effective date of termination.

Upon termination, a Participant may request in writing that the Agent arrange for the sale by a registered stockbroker on behalf of the Participant of the Participant's Plan Shares held by the Agent, provided that these constitute less than a board lot. The Plan Shares may be sold by a registered stockbroker on behalf of Participants on a commingled basis with other shares of the Company held by the Agent, in which case the proceeds to each Participant will be based on the average sale price of all shares so commingled. Upon receipt of such written request, the Agent will arrange for the sale by a registered stockbroker of such odd-lot holdings as soon as is practicable. Net proceeds of such sale will be forwarded by the Agent by cheque to the Participant. Any brokerage fees or commissions payable on such sale will be pro-rated among all the selling Participants.

If a Participant sells or transfers all of the common shares held in certificate form that are enrolled in the Plan, but does not sell or transfer common shares that are being held for such person by the Agent in their account, participation in the Plan will continue for the latter common shares, subject to termination as set out in this Plan.

In the case of termination of participation due to death, all dividends paid in respect of a deceased's Eligible Shares will be paid in cash, net of applicable withholding taxes. A certificate for whole Plan Shares and a cheque for payment in lieu of fractional Plan Shares, if any, will be issued by the Company in the name of the deceased Participant, as appropriate, and the Company will send such certificate and a cash payment for any fractional Plan Share to the representative of the deceased Participant.

A Participant may sell, transfer, pledge or otherwise dispose of the Plan Shares, provided that all regulatory consents have been obtained, by first withdrawing such shares from the Plan, and upon receipt of such a request, the Agent shall transfer the shares and any cash adjustments for fractional shares to the Participant.

Plan Shares held by the Agent for a Participant may not be pledged, sold or otherwise disposed of by the Participant while so held. A Participant who wishes to effect any such transaction must request that the certificates for such Plan Shares be issued in the Participant's name.

AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

The Company reserves the right to amend, suspend or terminate the Plan at any time, subject to the approval of The Toronto Stock Exchange, but such action shall have no retroactive effect that would prejudice the interest of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination.

In the event that the Company desires to amend the Plan in the future, the Company will obtain pre-clearance by The Toronto Stock Exchange in respect of such amendment prior to its implementation.

In the event of termination of the Plan by the Company, certificates for whole Plan Shares held for Participants' accounts under the Plan and cash payments for any fractional Plan Shares will be remitted by the Company to the Participants. In the event of suspension of the Plan by the Company, no investment will be made by the Agent on the Dividend Date immediately following the effective date of such suspension. Any dividend on Eligible Shares subject to the Plan and paid after the effective date of any such suspension will be remitted by the Company to the Participants in cash only.

RULES AND REGULATIONS

The Company, in conjunction with the Agent, may from time to time adopt rules and regulations to facilitate the administration of the Plan. The Company also reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

Limits on Number of Eligible Shares

The Company may limit the number of Plan Shares issuable under the Plan, including, without limitation, Plan Shares issuable to shareholders resident in any province of Canada in connection with discretionary exemptive relief relating to the Plan granted by any securities regulatory authority.

LIMITS ON NUMBER OF ELIGIBLE SHARES

The Company may limit the number of Plan Shares issuable under the Plan, including, without limitation, Plan Shares issuable to shareholders resident in any province of Canada in connection with discretionary exemptive relief relating to the Plan granted by any securities regulatory authority.

RIGHTS OFFERING

In the event that the Company makes available to holders of Eligible Shares rights to subscribe for Plan Shares or other securities, rights certificates will be issued by the Company to each Participant in respect of the whole Plan Shares held for a Participant's account under the Plan on the Dividend Record Date for such rights issue. Rights based on fractional Plan Shares held for a Participant's account will be sold together with rights based on fractional Plan Shares held for other Participants on a commingled basis by the Agent or by a registered stockbroker on behalf of Participants and the proportionate net proceeds, after taking into account applicable withholding taxes, will be remitted to the Participant.

SHARE SPLITS AND SHARE DIVIDENDS

If shares of the Company are distributed pursuant to a share split or share dividend on Eligible Shares, such shares received by the Agent or its nominee for Participants under the Plan will be retained by the Agent or its nominee and credited proportionately to the accounts of the Participants in the Plan, provided that in the case of non- resident holders, shares may be sold to the extent necessary to pay applicable withholding taxes.

SHARES

Shareholders are entitled to receive the dividends paid by the Company. Each shareholder is entitled to one vote at all meetings of shareholders for each whole share held by such shareholder. In the event of liquidation, dissolution or winding-up of the Company, after payment of all outstanding debts of the Company, the remaining assets of the Company will be distributed pro rata to shareholders.

SHAREHOLDER VOTING

Whole Plan Shares held for a Participant's account under the Plan on the Dividend Record Date for a vote of shareholders will be voted in the same manner as such Participant's Eligible Shares are voted. Fractional Plan Shares may not be voted.

PRICE OF SHARES AND COSTS

PRICE OF SHARES

On each Dividend Date, the Agent will pay to the Company all dividend funds held by it as of such date on behalf of Participants for reinvestment under the Plan at the Average Market Price for the Eligible Shares. The Company will advise the Agent of the Average Market Price for such Eligible Shares.

Each Participant's account will be credited with that number of Plan Shares purchased for such Participant (including fractions computed to three decimal places) which is equal to the amount to be reinvested for the Participant divided by the Average Market Price.

COSTS

There are no commissions, service charges or brokerage fees payable in connection with the issuance of Plan Shares under the Plan. All administrative costs of the Plan are borne by the Company.

RECORDING AND CERTIFICATES

REPORTS TO PARTICIPANTS

A separate account will be maintained by the Agent or by its nominee for each Participant in the Plan. A quarterly statement will be mailed to each Participant. These statements will be the Participant's continuing record of

purchases made and Plan Shares issued under the Plan and should be retained for income tax purposes. In addition, the Agent will send annually to each Participant the appropriate information for tax reporting purposes.

CERTIFICATES FOR SHARES

Plan Shares purchased under the Plan will be held by the Agent or by its nominee for Participants under the Plan. Certificates for such Plan Shares will not be issued to Participants unless upon specific request.

A Participant may, upon written request to the Agent, receive a share certificate issued in the Participant's name for any number of whole Plan Shares held for the Participant's account under the Plan even though the Participant is not terminating participation in the Plan. A share certificate will be sent to the Participant as soon as is practicable upon receipt by the Agent of the Participant's written request. Any remaining whole Plan Shares and fractional Plan Shares will continue to be held for the Participant's account under the Plan. No certificate requests will be processed between a Dividend Record Date and the related Dividend Date. Any such requests will be processed immediately following the related Dividend Date.

RESPONSIBILITIES OF THE COMPANY AND THE AGENT

The Company and the Agent shall not be liable for any act or omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death; and
- (b) relating to the prices at which Plan Shares are purchased or sold for the Participant's account and the times such purchases or sales are made.

PARTICIPANTS SHOULD RECOGNIZE THAT NEITHER THE COMPANY NOR THE AGENT CAN ASSURE A PROFIT OR PROTECT THEM AGAINST A LOSS ON THE PLAN SHARES PURCHASED OR SOLD UNDER THE PLAN.

INCOME TAX CONSIDERATIONS

The following is a general summary of the principal Canadian federal income tax considerations generally applicable to Participants in the Plan who, for purposes of the *Income Tax Act* (Canada) (the "Tax Act") are resident in Canada, deal at arm's length with the Company and hold their shares as capital property. This summary is based on the current provisions of the Tax Act and the regulations thereunder and the Company's understanding of the published administrative practices of the Canada Customs and Revenue Agency. This summary does not take into account or anticipate any changes in law whether by legislative, regulatory, administrative or judicial action nor does it take into account any provincial or foreign tax legislation or considerations. This summary is of a general nature only and is not intended to be, nor should it be construed to be, advice to any particular Participant.

The Corporation recommends that shareholders consult their own professional tax advisors as to the tax consequences of participation in the Plan.

TAX ON DIVIDENDS

Participants in the Plan will recognize the same tax consequences with respect to the amount applied to purchase newly issued Plan Shares under the Plan as they would if such amount had been paid or payable in the form of a cash dividend.

The rights acquired by a Participant under the terms of the Plan to acquire Plan Shares from the Company at the Average Market Price and the exercise thereof should not give rise to a taxable benefit under the Tax Act provided that the price at which the Plan Shares will be purchased by the Participants is not less than the Average Market Price. The crediting of Plan Shares to the account of, or receipt of certificates representing whole Plan Shares by, a Participant will not, in itself, give rise to a taxable benefit.

COST AMOUNT

For the purposes of the Tax Act, the cost of the Plan Shares acquired under the Plan should be the amount of the dividend and should be equal to the Average Market Price times the number of Plan Shares acquired. For purposes of computing the adjusted cost base of the Plan Shares, the Participant will be required to average the cost of the newly acquired Plan Shares with the adjusted cost base of any other shares of the Company then owned by the Participant as capital property in accordance with the provisions of the Tax Act in that regard.

DISPOSITION OF SHARES

A Participant who disposes of Plan Shares acquired under the Plan and held as capital property will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Plan Shares exceed (or are exceeded by) the aggregate of the adjusted cost base of the Plan Shares disposed of by the Participant and any reasonable costs of disposition.

Cash received in lieu of a fractional Plan Share upon termination of participation in the Plan will be considered proceeds of disposition for such fractional Plan Share. Accordingly, the Participant will be required to recognize any resulting capital gain or capital loss in respect of such fractional Plan Shares at the time such cash is received.

CAPITAL GAINS

Three-quarters of any capital gain (a "taxable capital gain") is included in computing federal income tax liability and three-quarters of a capital loss is generally deductible against taxable capital gains in accordance with the provisions of the Tax Act. On December 21, 2000, the Finance Minister released draft amendments to the Tax Act. The draft amendments would reduce the inclusion rate for capital gains and losses from three-quarters to two-thirds effective February 28, 2000, with a further reduction to one-half effective October 18, 2000. However, there can be no assurance that the amendments will be implemented in their current form, or at all.

Additionally, the capital gains inclusion rate for the purposes of provincial income tax may vary depending on the province.

NOTICES

All notices required to be given under the Plan shall be mailed to a Participant at the address shown on the records of the Plan or at a more recent address as furnished by the Participant.

Notices to the Agent or the Company shall be sent to:

Morguard Corporation
c/o Dividend Reinvestment Services
Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1

Telephone: 1-800-564-6253 (toll free)
Facsimile: 1-888-453-0330

EFFECTIVE DATE OF THE PLAN

The effective date of the Plan November 6, 2000.
The Plan, as amended, is effective as of July 4, 2005.

QUESTIONS AND ANSWERS REGARDING MORGUARD CORPORATION SHAREHOLDER DIVIDEND REINVESTMENT PLAN

The following answers some questions shareholders may have about the Shareholder Dividend Reinvestment Plan (the "Plan"). Before you make any investment decision regarding the Plan, we urge you to carefully read the full terms of the Plan.

1. **What is the Shareholder Dividend Reinvestment Plan?**

The Plan allows registered holders of common shares of Morguard Corporation to automatically reinvest cash dividends paid by the Company, less applicable withholding taxes, in additional common shares (the "Plan Shares") of the Company.

2. **What is the advantage of participating in the Shareholder Dividend Reinvestment Plan?**

Under the Plan, your cash dividends, less applicable withholding taxes, will be automatically reinvested in whole and fractional Plan Shares purchased from the Company's treasury at market prices. You pay no service charges, commissions, brokerage fees or administration fees for Plan Shares purchased under the Plan. Full investment of a Participant's funds is possible because the Plan permits fractions of Plan Shares, as well as whole Plan Shares, to be purchased, accumulated and held for the Participant.

3. **How is the Average Market Price of Plan Shares determined for the Plan?**

The Average Market Price of Plan Shares will be calculated based on 100% of the simple average of the closing price form common shares of the Company on The Toronto Stock Exchange for the twenty (20) trading days immediately preceding a Dividend Date.

4. **Who can participate in the Plan?**

Any registered holder of common shares of Morguard Corporation who resides in Canada can enrol in the Plan. If common shares are registered in the name of a nominee, the beneficial owner must satisfy the residency eligibility requirements in order for the nominee to participate on behalf of the beneficial owner. Shareholders not resident in Canada can participate in the Plan only if permitted without registration or qualification of the Plan Shares issued under the Plan under applicable laws of the jurisdiction in which they reside, as demonstrated to the satisfaction of the Agent. Persons resident in the United States or United States persons may not participate in the Plan.

5. How do I enrol in the Plan?

If you are an eligible shareholder, complete the enclosed Authorization Form - indicating that you wish to enrol in the Plan - and return it to the Agent in the postage prepaid envelope provided. Please do not forward share certificates or dividend cheques. Once you are enrolled in the Plan, your participation continues until terminated by you in accordance with the terms and conditions of the Plan or termination of the Plan by the Company.

6. How can I enrol in the Plan if my shares are held in a nominee account?

A person who is a beneficial shareholder and not an owner of record (that is, whose common shares are held and registered in a nominee account) and wishes to participate in the Plan should contact the registered holder of such shares, or the broker, dealer, bank, financial institution or other person on whose behalf The Canadian Depository for Securities Limited holds the common shares, to instruct the registered shareholder to take all actions necessary to become a Participant of the Plan. If the registered holder is unable to participate, the beneficial holder will be required to become a shareholder of record by transferring the shares into his or her name or into a specific segregated registered account. The newly registered shareholder may participate in the Plan by completing and returning the enclosed Authorization Form as provided above.

7. When can I join the Plan?

A registered holder of common shares who is eligible to participate in the Plan may join the Plan at any time. Your enrolment in the Plan must be received by the Plan agent at least five business days prior to the Dividend Record Date to ensure that your dividends are applied to purchase new Plan Shares for the applicable Dividend Date. Dividend payments will be made quarterly, on or about the last days of March and September in each calendar year. Interest is not paid on any funds held for investment by the Agent under the Plan.

8. Will I receive a share certificate for Plan Shares purchased under the Plan?

To protect against theft or destruction, share certificates are generally not issued for Plan Shares purchased under the Plan. A quarterly statement will be forwarded to you which will list the number of Plan Shares held in the Plan. If you require a share certificate, please send your written request to the Agent. Certificates will be forwarded as soon as is practicable after receipt of a request.

9. What kind of recordkeeping can I expect?

A record of your purchases will be mailed to you approximately three weeks after each Dividend Date. You should keep this statement for tax purposes. You will also receive appropriate tax information annually for reporting dividends paid on Plan Shares in the Plan.

10. What are the income tax consequences of participating in the Plan?

A summary of the tax implications of participating in the Plan is provided in this information package. Generally, Participants in the Plan will recognize the same tax consequences with respect to the amount applied to

purchase newly issued Plan Shares under the Plan as they would if such amount had been paid or payable in the form of a cash dividend.

The rights acquired by a participant under the terms of the Plan should not give rise to a taxable benefit under the Tax Act provided the Average Market Price is equal to the fair market value of the Plan Shares being acquired by a Participant.

A Participant who disposes of Plan Shares acquired under the Plan and held as capital property will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Plan Shares exceed (or are exceeded by) the aggregate of the adjusted cost base of the Plan Shares disposed of by the Participant and any reasonable costs of disposition.

11. How do I terminate participation in the Shareholder Dividend Reinvestment Plan?

You can terminate your participation in the Plan at any time by advising the Agent in writing. Upon closing your Plan, the Agent will issue a share certificate for whole Plan Shares and provide a cash payment for any fraction of a Plan Share. The cash payment for your fraction of a Plan Share will be based on the closing price of the Company's common shares on The Toronto Stock Exchange on the last trading date prior to the effective date of termination.

If notice of termination is received less than five business days before a Dividend Record Date, the dividend made on the corresponding Dividend Date will be invested in Plan Shares and the termination will be effective only after the Dividend Date.

12. Will the Plan Shares that I acquire under the Shareholder Dividend Reinvestment Plan be freely tradable?

The Company is taking steps with each of the securities commissions in Canada in order to ensure that the resale of Plan Shares acquired under the Plan in each jurisdiction, subject to the fulfilment by the Company of its obligations as a reporting issuer and specific requirements relating to the Plan, is permissible.

13. Who do I contact for more information?

For more information about the Shareholder Dividend Reinvestment Plan, please contact the Agent:

Dividend Reinvestment Services
Computershare Trust Company of Canada 100 University Avenue
9th Floor
Toronto, Ontario, Canada M5J 2Y1
Telephone: 1-800-564-6253 (toll free)
Facsimile: 1-888-453-0330
Email: service@computershare.com

or the Company:

Secretary
Morguard Corporation
55 City Centre Drive Suite 1000
Mississauga, Ontario L5B 1M3
Telephone: (905) 281-5923
Facsimile: (905) 281-5890
Email: bflynn@morguard.com

AUTHORIZATION FORM

To enrol in the Plan, please complete the following:

MORGUARD CORPORATION
Shareholder Dividend Reinvestment Plan
Authorization Form

TO: MORGUARD CORPORATION

AND TO: COMPUTERSHARE TRUST COMPANY OF CANADA

The Shareholder Dividend Reinvestment Plan (the “Plan”) established by Morguard Corporation (the “Company”) gives each Shareholder resident in Canada a right to direct the Company to reinvest all of the Shareholder’s cash dividends paid on Eligible Shares of the Company, less applicable withholding taxes, in Plan Shares of the Company for the benefit of such Shareholder. A Shareholder wishing to exercise this right of reinvestment should complete the election provided in the form set forth below. A Shareholder who fails to complete the election provided in the form set forth below will receive payment in cash of all dividends that may become payable on the Eligible Shares of the Company registered in the Shareholder’s name.

p I elect to enrol in the Plan and hereby direct the Company to forward to Computershare Trust Company of Canada (the “Agent”), and the Agent to invest, all of the cash dividends paid on the common shares of the Company, less applicable withholding taxes, now or subsequently registered in my name (or held on my behalf under the Plan) in the purchase of Plan Shares of the Company commencing with the next Dividend Record Date after this completed form has been received and recorded as provided under the Plan. My participation in the Plan is subject to the terms of the Plan which I have received and read.

(Print Name)

(Address)

Country of Citizenship/Residency

Number of common shares held

Signature

Date

If the common shares are jointly held, each Shareholder must sign. If the Shareholder is a corporation, this Authorization Form must be executed under its corporate seal by the duly authorized officer(s) of such

corporation or by an attorney thereof duly authorized in writing. If more space is required, please attach a schedule and return it with this Authorization Form to the Agent.

A return envelope has been provided for your convenience. Any questions concerning the Plan should be directed to the Agent:

Dividend Reinvestment Services
Computershare Trust Company of Canada
100 University Avenue
9th Floor Toronto, Ontario M5J 2Y1
Telephone: 1-800-564-6253 (toll free)
Facsimile: 1-888-453-0330
This is not a proxy.