



Dividend Reinvestment Plan (DRIP) Frequently Asked Questions

This circular is provided as a basic guide to assist shareholders. Specific plan details are contained in the Dividend Reinvestment Plan. A copy is available on the Company website at www.spruce-land.com or upon request. All terms of the Plan are subject to change.

Q. What is a Dividend Reinvestment Plan (DRIP)?

A. A dividend reinvestment plan (DRIP) is an investment program offered to shareholders to provide shareholders with the opportunity to expand their investment in the issuing company on an ongoing basis. Shareholders who participate in the plan reinvest their cash dividends and buy additional shares of the company instead of receiving a cash payment. When an investor enrolls in a dividend reinvestment plan, he or she will no longer receive dividends by cheque. Instead, those dividends are automatically used to purchase additional shares of stock in the company that paid the dividend. Plan terms vary, so plan documentation must be consulted to determine the specifics of each plan.

Q. What are the benefits of enrolling in a DRIP?

- A.**
- Enrolling in a DRIP is easy. The paperwork can normally be filled out in under one minute.
 - Dividends are automatically reinvested. Once the investor has enrolled in the DRIP, the process becomes entirely automated and requires no more attention or monitoring.
 - Share purchases through a DRIP are not subject to any commissions or service charges. You can build on your investment at no cost.
 - A DRIP facilitates consistent disciplined investing through use of the dividends to purchase additional shares at regular intervals.
 - A DRIP enables smaller purchases of shares, which would not be possible or cost effective through other means.
 - A DRIP allows the investor to purchase fractional shares. Over decades, this can result in significantly more wealth in the investor's hands. See the example below.
 - You can withdraw from or terminate the Plan at any time.

Note: Specific benefits of participating in DRIPs depend on the specific plan features. The SLD DRIP offers all of the benefits described above –

please consult the Plan documentation for details. For assessment of and recommendations as to the overall suitability of this or any investment, please contact your financial advisor.

Q. Why are dividend reinvestment plans conducive to wealth building?

A. In even the smallest portfolio, dividend reinvestment plans can result in substantial increases in value over extended periods of time. To demonstrate the power of dividend reinvestment through DRIPs, consider the example given in Jerry Edgerton and Jim Frederick's August 1, 1997 Money magazine article, *Build Your Wealth Drip by Drip*: if you had put \$10,000 in Standard & Poors 500 stock index at the end of 1985 and not bothered to reinvest your dividends, you would have had \$29,150 by the end of 1995. Had you reinvested the dividends, however, your total would have been more than \$40,000.

In other words, reinvesting those seemingly-small dividends resulted in an extra \$10,850 over ten years. Assuming you continued to add to your principal investment and held those stocks for thirty or forty years, the difference could be hundreds of thousands of dollars or more.

Q. Who can enroll?

A. To be eligible to enroll in the Plan, one must be a registered shareholder as of the record date that dividends are declared and thus eligible to receive dividends. Each plan has an offering circular or prospectus that outlines plan features and eligibility requirements. We recommend that you carefully review the plan documentation to determine the plan's qualification requirements.

Q. How do I enroll?

A. To enroll in the DRIP, please follow these steps.

1. Carefully review the DRIP documentation. The Plan and Enrollment Form are available on SLD's website (www.spruce-land.com) under Investors, or you can contact our office at 780.424.5775 and ask for Anna Benali or Betty Dagelman.
2. Complete and sign the enrollment form. If there is more than one registered holder, each person must sign the enrollment form. Written instructions are required. Requests can not be made by phone.
3. Send the completed enrollment form by mail, fax or email to Olympia Trust at the following address:

Olympia Trust Company
Attn: Manager of Corporate Actions
2300, 125 - 9 Avenue SE
Calgary, AB, T2G 0P6
Fax: (403) 265-1455
Email: reinvestmentservices@olympiatrust.com

Q. Is there an enrollment deadline?

A. Enrollment forms can be completed at any time of the year. To be eligible for reinvestment of the annual dividend payment, the enrollment form needs to be received by the transfer agent no later than 3:00 pm on a business day 30 days prior to the dividend payment date.

Q. What happens if you miss the enrollment deadline?

A. Forms received after the enrollment deadline will be used to enroll the shareholder for reinvestment of the next dividend payment.

Q. Do I need to enroll for each dividend payment?

A. No, once you enroll all future dividends will be reinvested until you provide written request to withdraw from the Plan.

Q. Why does Olympia Trust need your SIN?

A. Olympia Trust, our transfer agent, which manages the Plan for SLD, is required by CRA to ask for your SIN because you will receive income in the form of dividends from your shares under the Plan.

Q. How is the purchase price calculated?

A. The plan specifies that the DRIP share price will be calculated annually and is to be set as follows:

1. If 5% or more of shares are traded in arms length transactions, the average trading price will be the DRIP share price.
2. If less than 5% of shares are traded in the current year but 5% of shares were traded in the prior year, then the DRIP share price will be set as follows:

$$= \frac{\text{Book Value for Current Period} \times \text{Prior Period Share Price}}{\text{Book Value for Prior Period}}$$

3. If less than 5% of shares are traded in each of the past 2 years, then the Board of Directors sets the DRIP share price.

Q. How do fractional shares work?

- A.** Participating in a DRIP enables shareholders to purchase and hold fractional shares.

For example, if on a payable date you are entitled to a dividend payment of \$12.50, which is reinvested in additional shares at a purchase price of \$4.00 per share, you would receive 3.125 shares. Over time, fractional share holdings accumulate into whole share holdings for the plan participant.

Q. Do we receive share certificates?

- A.** Shares purchased in the plan are held in electronic (book-based) form on your behalf by Olympia Trust. The plan shares are registered in your name, and you have all of the rights and privileges of a registered shareholder. No share certificates are issued until shares are withdrawn from the plan.

Q. Do we receive statements?

- A.** Yes, statements showing transactions and plan holdings are usually issued on an annual basis.

Q. What is dollar-cost averaging?

- A.** Regular investments at the same dollar amount ensure that more shares are purchased when the share price is low and fewer are purchased when the share price is high. This approach effectively lowers the average price paid for shares and is known as ‘dollar-cost averaging’. Here’s how it works:

	Regular Investment	Share Price	Shares Purchased
	\$100	\$11.00	9.09
	\$100	\$12.50	8.00
	\$100	\$10.75	9.30
	\$100	\$15.60	6.41
	\$100	\$18.35	5.45
Totals	\$500	\$13.07	38.25

The average cost per share acquired is calculated by dividing the total investment (\$500) by the total number of shares purchased (38.25).

Average share cost = \$13.07 ($\$500 \div 38.25$)

The average price per share paid by the investor is calculated by dividing the total of the share prices paid (\$68.20) by the total number of share purchases (5).

Average share price = \$13.64 ($\$68.20 \div 5$)

Q. Can I partially enroll in the DRIP?

A. No, if you enroll in the DRIP all dividends received on your shares will be reinvested.

Q. Can I withdraw from the DRIP?

A. Yes, written instructions must be received by the transfer agent. A share certificate will be issued and a payment sent for any fractional shares.