was a $0.9 million increase in finance costs in the first quarter of 2014. The principal amendments to the term loan included: a reduction in applicable interest rates resulting in a reduced interest rate for loans under the facility from 3.5% plus a 1.25% LIBOR floor to 3.25% plus a 1.00% LIBOR floor; a total leverage ratio financial covenant was removed; increased capacity for capital expenditures, distributions and repurchases was added; and increased flexibility and capacity for permitted investments and acquisitions by the Company was obtained. The principal amount increased from $232.7 million to $300.0 million and the maturity and amortization terms changed from December 19, 2017 to April 24, 2021.

The LIBOR floor of 1.25% represented the original embedded interest rate derivative that required bifurcation, where the bifurcated amount was carried at fair value. The new term loan executed in April 2014 also has an embedded derivative related to the 1.00% LIBOR floor, however, bifurcation is not required as it was concluded to be closely related to the host instrument.

The principal payments required on finance leases are as follows:

Long-term finance lease obligations (Amounts in $000s)	**Future minimum lease payments**	**Imputed interest**	**Finance lease liabilities**
2016	$ 1,074	$ 59	$ 1,015
2017	490	19	471
2018	234	5	229
2019	16	1	15
			1,730
Less: current portion			(1,015)
			$ 715

Note 13. Future employee benefits

Pension and non-pension benefit plans

In Canada, the Company maintains a DCPP and two active DBPPs covering all Canadian employees. With respect to U.S. employees, the Company's subsidiary maintains a DCPP (401(k)) that covers substantially all U.S. employees.

In Canada, the Company also sponsors a non-pension benefit plan for employees hired before May 19, 1993. This benefit is a paid-up life insurance policy or a lump sum payment based on the employee's final earnings at retirement.

In both Canada and the U.S, the Company maintains a non-pension benefit plan for employees who retire after 25 years of service with the Company. At retirement, the benefit is a payment of $1,000 to $2,500 depending on the years of service.

Defined contribution pension plans

In Canada, the Company maintains a DCPP for all salaried employees including new NEOs.

In the U.S., the Company maintains a DCPP under the provisions of the Employment Retirement Income Security Act of 1974 (a 401(k) plan), which covers substantially all employees of the Company's U.S. subsidiary, including U.S. NEOs. The Company also makes a safe harbor matching contribution equal to 100% of salary deferrals (contributions to the plan) that do not exceed 3% of compensation plus 50% of salary deferrals between 3% and 5% of salary compensation.

In both Canada and the U.S., the Company maintains defined contribution Supplemental Executive Retirement Plans ("SERP") to extend the same pension plan benefits to NEOs which is provided to others in the DCPP who were not affected by income tax maximums.

Total expense and cash contributions for the Company's DCPP was $2.2 million for the year ended January 2, 2016 (January 3, 2015: $2.5 million).

Defined benefit pension plans

The Company sponsors two actively funded and one non-funded DBPP in Canada. No Company pension plans provide indexation in retirement.

One of the actively funded DBPPs is for the Nova Scotia Union employees and provides a flat-dollar plan with negotiated increases. The other pension plan is for management employees and is described below:

Canadian management plan

The Company sponsors a DBPP specifically for Canadian management employees (the "Management Plan"). On January 2, 2016, nine persons were enrolled as active members in the Management Plan, including one NEO, who are Canadian residents and were employed prior to January 1, 2000. The objective of the Management Plan is to provide an annual pension (including Canada Pension Plan) of 2% of the average of a member's highest five years' regular earnings while a member of the Management Plan, multiplied by the number of years of credited service. Incentive payments are not eligible earnings for pension purposes. The Management Plan was grandfathered and no new entrants are permitted. All members contribute 3.25% of their earnings up to the Years Maximum Pensionable Earnings ("YMPE") and 5% in excess of the YMPE to the maximum that a member can contribute based on income tax rules. The credited service under the Management Plan for each Canadian NEO is 20 years.

Upon retirement, the employees in the Management Plan are provided lifetime retirement income benefits based on their best five years of salary less Canada Pension Plan benefits. Full benefits are payable at age 65, or at age 60 if the executive has at least 25 years of service. The normal benefits are payable for life and 60% is payable to their spouse upon the employee's death, with a guarantee of 60 months. Members can retire at age 55 with a reduction. Other levels of survivor benefits are offered. Instead, members can elect to take their pension benefit in a lump-sum payment at retirement.

The Company also guarantees through its SERP to extend the same pension plan benefits to Canadian NEOs that it provides to others in the Management Plan who were not affected by income tax maximums. The annual pension amounts derived from the aggregate of the Management Plan and SERP benefits represent 1.3% of the five-year average YMPE plus 2% of the salary remuneration above the five-year average YMPE. The combination of these amounts is multiplied by the years of service to determine the full annual pension entitlement from the two plans. As at January 2, 2016, one of the Company's NEOs is a member of the SERP.

U.S. management plans

The Company also has three small DBPPs in the U.S. that cover two former employees and one current employee. These plans cease to accrue benefits to employees.

Information regarding the Company's DBPP, in aggregate, is as follows:

Funded status (Amounts in $000s)		**January 2, 2016**		January 3, 2015
Total present value of obligations[1]	**$**	**35,463**	$	40,825
Fair value of plan assets		**25,832**		31,958
Net accrued defined benefit obligation	**$**	**9,631**	$	8,867

1 The Company has a letter of credit outstanding as at January 2, 2016 relating to the securitization of the Company's unfunded benefit plans under the SERP in the amount of $10.2 million (January 3, 2015: $11.2 million).

Movement in the present value of the defined benefit obligations (Amounts in $000s)		**January 2, 2016**		January 3, 2015
DBO at the beginning of the year	**$**	**40,825**	$	39,344
Benefits paid by the plans		**(1,948)**		(1,860)
Effect of movements in exchange rates		**(6,184)**		(3,713)
Current service costs		**867**		822
Interest on obligations		**1,486**		1,777
Employee contributions		**82**		104
Plan amendments		**577**		—
Effect of changes in demographic assumptions		**—**		(814)
Effect of changes in financial assumptions		**(45)**		4,101
Effect of changes in experience adjustments		**(197)**		1,064
DBO at the end of the year	**$**	**35,463**	$	40,825

Movement in the present value of plan assets (Amounts in $000s)		January 2, 2016		January 3, 2015
Fair value of plan assets at the beginning of the year	$	**31,958**	$	31,415
Employee contributions paid into the plans		**82**		104
Employer contributions paid into the plans		**797**		2,258
Benefits paid by the plans		**(1,948)**		(1,860)
Effect of movements in exchange rates		**(4,765)**		(2,970)
	$	**26,124**	$	28,947
Actual return on plan assets:				
Expected return on plan assets	$	**1,142**	$	1,433
Actuarial gains in OCI		**(1,354)**		1,671
Fees and expenses		**(80)**		(93)
		(292)		3,011
Fair value of plan assets at the end of the year	$	**25,832**	$	31,958

Expense recognized in the consolidated statement of income (Amounts in $000s)		January 2, 2016		January 3, 2015
Current service costs	$	**867**	$	822
Interest on obligation		**1,486**		1,777
Expected return on plan assets		**(1,142)**		(1,433)
Plan amendments		**577**		—
Fees and expenses		**80**		93
	$	**1,868**	$	1,259

Expense recognized in the following line items in the consolidated statement of income (Amounts in $000s)		January 2, 2016		January 3, 2015
Cost of sales	$	**478**	$	239
Selling, general and administrative expenses		**1,390**		1,020
	$	**1,868**	$	1,259

Plan assets comprise: (Amounts in $000s)		January 2, 2016		January 3, 2015
Equity securities[1]	$	**10,100**	$	13,870
Debt securities		**14,957**		16,906
Cash and cash equivalents		**775**		1,182
Total	$	**25,832**	$	31,958

1 The plan assets include CAD$2.9 million of the Company's own common shares at market value at January 2, 2016 (January 3, 2015: CAD$4.2 million).

Actuarial losses (gains) recognized in OCI (Amounts in $000s)		January 2, 2016		January 3, 2015
Cumulative amount at the beginning of the year	$	**6,073**	$	3,879
Recognized during the period		**989**		2,680
Effect of exchange rates		**(873)**		(486)
Cumulative amount at the end of the year	$	**6,189**	$	6,073

Principal actuarial assumptions (Expressed as weighted averages)	**January 2, 2016** **%**	January 3, 2015 %
Discount rate for the benefit cost for the year ended	**3.95**	4.64
Discount rate for the accrued benefit obligation as at year-end	**3.95**	3.95
Expected long-term rate on plan assets as at year-end	**3.95**	4.64
Future compensation increases for the benefit cost for the year ended	**4.00**	4.00
Future compensation increases for the accrued benefit obligation as at year-end	**4.00**	4.00

A quantitative sensitivity analysis for significant assumptions as at January 2, 2016 is shown below:

Assumptions (Amounts in $000s)	**Discount Rate**		**Mortality Rate**	
Sensitivity level	**0.5% increase**	**0.5% decrease**	**One year increase**	**One year decrease**
(Decrease) increase on DBO	**$ (2,366)**	**$ 2,636**	**$ 972**	**$ (988)**

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the net DBO as a result of reasonable changes in key assumptions occurring at the end of the reporting period. An analysis on salary increases and decreases is not material.

Historical information (Amounts in $000s)	**January 2, 2016**	January 3, 2015
Experience losses arising on plan liabilities	**$ 335**	$ 4,351
Experience losses (gains) arising on plan assets	**$ 1,354**	$ (1,671)

The Company expects CAD$1.1 million in contributions to be paid to its DBPP and CAD$3.1 million to its DCPP in Fiscal 2016.

Short-term employee benefits

The Company has recognized severance and retention benefits that were dependent upon the continuing provision of services through to certain pre-defined dates, which for the fifty-two weeks ended January 2, 2016 was an expense of $0.3 million (January 3, 2015: $1.2 million expense) in business acquisition, integration and other expenses in the consolidated statement of income.

Termination benefits

The Company has also expensed termination benefits during the period, which are recorded as of the date the committed plan is in place and communication is made. These termination benefits relate to severance which is not based on a future service requirement and are included on the following line items in the consolidated statement of income:

(Amounts in $000s)	**January 2, 2016**	January 3, 2015
Cost of sales	**$ 449**	$ 396
Distribution expenses	**54**	—
Business acquisition, integration and other expenses	**1,137**	130
Selling, general and administrative expenses	**969**	432
	$ 2,609	$ 958