



MACKENZIE
Investments

CONFIDENCE
IN A CHANGING WORLD

Defined Contribution Pension Plan

Mackenzie Group Plans – Member Booklet



The Plan

This Defined Contribution Pension Plan (the “Plan”) has been established to help you plan for your financial security during your retirement years.

The following pages contain a number of common questions and answers that explain how the Plan works and the benefits that may be available to you as a result of your membership in the Plan. Please note that there are a number of features and terms of the Plan which are determined by the Plan Sponsor (your Employer) and which you will be advised of by your Employer directly. We have indicated where certain information will be provided to you in an appendix called “Plan Specific Terms.”

This Employee Booklet should be accompanied by “Plan Specific Terms” which will provide you with important additional information about the Plan. If you have not yet received the Plan Terms Appendix, please contact your Human Resources representative or your payroll administrator to obtain this document.

While every effort has been made to ensure the accuracy of this Employee Booklet, your rights and benefits are governed by the terms of the Plan and the trust agreement between your Employer and the Plan trustee as well as the enrollment forms you will be required to sign when enrolling in the Plan and any employment contract you may be a party to that deals with this Plan. If you require further information relating to the benefits available, please contact your Human Resources representative or your payroll administrator.

1. What is the role of your Financial Advisor?

Your Financial Advisor is a trained investment professional who can help you establish your financial goals. Your Financial Advisor will work with you and can make a number of recommendations, including recommending appropriate investment funds for you to invest in. Your Financial Advisor will also provide you with periodic reviews to assess the success of your financial plan and to consider any changes to your investments necessary to better meet your original – or revised – goals.

Your Financial Advisor is a valuable resource you can rely on to provide you with information about the investment options that are available under the Plan as well as appropriate tools to assist you in making investment decisions. You should contact your Financial Advisor if you have specific questions about which investment options are available under the Plan and to assist you in making informed investment decisions.

2. What is the purpose of the Plan?

The primary goal of the Plan is to accumulate assets with which to provide retirement income for Members.

3. Who may join the Plan?

The terms of membership in the Plan will be determined by your Employer, and membership may either be compulsory or voluntary for each employee.

Full-Time Employees

Whether or not membership is compulsory or voluntary, full time employees employed after the effective date of the Plan (which is the date the Plan is officially established by your Employer) will be required to complete a certain amount of continuous service with the company prior to becoming eligible to become a Member. Employees of the Company at the effective date of the Plan must (in the case of compulsory membership) or may (in the case of voluntary membership) join the Plan immediately upon becoming eligible.

Less than Full-Time Employees

Each employee who is employed on a less than full time basis must (in the case of compulsory membership) or may (in the case of voluntary membership) become a Member of the Plan on the first day of the month coincident with or next following completion of 24 months of Continuous Service provided that, in each of the two consecutive calendar years immediately prior to joining the Plan the employee has:

- (a) Received earnings of at least 35% of the YMPE for such calendar year; or
- (b) Completed at least 700 hours of employment with the Company.

Please see the “Eligibility” section in the “Plan Specific Terms” of this Employee Booklet for specific information on the terms of joining the Plan, including whether membership is compulsory or voluntary.

4. How do I join the Plan?

Your Human Resources department or your payroll administrator will notify you of your options once you have satisfied the eligibility criteria and they will provide you with any forms you will need to enrol in the Plan.

5. What are my rights and responsibilities under the Plan?

As a Member of the Plan you are responsible for informing yourself about the Plan through the various documents, information and tools that are available to you. (A description of this information and how you can access it is listed in section 13 of this document). Your Financial Advisor can assist you with any questions you might have. Your Human Resources Department or payroll administrator is also available to provide information about the nature and features of the Plan.

You are also responsible for meeting with your Financial Advisor who will provide investment advice with respect to the investment options available under the Plan and in consultation with your Financial Advisor you will determine the investments best suited to you. Remember that investment funds are not guaranteed. While you hold any fund it is possible that the value of the fund will not increase as much as you expected when you purchased the fund or that you will lose money on your investment. As such, the decisions that you and your Financial Advisor make and the investment funds you choose will affect your investment returns and therefore the amount of money that will accumulate in the Plan.

6. Can I get in and out of the Plan as I wish?

Generally, once you have become a Member of the Plan, you must continue as a Member until you leave the Company or otherwise cease to qualify.

Please see the "Membership" section in the "Plan Specific Terms" of this Employee Booklet for further information on whether the Plan permits you to opt out of the Plan once you have become a Member.

7. What do I have to contribute to the Plan?

In any Plan year, you may be required to contribute a fixed percent of your Pensionable Earnings to the Plan, as determined by your Employer. Your Employer may, alternatively, not require you to make any contributions. You may also be allowed to make Additional Voluntary Contributions to the Plan. Please see the "Contributions" section in the "Plan Specific Terms" of this Employee Booklet for information about the contributions you are required or allowed to make to the Plan.

8. What does the Company contribute to the Plan?

In any Plan year your Employer is required to contribute a minimum of 1% of your Pensionable Earnings to your account. Your Employer may decide to contribute a larger amount. Details on the amount your Employer will contribute are included in the "Contributions" section in the "Plan Specific Terms" of this Employee Booklet.

9. Can I withdraw money from the Plan?

While you are an active member of the Plan, depending on the terms of the Plan, you may be permitted to make withdrawals of any Additional Voluntary Contributions. The "Withdrawals" section in the "Plan Specific Terms" of this Employee Booklet will indicate whether your Employer permits such withdrawals. Other withdrawals are not permitted until such time as you have terminated your employment with the Company or membership in the Plan. At that time, withdrawals will be permitted in accordance with applicable regulations and the rules of the Plan as outlined below.

10. Where and how are contributions invested?

All the contributions to the Plan are invested in investment funds or other permitted investments as selected by you from the investments made available by your Financial Advisor and in compliance with the Plan.

With the help of your Financial Advisor you will decide on the investment selections for all contributions made to the Plan or that you may have transferred from another registered plan.

11. How do I make investment selections?

Your Financial Advisor is available to provide you with, and discuss, the investment options available to you. In consultation with your Financial Advisor you can select the investments that suit your needs and your Financial Advisor will arrange to have your instructions processed. Your Financial Advisor will provide you with any forms that you must complete to implement your investment choices. Once you return any required forms to your Financial Advisor your changes will be implemented as soon as possible.

12. What investment options are available under the Plan?

Your Financial Advisor will determine which investment funds offered by Mackenzie Investments, and, if applicable, which other investments are available under the Plan. Mackenzie Investments offers a full range of investment options, including foreign and domestic equity funds, fixed income funds and balanced funds. You should discuss with your Financial Advisor the different investment funds that are available under the Plan and any other investment options, and how they may be able to help you meet your financial goals.

13. How can I get information, assistance and advice about the various investment options available under the Plan?

Continuous disclosure regarding the Mackenzie Mutual Funds is governed by National Instrument 81-101, National Instrument 81-106 and other applicable securities regulations. You can obtain valuable information regarding such things as an investment fund's investment objectives, strategies, fees, past performance, investment portfolio, risks and information about the investment management company responsible for the management of the fund's investment portfolio from the fund's Prospectus, Management Report of Fund Performance, Annual Information Form and financial statements. You should review these documents prior to making any investment decisions and discuss any questions you may have with your Financial Advisor. These documents are available on the Mackenzie Investments website at mackenzieinvestments.com, or the website of SEDAR (System for Electronic Document Access and Retrieval) at www.SEDAR.com, or at your request, from your Financial Advisor.

In addition to discussing your investment options with your Financial Advisor and consulting the funds' regulatory documents, the Mackenzie Investments website is continuously updated with fund reports including portfolio manager commentary, major holdings in the funds' portfolios, and overall fund performance information. The Mackenzie Investments website also provides Members with access to valuable investment decision-making tools. These tools include investment calculators such as Retirement Planning calculators, Investment and Savings calculators, Mortgage and Lending calculators and Personal Finance calculators. These tools can help you determine how much money you need to invest and the rate that money needs to grow in order for you to meet your retirement plan.

At all times you should feel free to contact your Financial Advisor for any information and assistance you feel you need to make informed investment selections.

Members are also able to access their accounts online 24 hours per day 7 days per week at mackenzieinvestments.com. Members are able to view the value and holdings of their account, obtain a transaction summary, view a breakdown of their asset mix, and obtain account details and view statements.

14. Do I need to make investment choices and what is the default option if no investment choice is made?

In consultation with your Financial Advisor, you should choose the investment funds that you believe can help you meet your financial goals. If you do not make investment decisions in respect of the contributions that you make to the Plan, or in respect of contributions made on your behalf, the contributions will be automatically invested in a money market mutual fund (a balanced fund for Alberta and British Columbia Plans) until an investment decision is made and you provide instructions to your Financial Advisor.

15. How do I change investment options or transfer investments between different options?

You can change your investment options and transfer between different investment options at any time by contacting your Financial Advisor, who will then arrange to have your instructions processed. Your Financial Advisor will provide you with any forms that you must complete to implement your investment choices. Once you return any required forms to your Financial Advisor your changes will be implemented on that business day if all required forms are received by Mackenzie Investments prior to 4:00 P.M. EST. If the forms are received after 4:00 P.M. EST your changes will be processed on the next business day.

Your Financial Advisor, at their discretion, may choose to charge a switch fee of up to 2% of the amount you switch between investment options.

16. What fees, expenses and penalties will be charged to my account?

The fees that may be charged to your account are set out in the funds' prospectuses and other disclosure documents, which can be accessed as described in section 13 of this document. The fees charged by the Mackenzie Mutual Funds in which you invest include such things as management fees and operating expenses. If you have purchased securities of the Mackenzie Mutual Funds that are under a Deferred Sales Charge purchase option, you may also be charged fees if you redeem your investments.

In addition to the fees charged directly by the funds in which you invest, your Financial Advisor may also charge a switch fee of 2% of the amount switched between the funds. This amount is negotiable with your Financial Advisor.

17. When do the contributions made by your Employer on your behalf vest?

The contributions made by your Employer to your account vest according to the specific vesting period, if any, described in the "Vesting" section in the "Plan Specific Terms" of this Employee Booklet. The specific vesting period, if any, is described in the "Vesting" section in the "Plan Specific Terms" of this Employee Booklet.

18. What do you mean by "vested"?

When an amount or contribution becomes vested, it means you own it. Any amounts that you may have transferred into the Plan from another registered plan are automatically vested.

19. What do you mean by "locked-in"?

Contributions made by your Employer and contributions made by you, with the exception of Additional Voluntary Contributions, are normally locked-in as soon as they are vested. This means they cannot be taken in cash prior to your retirement but must be used to provide you with a pension income. Voluntary contributions made by you, when permitted by a plan, are never locked-in.

20. How does the Plan affect my income tax situation?

Contributions made to the Plan by your Employer are not treated as part of your income for income tax purposes. Any contributions made by you to the Plan are deductible at source for income tax purposes. Interest and earnings credited to the funds in which contributions are invested and any capital gains or losses incurred do not enter into your tax calculation.

Total contributions made by the Company and by you to the Plan are limited to either the Money Purchase Limit for the calendar year as established by Canada Revenue Agency, or to 18% of your total compensation for the calendar year, whichever is less. The Canada Revenue Agency may adjust these limits in future years. Your overall allowable RRSP contribution is reduced by the contributions to the Plan.

The benefits paid out under the Plan, except where they are transferred as described in this booklet, will become part of your taxable income in the year in which you receive them.

21. What happens when I retire?

Upon retirement the vested amount in your account will be used to provide you with retirement income. An option package with a statement of your account and instructions for selecting from the available options will be provided to you when you retire. Please see the "Entitlements" section of the "Plan Specific Terms" of this Employee Booklet for details on early, normal and postponed retirement.

22. What happens when I leave the Company?

Upon leaving the company the vested amount in your account is available to you to provide retirement income. An option package with a statement of your account and instructions for selecting from the available options will be provided to you when you terminate your employment. Please see the "Entitlements" section of the "Plan Specific Terms" of this Employee Booklet for details.

23. What happens if I die before leaving the Company?

If you die before leaving the Company, your Beneficiary will receive the vested amount. An option package with a statement of your account and instructions for selecting from the available options will be provided to your Beneficiary. Please see the "Entitlements" section of the "Plan Specific Terms" of this Employee Booklet for details.

24. Will I receive a statement of my account?

You will be provided with a regular statement of your account showing the contributions made into the account as well as any gains or losses you have made from your investments. Your year-end statement will also include a performance report that will include the investment performance of Mackenzie Mutual Funds, information on a comparable benchmark index for each fund as well as the performance of the benchmark index. You may choose to receive your statements on paper or electronically via the Internet.

Members are also able to access their accounts online 24 hours per day 7 days per week at mackenzieinvestments.com. Members are able to view the value and holdings of their account, obtain a transaction summary, view a breakdown of their asset mix, view their free redemption amount, obtain account details and view statements. If you encounter any problems, you can call the Mackenzie Client Services Department at 1-800-387-0614 for assistance.

Glossary

An **Annual Information Form ("AIF")** contains valuable information about an investment fund and is required to be filed with securities regulators. The AIF can be obtained on the website of SEDAR at www.SEDAR.com or from your Financial Advisor. An AIF provides disclosure regarding such things as the investment management company responsible for managing and advising the fund, as well as information concerning the fund's material contracts, important policies, and the history of material changes.

A **Capital Accumulation Plan ("CAP")** is a tax-assisted investment or savings plan that permits the members of the CAP to make investment decisions among two or more options offered within the plan. Examples of a CAP may include a Defined Contribution Registered Pension Plan, a Group Registered Retirement Savings Plan, a Registered Education Savings Plan and a Deferred Profit Sharing Plan.

Continuous Service is the employee's uninterrupted period of employment with the plan sponsor and is typically calculated from the last date of hire with the company. It excludes temporary periods of suspension of employment (not to exceed two consecutive years for such occurrence).

A **Defined Contribution Registered Pension Plan** is a pension plan that specifies the level of contributions to be made to the plan by both the plan sponsor and the member. Contributions accumulate with investment earnings until retirement at which point they are transferred to an income-producing vehicle to provide an income stream. The amount of retirement income that may be purchased with the account balance is unknown until the actual retirement date.

A **Life Income Fund ("LIF")** is similar to a Registered Retirement Income Fund and is used to provide a regular retirement income by drawing down a portion of the capital each year. A LIF is subject to minimum and maximum annual withdrawal limits governed by Provincial Pension regulations, the federal Pension Benefits Standards Act (if applicable) and the Income Tax Act. In most provinces, a LIF has to be converted to an annuity at age 80.

Funds are **Locked-In** at the point in time specified in the pension standards legislation or the official plan document and means that vested pension credits or plan sponsor contributions cannot be transferred from the plan as a cash payment or commutable transfer. The benefit can only be used to provide a non-commutable life annuity, LIF, RRIF or LRIF, as applicable depending on the source of the locked-in funds.

A **Locked-In Registered Retirement Savings Plan** is an RRSP containing locked-in monies, meaning monies that cannot be taken from the plan in the form of a cash withdrawal before retirement. The assets in such a plan must be used to provide an income at retirement.

A **Locked-In Retirement Account** is similar to a Locked-In Registered Retirement Savings Plan where the income from the account can only be received in the form of an annuity or similar income stream as designated by regulations.

A **Locked-In Retirement Income Fund ("LRIF")** is similar to a Registered Retirement Income Fund and is used to hold funds transferred from a Locked-In Retirement Account.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The **Management Report of Fund Performance ("MRFP")** is required to be produced by all investment funds on an annual and semi-annual basis. The MRFP includes the portfolio manager's comments on the fund's investment performance over period and discusses material factors that had a significant impact on performance, as well as any changes to the risk profile of the fund and important trends that the portfolio manager believes could affect future performance. The MRFP is designed to supplement a fund's annual and semiannual financial statements.

Pensionable Earnings is the annual salary or earnings amount that is used to calculate contributions by a member or on behalf of a member by the plan sponsor. Depending on the plan sponsor's policy, Pensionable Earnings may be simply the member's base salary and may include or exclude other sources of income such as bonuses, commissions and shift premiums that are payable. Pensionable Earnings exclude any taxable benefits and other amounts payable subsequent to or on account of termination of employment or membership in the plan.

The **Plan Sponsor (Employer)** is responsible for setting up and maintaining the plan and notifying the Plan's trustee and the financial advisor of any Plan amendments, changes in participants, etc. In addition, with the help of the Financial Advisor the plan sponsor is responsible for providing investment information and decision-making tools to the plan members, introducing the Plan to members, and providing on-going communication to members.

Portability is the right of a member to transfer vested credits upon termination of membership in the plan or upon termination of the plan itself. Portability rights include transfers to RRIFs, RRSPs and other registered accounts as applicable in the member's particular circumstances.

A **Prospectus** is a document that contains valuable information about an investment Fund, and is required under securities laws to be distributed to all purchasers of a fund. A prospectus provides disclosure regarding the fund's investment objectives and strategies, the fees charged by the fund, the series of securities which comprise the fund, the risks of investing in mutual funds generally, and the names of the firms responsible for the management of the fund.

Vesting occurs when a member becomes fully entitled to the pension credits or plan sponsor contributions that have been earned or that have been made to the registered plan in which the member participates. It is that point in time when the member owns irrevocably any and all amounts credited to the account in the plan, be it a pension, profit sharing or retirement savings plan.

YMPE is the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan. The YMPE is used to determine eligibility for part-time employees to join the plan as well as the amount of benefits that an individual may be entitled to collect from the Canada Pension Plan.

Additional Voluntary Contributions consist of amounts that a Member has voluntarily contributed to the Plan and all investment gains or losses incurred in respect of those contributions. Amounts contributed on a Member's behalf by the Employer or that are required to be contributed by a Member as a percentage of their Pensionable Earnings are not included.



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