CANADIAN BANK NOTE
COMPANY, LIMITED

Employees' Pension Plan

Defined Contribution Segment

A Summary of the DC Segment

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Introduction

Canadian Bank Note Company, Limited (the "Company" and/or "CBN") has maintained the Canadian Bank Note Company, Limited Employees' Pension Plan (the "Plan") since July 1, 1957. After the amendment effective April 1, 2002, the Plan has both a ***Defined Benefit ("DB") segment*** and a ***Defined Contribution ("DC") segment.***

This booklet does not apply to members of the Plan, who on April 1, 2002, chose to remain in the existing DB segment.

Defined Contribution Pension Plan Segment

Canadian Bank Note Company, Limited is pleased to offer you the Defined Contribution Pension Plan Segment ("DC") as a key component of your total compensation package. The Plan is designed to provide you with a portion of your retirement income in addition to government benefits and your own personal savings. Together, these three sources will form the basis for your retirement security.

As a member of the DC segment, you have an individual DC account to hold the contributions made by you and by the Company on your behalf. In addition, your DC account is credited with investment income (or losses) earned on the contributions.

Your DC account will be invested in the various funds offered by the Plan, as you choose. When you retire, the full balance in your DC account will be used to provide you with a retirement income.

If you have any questions, your Human Resources Group will be pleased to answer them.

*Please note, terms in **red and bold type** that are used in this booklet are explained in the glossary at Appendix C.*

About the Plan

When am I eligible to join ?

As a full-time employee under the age of 25, you may join the Defined Contribution Plan on the first day of the month after you have completed 12 months of continuous service. You must join the Plan once you have completed 12 months of continuous service and have reached age 25.

If you are a part-time employee, please consult the Human Resources Group about eligibility requirements.

How do I join?

An Enrolment Form will be provided to you per the sample in Appendix A.

Once you join, you must remain a member and make ***Required*** contributions until you retire, die, or your employment with the company, or any of its affiliated companies that are in the Plan, otherwise terminates.

What do I contribute?

You are required to contribute 3% of your pensionable earnings through payroll deductions.

In addition to the ***Required*** contributions, you may make ***Enhanced*** contributions of 1% or 2% of your pensionable earnings through payroll deduction. You may also make ***Voluntary*** contributions on top of the ***Required*** and ***Enhanced*** contributions. The total amount contributed by you and the Company (on your behalf) cannot exceed the maximum set by the Income Tax Act.

Here is a summary of your contributions:

Type of contributions	Amount
Required contributions	3% of your pensionable earnings
Enhanced contributions	Optional additional 1% or 2% of your pensionable earnings
Voluntary contributions	Any additional $ of your earnings (in 1% increments) up to the maximum allowed under the Income Tax Act

If you wish, you may change the level of your contributions at the end of each calendar year in time to start the revised payroll deductions with the first pay of the following year.

Your ***Required***, ***Enhanced***, and ***Voluntary*** contributions will be deposited into your DC account.

What are my pensionable earnings?

Your earnings for pension purposes are defined as regular salary or wages, excluding overtime pay, shift premiums, pensions, bonuses, and any other form of additional or special compensation. For a salesperson whose compensation package includes commissions, pensionable earnings include specific percentages of such commissions.

How much does the Company contribute on my behalf?

The Company will match your ***Required*** and your ***Enhanced*** contributions, but not your ***Voluntary*** contributions. The Company contributions are also deposited into your DC account.

How will my DC account be invested?

You decide how your DC account should be invested. The DC segment offers you a choice of investment funds. The Company chooses the fund managers and funds. You may change your selection monthly by filling out the form in Appendix B.

You will be credited with the actual investment return of each fund you participate in, net of any fees and investment-related expenses. The value of your DC account will fluctuate with the value of the investments held by the funds depending on market conditions.

What are the investment funds?

At the time of printing of this booklet there were nine funds offered to you by the Plan, and each has different characteristics:

Domestic Funds	Foreign Funds
CIBC Balanced Pool	CIBC International Equity Pool
CIBC Canadian Equity All Cap Value Pool	CIBC U.S. Equity S&P 500 Index Pool
CIBC Canadian Bond Active Universe Pool	CIBC US Equity Value Pool
CIBC Canadian Money Market Pool	
CIBC Canadian Equity Small Cap Pool*	
CIBC Canadian Equity Large Cap Dividend Value Pool	

Fund offerings may change from time to time. Plan members will receive notice of any changes when they occur.

Both your contributions and the Company matching contributions can be invested in any percentage of the investment funds that you choose as long as the total of these percentages is 100%. *Note, however, that the maximum in the CIBC Canadian Equity Small Cap Pool Fund is 10%.

If you do not indicate which funds you'd like your DC account invested in, you will default to the CIBC Balanced Pool until you select your desired asset mix (using the form as shown in Appendix B).

For an outline of the characteristics of each fund refer to Appendix D in this booklet. More information on the investment related fees can be found on the plan Website. The fund managers provide complete information on the funds.

The fund listing in this booklet was up to date when it was published. Please refer to the plan Website at https://cbndc.hroffice.com for the most recent listing.

How may I choose investments best suited to my needs?

The Company does not provide advice on your investment selections.

While you will be responsible for selecting your investment options, the Company encourages you to read the booklet entitled A Guide to Investing for Retirement, which is available from the Human Resources department, Morneau Shepell and the plan Website at https://cbndc.hroffice.com, and to regularly consult with a reputable investment advisor.

There is an investment questionnaire in the booklet noted above which may guide your investment strategy based on your investment objectives and risk tolerance as determined by your answers to the questions.

You may obtain advice from the investment managers or consult with others (at your own expense).

You may obtain investment information about your fund options from Morneau Shepell who will be the record keeper for the Plan. You may reach them at 1-888-239-5444. Please note that they are authorized to provide you with investment education, not investment advice.

It is your responsibility to read all educational material provided and ask questions about anything that you do not understand. In the absence of questions, the Company will assume that you understand the material, and have the ability to make appropriate decisions for your own situation, or will obtain professional assistance in doing so.

Who pays the expenses of the Plan?

Both you and the Company share the cost of Plan expenses including administration and management fees as well as investment management fees.

What are the investment-related fees in the Plan?

The investment-related fees vary with the type of fund chosen. Please refer to the website for more detailed information.

How will I know how much is in my DC account?

You will receive semi-annual statements showing your DC account balance broken down by fund and type of contributions, investment returns or losses, and investment fees deducted.

You may inquire about your account by calling Morneau Shepell at 1-888-239-5444. Morneau Shepell maintains the records for the DC segment; recording contributions by you and the Company, instructing the fund manager/trustee to invest your account according to your directions, and updating your account for investment returns or losses, and investment fees deducted. If you find any errors in your personal information or in the account information, please call Morneau Shepell at the number listed above.

If you have Internet access, you will be able to look up your account balance and recent activities on your account. Simply connect to: https://cbndc.hroffice.com, and enter a valid Access Code and Password. If you have any difficulties with the site, you may speak with a Morneau Shepell DC Services representative by calling 1-888-239-5444 during regular business hours.

When can I start to receive a pension?

After you terminate your employment, you may start your pension at any time after reaching age 55. You may choose to start your pension payments on the first day of any month after you retire; however, you must start by the end of the calendar year in which you reach age 71, or make other choices as applicable under government regulations at the time. For a list of the current options, please refer to "What other forms of payment can I take when I retire?" on page 7.

When you elect to start your pension, the full balance in your DC account will be used to purchase a monthly pension from an insurance company licensed to sell annuities in Canada.

What is the amount of my retirement income?

The amount of retirement income under the DC segment cannot be known ahead of retirement due to the following factors:

- The size of your DC account balance depends on the level of contributions that were made to the Plan and on the investment return over the years that the funds were contributed;
- The age at which you start to receive a pension;
- The forms of pension that you elect to receive. (E.g. the level of survivor benefits and the period that the pension is guaranteed);
- Annuity rates in effect at the time of retirement.

What other forms of payment can I take when I retire?

At retirement, the balance in your DC account is usually used to purchase a monthly pension. In lieu of a pension, you may elect to transfer the balance of the DC account to one of the following registered vehicles:

- A locked-in retirement account (LIRA);
- A life income fund (LIF);
- Another registered pension plan; or
- An insurance company to purchase an annuity to commence on or after age 55.

These different alternatives will be explained to you prior to your retirement.

Note: If you elect to make ***Voluntary*** contributions (AVC), the part of your DC account associated with the AVC is not subject to "locking-in" provisions when you retire. This means that they can be transferred to a regular RRSP or settled by a cash payment.

What happens if I become disabled and unable to work?

If you become disabled and are receiving benefits under the Company's Group Long Term Disability Plan, you may choose to continue making ***Required***, ***Enhanced*** and ***Voluntary*** contributions to your DC Account, subject to a maximum period of time, or to discontinue contributions during your period of disability. Any ***Required*** and ***Enhanced*** contributions will continue to attract matching Company contributions. If you choose to discontinue contributions to your DC Account, you do not receive any Company contributions.

As stated earlier, the Company does not match ***Voluntary*** contributions. If you become disabled, please contact CBN Human Resources for more information on your contribution options.

What happens if I leave the Company before retirement?

You will always be entitled to the total value of your own contributions as well as the Company's contributions made on your behalf, adjusted for investment gains or losses, no matter when you leave.

If you have only made ***Required*** and ***Enhanced*** contributions, your DC account becomes "locked-in". The part of your DC account associated with Voluntary contributions (AVC) is not subject to "locking-in" after you terminate from the Plan.

If your entitlements are "locked-in", you are not permitted to receive the entitlements as a cash settlement. Instead, you may elect to leave your DC account in the CBN Plan, or transfer your account to one of the following retirement vehicles:

- -A Locked-In Retirement Account under your name with an investment firm of your choice (LIRA);
- A life income fund (LIF);
- Another registered pension plan; or
- An insurance company to purchase an annuity to commence on or after age 55.

Non-locked-in entitlements can be transferred to a regular RRSP, settled by a cash payment, or left in the DC segment.

Note: If you elect to leave your DC account in the CBN Plan, there may be a monthly charge for the administration of your account and your choices on investment changes can be restricted.

Can I withdraw money from my DC account or transfer it to my personal RRSP before I leave the Company?

No. The primary purpose of a pension plan is to provide you with an income after you retire. Pension legislation states that as long as you remain employed by the Company or any of its affiliated companies that are participating in the Plan, you may not withdraw or transfer out funds.

What if I die before retirement?

If you die before retirement, your ***spouse*** (if you have one) will be entitled to the entire balance of your DC account. The entitlement will not be locked-in.

If you do not have a spouse, payment will be made to your designated beneficiary. If you do not have a spouse and have not designated a beneficiary, payment will be made to your estate.

How else can I save for retirement?

Along with the DC segment, your complete retirement savings plan should include government benefits from the ***Canada Pension Plan*** (CPP) or Quebec Pension Plan (QPP), as well as ***Old Age Security*** (OAS), and your own personal savings. Together, these sources can help you meet your retirement income goals.

Government Benefits

You and the Company contribute to the ***Canada Pension Plan*** (CPP). When you retire, you receive a monthly lifetime benefit based on the number of years you contributed to the plan. You may apply for this pension at age 65, or as early as age 60 though your benefit will be reduced. You may also postpone receiving this pension until age 70 and your benefit will increase accordingly. Once your CPP payments begin, they will be indexed annually to keep pace with inflation.

Old Age Security (OAS) is a monthly, lifetime benefit that you may receive beginning at age 65, based on certain Canadian residency requirements. You do not contribute to OAS. If during retirement, your income is above a certain level, this benefit may be partially or fully taken back by the government when you file your income tax return. Once your OAS payments begin, they will be indexed quarterly to keep pace with inflation. Beginning on April 1, 2013 and through January 2029, the eligibility age for the OAS pension will gradually increase from age 65 to age 67.

Personal Savings

In addition to Company pension and government benefits, you can increase your retirement income through ***personal savings***. These may include investments, inheritance, real estate, and most traditionally, registered retirement savings plans (RRSP's) or a Tax-Free Savings Account (TFSA).

To encourage you to save for retirement, the government allows you to make tax-deductible contributions to an RRSP where your balance may earn interest, tax-free until you retire and draw on it for income.

Personal Savings, Paragraph 3, should read: You may contribute to an RRSP up to a certain limit each year – your RRSP deduction limit – as determined by your pension adjustment (PA). If you do not contribute the maximum allowable amount to your RRSP in any given year, the contribution room will be carried forward and you may use it at any time in the future, up to age 71.

Each Canadian resident over 18 years of age is entitled to establish and contribute up to the designated amount annually to a Tax Free Savings Account (TFSA). At the time of printing of this booklet the designated amount is $5,500. Contributions to a TFSA are not tax deductible but the income earned in the TFSA is not taxable, making it an attractive option for investing for your retirement.

The information contained in this booklet is meant to be an overview of the provisions of the Plan and does not cover every detail of the Plan rules. In any question of benefit entitlement, the official Plan text will take precedence over this document.

Appendix A

SAMPLE ENROLMENT FORM

DEFINED CONTRIBUTION SEGMENT OF THE PENSION PLAN FOR EMPLOYEES OF
CANADIAN BANK NOTE COMPANY, LIMITED (Registration #0232124)

Complete the applicable sections on this page and read the notes on the following page. Then, please sign and date the bottom of the following page and return this form to the Human Resource Group.

Section 1. Identification (Please print)

Name: ____ Employee Number: __________
Family Name Given Name Plus Initial

Social Insurance Number: I__I__I__I__I__I__I__I__I__I Province of Employment: ________

Section 2. Contribution Rate

Indicate the payroll deductions you authorize the Company to make from your pay each pay period:

"Required"	3% of pensionable earnings	100% Company match provided.
"Enhanced"	________% (you may choose 0% or 1% or 2%)	100% Company match provided.
"Voluntary"	________% (you may choose up to 8% more, in 1% increments, but note the limit below.)	No Company match provided.

Note: changes to Enhanced and voluntary contribution rates can be made once per year at the end of the year. The total of all contributions cannot exceed the *Income Tax Act* limit.

Section 3. Contribution Allocation

Indicate the percentage you wish to allocate to each fund. The total must equal 100%.

CIBC Funds

Domestic Funds		Foreign Funds	
CIBC Balanced Pool	%	CIBC International Equity Pool	%
CIBC Canadian Equity All Cap value Pool	%	CIBC U.S. Equity S&P 500 Index Pool	%
CIBC Canadian Bond Active universe Pool	%	CIBC US Equity value Pool	%
CIBC Canadian Money Market Pool	%		%
CIBC Canadian Equity Small Cap Pool*	%		%
CIBC Canadian Equity Large Cap Dividend Value Pool	%		%
	TOTAL ____100 _____%		

Note: changes to your fund selections can be made once per month. *The amount you may invest in the CIBC Canadian Equity Small Cap Pool is limited to 10%

Section 4. Employee Consent

I understand my options as I have read all educational material provided and asked questions about anything I did not understand, and have completed the required sections on this form. I have also read and accept the conditions below.

______________________________ ______________________________
Signature of member Signature of witness

______________________________ ______________________________
Date Date

Note: The current version of the enrolment form is available from the Human Resources department.

NOTES:

1. The Company has limited the investment in the CIBC Canadian Equity Small Cap Pool Fund to a maximum of 10% of your portfolio in order to be prudent in risk exposure to the members. Please be aware that if you should request a transfer that would result in more than 10% of your portfolio to be held in the CIBC Canadian Equity Small Cap Pool Fund, the transfer will be restricted.

2. No guarantee can be given that any investment mix will perform the best in any given period. It is important to note that the units fluctuate in value over time and there is no guarantee that the funds will increase in value. Performance data relating to the funds reflects past performance and is not necessarily indicative of future performance.

3. While the Company will provide ongoing investment support materials to members, you are responsible for your investment selections and the eventual balance in your account. Company representatives are not authorized to make investment decisions on behalf of members. You may wish to seek advice from a qualified financial advisor at your own expense. Your assets in the Plan will not be rebalanced automatically and you may want to review your portfolio from time to time.

4. A capital loss is possible with investments in equities or bonds.

5. The future asset mix in your portfolio may vary from the percentages you initially chose to invest in each fund because it will reflect the relative performance of each fund.

6. The Company retains the right to change investment managers, record keeper, trust companies, or fund custodians from time to time as deemed to be in the best interests of Plan members. This may result in a transfer of funds to a new manager, trust company, or fund custodian.

7. Investment-related fees will be deducted from your account. In the case of former members who leave their assets in the Plan, the Company reserves the right to deduct a reasonable record-keeping fee.

8. In the absence of clear or proper investment directions from the member, the Company reserves the right to invest a member's account balance in a fund selected by the Company. The current default for this situation is the CIBC Balanced Pool.

9. I authorize the use of my S.I.N. for the purpose of administering the Plan.

Appendix B

SAMPLE CONTRIBUTION CHANGE/INTER-FUND TRANSFER REQUEST

Section 1. Identification (Please print)

Name: ______________________________ Employee Number: __________

Family Name   Given Name Plus Initial

Social Insurance Number: I__I__I__I__I__I__I__I__I__I Province of Employment: ________

Section 2. Contribution Rate Change (for future contributions)

Indicate the payroll deductions you authorize the Company to make from your pay each pay period:

"Required"	3% of pensionable earnings	100% Company match provided.
"Enhanced"	________% (you may choose 0% or 1% or 2%)	100% Company match provided.
"Voluntary"	________% (you may choose up to 8% more, in 1% increments, but note the limit below.)	No Company match provided.

Note: changes to ***Enhanced*** and ***Voluntary*** contribution rates can be made once per year at the end of the year. The total of all contributions cannot exceed the *Income Tax Act* limit.

Section 3. Contribution Allocation Change (for future contributions)

Indicate the percentage you wish to allocate to each fund. The total must equal 100%.

CIBC Funds

Domestic Funds		Foreign Funds	
CIBC Balanced Pool	%	CIBC International Equity Pool	%
CIBC Canadian Equity All Cap value Pool	%	CIBC U.S. Equity S&P 500 Index Pool	%
CIBC Canadian Bond Active universe Pool	%	CIBC US Equity value Pool	%
CIBC Canadian Money Market Pool	%		%
CIBC Canadian Equity Small Cap Pool*	%		%
CIBC Canadian Equity Large Cap Dividend Value Pool	%		%

Note: changes to your fund selections can be made once per month. *The amount you may invest in the CIBC Canadian Equity Small Cap Pool Fund is limited to 10%

Section 4. Inter–fund Transfer Request

Indicate the percentage or dollar amount of each fund you wish to sell and then specify what you wish to buy with the proceeds. Unless otherwise indicated, the changes will be applied to both your contributions (***Required***, ***Enhanced*** and ***Voluntary***) and Company contributions. Please attach a separate list if space is insufficient. Please read notes on previous page

Sell Instructions Please sell the following percentage or amount of each fund as shown below: Insert Fund(s) – see list above.		**Buy Instructions** *(total must equal 100%)* Please invest the proceeds of the sale according to the percentages shown below:	
________________	____% or $____	________________	% or $____
________________	____% or $____	________________	% or $____
________________	____% or $____	________________	% or $____
________________	____% or $____	________________	% or $____
________________	____% or $____	________________	% or $____
________________	____% or $____	________________	% or $____

Appendix C

Glossary of Terms

Annuity: A type of pension payment. A fixed sum paid at specified intervals (usually months) over a specified period (such as your lifetime, or a fixed period of years) in return for a single premium paid at the outset, or premiums paid in installments.

Asset Allocation Fund: A fund where the asset mix between investment types (equities, mortgages, foreign equities) is targeted to meet a specific goal return on the investments. For example: conservative, moderate or aggressive growth.

Asset Mix: Refers to the combination of various types of investments that you choose for the contributions deposited into your retirement account.

Bond (or Fixed Income) Fund: A fund where the assets are invested in the various types of bonds issued by governments and corporations. A low risk/reward type of investment.

Capital Appreciation (Growth): An increase in the price of a stock, share or other investment, above the price paid at time of acquisition. It becomes growth (in your account) when the "share" is sold at the higher price. Depreciation (loss) is obviously the opposite. It is this rise and fall possibility that constitutes the risk/reward element of equity type funds.

Continuous Service: A period of uninterrupted employment or membership in the pension plan, usually a specified period being required to become entitled to certain benefits.

Contribution Room: The amount of tax deductible contributions an individual can make towards retirement planning (in an RRSP).

CPP / QPP: The Canada Pension Plan, or Quebec Pension Plan, which were introduced in 1963 as a government operated and mandated retirement scheme for all Canadian taxpayers.

DC Account: The investment account allocated to each member of a Defined Contribution pension plan. The individual accounts record the accumulating value of the contributions made and income on the investments chosen by the individual. The amount in this account at retirement is used to purchase an annuity (pension) for the individual.

Defined Contribution Plan ("DC"): A registered pension plan where the contributions to be made by the member and the employer are specified at the outset of membership. Since the income returns are not known over time, the amount of benefit (pension/annuity) is not known until retirement when the assets in the account are used to purchase the annuity.

Diversification: The investment in a variety of securities. By spreading your investments in a mix of asset types, you can reduce the volatility (risk) commonly associated with investing.

Diversified (or Balanced) Fund: This type of fund invests in a mix of stocks, bonds, foreign investments and other funds and is designed to achieve a more level return on the investments over time. There is usually less risk/reward in this type of fund in comparison to equity funds.

Eligible Members: Full-time employees who have completed the required waiting period of employment with the participating companies of the CBN Plan as well as part-time employees who have met the requirements as specified in the Plan.

Employees' Pension Plan: The pension plan of the Company, registered as the Canadian Bank Note Company, Limited Employees' Pension Plan, registration #0232124 for Canada Revenue Agency and Ontario regulation purposes.

Enhanced Contributions: Contributions to the Defined Contribution segment, currently 1% or 2% of pensionable earnings, that a member can chose to make above the mandatory Required contributions (see Required Contributions below). The Company matches these contributions.

Equity Fund: A fund where the assets are invested in the stocks (shares) of companies traded on the various stock markets. This is a high risk/reward type of investment.

FSCO: Financial Services Commission of Ontario, which regulates and supervises pension plans in Ontario according to the Pension Benefits Act of Ontario.

Full-Time Employees: For the purposes of the Pension Plan, full-time employees are defined as employees who were hired with the expectation of ongoing employment and who normally work 52 weeks in a year, inclusive of authorized vacation, sick leave, etc. and who consistently and continuously work for 30 or more regular hours per week.

Fund Manager(s): The professional agency(ies) engaged by the Company to invest the monies of the plan contributors in accordance with the choices made by each member and with the implicit intention of optimizing the long-term return on the money invested.

Funds: The plans offered by the various institutions that specialize in creating a mix of various types of risk level investments, such as Equity Fund, Bond Fund, Global Market Fund and Balanced Fund, designed to suit every level of risk/reward return strategy required by members.

Investments: The placement of your account monies into various securities that you have chosen.

Investment Management Fee (or Management Fee): A fee assessed by the fund Managers and the record keeper to cover the cost of managing the investments and associated administrative services. For some funds, the fees are deducted from the fund before calculating any unit values.

Investment Return (or Loss): The actual gain (or loss) in income from the various securities held and traded in each account. This can come from dividends paid on shares held, interest on bonds held, sale of securities above or below purchase price, and appreciation or depreciation of the appraised (market) value of the securities.

Life Income Fund (LIF): A government specified form of investment (RRSP) applicable to funds received from registered pension plans when an individual leaves a company and ceases membership in that company's pension plan. Under law, specified amounts from that plan must be placed in "locked-in" accounts that can only be used to pay a pension to the individual no sooner than age 55.

Locked-In Retirement Account (or Locked-In RRSP): A government specified form of investment (RRSP) applicable to funds received from registered pension plans when an individual leaves a company and ceases membership in that company's pension plan. Under law, if an employee has two or more years of membership in a registered pension plan at the time of termination, specified amounts from that plan must be placed in "locked-in" accounts that can only be used to pay a pension to the individual no sooner than age 55.

Lump Sum Amount: A sum that represents the present value, calculated under actuarial rules and assumptions at a set point in time, of the worth of future pension benefits earned to date by an individual member.

Old Age Security (OAS): A monthly pension available to most Canadian residents age 65 and over based on certain residency requirements.

Pension Adjustment (PA): A term introduced by the Federal Government when they introduced pension reform in 1990. In a DC pension plan, it is the sum of the employee and employer contributions made in that year.

Pension Adjustment Reversal (PAR): The value of restored contribution room that is determined when prior years **PA's** are recalculated and adjusted downwards in accordance with terms specified by the Federal Government.

Pensionable Earnings: Regular salary or wages, excluding overtime pay, shift premiums, bonuses and any other form of additional or special compensation. For a salesperson whose compensation package includes commissions, specific percentages of such commissions are considered as pensionable earnings.

Portfolio: The holdings of the various forms of securities by an individual or institution.

Rate Of Return: The anticipated income an investor hopes to gain from investments, usually expressed as a % of the asset values. It is common to set income goals by this method and to measure actual return against the goals to determine if income objectives are being achieved.

Required Contributions: Those contributions that must be made by members of the Defined Contribution segment of the Plan. Currently this is set at 3% of pensionable earnings. The Company matches these contributions.

Risk/Reward: The element of chance that is inherent in any pension plan that the investments will not achieve (or will exceed) the desired rate of return over time.

In a Defined Contribution plan the risk is that the income needed to pay a desired pension is not earned, leaving the person with an inadequate amount of pension. There is also a risk that the interest rates payable at the time a pension (annuity) starts may be low, possibly leading to a lower retirement income. In a Defined Contribution plan the reward may be greater if the income objectives are exceeded and/or interest rates are high at the time the pension (annuity) commences.

RRIF: A Registered Retirement Income Fund that can be established under government regulations, for an individual at or before age 71 in order to continue to tax shelter the desired portion of a previous **DC account** or **RRSP**. Note: An **annuity** commencing at this time must be part of the Fund. (Refer also to **LIF**).

RRSP: A Registered Retirement Savings Plan that can be established under government regulations by an individual at any time in order to tax shelter current income and provide funds for future retirement income.

RRSP Deduction Limit: The maximum amount of contributions you may make to an RRSP in any given year. The limit is calculated as 18% of your previous year's earned income (to an annual maximum) minus your previous year's pension adjustment (refer also to PA).

Securities: The general term for what a member's investment actually buys, such as: shares, bonds, GIC's and treasury bills.

Spouse: The husband or wife of a Plan member by marriage, or the opposite or same sex common-law partner of a Plan member as specified in the Plan.

Tax Deferral: The term for the result of placing income in government recognized and registered investment plans, thus sheltering it from income taxes at the current time. Note that future withdrawals from these investments attract income taxes in those future years, hence the term deferral rather than elimination or avoidance. Generally future income taxes on those withdrawn funds are at a lower rate than the tax rates currently applicable, especially if income levels fall significantly after retirement, thus leading to tax "savings" over time.

Tax Shelter: A term for a government recognized and registered investment plan, such as an RRSP, since such a plan avoids income taxes currently applicable to the income placed in such plans.

Trusteed Plan: A registered pension plan that is placed with an approved Trust company to hold custody of the plan assets.

Unit Value: The cost per unit of asset investment within a fund. It is calculated by dividing the market value of the entire fund's investments by the entire number of units in the fund. Unit value is only applicable if the fund you invest in is sold and recorded as units.

Volatility/Return: Volatility and return are generally considered together when describing an investment option. In general, the greater the volatility (or risk of losing money), the greater the return (income) the investor expects. This is associated with aggressive investment strategy of high risk/reward funds.

Voluntary Contributions: Those contributions to the Defined Contribution segment that are chosen by the member to be made in addition to the Required and Enhanced contributions. These additional contributions can be chosen in 1% increments up to the limit allowed under Income Tax regulations. The Company does not match Voluntary Contributions (AVC).

YMPE: The Years Maximum Pensionable Earnings as defined and set by the Federal and Quebec governments under the Canada Pension Plan (CPP) or Quebec Pension Plan (QPP).

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Appendix D

Brief Description of Funds

The following summary of the various funds being offered is intended as only a brief outline. The investment managers and issuers of the funds will provide the complete characteristics together with ongoing reports on performance and asset mix changes.

CIBC FUNDS

Domestic Funds

CIBC Balanced Pool Fund Investment Philosophy

The fund manager believes that an actively-managed diversified portfolio investing in securities chosen from the full breadth of the market and backed by high quality economic research will result in value added.

Characteristics

Objective: To outperform the benchmark* on a 3-year rolling average basis, before fees, by 1.00%.

Approach: Top down analytical approach based on fundamental and qualitative analysis

Portfolio: 30% Canadian Equities, 40% Canadian Fixed Income, 5% Canadian Money Market, 12.5% U.S. Equities, 12.5% International Equities.

CIBC Canadian Equity All Cap Value Pool Fund Investment Philosophy

The fund manager believes that consistently investing in a deeply diversified portfolio of stock trading below their fundamental fair value will lead to above average portfolio returns over the long run.

Characteristics

Objective: S&P/TSX Composite Index + 2% annualized over moving three-year time periods.

Approach: Bottom-up fundamental valuation-based stock selection. Risk is primarily viewed from a valuation perspective, with other macro risk factors considered through scenario analysis and managed with diversification.

Portfolio: A combination of large, mid and small cap stocks diversified by risk factors (geopolitical, business, economic, liquidity etc.)

CIBC Canadian Bond Active Universe Pool Fund Investment Philosophy

The fund manager believes that a core fixed income portfolio combining multiple sources of added value will lead to superior performance. Sources of value added include:

- Tactical sector rotation
- Prudent duration management
- Security Selection
- Optimal yield curve positioning

Characteristics

Objective: The objective of the fund is to exceed the DEX Universe Bond Index on a four-year rolling average basis, before fees management fees and expenses, by 0.40%.

Approach: 80% bottom-up, 20% top-down

Portfolio: Federal, provincial, municipal governments and their agencies as well as high quality corporate securities

CIBC Canadian Money Market Pool Fund Investment Philosophy

The fund manager believes by diversifying a portfolio across sectors and securities contributes to a reasonable added-value relative to the benchmark. A disciplined, risk-controlled process ensures consistent long-term performance.

Characteristics

Objective: To exceed the DEX 91-Day Treasury Bills Index on a four-year rolling average basis, by 0.25%.

Approach: Fundamental analysis combining top-down interest rate anticipation with sector rotation and term structure analysis Portfolio: Federal, provincial, municipal governments and their agencies as well as high quality corporate securities

CIBC Canadian Equity Small Cap Pool Fund Investment Philosophy

The fund manager believes market inefficiencies create opportunities for investing in small cap stocks that will lead to above average long-term returns. Therefore, we seek companies with above-average growth prospects trading at attractive valuations.

Characteristics

Objective: Provided long term capital growth and enhanced returns. To outperform the BMO Small Cap Index (weighted) by 2.5%, annualized, over moving four-year time periods.

Approach: Bottom-up analytical approach that combines qualitative and quantitative analysis.

Portfolio: 60 to 80 small and mid-cap stocks.

CIBC Canadian Equity Large Cap Dividend Value Pool Fund Investment Philosophy

The fund manager believes that owning stocks of large cap "blue chip" companies, with above-average dividend yields, and buying those stocks when their valuations are below their historic mean, will result in portfolio outperformance over the long run.

Characteristics

Objective: S&P/TSX Capped Composite Index + 2.00% annualized over moving three- year time periods.

Approach: Bottom-up fundamental valuation-based stock selection enhanced by above market dividend yield.

Portfolio: 20 to 40 large cap, blue chip companies.

Foreign Funds

CIBC International Equity Pool Fund Investment Philosophy

The fund manager believes providing long-term capital growth and enhanced returns while showing respect for capital preservation, will lead to value added.

Characteristics

Objective: To exceed, over moving four-year time periods, the total annualized return of the MSCI EAFE Index (with net dividends reinvested) by 3.00%.

Approach: Bottom-up analytical approach based on fundamental and qualitative analysis.

Portfolio: Large global or regional leaders, with a minimum market capitalization of $1 billion US, top quality management and that provide a long-term targeted average return of 12% to 13% per annum.

CIBC U.S. Equity S&P 500 Index Pool Fund Investment Philosophy

The fund manager believes the existence of various types of macro-economic variables, investors, assets and investment instruments affect the way information is reflected in the price of securities over the short term. This creates inefficiencies in different market environments that can be captured by applying quantitative and qualitative processes.

Characteristics

Objective: S&P 500 Index + 0.5% annualized over moving four-year time periods.

Approach: Index Plus.

Portfolio: U.S. Equity derivative products and money market instruments with full exposure to the U.S. dollar. In addition, the Fund employs other strategies such as long and short positions in equity securities, futures, forwards, swaps, options contracts and other instruments to enhance the return of the Fund.

CIBC U.S. Equity Value Pool Fund Investment Philosophy

The fund manager believes investing in high-quality businesses trading at a discount to fair value will generate superior risk-adjusted returns over time. We believe downside protection is critical to producing long-term outperformance.

Characteristics

Objective: Index (Russel 3000 Value) + 3.0% over moving three - year time periods.

Approach: Focus on high quality companies while actively monitoring each security's risk/reward profile.

Portfolio: 80-120 high quality securities greater than $500 million market capitalization.

Notes

Notes

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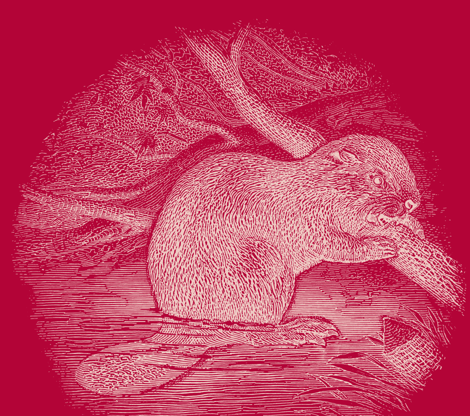

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