

**The London Life
Pooled Registered Pension Plan (PRPP)**

Amended effective March 1, 2016

Registration Number PRPP 0005

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1. Definitions

In this Plan,

“**Act**” means the *Pooled Registered Pension Plans Act* and regulations as amended and any similar legislation of another jurisdiction governing the rights of a Member of the Plan.

“**Administrator**” means London Life Insurance Company (London Life).

“**Applicable Legislation**” means the Act, the Income Tax Act and any other legislation governing the administration of the Plan.

“**Common-law Partner**” means, in relation to a Member, a person who is cohabiting with the Member in a conjugal relationship, having so cohabited for a period of at least one year.

Note: If a Member has a Spouse but is separated from that person and is cohabiting with a Common-law Partner, references in this Plan to “Spouse or Common-law Partner” are to be read to refer only to the Common-law Partner as required by the Applicable Legislation.

“**Continuous**” in reference to employment with the Employer, includes any period of temporary suspension of employment.

“**Dependant**” means, in relation to the Member, Spouse or Common-law Partner, a parent, grandparent, brother, sister, child or grandchild, who at the time of the Member’s death, is both dependent on the individual for support and

- is under 19 years of age and will not attain 19 years of age in the calendar year of the Member’s death;
- is in full-time attendance at an educational institution; or
- is dependent on the individual by reason of mental or physical infirmity.

“**Earnings**” means amounts deemed to be earnings under the terms of the Participation Agreement.

“**Employee**” means a person who is employed by the Employer.

“**Employer**” means, in relation to an Employee, the person or organization that employs the Employee (including their successors and assigns) and either contributes and/or remits contributions to the Plan on behalf of a Member.

“**Funding Agreement**” means the policy issued by London Life Insurance Company under which contributions to the Plan are received and invested.

“**Full-time**”, in reference to an Employee, means employment with the Employer where the Employee is scheduled to work throughout the year all or substantially all of the normally scheduled hours of work for that employment.

“Included Employment” means employment – other than employment by Her Majesty in right of Canada or any employment that is excluded by regulations – on or in connection with the operation of any work, undertaking or business that is within the legislative authority of the Parliament of Canada.

“Income Tax Act” means the *Income Tax Act (Canada)* and regulations as amended.

“Investment Income” means the return of an investment option, including interest, gains and losses, less expenses that are paid by Members. Investment Income can be a positive or negative amount.

“Locked-in” means the benefit cannot be taken as a cash refund under the Applicable Legislation.

“Member” means a person who holds an account under the Plan.

“Participation Agreement” means the agreement between an Employer, a self-employed person or other entity and the Administrator which sets forth, among other things, the obligation of the Employer, self-employed person or other entity who executed the agreement to make and/or remit contributions to the Plan.

“Part-time”, in reference to an Employee, means employment with the Employer that is not on a full-time basis.

“Plan” means The London Life Pooled Registered Pension Plan (PRPP), as amended from time to time.

“Plan Beneficiary” means

- the Member’s Common-law Partner;
- if the Member has no Common-law Partner, the Member’s Spouse;
- if the Common-law Partner or Spouse becomes entitled to the death benefit, he or she may waive that entitlement and appoint as Plan Beneficiary his or her Dependant or a Dependant of the Member;
- if the Member has no Common-law Partner or Spouse, the Member’s designated beneficiary; or
- if the Member has not designated a beneficiary, the Member’s estate.

“Plan Documents” means the provisions, forms and information relating to the Plan which the Administrator is required under the Act to make available for inspection.

“Plan Year” means January 1 to December 31 of each year.

“Prescribed Retirement Savings Arrangement” means

- a Locked-in registered retirement savings plan, a life income fund or a restricted life income fund that meets the requirements of the Act; or
 - any other retirement savings arrangement prescribed by the Act
- that is also registered under the Income Tax Act as a registered retirement savings plan or a registered retirement income fund.

“Spouse” means, in relation to a Member, the person who is married to the Member and includes a person who is party to a void marriage.

Note: If a Member has a Spouse but is separated from that person and is cohabiting with a Common-law Partner, references in this Plan to “Spouse or Common-law Partner” are to be read to refer only to the Common-law Partner as required by the Applicable Legislation.

2. Introduction

This document sets out the terms and conditions of the Plan.

The Plan is available to employers, employees and self-employed persons that fall under the jurisdiction of the Act. The Administrator of the Plan is responsible for the operation and administration of the Plan and its assets. The Administrator will apply for registration of the Plan as required under the Applicable Legislation and reserves the right to amend or terminate the Plan. The Administrator may retain professionals to perform certain administrative functions. Employers, self-employed persons or other entities who wish to participate in the Plan must enter into a Participation Agreement with the Administrator and provide the Administrator with the information it reasonably requires to administer the Plan.

The primary purpose of the Plan is to accept and invest contributions to provide Members with a retirement income, subject to the requirements of the Applicable Legislation.

All normal and reasonable fees and expenses incurred in the operation and administration of the Plan and its assets will be paid by Members, unless prohibited by the Applicable Legislation.

The Administrator will invest the assets of the Plan as permitted under the Applicable Legislation. The assets will be held under the Funding Agreement issued by London Life Insurance Company.

3. Membership

(a) Eligibility and membership

Every Employee in a class of Employees who is employed in Included Employment and is engaged to work on a Full-time or Part-time basis for an Employer who participates in the Plan is eligible to participate in the Plan. The Participation Agreement for an Employer will outline the eligible class or classes of Employees in respect of the Employer's participation in the Plan.

Eligible Full-time Employees will automatically be enrolled in the Plan upon receipt by the Administrator from the Employer of all information necessary to enrol the Member. The Employer will provide such information to the Administrator immediately with respect to all Full-time Employees employed on the date the Employer joins the Plan and on the date each new Full-time Employee commences employment.

Eligible Part-time Employees will automatically be enrolled in the Plan on the day on which the Employees completes 24 months of Continuous employment with the Employer and upon receipt by the Administrator from the Employer of all information necessary to enrol the Member. The Employer will provide such information to the Administrator immediately after the Part-time Employee is eligible.

An eligible Employee will be advised of his or her membership in the Plan.

Self-employed and other persons who are subject to the Act are eligible to become Members at any time.

(b) Right to decline membership or opt out of membership

At least 30 days prior to entering into a Participation Agreement with the Administrator, the Employer will advise an eligible Employee of his or her right to object to becoming a Member due to religious beliefs. If the Employee objects to being a Member, the Employee must notify his or her Employer and the Employee will not be required to participate in the Plan, or if the Employee is already a Member, the Employee's membership will be terminated.

As soon as feasible after enrolling an Employee in the Plan, the Employer must provide the Employee with a notice indicating his or her right to opt out of membership in the Plan. Within 60 days of receiving the notice, the Employee may terminate his or her membership in the Plan by notifying the Employer.

4. Contributions

(a) Member's contributions

Members Employed by an Employer

Each Member may set his or her contribution percentage rate, subject to a minimum contribution rate of one per cent of Earnings.

If a Member does not elect a contribution rate, the Member will be required to contribute three per cent of the Member's Earnings during each full or partial year of membership in the Plan.

A Member may advise the Administrator that he or she would like to set his or her contribution rate to zero, subject to the requirements of the Applicable Legislation.

All Other Members

Each Member may set the amount he or she wishes to contribute to the Plan and change the amount he or she contributes at any time.

(b) Member's adhoc and transferred contributions

A Member may make adhoc contributions to the Plan at any time.

A Member may transfer amounts into the Plan from another registered pension plan or pooled registered pension plan, a registered retirement savings plan, a registered retirement income fund or a deferred profit sharing plan into the Plan as permitted under the Applicable Legislation.

(c) Employer's contributions

Employer contributions, if any, will be made to the Plan in accordance with the terms of the Participation Agreement between the Employer and the Administrator.

(d) Payment of contributions

The Employer is required to remit contributions to the Plan at least monthly within 30 days after the end of the period for which contributions are applicable.

The Administrator must notify the Superintendent of Financial Institutions if an Employer fails to comply with the terms of the Participation Agreement respecting the amounts and frequency of remittances to the Administrator within 60 days after the failure to comply.

(e) Contribution limits

Contributions must be within the limits permitted under the Applicable Legislation.

A contribution cannot be made to the Plan in the year after the Member attains age 71 or such other time or date permitted under the Applicable Legislation.

(f) Return of contributions

All or a portion of the contributions made by the Member or the Employer on behalf of the Member will be returned to the Member or Employer respectively where such action is required to avoid revocation of the registration of the Plan or where such return is otherwise permitted under the Applicable Legislation.

(g) Return of over-contributions

In the event of an over-contribution, on written request, the Administrator will refund an amount to the Member if the amount is paid to reduce the taxes that would otherwise become payable under Part X.1, or any successor provision, of the Income Tax Act.

5. Investment Options

Contributions will be invested in one or more of the investment options available under the Plan and provided by the Funding Agreement, as directed by the Member.

Members will be provided with information regarding the investment options currently available. The Administrator will offer a maximum of six investment options of varying degrees of risk and expected return to permit the Member to make a prudent investment choice. Members employed by an Employer will be given 60 days after receipt of notice of membership in the Plan to make an investment selection, and if no election is chosen, contributions will be invested in the default investment option selected by the Administrator. All other Members must provide investment instructions at the time of application for membership in the Plan, and if no instruction is provided, contributions will be invested in the default investment option. A Member may change his or her investment selection at any time, subject to the provisions of the Funding Agreement. Members are solely responsible for their investment decisions (or decisions made on their behalf when the Member fails to make an election) regardless of any advice or recommendations that may be given by the Employer, Administrator or any agent of the Employer or Administrator.

The rate of return on investments may vary depending on the investment option selected. If an investment option is selected that does not guarantee a rate of return, the value of the investment, including the principal amount invested, will fluctuate based on the investment performance of the funds. Neither the Employer, Administrator nor any of the Administrator's agents will be responsible for the performance of the investment beyond the obligations required by the Applicable Legislation.

6. Member's Account

An account will be maintained for each Member under the Member's social insurance number. Each Member's account consists of contributions made by the Member and any contributions made by the Employer on the Member's behalf, together with Investment Income.

Investment Income will be applied to the Member's account at least annually and will be calculated in accordance with the terms of the Funding Agreement and the Applicable Legislation.

A Member's account will be used to provide benefits in accordance with the terms of the Plan.

Where a benefit becomes payable under the Plan, the value of the Member's account will be equal to:

- the total contributions that have been applied to the Member's account;
- plus Investment Income on those contributions

calculated in accordance with the terms of the Funding Agreement and the Applicable Legislation.

All amounts contributed or allocated to a Member's account vest immediately in the Member.

Except as permitted under the terms of the Plan and the Applicable Legislation, neither the Member or Administrator is permitted to withdraw funds from the Member's account.

The Administrator will give the Member a statement indicating the value of the Member's account at least annually as required by the Applicable Legislation.

7. Death Benefit

If a Member dies, the value of the Member's account will be paid to the Plan Beneficiary. After the Member's death, the Spouse or Common-law Partner of the Member may, in writing, waive their right to the death benefit and designate as Plan Beneficiary the Dependant of the Member, Spouse or Common-law Partner.

If the Plan Beneficiary is the Member's Spouse or Common-law Partner, the death benefit is Locked-in, and any amount payable to the Member's Spouse or Common-law Partner may be:

- transferred to a Prescribed Retirement Savings Arrangement;
- used to purchase an immediate or deferred life annuity which must begin no later than no later than December 31 of the calendar year the Spouse or Common-law Partner attains age 71 or at such other time or date as required under the Income Tax Act. If the age of the Member's Spouse or Common-law Partner is greater than this maximum, payments must begin within one year after the Member's death; or
- transferred to another registered pension plan or a pooled registered pension plan

as permitted by the Applicable Legislation.

If the Member's Spouse or Common-law Partner does not exercise a transfer option within the prescribed time period, the Spouse or Common-law Partner will become the successor member of the Plan as permitted under the Applicable Legislation.

If the Plan Beneficiary dies after the Member and before receiving the amount payable, the estate of the Plan Beneficiary will receive the amount payable.

Within 30 days following receipt of notice of a Member's death, the Administrator will give the Plan Beneficiary a statement of options available as required by the Act. The option the Plan Beneficiary elects will be processed as soon as practicable after receipt of the election and any other information that is required to process the election.

8. Termination of Membership

A Member who is employed by an Employer may terminate membership in the Plan upon termination of employment (due to a change in employment or retirement). All other Members may terminate membership in the Plan at any time by notifying the Administrator.

Upon termination of membership, the Member will be entitled to an immediate or deferred retirement annuity provided by the value of the Member's account, which must commence no later than the end of the year the Member attains age 71 or such other time or date permitted under the Income Tax Act.

Instead of receiving an immediate or deferred retirement annuity, the Member may elect, within the prescribed time period and as permitted by the Applicable Legislation, to transfer the benefit to:

- a Prescribed Retirement Savings Arrangement;
- another registered pension plan or a pooled registered pension plan;
- an insurer to purchase an immediate or deferred life annuity.

If a Member does not elect to terminate membership before January 1 of the year following the year in which the Member attains age 71 or such other time or date permitted under the Income Tax Act, the Administrator will transfer the funds in the Member's Account to a life income fund to the extent permitted under the Applicable Legislation.

Within 30 days after receipt of notice of termination of membership, the Administrator will give the Member a statement of the options available as required by the Act. The option the Member elects will be processed as soon as practicable after receipt of the election and any other information that is required to process the election.

9. Termination of the Plan

The Administrator can terminate the Plan by giving at least 60 days and not more than 180 days written notice to the Employer and Members, indicating the date of termination. The Administrator will advise the Superintendent of Financial Institutions of the termination as required by the Applicable Legislation.

After termination of the Plan each affected Member will be given a statement of the options available as required by the Act. The Member will be deemed to have terminated membership on the date the Plan terminated. The payment of benefits will be completed in accordance with the Act, and no funds may be released from the Plan until permitted by the Applicable Legislation.

10. General Provisions

(a) Proof of age and survival

Before any retirement annuity payments begin, the Member must provide satisfactory proof of age and the age of any other person on whose life the annuity depends. If an age has been misstated, the retirement annuity payments will be adjusted accordingly.

After retirement annuity payments begin, the Member may be required to provide satisfactory proof of survival and the survival of any other person on whose life the annuity depends. If such proof is not provided, the person will be considered to have died.

(b) Purchase of retirement annuity

Any annuity must be purchased from a person who is licensed or authorized to conduct annuity business in Canada and must conform with the requirements of the Applicable Legislation. More specifically, the annuity must meet the qualifying annuity requirements of the Income Tax Act and the requirements of the Act. The annuity will commence no later than the date or time required under the Income Tax Act.

(c) Unlocking of small benefits

On termination of membership, death or termination of the Plan, the Member may withdraw the value of the Member's account if the value is less than the amount prescribed by the Act.

(d) Unlocking for non-residents

If the Member's employment with the Employer is terminated and the Member has ceased to be a resident of Canada for at least two years, the value of the Member's account may be withdrawn as permitted under the Applicable Legislation.

(e) Benefits not assignable

Rights and benefits under the Plan are not capable of being assigned, charged, anticipated, given as security or surrendered other than:

- an assignment under a decree, order or judgment of a competent tribunal, or under a written agreement, that relates to the division of property between the Member and the Member's Spouse or Common-law Partner in the event of marriage or relationship breakdown; and
- an assignment by a deceased individual's legal representative on the distribution of the individual's estate.

(f) Reduced life expectancy

If a medical doctor licensed to practice in a province or the place where the Member resides certifies that a Member's life expectancy is likely to be shortened considerably due to disability as provided under the Act, the Member may withdraw the value of the Member's account.

(g) Right to additional information

As required under the Applicable Legislation:

The Member and the Employer will be given a written explanation of the provisions of the Plan and any amendments to the Plan. The explanation will be provided on the Administrator's website, and on request, directly to the Member.

The Member and the Employer will be given on a website, and on request, directly to the Member a description of each investment option offered under the Plan, the transfer options available to the Member and the costs associated with those options and any fees, levies or other charges that would be triggered by the action of the Member. In addition, the Member will be given, on request, the details of any transactions that have occurred in the Member's account, including any fees, levies or other charges incurred.

On written request, a Member and the Member's Spouse or Common-law Partner, or an authorized agent of either of them, may request copies of the Plan Documents once a year as permitted under the Act. The Administrator will provide a copy of the Plan Documents on request for a reasonable fee.

In addition, Members may access Plan information through the Administrator's client service centre or interactive website.

(h) Payment of benefits

Any payment under the Plan will, to the extent of the payment, constitute a full and final settlement of the rights of the Member, the Member's Spouse or Common-law Partner, former Spouse or former Common-law Partner, or Plan Beneficiary, as applicable, against the Plan, the Administrator, any agents of the Administrator, and the issuer of the Funding Agreement.

(i) Applicable legislation

This Plan is subject to all Applicable Legislation, which will prevail over any inconsistent or conflicting provisions contained in this Plan.