

Pooled Pension Plan Policy

Policy Number PRPP 0005

Amended Effective August 8, 2016

London Life Insurance Company (the “Issuer”) will pay benefits in accordance with the terms of the Policy.

The Policy does not provide for participation in the distribution of the profits or surplus of the Issuer.

Investments in the variable investment funds described in the Policy are not guaranteed either as to earnings or principal, but rather the value of such investments will fluctuate with the financial experience of the variable investment funds.

Investments in the guaranteed investments described in the Policy are guaranteed both as to principal and interest.



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President and Chief Executive Officer



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1. Definitions

In the Policy:

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

“**Applicable Legislation**” means the Income Tax Act and any other federal or provincial legislation governing the Policy and the administration of the Plan.

“**Contributions**” means amounts paid to the Issuer on behalf of a Member and includes direct transfers from other registered plans.

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

“**Investment Options**” means any of the guaranteed investments and variable investment funds available under the Policy.

“**Issuer**” means London Life Insurance Company.

“**Material Change**” means a change that would reasonably be expected to influence or change a Member’s investment decision.

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

“**Participation Agreement**” means the agreement between an employer, self-employed person or other entity and the Administrator of the Plan 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.

“**Participating Entity**” means the employer, self-employed person or other entity that enters into a Participation Agreement.

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

“**Policy**” means this group variable insurance contract and any endorsement or document amending the Policy.

Reference to the male gender will include the female gender and vice versa, and words importing the singular number include the plural number and vice versa, as required for the proper interpretation of the Policy.

2. Group Arrangement

Participating Entities may participate in the Policy by entering into a Participation Agreement.

By participating under the Policy, all or a specified class of employees of the employer and other eligible persons may become Members of the Plan.

Contributions will be remitted to the Issuer under the terms of the Plan and the Participation Agreement for allocation and investment under this Policy. The Issuer will establish separate accounts for each Member for whom Contributions are made under the Plan.

The rights and benefits of Members will be governed by the Policy.

The Participating Entity may terminate participation in the Policy in accordance with the terms of the Participation Agreement.

3. Investment Options

Contributions will be invested in one or more of the various Investment Options which the Issuer makes available from time to time, as directed by the Member, and will be allocated to the Member's account based on information provided by the Participating Entity. If no election has been made by the Member, Contributions will be invested in the applicable default Investment option provided by the Issuer.

The Issuer may amend the terms of any Investment Option or add or withdraw any Investment Option at any time. The Issuer will provide notice to Participating Entities and Members of a Material Change to an Investment Option.

The Issuer will notify Participating Entities and Members if an Investment Option chosen by the Member is no longer available. The Member will be given 60 days from the date of notification to elect another Investment Option. Failing an election, the funds will be invested in a similar option or in the default investment option for the Plan, as determined by the Issuer.

The Issuer has established investment rules relating to the management of the guaranteed investments and variable investment funds available under the Policy. The operation of the Plan and the rights of the Members will be subject to the investment rules.

Guaranteed Investments

Contributions may be invested in guaranteed investments of various durations at guaranteed interest rates. Contributions invested in a guaranteed investment will earn interest in the manner and at the rate applicable to that investment as is then being offered by the Issuer. The interest rate on any such investment is compounded daily and guaranteed until the end of the month in which the selected interest guaranteed period expires.

At the end of the interest guarantee period of any guaranteed investment, the Member may select any new interest guarantee period the Issuer is then offering. Alternatively, the Member may select any other Investment Option the Issuer is then offering. If no selection has been made, the Contributions and interest will be reinvested for the same term or, if not offered at that time, the next shortest term the Issuer makes available, at the guaranteed interest rate in effect at the time of reinvestment.

If Contributions are withdrawn from a guaranteed investment, the value withdrawn will be calculated as outlined below.

On termination of employment or termination of membership (excluding retirement and death), the member's guaranteed investment account value will be calculated at the lesser of book and market value.

On retirement, the member's guaranteed investment account value will be calculated at book value.

Guaranteed Investments (continued)

On death, the member's guaranteed investment account value will be calculated at book value.

For transfers between investment options, the guaranteed investment account value will be calculated at market value.

On termination of the Participation Agreement, the member's guaranteed investment account value will be calculated at lesser of book value and market value.

For any other event, member's guaranteed investment account value will be calculated at lesser of book value and market value.

Book value

If a withdrawal is made before the end of the guarantee period of the investment or in other words, before its maturity date, the value received will be calculated by applying the guaranteed interest rate to the initial investment from the time the investment was made until the date of the withdrawal.

Market value

If a withdrawal is made before the end of the guarantee period of the investment, or in other words, before its maturity date, the value received will be based on two calculations. First, the Issuer will determine the amount the guaranteed investment would have been worth if held to the original maturity date. That amount will then be discounted from the maturity date to the date of withdrawal using the then current interest rate for the same guaranteed term at the time of the withdrawal. The amount received could be higher or lower than the book value, and depends on whether the interest rates at the time of withdrawal are higher or lower than the interest rate at the time of your original investment.

The lesser of book or market value

The lesser of book value and market value of a guaranteed investment before the end of the interest guarantee period is determined by calculating the book value of the investment and the market value of the investment and using the lower amount.

Variable Investment Funds

Contributions may be invested in variable investment funds. These funds are segregated funds offered and administered by London Life Insurance Company.

Contributions invested in a variable investment fund offered by the Issuer are not guaranteed either as to earnings or as to principal. The value of an investment in a variable investment fund will fluctuate with the financial experience of the fund.

Variable Investment Funds (continued)

The assets of a variable investment fund belong to the Issuer but they are available only for the benefit of unit holders of the fund. If Contributions are invested in a variable investment fund, the Issuer will allocate notional units to the Members account equal to the value of the Contribution on the valuation date it is received at the Issuer's administration office, if received before 3:00 pm ET. While some Contributions received after that time may be processed on the same business day, the Issuer may process Contributions on the next business day if received later than 3:00 p.m. ET. The Issuer determines the value of the units of a variable investment fund on each valuation date of that fund and investments into and withdrawals from a fund can only be made on a valuation date. Most funds offered by the Issuer are valued on a daily basis; however, the Issuer reserves the right to offer funds which are valued less frequently than daily, but never less frequently than monthly. The unit value of a fund on a valuation date is determined by dividing the value of the assets of the fund, less applicable fees and expenses, by the number of units in the fund immediately before the valuation date.

An investment management fee is charged and includes a fee for managing the variable investment funds and a fee for providing other services under the Policy. Fund operating expenses are also charged against the fund. These fees and expenses will be deducted from the value of the assets of the fund as part of the unit value calculation.

Limit of Withdrawals

The Issuer may limit withdrawals from an Investment Option available under the Policy.

Transfer between Investment Options

The Member may transfer between Investment Options in accordance with the Issuer's administrative rules and investment rules.

When the Issuer receives a transfer request, the Issuer will commence the transfer between Investment Options. Requests for transfers between Investment Options must be received in the Issuer's administration office no later than 3:00 p.m. ET on a business day. While some transactions received after that time may be processed on the same business day, the Issuer may process transfers between Investment Options on the next business day if received later than 3:00 p.m. ET.

There are no monetary limits on transfers between Investment Options; however, there may be restrictions with regard to the dollar amount which may be transferred or the number of requests which may be made as imposed by an investment fund manager.

Funds maturing in a guaranteed investment and reinvesting into a variable investment fund will be reinvested on the first valuation date coincident with or next following the maturity date.

Partial transfers of funds are withdrawn from the compound interest accounts on a first in, first out (FIFO) basis.

4. Payment of Benefits and Withdrawals

When a benefit becomes payable under the terms of the Plan, the Issuer will provide such benefits by withdrawing values from the account to which Contributions have been allocated for the Member in accordance with Issuer's administrative rules and investment rules.

The Issuer will provide an immediate or deferred annuity to the Member upon request in a form then being issued and as permitted under the Applicable Legislation. After receipt of any information required by the Issuer in accordance with its standard procedure, the Issuer will issue an annuity policy containing its standard terms. If the annuity is less than \$50 per month, the Issuer may:

- make annuity payments less frequently than monthly but not less frequently than annually on what it considers to be an equitable basis; or
- commute the annuity and make a payment in one sum on what it considers to be an equitable basis if permitted by the Applicable Legislation.

The Issuer reserves the right to change the minimum annuity amount.

As an alternative to an immediate or deferred life annuity, the Issuer may provide any other form of settlement option permitted under the terms of the Plan and offered by the Issuer at the time.

Prior to payment of a benefit under the Plan, the Issuer will provide to the Member or plan beneficiary a disclosure statement as required under the Applicable Legislation. The Issuer must receive all requirements to process the benefit payment. The payment will be processed in accordance with the Issuer's administrative rules and the investment rules.

Payments of benefits from guaranteed investments that are cashed out before the maturity date will be calculated according to section 3.

Payment of benefits from the variable investment funds will be based on the value of the funds on the next valuation date.

Withdrawals will be made from the Investment Options in accordance with the Issuer's then current administrative practices, unless directed otherwise.

Where permitted, Member withdrawals will be completed in accordance with the terms of the Plan, the Issuer's administrative rules and investment rules. The Issuer must receive all requirements prior to processing the transaction.

For Quebec only

If the Policy is governed by the laws of the province of Quebec and where a Member does not elect a settlement option by December 31 of the calendar year in which the Member attains age 71 or at such other time or date as required under the applicable tax legislation, the Member will receive a life income fund. Payments under the life income fund will commence in accordance with the terms of the life income fund contract. The life income fund contract will mature on the date the Member attains 100 years of age but not later than the 28th day of that month (the LIF Maturity Date). If the Member attains age 100 after the 28th of the month, the Member will be deemed to have attained age 100 on the 28th of the month. An annuity will commence on the LIF Maturity Date; however, the Member may elect to commence annuity payments prior to the LIF Maturity Date on the then current terms and conditions. When annuity payments commence, they will be equal monthly amounts and will be payable to the Member for life and cease on the Member's death. The amount of the annuity payments will be determined by multiplying the value of the funds held in the life income fund for the payment of the Member's annuity (less any applicable fees and charges) one month before the date annuity payments are to commence) by the greater of:

- i) the Issuer's then current annuity rate for a single life non-participating annuity with no guarantee period; and
- ii) for each \$1,000 in the life income fund:

if the Member is male and the Member elects to commence annuity payments

- in the month next following the month the Member attains the age of 80 years, \$5.89;
- in the month next following the month the Member attains the age of 90 years, \$8.55; or
- if an election is not made the rate will be \$8.61 in the month next following the LIF Maturity Date when the Member attains age 100.

if the Member is female and the Member elects to commence annuity payments

- in the month next following the month the Member attains the age of 80 years, \$5.37;
- in the month next following the month the Member attains the age of 90 years, \$8.36; or
- if an election is not made the rate will be \$8.61 in the month next following the LIF Maturity Date when the Member attains age 100.

5. Services and Charges

The Issuer will provide services in accordance with this Policy and Participation Agreement.

The Issuer will establish fees and charges for services rendered and will provide notice of the fees and charges to Participating Entities and Members. The Issuer may change fees and charges at any time upon 60 days notice to Participating Entities, provided such changes comply with the Applicable Legislation.

All fees and charges payable to the Issuer are net of any applicable taxes and any such taxes will be payable or recoverable in the same manner as the fees and charges to which they relate.

6. Termination of Policy

The Policy will automatically terminate upon termination of the Plan. The Issuer may terminate the Policy upon 60 days notice to the Participating Entities and Members.

On termination of the Policy, no further Contributions will be accepted and amounts invested in the guaranteed investments and variable investment funds will remain in the Investment Option previously selected until the date of disbursement unless an election is made to transfer the funds to another Investment Option. Any transfers to another Investment Option will be completed in accordance with the Issuer's administrative rules and the investment rules.

Amounts payable following termination of the Policy will be paid as required under the Applicable Legislation.

7. General

Notice

Any notice must be in writing or such other form as may be agreed upon between the parties.

Amendment

The Issuer may amend the terms and conditions of the Policy. If the Issuer agrees to amend or waive any provision of the Policy, the amendment or waiver is effective only if it is in writing and signed on behalf of the Issuer by an authorized officer of the Issuer. The Issuer may amend the Policy at any time to maintain the registration of the Plan.

Currency

All payments to or by the Issuer will be in legal Canadian currency.

Beneficiary

Subject to rights under the Applicable Legislation and the terms of the Plan, a Member may, at any time, appoint one or more beneficiaries to receive all or part of the amount payable on or after the Member's death and may change or revoke a revocable beneficiary appointment as permitted by law. If no such appointment has been made, any amounts payable following the Member's death will be paid to the Member's estate.

Delegation to an Agent

The Issuer may delegate to an agent some or all of its duties under the Policy. The Issuer will continue to be responsible for any duties delegated to an agent.

Standard of Care

In performing its obligations under the Policy, the Issuer will act honestly, in good faith and will exercise the same degree of care, diligence and skill that a prudent financial institution would exercise acting in like capacity under circumstances then prevailing and will use all relevant knowledge and skill that it possesses or ought to possess (the "Standard of Care").

Limitation of Liability

Any payment under the Policy 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 Issuer.

Limitation of Liability (continued)

Except as a result of the negligence, willful misconduct or lack of good faith of the Issuer as a result of a breach of the Standard of Care , the Issuer will not be liable for

- (i) any losses or claims related to the variable investment funds held under the Plan,
- (ii) for the collection of any Contributions to be paid to the Issuer,
- (iii) for the proper application or payment of any monies arising from the Plan if done or made in accordance with instructions received from the Participating Entity or the Member, or
- (iv) for anything done or omitted to be done by the Issuer.

Legal Actions

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* (for actions or proceedings governed by the laws of Alberta and British Columbia), *The Insurance Act* (for actions or proceedings governed by the laws of Manitoba), the *Limitations Act, 2002* (for actions or proceedings governed by the laws of Ontario), or other applicable legislation. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the *Quebec Civil Code*.

Compliance with CAP Guidelines

To the extent that the Guidelines for Capital Accumulation Plans (the “CAP Guidelines”) apply to the Policy, the Issuer agrees that it will comply with the CAP guidelines.

Applicable Legislation

The Policy is subject to the Applicable Legislation. To the extent of any inconsistency between the Policy and the Applicable Legislation, the Applicable Legislation will override the terms of the Policy.