

Group Benefits Policy

Policyholder: *FortisBC Energy Inc.*
Policy Number: *G0030630D*
Policy Effective Date: *July 1, 2013*
Policy Anniversary: *November 1st*
Renewal Date: *January 1st*

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THE MANUFACTURERS LIFE INSURANCE COMPANY
(hereafter called Manulife Financial) Waterloo, Ontario, Canada N2J 4C6

Manulife Financial agrees to pay benefits subject to the policy's provisions which are set forth on the following pages.

Those provisions are a part of this Policy as fully as if stated over the signature below.

Signed at Waterloo, Ontario, Canada on July 11, 2013.



President &
Chief Executive Officer

2 Group Benefits Schedule

Policyholder: FortisBC Energy Inc.

Policy Number: G0030630D

Policy Effective Date: November 1, 2009

Policy Anniversary: November 1st

Renewal Date: January 1st

Class Number(s)

- 023 FortisBC Energy Inc. – COPE Gas Division (Plans D and H)
- 600 FortisBC Inc. – COPE Electric Division – Full-Time (Plans AC, GA and KA)
- 601 FortisBC Inc. – COPE Electric Division – Part-Time (Plans BC, HA and ZA)
- 804 (Closed Plan) FortisBC Electric COPE Employees who retired prior to April 1, 1995 (Plan O)
- 805 (Closed Plan) FortisBC Electric COPE Employees who retired from April 1, 1995 to January 31, 2000 (Plan P)
- 806 (Closed Plan) FortisBC Electric COPE Employees who retired from February 1, 2000 to January 31, 2006 (Plan Q)
- 807 FortisBC Electric COPE Employees who retire on or after February 1, 2006 with 1 times salary (Plan R)
- 808 FortisBC Electric COPE Employees who retire on or after February 1, 2006 with flat \$10,000 (Plan S)

Plan Number(s)

- D COPE Gas Division (excluding Customer Care) – disabled prior to Jan 1, 2011 – closed
- H COPE Gas Division (excluding Customer Care)
- O (Closed Plan) FortisBC Electric COPE Employees who retired prior to April 1, 1995
- P (Closed Plan) FortisBC Electric COPE Employees who retired from April 1, 1995 to January 31, 2000
- Q (Closed Plan) FortisBC Electric COPE Employees who retired from February 1, 2000 to January 31, 2006
- R FortisBC Electric COPE Employees who retire on or after February 1, 2006 with 1 times salary
- S FortisBC Electric COPE Employees who retire on or after February 1, 2006 with flat \$10,000
- AC COPE Electric Division – Full-Time
- BC COPE Electric Division – Part-Time

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- GA COPE Electric Trad Plan – Disabled Employees – Full-time – closed
- HA COPE ELEX Plan – Disabled Employees – Full-Time – closed
- KA COPE Electric Trad Plan – Disabled Employees – Part-Time – closed
- ZA COPE ELEX Plan – Disabled Employees – Part-Time - closed

Effective Date for Increases in Insurance

When first eligible for the increase

Associated Companies

FortisBC Energy Inc.

FortisBC Energy (Vancouver Island) Inc.

FortisBC Energy (Whistler) Inc.

FortisBC Holdings Inc.

FortisBC Inc.

4 Group Benefits Schedule - Plan D

Employee Life Insurance

Benefit Amount

2 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$1,500,000 combined with Employee Optional Life Insurance

Non-Evidence Limit

\$900,000

Benefit Reduction

The Employee's benefit amount is reduced to 50% on the Employee's 70th birthday.

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

retirement. On retirement coverage will continue under Plan B.

Earnings

The Employee's bi-weekly earnings multiplied by 26.092, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Employee Optional Life Insurance

Benefit Amount

\$10,000 or an increment thereof to a maximum of \$350,000 up to a maximum of \$1,500,000 combined with Employee Life Insurance

Non-Evidence Limit

\$100,000

Group Benefits Schedule - Plan D 5

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

end of the month following the attainment of age 70 or retirement, whichever is earlier.

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for at least two or more years.

Dependent Optional Life Insurance

Benefit Amount

Spouse - \$10,000 or an increment thereof to a maximum of \$350,000

Child - \$5,000

Note: A Child must be at least 1 day old to be eligible for this benefit.

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance.

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Employee's or Spouse's age 70 or retirement, whichever is earlier

6 Group Benefits Schedule - Plan D

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Dependent Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for at least two or more years.

Long Term Disability

Benefit Amount

70% of monthly Earnings, rounded to the next higher \$1, if not already a multiple thereof, up to a maximum benefit of \$4,000

Cost of Living Adjustment

the Change in the Consumer Price Index or 3%, whichever is less

CPP/QPP Integration

primary CPP/QPP benefits

Non-Evidence Limit

\$4,000

Qualifying Period

15 weeks

Maximum Benefit Period

If benefits commence prior to age 65, benefits continue for 24 months or until the end of the month in which the Employee attains age 65, whichever is later, but will cease immediately if the Employee retires.

If benefits commence after age 65, benefits continue for 24 months, or until the Employee attains age 70, whichever occurs earlier, but will cease immediately when the Employee attains age 70 or retirement.

Survivor Benefit Amount

Not covered

Termination Age

end of the month following the attainment of age 70 or retirement, whichever is earlier.

Group Benefits Schedule - Plan D 7

Earnings

The Employee's earnings in effect at expiration of sick leave multiplied by 26.092 and divided by 12, excluding regular bonuses, regular overtime pay and regular commissions.

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

8 Group Benefits Schedule - Plan H

Employee Life Insurance

Benefit Amount

1 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$1,500,000 combined with Supplemental Life Insurance and Employee Optional Life Insurance

Non-Evidence Limit

\$900,000 combined with Supplemental Life Insurance

Benefit Reduction

The Employee's benefit amount is reduced to 50% on the Employee's 70th birthday or retirement whichever is earlier.

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

retirement

Earnings

The Employee's bi-weekly earnings multiplied by 26.092, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Supplemental Life Insurance

Benefit Amount

1 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$1,500,000 combined with Employee Life Insurance and Employee Optional Life Insurance

Non-Evidence Limit

\$900,000 combined with Employee Life Insurance

Group Benefits Schedule - Plan H 9

Benefit Reduction

The Employee's benefit amount is reduced to 50% on the Employee's 70th birthday

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

retirement

Earnings

The Employee's bi-weekly earnings multiplied by 26.092, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Employee Optional Life Insurance

Benefit Amount

\$50,000 or an increment thereof to a maximum of \$750,000 up to a maximum of \$1,500,000 combined with Employee Life Insurance and Supplemental Life Insurance

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Optional Life Insurance.

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

end of the month following the attainment of age 70 or retirement, whichever is earlier.

10 Group Benefits Schedule - Plan H

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for at least two or more years.

Dependent Optional Life Insurance

Benefit Amount

Spouse - \$50,000 or an increment thereof to a maximum of \$750,000

Child - \$10,000

Note: A Child must be at least 1 day old to be eligible for this benefit.

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance.

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Employee's or Spouse's age 70 or retirement, whichever is earlier

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

Group Benefits Schedule - Plan H 11

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Dependent Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for at least two or more years.

Long Term Disability

An Employee may elect Option 1 or 3.

Benefit Amount

Options 1 and 3:

70% of monthly Earnings, rounded to the next higher \$1, if not already a multiple thereof, up to a maximum benefit of \$15,000

Cost of Living Adjustment

For Option 3 only:

the Change in the Consumer Price Index or 5%, whichever is less

CPP/QPP Integration

primary CPP/QPP benefits

Non-Evidence Limit

\$15,000

Qualifying Period

182 days

Maximum Benefit Period

If benefits commence prior to age 65, benefits continue for 24 months or until the end of the month in which the Employee attains age 65, whichever is later, but will cease immediately if the Employee retires.

If benefits commence after age 65, benefits continue for 24 months, or until the Employee attains age 70, whichever occurs earlier, but will cease immediately when the Employee attains age 70 or retirement.

Survivor Benefit Amount

Not covered

Termination Age

end of the month following the attainment of age 70 or retirement, whichever is earlier.

12 Group Benefits Schedule - Plan H

Earnings

The Employee's earnings in effect at expiration of sick leave multiplied by 26.092 and divided by 12, excluding regular bonuses, regular overtime pay and regular commissions.

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Group Benefits Schedule – Plans O, P, Q and R 13

Employee Life Insurance

Benefit Amount

1 x annual Pre-retirement Earnings rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$150,000

Non-Evidence Limit

\$150,000

Benefit Reduction

The Employee's benefit amount reduces to the following:

65th birthday - reduces to 80%

66th birthday - reduces to 70%

67th birthday - reduces to 60%

68th birthday - reduces to 50%

69th birthday - reduces to 40%

70th birthday - reduces to 30% to a maximum benefit of \$50,000

Termination Age

none

Pre-retirement Earnings

The Employee's regular rate of pay, that was in effect immediately prior to the Employee's retirement, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

not applicable

For Employees hired after the Policy Effective Date

not applicable

14 Group Benefits Schedule - Plan S

Employee Life Insurance

Benefit Amount

\$10,000

Non-Evidence Limit

\$10,000

Benefit Reduction

not applicable

Termination Age

none

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

not applicable

For Employees hired after the Policy Effective Date

not applicable

Group Benefits Schedule – AC and BC 15

Employee Life Insurance

Benefit Amount

1 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$1,500,000 combined with Supplemental Life Insurance and Employee Optional Life Insurance

Non-Evidence Limit

\$900,000 combined with Supplemental Life Insurance

Benefit Reduction

The Employee's benefit amount is reduced to 50% on the Employee's 70th birthday

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

retirement

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Supplemental Life Insurance

Benefit Amount

1 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$1,500,000 combined with Employee Life Insurance and Employee Optional Life Insurance

Non-Evidence Limit

\$900,000 combined with Employee Life Insurance

16 Group Benefits Schedule – Plans AC and BC

Benefit Reduction

The Employee's benefit amount is reduced to 50% on the Employee's 70th birthday

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

retirement

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Employee Optional Life Insurance

Benefit Amount

\$50,000 or an increment thereof to a maximum of \$750,000 up to a maximum of \$1,500,000 combined with Employee Life Insurance and Supplemental Life Insurance

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Optional Life Insurance.

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

end of the month following the attainment of age 70

Group Benefits Schedule – AC and BC 17

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for at least two or more years.

Dependent Optional Life Insurance

Benefit Amount

Spouse - \$50,000 or an increment thereof to a maximum of \$750,000

Child - \$10,000

Note: A Child must be at least 1 day old to be eligible for this benefit.

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance.

Waiver of Premiums

to age 65 or prior retirement

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Employee's age 70

Participation Basis

non-mandatory

18 Group Benefits Schedule – Plans AC and BC

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Dependent Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for at least two or more years.

Long Term Disability

An Employee may elect Option 1 or 3.

Benefit Amount

Options 1 and 3:

70% of monthly Earnings, rounded to the next higher \$1, if not already a multiple thereof, up to a maximum benefit of \$15,000

Cost of Living Adjustment

For Option 3 only:

the Change in the Consumer Price Index or 5%, whichever is less

CPP/QPP Integration

primary CPP/QPP benefits

Non-Evidence Limit

\$15,000

Qualifying Period

182 days

Maximum Benefit Period

If benefits commence prior to age 65, benefits continue for 24 months or until the end of the month in which the Employee attains age 65, whichever is later, but will cease immediately if the Employee retires.

If benefits commence after age 65, benefits continue for 24 months, or until the Employee attains age 70, whichever occurs earlier, but will cease immediately when the Employee attains age 70 or retirement.

Survivor Benefit Amount

Not covered

Group Benefits Schedule – AC and BC 19

Termination Age

age 70 or retirement, whichever is earlier.

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

20 Group Benefits Schedule – Plans GA and HA

Employee Life Insurance

Benefit Amount

1 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$150,000

Non-Evidence Limit

\$150,000

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Retirement

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular Commissions

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Supplemental Life Insurance

Benefit Amount

1 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$150,000

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance if applied for within 31 days of the date eligible.

Waiver of Premiums

to age 65

Group Benefits Schedule – Plans GA and HA 21

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Retirement

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular Commissions

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Employee Optional Life Insurance

Benefit Amount

\$10,000 or an increment thereof to a maximum of \$200,000

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Optional Life Insurance.

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Retirement

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

FortisBC Energy Inc.

22 Group Benefits Schedule – Plans GA and HA

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for at least two or more years.

Dependent Optional Life Insurance

Benefit Amount

Spouse - \$10,000 or an increment thereof to a maximum of \$200,000

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance.

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Employee's or Spouse's age 65 or Employee's retirement, whichever is earlier

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Dependent Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for at least two or more years.

Group Benefits Schedule – Plans GA and HA 23

Long Term Disability

Benefit Amount

70% of monthly Earnings, rounded to the next higher \$1, if not already a multiple thereof, up to a maximum benefit of \$5,000

Cost of Living Adjustment

not applicable

CPP/QPP Integration

primary CPP/QPP benefits

Non-Evidence Limit

\$5,000

Qualifying Period

182 days

Maximum Benefit Period

Based on length of service:

Employee with less than 1 year: up to 2 years

Employee with 1 year but less than 3 years: up to 4 years

Employee with 3 years but less than 4 years: up to 6 years

Employee with 4 years but less than 5 years: up to 8 years

Employee with 5 years or more: up to 65th birthday

Survivor Benefit Amount

3 times the Employee's last monthly benefit payment

Termination Age

age 65 less the Qualifying Period, or retirement, whichever is earlier.

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular Commissions

Participation Basis

mandatory

24 Group Benefits Schedule – Plans GA and HA

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Group Benefits Schedule – Plans KA and ZA 25

Employee Life Insurance

Benefit Amount

1 x annual Earnings, rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$1,000,000

Non-Evidence Limit

\$1,000,000

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

retirement

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular Commissions

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Employee Optional Life Insurance

Benefit Amount

\$25,000 or an increment thereof to a maximum of \$1,000,000

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Optional Life Insurance.

Waiver of Premiums

to age 65

26 Group Benefits Schedule – Plans KA and ZA

Qualifying Period for Waiver of Premiums

6 months

Termination Age

age 70 or retirement, whichever is earlier

Participation Basis

non-mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for at least two or more years.

Dependent Optional Life Insurance

Benefit Amount

Spouse - \$25,000 or an increment thereof to a maximum of \$250,000

Child - \$5,000 or an increment thereof to a maximum of \$25,000

Non-Evidence Limit

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance.

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

Employee's or Spouse's age 70 or Employee's retirement, whichever is earlier

Participation Basis

non-mandatory

Group Benefits Schedule – Plans KA and ZA 27

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Exclusions

If death occurs as a result of suicide, while sane or insane, the amount of Dependent Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for at least two or more years.

Long Term Disability

Benefit Amount

70% of monthly Earnings, rounded to the next higher \$1, if not already a multiple thereof, up to a maximum benefit of \$15,000

Cost of Living Adjustment

not applicable

CPP/QPP Integration

primary CPP/QPP benefits

Non-Evidence Limit

\$11,500

Qualifying Period

182 days

Maximum Benefit Period

to age 65

Survivor Benefit Amount

Not covered

Termination Age

age 65 less the Qualifying Period, or retirement, whichever is earlier.

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular Commissions

28 Group Benefits Schedule – Plans KA and ZA

Participation Basis

mandatory

Waiting Period

For Employees hired on or prior to the Policy Effective Date

none

For Employees hired after the Policy Effective Date

none

Actively at Work

at work for the Policyholder or any Associated Company shown in the Benefit Schedule on a Full-time basis at the Employee's usual place of work.

On weekends or holidays, or when on vacation, an Employee is deemed to be Actively at Work if he was Actively at Work on his last normal working day or on his last scheduled shift.

Annual Enrolment Date

the date every year on which the Employee is permitted to make changes to his flexible benefits coverage.

Birth

the complete live delivery of a child from its mother.

Change in Life Event

a Change in Life Event occurs when:

- a) an Employee acquires a Dependent;
- b) an Employee has a change in marital status;
- c) an Employee's Spouse's coverage ceases;
- d) any Dependent ceases to qualify as a Dependent; or
- e) any Dependent dies.

Change in the Consumer Price Index

the change in the Consumer Price Index for Canada as published by the Government of Canada for the 12 month period ending September 30th of each year for Plan D and for the 12 month period ending August 31st over the previous 12 months for Plans H, AC and BC.

Dependent

an Employee's Spouse or Child who is insured under the Provincial Plan.

- Spouse

the Employee's legal Spouse, or the person who has, for at least 12 months, been continuously living with the Employee in a role like that of a marriage partner.

Only one Spouse will be eligible for insurance under this Policy, and will be as indicated by the Employee on his application for insurance under this Policy. Where this information is not contained on the Employee's application, the person who qualifies last under this Policy's definition of Spouse will be the eligible Spouse.

- Child

an Employee's natural or adopted child, or stepchild, who:

- a) is unmarried;

30 Definitions

- b) is not employed on a full-time basis;
- c) is not eligible for insurance as an employee under this or any other group policy; and
- d) is either under 19 years of age for Plans D, H, AC and BC or under 21 years of age for Plans GA, HA, KA and ZA, or, if a full-time student at an accredited school, college or university, under 25 years of age.

A child insured under this Policy, who is incapacitated due to a mental or physical disability on the date he reaches the age when he would otherwise cease to be an eligible Dependent, will continue to be an eligible Dependent under this Policy.

A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on the Employee for support, maintenance and care, due to a mental or physical disability.

Manulife Financial may require written proof of the Dependent's condition as often as may reasonably be necessary.

A stepchild must be living with the Employee to be an eligible Dependent.

Disability or Disabled

the state of being Totally Disabled or Partially Disabled.

Drug

a medication that has been approved for use by the Federal Government of Canada and has a Drug Identification Number.

Earnings

for a benefit which is earnings-related, the definition of earnings is shown in the Benefit Schedule. An Employee's earnings may also include other income as agreed to in writing by the Policyholder and Manulife Financial, and which is reported periodically by the Policyholder to Manulife Financial.

With respect to Long Term Disability, for an hourly Employee who is not regularly working Full-time, Earnings will be calculated using the average number of hours worked in the last 20 weeks (or less, if employed for a lesser period) and the hourly rate of pay in effect the day before the Employee became Disabled.

For the purposes of determining the amount of an Employee's benefit at the time of claim, an Employee's Earnings will be the lesser of:

- a) the amount reported on the benefit claim form or
- b) the amount reported by the Policyholder to Manulife Financial and for which premiums have been paid.

Employee

a person who:

- a) is directly employed by the Employer on a permanent and Full-time basis and not working on a seasonal basis; or a retired Employee, certified as such by the Employer;
- b) is compensated for services by the Employer; and
- c) is residing in Canada.

The term Employee also means Owner/Partner.

- Owner/Partner

an owner/partner who is actively engaged on a Full-time Basis in the conduct of the business.

- Retiree

a person who was an Employee immediately prior to his retirement.

For the purposes of those Benefits which continue beyond retirement, the term Employee also means Retiree.

Employer

the Policyholder or any Associated Company shown in the Benefit Schedule.

Full-time basis

For Full-time Employees: the Employer is responsible for determining eligibility surrounding the minimum number of hours worked

For Part-time Employees: the Employer is responsible for determining eligibility surrounding the minimum number of hours worked

Full-time as used in this policy can also mean and include Employees working on a Part-time basis or active temporary Employees working on a seasonal basis, whenever the context requires it.

Leave of Absence

a period of absence from work for which the dates are fixed by legislation or by mutual agreement between the Employer and the Employee. Leave of absence includes Maternity and Parental Leave of Absence.

Maternity Leave of Absence

the period of formal maternity leave to which an Employee is entitled by legislation governing the Employer, or a longer period, if the Employer's normal practice permits.

For the purposes of this Policy, Maternity Leave of Absence will be deemed to commence on the earlier of:

- a) the date fixed by mutual agreement between the Employee and the Employer; and
- b) the date the child is born.

Medically Necessary

broadly accepted and recognized by the Canadian medical profession as effective, appropriate and essential in the treatment of a sickness or injury in accordance with Canadian medical standards.

Net Earnings

the employee's Earnings, less deductions normally made for federal and provincial income tax.

32 Definitions

Non-Evidence Limit

satisfactory medical evidence must be submitted to Manulife Financial for Benefit Amounts greater than this amount.

Parental Leave of Absence

the period of formal child care leave to which an Employee is entitled by legislation governing the Employer, or a longer period, if the Employer's normal practice permits.

Physician

a doctor of medicine, licensed to practice medicine in the place where the services are provided.

Pre-retirement Earnings

for a benefit which is earnings-related, the definition of pre-retirement earnings is shown in the Benefit Schedule. An Employee's pre-retirement earnings may also include other income as agreed to in writing by the Policyholder and Manulife Financial, and which is reported periodically by the Policyholder to Manulife Financial.

For the purposes of determining the amount of an Employee's benefit at the time of claim, an Employee's Earnings will be the lesser of:

- a) the amount reported on the benefit claim form; or
- b) the amount reported by the Policyholder to Manulife Financial and for which premiums have been paid.

Prior Plan

a previous Group Policy which insured all or some of the persons insured under this Policy and which terminated within 31 days prior to the Effective Date of this Policy.

Provincial Plan

any plan which provides hospital, medical, or dental benefits established by the government in the province where the insured person lives.

Qualifying Period

a period of continuous Total Disability, starting with the first day of Total Disability, which must be completed by the Employee in order to qualify for benefits. The Qualifying Period is shown in the Benefit Schedule.

Reasonable and Customary

the lowest of:

- a) the prevailing amount charged for the same or comparable service or supply in the area in which the charge is incurred, as determined by Manulife Financial;
- b) the amount shown in the applicable professional association fee guide; or
- c) the maximum price established by law.

Temporary Lay-Off

a period during which the Employee is laid off work and for which there is a fixed recall date.

Vocational Plan (Vocational Rehabilitation)

a training or job placement program that is expected to facilitate a Disabled Employee's return to his own job or other gainful employment.

Waiting Period

a period of continuous active employment with the Employer, as shown in the Benefit Schedule, following which the Employee becomes eligible for insurance.

34 Eligibility for Insurance

Eligibility for Insurance

Employee

An Employee is eligible for insurance under this Policy if he:

- a) is a member of a Classification which is eligible for insurance, as set out in the Benefit Schedule;
- b) is younger than the Termination Age shown in the Benefit Schedule;
- c) has continuously been an Employee, as defined, for a period as long as the Waiting Period shown in the Benefit Schedule; and
- d) a COPE member who is a member of the Canadian Office and Professional Employees' Union (COPE) Local 378.

Re-hired Employees

If an Employee is re-hired within 6 months of termination of insurance under this Policy due to termination of employment, he must re-apply for insurance under this Policy, but will not be required to satisfy another Waiting Period.

Dependent

An Employee's Dependent becomes eligible for insurance at the same time that the Employee does. However, the Employee must apply for the Employee coverage in order for the Dependent to be eligible. A person who becomes a Dependent after the Employee becomes insured is eligible on the date that person becomes a Dependent.

Amount of Insurance

The amount of insurance for which a person is eligible under any Benefit will be determined in accordance with the Benefit Schedule.

How to Become Insured

To become insured under this Policy, an eligible Employee must apply in writing on forms approved by Manulife Financial. Coverage for Dependents must also be applied for on approved forms.

When Evidence of Insurability is Required

Evidence of insurability is required for all amounts of insurance in excess of any Non-Evidence Limit shown in the Benefit Schedule. Manulife Financial will bear the cost of supplying this evidence.

Additional Evidence Requirements

For Plans D, H, GA and HA

For all benefits, evidence of insurability is also required whenever an Employee makes a Late Application for insurance on any person.

In this case, the Employee will bear the cost of supplying evidence which conforms to Manulife Financial's rules.

Late Application

For Plans D, H, GA and HA

For non-mandatory benefits, an application is considered late when an Employee:

- a) applies for insurance on any person after having been eligible for more than 31 days; or
- b) re-applies for insurance on any person whose insurance had earlier been cancelled.

Applying for Flex Benefits

For Plans AC and BC, Long Term Disability

An Employee may elect one of the Options outlined in the Schedule of Benefits. If an Employee does not elect an Option at initial enrolment, he will be insured for the Option 1 coverage reflected in the Schedule of Benefits. If an Employee does not elect an Option at subsequent Annual Enrolment, he will be insured for the same Options for which he had been insured in the previous plan year.

An Employee may elect only one of the Taxable Options under this policy or Non-Taxable Options under Policy G0030702.

On the Annual Enrolment Date, an Employee may elect to apply for, change or terminate his coverage. He may also elect to do so within 31 days of a Change In Life Event.

36 Effective Date of Insurance

Effective Date of Insurance

Once an application for Employee or Dependent insurance has been completed, this insurance becomes effective as follows, if the Employee is then Actively at Work:

- a) for all insurance which does not require evidence of insurability, on the date the Employee or Dependent becomes eligible for this insurance; and
- b) for all insurance which does require evidence of insurability, on the date this evidence is approved by Manulife Financial.

If the Employee is not Actively at Work when insurance would otherwise take effect, this insurance will take effect on the next day on which he is again Actively at Work.

An Employee who is not Actively at Work on the Effective Date may still be eligible for insurance under this Policy through a Transfer of Benefits from the Prior Plan.

Dependent Insurance will not take effect prior to the Effective Date of the Employee's insurance. However Dependent Optional Life Insurance may still become effective if the Employee is declined for Employee Optional Life.

Increases in Insurance

An increase in insurance on an Employee or Dependent will take effect as follows, if the Employee is then Actively at Work:

- a) if evidence of insurability is not required, on the Effective Date for Increases in Insurance shown in the Benefit Schedule; and
- b) if evidence of insurability is required, on the date this evidence is approved by Manulife Financial.

If the Employee is not Actively at Work when an increase in insurance would otherwise take effect, this increase in insurance will take effect on the next day on which he is again Actively at Work.

Decreases in Insurance

A decrease in the amount for which any person is insured takes effect when the person is first eligible for the decreased amount.

Transfer of Benefits from the Prior Plan 37

This Section applies only if this Policy replaces a Prior Plan.

Concessions Granted

Manulife Financial grants the following concessions to persons who were insured under the Prior Plan when it terminated:

- a) a Transfer of Coverage for Employees not Actively at Work; and
- b) Coverage for Pre-Existing Conditions.

These concessions are as described below.

Transfer of Coverage

Eligibility

An Employee who is not Actively at Work on the Effective Date is still eligible under this Policy if he:

- a) was insured under the Prior Plan when that Plan terminated; and
- b) would be eligible for insurance under this Policy if Actively at Work on its Effective Date.

Amount Transferred

An Employee eligible to transfer benefits will be eligible under this Policy for the lesser of:

- a) the amount for which he was insured under the Prior Plan when it terminated; and
- b) the amount of insurance for which he would be eligible under the Policy if Actively at Work on its Effective Date.

Effective Date of Transfer

Insurance under a transferred benefit will become effective on the later of:

- a) the date insurance provided under the Prior Plan would terminate in the absence of this provision; and
- b) the Effective Date of this Policy.

Coverage for Pre-Existing Conditions

If the Prior Plan did not have a limitation on Pre-existing Conditions, the limitation contained in the Long Term Disability Benefit section of this Policy will not apply to Employees insured under this Transfer of Benefits provision.

If the Prior Plan had a limitation on Pre-Existing Conditions, the length of time the Employee's Long Term Disability Benefit was in effect under the Prior Plan will be taken into account to determine if the limitation under this Policy is applicable.

38 Termination of Insurance

Termination of Employee Insurance

An Employee's insurance terminates on the earliest of:

- a) the date the Employee no longer satisfies the definition of Employee;
- b) the date the Employee ceases to be Actively at Work, unless he ceases to be Actively at Work due to retirement;
- c) the date the Employer terminates the Employee's coverage;
- d) the date the Employee enters the armed forces of any country on a full-time basis;
- e) the date this Policy terminates or insurance on the classification to which the Employee belongs terminates;
- f) the date the Employee reaches the Termination Age, as shown under each Benefit in the Benefit Schedule; or
- g) the date the Employee dies.

When Employment Terminates Due to Retirement

This Policy provides coverage for some benefits for Retirees. Retiree coverage is as indicated in the Schedule pages. Insurance for those benefits which are not indicated in the Schedule pages terminates when the Employee retires.

Exceptions to Termination of Employment not due to Retirement

If an Employee ceases to be Actively at Work, his insurance will normally terminate as specified under the Termination of Employee Insurance provision. However, Manulife Financial will waive this rule and continue insurance under the conditions set out below. An Employee's insurance can only be continued on a basis that does not discriminate against another Employee.

Due to Illness or Injury

If an Employee ceases to be Actively at Work due to illness or injury, all insurance coverage will continue until the Policyholder terminates the coverage:

- a) for up to 12 months but not beyond age 65, for Long Term Disability, or
- b) until age 65 (or for up to 12 months, if such Employee is age 64 or older and eligible for insurance), for all other benefits.

Due to Maternity or Parental Leave of Absence

If an Employee ceases to be Actively at Work due to Maternity or Parental leave of absence, all insurance coverage may continue for the period of leave to which the Employee is entitled by legislation governing the Employer:

- a) for up to 12 months subject to continued premium payment, but not beyond age 65, for Long Term Disability, or
- b) until age 65 (or for up to 12 months, if such Employee is age 64 or older and eligible for insurance), for all other benefits.

Termination of Insurance 39

In jurisdictions where the continuation of insurance is mandated by legislation, a copy of the Employee's written and signed notice to discontinue any required premium contribution must also accompany the request for termination.

Due to Other Leave of Absence or Temporary Lay-Off

If an Employee ceases to be Actively at Work due to a leave of absence other than Maternity or Parental leave, or due to Temporary Lay-off, all insurance coverage continue until the Policyholder terminates it, but in no event beyond 12 months from the date such absence began for Leave of Absence, or, 24 months from the date such absence began or the date the Employee is removed from the recall list, whichever is earlier for Temporary Lay-Off. For the Employee Long Term Disability Benefit, an Employee may continue to be insured at the Employer's option and subject to premium payment, if such Employee's absence from active work is due to illness, injury or leave of absence for up to 12 months, but not beyond age 65.

Disability Insurance During Leave of Absence and Temporary Lay-Off

If while insured for disability benefits under this Policy, an Employee becomes disabled on or after the date Leave of Absence or Temporary Lay-Off commences, the Qualifying Period for disability benefits will start as of the date of disability. Benefits will become payable on the later of:

- a) the date the Qualifying Period is satisfied; or
- b) the date the Employee is scheduled to return to work.

Legislated Benefit Extensions

If legislation mandates that employee benefits continue for a limited period after an Employee's employment terminates, Manulife Financial will extend each insurance benefit for the minimum period required by law, provided that:

- a) the Policyholder continues to pay premiums for Employee and Dependent insurance; and
- b) this Policy remains in force.

Termination of Dependent Insurance

Insurance on an Employee's Dependent terminates on the earliest of:

- a) the date the Dependent is no longer eligible for insurance under the provisions of this Policy;
- b) the date written notification is received from the Employee to cease his Dependent coverage because his Dependents are covered under another insurance plan for benefits similar to the ones in this Policy;
- c) the date a required contribution is due but not paid; or
- d) the date the Employee's insurance terminates or would have ceased if the Employee had been covered. However, an Employee can terminate his Employee Optional Life coverage and still maintain his Dependent Optional Life coverage.

40 Life Insurance Benefit

The Benefit

If a person dies while insured for this Benefit, Manulife Financial will pay the amount for which that person was insured at the time of his death.

Settlement Options

The lump sum payable on the death of an Employee may be applied to purchase any type of annuity then being offered by Manulife Financial.

Who May Choose an Option

The insured Employee may elect the type of annuity to be purchased upon his death. If the Employee does not elect an annuity, the beneficiary may elect one when the benefit becomes payable.

Waiver of Premiums

Not applicable to Plans O, P, Q, R and S

If an Employee becomes Totally Disabled while insured for this Benefit and prior to age 65, Manulife Financial will waive the premiums required to continue that Employee's and his Dependents' Life Insurance, provided the Employee meets Manulife Financial's Entitlement Criteria.

Definition of Total Disability or Totally Disabled

For Plan H

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of any occupation for which he is qualified, or may reasonably become qualified by training, education or experience.

The availability of work will not be considered by Manulife Financial in assessing the Employee's Disability.

An Employee who must hold a government permit or licence to perform his duties will not be considered Totally Disabled solely because such permit or licence has been withdrawn or not renewed.

However, if an insured Employee:

- a) qualifies for benefit payments under the Employee Long Term Disability Benefit under this policy;
- b) is disabled for at least 6 months; and
- c) is under age 65;

the Employee Life Insurance at the time the Employee became disabled will continue while the Employee is disabled without premium being required, but not beyond age 65, subject to any reduction or termination indicated in the Schedule due to a change in Plan.

For Plans AC, BC, GA, HA, KA and ZA

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of:

- a) his own occupation, during the Qualifying Period and the 2 years immediately following the Qualifying Period; and

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- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 2 years specified in part a) of this provision.

The availability of work will not be considered by Manulife Financial in assessing the Employee's Disability.

An Employee who must hold a government permit or licence to perform his duties will not be considered Totally Disabled solely because such permit or licence has been withdrawn or not renewed.

For a Retiree, Total Disability or Totally Disabled means a restriction or lack of ability due to an illness or injury which prevents the Retiree from engaging in duties or activities (household or otherwise) which are considered normal for a person of the same age and sex.

Entitlement Criteria

Manulife Financial will apply the following criteria in determining an Employee's entitlement to Waiver of Premiums:

- a) the Employee has been continuously Totally Disabled throughout the Qualifying Period. If the Employee ceases to be Totally Disabled during this period and then becomes Totally Disabled again within 2 weeks for Plans D, H, AC and BC and 3 weeks for Plans GA, HA, KA and ZA, due to the same or related cause, the Qualifying Period will be extended by the number of days during which the Total Disability ceased;
- b) for Plan H, Manulife Financial receives medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of any occupation for which he is qualified, or may reasonably become qualified by training, education or experience;
- c) for Plans AC, BC, GA, HA, KA and ZA, Manulife Financial receives medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
 - i) his own occupation, during the Qualifying Period and the 2 years immediately following the Qualifying Period; and
 - ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 2 years specified in part i) of this provision;
- d) the Employee is receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial.

At any time, Manulife Financial may require the Employee to submit to a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial.

Termination of Waiver of Premiums

Waiver of Premiums will cease on the earliest of:

- a) the date the Employee ceases to meet this Benefit's definition of Totally Disabled;
- b) for Plan H, the date the Employee does not supply Manulife Financial with appropriate medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of any occupation for which he is qualified, or may reasonably become qualified by training, education or experience;
- c) for Plans AC, BC, GA, HA, KA and ZA, the date the Employee

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does not supply Manulife Financial with appropriate medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:

- i) his own occupation, during the Qualifying Period and the 2 years immediately following the Qualifying Period; and
- ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 2 years specified in part i) of this provision;
- d) the date the Employee is no longer receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial;
- e) the date the Employee does not attend a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial;
- f) the date the Employee attains the age shown under Waiver of Premiums in the Benefit Schedule; or
- g) the date the Employee dies.

Recurrent Disability

Where an Employee becomes Totally Disabled again from the same or related causes as those for which premiums were waived under this Benefit and such Disability recurs within 6 months of cessation of the Waiver of Premiums, Manulife Financial will waive the Qualifying Period.

All such recurrences will be considered a continuation of the same Disability. The Employee's amount of insurance on which premiums were previously waived will be reinstated.

If the same Disability recurs more than 6 months after cessation of the Waiver of Premiums, such Disability will be considered a separate Disability.

Two Disabilities which are due to unrelated causes are considered separate Disabilities if they are separated by a return to work of at least one day.

First Premium Waived

If the Waiver of Premiums is approved, premiums will be waived from the premium due date coincident with or next following the end of the Qualifying Period.

Life Insurance Coverage Continued

While premiums are being waived, Life Insurance in force under this Policy on the Employee and on his Dependents will continue to be in force. The amount of such Life Insurance will be the amount of insurance that was in effect on the date of commencement of the Disability, subject to any age reduction or termination shown in the Policy at that time. This continuation of coverage is not affected by a subsequent termination of this Policy or of employment.

Conversion When Waiver Ceases

If an Employee is not eligible for Life Insurance under this Policy when the Waiver of Premiums ceases, that Employee and his Spouse may exercise the Conversion Privilege under this Benefit.

Conversion Privilege

If an Employee's or a Spouse's Life Insurance under this Policy terminates or reduces and the conditions outlined below are satisfied, that person will be eligible to continue all or part of the insurance by converting to an Individual Policy.

The insured person must satisfy the following conditions to be eligible for an Individual Policy:

- a) application for the Individual Policy must be received by Manulife Financial, within 31 days after insurance under the Group Policy terminates or reduces; and
- b) the first premium must be enclosed with the application.

Maximum Amount

The maximum amount that may be converted is the lesser of:

- a) \$200,000. or
- b) the amount of insurance that terminated less the amount of insurance under any replacing Group Policy within 31 days of the termination.

The Maximum Amount refers to all amounts of group life insurance for which the Employee is insured with Manulife Financial.

Plan of Insurance

The Individual Policy may be:

- a) non-convertible term insurance to age 65;
- b) a permanent plan that Manulife Financial offers to the public at the time of conversion; or
- c) 1-year non-renewable term insurance which may be converted while it is in force to any plan described above.

Issue of Individual Policy

Manulife Financial will apply the following rules in issuing an Individual Policy:

- a) no evidence of insurability will be required;
- b) the premium will be based on Manulife Financial's then current standard premium rates and will take into account the plan of insurance, the amount of insurance, the person's sex and attained age;
- c) no Waiver of Premium or Accidental Death & Dismemberment Benefits will be included;
- d) the effective date of the Individual Policy will be the 32nd day after the date of termination of the Group Insurance under this Benefit; and
- e) if the person elects to convert a lesser amount than that which he is entitled to convert, the Individual Policy cannot be less than the current minimum for which Manulife Financial will issue the Policy.

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Death during Conversion Period

If a person dies within 31 days of the date his Group Insurance terminates, on receipt of due proof, Manulife Financial will pay the maximum amount the person was eligible to convert. This will be done even if the person did not apply for an Individual Policy. If the person had applied for the Individual Policy, any premium paid will be refunded.

Subsequent Eligibility Under this Policy

If a person obtains an Individual Policy through this Privilege and later becomes eligible for insurance under this Group Policy, the amount for which he is eligible will be reduced by the amount of insurance remaining in force under the Individual Policy.

Conversion for Residents of Quebec

Please see the *Policy Addendum - Life Insurance Conversion Privilege for Insured persons who reside in Quebec* in this policy for details about administration of conversion privileges for residents of Quebec.

The Benefit

If an Employee becomes Totally Disabled while insured for this Benefit, Manulife Financial will pay a Disability Benefit as outlined below, provided the Employee meets Manulife Financial's Entitlement Criteria.

Benefits are payable from the end of the Qualifying Period. Benefits are not payable for or during the Qualifying Period.

Definition of Total Disability or Totally Disabled

For Plans H, AC, BC, GA, HA, KA and ZA:

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of:

- a) his own occupation, during the Qualifying Period and the 2 years immediately following the Qualifying Period; and
- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 2 years specified in part a) of this provision;

For Plan D:

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of:

- a) his own occupation, during the Qualifying Period and the 24 months immediately following the Qualifying Period; and
- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 24 months specified in part a) of this provision;

For all Plans:

The availability of work will not be considered by Manulife Financial in assessing the Employee's Disability.

An Employee who must hold a government permit or licence to perform his duties will not be considered Totally Disabled solely because such permit or licence has been withdrawn or not renewed.

Entitlement Criteria

Manulife Financial will apply the following criteria in determining an Employee's entitlement to Waiver of Premiums:

- a) the Employee has been continuously Totally Disabled throughout the Qualifying Period. If the Employee ceases to be Totally Disabled during this period and then becomes Totally Disabled again within 2 weeks for Plans D and H and 3 weeks for Plans AC, BC, GA, HA, KA and ZA, due to the same or related cause, the Qualifying Period will be extended by the number of days during which the Total Disability ceased;
- b) For Plans H, AC, BC, GA, HA, KA and ZA, Manulife Financial receives medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:

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- i) his own occupation, during the Qualifying Period and the 2 years immediately following the Qualifying Period; and
- ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 2 years specified in part i) of this provision;
- c) the Employee is receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial.

At any time, Manulife Financial may require the Employee to submit to a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial.

Periods for Which the Employee is Not Entitled to Benefits

The Employee is not entitled to benefit payments for any period that he is:

- a) not receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial;
- b) receiving Employment Insurance maternity or parental benefits;
- c) on lay-off during which the Employee becomes Totally Disabled;
- d) on leave of absence during which the Employee becomes Totally Disabled, unless Manulife Financial is required to pay benefits during this period as a result of legislation, regulation or case law (in some provinces, Employers with a benefit plan are required to provide benefits to an Employee during the health-related portion of a Maternity Leave of Absence);
- e) receiving benefits under an employer-sponsored salary continuance or short term wage loss replacement plan;
- f) working in any occupation, except as provided for under the Partial Disability Benefit or Rehabilitation Assistance provision; or
- g) incarcerated in a prison, correctional facility, or mental institution by order of authority of a criminal court.

Amount of Disability Benefit

The Amount of Disability Benefit payable is the Benefit Amount shown in the Benefit Schedule, less any amount of benefits the Employee receives, or is entitled to receive, from the following sources for the same or related Disability:

For Plan D:

- a) Canada or Quebec Pension Plans, including dependent benefits
- b) Workers' Compensation or similar coverage
- c) any government motor vehicle automobile insurance plan or policy, unless prohibited by law
- d) any government plan, excluding Employment Insurance Benefits

The benefit amount payable will be further reduced so that the Employee's total income from All Sources does not exceed 85% of the Employee's pre-disability Earnings if this Benefit is taxable, or 85% of the Employee's pre-disability Net Earnings if this Benefit is non-taxable.

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All Sources include those stated above and any benefit the Employee is entitled to receive from:

- a) any group, association or franchise plan
- b) any retirement or pension plan
- c) earnings or payments from any employer, including severance payments and vacation pay
- d) self-employment

For Plan H:

- a) Canada or Quebec Pension Plans, excluding dependent benefits
- b) Workers' Compensation or similar coverage
- c) any government motor vehicle automobile insurance plan or policy, unless prohibited by law
- d) earnings or payments from any employer, including severance payments and vacation pay
- e) self-employment
- f) any government plan, excluding Employment Insurance Benefits

The benefit amount payable will be further reduced so that the Employee's total income from All Sources does not exceed 100% of the Employee's pre-disability Earnings if this Benefit is taxable, or 100% of the Employee's pre-disability Net Earnings if this Benefit is non-taxable.

All Sources include those stated above and any benefit the Employee is entitled to receive from:

- a) any group, association or franchise plan
- b) any retirement or pension plan

For Plans AC, BC, GA, HA, KA and ZA:

- a) Canada or Quebec Pension Plans, excluding dependent benefits
- b) Workers' Compensation or similar coverage
- c) any government motor vehicle automobile insurance plan or policy, unless prohibited by law
- d) earnings or payments from any employer, including severance payments and vacation pay
- e) self-employment
- f) any government plan, excluding Employment Insurance Benefits
- g) any group, association or franchise plan
- h) any retirement or pension plan

The benefit amount payable will be further reduced so that the Employee's total income from All Sources does not exceed 80% for Plans GA and HA, 85% for Plans KA and ZA of the Employee's pre-disability Earnings if this Benefit is taxable, or 80% for Plans GA and HA, 85% for Plans KA and ZA of the Employee's pre-disability Net Earnings if this Benefit is non-taxable.

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Benefit Calculation Rules

Manulife Financial will apply the following rules in determining the Employee's Disability Benefit:

- a) benefits from other sources which began before the commencement of the Employee's current Disability will not be taken into account;
- b) benefits payable from other sources will not be adjusted to take into account any difference between the tax status of those benefits and the benefit payable by Manulife Financial;
- c) subsequent changes in benefits from other sources, other than cost of living increases, will be taken into consideration and a new benefit amount may be established;
- d) benefits payable under individual disability income insurance will not be taken into account;
- e) for benefits payable other than on a monthly basis, a monthly equivalent of such benefit will be estimated by Manulife Financial; and
- f) if an Employee does not apply for a benefit for which he is eligible, the amount of such benefit will be estimated by Manulife Financial and assumed to be paid.

Cost of Living Adjustment

Not applicable to Plan H, Option 1 and Plans GA, HA, KA and ZA

With each January payment, after Long Term Disability benefits have been payable for 12 months, the Employee's Amount of Disability Benefit will be adjusted by the Cost of Living Adjustment shown in the Benefit Schedule. In no event will the Employee's benefit be reduced as a result of the Cost of Living Adjustment.

When the Employee's Amount of Disability Benefit increases as a result of the Cost of Living Adjustment, the Employee's pre-disability Earnings will be deemed to increase by the same amount.

The Amount of Disability Benefit payable as a result of the Cost of Living Adjustment will not be subject to the Benefit Amount maximum shown in the Benefit Schedule.

Subrogation

Conditional monthly payments shall be made to an Employee with a potential loss of income claim against a third party who caused or contributed to the Disability. Any such payments are subject to Manulife Financial's subrogation right to reimbursement when the Employee is indemnified through a judgement or settlement.

Payment of Disability Benefits

Disability benefit payments will be made monthly in arrears. Any payment for a period of less than one month will be made at a daily rate of one-thirtieth of the Employee's monthly benefit amount.

Rehabilitation Assistance

Once Manulife Financial determines that an Employee is Totally Disabled, where appropriate and at Manulife Financial's discretion, the Employee may be offered rehabilitation to assist him in returning to gainful employment, either to his pre-disability occupation or to another occupation.

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In partnership with the Employer and the Employee, Manulife Financial will provide the Employee with a structured Vocational Plan that will prepare the Employee for a return to work:

- a) with the Employer;
- b) with an alternate employer; or
- c) in a self-employed capacity.

In considering whether Rehabilitation Assistance is appropriate for an Employee, Manulife Financial will take into account:

- a) the nature, **extent** and expected duration of the Employee's Disability;
- b) the Employee's level of education, training or experience; and
- c) the nature, scope, objectives and cost of the Vocational Plan.

For Plans H, AC, BC, GA, HA, KA and ZA

An Employee will continue to be entitled to Disability Benefits while participating in the Vocational Plan. For Plans H, AC and BC, the Employee's Disability Benefit will be reduced by 50% of the Employee's rehabilitation income. The Employee's Disability Benefit will be further reduced by earnings received from any employment if the Employee's total income from all sources **exceeds**:

- a) 100% of his pre-disability Earnings, if this Benefit is taxable; or
- b) 100% of his pre-disability Net Earnings, if this Benefit is non-taxable.

If an Employee ceases to participate in a Vocational Plan because of a change in his medical status, Manulife Financial will require medical evidence documenting how the Employee's medical condition has deteriorated such that the Employee's inability to continue with the Vocational Plan is due to an increase in restrictions or lack of ability.

If the Employee is not available or does not co-operate or participate in the Vocational Plan, the Employee will no longer be entitled to Disability Benefits.

Partial disability

If an Employee is Disabled but able to work under a program approved in writing by Manulife Financial and performs at any time:

Plan H:

- a) during the Qualifying Period and the 2 years immediately following the Qualifying Period:
 - 1. any of the duties of the Employee's own occupation on a part-time basis; or
 - 2. the duties of any other occupation on a full-time or part-time basis; or
- b) after the 2 years specified in part a) of this provision, the duties of any occupation on a part-time basis;

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such Employee will still be entitled to a benefit. The Employee's Disability Benefit will be reduced by 50% of the Employee's income from such work. The Employee's Disability Benefit will be further reduced by earnings received from any employment if the Employee's total income from all sources exceeds:

- a) 100% of his pre-disability Earnings, if this Benefit is taxable; or
- b) 100% of his pre-disability Net Earnings, if this Benefit is non-taxable.

Plan D:

- a) during the Qualifying Period and the 24 months immediately following the Qualifying Period:
 - 1. any of the duties of the Employee's own occupation on a part-time basis; or
 - 2. the duties of any other occupation on a full-time or part-time basis; or
- b) after the 24 months specified in part a) of this provision, the duties of any occupation on a part-time basis;

such Employee will still be entitled to a benefit. The Employee's Disability Benefit will be reduced by 50% of the Employee's income from such work. The Employee's Disability Benefit will be further reduced by earnings received from any employment if the Employee's total income from all sources exceeds:

- a) 75% of his pre-disability Earnings, if this Benefit is taxable; or
- b) 75% of his pre-disability Net Earnings, if this Benefit is non-taxable.

Termination of Benefit Payments

Disability benefit payments will cease on the earliest of:

- a) the date the Employee ceases to meet this Benefit's definition of Totally Disabled, except as provided for under the Partial Disability Benefit provision;
- b) for Plans H, GA, HA, KA and ZA, the date the Employee does not supply Manulife Financial with appropriate medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
 - i) his own occupation, during the Qualifying Period and the 2 years immediately following the Qualifying Period; and
 - ii) any occupation for which the Employee is qualified, or may reasonably become qualified, by training, education or experience, after the 2 years specified in part i) of this provision;

If the Employee is receiving a Partial Disability Benefit, benefits will cease on the date the Employee does not supply Manulife Financial with appropriate medical evidence documenting how his illness or injury limits him to returning to work in a reduced capacity, as defined under the Partial Disability Benefit.

- c) the date the Employee does not attend a medical, psychiatric, psychological, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial;
- d) the date on which benefits have been paid up to the Maximum Benefit Period shown in the Benefit Schedule; or
- e) the date the Employee dies.

Recurrent Disability

Where an Employee becomes Totally Disabled again from the same or related causes as those for which Long Term Disability benefits have been paid under this Policy and such Disability recurs within 6 months from the end of the period for which benefits were paid under this Policy, Manulife Financial will waive the Qualifying Period.

All such recurrences will be considered a continuation of the same Disability. The benefit payable will be based on the Employee's Earnings as at the original date of Disability. Benefits for all recurrences will not be paid for a combined period longer than the Maximum Benefit Period shown in the Benefit Schedule.

If the same Disability recurs more than 6 months after the end of the period for which benefits were paid, such Disability will be considered a separate Disability.

Two Disabilities which are due to unrelated causes are considered separate Disabilities if they are separated by a return to work of at least one day.

Waiver of Premiums

Premiums required on behalf of an Employee for this Benefit will be waived during any period for which Long Term Disability Benefits are payable.

Continuation of Insurance

If an Employee's insurance terminates for reasons other than reaching the Termination Age for this Benefit, as shown in the Benefit Schedule, Manulife Financial will continue insurance under this Benefit if the Employee is Totally Disabled and:

- a) entitled to receive benefits; or
- b) fulfilling the Qualifying Period.

The Employee must satisfy Manulife Financial's Entitlement Criteria in order for the Disability Benefit to be payable.

The insurance continued is subject to all the provisions of this Policy.

Taxability

The Policyholder must notify Manulife Financial in writing 31 days prior to a change in the tax status of this Benefit. Manulife Financial reserves the right to adjust the amount of insurance and the premium rates if such a change occurs, whether or not notification has been given. The effective date will be the date of change.

Disabilities Not Covered

No benefits are payable for any Disability directly or indirectly related to:

- a) self-inflicted injuries or illnesses, whether the Employee is sane or insane;
- b) war, insurrection, the hostile actions of any armed forces or participation in a riot or civil commotion;
- c) medical or surgical care which is not Medically Necessary;
- d) the committing of or the attempt to commit an assault or criminal offence;

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- e) injuries sustained while operating a motor vehicle, either while under the influence of any intoxicant or if the Employee's blood contained more than 80 milligrams of alcohol per 100 millilitres of blood at the time of injury;
- f) abuse of addictive substances, including Drugs and alcohol, unless the Employee is actively participating and co-operating in an in-patient medical treatment program for substance abuse which has been approved by Manulife Financial;
- g) for Plans GA and HA, a Pre-Existing Condition which causes Disability within the first 12 months (during which the Employee has been actively working continuously, however, up to 3 days of absence will not be count) of insurance under this Benefit. A Pre-Existing Condition is any injury or illness (whether diagnosed or not) for which an Employee was treated or attended by a Physician, or for which Drugs were prescribed, within 13 weeks prior to the date the Employee's insurance under this Benefit became effective;
- h) for Plans KA and ZA, a Pre-Existing Condition which causes Disability within the first 12 months of insurance under this Benefit. A Pre-Existing Condition is any injury or illness (whether diagnosed or not) for which an Employee was treated or attended by a Physician, or for which Drugs were prescribed, within 90 days prior to the date the Employee's insurance under this Benefit became effective; and
- i) for all other Plans, a Pre-Existing Condition which causes Disability within the first 12 months of insurance under this Benefit. A Pre-Existing Condition is any injury or illness (whether diagnosed or not) for which an Employee was treated or attended by a Physician, or for which Drugs were prescribed, within 90 days prior to the date the Employee's insurance under this Benefit became effective. If after the first 12 months that an Employee is insured, but before such Employee has been insured for 24 months, such Employee again becomes Totally Disabled because of the same or a related cause, such Employee must have returned to active Full-time work for at least 6 months and be absent from work for more than the Qualifying Period before benefit payments will be made.

Payees

Benefits payable due to the death of an Employee are payable to the Employee's beneficiary or, if no such beneficiary is alive or has been designated, to the Employee's estate. All other benefits for an Employee and such Employee's Dependents are payable to the Employee, unless the Employee has previously authorized payment to be made to the person and/or corporation which has rendered services, treatment or supplies. If the Employee is not alive, these benefits are payable to such Employee's estate.

- Payment of Small Amounts

If any amount up to \$2,000 is payable to a person who is not alive or who cannot give a valid discharge for such payment, Manulife Financial may pay the amount to:

- a) any relative of that person; or
- b) any person or institution incurring expenses for the care, maintenance or burial of that person.

Requirement of Proof

No claim for benefits will be paid until Manulife Financial receives satisfactory proof in writing that such benefits are payable under the terms of this Policy.

Manulife Financial reserves the right to request any additional information necessary, as determined by Manulife Financial, to validate the eligibility of a claim for benefits under this Policy. The Employee is responsible for any expenses incurred for obtaining this additional information.

Submission of Proof

Proof that benefits are payable must be submitted by or on behalf of the Employee and received by Manulife Financial at its Head Office for Canadian Operations or one of its Group Claims Offices within:

- a) 90 days from the date of the loss, for claims for Life benefits;
- b) 180 days from the end of the Qualifying Period, for claims for disability benefits;

Continuing Proof

If benefits are being paid or coverage continued on an insured person because of disability, Manulife Financial may require written proof that this person remains Disabled under the terms of this Policy. This proof will be required as often as may reasonably be necessary.

Examination by Manulife Financial

Manulife Financial reserves the right to have any person in respect of whom a claim is being made under this Policy submit to a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial, as often as may reasonably be required. No benefits will be payable if, without reasonable cause, the insured person fails to undergo such examination. If benefits are claimed for loss of life, Manulife Financial may require that an autopsy be performed. Manulife Financial will use the results of any such examination or autopsy to determine whether benefits are payable under this Policy.

54 Payment of Claims

Subrogation

If an insured person suffers personal injury or loss for which he has a right to bring action for damages against a third party, Manulife Financial shall be subrogated to the insured person's rights to recover damages to the extent that it may be obligated to pay benefits to the insured person. In such case, Manulife Financial will require the insured person to complete a subrogation reimbursement agreement. Manulife Financial has the right to suspend payment of benefits until the completed agreement is received.

Upon judgement or settlement for damages, the insured person shall reimburse Manulife Financial for benefits paid or payable. Unless notified to the contrary, the insured person's solicitor shall also represent Manulife Financial's interests in such a recovery.

Time Limit on Legal Action

No legal action against Manulife Financial may be commenced less than 60 days after proof has been filed in accordance with the above requirements. Every action or proceeding against Manulife Financial for the recovery of benefits payable under this Policy is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

Method of Administration

This Policy must be administered in accordance with Manulife Financial's instructions.

The Policyholder is considered the representative of the Employer and is entitled to act on the Employer's behalf. Any act, or failure to act, by the Policyholder is binding upon the Employer. Any notice Manulife Financial gives to the Policyholder is considered as notice given to the Employer.

Participation Requirements

100% of eligible Employees must be insured for the mandatory benefits under this Policy. For the benefits which are non-mandatory, at least 75% must be insured. In addition, a minimum of 20 Employees must be covered at all times.

For non-mandatory benefits under this Policy, eligible Employees must either:

- a) apply for all the non-mandatory benefits; or
- b) refuse coverage for all the non-mandatory benefits.

For Optional Life Insurance, a minimum of 10 plan members or 10% of the group must be insured at all times.

Employees who are covered under a Spouse's insurance plan for similar benefits may submit a signed waiver of insurance for those benefits under this Policy. Employees who submit these waivers will not be counted as eligible for purposes of the Participation Requirements.

All eligible Dependents must be insured under this Policy unless they are covered under another insurance plan for similar benefits. In this case, the Employee must also submit a signed waiver of Dependent insurance in order for coverage on such Dependents to be waived or terminated. Waiver or termination will take effect on the date such notice is received.

All Employees who have not submitted the signed waivers described above are covered from the date on which they are first eligible, if the benefits are mandatory.

Notice of New Employees

The Policyholder must supply enrolment material to eligible Employees and inform Manulife Financial of the addition of new Employees as they become eligible for insurance.

Notice of Terminated Employees

The Policyholder must inform Manulife Financial of the termination of insurance on Employees on or before the date on which this insurance terminates. Payments made with respect to ineligible persons because of the late receipt of termination notice will be recovered from the Policyholder if they can not be recovered from the Employee on whose behalf they were paid.

Uniform Practices

Options available to the Policyholder must be chosen and administered by the Policyholder on a uniform basis without prejudice to any Employee.

Right of Verification

Manulife Financial shall have the right to inspect, as often as may reasonably be required, those books and records of the Policyholder or any person or organization that may have a bearing on the insurance in force under this Policy. Manulife Financial may require any insured person to provide proof of age.

56 Administration of the Policy

Clerical Error and Misstatement

A clerical error is a mistake in writing or copying data. A clerical error made by the Policyholder or Manulife Financial will not invalidate insurance otherwise in force, or continue insurance otherwise terminated under the terms of this Policy.

If an insured person's age has been misstated, his true age will be used to determine:

- a) the effective date or termination date of insurance;
- b) the amount of insurance; and
- c) any other rights or benefits under this Policy.

Manulife Financial will adjust the insurance in force where this is affected by a clerical error or a misstatement of age.

A premium adjustment which reflects the adjustment in insurance will be made on a subsequent premium due date.

Employee Contributions

Manulife Financial is not responsible for the collection of any employee contributions required for insurance under this Policy. However, the Policyholder may not require any contribution in respect of a person's insurance under any Benefit while the corresponding premium is being waived.

Booklets

Manulife Financial will produce a booklet for each Employee insured under this Policy, unless Manulife Financial and the Policyholder have otherwise agreed. The booklet will set out the main features of insurance coverage and state to whom benefits are payable. These booklets will be distributed by the Policyholder to each insured Employee.

Possession of a booklet alone does not entitle an Employee to insurance under this Policy. This Policy must be in effect and the Employee must satisfy all the requirements of this Policy. The booklet is not a contract of insurance, nor does it create or confer any contractual or other rights. The provisions of this Policy will govern if they are in conflict with anything stated or implied in a booklet.

If an Employee receives a booklet from the Policyholder that has not been approved by Manulife Financial, and if any claim that would otherwise be limited or denied by the provisions of this Policy, is increased or paid as a result of information included in, or missing from such booklet, the Policyholder will be responsible for reimbursing Manulife Financial for the amount of such increase or payment plus expenses and administration costs.

Naming a Beneficiary

The Employee may name a beneficiary, subject to governing law, while applying for group insurance under this Policy or by filing notice in accordance with instructions provided by Manulife Financial. An existing beneficiary may be changed by the Employee, subject to governing law, by filing notice in accordance with instructions provided by Manulife Financial. Once notice has been filed, it takes effect as of the date it was signed with respect to any payment made after the time it was filed.

Manulife Financial does not accept beneficiary designations for any benefits other than Employee Life Insurance, Supplemental Life Insurance and Employee Optional Life Insurance.

Time of Payment

The initial premium is due on the Effective Date and subsequent premiums are due on the first day of every month thereafter. Premiums are payable by the Policyholder to Manulife Financial at Manulife Financial's Head Office for Canadian Operations or any of its Field Offices.

Amount of Premium

The amount of premium payable by the Policyholder on each premium due date will be the aggregate of the amounts, including any retroactive premium adjustments, payable in respect of each person insured on that date.

Grace Period

After the first premium is paid, 31 days of grace are allowed for the payment of any premium. If a premium is paid during the grace period, the insurance under this Policy continues in force. However, if the premium is not paid during this time, Manulife Financial reserves the right to:

- a) apply a service charge to all overdue premiums;
- b) withhold payments for all claims incurred after the grace period until all monies due Manulife Financial are paid; and
- c) automatically cancel this Policy at the end of the grace period.

Premium for Each Insured Person

The amount payable in respect of any insured person shall be determined according to the benefits for which that person is insured and the premium rates then applicable to those benefits.

Premium Rates

Manulife Financial may set new rates:

- a) on any premium due date after the first Renewal Date, but not more than once in any policy year;
- b) upon amendment of this Policy at the Policyholder's request;
- c) upon amendment or termination of any other plan which provides benefits which are offset against benefits under this Policy; or
- d) at any time after the passage of Provincial or Federal law or regulation which results in a change to:
 - i) the liability for provision of benefits under this Policy;
 - ii) the taxability of premiums or benefits.

Premium Payment Deemed Acceptance

Payment towards the first premium due on or after the date on which an amendment or a premium rate change takes effect is deemed to constitute acceptance of the amendment or premium rate change and all written terms and conditions attached to such a change. All such terms and conditions are deemed to become a part of this Policy.

58 Payment of Premiums

Premium Adjustments

A premium adjustment will be made for each of the following changes to the amount of insurance in force under this Policy:

- a) changes due to an amendment of the Policy;
- b) retroactive changes made to correct the effect of a clerical error or age misstatement;
- c) retroactive changes required due to the late reporting of the addition or termination of Employees; and
- d) any other changes that take effect more than one month prior to the next premium due date.

Retroactive adjustments which result in a credit to the Policyholder will be limited to the lesser of:

- a) 6 months; or
- b) the number of complete months since the last **Renewal Date**.

However, this will in no way affect the actual effective date of the termination or reduction in an Employee's coverage.

Premium Due on Termination of Policy

The Policyholder shall remain liable for all premiums due and unpaid on the date this Policy terminates. If this date is not a premium due date, the last premium will be reduced to reflect the period between the date it was due and the date of termination.

The Entire Contract

This Policy, the Policyholder's application, the individual Employee's applications, and any document which supports or alters the information or effect of any such applications constitute the entire contract. A copy of the Policyholder's application is included with this Policy.

On request from the Policyholder, Manulife Financial will provide the Policyholder with an electronic copy of the text in this Policy. The electronic copy is provided for information purposes only and does not create or confer any contractual rights or obligations. All rights and obligations of the Policyholder and Manulife Financial are governed by the paper version of this Policy. In the event of a discrepancy between the paper version and the electronic copy of the Policy, the paper version will govern. No alteration of the Policy is permitted by any person, except by an authorized representative of Manulife Financial.

Amendments

No provision of this Policy may be waived, changed or modified unless this is done in writing and signed by an authorized representative of Manulife Financial.

Termination of the Policy

The Policyholder may terminate this Policy by giving written notice to Manulife Financial. The Policy will terminate on the latest of:

- a) the date such notice is received at Manulife Financial's Head Office;
- b) the end of the period for which premiums have been paid; and
- c) the date specified by the Policyholder.

Manulife Financial may terminate this Policy or a benefit under this Policy if:

- a) the number of insured Employees, or
- b) the percentage of insured Employees,

is less than the minimum Participation Requirements specified in this Policy.

Manulife Financial may also terminate this Policy or any benefit under this Policy on any Policy Anniversary or Renewal Date by giving at least 31 days written notice to the Policyholder.

Manulife Financial has the right to terminate this Policy at the end of the Grace Period, if premium is not paid.

The Policyholder is responsible for informing Employees when this Policy terminates.

Contesting the Policy

In the absence of fraud, the validity of this Policy will not be contested if it has been in force for two years from its issue date and all the premiums due in that time have been paid.

Contesting a Person's Insurance

In the absence of fraud, no statement made in respect of the insurability of a person may be used in contesting the validity of that person's insurance after such insurance has been in force for two years during the person's lifetime.

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Assignment of Insurance

The rights or interests of an Employee under this Policy are not assignable.

Non-Participation

This Policy will not share in any surplus distributed by Manulife Financial.

Gender

In this Policy, unless the context requires otherwise, reference to the masculine gender will also include the feminine gender.

Currency of Payment

All amounts payable under this Policy, to or by Manulife Financial, are payable in Canadian currency.

Conformity with the Law

If a provision of this Policy is contrary to any law to which it is subject, this provision will be deemed to conform to the minimum requirements of such law

Life Insurance Conversion Privilege for Insured persons who reside in Quebec

In accordance with the Quebec Regulation under the Act respecting Insurance (S. 62,63,66), the Dependent, Minimum, Maximum and Death during Conversion Period provisions of the Life Insurance conversion privilege for Insured persons who reside in Quebec will be administered as outlined in this Addendum.

If a provision of the Policy or Addendum is, in full or in part, contrary to the Regulation or any other law or regulation replacing it, that provision, or the part that is deemed to be contrary will be presumed to be amended to comply with the minimum requirements of the applicable laws and regulations.

Conversion of Dependent coverage

If the Employee's life Insurance under this Policy terminates and the Employee had coverage for a Dependent, the Employee will be eligible to continue all or part of the life insurance by converting to an Individual Policy subject to the same terms and conditions as the Employee.

Minimum/Maximum Amount

For a Group Policy of a person residing in Quebec, the minimum amount of the life insurance that may be converted is:

- a) for the Employee, \$10,000, and
- b) for the Employee's Dependents, \$5,000.

For a Group Policy of a person residing in Quebec, the maximum amount that may be converted is the lesser of:

- a) \$400,000; or
- b) the amount of insurance that terminated less the amount of insurance under any replacing Group Policy within 31 days of the termination if any.

Death during Conversion Period

If a person dies within 31 days of the date his Group Insurance terminates, on receipt of due proof, Manulife Financial will pay the amount of coverage under their terminated insurance. This will be done even if the person did not apply for an Individual Policy. If the person had applied for the Individual Policy, any premium paid will be refunded.