

GROUP

GROUP POLICYHOLDER: Canadian National Railway Company
(CN)
Brotherhood of Locomotive Engineers
(BLE)
Brotherhood of Maintenance of Way
Employees (BMWE)
Canadian Automobile, Aerospace,
Transportation and General Workers
Union of Canada, Local 100 (CAW)
Canadian Automobile, Aerospace,
Transportation and General Workers
Union of Canada, Council 4000 (CAW)
International Brotherhood of Electrical
Workers, System Council 11 (IBEW)
United Transportation Union (UTU)
(each of the above parties being
individually referred to herein as a "Co-
Policyholder")

GROUP POLICY NO.: 153951

EFFECTIVE DATE: January 1, 2002

INSURANCE PROVIDED: Disability Income Insurance



APPLICATION FOR GROUP POLICY

Canadian National Railway Company (CN), Brotherhood of Locomotive Engineers (BLE), Brotherhood of Maintenance of Way Employees (BMWE), Canadian Automobile, Aerospace, Transportation and General Workers Union of Canada, Local 100 (CAW), Canadian Automobile, Aerospace, Transportation and General Workers Union of Canada, Council 4000 (CAW), International Brotherhood of Electrical Workers, System Council 11 (IBEW) and United Transportation Union (UTU).

(the Applicants) apply to The Great-West Life Assurance Company for Group Policy No. 153951 in the attached form. The Applicants have approved this Group Policy and have accepted its terms.

Dated at _____ this _____ day of _____, _____

Canadian National Railway Company (CN)

Witness

By _____

Agent or Consultant of Record

Title

Brotherhood of Locomotive Engineers (BLE)

Witness

By _____

Agent or Consultant of Record

Title

Brotherhood of Maintenance of Way
Employees (BMWE)

Witness

By _____

Agent or Consultant of Record

Title

Canadian Automobile, Aerospace,
Transportation and General Workers Union
of Canada, Local 100 (CAW)

Witness

By _____

Agent or Consultant of Record

Title

Canadian Automobile, Aerospace,
Transportation and General Workers Union
of Canada, Council 4000 (CAW)

Witness

By _____

Agent or Consultant of Record

Title

International Brotherhood of Electrical
Workers, System Council 11 (IBEW)

Witness

By _____

Agent or Consultant of Record

Title

United Transportation Union (UTU)

Witness

By _____

Agent or Consultant of Record

Title

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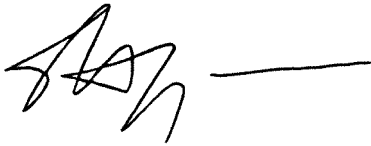
AGREEMENT

Great-West Life agrees to pay the benefits provided by this policy to the persons entitled to receive them. This agreement is made in consideration of the Group Policyholder's payment of the required premiums.

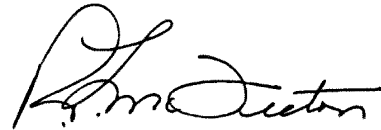
This policy takes effect at 12:01 a.m. Central Standard time on the Effective Date.

The following pages and any riders or amendments are a part of this policy.

Signed at The Great-West Life Assurance Company, Montréal, Québec



Secretary



President and
Chief Executive Officer

5TH DRAFT
For the Actuary

TABLE OF BENEFITS

This table must be read in conjunction with the rest of this policy.

ELIGIBLE CLASSES:	Union employees working in Canada, represented by a bargaining agent of a union and under age 65, except: <ul style="list-style-type: none">- employees under Canadian National Railway Police Association (CNRPA) collective agreements;- employees who are on bridging status;- employees older than 54 years and 11 weeks and for which the sum of their age and years of pensionable service equals at least 83 and 22 weeks;- full time representatives of a union that are covered under another long term disability plan;- employees covered under the employer's long term disability plan for non-union employees.
WAITING PERIOD:	period equal to the "Elimination period", as defined in the employer's weekly indemnity benefit plan, and the benefit period of such plan, plus any benefit period for which the person is entitled to benefits under the Employment Insurance Act of Canada.
INITIAL ASSESSMENT PERIOD:	the waiting period plus the next 24 months of disability
INITIAL ASSESSMENT LEVEL:	60%
SUBSEQUENT ASSESSMENT LEVEL:	60%
BENEFIT FORMULA:	50% of monthly earnings
GROSS BENEFIT:	the amount derived from the benefit formula. The maximum monthly gross benefit is \$1,875.

INCOME BENEFIT:	the lesser of the gross benefit and the coordination level
COORDINATION LEVEL:	85% of take-home pay
MAXIMUM BENEFIT PERIOD:	36 months
TAX STATUS:	non-taxable

Schedule of Unions

Brotherhood of Locomotive Engineers (BLE)
Brotherhood of Maintenance of Way Employees (BMWEE)
Canadian Automobile, Aerospace, Transportation and General Workers Union of Canada,
Local 100 (CAW)
Canadian Automobile, Aerospace, Transportation and General Workers Union of Canada
Council 4000 (CAW)
International Brotherhood of Electrical Workers, System Council 11 (IBEW)
United Transportation Union (UTU)

Schedule of Affiliated Companies

Shawinigan Falls Terminal Railway

INSURING PROVISIONS

EMPLOYER

Employer means Canadian National Railway Company (CN) and the companies listed in the Schedule of Affiliated Companies.

UNION

Union means the unions listed in the Schedule of Unions.

INSURANCE CLAUSE

To become insured under this policy a person must:

1. be employed by the employer;
2. be a member in good standing of a union;
3. be an insurable employee;
4. be in an eligible class;
5. satisfy the eligibility conditions; and
6. satisfy the effective date of insurance provisions.

INSURABLE EMPLOYEE

An employee is insurable if:

1. he is under age 65;
2. he is employed:
 - (a) on a permanent and non-seasonal basis; and
 - (b) for at least 20 hours each week; and
3. he is a member in good standing of a union.

An employee is not insurable if:

1. he is under age 65 when he becomes eligible but will reach age 65 by the end of a period equal to this policy's disability waiting period;
2. he is under Canadian National Railway Police Association (CNRPA) collective agreements;
3. he is on bridging status;
4. he is older than 54 years and 11 weeks and the sum of his age and years of

INSURING PROVISIONS

pensionable service equals at least 83 and 22 weeks;

5. he is a full-time representative of a union covered under another long term disability plan; or
6. he is covered under the employer's long term disability plan for non-union employees.

- pensionable service and bridging status

Pensionable service and bridging status are used as defined in the employer's pension plan.

INSURING PROVISIONS

ELIGIBILITY CONDITIONS

An employee member of the United Transportation Union (UTU) and the Brotherhood of Locomotive Engineers (BLE) (excluding members covered under the Rail Canada Traffic Controllers collective agreement), is eligible immediately if he is insurable on the effective date of this policy. Otherwise he is eligible on the first day of the month next following the first month in which he performs compensated service. If he does not satisfy the actively at work requirement on that day, he will be eligible on the day he satisfies that requirement, provided he performed compensated service in the preceding month.

Any other employee is eligible immediately if he is insurable on the effective date of this policy. Otherwise he is eligible on the first day of the month next following the date he completes 60 days of continuous employment as an insurable employee, ending after the effective date.

- continuous employment

An employee is considered continuously employed only if he satisfies the actively at work requirement throughout the eligibility waiting period.

- eligibility limitation

An employee is only eligible for the benefits provided for his class in the Table of Benefits.

INSURING PROVISIONS

EFFECTIVE DATE OF INSURANCE

Insurance takes effect on the date the employee becomes eligible, subject to the actively at work requirement.

Changes in Insurance

Changes in insurance take effect as they occur, except that:

1. all increases are subject to the actively at work requirement.
2. no change will take effect during a disability period.

Actively at Work Requirement

To satisfy this requirement, an employee must:

1. not be disabled according to this policy's definition of disability; and
2. be either:
 - (a) actually working at the employer's place of business or a place where the employer's business requires him to work;
 - (b) absent due to vacation, weekends, statutory holidays, or shift variances; or
 - (c) absent due to general holidays or assigned rest as defined by the employer.

INSURING PROVISIONS

Underwriting Provision

If an employee wishes to obtain insurance that is subject to this provision, he must apply for it and supply the information Great-West Life requests. Great-West Life will then assess the information according to its underwriting rules. The application will be approved if it meets underwriting standards.

- substandard offer

If the employee's application for insurance is not approved, Great-West Life may offer to provide insurance on a restricted basis.

INSURING PROVISIONS

TERMINATION OF AN EMPLOYEE'S INSURANCE

An employee's insurance terminates on the earliest of the following dates:

1. the date this policy terminates;
 2. the due date of the first premium to which he has not made a required contribution;
 3. the date he ceases to be in an eligible class. If he ceases to be in an eligible class because he moved to a position that is not represented by a bargaining agent, this date will be extended to the first day of the month following the position change effective date;
 4. the date he ceases to be an insurable employee;
 5. the date he ceases to satisfy the actively at work requirement. If he is not at work because of disease or injury, temporary lay-off, leave of absence, strike or lock-out, this date will be extended to the earliest of:
 - (a) the date the employer stops paying premiums or otherwise determines that insurance has terminated. This date must be determined on the same basis for all employees in like circumstances.
 - (b) the date he starts to work in another job more than 20 hours per week, except in an approved rehabilitation plan or program.
 - (c) 31 days after he first ceases to be eligible for income benefits.
 - (d) for disease or injury for which he does not qualify for income benefits, 31 days after the number of weeks of the waiting period.
- for a disabling disease or injury
 - for a non-disabling disease or injury

INSURING PROVISIONS

- for lay-off or leave of absence other than maternity or parental leave
 - for maternity or parental leave
 - for legal strike or lock-out
- (e) for temporary lay-off or leave of absence other than maternity or parental leave, 31 days after the lay-off or leave starts, plus any further period the employer is required by law to extend insurance.
 - (f) for maternity or parental leave, the end of the leave.
 - (g) for legal strike or lock-out, 60 days after the strike or lock-out starts.

REINSTATEMENT OF AN EMPLOYEE'S INSURANCE

An employee's insurance will be automatically reinstated if:

1. it terminated because of disease or injury, leave of absence, or temporary lay-off; and
2. he returns to work within 12 months after it terminated, or within any period for which the employer is required by law to reinstate the insurance.

If an employee does not qualify for automatic reinstatement, he will be treated as a new employee unless the insurance terminated because he stopped making required premium contributions. If it did, reinstatement is subject to the underwriting provision.

BENEFIT PROVISIONS

ASSESSMENT RESPONSIBILITY

Subject to appeal process agreed upon by the Group Policyholder and Great-West Life, Great-West Life has full responsibility for the assessment of a person's entitlement to benefits.

DISABILITY

The benefits under this policy are for disability periods that start while a person is insured.

During the Initial Assessment Period

During the initial assessment period shown in the Table of Benefits, disability is assessed on the basis of the duties a person regularly performed for the employer before disability started. He is considered disabled if, because of disease or injury, there is no combination of duties he can perform that regularly took at least 60% of his time at work to complete.

If disease or injury prevents a person from performing a duty, it will also be considered to prevent him from performing:

1. others that are performed only in order to complete that duty; and
2. others that can only be performed after that duty is completed.

After the Initial Assessment Period

After the initial assessment period, a person is considered disabled if disease or injury prevents him from being gainfully employed.

- gainful employment

Gainful employment means work:

1. a person is medically able to perform;
2. for which he has at least the minimum qualifications;
3. that provides income of at least 60% of his monthly earnings; and
4. that exists either in the province or territory where he worked when he became disabled or where he currently lives.

The availability of work will not be considered in assessing disability.

BENEFIT PROVISIONS

DISABILITY PERIOD

A disability period is:

1. the waiting period; plus
2. the benefit period.

WAITING PERIOD

The waiting period starts when the employee first becomes disabled and lasts, if disability is continuous, for the period shown in the Table of Benefits.

If disability is not continuous, the days the person is disabled will be accumulated to satisfy the waiting period as long as:

1. no interruption is longer than 2 weeks; and
2. the disabilities arise from the same disease or injury.

However, should the employee stop receiving benefits under the employer's weekly indemnity benefit plan or under the Employment Insurance Act of Canada (EI), the waiting period automatically ends on the latest of the date the weekly indemnity payments end or the date the EI payments end.

If benefits are still being paid under the employer's weekly indemnity benefit plan or under the Employment Insurance Act of Canada (EI) when the waiting period would otherwise end, it will be extended to the latest of:

1. the date the weekly indemnity payments end; and
2. the date the EI payments end.

BENEFIT PROVISIONS

BENEFIT PERIOD

A benefit period is:

1. the period of time after the waiting period during which the person is continuously disabled; plus
2. if the disability is not continuous, any period of time during which the disability is considered to be a recurrence.

A benefit period will not continue:

1. for more than 36 months;
2. past a person's attainment of age 55 if the sum of such person's age and years of pensionable service equals at least 85; or
3. past a person's 65th birthday,

whichever comes first.

RECURRENCE

After the waiting period, a disability is considered a recurrence if it arises from the same disease or injury and starts within 6 months after the previous disability ends.

BENEFIT PROVISIONS

INCOME BENEFITS

A disabled person is entitled to income benefits after the waiting period ends and for as long as the benefit period lasts. No income benefits are payable for the waiting period itself.

Amount Payable

The amount payable is the income benefit less the reductions, if any, required under the offset and coordination provisions. The income benefit is payable to the disabled person monthly in arrears. A proportionate amount is payable for any period less than a full month.

- other income

The income used in the offset and coordination provisions is the income payable for the same period as the income benefit under this policy.

Except for retirement benefits, all income is considered payable when a person is entitled to it, whether or not it has been awarded or received. If it has not been awarded, Great-West Life will have the right to estimate it according to the terms of any plans or legislation involved. Retirement benefits are considered payable when they are actually received.

If income is payable in a lump sum, the amount used will be the portion payable for loss of income during the benefit period.

- special treatment of taxable income

Before the amount payable is calculated, taxable income will be reduced by multiplying it by the ratio of the person's take-home pay to his monthly earnings. This does not apply to Canada or Quebec Pension Plan benefits.

- monthly earnings

Monthly earnings are 1/12 of annual earnings.

BENEFIT PROVISIONS

- take-home pay

Take-home pay means the person's monthly earnings less deductions for federal and provincial income taxes, Canada and Quebec Pension Plan contributions, and federal Employment Insurance premiums. The deductions are the amounts an employer would be required to withhold from a person's monthly earnings assuming:

1. his taxable income equals 12 times his monthly earnings;
2. his deductions equal those shown for his income level in the payroll deduction tables produced by Canada Customs and Revenue Agency and equivalent provincial tables; and
3. deductions for taxes reflect the benefit of personal tax credits, Canada and Quebec Pension Plan tax credits, and federal Employment Insurance tax credits.

Where a person's income level exceeds the maximum for Canada or Quebec Pension Plan deductions or federal Employment Insurance deductions, the Canada or Quebec Pension Plan contributions and federal Employment Insurance premiums used will be his annualized deductions divided by 12.

The tables and tax credits used are those in effect the day before the disability started.

BENEFIT PROVISIONS

Offset Provision

Under this provision, the person's income benefit is reduced by the following income:

1. 92.5% of any disability benefits to which he is entitled on his own behalf under:
 - (a) the Canada Pension Plan;
 - (b) the Quebec Pension Plan; or
 - (c) a plan in another country for which there is a reciprocal agreement with the Canada or Quebec Pension Plan.
2. Retirement benefits to which he is receiving on his own behalf under:
 - (a) the Canada Pension Plan;
 - (b) the Quebec Pension Plan; or
 - (c) a plan in another country for which there is a reciprocal agreement with the Canada or Quebec Pension Plan.
3. Benefits under any Workers' Compensation Act or similar law except for:
 - (a) permanent partial disability awards that were payable for each of the 12 months before a disability period; and
 - (b) benefits related to employment with another employer.
4. Where permitted by law, loss of income automobile insurance benefits available through legislation to which he or another member of his family is entitled on the basis of his disability.
5. 40% of the earnings received from an approved rehabilitation plan or program.

BENEFIT PROVISIONS

Coordination Provision

Under this provision, the person's income benefit is reduced if the total of the following income and the income benefit exceeds 85% of his take-home pay. If it does, his income benefit is reduced by the amount in excess of 85%.

1. 92.5% of any benefits to which another member of his family is entitled on the basis of his disability under:
 - (a) the Canada Pension Plan;
 - (b) the Quebec Pension Plan; or
 - (c) a plan in another country for which there is a reciprocal agreement with the Canada or Quebec Pension Plan.

Benefits payable directly to the family member are not included.

2. Loss of income benefits available through legislation to which he or another member of his family is entitled on the basis of his disability, except for Employment Insurance benefits and automobile insurance benefits.
3. Disability benefits under a plan of insurance available as a result of his membership in an association, except for benefits that were payable for each of the 12 months before a disability period.
4. Employment income, disability benefits, or retirement benefits related to any employment, except for:
 - (a) disability benefits that are prepayments of life insurance.
 - (b) benefits from retirement plans to which an employer has not contributed.
 - (c) disability benefits from the employer's retirement plan.

BENEFIT PROVISIONS

- (d) any amount that is related to employment other than with the employer and that was payable for each of the 12 months before a disability period. All employment income, disability benefits, and retirement benefits resulting from the same employment are considered together in satisfying the 12-month condition as long as there is no interruption from one to the other. Waiting periods for disability benefits do not count as interruptions.
- (e) income from an approved rehabilitation plan or program. This income is considered under the offset and rehabilitation incentive provisions.

Termination pay and severance benefits are considered employment income under this provision.

- commission income

If income under this provision is payable on a commission basis, each commission payment will be averaged over the 12 months following its receipt. The averaged income will be reduced by commission related expenses deductible for income tax purposes during those 12 months.

- disability income during recurrence

If disability is a recurrence, employment related disability benefits that become payable after the disability period starts will be included under the offset provision rather than under this coordination provision.

BENEFIT PROVISIONS

Rehabilitation income

Earnings received from an approved rehabilitation plan or program are used to reduce a person's income benefit if those earnings, his income from this policy, and the income described under the offset and coordination provisions exceed 100% of his take-home pay. If it does, his income benefit is reduced by the amount in excess of 100%.

BENEFIT PROVISIONS

INFLATION PROTECTION

The following provisions provide inflation protection.

Assessment

In assessing a person's ability to be gainfully employed, Great-West Life will multiply his monthly earnings by the Consumer Price Index factor.

Recalculation

The amount payable will be recalculated for inflation protection 1 year after the start of the benefit period and annually after that. On those dates the income limit under the rehabilitation incentive provision will be multiplied by the Consumer Price Index factor. The Consumer Price Index factor will not be applied to the following amounts:

1. the gross benefit.
2. the coordination level for purposes of recalculating the income benefit.
3. the income limit under the coordination provision.

Canada and Quebec Pension Plan Benefits

When the amount payable is recalculated for inflation, cost-of-living increases in Canada and Quebec Pension Plan benefits that take effect after the benefit period starts are included as income subject to the rehabilitation incentive provision. They are not included under the offset or coordination provisions.

BENEFIT PROVISIONS

Consumer Price Index Factor

The Consumer Price Index factor for an assessment or recalculation date is the ratio of:

1. the Consumer Price Index as of 3 months before that date;
- to
2. the Consumer Price Index as of 3 months before the start of the disability period.

The Consumer Price Index means the all-item Consumer Price Index for Canada (not seasonally adjusted).

Changes to the Consumer Price Index

If there is a change in the method of calculating the Consumer Price Index:

1. the Consumer Price Index will be used for the period preceding the change; and
2. an appropriate measure of inflation will be used for the period after the change.

BENEFIT PROVISIONS

VOCATIONAL REHABILITATION BENEFITS

Vocational rehabilitation involves a work related activity or training strategy that:

1. is designed to facilitate a disabled person's return to his job or other gainful employment; and
2. is recommended or approved by Great-West Life.

In considering whether or not a rehabilitation proposal is appropriate, Great-West Life will assess such factors as the expected duration of disability, and the level of activity required to facilitate the earliest possible return to employment.

Great-West Life recognizes the individual needs of persons with disabilities by making a distinction between a comprehensive rehabilitation program and a rehabilitation plan.

- comprehensive rehabilitation program

To be classified as a comprehensive rehabilitation program, the goal must be:

1. to return the person to work in a different job that requires extensive or prolonged training; or
2. to return the person to work in a self-employed capacity.

Training is considered extensive or prolonged if it lasts longer than 12 consecutive months.

- rehabilitation plan

To be classified as a rehabilitation plan, the goal must be:

1. to return the person to work in the same job;
2. to return the person to work in a modified job with the same employer; or
3. to return the person to work in a different job that capitalizes on transferable skills.

BENEFIT PROVISIONS

Participation Commitment

If a person does not participate or cooperate in a rehabilitation plan or program that has been recommended or approved by Great-West Life, he will no longer be entitled to income benefits.

Time Commitment

The duration of a rehabilitation plan or program must be approved by Great-West Life. Once approved, a person's benefit period is guaranteed for that duration as long as he continues to participate and cooperate in the plan or program.

- comprehensive rehabilitation program re-employment benefit

If the person is participating in a comprehensive rehabilitation program that involves employment, the benefit period will be guaranteed at least until the end of the initial assessment period.

- comprehensive rehabilitation program retraining benefit

If the person is participating in a comprehensive rehabilitation program that involves training rather than employment, the benefit period will be extended up to 6 months after training ends. This extension is provided for purposes of job search.

Employment Income

Employment income earned during a rehabilitation period will be considered under the rehabilitation incentive provision.

Expense Benefit

Great-West Life will pay for reasonable expenses, other than usual employment expenses, associated with a rehabilitation plan or program.

The maximum expense benefit during a disability period will be 3 times the person's income benefit.

Expenses claimed under this provision must be pre-authorized by Great-West Life.

BENEFIT PROVISIONS

Limitation

Vocational rehabilitation benefits are only available while the person is entitled to income benefits.

Conversion Privilege

A person is entitled to obtain an individual disability income policy without medical evidence if he meets the following conditions.

- conditions

1. His insurance terminates at the end of a rehabilitation plan or program that requires him to change employers.
2. He starts employment with another employer during the rehabilitation plan or program or within 6 months after it ends.
3. He applies for conversion in writing during the 31 days after his insurance terminates, if he is then employed. If he is not then employed, he must apply during the 31 days after employment starts.
4. His application is acceptable according to Great-West Life's underwriting rules for individual disability insurance, other than medical evidence or length of employment rules.

- conversion policy effective date

The individual policy takes effect on the date Great-West Life approves the application as long as the first premium has been paid.

The individual policy will be in the form then being offered by Great-West Life to conversion applicants.

BENEFIT PROVISIONS

GENERAL LIMITATIONS

- reasonable and customary treatment

No benefits will be paid for:

1. any period in which the person does not participate or cooperate in a reasonable and customary treatment program.

A reasonable and customary treatment program is systematic treatment that:

- (a) is performed or prescribed by a legally licensed doctor of medicine; and
- (b) is of the nature and frequency usually required for the condition involved.

Where considered appropriate by Great-West Life and the employer for the severity of the condition, the treatment must be prescribed by and, if appropriate, performed or supervised by a certified specialist for the condition involved.

- rehabilitation plans or programs

2. any period after the person fails to participate or cooperate in a rehabilitation plan or program that has been recommended or approved by Great-West Life.

- leave of absence, lay-off

3. the scheduled duration of a leave of absence or lay-off. A leave of absence is considered to start on the date agreed upon by the employee and the employer. If a child is born before a period of maternity leave is scheduled to start, the leave is considered to start on the date of birth.

- exception for Alberta residents

This exclusion does not apply to Alberta residents for any portion of a period of maternity leave during which the person is disabled as a result of pregnancy.

- Canadian residency

4. any 12-month period in which the person does not reside in Canada for at least 6 months.

BENEFIT PROVISIONS

- prison confinement
 - war, insurrection, riots
5. a period of confinement in a prison or similar institution.
 6. disability arising from war, insurrection or voluntary participation in a riot.

CLAIM PROVISIONS

NOTICE OF CLAIM

To permit prompt assessment, initial notice of claim should be submitted to Great-West Life no later than 15 weeks before the end of the waiting period.

Great-West Life will not be liable for claims for which initial notice is submitted more than 6 months after the earlier of:

1. the end of the waiting period; and
2. the date this policy terminates.

PROOF OF CLAIM

Benefits under this policy will only be payable for periods for which Great-West Life has received satisfactory proof that the person is entitled to benefits.

The claimant must provide information required to prove his entitlement to benefits and must also authorize Great-West Life to obtain information from other sources for this purpose. Whenever Great-West Life requests information or authorization, it must be submitted within 6 months. If it is not submitted within this time, Great-West Life will not be liable for any further benefits.

NOTICE OF ASSESSMENT

Great-West Life will give the claimant a written notice of assessment showing:

1. whether or not benefits have been approved;
2. whether or not further information is required; and
3. if benefits have not been approved, the reasons for denial and the procedures he may follow to appeal.

CLAIM PROVISIONS

NOTICE OF BENEFIT TERMINATION

If income benefits last for at least a year and then terminate, Great-West Life must provide 6 weeks' notice before they end.

LEGAL ACTIONS

No legal action to recover benefits under this policy can be introduced:

1. for 60 days after notice of claim is submitted; or
2. more than 2 years after a benefit has been denied.

OVERPAYMENT

If a person's benefits are overpaid he is responsible for repayment within 6 months, or within a longer period if agreed to by Great-West Life. If he fails to fulfill this responsibility, further benefits will be withheld until the overpayment is recovered. This does not limit Great-West Life's right to use other legal means to recover the overpayment.

SUBROGATION AND RIGHT OF RECOVERY

Where permitted by law, Great-West Life has full rights of subrogation with respect to damages for loss of income when responsibility for a person's disability may be attributable to another party. Great-West Life also has the right to recover from the person any benefits paid under this policy for loss of income for which he has been indemnified by the other party. However, Great-West Life has no obligation under this policy to exercise its rights of recovery and subrogation.

GENERAL PROVISIONS

CURRENCY

All money payable under this policy will be in Canadian funds.

FURNISHING OF INFORMATION: ACCESS TO RECORDS

Upon request, the Group Policyholder must forward to Great-West Life:

1. required information on the eligibility of employees;
2. details relating to changes in insurance; and
3. information required for assessment of claims, including job information.

Great-West Life has the right to inspect the Group Policyholder's records relating to employees' insurance. Inspections can take place while this policy is in force and during the first year after it terminates.

Great-West Life has the right to have representatives visit an employee's worksite to obtain information about his job.

All requests, notices, applications, and claims must be made to Great-West Life in writing.

Great-West Life will not be liable for the Group Policyholder's failure to supply required information or records.

GENERAL PROVISIONS

MEDICAL AND VOCATIONAL ASSESSMENTS

Great-West Life has the right to conduct necessary investigations relating to applications or claims, and to obtain independent medical or vocational assessments if required. Great-West Life must also be given the opportunity to examine the person for whom an application or claim is made as often as it may reasonably require during the course of an investigation or assessment.

Great-West Life will not assume the cost of assessment or investigation in connection with a late application. Great-West Life may assume the cost of other assessments or investigations according to its administrative practices at the time of application or claim.

MISSTATEMENT OF AGE

Great-West Life may request proof of a person's age at any time. If his age has been misstated, entitlement to insurance and benefits will be determined according to his true age.

If premiums have been underpaid for a person's true age, a retroactive adjustment must be paid by the Group Policyholder before any benefits will be paid or continued.

If premiums have been overpaid for a person's true age, Great-West Life will pay or credit a retroactive adjustment to the Group Policyholder.

GENERAL PROVISIONS

DISCLOSURE PROVISIONS

1. This policy will be available through the Group Policyholder for review by employees. Great-West Life, at its discretion, may release a copy of this policy in order to settle claims.
2. If asked to do so within 2 years after notification of a decision concerning insurance or benefits, Great-West Life will disclose to the employee the name of each person or organization that provided information concerning his application or claim.
3. If an employee submits written authorization from a person or organization that provided medical information, Great-West Life will disclose the information to the employee or, at Great-West Life's discretion, to the employee's doctor.
4. Great-West Life may, without specific authorization, disclose information about a person's claim to another insurer or benefits administrator if:
 - (a) the information could be relevant to assessment of the claimant's entitlement to other disability benefits for the same period of time; and
 - (b) the information is given in confidence with the stipulation that it may not be released to another party.

GENERAL PROVISIONS

APPEALS

A person has the right to appeal a denial of all or part of the insurance or benefits described in this policy as long as he does so within 2 years after the denial. An appeal must be in writing and must include the person's reasons for believing the denial to be incorrect.

CONFORMITY TO LEGISLATION

If this policy does not conform to legislation that governs it, it is considered automatically amended to comply with the minimum requirements of that legislation.

NON-PARTICIPATING

This is a non-participating policy.

GENDER

The words he, him and his refer to both genders.

REPRESENTATION AND NOTICE

The Group Policyholder's actions will bind an affiliated company. Notice given to the Group Policyholder is considered notice given to an affiliated company.

Without limiting the generality of the foregoing, the Co-Policyholders also agree that the Delegatee shall be duly authorized to receive or provide direction with respect to any payments due to the Group Policyholder, to receive all notices, to provide all instructions, to sign any and all documents necessary or advisable in regard thereto and to do all lawful acts as may be required with respect thereto for and on behalf of the Co-Policyholders and any such action shall be binding upon each of the Co-Policyholders.

GENERAL PROVISIONS

Notwithstanding anything to the contrary contained in this policy, none of the Co-Policyholders shall, except with the joint and concurrent action or approval of the other Co-Policyholders acting through the Delegatee, terminate, change, modify or waive any terms of this policy.

- Delegatee

The Delegatee means Canadian National Railway Company's most senior human resources officer or such other person as he may designate it in writing.

ANNUAL EARNINGS

Annual earnings is the current annual salary paid by the employer, excluding overtime and bonuses. For benefit calculations and in assessing a person's ability to be gainfully employed, annual earnings will be those in effect at the start of the disability period.

- hourly-paid employees

If an hourly-paid employee's hours vary, his earnings are calculated using the average number of hours worked in the last 12 months and the current hourly rate of pay. If he has worked less than 12 months for the employer, the hours are averaged over the period of employment.

- exception for employees other than members of United Transportation Union (UTU) and Brotherhood of Locomotive Engineers (BLE) (excluding members covered under the Rail Canada Traffic Controllers collective agreement)
- earnings limitation

Annual earnings for employees other than members of United Transportation Union (UTU) and Brotherhood of Locomotive Engineers (BLE) (excluding members covered under the Rail Canada Traffic Controllers collective agreement) include one-man point allowance.

If there is a difference between the actual annual earnings and those reported by the employer for premium purposes, the lesser of the 2 amounts will be considered the annual earnings amount under this policy.

PREMIUM PROVISIONS

PAYMENT

The first premium is due on January 4, 2002. After that, premiums are due every 2 weeks. Premiums must be collected by the Employer and then remitted at Great-West Life's Head Office. Premiums not paid on time will be in default.

GRACE PERIOD

After the first premium has been paid, 60 days of grace are allowed to pay a premium in default. During this time the policy will stay in force. If the premium is not paid by the end of the days of grace this policy will terminate. The Co-Policyholders are jointly and severally liable for a pro rata premium for the time this policy is in force during the grace period and for all other unpaid premiums.

CALCULATION: PREMIUM RATE

The amount of each premium is the sum of the premiums for each insured employee calculated at the rate last set by Great-West Life.

- waiver of premium
- premium payment not a guarantee of coverage

No premium is payable for an employee while he is disabled according to this policy's definition of disability or, if he is not at work after a benefit period ends, for another 31 days.

Payment of premium will not cause insurance to take effect or continue if it would not do so according to this policy's insuring provisions.

ADJUSTMENTS

The premium will be adjusted retroactively to reflect changes in insurance amounts. Credits will be given only for the 4 months preceding receipt of notice.

PREMIUM PROVISIONS

RATE CHANGES

- renewal changes

Great-West Life can change the premium rates on July 1, 2004 or on the first day of any month after that. Written notice will be sent to the Group Policyholder at least 120 days before a change is made. Once a change is made, Great-West Life cannot make another renewal change for 12 months or such other period as may be agreed to by the Group Policyholder.

- other changes

A rate change can be made at any time if:

1. the policy provisions are changed at the request of the Group Policyholder.
2. the introduction, revision, or repeal of a government law or regulation results in a change in:
 - (a) the benefits payable under this policy; or
 - (b) taxes payable to a government authority.

Such rate change will reflect the cost of implementing and administering the change in government law or regulation .

3. there is a decrease, in the total premium paid annually under this policy, of at least 20% since the last renewal change.

TERMINATION OF THE POLICY

The Group Policyholder may terminate this policy by giving written notice to Great-West Life. Termination by the Group Policyholder will take effect on the later of:

1. the date of termination stated in the written notice; and
2. the date Great-West Life receives the written notice.

Great-West Life may terminate this policy at any renewal date by giving written notice of termination to the Group Policyholder at least 120 days in advance. First renewal rate change date is July 1, 2004 or the first day of any month after that. The following renewal rate change dates will occur every 12 months or such other period as may be agreed by the Policyholder.

This policy will automatically terminate if a premium in default is not paid by the end of the grace period for that premium.

TRANSFER PROVISIONS

Transfer of Insurance

The following provisions apply when insurance for any class of employees under this policy takes effect during the 31 days after coverage ends for that class under another group long term disability income insurance policy.

1. Any person who was covered in the terminating class under the other policy when insurance for that class ended will be insured on the effective date of insurance for that class under this policy, as long as he is then an insurable employee.
2. Any person whose insurance has not been interrupted will be entitled to benefits under this policy for a pre-existing condition if:
 - (a) no benefits are payable for that condition under the other policy because of termination of insurance for the employee's class under that policy; but
 - (b) benefits would have been payable under the other policy if insurance for the terminating class had remained in force.

If this provision would entitle the employee to benefits that would not otherwise have been payable under this policy, Great-West Life will assess his total benefit entitlement under both policies.

If total benefit entitlement under the other policy would have been less, Great-West Life will determine the amount payable and the period for which benefits are payable according to that policy.

3. No benefits are payable under this policy for a disability period that is covered as a recurrence under a previous policy.

TRANSFER PROVISIONS

Transfer of Claims

If the Group Policyholder transfers responsibility for the continuing assessment of existing claims:

1. to Great-West Life, Great-West Life has the right, without the claimant's authorization, to obtain claim records from the previous insurer or benefits administrator.
2. from Great-West Life, Great-West Life has the right, without the claimant's authorization, to disclose claim information to the party assuming responsibility for existing claims.