

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.

QUÉBEC, CANADA

ENDORSEMENT No. 2

To be attached to and form part of Policy No. 28641 issued to CANADIAN UNION OF PUBLIC EMPLOYEES (CUPE) LOCAL 4168 BENEFIT TRUST

It is hereby understood and agreed that with effect from the first day of January 2015, the above-mentioned policy is amended as follows:

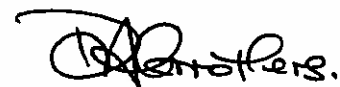
- The attached page TSA-3 (Long-Term Disability Income Insurance) is replacing page TSA-3 previously included in the policy.

All other terms and conditions of the said policy not inconsistent with this Endorsement remain in full force and effect.

Signed in Quebec City, Canada, on the 3rd day of February 2015.



President and
Chief Executive Officer



Secretary of the Company



Tracy Smalley
Authorized Signature

SUMMARY OF BENEFITS

LONG-TERM DISABILITY INCOME INSURANCE

Classes

Monthly Indemnity

1 50% of the monthly salary, the result being rounded to the next higher dollar, if not already a multiple thereof.

Monthly maximum: \$5,000

However, the overall maximum must not exceed 85% of the pre-disability net monthly salary.

2 68.9% of the monthly salary, the result being rounded to the next higher dollar, if not already a multiple thereof.

Monthly maximum: \$5,000

However, the overall maximum must not exceed 85% of the pre-disability net monthly salary.

Reductions: The amount payable will be subject to the reductions stated in the benefit.

Elimination Period:

Class 1 :
24 weeks

Class 2 :
The greater of:
(1) 120 working days (24 weeks); and
(2) The period of disability in which the participant received pay in accordance with the sick leave plan of their employer, if the participant chooses to use his sick leave credits beyond 120 working calendar days.

The elimination period will not include the period from July 1st through August 31st

Maximum Benefit Period: To the participant's 65th

Benefits are non-taxable.

Termination:

This benefit terminates on the participant's 65th birthday or the date of retirement, if earlier.

GENERAL PROVISIONS

DEFINITIONS

Accident: A sudden, violent and unforeseeable occurrence which is external to the person.

Actively at work: If it is a scheduled work day, the participant will be considered actively at work if he reports for work at his usual place of employment or at some other location where his employer's business requires him to be and when he so reports he is able to perform all of the usual and customary duties of his occupation on a regular and full-time or part-time basis.

If the participant is not at work due to it being a non-scheduled work day, holiday or vacation day, the participant will be considered to be actively at work if on such date he is neither (i) hospital confined nor (ii) disabled to a degree that he could not then have reported to his usual place of employment or some other location where his employer's business requires him to be and performed all of the usual and customary duties of his occupation on a regular, full-time or part-time basis.

Annual salary: The participant's annual gross base remuneration received from the employer and which the employer or policyholder has reported to the insurer including any additional income earned on a regular basis (overtime, bonuses, commissions, shift differentials, gratuities) which is included in accordance with the standards of the Employment Insurance Act.

Approval of evidence of insurability: The date of approval of any evidence of insurability shall mean the date the insurer receives the last document which allows it to accept the risk on the person.

Calendar year: The period from any January 1st to the next December 31st, both inclusive.

Day: A calendar day, except if otherwise defined in this policy.

Dependent: The participant's spouse or a child of the participant or of the spouse. If dependents are insured under this policy, "spouse" and "child" shall have the following meanings:

a) **Spouse**

The person who is married to or is in a civil union with the participant, or the person designated by the participant, whom he declares publicly to be his spouse and with whom he has been living on a permanent basis for at least one year.

A de facto separation of more than 3 months will result in the person no longer qualifying as the participant's spouse for the purposes of this policy.

GENERAL PROVISIONS

DEFINITIONS

Accident: A sudden, violent and unforeseeable occurrence which is external to the person.

Actively at work: If it is a scheduled work day, the participant will be considered actively at work if he reports for work at his usual place of employment or at some other location where his employer's business requires him to be and when he so reports he is able to perform all of the usual and customary duties of his occupation on a regular and full-time or part-time basis.

If the participant is not at work due to it being a non-scheduled work day, holiday or vacation day, the participant will be considered to be actively at work if on such date he is neither (i) hospital confined nor (ii) disabled to a degree that he could not then have reported to his usual place of employment or some other location where his employer's business requires him to be and performed all of the usual and customary duties of his occupation on a regular, full-time or part-time basis.

Annual salary: The participant's annual gross base remuneration received from the employer and which the employer or policyholder has reported to the insurer including any additional income earned on a regular basis (overtime, bonuses, commissions, shift differentials, gratuities) which is included in accordance with the standards of the Employment Insurance Act.

Approval of evidence of insurability: The date of approval of any evidence of insurability shall mean the date the insurer receives the last document which allows it to accept the risk on the person.

Calendar year: The period from any January 1st to the next December 31st, both inclusive.

Day: A calendar day, except if otherwise defined in this policy.

Dependent: The participant's spouse or a child of the participant or of the spouse. If dependents are insured under this policy, "spouse" and "child" shall have the following meanings:

a) Spouse

The person who is married to or is in a civil union with the participant, or the person designated by the participant, whom he declares publicly to be his spouse and with whom he has been living on a permanent basis for at least one year.

A de facto separation of more than 3 months will result in the person no longer qualifying as the participant's spouse for the purposes of this policy.

Policyholder **CANADIAN UNION OF PUBLIC EMPLOYEES,
(CUPE), LOCAL 4168 BENEFIT TRUST**

Policy No. **28641**

Effective Date **October 1, 2013**

Renewal Date **February 1, 2016 and February 1 of each
year thereafter**

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
(the insurer)

undertakes to pay the policyholder
(hereinabove named)

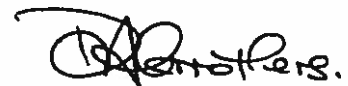
the benefits provided herein according to the terms and conditions hereinafter specified.

This policy is issued in accordance with the application submitted to the insurer, a copy of which is hereto attached to form part of the policy, and in consideration of the payment by the policyholder of the premiums specified herein.

Signed in Quebec City, Canada, on the nineteenth day of December 2013.



President and
Chief Executive Officer



Secretary of the Company

Linda Tan
Authorized Signature

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SUMMARY OF BENEFITS

SPECIAL PROVISIONS

For the purposes of this policy, the masculine form includes the feminine unless a different meaning is required from the context. In addition, the singular shall include the plural where required.

Participants are insured under the following division and classes:

Division

001 – Members of the Canadian Union of Public Employees, Local 4168

Classes

- 1 – Custodial Staff
- 2 – Administration Staff

SUMMARY OF BENEFITS

GENERAL PROVISIONS

ELIGIBILITY DATE

Subject to all other provisions of this policy, each employee shall become eligible on the latest of the following dates:

- a) on the effective date of the policy, if he has completed 3 months of continuous service with the employer,
- or
- b) on the date on which he has completed 3 months of continuous service with the employer.

MINIMUM PARTICIPATION

At all times, the number of participants shall not be less than 100% of eligible employees and not less than 15 participants.

NORMAL RETIREMENT AGE

For the purpose of this policy, the normal retirement age shall be the first day of the month coincident with or next following the participant's 65th birthday.

SUMMARY OF BENEFITS

LONG-TERM DISABILITY INCOME INSURANCE

Classes

Monthly Indemnity

1 50% of the monthly salary, the result being rounded to the next higher dollar, if not already a multiple thereof.

Monthly maximum: \$5,000

However, the overall maximum must not exceed 85% of the pre-disability net monthly salary.

2 68.9% of the monthly salary, the result being rounded to the next higher dollar, if not already a multiple thereof.

Monthly maximum: \$5,000

However, the overall maximum must not exceed 85% of the pre-disability net monthly salary.

Reductions: The amount payable will be subject to the reductions stated in the benefit.

Elimination Period: 24 weeks
Payment of benefits will begin after satisfaction of the maximum benefit period provided under the Short-Term Disability Income Insurance benefit, if such benefit is included under this policy.

Maximum Benefit Period: To the participant's 65th birthday

Benefits are non-taxable.

Termination:

This benefit terminates on the participant's 65th birthday or the date of retirement, if earlier.

GENERAL PROVISIONS

DEFINITIONS

Accident: A sudden, violent and unforeseeable occurrence which is external to the person.

Actively at work: If it is a scheduled work day, the participant will be considered actively at work if he reports for work at his usual place of employment or at some other location where his employer's business requires him to be and when he so reports he is able to perform all of the usual and customary duties of his occupation on a regular and full-time or part-time basis.

If the participant is not at work due to it being a non-scheduled work day, holiday or vacation day, the participant will be considered to be actively at work if on such date he is neither (i) hospital confined nor (ii) disabled to a degree that he could not then have reported to his usual place of employment or some other location where his employer's business requires him to be and performed all of the usual and customary duties of his occupation on a regular, full-time or part-time basis.

Annual salary: The participant's annual gross base remuneration received from the employer and which the employer or policyholder has reported to the insurer including any additional income earned on a regular basis (overtime, bonuses, commissions, shift differentials, gratuities) which is included in accordance with the standards of the Employment Insurance Act.

Approval of evidence of insurability: The date of approval of any evidence of insurability shall mean the date the insurer receives the last document which allows it to accept the risk on the person.

Calendar year: The period from any January 1st to the next December 31st, both inclusive.

Day: A calendar day, except if otherwise defined in this policy.

Dependent: The participant's spouse or a child of the participant or of the spouse. If dependents are insured under this policy, "spouse" and "child" shall have the following meanings:

a) Spouse

The person who is married to or is in a civil union with the participant, or the person designated by the participant, whom he declares publicly to be his spouse and with whom he has been living on a permanent basis for at least one year.

A de facto separation of more than 3 months will result in the person no longer qualifying as the participant's spouse for the purposes of this policy.

If according to this definition, the participant has had more than one spouse, spouse shall mean the person most recently qualified.

GENERAL PROVISIONS

b) Child

An unmarried child of the participant or of his spouse who wholly depends on the participant for support and maintenance and who meets at least one of the following conditions:

- i) He is under 21 years of age; or
- ii) He is under 26 years of age and is attending a recognized educational institution on a full-time basis; or
- iii) He is mentally or physically handicapped and is incapable of earning his own living due to such handicap provided such handicap commenced while he was a child as defined in i) or ii).

Eligibility period: The period, as specified in the Summary of Benefits, during which an employee must be actively at work before being eligible for coverage under this policy.

Employee: A person who is employed by his employer on a permanent, full-time or part-time basis and who is working a minimum of 17 hours per week for such employer.

If the employer is a partnership or sole proprietorship, the partner or proprietor will be considered to be an "employee" if such person customarily works a regularly scheduled work week with the employer of at least 17 hours per week.

Full-time resident of Canada: Has a permanent residence in Canada and resides in Canada for at least 182 days a year.

Illness: Any deterioration in health requiring regular, continuous and curative care actively provided by a physician.

Insured person: A participant who is insured under this policy.

Monthly salary: The participant's annual salary divided by 12.

Normal retirement age: The age indicated in the Summary of Benefits.

Participant: An employee who is insured under this policy.

Physician: A person who is legally licensed and authorized to practice medicine and who is operating within the scope of his license.

Specialist: A physician licensed by the appropriate provincial licensing authority to practice medicine with a specialization.

Weekly salary: The participant's annual salary divided by 52.

GENERAL PROVISIONS

POLICY PROVISIONS

RENEWAL

This policy is automatically renewed on each renewal date, for a period of one year, unless terminated in accordance with the terms of this policy, provided premiums which are due are paid and participation in the policy is not less than that minimum participation specified in the Summary of Benefits.

POLICY AMENDMENT

If the policyholder wishes to amend this policy, he must submit a written notice to the insurer.

The policy may only be amended by means of a rider bearing the signatures of the authorized signing officers of the insurer.

CHANGES IN GOVERNMENT PLANS

The benefits provided under this policy are complementary to the benefits provided by government plans. Any modifications to these plans after the effective date of this policy will not modify the benefits provided under this policy, unless an agreement to modify the benefits is signed by the authorized signing officers of the insurer and the policyholder.

Notwithstanding the preceding paragraph, this plan will be modified to reflect any changes to the maximum insurable earnings as determined under the Employment Insurance Act. In addition, if either federal or provincial legislation mandates that an insurer provide a certain type or level of coverage or the means of providing a certain type of coverage, this policy will be deemed to have been amended to reflect the requirements of the legislation.

MEDICAL SERVICES AND/OR SUPPLIES COVERED BY A GOVERNMENT SPONSORED PLAN OR PROGRAM

There will be no coverage under this policy for any expenses related, directly or indirectly, to any medical services and/or supplies which would have been covered by a government sponsored plan or program if the insured person had not elected to receive the services and/or supplies on a private basis from a medical practitioner, medical facility, clinic or hospital, whether private or public, unless the services and/or supplies are explicitly stated as being covered under this policy.

POLICY TERMINATION

- a) The policyholder may terminate this policy at any time, provided written notice of termination is received by the insurer prior to such date. If the date of termination does not fall on a premium due date, the policyholder will pay the insurer the pro rata premium from the last premium due date to the date of termination.

GENERAL PROVISIONS

The date of termination will be the later of:

- i) the date the written notice is received by the insurer; and
- ii) the requested date of termination provided such date is not less than 31 days after the date the insurer receives the written notice of termination from the policyholder, unless an earlier date is agreed to by the insurer.

If the policyholder does not provide the insurer with at least 31 days notice, and the insurer is not agreeable to an earlier date of termination, this policy will not terminate until 31 days following the date the written notice was received by the insurer.

- b) The insurer may terminate this policy:
 - i) on any renewal date, by giving the policyholder at least 31 days written notice;
 - ii) on any date if the policyholder has not complied with the terms and conditions of this policy, by giving the policyholder at least 31 days written notice;
 - iii) on any date if the number of participants or the percentage of participation falls below the minimum participation requirements specified in the Summary of Benefits, by giving the policyholder 31 days written notice.
- c) If at the end of any grace period, as provided for under the Premiums provision, the premium due under this policy remains unpaid, the insurer will have the right to terminate this policy at the end of such grace period without prior written notice. The date of termination will be the last day of the grace period.
- d) Notwithstanding clauses b) and c), on any premium due date, the insurer may, for any other reason, terminate this policy by giving written notice to the policyholder at least 31 days in advance of the termination.
- e) This policy will automatically terminate without prior written notice on the date any of the following events occur, unless otherwise agreed to by the insurer in writing:
 - i) The policyholder commits an act of bankruptcy;
 - ii) A monitor, receiver, or a receiver-manager is appointed as a result of any agreement or court order in respect of the whole or any part of the affairs or assets of the policyholder;
 - iii) Any agreement or court order is made for the winding-up or liquidation of the policyholder;
 - iv) Any proceeding is commenced under any jurisdiction by, on behalf of, or against the policyholder, or in relation to any affairs or assets of the policyholder, under any winding-up, bankruptcy, insolvency, re-organization, dissolution, liquidation, arrangement or readjustment of debt legislation, which such legislation is now or hereafter in effect.

INFORMATION REQUIRED

The policyholder must provide the insurer with all information required by the insurer to administer the benefits provided under this policy and to calculate the premium. The policyholder must allow the insurer to review the payroll, as well as all pertinent books and records, when it is reasonably possible.

The insurer shall be authorized to review all books and records of any person or organization containing information pertinent to this insurance whenever it is reasonably possible.

GENERAL PROVISIONS

INCONTESTABILITY

Where evidence of insurability is required by the insurer in order to approve

- a) insurance or a benefit for a participant; or
- b) an increase, addition or change in the insurance or benefit for a participant;

the statements provided by the participant as evidence of insurability will be accepted as true and will not be contested by the insurer after the latest of the following dates, provided the participant is alive at the time:

- a) 2 years from the effective date of the insurance or benefit for which the evidence was provided; or
- b) 2 years from the effective date of the increase, addition or change to the insurance or benefit; or
- c) 2 years from the effective date of the last reinstatement of the insurance or benefit.

However, this restriction on the insurer's right to contest the evidence of insurability will not apply in cases of fraud or misstatements of age.

Where evidence is required to approve an increase, addition or change in the insurance or benefit, the insurer's right to void the insurance or benefit will be limited to that increase, addition or change.

RENUNCIATION

No action or promise of any market intermediary on behalf of the insurer or on the market intermediary's own behalf may be construed to be a renunciation on the part of the insurer of any provision of this policy, the market intermediary being at no time so empowered or mandated.

In a case where the insurer does not require compliance with a provision of this policy, such occurrence in no way creates a commitment to act likewise in the event of a subsequent breach of the same provision. Moreover, no approval by the insurer of any act on the part of the policyholder or of a participant, for which such approval was required, shall exempt the policyholder or the participant from having to obtain the insurer's approval for any subsequent similar act.

INDIVIDUAL CERTIFICATES

The insurer will issue individual certificates to be delivered by the policyholder to each participant.

MISSTATEMENT OF AGE

If the age of any person insured under this policy has been misstated, there shall be an equitable adjustment of premiums, and if the person's amount of insurance depends on his age, his amount of insurance shall also be adjusted to that determined by his correct age.

GENERAL PROVISIONS

ASSIGNMENT AND COLLATERAL

Except for benefits that may become payable under this policy for hospital, medical or dental expenses, neither this policy nor any rights or benefits hereunder may be assigned.

The rights and interests provided under this policy cannot serve as collateral.

LAWFUL CURRENCY

All payments hereunder will be made in the lawful currency of Canada and according to the exchange rates effective at the time the event giving entitlement to a benefit took place.

REPLACEMENT POLICY

If this policy is issued in replacement of a previous policy, it will not represent a continuation of the previous policy.

INSURING PROVISIONS

An employee will become eligible to be insured under this policy as a participant on the date (his "eligibility date") on which he satisfies the following conditions:

- a) He satisfies the definition of employee in this policy.
- b) He is a full-time resident of Canada.
- c) He has satisfied the eligibility period specified in the Summary of Benefits.

However, an employee will not be eligible to become insured under the group policy if he will attain age 65 before the end of the elimination period specified for the benefit under the Summary of Benefits.

APPLICATION FOR GROUP INSURANCE

An employee who is eligible to become insured under this policy must complete and submit an application for himself, on his respective eligibility dates, on forms supplied by, or satisfactory to, the insurer.

EFFECTIVE DATE OF INSURANCE

Whether membership under this policy is compulsory or voluntary, the employee's insurance will take effect on the person's eligibility date, if the application for group insurance has been received by the insurer on or prior to such date, or within 31 days after such date.

If the application for group insurance is not received within 31 days of the eligibility date, the insurance will not take effect until the date on which the insurer receives and approves the person's evidence of insurability. The evidence of insurability will be provided at no expense to the insurer.

GENERAL PROVISIONS

However, if the employee was not actively at work on the date his insurance would otherwise become effective, the insurance will not take effect until the earliest date thereafter on which he is again actively at work.

Any amount of insurance which is in excess of the non-evidence maximum(s) specified in the Summary of Benefits will not take effect until the date the insurer receives and approves the employee's evidence of insurability. If the participant's evidence of insurability should not be approved by the insurer, any future increases in the non-evidence maximum(s) will not automatically result in an increase in the participant's insurance. The increase in the non-evidence maximum(s) will only result in an increase in the participant's insurance if he submits evidence of his insurability and it is approved by the insurer.

TERMINATION OF INSURANCE

A participant's insurance automatically terminates on the earliest of the following dates:

- a) The date this policy is terminated;
- b) The date on which the participant retires, unless otherwise specified in the Summary of Benefits;
- c) The date the participant reaches the age limit specified in the Summary of Benefits if an age limit is indicated;
- d) The date the participant is no longer a full-time resident of Canada;
- e) The date the participant is no longer covered by his provincial health plan;
- f) The date of the participant's death;
- g) The later of the following dates:
 - i) the date indicated on a written notice received from the policyholder;
 - ii) the date this notice was received by the insurer;
- h) The date the participant is incarcerated after committing a criminal offence for which he was found guilty;
- i) The date the participant ceases to qualify as an employee as defined in this policy, except in the following cases:
 - i) In the case of ceasing to be actively at work due to an illness or injury, the participant's insurance will be kept in force during such illness or injury, provided any required premiums continue to be paid.
 - ii) In the case of the temporary termination of employment due to a strike or a lock-out, the participant's insurance will be kept in force for a period not exceeding 3 months, provided (i) premiums continue to be paid, and (ii) there is no individual selection by the policyholder.
 - iii) In the case of the temporary termination of employment due to a temporary lay-off, the participant's insurance will be kept in force for a period not exceeding 3 months, provided (i) premiums continue to be paid, and (ii) there is no individual selection by the policyholder.

GENERAL PROVISIONS

- iv) In the case of ceasing to be actively at work due to a leave taken in accordance with a provincial or federal law, the participant's insurance will be kept in force for the maximum period provided by the law, if premiums continue to be paid.
- v) In the case of the termination of the participant's employment and the employer is required to extend insurance to the participant during a prescribed notice of termination in accordance with any federal or provincial employment standards legislation, the insurance may be kept in force for the maximum period required by the legislation, provided (i) the policyholder requests such extension, in writing, from the insurer and (ii) premiums continue to be paid.
- vi) In the case of ceasing to be actively at work due to a cause other than those mentioned in clauses i) to v), the policyholder may, within 31 days following the cessation of active work, request an extension of the participant's insurance, with the exception of the disability indemnity benefit, for a period of not more than 6 months beyond the date of his ceasing active work, provided premiums continue to be paid.

The insurer reserves the right to terminate any extension of insurance specified above by giving the policyholder 31 days notice to that effect.

REINSTATEMENT OF INSURANCE

Whether membership under this policy is compulsory or voluntary, if the insurance under this policy on the employee had been terminated, such insurance may be reinstated according to the terms and conditions that were in force at the time of termination. The reinstatement will take effect on the applicable of the following dates:

- a) The date of return to active work for his employer, if the absence from work lasts less than 12 months, provided (i) the employee is eligible under this policy, and (ii) an application for group insurance is submitted to the insurer within 31 days of the employee returning to active work. If the application is not submitted within the 31 days, the insurance will not become effective until the insurer receives and approves evidence of insurability on the employee;
- b) The date on which the employee again satisfy the requirements with respect to eligibility and the effective date of insurance, if the absence from active work by the employee lasted more than 12 months;
- c) The date on which the insurer receives and approves evidence of insurability on the employee if the insurance under this policy terminated due to a reason other than the employee's absence from work.

However, any employee who is not actively at work on the day the insurance would otherwise be reinstated by virtue of this section will not become insured until the first day thereafter on which he is again actively at work. Moreover, if an individual life insurance policy had been issued in accordance with the Conversion Privilege provision of the Participant's Life Insurance benefit, and such individual policy is still in force, the participant will not be entitled to the life insurance benefit until the date the insurer receives and approves the participant's evidence of insurability.

GENERAL PROVISIONS

CHANGES IN AMOUNT OF INSURANCE

The policyholder must immediately notify the insurer, in writing, of any event likely to change the insurance of a participant.

A change which would result in a decrease in the participant's insurance will become effective on the date of the change.

A change which would result in an increase in the participant's insurance will become effective on the latest of the following dates:

- a) The date of the event, if the insurer receives notice prior to such date;
- b) The date on which the insurer receives the written notice, if such receipt follows the date of the event;
- c) The date on which the insurer receives and approves any required evidence of insurability.

However, if the participant is not actively at work on the date the increase in insurance is to become effective, the increase will not become effective until the earliest date thereafter on which the participant is again actively at work.

Evidence of a participant's insurability will be required if notification of a change is not received within 31 days of the effective date of the change. The evidence of insurability will be provided at no expense to the insurer.

PREMIUMS

DUE DATE

The initial premium is payable by the policyholder on the effective date of this policy and subsequent premiums are payable on the first day of each month thereafter.

PREMIUM CALCULATION

The total premium payable on any due date is equal to the sum of premiums required for each benefit and each participant. Such premium is determined according to the rates then in force.

The premium relating to any increase, reduction, cancellation or issuance of insurance after the effective date of this policy is calculated based on the effective date of the change.

No refund of premium will, however, be made by the insurer for any period which is 3 months prior to the date written notice of a change is received by the insurer.

CHANGE IN PREMIUM RATES

The monthly rates are guaranteed up to the first renewal date of the policy and may be changed by the insurer on the first day of any month thereafter, provided the insurer has notified the policyholder, in writing, 60 days prior to the effective date of the change. However, once the rates have been

GENERAL PROVISIONS

changed, the insurer may not modify the rates again for a period of 12 months, except as provided below.

The insurer may change the premium rates at any time if, according to the insurer, a major change occurs in

- a) the number of participants;
- b) the nature of the risk covered; or
- c) the amounts payable under any of the benefits of this policy following changes in provincial or federal laws or regulations;

provided the insurer has notified the policyholder, in writing, of such change in rates prior to the effective date of the change.

In case of an amendment to this policy, new premium rates resulting from the amendment will become effective as of the effective date of the amendment.

PREMIUM PAYMENT

All premiums and all premium adjustments, if any, are payable by the policyholder to the insurer on their respective due dates. The payment of a premium keeps the policy in force until the last day of the period for which the premium was paid.

Payment of the premium after the date on which this policy, an amendment or a premium rate change takes effect will be deemed to constitute the policyholder's acceptance of the policy, amendment or premium rate change, and all written terms and conditions attached to such item. All such terms and conditions will thereafter be deemed to be part of this policy.

GRACE PERIOD

The policyholder is allowed a 45 day grace period, excluding the premium due date, for the payment of each premium falling due after the first premium. During the grace period, the policy remains in force and the policyholder shall be liable to the insurer for the premium due for such period, unless the policyholder previously notified the insurer, in writing, that it was to be cancelled as of the last premium due date.

Upon expiry of the grace period, if the policyholder has failed to pay the premium due, the insurer reserves the right to

- a) apply interest charges to all overdue premiums;
- b) withhold payment of all claims incurred and which have not been paid until all premiums due are paid; and
- c) automatically terminate the policy at the end of the grace period.

If the policyholder notifies the insurer, in writing, during the grace period that the policy is to be terminated prior to the end of the grace period and the insurer has agreed to the date of such termination, the policyholder will pay a pro rata premium for the period running from the last premium due date to the policy's termination date.

GENERAL PROVISIONS

CLAIMS

CLAIMS NOTICE

The insurer must receive notice of any claim for a Long-Term Disability Income Insurance benefit within 90 days of the end of the participant's elimination period.

All notices of claims must be submitted to the insurer on the forms provided for that purpose by the insurer and must include all information that the insurer deems necessary for the assessment of the claim. If all information that is required by the insurer is not received, the insurer will have the right to deny the claim.

The insurer reserves the right to require additional proof or information regarding a claim whenever it deems necessary.

If notice of claim is not received by the insurer within the periods set out above or additional proof or information requested by the insurer is not provided, the insurer will have the right to deny the claim.

At the time of claim for a benefit which is based on the participant's salary, the amount of salary that will be used to determine the benefit will be the lesser of

- a) the salary that the policyholder had last reported to the insurer and which has been used in the calculation of the premium payable; and
- b) the participant's actual salary at the time of the event for which a claim is being made, as determined in accordance with the definition of salary included in this policy.

The insurer will undertake all necessary actions to detect and investigate fraudulent claims under the group policy.

It is a crime if a participant should knowingly, and with the intent to defraud the insurer and the group plan, file a claim that contains any false, incomplete or misleading information.

The insurer retains the right to audit all claims at any stage, including after payment has been made, for fraud or misrepresentation. If the insurer determines that a participant has intentionally submitted a claim that contains false or misleading information, the insurer shall have the right, at its sole discretion, to notify the policyholder, decline the claim or require reimbursement if the claim has been paid. In addition, the insurer will have the right to terminate the participant's entire coverage under this policy including any coverage for the participant's dependents, and will have the right to undertake the prosecution of the participant in accordance with provincial and/or federal law.

INSURER'S RIGHT TO EXAMINATION OF A CLAIMANT

The insurer, at its own expense, shall have the right and opportunity, whenever it deems necessary, to require a medical examination, by a physician designated by it, of any person for whom a claim is submitted and to make an autopsy in case of death, where it is not forbidden by law. In addition, the insurer reserves the right to obtain the report of any medical practitioner who has examined the person for whom a claim was submitted.

The insurer, at its own expense and discretion, shall have the right and opportunity to conduct an examination under oath of any person who has submitted a claim or for whom a claim has been

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submitted under this policy, whether or not a legal action has been commenced by the person under this policy with respect to the claim.

SUBROGATION

Where a benefit is payable under this policy with respect to a participant and if such person has a right to recover damages from an individual or organization, the insurer will be subrogated to the rights to recovery of the participant against such individual or organization to the extent of all benefits paid in the past and all benefits payable in the future.

Without limiting the generality of this provision, the term "damages" will include any lump sum or periodic payments received on account of (i) past, present or future loss of income, loss of wages, or loss of earnings, and (ii) any other benefits paid or payable under this policy. The participant shall reimburse the insurer up to the amount of any benefits paid in the past or that are payable in the future under this policy out of the gross damages recovered whether recovered at trial, or prior to trial by way of any form of settlement, and without regard to whether the participant has obtained full recovery of his losses.

Where the participant recovers damages in a lump sum, either by way of settlement or court order, and no allocation has been made in that settlement for the benefits paid or payable by the insurer, the insurer shall be reimbursed, out of the gross damages recovered, the full amount of benefits that have been paid to the participant. The insurer shall also be entitled to be reimbursed an amount, as determined by the insurer, which reasonably reflects the value of the future benefits payable to the participant under this policy. The insurer's recovery in this regard shall not exceed the participant's gross damages or settlement recovered. These rights of reimbursement shall be without regard to the terms of settlement or allocation that may have been agreed to by the participant and the third party or otherwise allocated.

In the event that the participant fails to reimburse the insurer in accordance with this policy, no future benefits will be paid by the insurer until such time as the insurer recovers (a) the total amount of benefits paid to the participant; and (b) an amount that reasonably reflects, as determined by the insurer, the total amount or value of any future benefits payable to the participant. The insurer's recovery in this regard shall not exceed the participant's gross damages or settlement recovered. The insurer shall also have the right to seek recovery directly from the participant in the event that any overpayment has resulted from the lack of reimbursement.

The participant shall notify the insurer as soon as any action is commenced by him against any third party which involves a claim for damages. The participant shall provide the insurer information, including copies of all relevant documentation, about any judgement or settlement of any claim against a third party which involves a claim for damages. The participant will ensure that the subrogated rights of the insurer are advanced in any third party action and shall instruct his solicitor accordingly. The insurer shall not be responsible for any legal fees or expenses in regards to the advancement of its subrogated claim unless it has clearly agreed to such fees and expenses in writing in advance. The insurer reserves the right to retain its own counsel and/or pursue its subrogated rights against the third party and, in this respect, the participant and his solicitor shall fully cooperate with the insurer in the pursuit of its claim.

The insurer's subrogated claims shall not be settled or compromised in any way without its prior written consent. Unless the prior consent of the insurer has been obtained, no such settlement of any

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claim against the third party shall be binding on the insurer and the insurer shall have the right to seek recovery directly from the participant in accordance with its rights under this policy.

LIMITATION ON LEGAL ACTIONS

No action or proceeding against the insurer will be commenced within the first 60 days following the date on which written proof of claim is provided to the insurer in accordance with the terms and conditions of this policy.

Every action or proceeding against an insurer for the recovery of insurance money payable under this contract is absolutely barred unless commenced within the time set out in the *Insurance Act*, or other similar applicable legislation (e.g. *Limitations Act, 2002* [Ontario]; *Civil Code* [Quebec]) in the participant's province.

LONG-TERM DISABILITY INCOME INSURANCE

INSURING AGREEMENT

If a participant becomes disabled while insured under this benefit and while he is actively at work, the insurer will undertake to pay the participant the amount of the monthly indemnity benefit specified herein for each month or part of a month during which such disability lasts, subject to the terms and conditions of this benefit and policy.

DEFINITIONS

As used in this benefit:

Disability and Disabled: During the participant's elimination period and the first 24 months following the elimination period, the participant is not able to perform substantially all of the essential duties of his own occupation and earn at least 80% of his indexed pre-disability gross monthly salary due to an illness or injury, as determined by the insurer.

Thereafter, the participant is not able to perform substantially all of the essential duties of his own or any other occupation for which he is reasonably qualified by training, education or experience and earn at least 70% of his indexed pre-disability gross monthly salary due to the illness or injury, as determined by the insurer.

However, a participant who engages in any occupation or employment, except as specifically provided in this benefit, will be deemed to no longer be disabled.

Indexed pre-disability gross monthly salary: The monthly salary applicable to the participant immediately prior to the date his disability commenced, increased each March 1st coincident with or next following the anniversary of the date on which the participant became entitled to a monthly indemnity benefit by the Consumer Price Index (as published by the Government of Canada) during the immediately preceding calendar year.

Pre-disability gross monthly salary: The monthly salary applicable to the participant immediately prior to the date his disability commenced.

Pre-disability net monthly salary: The monthly salary applicable to the participant immediately prior to the date his disability commenced, less the deductions for Income Tax, Canada or Quebec Pension Plan, Employment Insurance and the Quebec Parental Insurance Plan.

Elimination period: The period specified in the Summary of Benefits during which the employee must be disabled before he can begin to receive monthly indemnity benefit payments.

LONG-TERM DISABILITY INCOME INSURANCE

PARTICULARS

Beginning of Benefit Payments

Payment of the monthly indemnity benefit begins following completion of the elimination period specified in the Summary of Benefits.

Amount of Benefit Payments

The amount of the monthly indemnity benefit payable is determined according to the formula set forth in the Summary of Benefits and will not exceed the monthly maximum amount specified.

Reduction of Benefit Payments

The monthly indemnity benefit will be reduced, after the application of the monthly maximum amount, by any disability benefits which are payable or which would have been payable to the participant had a satisfactory application been made under:

- a) the Quebec or Canada Pension Plan, excluding benefits payable on behalf of dependent children;
- b) a workers' compensation act;
- c) a provincial automobile insurance law;
- d) a provincial crime victims compensation act.

Moreover, the amount of the monthly disability income benefit payable by the insurer will be adjusted so that the sum of all income, compensation, indemnity and benefits which the participant would or could receive, due to his disability, from: (a) the policyholder, (b) his employer, (c) any government body, (d) a franchise or association insurance plan, (e) any group insurance or pension plan to which the policyholder or employer contributes, and (f) a third party in the form of damages for loss of income, will not exceed the overall maximum, as specified in the Summary of Benefits.

After the first reductions made for each of the sources listed in this provision, future cost of living adjustments made to amounts received from such sources will not bring about further reductions.

Termination of Benefit Payments

The monthly indemnity benefit payments cease on the earliest of the following dates:

- a) The date the maximum benefit period specified in the Summary of Benefits has been reached;
- b) The date on which the participant ceases to be disabled;
- c) The date on which the participant reaches the age of 65;
- d) The date on which the participant retires or reaches the normal retirement age under the employer's pension plan, but never beyond the normal retirement age indicated in the Summary of Benefits of this policy;
- e) The date of the participant's death;
- f) The date on which the participant fails to submit to an examination by the physician designated by the insurer;

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- g) The date on which the participant fails to provide any evidence of disability required by the insurer;
- h) The date on which the participant refuses to participate in good faith in a trial work, part-time work or modified work program or a rehabilitation program which the insurer has recommended;
- i) The date on which the participant is incarcerated after committing a criminal offence for which he was found guilty.

SUCCESSIVE PERIODS OF DISABILITY

If the participant who had been disabled returns to full-time active work and again becomes disabled while this benefit is in force, such disability will be considered a continuation of the previous disability, provided

- a) it is due to the same cause or causes as the previous disability;
- b) during the elimination period, he has been back at full-time active work for less than 30 consecutive days; and
- c) after the elimination period has been completed, he has been back at full-time active work for less than 6 months.

However, if the successive period of disability is due to a cause or causes unrelated to the cause or causes of the previous period of disability, it will be considered to be a new disability and a new elimination period will apply.

EXCLUSIONS AND LIMITATIONS

- a) The monthly indemnity benefit will not be payable for a disability resulting from one of the following causes:
 - i) Civil unrest, insurrection or war, whether war be declared or not, or participation in a riot;
 - ii) Attempted suicide or voluntarily self-inflicted injury, while sane or insane;
 - iii) Care which is not medically required or which is given for cosmetic purposes, unless such care is for an illness or an accidental injury;
 - iv) Committing, attempting to commit a criminal offence, or provoking an assault or criminal offence.
- b) The monthly indemnity benefit will not be payable:
 - i) During any leave taken in accordance with provincial or federal legislation or during any leave taken in agreement with the employer;
 - ii) During any extension of such a leave, if the participant was entitled to and requested such extension.

However, if the participant's benefit was kept in force during the leave, the elimination period will begin on the date the participant would have returned to work if not for his disability.

- c) The monthly indemnity benefit will not be payable for any period the participant is not under the regular care and attendance of a physician, other than himself, who is a registered specialist in

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the field of medicine which is applicable to his disability, or is not undergoing a course of medical treatment or participating in a program of rehabilitation which, in the opinion of the insurer, is medically required.

- d) The monthly indemnity benefit will not be payable to a participant who is out of Canada and the United States for a period of 90 consecutive days or more. The participant's entitlement to the monthly indemnity benefit will be restored only upon the participant's return to Canada or the United States, subject to all other provisions of this benefit.
- e) The monthly indemnity benefit will not be payable for a disability which occurs during a strike, lock-out or temporary lay-off, if the participant's benefit was not kept in force during the strike, lock-out or temporary lay-off.

However, if the participant's benefit was kept in force during the strike, lock-out or temporary lay-off, the elimination period of the monthly indemnity benefit will begin on the date the participant would have returned to work if not for his disability, provided that on the date the disability occurred he would have satisfied the definition of being actively at work during a non-scheduled work day.

- f) The monthly indemnity benefit will not be payable to a participant who refuses to enter a trial work, part-time work or modified work program or a rehabilitation program which has been recommended by the insurer.
- g) The monthly indemnity benefit will not be payable to a participant during any period that the participant receives payment(s) in lieu of notice under a severance package from his employer. Where the payment is made to the participant in the form of a lump sum, this exclusion will apply to the period of notice for which the lump sum is attributed.

PRE-EXISTING CONDITION EXCLUSION

As used in this provision, "pre-existing condition" means an illness or injury

- a) which was sustained or contracted, or
- b) for the symptoms of which the participant was under treatment by a physician, or
- c) for the symptoms of which a physician had undertaken an investigation or review of, or
- d) for which the participant was taking medication as prescribed by a physician,

during the 3 months prior to the date on which the participant became covered under this benefit.

No monthly indemnity benefit will be payable for a disability

- a) that resulted either directly or indirectly from, or was in any manner or degree associated with or occasioned by a pre-existing condition; and
- b) which begins in the first 12 months after the participant became covered under this benefit.

However, if this policy is a replacement policy, a monthly indemnity benefit will be payable for a disability due to a pre-existing condition, provided the participant

- a) was covered under the previous policy on the date it was terminated; and
- b) became covered under this benefit on the effective date of this policy; and

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- c) was actively at work on the effective date of this policy; and
- d) satisfies the pre-existing condition exclusion period under this policy, giving consideration towards continuous time covered under both policies, or the prior policy giving consideration towards continuous time covered under both policies.

The monthly indemnity benefit payable to the participant will be determined in accordance with this benefit, but in no case will it exceed the previous policy's maximum monthly indemnity benefit.

WAIVER OF PREMIUMS

If a participant becomes eligible to receive a monthly indemnity benefit, the Insurer will waive the payment of each premium falling due with respect to the such benefit commencing with the premium for the first full policy month for which a monthly indemnity benefit becomes payable and continuing for each full policy month thereafter for which a monthly indemnity benefit is payable.

WORK RE-ENTRY

If a disabled participant participates in

- a) a trial work, part-time work or modified work program, which has been approved by the insurer, or
- b) a rehabilitation program, which has been approved by the insurer,

with the intent of returning to his own or any other occupation, and at such time he is incapable of earning at least 80% of his indexed pre-disability gross monthly salary due to the illness or injury which caused his disability, he will still be considered by the insurer to be disabled.

The insurer reserves the right to require that a disabled participant engage in a rehabilitation program or a trial work, part-time work or modified work program which has been recommended by the insurer to assist him in returning to gainful employment, if the insurer determines that the program is appropriate to the participant based on his disability, and his level of education, training or experience. If the participant does not co-operate or participate in the program, the participant will no longer be eligible to receive a monthly indemnity benefit.

If the disabled participant receives an income as a result of his participation in the rehabilitation program, trial work, part-time work or modified work program, the amount of the monthly indemnity benefit payable to him under the terms of this benefit will not be reduced unless the total of the monthly indemnity benefit he is receiving under this benefit, the income received from his participation in the program and the sources listed in the Reduction of Benefit Payments provision exceeds

- a) 100% of his pre-disability gross monthly salary, if the monthly indemnity benefit is taxable to him, or
- b) 100% of his pre-disability net monthly salary, if the monthly indemnity benefit is non-taxable to him. (For the purposes of this calculation, the income for the program shall be net.)

If the total of the monthly income he is receiving exceeds 100% of the salary, the amount of monthly indemnity benefit payable to him under the terms of this benefit will be reduced so that his total monthly income does not exceed 100% of such salary.

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The insurer will pay the expenses incurred by the participant, other than usual employment expenses, which are associated with the approved trial work, part-time work or modified work program or rehabilitation program, provided the expenses were approved, in writing, by the insurer prior to being incurred.

SURVIVOR BENEFIT

If a participant should die while he is receiving a monthly indemnity benefit or he was entitled to receive a monthly indemnity benefit under this benefit, the insurer will pay a benefit to his eligible survivor or, if applicable, survivors. If there is no eligible survivor on the date of his death, no benefit will be payable.

The amount of the benefit to be paid to the eligible survivor or, if applicable, survivors, will be equal to 3 times the net monthly indemnity benefit payment which was made or would have been made to the participant by the insurer immediately prior to his death.

If the benefit becomes payable to the children of a participant, the insurer will make the payment to the children or to the individual legally entitled to receive payment on behalf of the children. If two or more children are entitled to a benefit, they shall share the benefit equally.

As used above:

- ♦ **Eligible survivor:** The participant's spouse or children, if the participant has no spouse at the time of death.
- ♦ **Spouse:** Will be as defined under the definition of Dependent of the Definitions provision.
- ♦ **Children:** Will be as defined under the definition of Dependent of the Definitions provision.

OVERRIDING RULE

The terms and conditions of this benefit will prevail notwithstanding anything to the contrary in the GENERAL PROVISIONS.