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Schedules

SCHEDULE "A" - VESTING OF ASSETS

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AUTHORIZED ASSETS

1. The Company shall vest in trust with the Trustee under this Agreement only cash or assets in which the Company may invest its funds or any portion thereof pursuant to the Company's investment and lending policies, standards and procedures established pursuant to the *Insurance Companies Act* ("Act") in force from time to time while this Agreement is in force. The Trustee shall have no responsibility for ensuring that assets vested in trust are so authorized.

ASSETS VESTED IN TRUST

2.
 - (a) Subject to subparagraph 6(b), the Company shall have the sole responsibility to vest and maintain with the Trustee assets so that, at any time, the total value of those assets is at least equal to the value of the assets in Canada that the Act requires the Company to maintain at that time.
 - (b) Assets vested in trust under this Agreement by the Company in respect of the classes of life insurance and accident and sickness insurance, accident insurance, personal accident insurance and sickness insurance shall be held by the Trustee in an account identified in its records as separate and distinct from the assets vested in trust under this Agreement in respect of other classes of insurance.
 - (c) Assets vested in trust under this Agreement shall be held by the Trustee in an account identified in its records as separate and distinct from other accounts of the Trustee.
 - (d) Assets vested in trust under this Agreement may not be used as part of a securities lending program.

VALUE OF ASSETS DETERMINED BY SUPERINTENDENT

3. The Superintendent may determine from time to time the value at which the assets vested in trust with the Trustee shall be accepted for the purposes of the Act.

VESTING, VARYING, EXCHANGING OR WITHDRAWING ASSETS

4.
 - (a) Subject to paragraph 2 and subparagraph (b), prior to vesting an asset in trust or withdrawing an asset vested in trust, the Company shall obtain the written approval of the Superintendent and, upon receipt of the written approval of the Superintendent by the Trustee, the Trustee shall follow the written direction of the Company.

- (b) Unless the Superintendent otherwise directs the Company and the Trustee in writing, the Company may, without the prior written approval of the Superintendent,
 - i) vest in trust an asset listed in Schedule "A", and
 - ii) withdraw an asset listed in Schedule "A" vested in trust on condition that the asset withdrawn is replaced, either prior to or simultaneously with, an asset or assets listed in Schedule "A" the value of which on the date of the withdrawal is, and is certified by the Company to the Trustee to be, at least equal to the value of the asset withdrawn.
- (c) For the purpose of subparagraph (b), the value of an asset shall be determined on the same basis as the basis used to determine the value of an asset for the purpose of paragraph 2(a).

POWERS AND AUTHORITY OF TRUSTEE

- 5. (a) Subject to paragraph 4, the Trustee, on the written direction of any of the persons authorized by the Company for that purpose for the time being and from time to time, shall have full authority to deal with, vary and exchange the vested assets so held by it in trust and to demand, recover, sue for and receive such sums of money which shall hereafter become due or appear to be due or payable or belonging to the Company or to the Trustee in connection with such vested assets subject to such trust or hereafter held in trust, including all dividends and interest which may become due or appear to be due, with power to compromise any claim upon such terms as the Trustee, under direction as aforesaid, shall see fit; and upon recovery or receipt for the Company and in its name and as its act and deed to give such good and sufficient acquittances as may be requested; and as to the vested assets so held in trust to exercise and execute all powers vested in the Company or the Trustee by debtors or other obligors specified therein; and also, under the direction as aforesaid, for the Company in its name or otherwise in its behalf, to make purchases and sales of such shares, stocks and bonds and other assets authorized under paragraph 1 to be vested in trust under this Agreement; and in that connection, for the Company and in its name and as its act and deed, to give all such assurances, covenants or other documents as shall be required and as the Trustee shall see fit; as well as to give receipts in its own name or in the name of the Company for any sums paid, which receipts shall exempt the person or persons paying from all responsibility of seeing to the application thereof.
- (b) Subject to the prior written approval of the Company, which approval must not be unreasonably withheld, the Trustee may employ, at the expense of the Company, agents, counsel (who may be counsel to the Company) and other professional advisors.

- (c) The Trustee may, from time to time,
 - i) deal with securities of the same class and nature as may constitute the assets held in trust, whether on its own account or for the account of another (in a fiduciary capacity or otherwise),
 - ii) subject to Part XI of the *Trust and Loan Companies Act*, be affiliated with any party to whom or from whom such securities may be sold or purchased, or
 - iii) use in other capacities knowledge gained in its capacity hereunder without being liable to account therefor in law or in equity except where the use would be detrimental, prejudicial, or adverse to the best interests of the Company.

ACCOUNTABILITY OF TRUSTEE

- 6. (a) Subject to subparagraph (b), the Trustee will exercise its powers and carry out its obligations under this Agreement as Trustee honestly and in good faith and in connection therewith will exercise that degree of care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.
- (b) Where the Superintendent determines that an asset vested in trust is withdrawn other than in accordance with paragraph 4, the Superintendent shall so notify the Trustee. Within thirty (30) days of the day on which the Trustee is notified by the Superintendent, the Trustee shall replace that asset with an asset or assets of the kind listed in Schedule "A" such that the value of the assets vested in trust on the replacement date is equal to the lesser of:
 - (i) the total value of the assets required under the Act to be vested in trust on the replacement date; and
 - (ii) the total value of the assets vested in trust on the day when the asset vested in trust was withdrawn other than in accordance with paragraph 4 determined before giving effect to the withdrawal.

In each instance where the Trustee replaces an asset in accordance with this paragraph, the Company shall immediately reimburse the Trustee for all losses, damages, expenses, and costs incurred by the Trustee in respect of the replacement.

DIRECTION OF COMPANY

7. The Company shall identify to the Trustee, by notice in writing and in form and content acceptable to the Trustee, those Company representatives authorized to direct/certify the Trustee in respect of a matter under this Agreement. The Trustee shall act only upon, and shall be entitled to rely on, the written directions/certifications of those Company representatives and shall have no duty to verify the appropriateness of any directions/certifications which directions/certifications shall be binding on the Company.

PAYMENTS ON ACCOUNT OF AN INTEREST IN REAL ESTATE

8. Unless the Superintendent otherwise directs the Company and Trustee in writing, the Company may collect payments on account of any interest in real estate by way of a lease, mortgage or otherwise vested in trust with the Trustee, provided that the Company shall,
- (a) forthwith pay to the Trustee any monies collected on account of the principal of any mortgage, and
 - (b) on or before the tenth day of each month, notify in writing the Trustee and Superintendent of the balance of principal on any mortgage on account of which the Company collected a payment and account for all monies collected hereunder, which information shall be contained in a statutory declaration of an officer of the Company in form and content acceptable to the Trustee.

EXERCISE OF RIGHTS ATTACHED TO AN ASSET

9. Unless the Superintendent otherwise directs the Trustee in writing,
- (a) the Trustee shall hand over to the Company all income upon the vested assets collected by the Trustee as the same is collected; and
 - (b) the Company shall be entitled at all times to exercise, through such officer or other person designated by it, the right of attending, acting and voting at meetings of corporations or security holders or otherwise in respect of vested assets and the Trustee shall, at the request of the Company, execute and deliver such instruments of proxy or attorney as may be reasonably required to enable the Company through such officer or person to exercise such rights.

STATEMENT OF ASSETS

10. (a) Unless the Superintendent otherwise directs the Trustee in writing, the Trustee shall on or before the fifteenth day of each month, or, if the fifteenth day is not a

business day of the Trustee, on or before the first business day of the Trustee following the fifteenth day, and at such other times as requested by notice in writing to the Trustee from the Superintendent, file

- i) with the Superintendent, and if the Company so elects, with the Company, a declaration in the form of Schedule "B", or in such other form as may be prescribed by the Superintendent from time to time, together with a diskette containing that information as may be prescribed by the Superintendent from time to time of all assets held by the Trustee under this Agreement and other trust agreements entered into for similar purposes under the Act as at the close of business on the Trustee's last business day in the immediately preceding month, and
 - ii) where the Company does not elect under clause i), with the Company a statement containing that information as may be prescribed by the Company from time to time of all assets held by the Trustee under this Agreement.
- (b) Unless the Superintendent otherwise directs the Trustee in writing, the Trustee shall on or before the fifteenth day of January in each year, or, if the fifteenth day is not a business day of the Trustee, on or before the first business day of the Trustee following the fifteenth day, and at such other times as requested by notice in writing to the Trustee from the Superintendent, file
 - i) with the Superintendent, and if the Company so elects, with the Company, a declaration in the form of Schedule "C", or in such other form as may be prescribed by the Superintendent from time to time, together with a diskette containing that information as may be prescribed by the Superintendent from time to time of all assets held by the Trustee under this Agreement as at the close of business on the Trustee's last business day in the immediately preceding month, and
 - ii) where the Company does not elect under clause i), with the Company a statement containing that information as may be agreed upon by the Company and the Trustee from time to time of all assets held by the Trustee under this Agreement.

The Trustee shall submit a separate declaration in respect of the classes of life insurance, accident and sickness insurance, accident insurance, personal accident insurance and sickness insurance and a separate declaration in respect of other classes of insurance.

ACCESS

11. The Trustee shall at all times, upon reasonable notice, permit the Superintendent and the Company access, for purposes of examination, to all assets held in trust and to the records of the Trustee in relation thereto.

COMPENSATION OF TRUSTEE

12. The Trustee is entitled to reasonable compensation for its services and expenses under this Agreement as may be agreed upon by the Company and Trustee, and if no such agreement is reached, either the Company or the Trustee may on ten (10) days notice in writing apply to a court of competent jurisdiction to fix the compensation that the Company shall pay the Trustee.

INTEREST ON MONIES HELD IN TRUST

13. The Trustee or its affiliate shall pay the Company such interest on monies held in trust as is paid by the Trustee on the same or similar accounts.

TERMINATION

14.
 - (a) The Trustee may terminate this Agreement on at least forty-five (45) days notice in writing to the Superintendent and the Company specifying in the notice the date of termination. Upon the date of termination specified in the notice, the Trustee shall be discharged from any further responsibilities to carry out the terms provided in this Agreement, save for its obligations under paragraph 15.
 - (b) The Company may terminate this Agreement with the prior written approval of the Superintendent. Following receipt of the written approval of the Superintendent, the Company, by written notice, shall notify the Trustee of the approval to terminate this Agreement and the date of termination. Upon the date of termination specified in the notice, the Trustee shall be discharged from any further responsibilities to carry out the terms provided in this Agreement, save for its obligations under paragraph 15.

APPOINTMENT OF NEW TRUSTEE

15. As soon as practicable,
 - (a) on the Trustee ceasing to carry on business, or refusing to act as a trustee,

OSFI Form No. 542 (October 2002) – Terms and Conditions of Standard Form Trust Agreement

- (b) on the Trustee becoming insolvent, being deemed insolvent or admitting that it is insolvent within the meaning of any statute, or becoming (whether voluntarily or involuntarily) subject to any proceedings for its winding-up, liquidation or dissolution.
- (c) on the Superintendent taking control of the assets of, or taking control of, the Trustee under the *Trust and Loan Companies Act*,
- (d) on the Trustee defaulting in its duties or obligations or any of them hereunder and not commencing to rectify the default within thirty (30) days after written notice from the Company or the Superintendent specifying the default and requiring the Trustee to remedy the same, or
- (e) after giving or receiving a notice under paragraph 14(a),

the Company shall appoint another trust company in accordance with the Act authorized to act as a trustee, and the Trustee shall execute all documents that the Company shall deem necessary to vest in that trust company the assets vested in trust in the Trustee and transfer in writing to that trust company all its rights and obligations under this Agreement, except that the Trustee may withhold an amount equal to the aggregate of any unpaid compensation for its services and expenses to the date of the transfer and any losses, damages, expenses and costs owing to the Trustee pursuant to subparagraph 6(b).

Schedule "A" to OSFI Form No. 542 (September 2002) – Terms and Conditions of Standard Form Trust Agreement

**VESTING OF ASSETS
PAYABLE IN CANADIAN DOLLARS**

- I Cash
- II Bonds, Debentures and other Evidences of Indebtedness:
 - a) Government:
 - (i) Canada and Guaranteed
 - (ii) Canadian Provincial and Guaranteed
 - (iii) Canadian Municipal, Public Authority, School and Parochial
 - b) Corporate: Canadian
- III Shares:
 - a) Common: Canadian
 - b) Preferred: Canadian
- IV Guaranteed Investment Certificates

Schedule "B" to OSFI Form No. 542 (September 2002) – Terms and Conditions of Standard Form Trust Agreement.

WHEREAS _____, a trust company incorporated under the laws of _____ and having its chief office or place of business for Canada in the City of _____, in the Province of _____, has been appointed by certain Trust Agreements the Trustee in Canada for the insurance companies referred to in the attached Schedule (hereinafter called the "Companies") for the purposes and under the provisions of the *Insurance Companies Act*.

NOW THEREFORE IT IS WITNESSED that the said Trust Company, as such Trustee, hereby acknowledges and declares that it now holds for the Companies' insurance business in Canada assets the total accepted values of which, as at _____, _____, based on the values as last determined by the requirements of the Act, are summarized in the attached Schedule and details in respect of which are set forth in the diskette accompanying this Declaration, being property of the Company subject to the order of the Superintendent of Financial Institutions in accordance with the terms and provisions of the said Trust Agreements, and that the said Trustee declares that it will continue to hold said assets under and subject to all the terms and provisions of the said Trust Agreements.

DATED at the City of _____ this _____ day of _____, 20____

TRUST COMPANY

OSFI Form No. 542 (October 2002) – Terms and Conditions of Standard Form Trust Agreement

Insurance Company
Institution Code

Full Company Name

Accepted Value

Total of all Accounts

Schedule "C" to OSFI Form No. 542 (September 2002) – Terms and Conditions of Standard Form Trust Agreement.

WHEREAS _____, a trust company incorporated under the laws of _____ and having its chief office or place of business for Canada in the City of _____, in the Province of _____, has been appointed by a certain Trust Agreement dated as of the _____ day of _____, _____, the Trustee in Canada for _____ (hereinafter called the "Company") for the purposes and under the provisions of the Insurance Companies Act.

NOW THEREFORE IT IS WITNESSED that the said Trust Company, as such Trustee, hereby acknowledges and declares that it now holds for the Company's (life) (other than life) insurance business in Canada assets the total accepted value of which, based on the value as last determined by the requirements of the Act, is summarized in the attached Schedule and details in respect of which are set forth in the diskette accompanying this Declaration, being property of the Company subject to the order of the Superintendent of Financial Institutions in accordance with the terms and provisions of the said Trust Agreement, and that the said Trustee declares that it will continue to hold said assets under and subject to all the terms and provisions of the said Trust Agreement.

DATED at the City of _____ this _____ day of _____, _____.

TRUST COMPANY
