

TRUST AGREEMENT

THIS AGREEMENT made in triplicate on the _____ day of _____, 20 __

AMONG:

_____, a corporation duly organized and existing under the laws of _____ (hereinafter called the "Company")

AND:

_____, a trust company incorporated under the laws of _____ and licensed to do business in the Province of _____ (hereinafter called the "Trustee")

AND:

The Superintendent of Financial Institutions (hereinafter called the "Superintendent")

WHEREAS the Company is authorized under the *Insurance Companies Act* ("Act") to insure in Canada risks;

WHEREAS the Act requires a company authorized under the Act to insure in Canada risks to maintain assets in Canada having a total value determined in accordance with the Act and the regulations made pursuant to the Act;

WHEREAS the Act defines "assets in Canada" as meaning all assets that have been vested in trust for a company under and for the purposes of the Act;

WHEREAS the Act requires a company to vest the assets in trust in a Canadian financial institution chosen by the company; and

WHEREAS the Act provides that the trust deed under which the assets shall be vested must be approved by the Superintendent before it is entered into.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements contained in the Agreement, the parties hereto agree with one another as follows:

APPOINTMENT OF TRUSTEE

1. The Company appoints as trustee the Trustee to hold in trust for the purposes of the *Insurance Companies Act* ("Act") such assets as the Company may vest in trust with the Trustee in accordance with the terms of this Agreement.

OSFI FORM NO. 542 (OCTOBER 2002)

2. The terms and conditions set out in OSFI Form No. 542 (October 2002) – Terms and Conditions of Standard Form Trust Agreement are incorporated into, and shall form a part of, this Agreement and any reference herein to "this Agreement" means this Agreement including those terms and conditions.

ENCUMBRANCES

3. Assets vested in trust under this Agreement shall be free of all liens, charges and encumbrances of any nature except for the charge customarily required to be given by the relevant participant in _____ under the rules governing participation in _____ on an asset deposited, and recorded in book-based form, with _____. The Trustee shall have no responsibility for ensuring that assets vested in trust are free of all liens, charges and encumbrances of any nature.

ASSETS IN TRUSTEE'S NAME

4. (a) Subject to subparagraphs (b) and (c), the Trustee shall register in its name or, subject to the written approval of the Superintendent, in the name of its nominee, any asset vested in trust that can be issued in registered form.
- (b) Where the vested asset is not registered in the name of the Trustee, the vested asset shall be registered in the name of a nominee with an account number or other designation in the records of the Trustee sufficient to establish that the beneficial ownership of the vested asset is the trust established under this Agreement.
- (c) With the prior approval in writing of the Superintendent, the Trustee shall not be required to register in its name, mortgages on real estate acquired by or on behalf of the Company under an agreement whereby the mortgages are to be administered by a third party.
- (d) Assets authorized under paragraph 5 to be deposited with _____ may be registered in accordance with the rules of _____ governing registration.

APPROVED DEPOSITORIES

5. (a) Unless the Superintendent otherwise directs the Trustee in writing, the Trustee may deposit any of the assets vested in trust with _____ .
- (b) Unless the Superintendent otherwise directs the Trustee in writing, the Trustee may deposit any of the assets vested in trust with _____ under a separate custodial agreement between the Trustee and the custodian, and shall have the same responsibility for assets vested in trust whether in the possession of the Trustee or deposited with _____ as though the assets had remained in the possession of the Trustee.

AMENDMENTS

6. (a) This Agreement may be amended only by a written agreement executed by the Company, the Trustee and the Superintendent.
- (b) The Company and the Trustee shall make those amendments to this Agreement that the Superintendent reasonably requires.

NOTICES

7. (a) Notices under this Agreement shall be served either
- i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during the addressee's normal business hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid;
 - ii) by telex or facsimile (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are to be served at that party's address hereinafter given. Notices so served shall be deemed received by the addressee:
 - (A) when actually received by the addressee if received within the normal working hours of the addressee's business day; or
 - (B) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier; or
 - iii) by prepaid first class mail addressed to the party on whom they are to be served at that party's address hereinafter given. Notices so served shall be deemed received on the fifth (5th) day following the day on which they are so mailed, provided however that if delivery by prepaid first class mail of

any notice required or permitted under this Agreement is or is likely to be delayed due to interruption or suspension of the postal service because of a mail strike, slowdown or other labour dispute which might affect the delivery of the notice, then the notice shall be effective only if delivered personally or by telex or facsimile (or by any other like method by which a written and recorded message may be sent).

- (b) Unless changed by written notice to the other parties, the address for services of notices hereunder of each of the respective parties shall be as follows:

Company: (Must be the Chief Agent's Address in Canada)

Trustee:

Superintendent:

Superintendent of Financial Institutions

16th Floor, Kent Square

255 Albert Street

Ottawa, Ontario

K1A 0H2

Attention: Assistant Superintendent, Supervision

Facsimile: 613-952-8219

- (c) In this Agreement, "notice" means any approval, direction, waiver, certification or notice that may be given under this Agreement.

EXECUTION IN COUNTERPART

8. This Agreement may be executed and delivered in counterparts, each of which, when so executed and delivered, being deemed to be an original; all counterparts together shall constitute one and the same agreement.

PARTIAL INVALIDITY

9. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

EFFECTIVE DATE

10. This Agreement shall take effect on the day that it is executed by the Superintendent.

PROPER LAW

11. This Agreement shall be governed by the laws of the Province of _____ and the federal laws of Canada applicable therein.

WAIVER

12. No waiver by any party of any breach of any of the covenants, provisos, conditions, restrictions or stipulations of this Agreement shall take effect or be binding upon that party unless expressed in writing under the authority of that party and approved in writing by the Superintendent and any waiver so given and approved shall extend only to the particular breach waived and shall not limit or affect any rights with respect to any other future breach.

FURTHER ASSURANCES

13. Each of the parties hereto shall execute and deliver all instruments and assurances and do all other acts and things as are necessary to give full effect to and carry out its respective obligations under this Agreement.

EXISTING AGREEMENT(S)

14. This Agreement supersedes and replaces that (those) Trust Agreement(s) made as of the ___ day of _____, ____.

APPROVAL OF SUPERINTENDENT

15. In accordance with subsection 611(3) of the Act, the Superintendent approves this Trust Agreement.

MISCELLANEOUS

16. Paragraph headings and other headings or captions or the index or the title to this Agreement shall not be used in construing or interpreting any provision of this Agreement or the relationship of the parties to this Agreement.

OSFI Form No. 541 (October 2002) – Standard Form Trust Agreement

IN WITNESS WHEREOF the Company, the Trustee and the Superintendent have executed this Agreement as of the date and year first above written.

Company

Signature

Name and Title

Signature

Name and Title

Trustee

Signature

Name and Title

Signature

Name and Title

Superintendent of Financial Institutions

Signature

Name and Title