SPECIFIC PROVISIONS - ULYSSES 2000

OBJECT OF THE BENEFIT

As long as the accumulated fund, as defined below, is sufficient to pay for the monthly costs, Universal Life policy « Ulysses 2000 » provides that upon the death of the life insured, the Company will pay to the designated beneficiary the amount payable at death in force at the date of death. The policy terminates at that date.

ACCUMULATED FUND

The accumulated fund is equal to the premiums paid less premium taxes applicable, plus investment income from the different investment accounts, less the monthly costs deducted and, if applicable, withdrawals, penalties and other payments made. Each of these components is defined as follows :

a) **Premium :** each premium deposited corresponds to a deposit that the policy owner chooses to deposit in the different investment accounts of the « Ulysses 2000 » policy. The chosen deposit and its payment frequency appear on the " Policy Summary " page. At any time after the 1st year, the policy owner may modify the amount of the deposit that he chooses to deposit. The applicable premium tax is deducted from each premium paid before being allocated to an investment account and may change from time to time depending on the tax regulations in force.

The premium deposited must be within the following parameters :

1. **Minimum premium** : this is the minimum deposit that must be paid during the 1st policy year, according to payment frequency. The minimum premium appears on the " Policy Summary " page and includes the premium for benefits and riders added to the policy and, if applicable, any extra premium.

2. **Maximum premium** : this is the maximum deposit that can be paid during the 1st policy year in order to maintain the tax-exempt status of the policy. A larger premium amount may be deposited but the excess of the chosen deposit over the maximum premium is then transferred to the transitory account. The **transitory account** is an account outside the Universal Life policy in which the amounts in excess of the maximum premium are deposited. This account may also be used to receive amounts in order to maintain the tax-exempt status of the policy. Any investment income related to the transitory account is subject to annual income tax and the policy owner receives an annual statement to that effect.

3. **Primaxor** : when this option is chosen by the policy owner, the deposit payable each year is calculated by the Company to maximize the tax-exempt status of the policy. The Company will inform the policy owner of the calculated amount; the policy owner then chooses to pay this amount or a lesser amount.

b) **Investment accounts :** each premium deposited can be allocated between one or many investment accounts (maximum 5). In addition to the returns on the following investment options, the guaranteed bonus yield described below is added to the investment account.

1. **Investment options :** the investment options available and their reference index are as follows :

   1) Money market: 90% of the investment return on three (3) months Canadian Treasury Bonds, less 1.75%, less investment income tax (IIT), less investment fees.

   2) Canadian equities: 100% of the variation of the S&P/TSE 60 index (including dividends), less 3%, less IIT, less investment fees.

   3) Canadian bonds: 100% of the variation of the Universal Scotia McLeod Capital index, less 3%, less IIT, less investment fees.

   4) U.S. equities: 100% of the variation of the S&P 500 index in Canadian dollars (including dividends), less 3%, less IIT, less investment fees.

   5) Global equities: 100% of the variation of the World Morgan Stanley Capital International index in Canadian dollars (including dividends), less 3%, less IIT, less investment fees.

   6) High Technology equities: 100% of the variation of the NASDAQ 100 index in Canadian dollars (including dividends), less 3%, less IIT, less investment fees.

   7) Guaranteed interest 1 year: 90% of the investment return on one (1) year Canadian Bonds, less 1.75%, less IIT, less investment fees.

   8) Guaranteed interest 3 years: 90% of the investment return on three (3) years Canadian Bonds, less 1.75%, less IIT, less investment fees.

   9) Guaranteed interest 5 years: 90% of the investment return on five (5) years Canadian Bonds, less 1.75%, less IIT, less investment fees.

2. **Guaranteed bonus yield:** a bonus is added to the rate of investment return of each investment account (except the transitory account). The bonus yield is vested after 5 years and every 5th year afterwards. The bonus yield is guaranteed and varies according to the sum insured in force at the time the bonus is added to the investment account's actual rate of return (including sum insured increases due to the exemption test as defined below).

Sum insured	Annualized bonus yield
$ 25 000 to $ 49 999	0.5 %
$ 50 000 to $ 99 999	1.5 %
$ 100 000 to $ 249 999	2.0 %
$ 250 000 and above	2.5 %

3. **Choice of investment option :** For an investment option to be chosen, a minimum amount of 20% of each premium must be deposited.

4. **Guarantee of the indexes availability :** the Company guarantees that the indexes of references of the different investment options will be used as long as they're available. If an index becomes unavailable, it will be replaced by an equivalent one. The Company may also add new investment options in the future.

5. **Market value adjustment :** when a deduction is made from the 3 or 5 years guaranteed interest investment accounts, whether for a withdrawal, a transfer but not for the payment of the monthly costs described below, a market value adjustment is applied when the interest rate then in force at the Company on deduction date is higher than the interest rate credited on the amount(s) from which deductions are made.

6. **Transfers between investment accounts :** the policyowner may request in writing the transfer of part or of the total value of an investment account to another investment account. The Company allows four (4) free transfers per year. Fees of $ 25 are deducted from the transfer amounts for any subsequent transfer.

c) Monthly costs : The monthly costs are deducted as follows :

1. **Mortality costs :** the mortality costs are calculated by multiplying the net amount at risk in force at the monthly anniversary of the policy by the monthly mortality costs per $ 1 000 sum insured. The net amount at risk is defined as the amount payable at death hereinafter described (excluding the transitory account), less the accumulated fund. The monthly mortality costs are shown according to the chosen option on the table « Factors of monthly mortality costs » and are guaranteed for the duration of the policy.

    a) **Option T-100 :** when the option T-100 is chosen, the mortality costs are uniform for the entire duration of the policy. The factor of monthly mortality costs is based on age at the effective date of the policy.

    b) **Option YRT :** when the option YRT is chosen, the mortality costs vary each year according to the attained age of the life insured but the schedule of YRT rates is fixed on the effective date of the policy and is guaranteed for the entire duration of the policy.

    c) **Option YRT and T-100 thereafter :** when this option is chosen, the mortality costs vary according to the attained age of the life insured during the first twenty (20) years of the policy or until the life insured reaches age 65, whichever occurs first and then becomes level with the schedule of T-100 mortality costs in force on the effective date of the policy and according to the attained age of the life insured at that time.

2. **Administration fees :** Administration fees of $9.50 are deducted monthly and are guaranteed for the entire duration of the policy. A reduction of $ 1.00 per month is granted for a multi-contract policy.

3. **Costs of riders :** the costs of riders, when applicable, are deducted monthly and are equal to one twelfth (1/12) of the annual costs otherwise payable.

4. **Costs of benefits :** the costs of benefits, when applicable, are deducted monthly and are equal to one twelfth (1/12) of the annual costs otherwise payable.

The monthly costs described above are deducted from the investment accounts in proportion to the accumulated sums in each investment account.

d) Withdrawals : it is possible to make withdrawals from the accumulated fund of the policy up to 90% of the cash surrender value on the date of the withdrawal. The minimum amount of each withdrawal is $ 500. Fees of $ 25 are deducted from each withdrawal, as well as penalties up to 15 % of the amount withdrawn depending on the number of years elapsed. If the option of amount payable upon death is level, as defined below, the sum insured is automatically reduced by the withdrawal amount so that the net amount at risk does not increase as a result.

The withdrawal amount will be taken first in the transitory account and then in the investment account specified by the policy owner on his request. If the Company does not receive any instructions to that effect, the withdrawal will be made in proportion to the accumulated sums in each investment account.

AMOUNT PAYABLE AT DEATH

The amount payable at death in force on the date of death depends on the option chosen to that effect :

1. **Level option** : the amount payable upon death is equal to the larger of the sum insured in force at time of death as defined below and the accumulated fund of the policy at time of death, plus sum insured increases due to the exemption test, plus the transitory account balance. The sum insured in force is the amount appearing on the " Policy Summary " page. This amount may vary if the Capitalisor option, as described below, is chosen.

2. **Enriched option** : the amount payable at death is equal to the sum insured in force at time of death as defined below, plus the accumulated fund of the policy at time of death,

plus sum insured increases due to the exemption test, plus the transitory account balance. The sum insured in force is the amount appearing on the " Policy Summary " page. This amount may vary if the Capitalisor option, as described below, is chosen.

Notwithstanding the above, the amount payable at death cannot exceed the sum of the net amount at risk used as the basis for the last mortality costs deduction before death, plus the accumulated fund of the policy at time of death, plus the transitory account balance at time of death, plus sum insured increases due to the exemption test on which were calculated the last mortality costs before death.

Capitalisor : if the Capitalisor option is chosen, the sum insured after the 5th year is determined as the lowest amount that minimizes the mortality costs while maintaining the tax-exempt status of the policy and taking into account the minimum sum insured chosen by the policy owner (minimum $25 000). The Capitalisor is only available with the YRT mortality costs option.

Annual exemption test : every year at the policy anniversary, as prescribed by the Income Tax Act, the Company compares the accumulated fund with the exempted policy fund. If the accumulated fund exceeds the exempted policy fund, the Company makes an adjustment to the policy according to one of the three (3) followings options as chosen by the policy owner at the effective date of the policy in order to maintain the tax-exempt status of the policy :

a) **Sum insured increase due to the exemption test** : the Company increases the sum insured in force at that time by a percentage of up to 8 % of the amount payable at death the preceding year (excluding the transitory account). The sum insured increase due to the exemption test is made on a YRT mortality costs basis (according to the rates appearing on the table " Factors of monthly mortality costs "), at the attained age of the life insured at that time. No evidence of insurability is required for those increases. If an increase of 8% of the amount payable at death is not sufficient to maintain the tax-exempt status of the policy, the excess of the accumulated fund over the exempted policy fund calculated with an 8% increase of the amount payable at death is transferred to the transitory account. Notwithstanding the above, the sum insured increases due to the exemption test will cease and the policy adjustment will therefore be the transfer to the transitory account when the sum insured in force plus the sum insured increases due to the exemption test exceed either $ 5 million or 5 times the initial sum insured.

b) **Sum insured increase due to the exemption test with reversal** : the Company increases the sum insured in force at that time by a percentage of up to 8 % of the amount payable at death the preceding year (excluding the transitory account). The sum insured increase due to the exemption test is made on a YRT mortality costs basis (according to the rates appearing on the table " Factors of monthly mortality costs "), at the attained age of the life insured at that time. No evidence of insurability is required for those increases. If an increase of 8 % of the amount payable at death is not sufficient to maintain the tax-exempt status of the policy, the excess of the accumulated fund over the exempted policy fund calculated with an 8 % increase of the amount payable at death is transferred to the transitory account. The Company will then proceed automatically to a reversal of those sum insured increases if the exemption test allows it. Notwithstanding the above, the sum insured increases due to the exemption test will cease and the policy adjustment will therefore be the transfer to the transitory account when the sum insured in force plus the sum insured increases due to the exemption test exceed either $ 5 million or 5 times the initial sum insured.

c) **Transfer to the transitory account** : the Company transfers from the accumulated fund to the transitory account an amount that allows the policy to maintain its tax-exempt status at the time of the transfer.

CASH SURRENDER VALUE

The policy owner may, at any time, by written notice, obtain the cash surrender value of the policy. The cash surrender value is equal to the accumulated fund plus the transitory account, less the surrender penalties, less any market value adjustment. The surrender penalties are equal to the following multiples of the minimum premium: one and a half (1,5) the 1st year, two and a half (2,5) the 2nd year, two (2) the 3rd year, one and a half (1,5) the 4th and the 5th year, one (1) the 6th year, one half (0,5) the 7th and the 8th year. From the 9th policy year onward, there are no more surrender penalties.

The policy is terminated the day a written request for the cash surrender value is received. The Company's obligations end at that same date.

OTHER PROVISIONS

1. **Extension of insurance** : The Company guarantees that the policy will remain in force up to the end of the second policy year if the sum of the premiums paid by the policy owner less the withdrawals made and less the payments made in the event of disability is at least equal to two (2) initial annual minimum premiums and if the investment option(s) is (are) : money market, guaranteed interest 1 year, guaranteed interest 3 years or guaranteed interest 5 years.

2. **Reduction of sum insured** : the reduction of the sum insured during the five (5) years following the issue of the policy will bring a partial cashing of the policy in an equivalent proportion to the reduction of the sum insured.

3. **Transfer from transitory account** : The Company undertakes to automatically transfer at the beginning of each policy year the sums in the transitory account and deposit them in the accumulated fund of the policy, to the extent that the sums do not exceed the determined premium by the "Primaxor" for the policy year. This transfer does not result in transfer costs but is subject to applicable premium taxes.

4. **Grace period :** Notwithstanding the general provisions of the policy, the policy owner has 45 days following the date when the accumulated fund of the policy is equal to zero to increase the accumulated fund to an amount equal to three (3) monthly minimum premiums; otherwise this policy is cancelled and becomes void.

5. **Cancellation** : Notwithstanding the general provisions of the policy, this policy is cancelled and becomes void at the end of the grace period if the accumulated fund is not equal to three (3) monthly minimum premiums.

6. **Reinstatement**: Notwithstanding the general provisions of the policy, it is possible to reinstate this policy while the life insured is alive during a period of two (2) years from the date of cancellation by providing evidence of insurability and paying arrears as determined by the Company, that is the amounts that should have been paid for the policy to remain in force, plus interests and plus an amount equal to three (3) monthly minimum premiums.

7. **Payments in the event of disability** : in the event of disability of the life insured and after a grace period of 90 days, an amount of up to 90% of the policy cash surrender value may in certain situations be paid without constituting a capital gain. Disability means a condition of absolute incapacity resulting from illness or accident that prevents the person insured under this benefit from carrying out each and every duty relating to his usual occupation. In that situation, the Company will apply the then applicable fiscal rules but will not take responsibility in this respect. If the amount payable upon death option is level, then the sum insured will automatically be reduced by the amount paid in the event of disability in order not to increase the net amount at risk at that date.

8. **Annual statement** : at each policy anniversary, the Company will send a statement summarizing all transactions made during the year.