

CANADIAN LIFE INSURERS ASSURANCE FACILITY INDEMNITY AGREEMENT

This Indemnity Agreement is given as of *[date of Agreement]* by *[NAME OF ISSUER]* (the “**Issuer**”) in favour of **HER MAJESTY THE QUEEN IN RIGHT OF CANADA** (the “**Guarantor**”), as represented by the Minister of Finance.

RECITALS

- A. Under a Canadian Life Insurers Assurance Facility Participation Agreement (the “**Participation Agreement**”) made as of *[date of Agreement]*, between the Issuer and the Guarantor, the Issuer is a participant in the Canadian Life Insurers Assurance Facility (the “**Facility**”).
- B. Under the Facility, the Issuer may from time to time request the Guarantor to guarantee specific instruments under a Guarantee (the “**Guarantee**”) given as of May 20, 2009 by the Guarantor in favour of each Beneficiary (as defined in the Guarantee) from time to time.
- C. It is a term and condition of the Participation Agreement that before submitting any Guarantee Certificate Application (as defined in the Participation Agreement), the Issuer shall execute and deliver to the Guarantor this Indemnity Agreement.

NOW THEREFORE, for good and valuable consideration, the Issuer hereby agrees with the Guarantor as follows:

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Defined Term

Capitalized terms used herein and not otherwise defined have the meanings given to them in the Guarantee.

Section 1.2 Rules of Interpretation

In this Indemnity Agreement:

- (a) words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neutral genders;
- (b) the terms “in writing” and “written” include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including telexes, telegraphs, telecopies or electronic mail;
- (c) “including” means “including, without limitation,” and the various forms of the verb “include” have similar meanings; and

- (d) the division of this Indemnity Agreement into articles and sections and the insertion of headings are for reference only and are not to affect the construction or interpretation of this Indemnity Agreement.

ARTICLE 2 – INDEMNITY

Section 2.1 Indemnity and Reimbursement

The Issuer hereby agrees with the Guarantor:

- (a) to indemnify and save harmless the Guarantor from and against all claims, actions, proceedings, liabilities, losses, costs, expenses or damages against or incurred by the Guarantor arising out of or in connection with the Guarantee in relation to any Guaranteed Instrument issued by the Issuer; and
- (b) to reimburse the Guarantor in full for the amount of any payment or payments made by the Guarantor at any time or from time to time under and in accordance with the Guarantee in relation to any Guaranteed Instrument issued by the Issuer, such reimbursement to be made within five (5) Business Days of demand therefor by the Guarantor.

ARTICLE 3 – PAYMENTS AND DEMANDS

Section 3.1 Payments without Deduction

All amounts payable by the Issuer under this Indemnity Agreement shall be made free and clear of and without deduction for or on account of any set-off or counterclaim or any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Issuer is obliged to deduct or withhold an amount in respect of any such matter, then in such event the Issuer shall pay to the Guarantor such additional amount as is necessary to enable the Guarantor to receive a net amount equal to the full amount payable hereunder.

Section 3.2 Currency of Payments

- (1) All payments required to be made by the Issuer under this Indemnity Agreement shall be made in the currency in which the related payments or liabilities made or incurred by the Guarantor are denominated.
- (2) If under any applicable law and whether pursuant to a judgment against the Issuer or for any other reason, any payment under or in connection with this Indemnity Agreement is made or falls to be satisfied by the Issuer in a currency (the “**Other Currency**”) other than the currency in which the relevant payment is expressed to be payable (the “**Required Currency**”), then to the extent that the amount actually received by the Guarantor (when the amount of the payment in the Other Currency is converted by the Guarantor into the Required Currency) is less than the amount of the Required Currency payable under the terms of this Indemnity Agreement, then the Issuer shall, as a separate and independent obligation, indemnify and hold harmless the Guarantor for and against the amount of such shortfall.

Section 3.3 Interest on Amounts Payable

If any amounts payable hereunder by the Issuer to the Guarantor is not paid when due, the unpaid amount from time to time shall bear interest at a rate per annum equal to the then prevailing Bank Rate announced by the Bank of Canada. Such interest shall be payable and compounded monthly on the first day of each month.

Section 3.4 Set-Off by Guarantor

The Guarantor may set off any moneys payable by the Issuer under this Indemnity Agreement against any obligation of any kind owing or payable by the Guarantor to the Issuer, regardless of the place of payment or the currency of either obligation, and if the obligations are in different currencies, the Guarantor may convert either obligation into the currency of the other at a market rate of exchange selected by the Guarantor for that purpose.

Section 3.5 Demands, Documents and Payments under the Guarantee

(1) Any demand made under the Guarantee for payment in connection with any Guaranteed Instrument issued by the Issuer shall, for all purposes related to this Indemnity Agreement, be deemed to be a valid and effective demand, and the Guarantor shall be entitled to treat it as such notwithstanding any lack of authority of the party making the demand if the demand appears on its face to be in order.

(2) Provided that any certificate or document delivered to the Guarantor by or on behalf of a Beneficiary under the Guarantee appears on its face to be in accordance with the terms of the Guarantee, such certificate or document shall for all purposes relating to this Indemnity Agreement be deemed to be genuine and in accordance with the terms of the Guarantee.

(3) Any payment made by the Guarantor pursuant to a demand for payment made under the Guarantee shall be conclusive evidence that the Guarantor was obligated to comply with such demand and to make such payment notwithstanding any dispute that may exist or arise between the Issuer and the Beneficiary as to the validity of the demand.

ARTICLE 4 – GENERAL

Section 4.1 Applicable Law

This Indemnity Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 4.2 Jurisdiction

Each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 4.3 Severability

Any provision of this Indemnity Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions and any such prohibition or

unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 4.4 Rights and Remedies Cumulative

The rights and remedies of the Guarantor provided for in this Indemnity Agreement are in addition to and not in substitution for any other rights and remedies of the Guarantor in relation to the Guarantee or any payment made by the Guarantor thereunder, whether arising by operation of law or by statute or otherwise.

Section 4.5 Delays, Amendments, Waivers, etc.

No failure to exercise and no delay in exercising any power, right or remedy on the part of the Guarantor shall operate as a waiver thereof nor shall any partial or single exercise of any power, right or remedy preclude the exercise of any other power, right or remedy. No amendment, modification or waiver of any provision of this Indemnity Agreement will be effective unless it is in writing and duly executed by the Guarantor.

Section 4.6 Successors and Assignees

This Indemnity Agreement shall be binding upon the Issuer and its successors and assigns and shall enure to the benefit of the Guarantor and its assigns.

Section 4.7 Notice

(1) Each notice hereunder must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax to the recipient as follows:

if to the Guarantor:

Department of Finance Canada
20th Floor, East Tower
L'Esplanade Laurier
140 O'Connor Street
Ottawa, Ontario K1A 0G5

Attention: Assistant Deputy Minister
Financial Sector Policy Branch
Fax No: (613) 952-1596

if to the Issuer:

[Issuer Name]
[Issuer Address]

Attention: [Attention]
Fax No.: [Fax No.]

or to any other address, fax number or Person that the recipient designates by notice in writing to the other party.

(2) Any notice, if delivered personally or by courier, will be deemed to have been given when actually received; if transmitted by fax before 3:00 p.m., Ottawa time, on a Business Day, will be deemed to have been given on that Business Day; and if transmitted by fax after 3:00 p.m., Ottawa time, on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Section 4.8 Counterparts

This Indemnity Agreement may be executed in any number of separate counterparts, which counterparts shall collectively and separately constitute one agreement.

IN WITNESS WHEREOF the Issuer has hereunto duly executed this Indemnity Agreement as of the date first above written.

[NAME OF ISSUER]

By: _____
Name: «Signing_Officer_1»
Title: «Signing_Officer_1__Title»

By: _____
Name: «Signing_Officer_2»
Title: «Signing_Officer_2__Title»