



**Registration of a Charge**

Company Name: **CONVEX INSURANCE UK LIMITED**

Company Number: **11796392**



Received for filing in Electronic Format on the: **23/04/2024**

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**Details of Charge**

Date of creation: **17/04/2024**

Charge code: **1179 6392 0006**

Persons entitled: **TRISURA GUARANTEE INSURANCE COMPANY**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**Contains negative pledge.**

**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ALISTAIR STARK**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 11796392

Charge code: 1179 6392 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th April 2024 and created by CONVEX INSURANCE UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd April 2024 .

Given at Companies House, Cardiff on 24th April 2024

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

**CONVEX INSURANCE UK LIMITED**

as Pledgor

and

**TRISURA GUARANTEE INSURANCE COMPANY**

as Secured Party

and

**RBC INVESTOR SERVICES TRUST**

as Custodian

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**REINSURANCE SECURITY AGREEMENT**

**April 17, 2024**

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## REINSURANCE SECURITY AGREEMENT

Reinsurance Security Agreement dated as of April 17, 2024 made among:

**Convex Insurance UK Limited**, an insurance company incorporated under the laws of **England** and having its head office located at 52 Lime Street, London, EC3M 7AF (together with its successors and assigns, the **"Pledgor"**);

-and-

**Trisura Guarantee Insurance Company**, an insurance company incorporated under the laws of Canada and having its head office located at 333 Bay Street, Suite 1610, Toronto, Ontario, M5H 2R2 (together with its successors and assigns, the **"Secured Party"**);

-and-

**RBC Investor Services Trust**, a trust company incorporated under the laws of Canada and having its head office located at 155 Wellington Street West, 10<sup>th</sup> Floor, Toronto, Ontario M5V 3L3 (together with its successors and assigns, the **"Custodian"**)

### RECITALS:

- (i) The Secured Party is authorized to insure risks in Canada under the *Insurance Companies Act (Canada)* (the **"ICA"**);
- (ii) The Pledgor and the Secured Party have entered into one or more Reinsurance Agreements pursuant to which the Pledgor has agreed to reinsure certain risks for the benefit of the Secured Party;
- (iii) The Pledgor is not authorized under the ICA to reinsure in Canada risks;
- (iv) The Secured Party will only receive credit for capital purposes under the ICA for risks ceded under the Reinsurance Agreement if collateral is maintained in Canada in respect of the liabilities of the Secured Party that are reinsured by the Pledgor in accordance with the Guideline;

- (v) The Pledgor has agreed to provide the Secured Party with a security interest in order to secure its obligations to the Secured Party pursuant to the Reinsurance Agreement and has agreed to enter into this Agreement and to perform the obligations of the Pledgor described hereunder;
- (vi) The Pledgor and the Secured Party desire to retain the Custodian to act as custodian of the Collateral in accordance with the terms of this Agreement and to provide safekeeping and custodial services in respect of the Collateral; and
- (vii) The Custodian has agreed to act as custodian of the Collateral and to provide safekeeping and custodial services in respect of the Collateral, all on the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual agreements herein set forth and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows.

#### **Section 1 Defined Terms and Interpretation.**

- (1) As used in this Agreement, the following terms have the following meanings:

**"Affiliate"** shall have the meaning set out in the Canada Business Corporations Act, as amended from time to time, and any successor legislation thereto as in effect from time to time.

**"Agent"** means any agent, service provider, advisor or other entity appointed by the Custodian to assist in providing services under this Agreement, and may include Affiliates and subsidiaries of the Custodian, but for greater certainty, shall not include any agent of the Pledgor or the Secured Party.

**"Agreement"** means this Reinsurance Security Agreement, as supplemented or amended from time to time.

**"Applicable Law"** means in relation to any Person, any existing or future laws, regulations, policies or orders made and promulgated under statutory authority by any

governmental or regulatory body, commission or agency purporting to have jurisdiction over such Person whether or not having the force of law, including, without limitation, laws in relation to taxation, all as the same may be amended from time to time.

**“Blocking Service”** has the meaning specified in Section 2(4).

**“Business Day”** means a day, other than a Saturday or a Sunday, on which banks are open for general business in Toronto, Ontario.

**“CDS”** means CDS Clearing and Depository Services Inc. and its successor and assigns.

**“Collateral”** has the meaning specified in Section 3.

**“Contractual Settlement Date”** means:

- (i) with respect to the purchase or sale of any security, the date the parties have contracted to settle the trade;
- (ii) with respect to the purchase or sale of any short term money market investments, the date specified by the Pledgor at the time at which it gave instructions to the Custodian;
- (iii) with respect to the maturity of a security, the maturity date; and
- (iv) with respect to interest and dividend payments, the due date established by the payor.

**“Corporate Action”** means any conversion privileges, subscription rights, warrants or other rights or options available to the holder in connection with any securities which form part of the Collateral, including those relating to the reorganization, recapitalization, takeover, consolidation, amalgamation, merger, liquidation, filing for or declaration of bankruptcy or plans of arrangement of any corporation or association.

**“Custodian”** means RBC Investor Services Trust, a trust company continued under the laws of Canada, and any successor Custodian appointed pursuant hereto, and their respective successors and assigns.

**“Depository”** means any authorized domestic depository or clearing or settlement agency or system, including a transnational book-based system, and shall include CDS.

**“Direction”** means any directions, notices, requests, instructions and any other communication of the Pledgor, the Secured Party or any Investment Manager (including, for greater certainty, Entitlement Orders) given to the Custodian in accordance with the terms of this Agreement and **“Direct”** means to give a Direction.

**“Document”** means, for the purposes of Section 32(16) and Section 32(17), any agreement, amendment (including an amendment to this Agreement), statement, disclosure, notice, request, consent, information, instruction, communication, Direction or other document, including any of the foregoing made, accessed, sent, received, accepted, endorsed, negotiated, signed, or processed verbally or in paper or electronic form through any telecommunication or electronic method, including email.

**“Entitlement Order”** means a notice communicated to the Custodian directing the transfer or redemption of a financial asset to which the Pledgor has a security entitlement and includes an “entitlement order” as defined in the STA.

**“Event of Default”** has the meaning specified in Section 9.

**“Expenses”** has the meaning specified in Section 4(b).

**“Guideline”** means the Superintendent’s Guideline on the Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies/Minimum Continuing Capital and Surplus Requirement for Life Companies, as amended from time to time.

**“Investment Manager”** means any person or entity designated by the Pledgor as an investment manager pursuant to Section 7.

**“Lien”** means (i) any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, encumbrance, lien (statutory or otherwise), hire purchase agreement, conditional sale agreement, deposit arrangement, title retention agreement or arrangement, or any other assignment, arrangement or condition that in substance secures payment or performance of an obligation, (ii) any trust arrangement, (iii) any arrangement



which creates a right of set-off out of the ordinary course of business, or (iv) any agreement to grant any such rights or interests.

**"Market Value"** means the market value of the Collateral, as determined by the Custodian in accordance with the terms of this Agreement.

**"Minimum Market Value"** means the amount required pursuant to the Guideline, in order for the Secured Party to avoid any capital deduction or margin requirement as a result of the Secured Party having entered into, and ceded risks to the Pledgor pursuant to the terms of, the Reinsurance Agreement.

**"Overdraft"** has the meaning specified in Section 23(1).

**"Permitted Investments"** means those Permitted Investments listed in Schedule D, provided that Permitted Investments other than cash are held and settled through CDS.

**"Person"** means any natural person, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, company, limited liability company, institution, public benefit corporation, investment or other fund, government (whether federal, provincial, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof) or other entity of any nature.

**"PPSA"** means the *Personal Property Security Act* (Ontario).

**"Reinsurance Agreement"** means the reinsurance agreement or agreements between the Secured Party and the Pledgor listed on Schedule "A", as amended from time to time.

**"Secured Obligations"** has the meaning specified in Section 4(a).

**"Securities Account"** means the securities account opened or maintained by the Pledgor with the Custodian for purposes of this Agreement or which the parties may agree is to be the Securities Account for purposes of this Agreement.

**"Security Interest"** has the meaning specified in Section 4.

**"STA"** means the *Securities Transfer Act, 2006* (Ontario).

**"Standard of Care"** has the meaning specified in Section 27(1).

**"Superintendent"** mean the Superintendent of Financial Institutions, appointed pursuant to the Office of the Superintendent of Financial Institutions Act (Canada).

**"Voting Materials"** means all proxies, proxy solicitation materials and other communications received by the Custodian relating to any securities which form part of the Collateral and that call for voting.

- (2) Terms defined in the PPSA or the STA and used but not otherwise defined in this Agreement have the same meanings as in the PPSA or STA, as the case may be. For greater certainty, the terms **"investment property"**, **"money"** and **"proceeds"** have the meanings given to them in the PPSA; and the terms **"certificated security"**, **"control"**, **"deliver"**, **"entitlement holder"**, **"entitlement order"**, **"financial asset"**, **"security"**, **"securities account"**, **"securities intermediary"**, **"security entitlement"** and **"uncertificated security"** have the meanings given to them in the STA.
- (3) In this Agreement the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The expressions **"Section"** and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) Any reference in this Agreement to this Agreement, any other agreement or any instrument, means this Agreement, such other agreement, or such instrument, in each case, as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached thereto. Except as otherwise provided in this Agreement, any reference in this

Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

## **Section 2      The Securities Account.**

- (1) The Custodian shall open and maintain the Securities Account as an account of, and in the name of, the Pledgor, or shall designate an existing account as the Securities Account for purposes of this Agreement. The parties hereby agree that as of the date hereof the **account described in Schedule "B" is and shall be the "Securities Account" for purposes of this Agreement.**
- (2) The Securities Account shall be opened and maintained at the offices of the Custodian in Toronto, Ontario. The Custodian will not change the location of the Securities Account without the prior written consent of the Pledgor and the Secured Party.
- (3) The Pledgor shall, from time to time, deliver property to the Securities Account as required by the terms of the Reinsurance Agreement.
- (4) The Pledgor shall ensure that all property delivered by it to the Securities Account, or in which it Directs that amounts in the Securities Account be invested, consists of Permitted **Investments. While it is the Pledgor's obligation to ensure that all property delivered by it to the Securities Account consists of Permitted Investments and the Secured Party has access to statements in respect of the Securities Account to permit it to confirm that the assets in the Securities Account are Permitted Investments, as a supplemental control, the Custodian may, at its sole discretion, block the settlement into the Securities Account of non-cash property that is non-CDS eligible (the "Blocking Service").** On each occasion that the Custodian provides the Blocking Service, it shall promptly notify the Secured Party and the Pledgor of any property that has not settled into the Securities Account due to the Blocking Service.
- (5) The Pledgor and the Secured Party shall not Direct the Custodian to use any part of the Collateral in a securities lending program and the Custodian shall not use any part of the Collateral in a securities lending program.

- (6) The Custodian shall determine the Market Value of the Collateral at such times as required for purposes of this Agreement. In determining such Market Value, the Custodian shall use nationally recognized pricing services for property for which such prices are available, and for property for which such prices are not available, the Market Value shall be based on an estimate or estimates provided jointly by the Secured Party and the Pledgor. The Custodian shall not be liable for any loss, damage or expense, arising as a result of an error in such data sources or estimates provided by the Pledgor or the Secured Party or for any delay or failure of either party providing such estimates.
- (7) The Pledgor shall ensure that the aggregate Market Value of the Collateral shall at all times be at least equal to the Minimum Market Value. If the aggregate Market Value of the Collateral shall at any time fall below the Minimum Market Value, the Pledgor shall promptly deposit in the Securities Account additional Collateral with a Market Value sufficient to bring the aggregate Market Value of the Collateral to at least the Minimum Market Value.
- (8) The Pledgor may not withdraw or replace, and the Custodian shall not permit the withdrawal or replacement of, any of the Collateral without the joint written Direction of the Pledgor and the Secured Party. Upon any disbursement or withdrawal made in accordance with this Section 2(8), the Collateral disbursed or withdrawn shall cease to be subject to the Security Interest and shall cease to be Collateral. The Security Interest shall not otherwise terminate except by means of a discharge in writing executed by the Secured Party in accordance with Section 32. The Custodian shall be entitled to set off against any Collateral withdrawn by the Pledgor pursuant to this Section 2(8) any amounts due and payable to it by the Pledgor pursuant to this Agreement.
- (9) No withdrawal or disbursement of Collateral pursuant to Section 2(8) shall prejudice the right of the Secured Party to subsequently require, or the obligation of the Pledgor to make, delivery of new or further Collateral in accordance with the terms of the Reinsurance Agreement and this Agreement.
- (10) Notwithstanding anything in this Agreement to the contrary, the Secured Party shall have the unconditional right to give an Entitlement Order with respect to any or all Collateral in the Securities Account at any time, and the Custodian agrees that it will promptly

comply with any Entitlement Orders originated by the Secured Party, without the consent of the Pledgor. Upon receipt of any such Entitlement Order, the Custodian shall promptly take any and all steps necessary to transfer such Collateral to the Secured Party or as it may Direct. Upon receipt of any Entitlement Order from the Secured Party, the Custodian shall promptly cease to comply with Entitlement Orders of the Pledgor with respect to Collateral in the Securities Account and the Custodian shall promptly cease to comply with Directions of the Pledgor or the Investment Manager with respect to the Collateral (including without limitation Directions pursuant to Section 7(1) or Section 7(2)). In complying with any such Entitlement Order, the Custodian shall be entitled to a reasonable period of time, not exceeding three Business Days, to implement the Entitlement Order and shall not be required to cease processing a pending transaction not involving the withdrawal of property from the Securities Account pursuant to a Direction that was received by the Custodian prior to receiving the Entitlement Order. Other than an Entitlement Order, no other statement or document need be presented by the Secured Party to withdraw any of the Collateral from the Securities Account, except that the Secured Party shall acknowledge to the Custodian receipt of such withdrawn Collateral.

### **Section 3      Grant of Security.**

The Pledgor grants to the Secured Party a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Secured Party, the following (collectively, the **"Collateral"**):

- (a) all securities and other property from time to time delivered or contributed by or on behalf of the Pledgor to the Custodian pursuant to or in accordance with the Reinsurance Agreement or this Agreement, or to be held pursuant to this Agreement, including, without limitation, all security entitlements with respect thereto;
- (b) the Securities Account and all of the credit balances, security entitlements, securities, cash, and other financial assets and other property (or their value) from time to time held in the Securities Account;

- (c) all substitutions and replacements of, increases and additions to the property described in Section 3(a) and Section 3(b), including any consolidation, subdivision, reclassification or stock dividend; and
- (d) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 3(a), Section 3(b) and Section 3(c), including the proceeds of such proceeds.

#### **Section 4 Secured Obligations.**

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by the Pledgor pursuant to this Agreement (collectively, the **"Security Interest"**) secures the payment and performance of:

- (a) **all of the Pledgor's present and future obligations to the Secured Party to pay the Pledgor's share of any loss or liability or both (including, where required by the Reinsurance Agreement, any loss or liability on account of claims incurred but not reported) sustained by the Secured Party for which the Pledgor is liable under the Reinsurance Agreement and all of the Pledgor's other present and future debts, liabilities and obligations to the Secured Party, direct or indirect, absolute or contingent, whether alone or with others, pursuant to or in connection with the Reinsurance Agreement or this Agreement (collectively, and together with the Expenses, the "Secured Obligations"); and**
- (b) **all reasonable legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral upon the Security Interest becoming enforceable, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters (collectively, the "Expenses").**

#### **Section 5 Attachment.**

- (1) The Pledgor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Secured Party (other than after-

acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.

- (2) At the request of the Secured Party, the Pledgor will take all action that the Secured Party deems advisable to cause the Secured Party to have control over any securities or other investment property delivered by the Pledgor pursuant to the Reinsurance Agreement or this Agreement or that is now or at any time becomes Collateral, including (i) causing the Collateral to be transferred to or registered in the name of the Custodian or its nominee, (ii) endorsing any certificated securities to the Custodian or its nominee by an effective endorsement, (iii) directing CDS that the Collateral is to be credited to an account in the name of the Custodian or its nominee, (iv) delivering the Collateral to the Custodian, and (v) delivering to the Custodian any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral to the Custodian.

#### **Section 6 Duties of the Secured Party.**

- (1) The Secured Party has no obligation to exercise any option or right in connection with the Collateral. The Secured Party has no obligation to protect or preserve the Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value whether such Collateral is in the possession of, is a security entitlement of, or is subject to the control of, the Secured Party, the Custodian, the Pledgor or any other Person. The Custodian shall comply with its Standard of Care in the physical keeping of any Collateral.
- (2) The Secured Party may, after the Security Interest is enforceable, sell, transfer, use or otherwise deal with the Collateral on such conditions and in such manner as the Secured Party in its sole discretion may determine.

#### **Section 7 Rights of the Pledgor.**

- (1) Unless the Secured Party has delivered an Entitlement Order pursuant to Section 2(10), the Pledgor shall be entitled, subject to Section 2(4) and Section 2(8), to Direct the Custodian as to the manner of investment of the Collateral. The Custodian may establish reasonable requirements relative to the time or times by which Direction must be given and shall advise the Pledgor of those requirements. The Pledgor may, by Direction to the

Custodian and the Secured Party, designate an Investment Manager to manage the investment of some or all of the Collateral as identified by the Pledgor, and to provide Directions to the Custodian with regard to the investment of the Collateral. The Custodian may assume that the designation of an Investment Manager continues in force until it receives a written Direction from the Pledgor to the contrary. Whenever an Entitlement Order has been given pursuant to Section 2(10), all rights of the Pledgor, or any Investment Manager, to Direct the Custodian as to the manner of investment of the Collateral shall terminate and all such rights shall become vested solely and absolutely in the Secured Party.

- (2) Unless the Secured Party has delivered an Entitlement Order pursuant to Section 2(10), the Pledgor shall be entitled to Direct the Custodian with respect to the exercise of the voting rights attached to the securities and other financial assets that are part of the Collateral. The Custodian may establish reasonable requirements relative to the time or times by which any such Directions must be given and shall advise the Pledgor of those requirements. Whenever an Entitlement Order has been given by the Secured Party pursuant to Section 2(10), all rights of the Pledgor to vote or to Direct the voting (including under any proxy given by the Custodian or the Secured Party (or a nominee) or otherwise) shall cease and all such rights become vested solely and absolutely in the Secured Party.
- (3) All dividends, interest, distributions and other amounts related to the Collateral shall be collected by the Custodian, credited to the Securities Account and shall constitute Collateral, unless and until released in accordance with Section 2(8). Any dividend, interest, cash or other amounts received by the Pledgor contrary to this Section 7(3) will be held by the Pledgor as trustee for the Secured Party and shall be immediately paid over to the Custodian, or after the giving of an Entitlement Order, to or to the order of the Secured Party.

#### **Section 8      Expenses.**

The Pledgor is liable for and will pay on demand by the Custodian or Secured Party, as the case may be, any and all Expenses of the Custodian or the Secured Party.



## Section 9      Enforcement.

The Security Interest shall become and be enforceable against the Pledgor upon the occurrence of any one or more of the following events (each, an **"Event of Default"**):

- (a) the Pledgor is no longer authorized in its home jurisdiction to carry on the business of reinsurance;
- (b) the Pledgor fails to make any payment when due under the Reinsurance Agreement (whether on a scheduled payment date or upon default or termination), and such failure is not remedied on or before the close of business in Toronto, Ontario on the third Business Day after notice thereof has been given by the Secured Party to the Pledgor;
- (c) the Pledgor defaults in any of its other duties and obligations under the Reinsurance Agreement and the Pledgor has not remedied such default within any applicable cure period provided for in the Reinsurance Agreement;
- (d) any representation or warranty made by the Pledgor in this Agreement is breached or is incorrect in any respect and the Pledgor fails to remedy such breach and cause such representation or warranty to become correct in all respects within three Business Days of receipt of notice from the Secured Party requiring it to do so;
- (e) the Pledgor fails to perform any of its undertakings, covenants or agreements in this Agreement and such failure is not remedied on or before the third Business Day following the day in which notice of such failure has been given by the Secured Party to the Pledgor;
- (f) the Pledgor becomes insolvent or unable to pay its debts as they fall due or fails or admits in writing its inability to pay its debts as they fall due;
- (g) the Pledgor institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any **bankruptcy or insolvency law or other similar law affecting creditors'**

rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

- (h) one or more supervisory or regulatory authorities takes control of all or substantially all of the assets of the Pledgor, with the intention that such authority or authorities act as administrator, liquidator or provisional liquidator, receiver or interim receiver, trustee, custodian or other similar officer; or
- (i) a liquidator or receiver of the Pledgor or of any part of the insurance business of the Pledgor is appointed under the provisions of any statute or pursuant to any agreement between the Pledgor and a third party.

#### **Section 10 Remedies.**

Whenever the Security Interest is enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Secured Party were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Secured Party or its nominee if not already done);
- (c) collecting any proceeds arising in respect of the Collateral;
- (d) whether or not an Entitlement Order has been given, directing the Custodian to transfer all Collateral held by the Custodian in the Securities Account, or any of them, to another account maintained with, by or on behalf of the Secured Party or otherwise as the Secured Party may Direct, and the Custodian shall comply with any such Direction;

- (e) applying any proceeds arising in respect of the Collateral in accordance with Section 32(11); and
- (f) exercising any other remedy or proceeding authorized or permitted under the PPSA or otherwise by Applicable Law or equity.

#### **Section 11 Exercise of Remedies.**

The remedies under Section 10 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Secured Party however arising or created. The Secured Party is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Secured Party in respect of the Secured Obligations including the right to claim for any deficiency.

#### **Section 12 Appointment of Attorney.**

The Pledgor hereby irrevocably constitutes and appoints the Secured Party (and any officer of the Secured Party), at any time that the Security Interest is enforceable, the true and lawful attorney of the Pledgor. As the attorney of the Pledgor, the Secured Party has the power to exercise for and in the name of the Pledgor with full power of substitution, at any time that the **Security Interest is enforceable, any of the Pledgor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Secured Party, its nominees or transferees, and the Secured Party and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Pledgor might do.** This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Pledgor. **This power of attorney extends to and is binding upon the Pledgor's successors and assigns.** The Pledgor authorizes the Secured Party to delegate in writing to another Person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

### **Section 13      Dealing with the Collateral.**

- (1) The Secured Party is not obliged to exhaust its recourse against the Pledgor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.
- (2) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Pledgor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Pledgor or the rights of the Secured Party in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Secured Party is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

### **Section 14      Standards of Sale.**

Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Pledgor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Secured Party or a customer of the Secured Party;

- (d) any sale conducted by the Secured Party will be at such time and place, on such notice and in accordance with such procedures as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Secured Party, in its sole discretion, may deem advantageous; and
- (g) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral.

#### **Section 15 Dealings by Third Parties.**

- (1) No Person dealing with the Secured Party or an agent or receiver appointed at the instance of the Secured Party is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Secured Party or the Custodian by the Pledgor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Secured Party with the Collateral, or (vi) how any money paid to Secured Party has been applied.
- (2) Any bona fide purchaser of all or any part of the Collateral from the Secured Party or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Pledgor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with

all rights of redemption, stay or appraisal which the Pledgor has or may have under any rule of law or statute now existing or hereafter adopted.

**Section 16 Representations, Warranties and Covenants.**

The Pledgor represents and warrants (which representations and warranties will be deemed to be repeated as of each date on which the Pledgor delivers Collateral) and undertakes to the Secured Party and the Custodian that:

- (a) the Pledgor is an insurance company duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is not in liquidation, is authorized in its jurisdiction of incorporation to carry on the business of reinsurance and has the corporate power and authority to enter into this Agreement and to exercise its rights and perform its obligations hereunder and has taken all corporate and other action required to authorise its execution and performance of this Agreement;
- (b) the Pledgor owns, or will at the time of it being credited to the Securities Account own, the Collateral free and clear of all Liens (other than the Security Interest and the security interest created pursuant to Section 23(5) of this Agreement) and other adverse claims and the Pledgor is entitled to grant the Security Interest created pursuant to this Agreement;
- (c) this Agreement does not conflict in any material respect with any contractual or other obligation binding upon the Pledgor or with the constitutional documents of the Pledgor;
- (d) the Security Interest created pursuant to this Agreement constitutes and will constitute a first priority security interest over the Collateral, not subject to any prior or pari passu security interest (except as provided in Section 23(5));
- (e) this Agreement has been duly executed and delivered by the Pledgor and constitutes the legal, valid and binding obligation of the Pledgor, enforceable in accordance with its terms;
- (f) other than with the prior written consent of the Secured Party, the Pledgor shall not dispose of the Collateral, shall not create any Liens, other than the Security

Interest created by this Agreement (except as provided in Section 23(5)), in respect of the Collateral (irrespective of whether ranking behind the Security Interest created hereby), shall not permit the existence of any such Lien, and shall not grant control over any of the Collateral to any Person other than the Secured Party;

- (g) **to the Pledgor's knowledge, no transfer restrictions apply to any of the Collateral,** except as have been complied with;
- (h) **to the Pledgor's knowledge,** the obligations that are Collateral constitute, where applicable, the legal, valid and binding obligation of the issuer of such Collateral, enforceable in accordance with its terms, subject only to any limitation under Applicable Law relating to (i) bankruptcy, insolvency, fraudulent conveyance, **arrangement, reorganization or creditors' rights generally,** and (ii) **the discretion** that a court may exercise in the granting of equitable remedies;
- (i) the Pledgor does not know of any claim to or interest in any Collateral, including any adverse claims. If any Person asserts any Lien, encumbrance or adverse claim against any of the Collateral, the Pledgor will promptly notify the Secured Party;
- (j) the Pledgor has not consented to, will not consent to, and has no knowledge of any control by any Person with respect to any Collateral, other than the Secured Party and the Custodian;
- (k) the Pledgor will notify the Secured Party immediately upon becoming aware of **any change in an "issuer's jurisdiction" within the meaning of the STA and the** equivalent legislation in any other jurisdiction in respect of any Collateral that are uncertificated securities;
- (l) the Pledgor will not change its name in any manner or its jurisdiction of incorporation **without providing at least 30 days' prior written notice to the** Secured Party and the Custodian;
- (m) the head office and chief executive office of the Pledgor is located at the location specified in the Reinsurance Agreement or otherwise provided to the Secured Party, and the Pledgor will not change the jurisdiction of its head office or chief

executive office without providing at least 30 days' prior written notice to the Secured Party;

- (n) the Pledgor will grant to the Secured Party such further security interests, assignments, mortgages, charges, hypothecations and pledges in such of the Collateral that is not effectively subject to a valid and perfected first ranking security interest pursuant to this Agreement, and in each relevant jurisdiction as reasonably determined by the Secured Party. The Pledgor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are reasonably requested by the Secured Party at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest including: (i) executing, recording and filing of financing or other statements, and paying all taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Interest constitutes a valid and perfected first ranking security interest, (iv) executing and delivering any certificates, endorsements, instructions, agreements, documents and instruments, required to register, file, signify, publish, perfect, maintain, protect and enforce the Security Interest. The documents contemplated by this paragraph must be in form and substance reasonably satisfactory to the Secured Party; and
- (o) the Custodian is not an Affiliate of the Pledgor.

#### **Section 17 Collateral Matters.**

- (1) The Custodian acknowledges and agrees that:
  - (a) it has not entered into, and will not enter into, any agreement, other than this Agreement, in which it agrees to comply with any Entitlement Order or other instruction or direction in respect of the Collateral or any portion thereof and it will not accept or act upon an Entitlement Order, instruction or direction in respect of the Collateral or the Securities Account, except as provided in this Agreement;



- (b) all property (whether a credit balance, a security, an instrument or other property) credited to or held in the Securities Account is to be treated as a financial asset under the STA and the equivalent legislation in other jurisdictions;
  - (c) the Securities Account is a “securities account” for purposes of the STA, and the equivalent legislation in other jurisdictions;
  - (d) it is acting as securities intermediary, for purposes of the STA and the equivalent legislation in other jurisdictions, in respect of the Collateral and any security entitlements credited to the Securities Account; and
  - (e) its securities intermediary’s jurisdiction for purposes of the STA, and the equivalent legislation in other jurisdictions, is the Province of Ontario, Canada.
- (2) Each of the Pledgor and the Secured Party acknowledges and agrees that:
- (a) the Custodian shall have no obligation to register any financing statement or other personal property security filings in respect of any of the Security Interest or the Collateral, or to perfect or maintain the perfection of any Lien, other than its obligation to open and maintain the Securities Account and to comply with Entitlement Orders originated by the Secured Party in accordance with the terms of this Agreement; and
  - (b) the Custodian shall not be responsible for determining the amount of Collateral required to be delivered by the Pledgor at any time pursuant to the Reinsurance Agreement or to determine whether the Collateral held in the Securities Account consists of Permitted Investments.

#### **Section 18 Appointment and Duties of the Custodian.**

The Custodian agrees to act as Custodian and, in that connection, agrees to open and maintain the Securities Account in accordance with the terms of this Agreement. In particular, the Custodian agrees that:

- (a) except as otherwise provided herein, all securities and all other property delivered to the Custodian pursuant to this Agreement or the Reinsurance Agreement for

credit to the Securities Account, or otherwise as Collateral, shall promptly be credited to, and shall be held in, the Securities Account. The Custodian shall hold the Collateral in accordance with the terms and conditions of this Agreement. The Custodian shall hold the Collateral as client property separate and apart from its general property. All Collateral shall at all times and in all circumstances be clearly recorded in the books and records of the Custodian as being separate and apart from the assets of the Custodian and in a manner which reflects the Pledgor as the beneficial owner of the securities and other property in the Securities Account. The Custodian shall make notations in its records that the Securities Account is subject to a security interest in favour of the Secured Party and shall ensure that the Securities Account is at all times located in Canada;

- (b) the Custodian shall promptly credit and deposit all cash or other amounts received as dividends, interest, distributions or other payment related to the Collateral, including all cash or other amounts received pursuant to Section 7(3), to the Securities Account;
- (c) the Custodian shall, with respect to Corporate Actions, use reasonable efforts to promptly forward to the Pledgor, or, on Direction from the Pledgor, to the Investment Manager, a Corporate Action notice that contains a summary of information which has actually been received by the Custodian from third party sources believed by the Custodian to be reliable, and request Directions with respect to such Corporate Action where required. The Custodian shall, with respect to Voting Materials, use reasonable efforts to promptly forward, or arrange to have promptly forwarded, to the Pledgor (or to the Investment Manager which the Pledgor has designated as having responsibility for the relevant security) all Voting Materials which the Custodian receives in respect of securities forming part of the Collateral. The Custodian shall be under no duty to investigate, participate in or take affirmative action concerning any Corporate Actions or Voting Materials, except in accordance with a Direction given in accordance with this Agreement, and upon such indemnity and provision for fees and expenses as the Custodian may require. The Custodian shall not be obligated to forward or summarize any other shareholder communications, including shareholder

mailings, notices or reports, and the Custodian shall have no responsibility or liability for ensuring the accuracy or adequacy of such third party information contained in any such Voting Materials or Corporate Action notice;

- (d) **the Custodian shall register the Collateral in the Custodian's own name, in the name of a Depository or in the name of a nominee, or in bearer form, if the security is not capable of being registered or if registration of it would not be in the best interests of the Pledgor and the Secured Party;**
- (e) the Custodian shall account for all Collateral in the Securities Account and shall provide monthly statements of account. Additional statements as required to satisfy the requirements of the Superintendent and any other regulatory or administrative agencies will also be provided as requested by the Secured Party, the Pledgor, the Superintendent or such other regulatory or administrative agency, all at the expense of the Pledgor. Upon the expiration of ninety (90) days from the date of mailing of any statement, the Custodian shall be fully released and discharged from any liability or accountability to any party with respect to the acts or transactions disclosed in such statement, except for those certain acts and transactions which the Pledgor or the Secured Party has identified by giving written notice to the Custodian;
- (f) the Custodian shall respond to any direct inquiries of the Pledgor, the Secured Party, the Superintendent, or any of their respective representatives, concerning the Securities Account or the Collateral, and shall upon reasonable prior notice provide to the Pledgor, the Secured Party and the Superintendent detailed inventories of all securities and other property held in the Securities Account, and the Custodian shall, upon reasonable prior notice, permit the Pledgor, the Secured Party, the Superintendent, or any of their respective representatives, to examine and audit all securities and other property held in the Securities Account. The Custodian shall promptly provide notice to the Secured Party and the Pledgor concerning audits by the Superintendent. The parties acknowledge that copies of statements and confirmations relating to the Securities Account are available **through the Custodian's client access web portal, and the Pledgor hereby consents**

to the Custodian granting access to the Secured Party to information regarding the Securities Account by such web portal and such consent to access may not be withdrawn without the consent of the Secured Party. The Pledgor and the Secured Party hereby consent to the Custodian granting access to the Superintendent to **information regarding the Securities Account by the Custodian's client access web portal**;

- (g) the Custodian shall keep records of the administration of the Securities Account. The Pledgor, the Superintendent, the Secured Party and any other persons to whom the Custodian is legally obligated to provide access, may examine such records upon reasonable prior notice during business hours through any person or persons duly authorized in writing by the Pledgor, the Superintendent, the Secured Party or such other person, as the case may be;
- (h) the Custodian shall notify the Pledgor and the Secured Party of any claim of which the Custodian has actual notice against the Collateral or any part thereof exerted by any Person, or of any loss, destruction of or damage to the Collateral or any part thereof;
- (i) the Custodian shall, on the receipt from the Secured Party of an Entitlement Order, or notice from the Secured Party that such surrender or transfer is required in connection with a realization effected in accordance with Section 10, surrender possession of all or part of the Collateral or transfer all or part of the Collateral from the Securities Account to the Secured Party, another Person or to an account designated by the Secured Party, all as Directed by the Secured Party;
- (j) the Custodian will, on or before the fifteenth day of each month, or, if the fifteenth day is not a business day of the Custodian, on or before the first business day of the Custodian following the fifteenth day, or such earlier date as may be required by the Superintendent, provide to the Superintendent, in a form acceptable to the Superintendent, a declaration with respect to the Collateral, in such form as the Superintendent may require, together with paper and electronic copies of information all as may be required from time to time by the Superintendent with respect to the Collateral. The Secured Party hereby appoints the Custodian as its

agent for the purpose of filing such declaration and authorizes the Custodian to file each such declaration on its behalf. The Secured Party acknowledges that such declaration may as an administrative matter be filed by the Custodian as part of a larger filing made in respect of other similar arrangements with other clients;

- (k) notwithstanding section 17.1(1)(c) of the PPSA, the equivalent legislation in any other jurisdictions or any other provision of Applicable Law, the Custodian shall not lend, re-pledge or re-hypothecate the Collateral; and
- (l) **the Collateral shall not be used as part of the Custodian's securities lending program.**

#### **Section 19 Directed Powers.**

The Custodian shall exercise the following powers and authority in the administration of the Securities Account only upon Direction of the Pledgor or its Investment Manager and, to the extent required by Section 2, the Direction of the Secured Party and, after receipt of an Entitlement Order from the Secured Party or a notice pursuant to Section 10(d) from the Secured Party, only upon the Direction of the Secured Party:

- (a) settle the purchase and sale of Collateral; and
- (b) complete and process such Voting Materials and process Corporate Actions as the Custodian may be Directed, provided that the Custodian has received Directions within the time frames specified by the Custodian in any such Voting Materials or Corporate Action notice applicable thereto. Where Directions have not been provided within such time frames, the Custodian will take no action except only in the case of Corporate Actions and where a default option exists, in which case such default option as outlined in the notice will apply. In the event that Directions are provided after such time frames, the Custodian shall use reasonable efforts to process such Corporate Actions or Voting Materials, but the Custodian shall have no liability for failure to process such Voting Materials or Corporate Actions.

## **Section 20 Contractual Settlement.**

The Custodian shall, in jurisdictions where settlement practices permit, credit the Securities Account with Collateral, in connection with the receipt of interest or dividends or the sale or redemption of any security held hereunder, and debit such Securities Account, in connection with the purchase of any security, on the Contractual Settlement Date with respect thereto, whether or not such monies have been received, or payment made, by the Contractual Settlement Date. However, if after a reasonable time (as determined by the Custodian) following the Contractual Settlement Date any such payment or receipt shall fail to take place for any reason other than the failure of the Custodian to make payment against delivery or delivery against payments, all related credits and debits shall be reversed and adjusted to reflect the failure of the transaction to take place.

## **Section 21 Services to be Performed without Direction.**

- (1) The Custodian may, without Direction:
  - (a) hold securities forming part of the Collateral through a Depository on the terms of business of the operators of such Depository, and may effect settlement in accordance with the customary or established trading and processing practices and procedures in the jurisdiction or market in which any transaction in respect of the Collateral occurs. The Custodian shall be fully protected and absolved from any liability, howsoever arising, from effecting transactions in the foregoing manner, except to the extent that such liability arises out of the Custodian's breach of its Standard of Care (as defined herein) in carrying out Directions in relation to such transactions.

The Custodian may commingle Collateral held through a Depository with property of other clients of the Custodian (but not with property held for the Custodian's own account).

Where the Collateral is so held through a Depository, the Pledgor and the Secured Party confirm that they will not assert any claim in respect of such Collateral which would be contrary to the rules and procedures of such Depository, and will not

knowingly act in any way which could result in the Custodian being in breach of any rule or procedure of such Depository.

- (b) enter into and settle foreign exchange transactions on behalf of the Pledgor, for purposes of facilitating settlement of trades of Collateral or otherwise, and any such transactions may be entered into with such counterparties (including but not limited to the Custodian acting as principal) as the Custodian may choose in its sole discretion, including Affiliates of the Custodian, unless the Pledgor otherwise Directs;
- (c) to the extent it may do so in the ordinary course of its business, (i) collect income payable to and distributions due to the Securities Account and sign on behalf of the Pledgor or the Secured Party any declarations, affidavits, certificates of ownership and other documents required to collect income and principal payments, including but not limited to, tax reclamations, rebates and other withheld amounts, and (ii) collect proceeds from securities or other property which may mature, provided that whenever a security or other property offers the Custodian the option of receiving dividends in shares or cash, the Custodian is authorized to select the cash option unless the Custodian receives a Direction to the contrary. The Custodian shall not be responsible for the failure to receive payment of (or late payment of) distributions with respect to securities or other property held in the Securities Account;
- (d) present for redemptions or exchange any securities or other property which may be recalled, redeemed, withdrawn or retired provided that timely receipt of written notice of the same is received by the Custodian from the issuer;
- (e) retain uninvested cash balances from time to time on hand in the Securities Account and may, in its sole discretion, hold such cash balances on deposit with a bank or another deposit taking institution, including the Custodian or its Affiliates, in such interest bearing account as the Custodian may, in its sole discretion, determine. The Custodian will apply interest, if any, on such cash balances to the Securities Account. For greater certainty, the term “interest” where

used in respect of cash balances or deposits includes positive, negative and zero interest;

For greater certainty, the parties agree that all free credit balances standing to the credit of any Securities Account, including un-invested cash balances and all **interest earned, shall constitute "financial assets" for the purposes of the STA and shall be subject to the Security Interest; and**

- (f) do all such acts, take all such proceedings and exercise all such rights and privileges, although not specifically mentioned in this Agreement, as the Custodian may deem necessary to carry out its rights and obligations under this Agreement.
- (2) The Custodian may appoint Agents and nominees (which may be Affiliates of or otherwise connected to the Custodian) to perform any of the services to be performed by the Custodian as required under the Agreement.
- (3) The Custodian shall act in accordance with its Standard of Care in the selection and monitoring of Agents and nominees.
- (4) The Custodian shall not be liable in any circumstances for the acts or omissions of any agent appointed by the Secured Party or Pledgor. For greater certainty, Depositories are not agents of the Custodian.
- (5) For greater certainty, any rights, powers, authorities, benefits, and limitations on liability or responsibility whatsoever granted to the Custodian under this Agreement or conferred upon the Custodian otherwise at law shall be deemed to have been granted to, or conferred upon, any and all Agents and nominees duly appointed by the Custodian, and **in furtherance thereof, any references to "the Custodian" herein shall be construed as references to such Agents or nominees, as the context requires.**
- (6) Settlements of transactions may be effected in accordance with trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Pledgor acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other



property) or cash and, in such circumstances, the Pledgor shall have sole responsibility for non receipt of payment (or late payment) by the counterparty.

## **Section 22 Express Provisions.**

Notwithstanding any of the foregoing provisions, the Custodian, in the administration of the Securities Account, is to be bound solely by the express provisions of this Agreement, and such further written and signed Directions as the appropriate party or parties may, under the conditions herein provided, deliver to the Custodian. The Custodian shall have no duties or obligations under any other agreement, notwithstanding that such other agreement may be referred to in this Agreement. **The Custodian shall be under no obligation to enforce the Pledgor's or the Secured Party's obligations under this Agreement, except as otherwise expressly provided or Directed pursuant hereto in accordance with the terms hereof.**

## **Section 23 Security Interest, Set-Off and Deduction.**

- (1) If a Direction from the Pledgor, or the settlement of a transaction would create a debt **owing, overdraft or short position in the Securities Account (an "Overdraft")**, then the Custodian is authorized to, but shall not be obliged to, act on such Direction or complete such transaction.
- (2) Interest on any Overdraft shall be calculated on the daily balance of the amount owing (before and after demand, default and judgment) at an annual rate established and declared by the Custodian from time to time, subject to such minimum charges as declared from time to time, with interest on overdue interest at the same rate. Interest is payable monthly and shall form part of the Overdraft.
- (3) The Pledgor agrees to pay to the Custodian promptly upon notice, the amount of any Overdraft together with any interest that has accrued in accordance with Section 23(2).
- (4) Notwithstanding any other provision of this Agreement, the Custodian, in its reasonable discretion, shall be entitled to decline to act upon any Direction of the Pledgor unless and until all the amounts due and owing to the Custodian under this Agreement have been paid in full. The Custodian shall give the parties notice of its decision not to act on any such Direction as soon as practicable thereafter.

- (5) The Pledgor hereby assigns, conveys, mortgages, pledges, hypothecates, and charges in **favour of, and grants a security interest to, the Custodian in all of the Pledgor's right, title and interest in and to all Collateral now owned or hereafter acquired by the Pledgor and held by the Custodian pursuant to this Agreement and all proceeds thereof, as continuing collateral security for the due payment of the obligations from time to time of the Pledgor, whether present or future, absolute or contingent, liquidated or non-liquidated, of whatsoever nature or kind in any currency, in respect of fees and expenses arising pursuant to this Agreement that are unpaid and owing to the Custodian, and any Overdraft.**

The Pledgor and the Custodian agree that it is their intention that the security interests hereby created shall attach immediately to any Collateral in which the Pledgor has an interest on the date hereof, and, with respect to after-acquired Collateral, forthwith at the time the Pledgor acquires an interest therein, all in accordance with the terms hereof.

**The Secured Party acknowledges and agrees the Custodian's security interest in the Collateral shall have priority over any other security interest therein granted by the Pledgor, and the Custodian shall be under no obligation to waive, subordinate or discharge such security interest except upon the indefeasible payment and satisfaction in full of such unpaid fees and expenses, and Overdraft.**

- (6) If and to the extent that at any time any obligations, liabilities and indebtedness of the Pledgor to the Custodian from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, of whatsoever nature or kind, in respect of fees and expenses arising pursuant to this Agreement owing to the Custodian and any Overdraft **amounts owing to the Custodian hereunder (collectively, the "Pledgor Obligations") are outstanding and unpaid, in addition to any right or remedy that the Custodian may otherwise have hereunder or under any Applicable Law, the Custodian is hereby authorized, in its discretion (upon reasonable notice to the Pledgor and the Secured Party and in accordance with Applicable Law), both before and after demand or judgment, and whether or not default has occurred hereunder:**

- (a) to sell, as agent for the Pledgor, such portion of the Collateral (which, for the purposes of this Section 23 shall include any account with any third party with

whom cash has been deposited by the Custodian on behalf of the Pledgor) as may be required to satisfy any such unpaid Pledgor Obligations, on such commercially reasonable terms as it thinks fit in its discretion; and

- (b) set off against and deduct from the proceeds of any such sale owing to the Pledgor such amounts of such unpaid Pledgor Obligations as the Custodian thinks fit in its discretion, and account for any surplus to the Pledgor, or as provided in this Agreement, it being agreed and understood by the Pledgor that the exercise **of the Custodian's rights under this Section 23(6) shall not be construed as** the exercise of a right of realization in respect of the security interest created under Section 23(5) but a separate right of set-off.

#### **Section 24 Waiver by Custodian.**

Subject to Section 2(8) and Section 23, the Custodian acknowledges and agrees that it has not acquired any right, title or interest in the Collateral on its own behalf other than such rights as it may have as a securities intermediary and the right and obligation to hold and administer the Collateral in accordance with the terms of this Agreement.

#### **Section 25 Charges of the Custodian.**

The Pledgor agrees to pay all reasonable costs, fees or expenses charged by the Custodian for acting as the Custodian pursuant to this Agreement, including fees incurred by the Custodian for legal services deemed reasonably necessary by the Custodian as a result of the **Custodian's** so acting. Following the giving of an Entitlement Order, the Secured Party shall be required to pay the fees and expenses arising from this Agreement.

#### **Section 26 Indemnification of Custodian.**

- (1) The Pledgor shall indemnify and hold harmless the Custodian, its directors, officers, employees, representatives and Agents from and against any and all taxes, charges, costs, expenses, damages, claims, demands and liabilities to which they, or any of them, may become subject, including legal and accounting costs, for or in respect of anything done or omitted to be done in connection with this Agreement or in respect of the Collateral, except for the negligence, wilful misconduct or lack of good faith of the Custodian, such

indemnification to survive the resignation or removal of the Custodian and the termination of this Agreement.

- (2) Following the issuing of an Entitlement Order by the Secured Party, the Secured Party shall indemnify and hold harmless the Custodian, its directors, officers, employees, representatives and Agents from and against any and all taxes, charges, costs, expenses, damages, claims, demands and liabilities to which they, or any of them, may become subject, including legal and accounting costs, for or in respect of anything done or omitted to be done in connection with this Agreement or in respect of the Collateral following the issuance of the Entitlement Order, except for the negligence, wilful misconduct or lack of good faith of the Custodian, such indemnification to survive the resignation or removal of the Custodian and the termination of this Agreement.
- (3) Whenever an action by the Custodian is authorized by Direction pursuant to the provisions of this Agreement and such action is taken in accordance with such Direction, the party or parties authorizing such action by way of Direction hereby agree to indemnify the Custodian against all losses, damages, costs and expenses, including reasonable **attorneys' fees, resulting from any action so taken by the Custodian, except to the extent** that any such losses, damages, costs and expenses resulted from the negligence, wilful misconduct or lack of good faith of the Custodian.

#### **Section 27      Limitation of Custodian Liability.**

- (1) The Custodian, in carrying out its duties in respect of the safekeeping of, and dealing with, the Collateral, shall exercise the degree of care, diligence and skill that a prudent Canadian trust company would exercise in comparable circumstances (the **"Standard of Care"**).
- (2) Except to the extent that the Custodian has not complied with the Standard of Care, the Custodian shall not be liable for any act or omission in the course of, or connected to, rendering services hereunder. Without limitation, the Custodian shall not be liable for any losses to, or diminution of, the Collateral, except to the extent that such loss or **diminution is directly caused by the Custodian's breach of the Standard of Care. To the fullest extent provided by law and despite any other provision of this Agreement, the Custodian excludes all liability arising out of or in connection with this Agreement for**

indirect, incidental, special, or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill (whether or not either party knew of the possibility of such damage or such damage was otherwise foreseeable). Notwithstanding the foregoing or any other provision of this **Agreement, the Custodian's liability arising from the** Blocking Service shall in no event exceed the aggregate amount of fees received by the Custodian with respect to the specific Securities Account in the preceding six (6) months.

- (3) The Custodian shall not be responsible for:
- (a) any property until it has been received by the Custodian;
  - (b) the title, validity or genuineness of any property or evidence of title to any Collateral or any defect in ownership or title;
  - (c) any act or omission required or demanded by any governmental, taxing, regulatory or other competent authority in any country in which all or part of the Collateral is held or which has jurisdiction over the Custodian, the Pledgor or the Secured Party;
  - (d) any loss resulting from official action (including nationalisation and expropriation), currency restrictions or devaluations, acts or threat of war or terrorism, insurrection, revolution or civil disturbance, acts of God, strikes or work stoppages, inability of any Depository or other settlement system to settle transactions, interruptions in postal, telephone and/or other communication systems or in power supply, the failure of any third party appointed by the Pledgor to fulfil its obligations hereunder, or any other event or factor beyond the reasonable control of the Custodian;
  - (e) any failure to act on Directions, if the Custodian reasonably believed that to do so might result in breach of Applicable Law or the terms of this Agreement; or
  - (f) any Collateral which it does not hold or which is not directly controlled by the Custodian or its appointed Agents.

- (4) The Custodian's duties and responsibilities in connection with this Agreement will be limited to those expressly set forth in this Agreement. The Custodian is not a principal, participant, party or beneficiary in any transaction underlying this Agreement and will have no duty to inquire beyond the terms and provisions hereof. Save and except for carrying out Directions as provided herein, the Custodian shall have no responsibility for trading in securities which form part of the Collateral, or for any investment management or investment decision. The Custodian shall not be held responsible for the sufficiency of the Collateral or for any market decline in the value of the Collateral and shall have no obligation to notify either the Pledgor or the Secured Party of any such decline. The Custodian will not be liable for any error in judgement, any act or omission, any mistake of law or fact, or for anything it may do or refrain from doing in connection herewith, except for its own negligence, wilful misconduct or lack of good faith.
- (5) Should any dispute arise in respect of the Collateral or this Agreement, or should the Custodian in good faith be uncertain as to what action to take under this Agreement, it will be entitled to withhold delivery of all or any part of the Collateral until the dispute is resolved, any conflicting demands are withdrawn or any uncertainty is resolved. Should the Custodian be threatened with litigation or become involved in litigation or arbitration in any manner whatsoever in connection with this Agreement or the Collateral, the **Pledgor hereby agrees to reimburse the Custodian for its lawyers' fees and any and all** other expenses, losses, costs and damages incurred by the Custodian in connection with such threatened or actual litigation or arbitration. Notwithstanding any other term of this Agreement, the Custodian shall have no responsibility or liability to the Pledgor for complying with an Entitlement Order concerning the Securities Account issued by the Secured Party, and shall have no responsibility to investigate the appropriateness of any such Entitlement Order, even if the Pledgor notifies the Custodian that the Secured Party is not legally entitled to originate any such Entitlement Order, unless the Custodian has been served with an injunction, restraining order or other legal process issued by a court of competent jurisdiction ("**Court Order**") enjoining it from complying and has had a reasonable opportunity to act on such Court Order.
- (6) The Custodian may employ and retain and consult with legal counsel or advisors satisfactory to it concerning any questions relating to its duties or responsibilities

hereunder or otherwise in connection herewith and the Pledgor shall reimburse the Custodian for all reasonable costs and expenses associated therewith. Provided that no conflict exists in relation to the issue between the Pledgor and the Secured Party, the Custodian may consult with counsel to the Secured Party or the Pledgor, as the Custodian may determine. The Custodian shall be entitled to rely on and may act upon advice of such legal counsel or advisors and shall not be liable for any action taken, suffered or omitted by it in good faith in relying thereon.

- (7) The Pledgor shall notify the Custodian in writing of any taxes payable in respect of the Collateral. The Custodian shall use reasonable efforts, based upon the information available to it, to assist the Pledgor with respect to any taxes. If the Custodian is responsible under any Applicable Law for any taxes in respect of the Securities Account, the Pledgor shall inform the Custodian in writing of such taxes, shall Direct the Custodian with respect to the payment of such taxes and shall provide the Custodian with the necessary funds and all information required to fund, pay or meet such taxes. The Custodian shall have no responsibility or liability for and shall be indemnified and held harmless by the Pledgor for any assistance provided to the Pledgor and for any taxes now or hereafter imposed on the Securities Account or the Pledgor or the Custodian in respect of the Securities Account by any taxing authorities, domestic, foreign or international.
- (8) Each of the Pledgor and the Secured Party shall provide the Custodian with an incumbency certificate substantially in the form set out in **Schedule "C" setting out the names and sample signatures of persons authorized to give Directions to the Custodian hereunder.** The Custodian shall be entitled to rely on such certificate until a revised certificate is provided to it hereunder. Unless otherwise expressly provided, each Direction shall continue in full force and effect until superseded or cancelled by another written instruction. Any Directions shall, as against the Pledgor and the Secured Party, if applicable, and in favour of the Custodian, be conclusively deemed to be Directions for the purposes of this Agreement notwithstanding any error in the transmission thereof or that such written instruction may not be genuine, if believed by the Custodian acting in good faith, to be genuine. Provided however that the Custodian, subject to Section 27(9), may in its discretion decline to act upon any Direction: (a) that is insufficient or incomplete; or (b) that is not received by the Custodian in sufficient time to give effect to

such written instructions; or (c) where the Custodian has reasonable grounds for concluding that the same has not been accurately transmitted or is not genuine. If the Custodian declines to give effect to any Directions for any reason set out in the preceding sentence, it shall notify the Person giving such instruction forthwith after it so declines.

- (9) Except as otherwise expressly provided in this Agreement, any statement, certificate, notice, request, consent, approval, or other instrument to be delivered or furnished by the Pledgor or the Secured Party shall be sufficiently executed if executed in the name of the Pledgor or the Secured Party by persons named in the incumbency certificate delivered pursuant to Section 27(8). The Custodian shall be protected in acting upon any written statement or other instrument made by such officers or agents of the Pledgor or the Secured Party with respect to the authority conferred on it.
- (10) When providing the services under this Agreement, the Custodian may disseminate to the Pledgor and the Secured Party certain financial market data made available to the **Custodian by third parties ("Data Vendors")**. The Pledgor and the Secured Party acknowledges that the access and use by the Pledgor and the Secured Party of such market data is subject to specific restrictions and obligations on the Custodian and the Pledgor and the Secured Party imposed by the Data Vendors. Such restrictions and obligations are further described in the document entitled *Third Party Data: Use and Re-Distribution Terms* (hereinafter referred to as the **"General Terms"**), **which has been made available to the Pledgor and the Secured Party**. By executing this Agreement, the Pledgor and the Secured Party acknowledges receiving and accepting the General Terms.

## **Section 28     Removal and Resignation of the Custodian.**

- (1) The Custodian may at any time resign from, and terminate its capacity hereunder by delivery of written notice of resignation, effective not less than ninety (90) days after receipt by both the Secured Party and the Pledgor. The Custodian may be removed by the Pledgor by (i) delivery to the Custodian and the Secured Party of a written notice of removal, effective not less than ninety (90) days after receipt by the Custodian and the **Secured Party of the notice, and (ii) receipt of the Secured Party's consent** to such action, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, no such resignation by the Custodian or removal by the Pledgor shall be



effective until a successor to the Custodian shall have been duly appointed by the Pledgor and approved by the Secured Party and all Collateral in the Securities Account have been duly transferred to such successor. The Pledgor, upon receipt of the written notice of resignation of the Custodian or issuance of a notice of removal of the Custodian, shall undertake to obtain the agreement of a qualified, successor depository, agreeable to the Secured Party, to act as a successor Custodian in accordance with all agreements of the Custodian herein. The Secured Party agrees not to withhold unreasonably approval of such Custodian.

- (2) Any successor Custodian appointed hereunder shall execute an instrument accepting such appointment hereunder and shall deliver the same to the Pledgor and the Secured Party and to the then acting Custodian. Thereupon such successor Custodian shall, without any further act, assume the obligations and duties of the Custodian under this Agreement with like effect as if originally named herein; but the predecessor Custodian shall nevertheless, when requested in writing by the successor Custodian, execute an instrument or instruments assigning such of its rights and powers, and shall duly assign, transfer and deliver to the Custodian all property and money held by such predecessor hereunder. The predecessor Custodian shall be entitled to reimbursement in accordance with Section 26 for all reasonable expenses it incurs in connection with the settlement of its account and the transfer and delivery of the Collateral to its successor. The predecessor Custodian shall continue to be indemnified by reason of such entity being or having been a Custodian in accordance with the terms hereof.

## **Section 29 No Conflict.**

- (1) The Custodian represents and warrants to the Secured Party and the Pledgor that, at the time of the execution and delivery of this Agreement, no material conflict of interest exists **with respect to the Custodian's role hereunder. The Custodian shall resign by giving** notice in accordance with Section 28 if a material conflict of interest arises with respect to its role as custodian hereunder that is not eliminated within ninety (90) days after the Custodian becomes aware of such conflict of interest. Immediately after the Custodian becomes aware that it has a material conflict of interest, it shall provide the Secured Party and the Pledgor with written notice of the nature of that conflict.

- (2) The Pledgor and the Secured Party agree that the Custodian, and any of its divisions, branches or Affiliates, may take any one or more of the following actions without creating a conflict of interest; and without being liable to account therefor or being in breach of this Agreement:
- (a) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same class and nature as may be part of the Collateral, whether on its own account or for the account of another (in a fiduciary capacity or otherwise);
  - (b) act as a market maker in any securities that form part of the Collateral;
  - (c) provide brokerage services to other clients;
  - (d) act as financial adviser to the issuer of such securities;
  - (e) act in the same transaction as agent for more than one client;
  - (f) act as a deposit taking institution holding the cash balances in the Securities Account;
  - (g) have a material interest in any issue of securities that form part of the Collateral;
  - (h) subject to Section 31, use in other capacities knowledge gained in its capacity as Custodian hereunder; and
  - (i) earn profits from any of the activities listed herein.

**Section 30 Communications and Directions.**

- (1) All communications hereunder (including, for greater certainty, Directions) must be given by one of the following methods of communication:
- personal or courier delivery;
  - prepaid ordinary mail;
  - facsimile;
  - S.W.I.F.T.;

- one of the Custodian's secured client access channels, including Investor Services Online;
- telecommunication or electronic terminals (transmission method, including, subject to Sections 30(6) and 30(7), the internet (e.g. email) or unsecured lines of communication); or
- telephone (subject to Section 30(4)).

(2) Communications should be addressed, as applicable, as follows:

- (i) to the Pledgor at:  
Convex Insurance UK Limited  
52 Lime Street,  
London, EC3M 7AF

Attention: Lauren Greenidge, Head of Group Treasury  
Email: TreasuryOps@convexin.com

- (ii) to the Secured Party at:  
333 Bay Street, Suite 1610  
Toronto, Ontario  
M5H 2R2

Attention: Vice-President, Risk Solutions  
Facsimile: 416-214-9597

- (iii) to the Custodian at:  
RBC Investor Services Trust  
155 Wellington Street West, 2<sup>nd</sup> Floor  
P.O. Box 7500, Station A  
Toronto, Ontario M5V 3L3

Attention: Director or Senior Manager, Client Management - Insurance  
Facsimile: 1-416-955-2600

(3) Any party may change its address and number for communications by notifying the other parties in accordance with the notice provision above. Any communication delivered personally shall be deemed to have been given and received on the day it is so delivered (or if that day is not a Business Day, on the next succeeding Business Day). Subject to

disruptions in the postal service, any communication sent by prepaid ordinary mail shall be deemed to have been given and received on the fifth Business Day following the date of mailing. **Any communication given by facsimile, S.W.I.F.T., one of the Custodian's** secured client access channels or directly between electromechanical or electronic terminals (including, subject to Section 30(6) and Section 30(7), the internet or unsecured lines of communication) shall be deemed to have been given and received on the Business Day it is transmitted provided that it was transmitted before 3:00 p.m. (Toronto time), and, if transmitted after 3:00 p.m. (Toronto time), it shall be deemed to have been given and received on the Business Day following the day of transmission provided in each case that confirmation of transmission is available from the party giving the communication.

- (4) With respect to telephone Directions, the party giving such Directions shall endeavour to forward written Directions confirming such telephone Directions on the same day that such telephone Directions are given to the Custodian. The fact that such confirming written Directions are not received or that contrary Directions are received by the Custodian shall in no way affect the validity of any transactions effected by the Custodian on the basis of the telephone Directions.

The parties acknowledge and agree that some or all telephone communications between the parties, including, without limitation, Directions, may be recorded by the Custodian. In the event of any disagreement as to the content of any communication given by telephone, **the Custodian's recording will be conclusive and determinative** of the contents of such communication.

- (5) Without limiting the foregoing, in the case of Directions sent through one of the **Custodian's secured access channels, including Investor Services Online, or sent directly** between electromechanical or electronic terminals (including, subject to Section 30(6) and Section 30(7), the internet or unsecured lines of communication), the parties acknowledge that it may not be possible for such Directions to be executed, however the Custodian shall nevertheless be protected in relying on such Directions as if they were written Directions from the Pledgor or the Investment Manager, as the case may be, executed by an authorized signatory of the Pledgor or the Investment Manager, as the case may be. The Custodian shall be entitled, without further inquiry or investigation, to assume that such

Directions have been duly and properly issued by the Pledgor or the Investment Manager, as the case may be, and that the sender(s) is/are duly authorized to act, and to provide Directions, on behalf of the Pledgor or the Investment Manager, as case may be.

- (6) The parties acknowledge and agree that the Custodian, in providing the services hereunder, may forward reports and information to the parties or an Investment Manager, and may receive and act upon communications and instructions (including without limitation, Directions) received from the parties or an Investment Manager, through use of the internet or any other electronic means of communication which is not secure.

The parties acknowledge and agree that the internet is not a secure or confidential means of communication, and that accordingly, there are certain risks inherent in its use. The parties therefore agree that the Custodian shall bear no responsibility or liability whatsoever for any errors and omissions, or direct, indirect or consequential losses or damages that are directly attributable to the use of the internet as a means of communication, including any losses or damages arising from viruses or worms, or the interception, tampering or breach of confidentiality of data or information transmitted **which is not encrypted and authenticated in accordance with the Custodian's encryption standards.**

The parties also agree that the Custodian may rely and act upon any email instructions or Directions received via the internet from the parties, without the Custodian having to take any further actions of any kind to verify or otherwise ascertain the validity of such instructions or Directions, and any such instructions or Directions shall be binding on the party on whose behalf the email instructions or Directions shall have been given and that such party shall not make any claim or take any action or proceedings against the Custodian for any losses or damages whatsoever suffered by reason of the Custodian accepting and acting upon such instructions or Directions.

- (7) The Pledgor and the Secured Party acknowledge that the use of the internet and any other networks or automated systems that provide the Custodian with internet access, or that provide the Pledgor and the Secured Party with internet access to services available to the Pledgor and the Secured Party via any online portal made available by the Custodian

(collectively, the “Automated Systems”), as well as the use of information technology (“IT”) systems generally, entails risks, including but not limited to service interruptions, system or communication failures, delays in service, errors or omissions in information provided, errors in the design or functioning of the Automated Systems and corruption of the Pledgor’s and/or the Secured Party’s data as well as risks related to cybercrime, including but not limited to theft of data or damage to the hardware, software, or electronic data of the computer systems of the Custodian (collectively, “Cyber & IT Risk”), which could result in a violation of the security or confidentiality of the Pledgor’s and the Secured Party’s data and confidential information and cause damage, expense or liability to the Pledgor and/or the Secured Party. The Pledgor and the Secured Party also acknowledge the chain risk associated to the use of subcontractors and delegates.

The Custodian hereby confirms that it has set-up an IT and cyber security framework to address Cyber & IT Risk, which includes written policies and **standards**. **The Custodian’s** framework, policies, and standards are aligned with industry leading practice and applicable laws. In addition to the IT and cyber security framework, the Custodian provides staff education and awareness training in support of the requirement for privacy and protecting our customer’s data.

The Custodian has strong controls in place to monitor its data security, including but not limited to the monitoring and detection of unauthorized access to systems and client data, as well as intrusion tests and vulnerability scans performed regularly. The Custodian engages industry leading third parties to conduct pro-active assessment activities to prevent advanced persistent threats from accessing its networks. The Custodian has established a **dedicated Security Operations Centre (“SOC”) that monitors cyber threats**. The SOC has 24/7 coverage and has incident monitoring capabilities to detect abnormal Custodian system behavior.

The Custodian has a dedicated incident response team whose role is to mitigate or resolve any cyber-attack or incident. **In case of a material incident, the Custodian’s risk crisis** management teams would be activated to liaise with, and provide information to, regulators, clients and constituents, and law enforcement, as appropriate. The Custodian has in place strong logical access controls in order to prevent unauthorized/inappropriate

access to its data and systems. The Custodian manages supplier risk by maintaining an up to date inventory of its suppliers and engagements with those suppliers. **Risk assessments are completed for the Custodian's suppliers at the start of the engagement** and then re-assessed based on a defined reassessment cycle or when there is a change to **the engagement with the supplier. The Custodian operates a "three lines of defense"** model with clearly documented roles and responsibilities in relation to Cyber & IT Risk. This model supports the design and implementation of the **Custodian's control** environment as well as providing assurance in relation to its operating effectiveness.

The Pledgor and the Secured Party acknowledge and agree that the Custodian has implemented appropriate and reasonable security measures and policies to address Cyber & IT Risk. Notwithstanding any term of this Agreement, the Custodian shall have no responsibility or liability whatsoever for losses or damages which may be suffered or incurred by the Pledgor or the Secured Party as a result of:

- (i) the failure of the Pledgor or the Secured Party to properly update, monitor or protect its IT systems, such as by installing appropriate antivirus software or taking similar measures;
- (ii) any system failure, system malfunction, software malfunction or technical failure of any Automated System;
- (iii) viruses or worms, trojan horses, unauthorized codes, malware, spyware, time bombs, time locks, drop deads, ransomwares and other similar malicious software: (i) being **introduced into the Custodian's systems**, (ii) **affecting the Custodian's use of any online services provided by the Custodian**, (iii) **corrupting, damaging or otherwise affecting the Custodian's data visible on or downloaded from any online portals made available by the Custodian** or (iv) **corrupting, damaging or otherwise affecting the Pledgor's and the Secured Party's IT systems**;

(iv) the interception, hacking, review, alteration, tampering with, or other breach of security of electronic communications between the Custodian and the Pledgor and/or the Secured Party; and

(v) any third party systems over which the Custodian has no control,

except where any such losses or damages are caused directly by the Custodian's breach of Standard of Care, fraud or willful misconduct.

(8) Nothing in this Agreement shall create an obligation for the Custodian to constantly monitor its electronic communication equipment, provided that reasonable monitoring is performed within business hours of the Custodian where communications are sent and the Custodian will not be held liable for an omission to act from not receiving electronically transmitted communications (including, without limitation, Directions). The party giving an electronic communication is responsible to ensure that it has been transmitted and received by the correct recipient. In the event of any disagreement as to whether electronic communications (including, without limitation, Directions) have been received by the Custodian, the sender will have the onus of proving that such electronic communications have been so received by the correct recipient.

(9) The Custodian shall:

- (a) be fully protected in acting upon any Direction believed by it to be genuine and presented by the proper Person(s); and
- (b) be under no duty to make any investigation or inquiry as to any statement contained in any such Direction but may accept such statement as conclusive evidence of the truth and accuracy of such statement.

### **Section 31 Confidentiality, Data Processing, and Sharing of Information.**

(1) Defined Terms

For the purposes of this Section 31 the following defined terms shall have the meanings ascribed to them below:



- (a) **“Client Information” means any and all information and documentation relating to the Pledgor or the Secured Party provided to the Custodian by the Pledgor or the Secured Party or any other person on the Pledgor’s or the Secured Party’s behalf during the course of the relationship with the Custodian, whether provided in person, by mail, email, fax, telephone or any other means. Client Information processed by the Custodian may include, but is not limited to, identification data, contractual and other documentation, and transactional information. It may also include Personal Data, including but not limited to Personal Data relating to the Pledgor’s or the Secured Party’s employees, directors, officers, legal representatives, beneficial owners, trustees, settlors, signatories, shareholders or otherwise.**
- (b) **“Confidential Information” means any information relating to a party or to the affairs, business and strategies, including the investments, of such party, and may include, without limitation, Personal Data, data identifying the relevant party, contractual and other documentation, transactional information, and shall include Client Information. Confidential Information shall not include any information to the extent that it is:**
- (i) already in the possession or otherwise known by the recipient or its Affiliates (in the case of the Custodian as recipient, RBC Group) before the date of this Agreement and was at the time not confidential information;
  - (ii) lawfully obtained by the recipient on a non-confidential basis;
  - (iii) in the public domain or becomes public information, otherwise than by way of a breach of this Agreement;
  - (iv) lawfully disclosed to a party by a third party without restriction on disclosure;
  - (v) disclosed by a party to a third party with the written consent of the other party; and

- (vi) independently developed by the receiving party without the use of any Confidential Information.
- (c) **"Permitted Disclosees"** means each party's Affiliates, direct and indirect subsidiaries and parent companies and each of their respective Affiliates, directors, officers or employees and, in the case of the Custodian, shall include without limitation RBC Group.
- (d) **"Personal Data"** means any information relating to an identified or identifiable individual, and any and all documents relating to or identifying that individual provided to the Custodian by the Pledgor or the Secured Party or any other person on their behalf during the course of the relationship with the Custodian. Such data **may include but is not limited to, details about the Pledgor's or the Secured Party's** employees, directors, officers, legal representatives, beneficial owners, trustees, settlors and signatories. The Pledgor and the Secured Party will inform and obtain consent from any relevant individual so that data relating to them may be processed as described in this Section 31.
- (e) **"RBC Group"** means Royal Bank of Canada, a Canadian chartered bank, and all direct and indirect subsidiaries of Royal Bank of Canada and all of their Affiliates, directors and employees. A reference to subsidiary means, from time to time, any corporation which is under the control of Royal Bank of Canada either directly or indirectly, or Royal Bank of Canada directly or indirectly controls at least 50% of the voting rights of such corporation.

(2) Confidentiality

Subject to Sections 29(2)(h), 31(3), 31(4), 31(5) and 31(6), each party will keep the other party's Confidential Information confidential and shall not disclose such Confidential Information to any person not authorized to receive the same and each party will use its reasonable endeavours to prevent any such disclosure.

(3) Disclosure of Confidential Information

Each party may disclose Confidential Information to its Permitted Disclosees and as may be required by law or regulation, by order of any court of competent jurisdiction, or by order of any competent regulatory authority.

(4) Permitted Disclosure by Custodian

Without limiting the generality of the foregoing, the Custodian shall be permitted to disclose any Client Information:

- (a) to the entities of RBC Group located in various jurisdictions, including but not limited to Australia, Belgium, Canada, France, Hong Kong, Ireland, Italy, Luxembourg, Malaysia, Singapore, Spain, Switzerland and the United Kingdom for the following purposes:
  - (i) to ensure and facilitate compliance with applicable laws and/or regulations,
  - (ii) to determine eligibility for products and services;
  - (iii) to enable the Custodian to provide existing, new or enhanced services in **connection with or arising out of, this Agreement, or the Pledgor's or the Secured Party's Directions;**
  - (iv) to assess financial and credit risk, and generally in connection with the prudent risk management of the RBC Group;
  - (v) to administer and process the Securities Account;
  - (vi) to manage information technology and associated databases, processes, and similar technological requirements, in an efficient manner in order to minimize service interruptions and deliver quality client service;
  - (vii) to receive services from other entities of the RBC Group in connection with any of the above purposes;
  - (viii) to protect and enforce any property or other rights of the RBC Group; and

- (ix) to manage disputes, litigation or investigations;
- (b) to Agents to enable the Custodian to provide services to the Pledgor or the Secured Party;
- (c) to any governmental or regulatory authorities, stock exchanges and clearing houses; or
- (d) as otherwise required in accordance with Applicable Law.

(5) Additional Disclosure by Custodian

The Pledgor and the Secured Party further consent to the following:

- (a) **the Custodian may disclose the Pledgor's and the Secured Party's details and** information about its securities holdings upon the request of the issuer of the relevant securities; and,
- (b) the Custodian may process Client Information as aforesaid and the Pledgor and the Secured Party specifically authorise and empower the Custodian to do so.

(6) Information Held Outside Canada

When Permitted Disclosees are located outside Canada, Client Information that is stored in Canada may be transferred to jurisdictions outside Canada, and may be stored and processed in such jurisdictions, including countries which may not provide the same level of Personal Data protection as is available in Canada, and the measures that the Custodian may use to protect such Client Information in addition to being subject to the laws of Canada, are also subject to legal requirements of the jurisdiction where such Client Information may be transferred, stored and processed. As a result, Client Information may be disclosed to the lawful authorities in such other jurisdictions in order to comply with lawful requests from local or foreign regulators, government agencies, public bodies or other entities who have the lawful authority to issue such requests. The Custodian shall not be liable for any consequences resulting from the disclosure of the Client Information to such authorities. No provision of this Section 31 shall prevent any competent authority from having access to and obtaining, upon request, any document or information relating to the parties or the services performed under this Agreement.

(7) Consent

The Pledgor and the Secured Party agree that the disclosure of Client Information is made in their interest and that such disclosure permits the Custodian to provide them with effective and efficient services. The consent given in Sections 31(3), 31(4), 31(5) and 31(6) shall remain valid during the life of the contractual relationship between the parties. The Pledgor and the Secured Party hereby waive any pre-existing confidentiality obligations that the Custodian may have toward them in that regard. The consent given under this Section 31 supplements any consent the Pledgor or the Secured Party have previously granted to the Custodian.

(8) Data Protection

The Custodian shall implement appropriate technological and organizational security measures to protect data against accidental or unlawful destruction or loss, alteration, unauthorized disclosure or access.

(9) Client Refusal

The Pledgor or the Secured Party will be able, at any time, to refuse the collecting, processing and sharing of Client Information as otherwise provided in this Section 31. Such refusal will affect the existence or continuation of the provision of services under this Agreement and the Custodian shall not be liable for any loss or damage resulting, directly or indirectly, from such refusal.

(10) Access to Client Information

The Pledgor and the Secured Party have the right to request access to (and correction of, if necessary) any Client Information relating to them upon reasonable notice to the Custodian and may do so by contacting the Custodian at the contact details set out in Section 30(2).

**Section 32 General.**

- (1) The Agreement shall not be terminated except by a written release or discharge signed by the Secured Party. Upon termination of the Agreement and at the request and expense of the Pledgor, the Secured Party will execute and deliver to the Pledgor such financing statements and other documents or instruments as the Pledgor may reasonably require and the Custodian will redeliver to the Pledgor, or as the Pledgor may otherwise Direct the Custodian, any Collateral in its possession.

- (2) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Secured Party will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Secured Party in respect of the Secured Obligations. The representations, warranties and covenants of the Pledgor and the Custodian in this Agreement survive the execution and delivery of this Agreement. Notwithstanding any investigation made by or on behalf of the Custodian or the Secured Party, the covenants, representations and warranties continue in full force and effect.
- (3) The Pledgor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Secured Party may require and take all further actions as the Secured Party may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Secured Party and the Custodian. After the Security Interest becomes enforceable, the Pledgor will do all acts and things and execute and deliver all documents and instruments that the Secured Party may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (4) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Secured Party.
- (5) This Agreement is binding on the Pledgor, its successors and assigns, and enures to the benefit of the Secured Party, the Custodian, and their respective successors and assigns. This Agreement may not be assigned without the consent of the parties hereto.
- (6) The Pledgor acknowledges and agrees that in the event it amalgamates or merges with any other Person, it is the intention of the parties that the Security Interest (i) extends to: (A) all of the Collateral that any of the amalgamating corporations then own, (B) all of the Collateral that the amalgamated corporation thereafter acquires, (C) all of the Collateral in which any of the amalgamating corporations then has any interest and (D) all of the Collateral in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to the Secured Party in any

currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional Collateral at the time of amalgamation and to any Collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term **"Pledgor"** means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term **"Collateral"** means all of the property and undertaking and interests described in (i) above, and the defined term **"Secured Obligations"** means the obligations described in (ii) above.

- (7) If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (8) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party, the Custodian and the Pledgor, except that Schedule "A" to this Agreement may be amended by written agreement executed by the Secured Party and the Pledgor alone. The Secured Party and/or the Pledgor shall provide the Custodian with a copy of any and all amendments to Schedule "A" within a reasonable amount of time after executing such amendments.
- (9) No consent or waiver by the Secured Party in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Secured Party. Any consent or waiver given by the Secured Party under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (10) A failure or delay on the part of the Secured Party in exercising a right under this Agreement does not operate as a waiver of, or impair, any other right of the Secured Party however arising. A single or partial exercise of a right on the part of the Secured Party does not preclude any other or further exercise of that right or the exercise of any other right by the Secured Party.

- (11) All monies collected by the Secured Party upon the enforcement of its rights and remedies under this Agreement, including any sale or other disposition of the Collateral, will be applied on account of the Secured Obligations at such times, in such manner and in such order as the Reinsurance Agreement may require or as the Secured Party may determine, provided always that it is applied in accordance with the purposes specified in the Reinsurance Agreement. For avoidance of doubt, Expenses incurred in the enforcement by the Secured Party of its rights and remedies under this Agreement constitute part of the Secured Obligations and the proceeds of the enforcement may be applied in satisfaction thereof.
- (12) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (13) The Pledgor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Ontario sitting in Toronto, Ontario in any action or proceeding arising out of or relating to this Agreement. The Pledgor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section 32(13) limits the right of the Secured Party to bring proceedings against the Pledgor in the courts of any other jurisdiction.
- (14) Any action or proceeding against the Custodian arising out of or relating to this Agreement may only be brought in a court of competent jurisdiction in the Province of Ontario.
- (15) The Pledgor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Pledgor at the address set out in relation to the Pledgor in Section 30(2). Nothing in this Section 32(15) limits the right of the Secured Party to serve process in any other manner permitted by law.
- (16) The Custodian may convert paper records of this Agreement and all other Documents **delivered to the Custodian into electronic images, as part of the Custodian's normal business practices.** Each such electronic image shall be considered an authoritative copy of the paper Document, and shall be legally binding on the parties and admissible in any



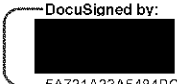
legal, administrative, or other proceeding as conclusive evidence of the contents of such Document in the same manner as the original paper Document.

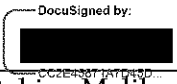
- (17) Electronic records, information, or other Documents maintained by the Custodian in electronic form will be admissible in any legal, administrative, or other proceedings as conclusive evidence of the contents of those records, information, or other Documents in the same manner as an original paper Document. The Pledgor and the Secured Party waive any right to object to the introduction of any such records, information, or other Documents into evidence on that basis.
- (18) This Agreement may be signed electronically and in any number of counterparts, all of which taken together shall constitute one single document. The electronic exchange of signed or electronically signed copies of this Agreement (including pdf copies or other legible image files) will be, among other methods of delivery, sufficient to bind the parties, and no party shall contest the enforceability or admissibility of a copy of this Agreement that has been electronically signed and delivered.

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IN WITNESS WHEREOF this agreement has been executed and delivered as of the date first above written.

**CONVEX INSURANCE UK LIMITED**

Per:   
Matthew Wilson  
Authorized Signing Officer

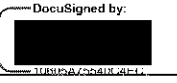
Per:   
Robina Malik  
Authorized Signing Officer

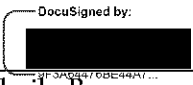
**TRISURA GUARANTEE INSURANCE COMPANY**

Per:   
Chris Sekine  
Authorized Signing Officer

Per:   
David Scotland  
Authorized Signing Officer

**RBC INVESTOR SERVICES TRUST, as Custodian**

Per:   
Sylvia Risk  
Authorized Signing Officer

Per:   
Sheila Bowyer  
Authorized Signing Officer

**SCHEDULE "A"**  
**TO THE REINSURANCE SECURITY AGREEMENT**  
**DATED AS OF THE 17<sup>th</sup> DAY OF APRIL, 2024**

Quota Share Reinsurance Contract effective 12:01a.m. March 1, 2020

Endorsement 1, effective November 25, 2020

Endorsement 2, effective February 28, 2021

Endorsement 3, effective March 31, 2021

Endorsement 4, effective July 1, 2022

**SCHEDULE "B"**  
**TO THE REINSURANCE SECURITY AGREEMENT**  
**DATED AS OF THE 17<sup>th</sup> DAY OF APRIL, 2024**  
**SECURITIES ACCOUNT**

**SCHEDULE "C"**  
**TO THE REINSURANCE SECURITY AGREEMENT**

**DATED AS OF THE 17<sup>th</sup> DAY OF APRIL, 2024**

**CERTIFICATE OF AUTHORIZED SIGNATORIES ("C.O.A.S.")**



**SCHEDULE "D"**  
**TO THE REINSURANCE SECURITY AGREEMENT**

**DATED AS OF THE 17<sup>th</sup> DAY OF APRIL, 2024**

**PERMITTED INVESTMENTS**

- All securities must be denominated in United States Dollars (USD) or Canadian Dollars (CAD)
- All securities must be issued by US or Canadian entities
- All securities will have a minimum of a A- rating at any of the following rating agencies; **S&P, Moody's or Fitch**
- All securities will have an effective maturity of less than 10 years
- All securities must be settled via the Canadian Depository for Securities; for avoidance of doubt, cash is not considered to be a security for purposes of this requirement
- Cash – the deposit of cash into the securities account
- Government Money Market Funds – where underlying assets are predominately invested in cash, government securities or repurchase agreements that are collateralised by government securities.
- Government Securities - Any debt securities issued or explicitly guaranteed by the US or Canadian government
- Federal Agency Securities - Any debt securities issued or explicitly guaranteed by a Relevant Federal Agency (Fannie Mae, Freddie Mac and Ginnie Mae)
- Provincial Securities – Any debt securities issued or explicitly guaranteed by a provincial state
- Municipal Securities – Any debt securities issued or explicitly guaranteed by a Municipality
- Corporate Securities – Any debt securities issued or explicitly guaranteed by a corporate entity

Any transactions within the Securities Account must comply with the permitted investments schedule at all times.

For the avoidance of doubt any security or asset type not listed in the above is deemed ineligible (including without limitation Asset Backed Securities, Non-Agency Mortgage-Backed Securities and Collateralised Loan Obligations).

To the extent that this schedule contradicts anything in the Reinsurance Agreement, this schedule takes precedence, and the Reinsurance Agreement shall be deemed to have been amended to the extent required to resolve the conflict.