

SCHEDULE “A”

AMENDED AND RESTATED SALE AND INVESTOR SOLICITATION PROCEDURES

Universal Settlements International Inc. Procedures for the Sale and Investor Solicitation Process

Recitals

- A. On December 2, 2008, Universal Settlements International Inc. (the “**Company**”) filed for and obtained protection from its creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “**CCAA**”) pursuant to the provisions of an order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
- B. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor (in its capacity as monitor and not in its personal and corporate capacity, the “**Monitor**”) during the CCAA proceedings (the “**CCAA Proceedings**”).
- C. Pursuant to the Plan and the Declaration of Trust, the Company agreed to hold certain assets and property of the Company, including the Policies, in trust for the Plan Beneficiaries;
- D. On October 1, 2014, the Court issued an order (the “**SISP Approval Order**”) approving a sale and solicitation process to be commenced one (1) Business Day after the issuance of the Plan Amendment Sanction Order (the “**SISP Commencement Date**”), on the terms and conditions set out therein. On November 19, 2014, the Court issued an order (the “**SISP Amendment Order**”) approving an amended and restated sale and solicitation process to be commenced on the SISP Commencement Date, on the terms and conditions set out herein (as amended and restated, the “**SISP**”) and the SISP procedures set forth herein describing, among other things, the Policies available for sale, the opportunity to invest in or refinance or finance the Policies, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Policies, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, the receipt and negotiation of Qualified Bids

received, the ultimate selection of one or more successful bids, and the process for approval by the Court thereof (these “**SISP Procedures**”).

- E. The SISP Approval Order, the SISP Amendment Order, the SISP and these SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of all or substantially all of the Policies, an investment in the Policies or the refinancing or financing of the Policies.
- F. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Defined Terms

- 1. The following capitalized terms shall have the following meanings when used in this SISP:
 - (a) “**Approval Motion**” shall mean the motion before the Court for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid;
 - (b) “**Bid Deadline**” shall have the meaning given to it in paragraph 20;
 - (c) “**Business Day**” shall mean any day other than (a) a Saturday or Sunday, or (ii) a day which is a statutory holiday in Toronto, Ontario;
 - (d) “**CCAA**” shall have the meaning given to it in Recital A;
 - (e) “**CCAA Proceedings**” shall have the meaning given to it in Recital B;
 - (f) “**Company**” shall have the meaning given to it in Recital A;
 - (g) “**Confidentiality Agreement**” shall have the meaning given to it in paragraph 4(c);
 - (h) “**Court**” shall have the meaning given to it in the Recital A;

- (i) **“Data Room”** shall have the meaning given to it in paragraph 4(d);
- (j) **“Declaration of Trust”** means the declaration of trust by the Company dated as of July 17, 2009 pursuant to which the Company agreed to hold certain property of the Company, including the Policies, in trust for the Plan Beneficiaries in accordance with the Plan;
- (k) **“Deposit”** shall have the meaning given to it in paragraph 21(e);
- (l) **“Escrow Period”** means in the case of a Successful Bid that is a Sale Proposal, the period between the closing of the Successful Bid and the full and complete release to the Company, as trustee for the Plan Beneficiaries, of the full purchase price proceeds or consideration paid by the Successful Bidder to the Company in escrow pursuant to the terms of the definitive purchase agreement relating to such Successful Bid;
- (m) **“Form of APA”** means the form of purchase agreement to be provided to Phase II Qualified Bidders as part of the SISP, which is to be marked by Phase II Qualified Bidders to show proposed changes pursuant to paragraph 21(e);
- (n) **“Initial Order”** shall have the meaning given to it in Recital A;
- (o) **“Investment Proposal”** shall have the meaning given to it in paragraph 6;
- (p) **“LOI”** shall have the meaning given to it in paragraph 16;
- (q) **“LOI Deadline”** shall have the meaning given to it in paragraph 16;
- (r) **“Management Bid”** means a prospective bid involving a Prospective Bidder in respect of which one or more members of the USI Management Team is participating in any manner;
- (s) **“Monitor”** shall have the meaning given to it in Recital B;
- (t) **“Monitored Account Agreement”** means the monitored account agreement dated as of July 17, 2009 between the Company and the Monitor, as it may be amended, supplemented or restated from time to time;

- (u) **“Monitored Trust Account”** means the Monitored Trust Account as defined in the Monitored Account Agreement;
- (v) **“Monitor’s Website”** means the Monitor’s website for the CCAA Proceedings located at www.ey.com/ca/universalsettlements;
- (w) **“Outside Date”** shall mean March 18, 2015 or such other date as the Monitor may agree from time to time;
- (x) **“Phase I Qualified Bidder”** shall have the meaning given to it in paragraph 12;
- (y) **“Phase II Qualified Bidder”** shall have the meaning given to it in paragraph 19;
- (z) **“Plan”** means the amended plan of compromise and arrangement dated June 16, 2009;
- (aa) **“Plan Amendment Sanction Order”** means the order of the Court approving an amendment to the Plan, as it may be amended, restated or supplemented from time to time;
- (bb) **“Plan Beneficiaries”** means the Purchasers (as defined in the Plan), Ordinary Creditors (as defined in the Plan) and any other parties receiving benefits under the Plan;
- (cc) **“Policies”** means the life insurance policies held by the Company for the benefit of the Plan Beneficiaries, and all rights associated with such policies, including the right to death benefits thereunder, and for great certainty does not include any monies in the Monitored Trust Account;
- (dd) **“Prospective Bidder”** shall have the meaning given to it in paragraph 10(a), but shall not include any one or more members of the USI Management Team, and **“Prospective Bidders”** shall mean more than one of them;
- (ee) **“Prospective Bidder Deadline”** shall have the meaning given to it in paragraph 11;

- (ff) **“Qualified Bid”** shall have the meaning given to it in paragraph 21, but shall not include a Management Bid, and **“Qualified Bids”** means more than one of them;
- (gg) **“Qualified Bidder”** means a Phase I Qualified Bidder or a Phase II Qualified Bidder, but shall not include any one or more members of the USI Management Team, and **“Qualified Bidders”** means more than one of them;
- (hh) **“Sale Proposal”** shall have the meaning given to it in paragraph 6;
- (ii) **“Selected Bidders”** shall have the meaning given to it in paragraph 28(b);
- (jj) **“Service List”** means the service list in the CCAA Proceedings as posted on the Monitor’s Website, as it may be updated from time to time;
- (kk) **“SISP”** shall have the meaning given to it in Recital D;
- (ll) **“SISP Amendment Order”** shall have the meaning given to it in Recital D;
- (mm) **“SISP Approval Order”** shall have the meaning given to it in Recital D;
- (nn) **“SISP Commencement Date”** shall have the meaning given to it in Recital D;
- (oo) **“SISP Procedures”** shall have the meaning given to it in Recital D;
- (pp) **“Successful Bid”** shall have the meaning given to it in paragraph 28(a);
- (qq) **“Successful Bidder”** shall have the meaning given to it in paragraph 28(a);
- (rr) **“Teaser Letter”** shall have the meaning given to it in paragraph 10(b); and
- (ss) **“USI Management Team”** means Jeff Panos, Chris Halas and Riaz Khan and any other employee of the Company from time to time designated by the Monitor, in its sole discretion, as being a member of the USI Management Team.

Conduct of the SISP

2. The SISP will be carried out by the Monitor. The Monitor is fully and exclusively authorized, empowered and directed to take any and all actions and steps, pursuant to the SISP and these SISP Procedures. If it is determined at any time by the Monitor that it may not be in the best interests of the Plan Beneficiaries to commence or continue with the SISP, the Monitor shall as soon as reasonably practicable file a motion with the Court seeking advice and directions with the respect to the commencement, modification, continuation or termination of the SISP, on notice to the Service List.
3. At any time during the SISP, the Monitor may from time to time (a) consult with the Company or such other parties as the Monitor considers appropriate in respect of the conduct of the SISP, (b) retain such agents, consultants or brokers as it considers appropriate to assist it in the conduct of the SISP (and any references herein to the Monitor shall include any such agents, consultants or brokers),_ and/or (c) apply to the Court for advice and directions with respect to the discharge of any of its power and duties hereunder.
4. The Monitor's primary responsibilities will include:
 - (a) preparing a list of Prospective Bidders;
 - (b) drafting the Teaser Letter;
 - (c) assisting legal counsel with the preparation of the template form of confidentiality agreement to be executed by Prospective Bidders (the "**Confidentiality Agreement**"), and posting such Confidentiality Agreement on the Monitor's Website;
 - (d) establishing and managing the electronic data room for this SISP (the "**Data Room**");
 - (e) assisting legal counsel with the preparing the template Form of APA;
 - (f) managing all communications with Prospective Bidders and Qualified Bidders, prior to and after receipt of the LOIs and Qualified Bids. These communications include, without limitation, facilitating the delivery of all

communications, contacting Prospective Bidders and providing them with the Teaser Letter, coordinating the execution of the Confidentiality Agreements by Prospective Bidders and managing the process of answering all inquiries from Prospective Bidders and Qualified Bidders;

(g) negotiating with Prospective Bidders and Qualified Bidders; and

(h) reviewing and considering the LOIs and Qualified Bids.

5. The Company shall assist the Monitor with the preparation of all of the materials listed above and with the population of due diligence materials for the Data Room and shall generally cooperate with the Monitor with respect to all actions necessary to achieve the objectives of this SISP which are to solicit offers for the sale of, or investment in, or the refinancing or financing of, the Policies which will be in the best interests of the Plan Beneficiaries.

Sale, Investment and Financing Opportunities

6. Qualified Bidders will have the opportunity to submit a bid to purchase all or substantially all of the Policies (a “**Sale Proposal**”) or for an investment in the Policies (an “**Investment Proposal**”) or for a refinancing or financing of the Policies (a “**Financing Proposal**”). One or more Qualified Bids for less than substantially all of the Policies will not be precluded from consideration, either alone or in combination, as a Qualified Bid or Successful Bid. For greater certainty, a Management Bid shall not be a Qualified Bid.

“As is, Where Is”

7. Any Sale Proposal and Investment Proposal shall be made on an “as is, where is” basis, without surviving representations or warranties of any kind or nature except to the extent otherwise set forth in a definitive transaction documentation with a Successful Bidder.

8. The Monitor and the Company are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder, Qualified Bidder or Successful Bidder in connection with the Policies. The Monitor and the Company and their respective advisors do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder, Phase I Qualified Bidder, Phase II Qualified Bidder, Selected Bidder or the Successful Bidder, including any information contained in the Data Room, except, in the case of the Company, to the extent provided under any definitive transaction documentation executed and delivered by a Successful Bidder and the Company, as trustee of the Policies.

Free of Any and All Claims and Interests

9. In the event of a Sale Proposal for all or a portion of the Policies, all of the right, title and interests of the Company and the Plan Beneficiaries in and to the Policies to be acquired will be sold free and clear of all pledges, liens, security interests, charges, options, hypothecs, mortgages and interests thereon, except to the extent otherwise set forth in a definitive purchase agreement executed with a Successful Bidder.

Solicitation of Interest

10. As soon as practicable after the granting of the Plan Amendment Sanction Order, the Monitor will:
 - (a) compile a listing of prospective purchasers, investors and financiers (a “**Prospective Bidder**”), which list will include both strategic and financial parties who in the Monitor’s reasonable business judgment may be interested in acquiring the Policies or making an investment in or providing refinancing or financing of the Policies; and
 - (b) send to each Prospective Bidder a solicitation letter summarizing the acquisition, investment and/or financing opportunity with respect to the Policies (the “**Teaser Letter**”). The Teaser Letter will attach a form of Confidentiality Agreement, which Confidentiality Agreement may also be found on the Monitor’s Website. Such Confidentiality Agreement shall

include provisions whereby the Prospective Bidder agrees to accept and be bound by the provisions of this SISP and the SISP Procedures contained herein. The Prospective Bidders will be required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room), and an opportunity to meet with such parties as the Monitor may arrange, to perform due diligence.

- (c) The Monitor reserves the right to limit any Qualified Bidder's access to any information in the Data Room where, in the Monitor's discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, or the value of the Policies. Requests for additional information will be made to the Monitor.

Participation Requirements

- 11. Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Phase 1 Qualified Bidder or Phase II Qualified Bidder, a Prospective Bidder must deliver the following to the Monitor so as to be received by the Monitor not later than 5:00 p.m. (Toronto time) on Monday, January 26, 2015 or such later date or time as the Monitor may determine appropriate or as may be ordered by the Court (the "**Prospective Bidder Deadline**"):

- (a) an executed Confidentiality Agreement, which shall inure to the benefit of any purchaser of or investor in any of the Policies;
- (b) a specific indication of the anticipated sources of capital for such Prospective Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Monitor, to make, in its reasonable business or professional judgment, a reasonable determination as to the Prospective Bidder's financial and other capabilities to consummate a transaction;
- (c) a letter setting forth the identity of the Prospective Bidder, the contact information for such Prospective Bidder, and if requested by the Monitor, full

disclosure of the direct and indirect owners of the Prospective Bidder and their principals;

- (d) an indication of whether the Prospective Bidder will be offering to (i) acquire all or substantially all of the Policies, or (ii) make an investment in the Policies; or (iii) to refinance or finance the Policies; and
 - (e) a written acknowledgement of receipt of a copy of the SISP Approval Order, the SISP Amendment Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein.
- 12. A Prospective Bidder will be considered by the Monitor to be a **“Phase I Qualified Bidder”** if (a) such Prospective Bidder has satisfied all of the requirements described in paragraph 11 above; and (b) such Prospective Bidder’s financial information and credit support or enhancement demonstrate to the satisfaction of the Monitor, in its reasonable business judgment, the financial capability of such Prospective Bidder to consummate a transaction and that such Prospective Bidder is likely (based on availability of financing, experience and other considerations) to consummate either a Sale Proposal, Investment Proposal or Financing Proposal, as applicable.
- 13. The Monitor may seek clarifications with any Prospective Bidder with respect to any of the requirements described in paragraph 11 above and such Prospective Bidder’s financial capability to consummate a transaction, and the Monitor may grant extensions to the Prospective Bidder Deadline and shall comply with any extensions as may be ordered by the Court. The Monitor may waive compliance with any one or more of the requirements specified in paragraph 11 and deem any Prospective Bidder to be a Phase I Qualified Bidder.
- 14. The determination by the Monitor as to whether a Prospective Bidder is a Phase I Qualified Bidder will be made as promptly as practicable but no later than two (2) Business Days after a Prospective Bidder delivers all of the materials required under paragraph 11 hereof. If it is determined by the Monitor that a Prospective Bidder is a Phase I Qualified Bidder, the Monitor will promptly notify the Prospective Bidder that it is a Phase I Qualified Bidder.

15. If it is determined by the Monitor that there are no Phase I Qualified Bidders in accordance with the terms of this SISP, and, that as a consequence proceeding with the SISP will not be in the best interests of the Plan Beneficiaries, the Monitor shall as soon as reasonably practicable file a motion with the Court on notice to the Service List seeking advice and directions with respect to the modification, continuation, suspension or termination of the SISP.

Submission of Non-Binding Letters of Intent

16. In order for a Phase 1 Qualified Bidder to continue to participate in the SISP, the Monitor must receive (at the address set out in the Teaser Letter) from such Phase 1 Qualified Bidder a non-binding letter of intent or, in the case of a Financing Proposal, a non-binding financing discussion paper or term sheet (a “LOI”) on or before 5:00 p.m. Toronto Time on Monday, February 2, 2015 or such later date as the Monitor may determine appropriate or the Court may order (the “LOI Deadline”), which LOI shall be in writing and include the following:

- (a) if the LOI is in respect of a Sale Proposal or an Investment Proposal:
 - (i) a reasonably detailed listing and description of the Policies to be included in the Sale Proposal, and in the case of an Investment Proposal, a reasonably detailed description of the manner in which the investment is to be made;
 - (ii) an indication of the proposed purchase price or financial terms of such Sale Proposal or Investment Proposal;
 - (iii) an acknowledgment that the Sale Proposal or Investment Proposal, as applicable, will be made on an “as is, where is basis”;
 - (iv) a description of any liabilities to be assumed by the Phase I Qualified Bidder;
 - (v) a list of any additional due diligence required to be completed before making a Qualified Bid;
 - (vi) any anticipated regulatory and other approvals required to close the

proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

- (vii) all conditions to closing that the Phase I Qualified Bidder may wish to impose;
 - (viii) a timeline to closing, which is to occur on or before the Outside Date, with critical milestones;
 - (ix) any other terms and conditions which the Qualified Bidder believes are material to the transaction; and
 - (x) such other information reasonably requested by the Monitor.
- (b) if the LOI is in respect of a Financing Proposal, the LOI may be in the form of a non-binding financing discussion paper or term sheet outlining the terms under which the Phase I Qualified Bidder would be prepared to refinance or finance the Policies. Such LOI would include the following:
- (i) the amount of financing available;
 - (ii) the cost of such financing, including fees and interest;
 - (iii) the terms of repayment and term of the facility/facilities;
 - (iv) any conditions of financing, including details regarding further due diligence required;
 - (v) any approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
 - (vi) a timeline to closing, which is to occur on or before the Outside Date, with critical milestones;
 - (vii) any other terms and conditions which the Qualified Bidder believes are material to the proposed refinancing or financing; and

(viii) such other information reasonably requested by the Monitor.

17. In addition, in order to be considered by the Monitor, financial information reasonably requested by the Monitor to demonstrate that the Phase I Qualified Bidder has the financial resources to consummate the transaction contemplated by the LOI must be provided. If the Phase I Qualified Bidder intends to acquire the Policies or provide an investment through a special purpose vehicle, the equity holders or sponsors of such special purpose vehicle must guarantee the special purpose vehicle's obligations.
18. The Monitor will review and evaluate the LOIs based on, among other things, the ability of each Phase I Qualified Bidder to complete due diligence on a timely basis as well as other purchaser or investor selection criteria that may be developed by the Monitor. For greater certainty, the Monitor shall be entitled, either prior to or following the LOI Deadline, to seek to clarify the terms of an LOI received prior to the LOI Deadline. The Monitor may grant extensions to the LOI Deadline and shall comply with any extensions thereof as may be ordered by the Court. The Monitor may waive compliance with any one or more of the requirements specified in paragraph 16 and deem any non-compliant LOI to be a qualifying LOI.

Identification of Phase II Qualified Bidder(s)

19. The Monitor shall consider each LOI upon its submission and determine whether it will be in the best interests of the Plan Beneficiaries to pursue a transaction on the terms set out in the applicable LOI with such Phase I Qualified Bidder. Any Phase I Qualified Bidder with whom the Monitor seeks to pursue a transaction with on the terms set out in the applicable LOI shall be deemed to be a Phase II qualified bidder(s) (the "**Phase II Qualified Bidder**"). The determination by the Monitor as to whether a Phase I Qualified Bidder is a Phase II Qualified Bidder will be made as promptly as practicable after the delivery by the Phase I Qualified Bidder of an LOI, or any clarification that may be sought by the Monitor pursuant to paragraph 18. Phase I Qualified Bidders will be promptly advised by the Monitor if they have been selected as a Phase II Qualified Bidder, and will thereafter be provided an opportunity to access additional due diligence materials, complete due diligence and submit a binding Sale Proposal, Investment Proposal or Financing Proposal. No LOIs will be considered for qualification as a Phase II Qualified Bidder after the LOI Deadline. If at any point before the LOI Deadline the

Monitor determines that it will not be in the best interests of the Plan Beneficiaries to continue with the SISP, the Monitor shall as soon as reasonably practicable file a motion to the Court on notice to the Service List for advice and directions with respect to the continuation, modification, suspension or termination of the SISP.

Submissions of Binding Qualified Bids

20. Under the bid procedure set out herein, all Qualified Bids for a Sale Proposal, Investment Proposal or Financing Proposal must be submitted in writing by a Phase II Qualified Bidder to the Monitor at the address set out in the Teaser Letter and received on or before 5:00 p.m. Toronto Time on Tuesday, February 10, 2015 or such later date as the Monitor may determine appropriate or the Court may order (the “**Bid Deadline**”).

Requirements for Qualified Bids

21. A Sale Proposal will be considered a “**Qualified Bid**” only if (i) it is submitted by a Phase II Qualified Bidder on or before the Bid Deadline, and (ii) the Sale Proposal complies with the following requirements:
- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including, if requested by the Monitor, the identification of the Phase II Qualified Bidder’s direct and indirect owners and their principals, and the complete terms of such participation;
 - (b) it contains evidence of authorization and approval from the Phase II Qualified Bidder’s board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the sale transaction contemplated by the Qualified Bid;
 - (c) it includes in a letter that the bid is a binding offer capable of acceptance by the Company, as owner of the Policies and as trustee for the Plan Beneficiaries, irrevocable and open for acceptance until at least 11:59 p.m. Toronto Time on the Business Day after the closing of a Successful Bid;
 - (d) it includes a reasonably detailed listing and description of the Policies to be

included in the Sale Proposal;

- (e) it includes (A) a duly authorized and executed purchase agreement based on the Form of APA; (B) all exhibits and schedules thereto, and such ancillary agreements as may be required by the Phase II Qualified Bidder with all exhibits and schedules thereto, (C) a mark-up of the Form of APA showing amendments and modifications made thereto; and (D) a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the order of the Monitor, in trust (the “**Deposit**”), in an amount equal to fifteen percent (15%) of the purchase price contemplated therein;
- (f) it includes an acknowledgement and representation that the Phase II Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the Policies, (ii) except as expressly stated in the definitive sale agreement, did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Policies or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the Policies, (B) the nature and condition of Policies, (C) the nature, condition or health of any of the insureds, (D) the amount of the premiums payable or death benefits available with respect to or under any of the Policies, (E) the condition or status, financial or otherwise, or nature of the insurance company issuing any of the Policies, or (F) the accuracy or completeness of any actuarial valuation or stochastic analysis obtained by the Company in respect of the Policies; and (iii) is a knowledgeable, experienced and sophisticated purchaser with respect to life insurance policies and life settlement contracts, has been provided access to and has reviewed the Policies and is relying on its own expertise and that of its own consultants, accountants, actuaries and legal and tax advisors in making its Qualified Bid;

- (g) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the transaction, that will allow the Monitor to make a reasonable determination as the Phase II Qualified Bidder's (and its direct and indirect owners and their principals, as applicable) financial and other capabilities to consummate the sale transaction contemplated by the Qualified Bid;
 - (h) it includes whether the Phase II Qualified Bidder is able to provide any financing to the Company, as trustee of the Policies, during the Escrow Period (whether from the Deposit, any other escrowed purchase price funds and/or otherwise);
 - (i) if the Phase II Qualified Bidder is an entity newly formed for the purpose of the sale transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor that names the Company as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;
 - (j) it shall not be conditional upon, among other things;
 - (i) the outcome of unperformed due diligence by the Phase II Qualified Bidder; or
 - (ii) obtaining any financing; or
 - (iii) approval of the Qualified Bid by the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable;
- and shall include an acknowledgement and representation that the Phase II Qualified Bidder had the opportunity to conduct any and all due diligence prior to making its Qualified Bid;
- (k) it includes a detailed list of conditions to closing, including any anticipated regulatory and other approvals required to close the proposed transaction, and

the anticipated time frame and any anticipated impediments for obtaining any such approvals;

- (l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the Outside Date;
- (m) it is in the Monitor's reasonable business judgment reasonably likely to close on or before the Outside Date;
- (n) it does not request or entitle the Phase II Qualified Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and
- (o) it contains such other information reasonably requested by the Monitor.

22. An Investment Proposal will be considered a "**Qualified Bid**" only if (i) it is submitted by a Phase II Qualified Bidder on or before the Bid Deadline, and (ii) the Investment Proposal complies with the following requirements:

- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including, if requested by the Monitor, the identification of the Phase II Qualified Bidder's direct and indirect owners and their principals, and the complete terms of such participation;
- (b) it contains evidence of authorization and approval from the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the investment transaction contemplated by the Qualified Bid;
- (c) it includes in a letter that the bid is a binding offer capable of acceptance by the Company, as owner of the Policies and as trustee for the Plan Beneficiaries, irrevocable and open for acceptance until at least 11:59 p.m. Toronto Time on the Business Day after the closing of a Successful Bid;
- (d) it includes a reasonably detailed description of the manner in which the investment is to be made;

- (e) it includes, (A) such duly authorized and executed documents as the Monitor may accept, including exhibits and schedules thereto, and (B) a Deposit in an amount equal to fifteen percent (15%) of the total proposed investment therein;
- (f) it includes an acknowledgement and representation that the Phase II Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the Policies, (ii) except as expressly stated in the definitive transaction documentation, did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Policies or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the Policies, (B) the nature and condition of Policies, (C) the nature, condition or health of any of the insureds, (D) the amount of the premiums payable or death benefits available with respect to or under any of the Policies, (E) the condition or status, financial or otherwise, or nature of the insurance company issuing any of the Policies, or (F) the accuracy or completeness of any actuarial valuation or stochastic analysis obtained by the Company in respect of the Policies; and (iii) is a knowledgeable, experienced and sophisticated purchaser with respect to life insurance policies and life settlement contracts, has been provided access to and has reviewed the Policies and is relying on its own expertise and that of its own consultants, accountants, actuaries and legal and tax advisors in making its Qualified Bid;
- (g) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the investment transaction, that will allow the Monitor to make a reasonable determination as the Phase II Qualified Bidder's (and its direct and indirect owners and their principals, as applicable) financial and other capabilities to consummate the transaction contemplated by the Qualified Bid;

- (h) it includes whether the Phase II Qualified Bidder is able to provide any financing to the Company, as trustee of the Policies, pending closing of the investment transaction contemplated by the Qualified Bid;
- (i) if the Phase II Qualified Bidder is an entity newly formed for the purpose of the investment transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor that names the Company as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;
- (j) it shall not be conditional upon, among other things;
 - (i) the outcome of unperformed due diligence by the Phase II Qualified Bidder; or
 - (ii) obtaining any financing; or
 - (iii) approval of the Qualified Bid by the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable,and shall include an acknowledgement and representation that the Phase II Qualified Bidder had the opportunity to conduct any and all due diligence prior to making its Qualified Bid;
- (k) it includes a detailed list of conditions to closing, including any anticipated regulatory and other approvals required to close the proposed transaction, and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
- (l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the Outside Date;
- (m) it is in the Monitor's reasonable business judgment reasonably likely to close on or before the Outside Date;
- (n) it does not request or entitle the Phase II Qualified Bidder to any break-fee,

termination fee, expense reimbursement or other type of compensation or payment; and

- (o) it contains such other information reasonably requested by the Monitor.

23. A Financing Proposal will be considered a “**Qualified Bid**” only if (i) it is submitted by a Phase II Qualified Bidder on or before the Bid Deadline, and (ii) the Financing Proposal complies with the following requirements:

- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including, if requested by the Monitor, the identification of the Phase II Qualified Bidder’s direct and indirect owners and their principals, and the complete terms of such participation;
- (b) it contains evidence of authorization and approval from the Phase II Qualified Bidder’s board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the refinancing or financing contemplated by the Qualified Bid;
- (c) it is in the form of a binding commitment letter or term sheet that is a binding offer capable of acceptance by the Company, as owner of the Policies and as trustee for the Plan Beneficiaries, irrevocable and open for acceptance until at least 11:59 p.m. Toronto Time on the Business Day after the closing of a Successful Bid;
- (d) it includes the amount of the proposed refinancing or financing available;
- (e) it includes the cost of the proposed refinancing or financing, including fees and interest;
- (f) it includes the terms of repayment and term of the facility/facilities;
- (g) it includes an acknowledgement and representation that the Phase II Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; including the Policies, (ii) did not

rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Policies or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the Policies, (B) the nature and condition of Policies, (C) the nature, condition or health of any of the insureds, (D) the amount of the premiums payable or death benefits available with respect to or under any of the Policies, (E) the condition or status, financial or otherwise, or nature of the insurance company issuing any of the Policies, or (F) the accuracy or completeness of any actuarial valuation or stochastic analysis obtained by the Company in respect of the Policies, except as expressly stated in the definitive transaction documentation; and (iii) is a knowledgeable, experienced and sophisticated financier with respect to life insurance policies and life settlement contracts, has been provided access to and has reviewed the Policies and is relying on its own expertise and that of its own consultants, accountants, actuaries and legal and tax advisors in making its Qualified Bid;

- (h) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the transaction, that will allow the Monitor to make a reasonable determination as the Phase II Qualified Bidder's (and its direct and indirect owners and their principals, if applicable) financial and other capabilities to consummate the financing transaction contemplated by the Qualified Bid;
- (i) if the Phase II Qualified Bidder is an entity newly formed for the purpose of the financing transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor that names the Company as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;
- (j) it shall not be conditional upon, among other things;
 - (i) the outcome of unperformed due diligence by the Phase II

Qualified Bidder; or

- (ii) obtaining any financing; or
- (iii) approval of the Qualified Bid by the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable,

and shall include an acknowledgement and representation that the Phase II Qualified Bidder had the opportunity to conduct any and all due diligence prior to making its Qualified Bid;

- (k) it includes a detailed list of conditions to closing, including any anticipated regulatory and other approvals required to close the proposed transaction, and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
- (l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the Outside Date;
- (m) it is in the Monitor's reasonable business judgment reasonably likely to close on or before the Outside Date;
- (n) it does not request or entitle the Phase II Qualified Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment, other than a commitment fee, standby facility fees and other normal course financing fees, consistent with industry standard; and
- (o) it contains such other information reasonably requested by the Monitor.

24. Each Qualified Bid will be considered by the Monitor. The Monitor may seek clarifications to any Qualified Bids following the Bid Deadline, and the Monitor may grant extensions to the Bid Deadline set out herein and shall comply with any extensions thereof as may be ordered by the Court. The Monitor may (i) waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be a Qualified Bid, and (ii) aggregate separate bids to create one "Successful Bid" from more than one Phase II Qualified Bidder.

Assessment of Qualified Bids

25. In assessing Qualified Bids in respect of a Sale Proposal, the Monitor will consider, among other things, the following:
- (a) the purchase price and net value (including all assumed liabilities and other obligations to be performed by the Phase II Qualified Bidder) provided by such Qualified Bid;
 - (b) the provision and terms and conditions of any financing to be provided by the Phase II Qualified Bidder to the Company, as trustee of the Policies, during the Escrow Period;
 - (c) the firm, irrevocable commitment for financing the transaction or other evidence of ability to consummate the proposed sale transaction;
 - (d) the claims likely to be created by such Qualified Bid in relation to other Qualified Bids;
 - (e) the counterparties to the proposed sale transaction;
 - (f) the proposed revisions to the Form of APA and the terms of the proposed sale transaction documents;
 - (g) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals and other conditions required to close the proposed sale transaction by the Outside Date);
 - (h) the assets included or excluded from the bid and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the Policies;
 - (i) the conditions to closing of the proposed sale transaction;
 - (j) any transition services required from the Company post-closing and any related restructuring costs; and
 - (k) the likelihood and timing of the consummation of the proposed sale transaction

and whether, in the Monitor's reasonable business judgment, the proposed sale transaction is reasonably likely to close on or before the Outside Date.

26. In assessing Qualified Bids in respect of an Investment Proposal, the Monitor will consider, among other things, the following:

- (a) the amount of equity and debt investment and the proposed sources and uses of such capital;
- (b) in the provision and terms and conditions of any financing to be provided by the Phase II Qualified Bidder to the Company, as trustee of the Policies, during the Escrow Period;
- (c) the debt to equity structure post-closing;
- (d) the counterparties to the proposed investment transaction;
- (e) the terms of the proposed investment transaction documents;
- (f) other factors affecting the speed, certainty and value of the proposed investment transaction (including any regulatory approvals and other conditions required to close the proposed investment transaction);
- (g) the planned treatment of the Plan Beneficiaries; and
- (h) the likelihood and timing of the consummation of the proposed investment transaction and whether, in the Monitor's reasonable business judgment, the proposed investment transaction is reasonably likely to close on or before the Outside Date.

27. In assessing Qualified Bids in respect of a Financing Proposal, the Monitor will consider, among other things, the following:

- (a) the amount of financing available;
- (b) the cost of such financing, including fees and interest;
- (c) the terms of repayment and term of the facility/facilities;

- (d) any conditions of financing;
 - (e) the ability of such proposed refinancing or financing to facilitate a distribution to the Plan Beneficiaries; and
 - (f) other factors affecting the speed, certainty and value of the proposed financing transaction (including any regulatory approvals and other conditions required to close the proposed financing transaction); and
 - (g) the likelihood and timing of the consummation of the proposed financing transaction and whether, in the Monitor's reasonable business judgment, the proposed financing transaction is reasonably likely to close on or before the Outside Date.
28. If one or more Qualified Bids are received in accordance with the bid procedure set out herein, the Monitor may choose to:
- (a) accept one Qualified Bid (the "**Successful Bid**" and the Phase II Qualified Bidder making the Successful Bid being the "**Successful Bidder**") and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the Monitor may accept more than one separate bid from more than one Phase II Qualified Bidder to create one "Successful Bid" and in such case, the Phase II Qualified Bidders will become the "Successful Bidders"; or
 - (b) continue negotiations with a selected number of Phase II Qualified Bidders (collectively, the "**Selected Bidders**") with a view to finalizing an agreement with one or more of the Selected Bidders, with one or more of such Selected Bidders being the Successful Bidder(s).
29. The Monitor may (a) reject, at any time any bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements of the CCAA, these SISP Procedures or any orders of the Court applicable to the Company, or (iii) contrary to the best interests of the Plan Beneficiaries as determined by the Monitor; (b) in accordance with the terms hereof accept bids not in conformity with these SISP Procedures to the extent that the Monitor determines, in its reasonable business judgment that doing so would benefit the Plan

Beneficiaries; and (c) in accordance with the terms hereof extend the Prospective Bidder Deadline, LOI Deadline and Bid Deadline; and (d) reject all bids. For greater certainty, the Monitor shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid and/or the Selected Bidders shall be entirely in the discretion of the Monitor.

30. If the Monitor determines that no Qualified Bid was received or rejects all Qualified Bids because it is not in the best interests of the Plan Beneficiaries, the Monitor shall as soon as reasonably practicable file a motion with the Court to seek advice and directions with respect to the continuation, modification or termination of the SISP.

Approval Motion

31. After a definitive agreement(s) in respect of the Successful Bid have been finalized in accordance with these SISP Procedures, the Monitor will apply to the Court as soon as reasonably practicable for the Approval Motion.
32. The Approval Motion will be held on a date to be scheduled by the Court that will be on at least fourteen (14) days' notice to the Service List and the Company's creditors in the CCAA Proceedings in accordance with the SISP Approval Order and the SISP Amendment Order. The Approval Motion may be adjourned or rescheduled by the Monitor by an announcement of the adjourned date at the Approval Motion or by notice to the Service List maintained by the Monitor in these CCAA Proceedings and no further notice shall be required.
33. All Qualified Bids (other than the Successful Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.
34. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

Deposit

35. All Deposits will be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the

Successful Bidder whose bid is approved by the Court will be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as the Successful Bidder will be return to such bidders within ten (10) Business Days of the date on which the Successful Bid is approved by the Court. If there is no Successful Bid, subject to the following paragraph 36, all Deposits (plus applicable interest) will be returned to the Qualified Bidders within ten (10) Business Days of the date on which the SISP is terminated in accordance with this SISP.

36. If a Successful Bidder breaches any of its obligations under the terms of the SISP or any definitive transaction documentation, its Deposit will be forfeited as liquidated damages and not as a penalty.

Reservation of Rights and Monitor's Conduct of the SISP

37. This SISP and these SISP Procedures do not, and will not be interpreted to, create any contractual or other legal relationship between the Company or the Monitor or between any of them and any bidder, other than as specifically set forth in a definitive agreement that any such bidder may enter into with the Company, as owner and as trustee of the Policies.
38. The Monitor may from time to time extend any of the time limits set out in these SISP Procedures, as the Monitor determines appropriate.
39. In conducting the SISP, the Monitor is not, and shall not be or be deemed to be, a director, officer or employee of the Company and the Monitor shall not incur any liability or obligation as a result of its conduct of the SISP, including any solicitations, advertising, marketing, negotiation or completion of a transaction pursuant to the SISP on behalf of USI (if so directed by the Court), the exercise or performance of the Monitor's powers and duties hereunder, save and except as may result from gross negligence or wilful misconduct of the Monitor.

No Amendment

40. There will be no amendments to the SISP or these SISP Procedures without the approval

of the Court on notice to the Service List, subject to such non-material amendments as may be agreed to by the Monitor and the Company. The Monitor and any other person may seek advice and directions from the Court on notice to the Service List with respect to the conduct of the SISP.