

Nesto TERMS AND CONDITIONS OF GROUP INSURANCE COVERAGE CERTIFICATE OF INSURANCE

GROUP POLICY N° 60175

This Certificate of Insurance sets out your coverage under the Policy issued by Canada Life to Nesto Inc.

Nesto's Mortgage Protection Insurance provides group creditor life and disability insurance underwritten by The Canada Life Assurance Company ("Insurer" or "Canada Life"), under Group Policy ("Policy") 60175, issued to Nesto Inc. (Nesto) as the policyholder. Each applicant (referred to as "you") approved by the Insurer is insured under the Policy, further to your Application for Nesto Mortgage Protection Insurance Life and Disability Insurance ("Insurance").

Eligibility

To be eligible to apply for Insurance, at the date of application you must be:

- between 18 and 64 years old;
- a Canadian resident (living in Canada at least six months out of the year); and
- a borrower, co-borrower or guarantor of an eligible Mortgage.

In addition, to be eligible for disability insurance You must:

- have Life Insurance
- not currently be receiving Worker's Compensation or disability benefits; and
- be actively working

Gainfully employed means you are:

- engaged in full-time employment (including self-employment), consistently working at least 20 hours per week, for which you are paid a salary or wages; or
- on maternity or parental leave but capable of performing the regular duties of your employment or occupation; or
- employed seasonally for at least 20 hours per week during the work season and you have a proven work history as a seasonal employee, you expect to return to the same occupation the next season and you are currently capable of performing the regular duties of your seasonal employment.

A maximum of two people may be insured with respect to a single Mortgage.

EFFECTIVE DATE OF INSURANCE:

If you have answered "NO" to the Health Questions on the Application and the insured Mortgage amount applied for plus the balance of any other of your existing insured mortgages under Policy Number 60175 is equal to or less than \$500,000, your application for coverage is automatically approved and the Effective Date of Insurance is the later of the date your Application was submitted or the Requested Effective Date.

If you answered "YES" to any of the health questions in the Application, you must complete a separate health assessment. In this case, the Insurer will send you a written notice of approval or refusal of your Application which will state the Effective Date of Insurance.

WHEN COVERAGE BEGINS:

Your Insurance coverage begins on the Effective Date of Insurance.

Note: no benefit will be paid until funds have been fully advanced by the Creditor.

WHEN COVERAGE ENDS:

Your Insurance ends on the earliest of the following dates:

- the date the Mortgage is paid in full, discharged or assumed in writing by some other person;
- the date we receive written notice of cancellation signed by all applicants;
- the date that all or part of your Insurance premiums are 60 days overdue;
- the day you turn 75 years of age for Life Insurance and the day you turn 65 for Disability Insurance
- the date you are no longer a borrower, co-borrower or guarantor of the Mortgage;
- the date you die;
- the date the Group Policy for Life or Disability Insurance is terminated;
- the date that your amortization period as set out in your Mortgage Agreement with your lender expires, up to a maximum of 35 years after the Effective Date of Insurance;
- where Nesto is the mortgage lender, the date you transfer your mortgage to another lender; or
- For Disability Insurance, the date your Life Insurance coverage ends.

For Accidental Death Benefit Insurance, coverage will end on the earliest of the Effective Date of Insurance or the date funds are advanced under your mortgage.

TEMPORARY COVERAGE (ACCIDENTAL DEATH BENEFIT INSURANCE):

If you die as a result of an Accident before the date your Application for Insurance under this Certificate is approved or declined, Canada Life will pay the Creditor the amount of Life Insurance you applied for. This benefit is provided at no additional cost to you.

LIFE INSURANCE

Provided all terms and conditions of the Certificate of Insurance are met, in the event of your death, the amount of the Life Insurance benefit that the Insurer will pay to the Creditor will be:

- If the Insured Mortgage Balance applied for is equal to the mortgage amount, the life insurance benefit will be the outstanding balance on your insured Mortgage at date of your death (including accrued interest up to maximum of 90 days)
- If the Insured Mortgage Balance applied for is less than the mortgage amount, the life insurance benefit will be a percentage of the outstanding balance at the date of your death (including accrued interest up to maximum of 90 days), calculated as follows:

Insured Mortgage Balance applied for ÷ Mortgage amount on Effective Date of Insurance x Outstanding Balance on Date of death

The combined Life Insurance benefits payable under this Certificate and any other Certificate issued by Canada Life to you may not exceed the maximum amount of insurance stated on the Certificate. In the event that the combined Life Insurance applied for exceeds the maximum amount of insurance, the amount of Life Insurance payable under this Certificate will be reduced on a pro rata basis with the other Certificates so the total payable does not exceed the maximum amount of Insurance.

We will not pay any overdue payments or additional interest charges due under the Mortgage at the date of your death. If more than one applicant is insured under this Certificate, any insurance benefit payable will only be paid for the applicant who dies first. If both die simultaneously, we will only pay the Life Insurance benefit payable once.

We will pay the Creditor's normal prepayment compensation, if any, including interest reinvestment charges and discharge fees; any overdrawn balance in your property tax account; and any "cash back option" penalty amount owing and included in the existing balance on the payout statement.

If you commit suicide within the two year period following the Effective Date of Insurance, this Certificate will be void and our liability will be limited to the return of any premiums paid by you.

Pro-Rated Coverage - If, when coverage begins, the total of all insured Mortgages under the Policy exceeds \$750,000, premiums will only be calculated on the \$750,000 maximum, and the benefit paid will be pro-rated.

For example: If the mortgage balance was \$1,000,000 at the time of the Insurance Application and the balance owing at the date of death is \$500,000, the benefit payable is $\$750,000 \div \$1,000,000 \times \$500,000 = \$375,000$.

Note: All Life Insurance benefits paid by the insurer are applied directly to your insured Mortgage account(s).

DISABILITY INSURANCE

Provided all terms and conditions of the Certificate are met, if you become Disabled for longer than the waiting period (60 consecutive days), the Insurer will pay your insured monthly benefit for a maximum of 24 months, subject to the waiting period. Payment will be calculated from the first day of Disability following the waiting period.

Insured monthly benefit payments will end on the earliest of the following dates:

- the date you are no longer Disabled or return to work;
- the date you become employed at any occupation for compensation or pay; or
- the date the 24 months of disability payments have been made on your behalf;

The amount paid for periods of Disability which are less than one month will be calculated at the daily rate of 1/30th of the insured monthly benefit.

After the waiting period, successive periods of Disability caused by the same sickness or injury, separated by less than one month (thirty days) of continuous

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employment are considered a continuation of a period of Disability and are not subject to a new waiting period.

The combined Disability Insurance monthly benefit payable under this Certificate and any other Certificate in respect to Insurance coverage issued by the Insurer to you may not exceed the maximum amount of Insurance stated on this Certificate.

In the event that the combined Disability Insurance applied for exceeds the maximum amount of Insurance, the amount of Disability Insurance payable under the Certificate of Insurance will be reduced on a pro rata basis with the other Certificates so the total payable does not exceed the maximum amount of Insurance.

We will not pay any monthly benefit for any debt outstanding under the Mortgage on the termination of this Insurance. If both applicants are Disabled at the same time, the insured monthly benefit will be paid for applicant 1 only.

Note: All Disability Insurance benefits paid by the insurer are applied directly to your insured Mortgage account(s).

MAXIMUM BENEFITS

The benefits payable cannot exceed the maximum amount provided for all insured loans:

Age at time of Application	Benefit	Maximum
Ages 18 - 64 years	Life	\$ 750,000
	Disability	\$ 3,500 per month

EXCLUSIONS

No benefits will be paid if your death or disability is caused, contributed to by, or associated with:

- your use of any drug, poisonous substance, intoxicant or narcotic, unless taken according to the instructions of your Physician;
- your operation of any motorized vehicle or watercraft while your ability to do so is impaired by drugs or alcohol, or with blood alcohol concentration in excess of legal limits in the jurisdiction where the operation occurred;
- your commission or attempted commission of a criminal offence, regardless of whether charges are laid or a conviction is obtained;
- intentional self-inflicted injury, (whether you are aware or not aware of the result of your actions, regardless of your state of mind);
- war or any act of war whether declared or undeclared, unless you are on active military duty as a member of the Canadian Forces or Canadian Forces reserve;
- cosmetic or elective surgery, excluding unexpected medical complications; or
- normal pregnancy, childbirth, or termination of pregnancy, excluding medical complications.

In addition, no benefit will be paid for accidental death caused by:

- your participation in a speed contest, scuba-diving, sky-diving, parachuting, hang-gliding or bungee jumping; or
- travel or flight or getting in and out of:
 - an aircraft being used for test or experiment;
 - a military aircraft, other than on a scheduled transport aircraft; or
 - an aircraft you are flying, learning to fly, or are a part of the crew of, unless you are a fare-paying passenger on a scheduled commercial airline.

PREMIUM COST

Your Insurance premium is based on your age and the insured amount of your Mortgage at the time you apply for Insurance. If the total of all Mortgages insured under the Group Policy, plus any Mortgage for which you are applying, exceeds \$750,000 for Life Insurance, you will pay a premium on the amount only up to the maximum allowable benefit as described in the section "Maximum Benefits".

The total monthly Insurance premium is due and payable, upon the frequency chosen by you, through the pre-authorized payment plan. Canada Life reserves the right to change the monthly premium or rates. You will be given advance notice of any change.

	Life		Disability
	Monthly premium rates per \$1,000 of your <i>insured Mortgage</i> are:		Monthly premium rates per \$100 of Your <i>Insured Monthly Mortgage Payment</i> are:
Age	Non-Smoker	Smoker	
18 – 30	\$0.08	\$0.13	\$1.40
31 – 35	\$0.12	\$0.19	\$1.78
36 – 40	\$0.18	\$0.29	\$2.25
41 – 45	\$0.27	\$0.43	\$2.85
46 – 50	\$0.39	\$0.62	\$3.40
51 – 55	\$0.50	\$0.80	\$4.35
56 – 60	\$0.69	\$1.10	\$5.55
61 – 64	\$0.90	\$1.44	\$6.40
Joint	0.80 x (Total Premium of all Insured's)		n/a

Provincial sales tax will be added to your premium where applicable. The cost of joint coverage is calculated using the joint rate.

Example: You and your co-borrower have a \$200,000 Mortgage and want to insure it with Life Insurance. You are 35 years old and your co-borrower is 30 years old. The premium rate will be \$0.12 per \$1,000 of initial Insured Mortgage Balance for the first applicant and \$0.08 per \$1,000 of initial Insured Mortgage Balance for the co-applicant. The premium will be calculated as follows: premium for Applicant $(\$200,000 \div \$1,000) \times \$0.12 = \24 per month, premium for co-applicant: $(\$200,000 \div \$1,000) \times \$0.08 = \16 per month, $0.80 \times (\$24 + \$16) = \$32 + \text{PST}$ where applicable.

If you add onto or refinance your mortgage, additional Insurance coverage for any new funds advanced may be applied for at current rates at the borrower's current age. A second certificate will be issued for any additional coverage that is approved.

Canada Life may approve partial coverage for your mortgage if your Insured Mortgage Balance exceeds \$250,000. If so, you will receive confirmation of this in your approval letter. If partial coverage is approved, any benefits payable under this Certificate will be subject to partial coverage, which is equal to the percentage of the total mortgage amount for which coverage has been approved. For example: if you have been approved for a partial coverage amount of \$250,000 on a mortgage loan amount of \$600,000, any benefit payable under this Certificate will be multiplied by 41.67% $(\$250,000/\$600,000 = 0.4167)$. In this case, if a life insurance claim of \$400,000 would normally be payable under the Certificate, the amount payable would be \$166,666.67 $(\$400,000 \times 41.67\%)$.

To see if you are eligible contact Canada Life at 1-800-380-4572.

CLAIMS

TO INITIATE A CLAIM PLEASE CALL 1-800-380-4572.

Notice of Claim

Disability claim forms must be received by the Insurer within ninety (90) days from the day the disability started.

Life claim forms must be received by the Insurer as soon as possible or within one (1) year from the date of death, and in Quebec, within three (3) years from the date of death.

Notice given by or on behalf of the Insured Person to Canada Life at its head office, or to any authorized agent of Canada Life, with information sufficient to identify the Insured Person, will be deemed notice to Canada Life. If you are not able to provide proof of claim within the time specified, your claim will not be invalidated so long as you provided proof as soon as reasonably possible.

You must provide medical evidence required to support the claim at your expense. You or your authorized representative will be notified in writing of the decision to approve or deny your claim by the Insurer within 30 days of the Insurer receiving all information required by the Insurer to make a decision.

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Physical Examinations

Canada Life at its own expense will have the right and opportunity to examine the Insured Person when and as often as they may reasonably require during the pendency of a claim under this Policy.

CANCELLATION OF INSURANCE AND 30 DAY REVIEW PERIOD

You may cancel this Insurance at any time. If you cancel within thirty (30) days of the Effective Date of Insurance you will receive a full refund of any premiums paid and the Insurance coverage will never have been in force.

**TO VOLUNTARILY CANCEL YOUR INSURANCE PLEASE
CALL 1-800-380-4572.**

PORTABILITY

Your existing Insurance coverage provided by Canada Life continues in the event that your Mortgage is transferred to another property. The original terms of the Insurance coverage stay in effect. Premiums continue as indicated on the Application and supported on your Notice of Approval.

In the event that you refinance, additional Insurance coverage for any new funds advanced may be applied for at the borrower's current age. A second Certificate will be in effect for any additional Insurance coverage, if approved.

Where Nesto is the mortgage lender coverage is not portable to another lender if you transfer your mortgage.

In Quebec, with respect to this policy, Nesto is the mortgage lender.

LIMITATION OF ACTION

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act (for actions or proceedings governed by the laws of Alberta and British Columbia), The Limitations Act (for actions or proceedings governed by the laws of Saskatchewan), The Insurance Act (for actions or proceedings governed by the laws of Manitoba), the Limitations Act, 2002 (for actions or proceedings governed by the laws of Ontario), or in other applicable legislation. This time period may differ by province or territory but in most jurisdictions, it is two years from the date you knew or ought to have known of the loss or occurrence. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the Quebec Civil Code and is three years.

INCONTESTABILITY

The validity of this Insurance coverage will not be contested, except for non-payment of premiums or fraud, after it has been in force for two (2) years from its date of issue.

No statement made by any Insured Person(s) relating to his insurability, other than a fraudulent statement, will be used in contesting the validity of the Insurance after such Insurance has been in force for a period of two (2) years during such Insured Person(s) lifetime. This incontestability provision will not apply to misstatement of age.

MISREPRESENTATION

Concealment, misrepresentation or a false or incomplete declaration on the application or in any other communication with Canada Life or Nesto could cause your insurance to be void.

MISSTATEMENT OF AGE

If the age of the Insured Person(s) has been misstated and, according to his correct age, was over the maximum age on the date of the indebtedness, no Insurance under this Certificate shall take effect, and the liability of Canada Life shall be limited to a refund of all premiums paid.

GRACE PERIOD

A grace period of 60 days is granted for the payment of any premium falling due, during which period the Insurance will remain in force. If any premium is not paid within the grace period, the Insurance will terminate at the end of the grace period.

CANADA LIFE COMPLAINTS PROCESS

To obtain information about how to make a complaint and Canada Life's complaints handling process, please call 1-800-380-4572.

PROTECTING YOUR PERSONAL INFORMATION

At The Canada Life Assurance Company, we recognize and respect the importance of privacy.

Your personal information:

- When you apply for coverage, we establish a confidential file that contains your personal information like your name, contact information, and products and coverage you have with us. Depending on the products or services you apply for and are provided with, this may also include financial or health information.
- Your information is kept in the offices of Canada Life or the offices of an organization authorized by Canada Life.
- You may exercise certain rights of access and rectification with respect to the personal information in your file by sending a request in writing to Canada Life.

Who has access to your information?

- We limit access to personal information in your file to Canada Life staff or persons authorized by Canada Life who require it to perform their duties and to persons to whom you have granted access.
- In order to assist in fulfilling the purposes identified below, we may use service providers located within or outside Canada.
- Your personal information may also be subject to disclosure to public authorities or others authorized under applicable law within or outside Canada.

What your information is used for:

- Personal information that we collect will be used for the purposes of determining your eligibility for products, services, or coverage for which you apply, providing, administering, or servicing products or coverage you have with us, and for Canada Life's and its affiliates' internal data management and analytics purposes.
- This may include investigating and assessing claims, paying benefits, and creating and maintaining records concerning our relationship.
- The consent given in this form will be valid until we receive written notice that you have withdrawn it, subject to legal and contractual restrictions. For example, if you withdraw your consent, we may not be able to continue to adjudicate or administer a claim for benefits.

If you want to know more:

For a copy of our Privacy Guidelines, or if you have questions about our personal information policies and practices (including with respect to service providers), write to Canada Life's Chief Compliance Officer or refer to www.canadalife.com.

The Canada Life Assurance Company
330 University Ave. Toronto, ON M5G 1R8
www.canadalife.com

Information about Nesto

Nesto receives a fee from Canada Life for providing services to Canada Life regarding this insurance. Representatives promoting the insurance on behalf of Nesto may receive compensation.

DEFINITIONS:

ACCIDENT – means a sudden, violent, unforeseen external event that causes physical bodily injury, and does not include Sickness, or any illness or disease.

APPLICATION - means the electronic application, written application, or telephone conversation with a representative of Nesto in which you indicate your intention to apply (for insurance under this Certificate and the supporting Notice of Approval).

CREDITOR - means the organization or financial institution that is the mortgagee under the insured Mortgage. In Quebec, Nesto is the Creditor.

INSURED PERSON(S) - means the Applicant/Co-Applicant who are eligible for Insurance under the group Policy, are named on the Application and have been issued a Certificate of Insurance and who are debtor(s) under the Mortgage. Each Insured must be a natural person, and not a partnership, company, or association.

INSURED MORTGAGE BALANCE - means the debt with principal, which is equal to the Insured Amount Applied For, amortized with regular, equal payments of principal and interest over the Mortgage Amortization Term, using the interest rate of the Mortgage.

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INSURED MONTHLY MORTGAGE PAYMENT – means the monthly payment made by the debtor to reduce the Insured Mortgage Balance, including only principal, interest, and insurance premium, and does not include any property tax instalments.

LOSS - means the death or disability of the Insured Person covered by this Certificate.

MONTHLY BENEFIT - means if an Insured Person's Disability commences while insured and is continuous for more than the number of days of the Waiting Period, Canada Life will pay to the Creditor an amount equal to the Monthly Benefit stated in the Application as Insured Monthly Mortgage Payment and supporting Notice of Approval, but subject to the Insurance coverage maximum also shown. Such payment shall be applied to reduce or pay off the indebtedness. The Monthly Benefit will be payable from the first day following the Waiting Period.

MORTGAGE - means the debt described on the Application, payable in whole or part by regular, equal installments, to the Creditor.

NOTICE OF APPROVAL – means the document provided with Your welcome letter which lists Your Mortgage Insurance details

OUTSTANDING BALANCE - means the amount owing on Your Mortgage as determined by the Creditor.

PARTIAL COVERAGE – is optional and if chosen by You means that part of Your Insured Mortgage Balance will be covered if You have been approved for insurance and Your Insured Mortgage Balance exceeds \$250,000.

PHYSICIAN - means a medical doctor licensed to practice in Canada and who is not Yourself or a relative, or business associate.

SICKNESS - means illness, disease or psychiatric or other disorder which first manifests after the Effective Date of Insurance.

DISABILITY, DISABILITY, or DISABLED - means disability resulting from injury or Sickness incurred while this Insurance is in force for which the Insured Person is under the care of a Physician which prevents the Insured Person, during the first twelve (12) months, from performing every duty of his occupation or employment; and during any period over twelve (12) months, from performing the duties of any occupation for which he is reasonably suited by reason of education, training or experience, and during which the Insured Person does not participate in any other occupation with any expectation of gain. If You are unable to work due to mental or emotional disorder, Disability also requires that You are under the regular care of a psychiatrist licensed in Canada, other than Yourself or a relative, and are either institutionalized and/or participating in ongoing counseling or therapy sessions in accordance with the recommendation of Your psychiatrist. The availability of work does not affect the determination of Disability.

WAITING PERIOD - means the sixty (60) days that the Insured Person(s) must remain continually Totally Disabled in order to qualify for Monthly Benefits.