

**AGREEMENT**  
**U.S. DOLLAR**  
**STUDENTS TRUST INTERNATIONAL PLAN**  
(the "Plan")

**THIS AGREEMENT** made as of the date of the Application attached hereto

Among:

**O'SHAUGHNESSY EDUCATION FOUNDATION LIMITED,**

a corporation incorporated under the British Virgin Islands International Business  
Corporations Act  
(the "Foundation")

and

**THE SUBSCRIBER,**

being the individual(s) who signed the attached Application or any assignee(s) thereof  
(the "Subscriber")

and

**EFG WEALTH MANAGEMENT (CAYMAN) LTD.**

a company incorporated under the laws of the Cayman Islands  
(the "Trustee")

WHEREAS the Foundation was established for the primary purpose of providing Education Payments to assist international students with the costs of post-secondary academic and professional education at U.S. and international universities and colleges;

AND WHEREAS the Foundation and the Trustee have established the Trust to provide Education Payments to the Beneficiaries of Subscribers to the Plan;

AND WHEREAS the Subscriber wishes to make Deposits to the Plan to enable the Foundation to provide Education Payments to the Beneficiaries named in the Agreement;

AND WHEREAS the Foundation, as promoter of the Plan, agrees to pay (or cause to be paid) Education Payments to the Beneficiary, subject to the terms set out herein;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Foundation, the Subscriber and the Trustee agree as follows:

**Section 1**

**Interpretation**

- 1.1 All defined terms used herein shall have the meanings set out in the Glossary of Terms attached hereto.
- 1.2 The recitals to this Agreement form an integral part of this Agreement.

**Section 2**

**Enrolment, Registration and Deposits**

**Enrolment and Registration**

- 2.1 To enroll in the Plan, the Subscriber must deliver to the Foundation a fully completed Application together with the documentation specified therein and the Foundation must accept the Application and the Subscriber must be notified of that acceptance with delivery of an acknowledgement notice and copy of this Agreement from the Foundation head office.



### **Subscriber Deposits**

- 2.2 (a) The Subscriber agrees to purchase the number of Units including increments of fractions of a Unit, and to make Deposits in such amounts and at such times as set out in the Application, as long as the subscriber makes a minimum Deposit of \$500. If the Subscriber does not make deposits when due, the Foundation may consider the missed deposit as Notice of Withdrawal as outlined in Section 7. Until the Beneficiary is 13 years old, the Subscriber may acquire additional Units including increments of fractions by increasing the amount of Deposits in accordance with the Deposit Schedule set out in the current offering memorandum in respect of the Plan, using the current age of the Beneficiary to determine the amount of the increase.
- (b) The Subscriber may by Notice to the Foundation cancel Units without terminating this Agreement, provided a minimum Deposit of \$500 is maintained. Upon a cancellation of Units accumulated Principal shall be returned to the Subscriber. Enrolment Fees paid on cancelled Units shall not be returned to the Subscriber nor applied towards the Enrolment Fee for any remaining Units but may be applied towards the Enrolment Fee for additional Units acquired under this Agreement.
- (c) The Subscriber may change the frequency of deposits at any time. The Subscriber agrees to comply with any resulting variation in the Deposit schedule and Interest adjustment thereon, as determined by the Foundation. Any such variation in the Deposit schedule must comply with the Deposit limits described in section 2.7, and may result in certain adverse financial consequences to the Subscriber if the Beneficiary does not receive Education Payments.
- 2.3 It is understood and agreed that, subject to paragraph 4.2, the Subscriber's Principal is beneficially owned by the Subscriber and shall be repaid to the Subscriber after Maturity in accordance with Section 4.1(c)(i) or Withdrawal from this Agreement.
- 2.4 The Subscriber authorizes the Trustee to pay to the Foundation \$200 per Unit and the proportional amount of \$200 for each fraction of a Unit representing Enrolment Fees from the Deposit provided by the Subscriber as settlement for all activity related to the securing of the Agreement. The Beneficiary is entitled to receive an amount equal to the Enrolment Fee to be paid in equal  $\frac{1}{4}$  installments when the Beneficiary qualifies for each of four Education Payments.
- 2.5 (a) It is agreed that all Deposits shall be credited to the Subscribers Account with the Trustee and after deduction of Enrolment Fees, may be invested by the Foundation, in consultation with the Trustee, in such U.S. dollar investment instruments that are not subject to U.S. or Canadian Withholding Tax Liability under either U.S. or Canadian Income Tax Laws and for a term that will yield the maximum rate of Interest paid on such investments at the time of investment.
- (b) All Interest earned on investments shall be deposited directly in the Trust. From this Interest, the Trustee will be paid his reasonable fees, costs, expenses and out-of pocket charges. From remaining Interest amounts, an annual administration fee of 1% of all investments and Deposits in the Trust, calculated as set out in Section 5.1(c), shall be paid to the Trustee. The Trustee shall pay this amount to the Foundation as long as the Foundation performs its administration duties under the terms of this Agreement. The remaining Interest earned shall be allocated to Subscriber Accounts based upon their proportional share of all Deposits and Interest in the Trust and reinvested in accordance with the provisions of 2.5(a).
- (c) The Foundation shall maintain individual Subscriber Account records for Deposits, and Principal and Interest held in the account and shall make a report to the Subscriber, at least annually on the status of their Account.

### **Death of a Subscriber**

- 2.6 If a Subscriber dies, payments under this Agreement must be continued by the estate or another individual, otherwise the provisions of section 4.2 will apply.



## **Deposit Limits**

- 2.7 The Subscriber acknowledges that the maximum Deposit for any single beneficiary is \$50,000, unless written authorization is received from the Trustee and the Foundation prior to submission of the Application. The Foundation reserves the right to refuse acceptance of a Deposit if, in its sole discretion, it believes that international laws may be violated with the acceptance of the Deposit.

### **Section 3**

#### **Beneficiary**

##### **Nomination**

- 3.1 The Subscriber names the individual listed in the Application as the Beneficiary and confirms that the date of birth of the Beneficiary set out in the Application is true and correct.

##### **Change of Beneficiary**

- 3.2 The Subscriber may by Notice to the Foundation name another child in place of the Beneficiary at any time until Maturity provided that the substitute child is 17 years of age or younger. Where the substitute child's age is different from the age of the Beneficiary, the Subscriber agrees to comply with any resulting variation in the Deposit schedule and Interest adjustment thereon, as determined by the Foundation. Any such variation in the Deposit schedule must comply with the Deposit limits described in section 2.7, and may result in certain adverse financial consequences to the Subscriber if the new Beneficiary does not receive Education Payments.
- 3.3 After Maturity, the Subscriber may by Notice to the Foundation name another child in place of the Beneficiary at any time until the earlier of (i) August 31 in the Year of Commencement and (ii) the original Beneficiary turning 21 years of age. The substitute child must be the same age or younger than the Beneficiary and either (i) the substitute child must be a sibling or half sibling of the Beneficiary or (ii) both the substitute child and the Beneficiary must be Family Members of the original Subscriber.
- 3.4 In the event of a change of the Beneficiary where the substitute child's age is different from the age of the Beneficiary, the Subscriber understands that the Year of Commencement shall be changed accordingly and agrees to comply with any resulting variation in the Deposit schedule, as determined by the Foundation. Any such variation in the Deposit schedule must comply with the Deposit limits described in paragraph 2.7, and may result in certain adverse financial consequences to the Subscriber if the new Beneficiary does not receive Education Payments.

### **Section 4**

#### **Return of Principal and Transfer of Income**

- 4.1 The Subscriber hereby directs the Trustee as follows:
- (a) at Maturity, to transfer the Interest earned on the Principal in the Account to the Education Payment Account for all Beneficiaries with the same Commencement Year;
  - (b) subject to subparagraph 4.1(c), paragraph 4.2 and paragraph 7.3, to maintain the Principal and Interest earned on the Principal after Maturity in the applicable Account; and
  - (c) to return the Principal to the Subscriber upon:
    - (i) (a) receipt by the Foundation of evidence of enrolment of the Beneficiary as a full-time student in a Qualifying Educational Program at an Eligible Institution; or
    - (b) in the absence of such evidence, 60 days prior to the day the beneficiary turns 28 years old; or
    - (ii) Withdrawal from this Agreement by the Subscriber pursuant to section 7.
  - (d) The Subscriber may by Notice to the Foundation delay the return of Principal until no later than 60 days prior to the last day of the 25th year following the year in which the Subscriber entered into the Agreement.



- 4.2 In the event that the Foundation is unable to locate the Subscriber or the Beneficiary, the Foundation shall continue to invest all amounts in the Accounts in accordance with paragraph 2.5(b) and transfer the Interest thereon after Maturity to the Enhancement Account in accordance with this Agreement.

Payments sent by the Foundation to the Subscriber or to the Beneficiary at the last address known to the Foundation, which have been returned or remain uncashed shall be deemed to be unclaimed and shall be transferred to the Foundation for use that is not inconsistent with the objectives of the Foundation. Such transfer shall be made on the earlier of:

- (a) the day the Beneficiary turns 28 years old; or
- (b) the date that is three (3) years less one day after the earlier of:
  - (i) the date of issuance of a cheque in respect of such payment;
  - (ii) the last of any date on which any monies held in a fiduciary capacity became payable to the Subscriber or to the Beneficiary; or
  - (iii) the last date the Foundation received a Notice from the Subscriber or the Beneficiary.

## **Section 5**

### **Fees**

- 5.1 The Subscriber authorizes the Trustee to pay:
- (a) the Enrolment Fee by deducting the amount from the Deposit to the Account to the Foundation;
  - (b) an annual Trustee fee, costs, expenses and out-of-pocket charges and investment counsel fees by deducting from Interest amounts agreed to from time to time in writing by the Foundation and the Trustee, and disclosed in the current offering memorandum of the Plan;
  - (c) an annual administration fee to the Foundation by deducting from Interest a fee at the annual rate of 1% of the aggregate amount held in the Accounts calculated monthly at the rate of 1/12 of one per cent of the month-end balance; and
  - (d) such other fees which may be disclosed in the current offering memorandum of the Plan.

## **Section 6**

### **Education Payments**

#### **Eligibility**

- 6.1 The Beneficiary shall be eligible to qualify for up to four Education Payments during the four-year period starting in the Year of Commencement as long as the Beneficiary attends an Eligible Institution in a Qualifying Educational Program. The Subscriber agrees that the Subscriber or the Beneficiary shall contact the Foundation to ensure that the educational program in which the Beneficiary proposes to enroll is a Qualifying Educational Program, and that the educational institution at which the Beneficiary proposes to attend is an Eligible Institution.

#### **Change of Year of Commencement**

- 6.2 (a) If the Beneficiary qualifies for the initial Education Payment prior to the Year of Commencement and no more than two years prior to Maturity, the Year of Commencement shall be changed accordingly upon Notice by the Subscriber or the Beneficiary to the Foundation prior to August 31 in such year.
- (b) If the Year of Commencement is changed to a date before Maturity, the Foundation shall calculate an amount equal to the Interest that would have been earned in the Deposit Account if no change had been made and the Subscriber had continued to make Deposits from the date of change to Maturity. The Foundation shall transfer such amount from the Enhancement Account to the Education Payment Account. The Subscriber agrees to maintain all Principal in the Subscriber Account until the original date of Maturity and all Interest earned in the Account during that period will be transferred to the Enhancement Account



(c) The Year of Commencement may be postponed until the Beneficiary is 22 years of age by Notice received by the Foundation prior to August 31st in the Year of Commencement.

(d) At the original date of Maturity, the Subscriber will have the option to postpone the date of Maturity for one-year periods by Notice to the Foundation until the year in which the Beneficiary turns 21 years of age. For greater certainty, a Subscriber who does not postpone the date of Maturity will remain in the Plan with the original date of Maturity.

#### **Calculation of Education Payments**

- 6.3 In the Year of Commencement, the Foundation shall calculate, and the Trustee shall approve, the amount of the Education Payment for each Beneficiary having that year (hereinafter referred to as the “Pool Year”) as the Year of Commencement by: (a) dividing one-fourth of all income transferred to the Education Payment Account and segregated with respect to all existing Agreements and Units thereon in the Plan having the Pool Year as the Year of Commencement by the total number of Units in respect of which there is a Beneficiary that qualifies for an Education Payment and (b) multiplying the result by the number of Units in respect of the particular Beneficiary that qualifies for an Education Payment.
- 6.4 In the year following the Pool Year, the Foundation shall calculate, and the Trustee shall approve, the amount of the Education Payment for each Beneficiary who qualifies for a second Education Payment by: (a) dividing one-third of all remaining income transferred to the Education Payment Account and segregated with respect to all existing Agreements and Units thereon in the Plan having the Pool Year as the Year of Commencement by the total number of Units in respect of which there is a Beneficiary that qualifies for an Education Payment and (b) multiplying the result by the number of Units in respect of the particular Beneficiary.
- 6.5 In the second year following the Pool Year, the Foundation shall calculate, and the Trustee shall approve, the amount of the Education Payment for each Beneficiary who qualifies for a third Education Payment by: (a) dividing one-half of all remaining income transferred to the Education Payment Account and segregated with respect to all existing Agreements and Units thereon in the Plan having the Pool Year as the Year of Commencement by the total number of Units in respect of which there is a Beneficiary that qualifies for an Education Payment and (b) multiplying the result by the number of Units in respect of the particular Beneficiary.
- 6.6 In the third year following the Pool Year, the Foundation shall calculate, and the Trustee shall approve, the amount of the Education Payment for each Beneficiary having the Pool Year as the Year of Commencement who qualifies for a fourth Education Payment by: (a) dividing the balance of all remaining income transferred to the Education Payment Account and segregated with respect to all existing Agreements and Units thereon in the Plan having the Pool Year as the Year of Commencement by the total number of Units in respect of which there is a Beneficiary that qualifies for an Education Payment and (b) multiplying the result by the number of Units in respect of the particular Beneficiary.
- 6.7 Any income earned on the investment of amounts in the Education Payment Account will be transferred to the Enhancement Account and shall be used to supplement the Education Payments determined in 6.3, 6.4, 6.5 and 6.6 or be used to satisfy the payment equal to the return of Enrolment Fee as described in 6.12.
- 6.8 Any amounts relating to a particular Year of Commencement that remain in the Education Payment Account after the payment of all Education Payments for such Year of Commencement shall be transferred to the Enhancement Account.
- 6.9 The Foundation and the Trustee do not make any representation, warranty or prediction whatsoever as to the amount of any Education Payment except that it shall be determined in accordance with the terms of this Agreement.



### **Payment of Education Payments**

- 6.10 In each year that the Beneficiary is eligible, the Foundation shall pay to the Beneficiary the Education Payment determined in accordance with this Agreement. The Foundation may pay each Education Payment in two instalments: one in September and one in the following January. Payments of Education Payments may be deferred by Notice to the Foundation, provided that all payments are made before the Beneficiary turns 26 years of age. A Subscriber may make an application to the STI Committee to allow an Education Payment when the beneficiary is greater than 26 years of age.
- 6.11 If a Beneficiary is not eligible for an Education Payment for all or part of any academic year after the Year of Commencement, the STI Committee may, in its discretion and subject to any terms that it deems appropriate, hold and pay in a subsequent academic year the Education Payment or any part of it that has not already been paid.

### **Return of Enrolment Fee**

- 6.12 Upon payment of each Education Payment to the Beneficiary, the Foundation shall pay to the Beneficiary an amount equivalent to  $\frac{1}{4}$  of the aggregate Enrolment Fee paid by the Subscriber with respect to this Agreement (excluding any Enrolment Fees in respect of cancelled Units).

## **Section 7**

### **Withdrawal by Subscriber**

- 7.1 The Subscriber shall be entitled to withdraw from this Agreement at any time by Notice to the Foundation.
- 7.2 If Withdrawal from this Agreement is by Notice to the Foundation within 60 days from the date that the Subscriber signed the Application, the Subscriber is entitled to a complete refund of all Deposits made less any expenses incurred.
- 7.3 If withdrawal from this Agreement is by Notice to the Foundation 61 days or more after the date the Subscriber signed the Application or pursuant to paragraph 7.1, the Foundation shall:
- (a) pay expenses of the Trustee and the Administrator;
  - (b) return the Principal to the Subscriber less any expenses;
  - (c) transfer the Interest earned on Principal and Interest to the Education Payment Fund for the benefit of other Beneficiaries with the same Commencement Year.

## **Section 8**

### **General**

#### **Disputes**

- 8.1 It is agreed that the STI Committee shall decide any dispute, difference or question as to the meaning or effect of Section 6.1, 6.2, 6.10 and 6.11 of this Agreement, and its decision shall be final and binding upon all persons affected, directly or indirectly, by the decision.

#### **Rules**

- 8.2 It is agreed that the Foundation and the Trustee, in consultation with the STI Committee, shall have power to make rules and regulations relating to the administration of the Plan and this Agreement.

### **Joint Subscribers**

- 8.3 If two individuals, as spouses, jointly signed the Application as the Subscriber, then all the rights of the Subscriber under this Agreement shall be enjoyed and exercised by these individuals jointly during their joint lives or by the survivor in the event of the death of one of them.

### **Amendment**

- 8.4 It is agreed that the Foundation and the Trustee may, without reference to the Subscriber or the Beneficiary, change or amend the provisions of this Agreement, if such change or amendment in the opinion of the Foundation and the Trustee:



- (a) is for the purpose of complying with any statute of The British Virgin Islands or the Cayman Islands or any order, rule or regulation made pursuant to such statute; or
- (b) does not materially adversely affect the Subscriber or the Beneficiary.

All other amendments shall require the consent of the Foundation, the Trustee and, at a meeting called for the purpose of approving such amendments, the Subscribers. The Foundation or the Trustee shall give no less than 21 days' notice of such meeting to Subscribers. Each Agreement shall entitle the Subscriber to one vote. Resolutions may be passed by a 2/3 vote of Subscribers represented at a meeting in person or by proxy.

**Assignment**

- 8.5 This Agreement may be assigned by the Foundation to any other corporation, subject to the approval of the STI Committee and the Trustee, and may be assigned by the Trustee to a corporation authorized to carry on the business of a trust company in Bermuda or other similar jurisdiction. This Agreement may not be assigned by a Subscriber except (i) upon the death of the Subscriber to any other person who makes Deposits under this Agreement in respect of the Beneficiary or (ii) to the spouse of the Subscriber as a result of the distribution of property due to marriage breakdown (as set out in subparagraph (i) of the definition of Subscriber).

**Governing Law**

- 8.6 This Agreement shall be governed by the laws of Bermuda applicable therein, and shall be for the benefit of and binding upon the Subscriber, his/her heirs, executors, administrators or assigns.

**O'SHAUGHNESSY EDUCATION FOUNDATION LIMITED**



Thomas F. O'Shaughnessy

**EFG WEALTH MANAGEMENT (CAYMAN) LTD.**



Lesley den Exter



Nic Corsetti



## Glossary of Terms

In this Agreement, where the context so permits, the following words shall have the meanings set out against them:

**“Account”** shall mean the account in respect of a Beneficiary in which Deposits, net of fees and, prior to Maturity, income earned thereon are held.

**“Accounts”** shall mean, collectively, the Account and the Education Payment Account.

**“Agreement”** shall mean this Education Savings Plan Agreement between the Subscriber, the Foundation and the Trustee.

**“Application”** shall mean the application to enter into this Agreement, signed by the Subscriber(s), which is attached hereto and forms an integral part hereof and, together with this Agreement, is the entire agreement among the parties regarding the subject matter herein.

**“Beneficiary”** shall mean a child under the age of 13 years when named by the Subscriber on the Application on whose behalf a Subscriber has purchased Units, or any child substituted for that child according to the terms of this Agreement.

**“U.S. Dollar”** and **“\$”** shall mean the lawful currency of the United States of America.

**“Education Payment Account”** shall mean the account of the Plan in respect of all Beneficiaries in which income earned on Principal is held after Maturity and segregated by Year of Commencement.

**“Education Payment”** shall mean a disbursement of income from the Trust (as calculated by the Foundation and approved by the (Trustee) that the Foundation agrees to pay or cause to be paid to a Beneficiary under an Agreement in respect of the Plan.

**“Eligible Institution”** shall mean:

- (a) an educational institution in Canada that is:
  - (i) a university, college or other educational institution designated by the Lieutenant Governor in Council of a province as a specified educational institution under the Canada Student Loans Act, designated by an appropriate authority under the Canada Student Financial Assistance Act, or designated by the Minister of Higher Education and Science for the purposes of An Act respecting financial assistance for students of the Province of Quebec; or
  - (ii) certified by the Minister of Human Resources Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person’s skills in, an occupation, or
- (b) an educational institution outside Canada that is a university, college, or other educational institution that provides courses at a post-secondary school level at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks.

**“Enhancement Account”** shall mean an enhancement account of the Plan held in trust by the Trustee, the funds of which are used at the discretion of the Foundation to supplement Education Payments, pay for Education Payments in full and fund the repayment of Enrolment Fees to Beneficiaries of the Plan.

**“Enrolment Fee”** shall mean the enrolment fee payable by the Subscriber to the Foundation from Deposits equal to \$200 for each Unit purchased by the Subscriber and \$20 for each one-tenth fraction thereof.

**“Family Member”** of a particular individual shall mean, in relation to that individual, (i) a person who is a brother, sister, child or grandchild or other descendant of the individual, or (ii) a person who has been adopted (either legally or in fact) by the individual or by a descendant of the individual.





**“Interest”** shall mean interest earned on Deposits and Interest Earned on Interest credited to the Subscriber Account up to Maturity of the Agreement

**“Maturity”** shall mean the date specified on the confirmation letter attached to the Agreement.

**“Notice”** shall mean any notification in writing mailed by pre-paid mail or sent by facsimile transmission to the Foundation's head office or to the Subscriber at the postal address last known to the Foundation.

**“Plan”** shall mean the U.S. Dollar Students Trust International Plan.

**“Principal”** shall mean, at any given time, a Subscriber's accumulated Deposits less the deductions authorized by this Agreement.

**“Qualifying Educational Program”** shall mean a program of not less than thirteen (13) consecutive weeks duration that provides that each student taking the program spend not less than 10 hours per week on courses or work in the program but does not include a program if the program is taken by the student (i) during a period in respect of which the student receives income from an office or employment, and (ii) in connection with, or as part of the duties of, that office or employment.

**“STI Committee”** shall mean the independent advisory body, appointed according to the provisions of the Trust Indenture, three- fifths of whose members are required to be active in or retired from educational, financial or business institutions or agencies as a director, officer, official, professor or teacher, which sets the guidelines and policies under which the Foundation may approve Education Payments and resolves disputes and makes rules with respect to Education Payments.

**“Subscriber”** shall mean the individual (and, if applicable, the spouse of such individual) who is/are identified as the Subscriber(s) in the Application and includes:

- (a) an individual who acquires a Subscriber's rights under the Plan pursuant to a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between the individual and the Subscriber in settlement of rights arising out of, or on the breakdown of, their marriage; or
- (b) after the death of a Subscriber under the Plan, any other person (including the estate of the Subscriber) who makes Deposits in respect of the Beneficiary.

but does not include an individual who disposes of his/her rights as a subscriber as described in (a) above.

**“Trust”** shall mean the U.S. Dollar Students Trust International, which is a trust as defined under the laws of British Virgin Islands and consists of any person who irrevocably holds property for any of, or any combination of, the following purposes:

- (a) the disbursement of Educational Payments;
- (b) the refund of Deposits;
- (c) the payment to, or to a trust in favour of, designated educational institutions anywhere in the world; or
- (d) the payment to a trust that irrevocably holds property pursuant to an Agreement that is similar to the U.S. Dollar Students Trust International Plan.

**“Trust Indenture”** shall mean the trust indenture establishing the Trust, as amended from time to time.

**“Unit”** shall mean a unit in the Plan, each of which represents the eligibility of a Beneficiary to an equal share of amounts segregated in the Education Payment Fund by Commencement Year for Beneficiaries of Subscribers who purchase units in the Plan.

**“Year of Commencement”** shall mean the year in which the first Education Payment is payable under the Plan and is usually the year in which Maturity occurs, subject to change as provided herein.

