

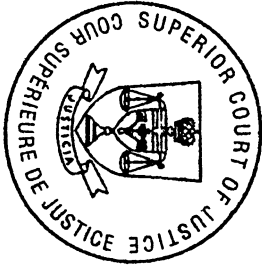
**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**



THE HONOURABLE MR.
JUSTICE R.A. BLAIR

)
)
)

TUESDAY, THE 5th DAY
OF OCTOBER, 2004



**IN THE MATTER OF
CONFEDERATION LIFE INSURANCE COMPANY
AND IN THE MATTER OF THE
INSURANCE COMPANIES ACT, S.C. 1991, AS AMENDED
AND IN THE MATTER OF THE
WINDING-UP ACT, R.S.C. 1985, C.W-11, AS AMENDED**

BETWEEN:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

CONFEDERATION LIFE INSURANCE COMPANY

Respondent

ORDER

THIS MOTION made by KPMG Inc., the liquidator (the “Liquidator”) of Confederation Life Insurance Company (“Confed”) was heard this day at 130 Queen Street West, Toronto, Ontario.

ON READING the Report of the Liquidator dated September 27, 2004 (the “Report”), the affidavit of Robert O. Sanderson sworn September 27, 2004 and the affidavit of Gale Rubenstein sworn September 27, 2004, filed, and upon hearing the submissions of counsel for the Liquidator, and of James H. Grout as representative counsel;

1. **THIS COURT ORDERS** that the service made of the Notice of Motion and supporting materials herein is good and sufficient notice of this motion, that this motion is properly returnable today, and that any further service or notice of the motion and supporting materials be and the same is hereby dispensed with.

2. **THIS COURT ORDERS** that the accounts of the Liquidator for the period October 1, 2003 to June 30, 2004, as reflected in the financial statements of Confed attached to the Report, be and they are hereby passed and approved as submitted.

3. **THIS COURT ORDERS** that the fees and disbursements of the Liquidator, of its counsel, Goodmans LLP, and of the other professional advisors to the Liquidator for the period October 1, 2003 to June 30, 2004, be and they are hereby passed and approved as submitted.

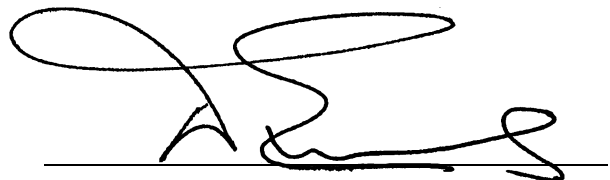
4. **THIS COURT ORDERS** that the Liquidator be and it is hereby authorized to make an eighth interim distribution in the amount of \$35 million to be allocated and distributed in accordance with the settlement approved by this Court on November 28, 2002 between creditors of Confed whose claims are not subordinated and the holders of subordinated debt ("Sub Debt Holders").

5. **THIS COURT ORDERS** that notice of the third distribution to Sub Debt Holders be in the forms annexed hereto as Schedule "A" and be published on one occasion, in English, in the *Financial Times of London* and the *Luxembourg Wort* on or before November 2, 2004.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

OCT 07 2004

PER/PAR



DAVID EVANS

Schedule "A"

CONFEDERATION LIFE INSURANCE COMPANY

In Liquidation

("Confed")

**Notice to holders of
Luxembourg Francs 1,000,000,000 8 3/8 per cent. Subordinated Bonds
due March 28, 2000 – XS0041260927**

Notice of Third Distribution

KPMG Inc., as Liquidator of Confed (the "Liquidator"), hereby gives notice to holders ("Bondholders") of the above-referenced Bonds as follows:

TAKE NOTE THAT:

On January 31, 2003, the Ontario Superior Court of Justice (the "Court") approved the procedures through which Bondholders may receive their proportionate share of distributions if and when made by the Liquidator. The Liquidator expects that a distribution of Can. \$28 million (the "Third Distribution") will be available commencing at noon (London time) on November 9, 2004 (the "Third Distribution Date"), provided that Bondholders have complied with the procedures described below.

In order to receive their proportionate share of the Third Distribution on or after the Third Distribution Date:

- a. If a Bondholder holds Bonds in EUROCLEAR BANK S.A./N.V. or CLEARSTREAM BANKING, SOCIETE ANONYME, the relevant Paying Agent must have received either (i) the Bonds, or (ii) a confirmation from EUROCLEAR BANK S.A./N.V. or CLEARSTREAM BANKING, SOCIETE ANONYME, as the case may be, that it has irrevocably taken all necessary steps to have such Bonds delivered to the relevant Paying Agent in accordance with the arrangements agreed to between it and the Paying Agent;
- b. If a Bondholder does not hold Bonds in EUROCLEAR BANK S.A./N.V. or CLEARSTREAM BANKING, SOCIETE ANONYME, the relevant Paying Agent must have received the Bonds.

When received, the Paying Agent will endorse the Bonds appropriately, depending on whether or not Coupon 2 was attached in respect of the First Distribution. Bonds submitted for the Third Distribution where Coupon 2 was not attached under the First Distribution will receive a proportionately reduced payment.

Payment will be made in Canadian dollars as follows:

LUF 50,000 with Coupon 2: \$ 232.23	LUF 50,000 without Coupon 2: \$ 225.06
LUF 250,000 with Coupon 2: \$ 1,161.15	LUF 250,000 without Coupon 2: \$1,125.29

On or after the Third Distribution Date, payment will be made by cheque, cash or transfer as directed by the person presenting the Bonds, as soon as reasonably practicable after receipt of the Bonds or confirmation as set out above. Bonds may be returned by first class prepaid mail.

If a Coupon 2 has been detached from a Bond prior to being presented for payment under the First Distribution, the Paying Agent will not honour that detached Coupon unless or until the Liquidator obtains further directions from the Court.

Further and updated information, including sample calculations and endorsement language, may be obtained from the contact below or by viewing the website maintained by the Liquidator:
<http://www.confederationlife.com> .

Paying Agent:

**Banque Générale du Luxembourg S.A.
Agence Royal-Monterey
27, avenue Monterey
L-2951 Luxembourg**

CONFEDERATION LIFE INSURANCE COMPANY

In Liquidation

(“Confed”)

**Notice to holders of
£100,000,000 9 7/8 per cent. Subordinated Bonds due March 3, 2003 –XS0041949180**

Notice of Third Distribution

KPMG Inc. as Liquidator of Confed (the “Liquidator”), hereby gives notice to holders (“Bondholders”) of the above-referenced Bonds as follows:

TAKE NOTE THAT:

On January 31, 2003, the Ontario Superior Court of Justice (the “Court”) approved the procedures through which Bondholders may receive their proportionate share of distributions if and when made by the Liquidator. The Liquidator expects that a distribution of Can. \$28 million (the “Third Distribution”) will be available commencing at noon (London time) on November 9, 2004 (the “Third Distribution Date”), provided that Bondholders have complied with the procedures described below.

In order to receive their proportionate share of the Third Distribution on or after the Third Distribution Date:

a. If a Bondholder holds Bonds in EUROCLEAR BANK S.A./N.V. or CLEARSTREAM BANKING, SOCIETE ANONYME, the relevant Paying Agent must have received either (i) the Bonds, or (ii) a confirmation from EUROCLEAR BANK S.A./N.V. or CLEARSTREAM BANKING, SOCIETE ANONYME, as the case may be, that it has irrevocably taken all necessary steps to have such Bonds delivered to the relevant Paying Agent in accordance with the arrangements agreed to between it and the Paying Agent;

b. If a Bondholder does not hold Bonds in EUROCLEAR BANK S.A./N.V. or CLEARSTREAM BANKING, SOCIETE ANONYME, the relevant Paying Agent must have received the Bonds.

When received, the Paying Agent will endorse the Bonds appropriately, depending on whether or not Coupon 2 was attached in respect of the First Distribution. Bonds submitted for the Third Distribution where Coupon 2 was not attached under the First Distribution will receive a proportionately reduced payment.

Payment will be made in Canadian dollars as follows:

£ 1,000 Bond with Coupon 2: \$ 233.55	£1,000 Bond without Coupon 2: \$ 223.67
£10,000 Bond with Coupon 2: \$ 2,335.53	£10,000 Bond without Coupon 2: \$2,236.75

On or after the Third Distribution Date, payment will be made by cheque, cash or transfer as directed by the person presenting the Bonds, as soon as reasonably practicable after receipt of the Bonds or confirmation as set out above. Bonds may be returned by first class prepaid mail.

If a Coupon 2 has been detached from a Bond prior to being presented for payment under the First Distribution, the Paying Agent will not honour that detached Coupon unless or until the Liquidator obtains further directions from the Court.

Further and updated information, including sample calculations and endorsement language, may be obtained from the contacts below or by viewing the website maintained by the Liquidator:
<http://www.confederationlife.com> .

Principal Paying Agent:

**Royal Bank of Canada
71 Queen Victoria Street
London EC4V 4DE**

Paying Agents:

**ING Belgium S.A.
(formerly Bank Brussels Lambert)
Cours Saint Martin 60
B-1040 Brussels
Belgium**

and

**Société Générale Bank & Trust
11-13 avenue Emile Reuter
L-2420 Luxembourg**

THE ATTORNEY GENERAL OF CANADA
Applicant

and

CONFEDERATION LIFE INSURANCE COMPANY
Respondent

Commercial List Court File No: 97-BK-00054.

ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

GOODMANS LLP
Barristers & Solicitors
250 Yonge Street Suite 2400
Toronto, Ontario M5H 2M6

Gale Rubenstein (LSUC #17088E)
Tel: (416) 597-4148
Fax: (416) 979-1234

Solicitors for KPMG Inc., the Liquidator of
Confederation Life Insurance Company

GOODMANS\5061549.1

October 5, 2007

After reviewing the materials & hearing the submissions of counsel, including those of Mr. Goral as Representative Counsel for the ordinary creditors & subordinate debt holders, I am satisfied that the accounts of the liquidator for the period Oct. 6/03 to June 30/04 should be approved, that the fees & disbursements of the liquidator and its professional advisors are fair & reasonable, and that the proposed distribution is appropriate in the circumstances.

An order is therefore granted in favour of the draft order filed and on which I have placed my file.
R.A. Blain JA (ad hoc)

ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD

GOODMANS LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Ontario M5B 2M6

Gale Rubenstein (LSUC # 17088E)
Tel: (416) 597-4148
Fax: (416) 979-1234

Solicitors for KPMG Inc., the Liquidator of
Confederation Life Insurance Company

GOODMANS\5061440.1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

CONFEDERATION LIFE INSURANCE COMPANY

Respondent

**ENDORSEMENT OF
THE HONOURABLE MR. JUSTICE BLAIR**

Date: October 5, 2004

After reviewing the materials and hearing the submissions of counsel, including those of Mr. Grout as Representative Counsel for the Ordinary Creditors and subordinate debt holders, I am satisfied that the accounts of the Liquidator for the period October 1/03 to June 30/04 should be approved, that the fees and disbursements of the Liquidator and its professional advisors are fair and reasonable, and that the proposed distribution is appropriate in the circumstances.

An order is therefore granted in terms of the draft order filed and on which I have placed my fiat.

R.A. BLAIR J.A. (Ad Hoc)

CONFEDERATION LIFE INSURANCE COMPANY, IN LIQUIDATION WEBSITE LEGAL DISCLAIMER

This website (the "Site") contains legal documents pertaining to the windup of Confederation Life Insurance Company. This Site is presented as a public service for informational purposes only by Confederation Life Insurance Company by its Liquidator, KPMG Inc. (the "Liquidator"). KPMG LLP is not the Liquidator and has no responsibility for the contents of this Site. WARNING: Transmissions to the Site are not protected and no confidentiality will be maintained with respect thereto. Transmissions to the Site are made at the sender's risk.

This Site is not an official reporter, and the Liquidator does not guarantee that all information is error free, complete, or accurate. The Site does not purport to provide complete records of all litigation and legal documentation pertaining to Confederation Life Insurance Company, in Liquidation. The Site contains no legal advice and nothing herein shall be taken, implied or construed as an offer to provide, or a provision of, legal advice. The Liquidator may change, modify, suspend, or discontinue the Site at any time without notice.

Based on the fundamental universal condition of the electronic communication process, the Liquidator does not guarantee or warrant the Site will be uninterrupted, without delay, error-free, omission-free, or free of viruses. Therefore, the information is provided "as is" without warranties of any kind, express or implied, including accuracy, timeliness and completeness. In no event shall the Liquidator, its employees, agents, consultants, legal counsel, contractors, or affiliates be liable for any direct, indirect, incidental, special, exemplary, punitive, consequential or other damages whatsoever (including, but not limited to, liability for loss of use, data or profits), without regard to the form of any action, including but not limited to contract, negligence or other tortious actions, arising out of or in connection with the Site, any content on or accessed by use of the Site, or any copying, display or other use hereof.

External links are provided on the Site as aids to help you identify and locate other sources of information that may be of interest, and are not intended to state or imply that the Liquidator endorses, sponsors, is affiliated or associated with or is legally authorized to use any trade name, registered trademark, logo, legal or official seal, or copyrighted symbol that may be reflected in the links. In no event shall the Liquidator, its employees, agents, consultants, legal counsel, contractors, or affiliates accept responsibility for the accuracy of the link, the accuracy or completeness of any information obtained through any link. The Liquidator further warns against reliance on any information contained therein and further disclaims any knowledge or information as to the truth or accuracy of the information contained therein.

The Site is controlled by the Liquidator from its offices within the Province of Ontario, Canada. By accessing the Site, you and the Liquidator agree that all matters relating to access to, or use of the Site shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to the conflicts of laws principals thereof. You and the Liquidator also agree and hereby submit to the exclusive personal jurisdiction and venue of the courts of the Province of Ontario with respect to such matters.