

**Instructions for Completion of
European Life Settlement Association (“ELSA”)
Master Agreement for Tertiary Transactions (“MATT”)**

General

The European Life Settlement Association’s Master Agreement for Tertiary Transactions (the “MATT”)¹ is designed to simplify tertiary life settlement policy purchase and sale transactions between parties that undertake more than one-off transactions with each other.

In sum, similar to an International Swaps and Derivatives Association swap agreement, once two parties have executed a MATT, all that will be necessary to execute on future transactions between them is a completed “confirmation”. That is, the MATT is the “master” agreement that will govern all future purchase and sale transactions between the parties, requiring only the execution of a confirmation with each pertinent transaction-specific details completed.

These Instructions will take you step-by-step through completion of the MATT and a confirmation for a particular transaction conducted using the MATT:

1. **General**: Note that the MATT is only provided in .pdf format, and will not be provided as a Word document, other than the signature page, the Confirmation and the exhibits and schedules thereto. This is because the MATT is a form template. Other than the date on the cover page, which can be added using the edit text feature in Adobe Acrobat, no changes are to be made to the MATT. If any other revisions are made by the parties to the MATT, it will no longer constitute the ELSA-approved MATT.
2. **Identification of the Parties**: The cover page to the MATT references “Party A” and “Party B”. Note that the cover page should not be revised to name the specific parties. The parties, and their respective designations, are identified on the signature page to the MATT and in the Confirmation. Note also that the MATT is constructed so that it does not matter which party is designated Party A or Party B, so long as the Confirmation correctly reflects which party is the seller and which party is the purchaser for each transaction.
3. **Signature Page**: The signature page is provided in Word format, and it is here that the names and contact information of the parties are to be entered.
4. **Annex A - Definitions**: Is a list of the definitions included in the MATT. Annex A should not be revised.
5. **Annex B – Closing Process**: Sets out the closing process for a transaction, depending on whether the transaction is being closed via securities entitlement orders with a securities

¹ 2024 version.

intermediary, or a physical change of ownership and beneficiary of the subject life settlement policy at the life insurance carrier. Annex B should not be revised.

6. **Annex C – Representations and Warranties**: Sets out the representations and warranties made by the parties for a transaction. If the parties do not wish to give all of the representations and warranties in Annex C, or wish to add additional representations and warranties not included in Annex C for a transaction, they may do so in pertinent section of the Confirmation (see below). Annex C should not be revised.
7. **Annex D - Covenants**: Sets out the covenants made by the parties for a transaction. If the parties do not wish to make all of the covenants in Annex D, or wish to add additional covenants not included in Annex D for a transaction, they may do so in pertinent section of the Confirmation (see below). Annex D should not be revised.
8. **Annex E – Termination Provisions**: Sets out the termination provisions for a transaction. If the parties do not wish to have all of the termination provisions in Annex E included in the transaction, or wish to add additional termination provisions not included in Annex E for a transaction, they may do so in pertinent section of the Confirmation (see below). Annex E should not be revised.
9. **Schedule 1 – Document Checklist**: The Document Checklist sets forth an illustrative list of standard documents typically provided in a tertiary life settlement policy purchase and sale transaction closing. The parties are free to include additional documents or exclude documents on the checklist for a transaction as they mutually agree.
10. **Schedule 2 – Template for Telephonic VOC**: This is only a template, and the parties may choose to use it, use another form, or not do a telephonic VOC at all for a transaction, as they mutually agree.
11. **Exhibit A – Form of Tripartite Entitlement Order**: This is only a template for SI-settled transactions, and the parties may choose to use it or use another form acceptable to the pertinent securities intermediaries for a transaction.
12. **Schedule I to Exhibit A – Disbursement Schedule**: This is only to be completed if the transaction is SI-settled, and the parties choose to use the form entitlement order.
13. **Exhibit B – Form of Confirmation**: The Confirmation is the operative document for purposes of identifying the life settlement policy or policies subject to the transaction and various other terms and conditions of the trade. Once the MATT has been executed between the parties, all that will be necessary for future transactions is the completion and execution of a Confirmation for each transaction between them. While many of the terms included in the Confirmation are self-explanatory, a brief explanation of some terms is provided below.
 - a. **Trade Date**: This is the date that the parties want to designate as the date of the trade, assuming all other transaction closing conditions are satisfied.

- b. **Purchaser/Seller**: Note that this is designated on a per-transactions basis. Without having to execute a new MATT, a party can be the seller in one transaction with a counter-party, and the purchaser in other transactions. The parties just need to make sure they designate their respective proper roles for each transaction.
- c. **Policy Purchase Price**: This is the aggregate of Policy Purchase Prices for all Policies being transacted pursuant to each Confirmation.
- d. **Purchase Price Deposit**: If the Parties have agreed to a deposit on the Policy Purchase Price, that amount and whether it is refundable is listed here.
- e. **Settlement Method**: Either “Securities Intermediary” or “Physical” must be selected.
- f. **Due Diligence Period**: In many tertiary life settlement policy purchase and sale transactions, due diligence has occurred before the parties agreeing to the purchase and sale. If, however, the parties wish to include a diligence period in the agreement, they should complete this row.
- g. **Escrow Funding Date**: There is no requirement that escrow be used when transacting policies pursuant the MATT. If, however, there is an escrow account being utilized, this where the date by which it must be funded is listed.
- h. **Additional Policy Proceeds**: If there are any proceeds from a transacted policy that the parties wish to clarify belong to the Seller or the Purchaser post-transaction, those proceeds should be listed here.
- i. **Representations and Warranties**: Each party will indicate the specific representations and warranties it agrees to give by checking where indicated, or agree to give all of the listed representation and warranties by checking “All Listed in Annex C”. If the parties wish to include representations and warranties not listed in Annex C for a transaction, they should include the additional representations and warranties where “Transaction-Specific Representations and Warranties” are listed.
- j. **Covenants**: Each party will indicate the specific covenants it agrees to give by checking where indicated, or agree to give all of the listed covenants by checking “All Listed in Annex D”. If the parties wish to include representation and warranties not listed in Annex D for a transaction, they should include the additional covenants where “Transaction-Specific Covenants” are listed.
- k. **Termination Provisions** The parties will agree as to the termination provisions they desire to be included, and check the pertinent provisions accordingly; or, the can agree to give all of the listed covenants by checking “All Listed in Annex E”. If the parties wish to include termination provisions not listed in Annex E for a

transaction, they should include the termination provisions where “Transaction-Specific Termination Provisions” are listed.

- l. Additional Closing Conditions:** If there are additional closing conditions the parties wish to apply to a transaction, they should be included in this row.
- m. Required Third-Party Consents:** If the consent of a third party is required in connection with the purchase and sale of the policies, for instance if there is a collateral assignment must be removed prior to completion of the transaction, the need for such consents is listed here.
- n. Governing Law and Venue:** The default governing law and choice venue is New York. If the parties wish to have the law of another state or country govern, and have the venue be other than New York, U.S.A., they should include that information in this row.
- o. Business Day:** For delivery of notices and determination of other time period-oriented provisions in the MATT, the default for Business Day is New York. If the parties wish to include other states, then they should include that information in this row.
- p. Representation and Warranty Survival Period:** This is the period of time after the close of a transaction that the representations and warranties made by the parties remain in effect.
- q. Matured Policy Period:** This is the period of time post-closing that, if the parties learn the insured died prior to the closing, the death benefits will be paid to the seller. There is no requirement that there be any matured policy period if the parties agree otherwise.
- r. Notice Provision Period.** This is the period of time post-closing in which the Seller has an obligation to forward notices received from the carrier to the Purchaser.
- s. Risk Transfer Date:** This is point in time at which the death benefit of the subject life settlement policy becomes payable to the Purchaser.
- t. Reimbursable Premium:** If the parties agree that any premium paid by the Seller for the subject life settlement policy before the trade date is to be reimbursed by the Purchaser to the Seller, the sums would be included here.
- u. Securities Intermediary/Escrow Agent Details:** The identity, contact information and account information of these parties should be included here.
- v. Additional Transaction-Specific Agreement Between the Parties:** The drafters of the MATT have attempted to make it as comprehensive as possible; however,

“one-off” situations may arise that require deal-specific language to address. To the extent such requirements are necessary, they should be listed here.²

² Note that ELSA cautions parties using the MATT to be careful and encourages them to consult in-house or outside counsel when incorporating deal-specific terms into a Confirmation. To the extent deal-specific terms in a Confirmation contradict provisions in the MATT, the parties should be explicit as to which provisions control.