

GLOBAL SCHOLARSHIP PLANS – PLAN DESCRIPTION

International Education Savings Plan

The International Education Savings Plan (IESP) is a savings plan designed to assist with the financing of post-secondary education of designated students. Assets of the IESP are held in Trust by the Trustee under specific terms and conditions outlined in an agreement between Global Scholarship Plans Inc. and the Trustee.

Global Scholarship Plans Inc. (GSPI)

The mandate of Global Scholarship Plans Inc. (GSPI) is to provide Educational Financial Assistance (EFA) to students enrolled at recognized post secondary educational institutions. GSPI sponsors and administers the International Education Savings Plan and is considered to be the promoter and distributor.

GSPI has secured a servicing and administration arrangement with an experienced education savings plan company, the Global Educational Marketing Corporation, a Canadian company that since 1998 has marketed, administered and distributed the Global Educational Trust Plan for about 46,000 nominees in Canada as at June 2005. This brings Scholarship experience and expertise to the IESP and offers Subscribers satisfaction in knowing that an experienced plan manager is providing its expertise to GSPI.

GSPI has the non-exclusive right to offer units in the IESP. GSPI markets the IESP through contracted Sales Agencies and Sub-Distributors that maintain active sales forces for continuous sale of units to Subscribers. GSPI earns funds from the sale of units of the IESP offered to the public.

The International Head Office of GSPI is Fort Nassau Centre, Marlborough Street, P.O. Box n-4875, Nassau, The Bahamas.

International Education Savings Plan Description

Enrollment

Enrollment in the IESP requires that a person, or two persons acting jointly, become Subscribers by entering into an Agreement by submitting an Enrollment Application for the purpose of sponsoring and making Deposits on behalf of a Nominee. Anyone can nominate a person for an International Education Savings Plan.

GSPI receives and forwards the Deposits to the "Deposit Account" maintained by a Depository, which is a recognized international banking institution.

Subscribers make Deposits for a chosen amount over a period of time. There is no annual limitation on the amount that can be contributed, however the maximum contribution period is 21 years. The International Education Savings Plan can be held for a maximum period of 25 years from the year of application.

Voluntary Associations

The International Education Savings Plan is available to organizations, groups and associations who want to contribute to the IESP on behalf of existing Nominees or Nominees to be named in the future who could be members of the organizations, groups and associations.

Voluntary Associations or individuals can create a scholarship fund. Voluntary Associations can make a lump sum deposit and GSPI will assist with the calculation of the required lump sum deposit to ensure that the scholarship will provide student funding at the prescribed amount for the selected time period.

Deposits and the Trust

A Subscriber chooses a time period over which to make deposits. The last deposit due date chosen usually relates closely to the year that a Nominee expects to begin higher education as a Qualified Student. The Frequency of Deposits can be Single Lump Sum, Annual, Semi-Annual, Quarterly and Monthly. However, the Deposit Frequency choices may be limited by GSPI to comply with local law or customs.

Subscribers at any time may adjust deposit amount and frequency subject to applicable fees and approval by the GSPI. Subscribers can withdraw all or a portion of their total Deposits less any applicable fees.

Deposits net of fees are forwarded by GSPI to the Trustee. Deposits and income accruals in the Trust are invested in accordance with the Investment Policies adopted by GSPI.

The International Education Savings Plan can be denominated in either US dollars or Euros. One Unit of the IESP equals \$504 US or €504. Once the Subscriber chooses the deposit currency it cannot be changed and all scholarship payments will be made to a Nominee in the chosen deposit currency. All investments will be pooled, invested and reported in the deposit currency selected. Investment pools denominated in other currencies may be established by GSPI in the future.

The IESP provides two Fee Options. Fee Option A - Enrollment Fee and Fee Option B - Management Fee. Once chosen a Fee Option cannot be changed. See Summary of Fees.

Maintaining Scheduled Deposits

Subscribers should maintain the frequency of deposits based on their agreed on schedule in order to achieve the goal of having sufficient funds for post-secondary education anywhere in the world. Any deposit interruption must be communicated to the Client Services department of the IESP.

Deposit methods and Deposit schedules as originally chosen by Subscribers can be adjusted by Client Services to meet Subscribers' financial circumstances.

Investment Policies

US dollar Capital Deposits: All US\$ deposits made by a Subscriber(s) net of fees are invested in a pooled portfolio of US\$ denominated bonds or other debt instruments issued or guaranteed by the United States or Canadian federal or state (provincial) governments. Other fixed income securities having a Moody's rating "A" or better, may be included in the portfolio at the discretion of the independent investment counsel.

Euros Capital Deposits: All Euro deposits made by a Subscriber(s) net of fees are invested in a pooled portfolio of Euro denominated bonds or other debt instruments issued or guaranteed by European Union country governments. Other fixed income securities having a Moody's rating "A" or better, may be included in the portfolio at the discretion of the independent investment counsel.

Accumulated Income Earnings: At the discretion of GSPI, Income may be invested worldwide in investment grade securities of which at least 50% will be fixed income.

GSPI directors review and monitor the investment portfolio on a quarterly basis.

Investment Counsel

The funds held in the trust are managed by professional independent investment managers with the overall investment objective of income and/or growth with capital preservation. Investments in the funds are either in U.S. dollars or Euros as chosen by the Subscriber at the time of initial deposit and are managed by ScotiaCassels Investment Counsel Limited.

Summary of Fees

The Subscriber must choose one of the following Fee Options which will be applicable to their IESP. Once a Fee Option has been selected it cannot be changed.

Fee Option "A"- Enrollment Fee

A portion of each Unit is designated as Enrollment Fee for expenses related to managing the IESP. The Enrollment Fees are deducted from early Deposits until completed.

Fee	Paid by	Paid to	Amount <small>(expressed in US Dollars or Euros as applicable)</small>
Enrollment Fee	Subscriber	GSPI	not exceeding 60 per Unit
Depository Fee per year (per Agreement)	Subscriber	GSPI	Single Deposit - 2 per yr Annual Deposits - 4 per yr Semi-annual Deposits- 6 per yr Quarterly Deposits - 8 per yr Monthly Deposits -10 per yr
Administration Fee	Trust	GSPI	} 1.2% of Plan Assets Annually
Trustees Fees	from Income	Trustee	
Investment Counsel Fee	Income	Investment Counsel	
Processing Fee	Subscriber	GSPI	25 per Agreement
Special Service Fees See "Special Service Fees"	Subscriber	GSPI	10 per item if applicable

Fee Option "B"- Management Fee

A Subscriber electing this option will have an annual fee of 2.4% of the Subscriber's Unit Value deducted monthly in arrears. The Management Fee includes all Administration, Trustee, and Investment Counsel Fees. The remaining fees are for the Plan administration and costs associated with the sales and marketing of the Plan.

Management Fee:	annual fee of 2.4% of Subscriber's Unit Value deducted from their Unit Value on a monthly basis in arrears
Processing Fee:	one time fee \$25/€25 per agreement
Depository Fee:	annual fee deducted from the unit value per agreement;
Single Deposit:	\$2/€2 per year
Annual Deposits:	\$4/€4 per year
Semi - Annual Deposits:	\$6/€6 per year
Quarterly Deposits:	\$8/€8 per year
Monthly Deposits:	\$10/€10 per year
Special Service Fees:	\$10/€10 if applicable (see Special Service Fees)

Early Withdrawal Fee: (if applicable)

Withdrawal of Deposits will incur an Early Withdrawal Fee applied against the Subscriber's Unit Value as per the table below. A withdrawal is exempt from the Early Withdrawal Fee when the withdrawal occurs when the Nominee is qualified for Educational Financial Assistance (EFA).

Early Withdrawal Fee Schedule

Withdrawal Period	Amount
0 to 12 months from date of last deposit	5% of the Subscriber's Unit Value for this period,
13 to 24 months from date of last deposit	4% of the Subscriber's Unit Value for this period,
25 to 36 months from date of last deposit	3% of the Subscriber's Unit Value for this period,
37 to 48 months from date of last deposit	2% of the Subscriber's Unit Value for this period,
49 to 72 months from date of last deposit	1% of the Subscriber's Unit Value for this period,
73 months or more from date of last deposit	0%

Special Service Fees (applicable to Fee Option A and B)

A fee of \$10/€10 is payable by the Subscriber upon the happening of any of the following events:

- (i) a deposit cheque is returned by the Subscriber's bank ;
- (ii) the Subscriber exercises his or her right of assignment;
- (iii) the Subscriber changes the designation of the Nominee;
- (iv) the Subscriber requests that a cheque previously delivered in respect of the Plan be replaced;
- (v) the Subscriber elects to change the Deposit Method and/or Term;
- (vi) the Subscriber ceases making Deposits before the Term of the Agreement has expired;
- (vii) the Subscriber ceases making Deposits for a period of time during the Term of the Agreement;
- (viii) each withdrawal of EFA from the Plan by a Subscriber where such withdrawal has occurred more than once per year;
- (ix) a transfer to another E.S.P.;
- (x) a Deposit withdrawal prior to eligibility for EFA.

Tax Status

Funds paid by the plan are not subject to taxation when paid but may be taxed as income to the recipient in accordance with applicable local laws in the recipient's jurisdiction.

Change of Nominee

Subscribers may at any time exercise the right to substitute a Nominee. The new Nominee may be anyone at any age including a Subscriber. The right to substitute a Nominee for a Plan may also be exercised in the event of the death of a Nominee.

Educational Financial Assistance (EFA)

GSPI distributes Educational Financial Assistance (EFA) payments to Qualified Students upon acceptance and continued attendance at a recognized post-secondary educational institution anywhere in the world.

Subscribers with Nominees at or over age 17 are sent Annual registration forms regarding EFA availability. Younger students can qualify for EFA benefits at earlier ages if proof is provided of acceptance at a recognized post secondary educational institution. There are no restrictions on how the Qualified Students use their EFA payments provided that Qualified Students are registered for higher education.

Upon notification to GSPI, students can take time off during the course of their studies and GSPI will adjust the distribution of EFA payments.

Nominees must be registered in a course of study at a recognized post-secondary educational institution anywhere in the world to be eligible for Educational Financial Assistance (EFA). Deposits made by Subscribers remain the property of the Subscribers, however, the Subscribers may at their discretion gift Deposits made in their Plan to qualified students.

EFA payments consist of the following:

- 1) Total Income earned on the Deposits; and also reinvested income.
- 2) Equitable distributions to qualified students from the "Enrichment Fund".

Income and Accumulated Income Payments (AIP)

Deposits and reinvested earnings earn income from the investments held in Trust. The income is credited to individual accounts on a monthly basis on the 15th of every month.

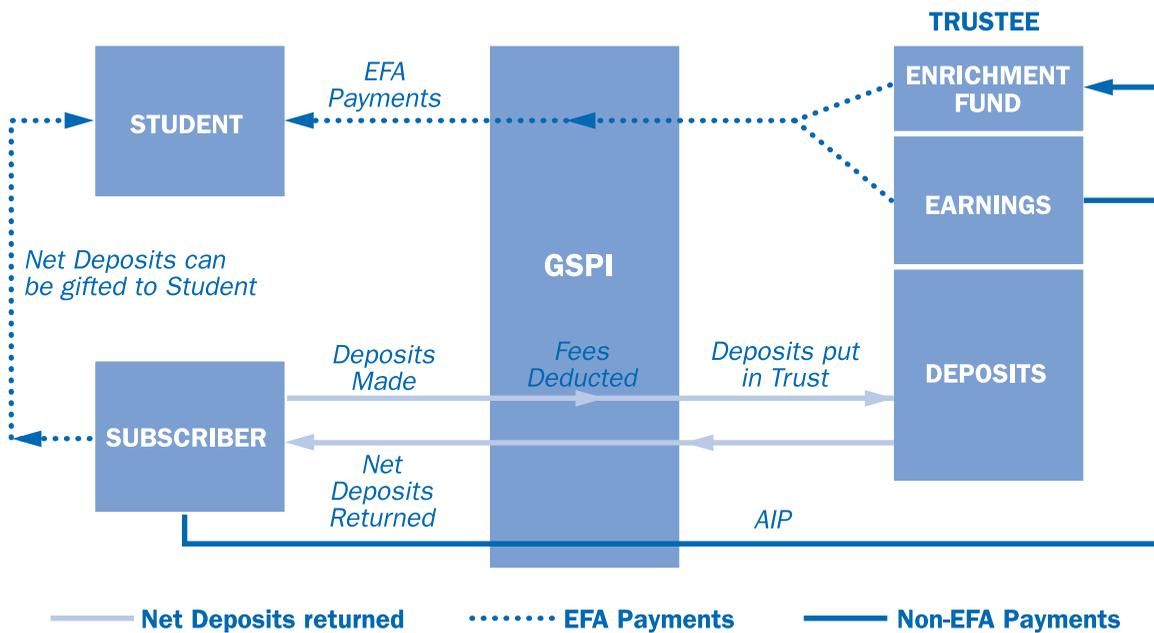
The earned income is credited on two levels:

First Level Income is credited in the amount of one half the total amount earned. This income is payable as part of EFA or upon termination of the Plan.

Second Level Income is credited in the amount of one half the total amount earned. This income is payable to the Nominee as part of EFA upon education fulfillment. Second Level income that is not used for EFA funding will be remitted to the Enrichment Fund upon termination of the Plan.

Please see diagram "International Education Savings Plan"

International Educational Savings Plan Payments Diagram



Enrichment Fund

The Enrichment Fund is maintained by GSPI for the purpose of enhancing EFA payments to Qualified Students on an equitable basis.

The Enrichment Fund consists of:

- (i) Donation Fund contributions
- (ii) Second Level income transferred from terminated and non-education participating plans
- (iii) Deposits and income that are unclaimed by Subscribers after failing to give direction from the options available within 3 years of options' notice,
- (iv) Unclaimed Deposits and income of terminated Plans, and
- (v) Deposits and income of Plans that have reached the 25 year expiry date.

A GSPI Committee appointed by the directors retains the right to determine the Enrichment Fund amounts that are added to EFA payments for Qualified Students. The earnings on Enrichment Fund reserves can be used to pay the expenses GSPI may incur in the fulfillment of its objectives to disburse EFA payments.

Donation Fund

The Donation Fund consists of contributions received from organizations, corporations, and individuals. The Donation Fund is distributed to Qualified Students as part of the Enrichment Fund enhancements of EFA payments.

Termination of Agreement

If Subscribers want to permanently discontinue their Plans prior to completing their Deposits or after completion of their Deposits, discontinue their Plans for purposes other than for EFA payments, they may terminate their Agreements by giving written notice to GSPI. Subscriber's Deposits will be returned less applicable fees and with first level income attributed as Accumulated Income Payments (AIP) valued at the time of termination.

Within 45 days of a scheduled Deposit not being paid, GSPI will notify Subscribers at their last recorded address of missed Deposits and options that are available. Plans for which Subscribers do not respond to GSPI within the 3 year period of such notice, will be terminated. Plans are considered unclaimed plans and terminated if after any notice sent to Subscribers at their last known address results in a failure within 3 years to act upon options available and to give direction to GSPI with regards to continuing Deposits or the withdrawal of funds. Plans are terminated if they exceed 25 years from the year of Application enrollment. For Plans terminated as unclaimed, Deposits and income will be remitted to the Enrichment Fund of GSPI to be applied as EFA to Qualified Students. Please see diagram "International Education Savings Plan Payments".

Plan Continuation Options

If Deposits are not able to be continued by a Subscriber as originally chosen, a Subscriber may re-adjust their payment method and/or the amount of their Deposits by giving notice to the Foundation. A Subscriber can re-instate their Plan at any time within 3 years of failure to make a Deposit as scheduled by paying missed Deposits and any Deposit withdrawals or by a continuation of their Deposit schedule or a GSPI approved re-adjustment of their schedule. A Subscriber may also choose the Maintaining the Plan Option that permits the continuation of the Plan with no further Deposits required and all benefits apply. Deposits can be re-activated at any time under this option.

Deposit Completion Coverage (DCC) in the Event of Death of a Subscriber(s)

If the Subscriber(s) has chosen the Deposit Completion Coverage option and upon death of the Subscriber, GSPI will continue to make all future Deposits to the Subscriber's Plan. To qualify Subscribers must apply for Deposit Completion Coverage and be accepted by GSPI. Cost for Subscribers DCC is 4.5% of Deposits, whether joint or single Subscriber. The DCC is available to Subscribers under 50 years of age at the time of application for the DCC. Coverage under the DCC option will cease on the earlier of a Subscriber's completion of Deposits or a Subscriber's 60th birthday. For monthly Plans there will be no DCC payments in the month that a Subscriber reaches age 60.

For Single or Joint Subscribers who have both reached their 60th birthday the additional cost of the DCC will no longer apply and Deposit amounts will be lowered to reflect this change. Annual, Semi-annual, and Quarterly Plans will have the final DCC payment pro-rated to reflect the time remaining from the payment to the 60th birthday. In the event of the death of a Subscriber having DCC there can be no changes to the terms of a Plan without the consent of the GSPI Committee. The availability of DCC varies according to the jurisdiction.

Amendments

Local laws and customs may require modification to the IESP. In this event GSPI will amend the IESP and its accompanying documents but in so doing GSPI will endeavour to ensure that the IESP as amended is as similar as possible to the original IESP.

GSPI is entitled to make any amendments to the IESP and its accompanying documents without concurrence of or prior notice to Subscribers or Nominees which are:

- required to be made to comply with an applicable law;
- necessary or desirable in the opinion of GSPI and which do not adversely affect the right of any Subscriber, Nominee or qualified student; or
- necessary to correct a clerical or typographical error.

Global Scholarship Plans Inc. Committee: The Committee is appointed by the directors of GSPI. The purpose of the Committee is to make decisions concerning investment policies, distribution of EFA and other matters relating to the operation of the Plan

Statements to Subscribers

The Educational Financial Assistance Confirmation that details Deposits and personal information for your Plan will be sent to you after your application is approved. Subscribers will receive an Annual Statement of Account showing the individual Plan Deposit details and the Annual Report showing Financial Statements with respect to the Trust.

Financial Institutions and Advisors

The Banker for the IESP will be Scotia Bank (Bahamas) Ltd. a subsidiary of the Bank of Nova Scotia (Canada), or another local bank recognized by the government provided that the local bank complies with the standards and guidelines of the Basel Committee on Banking Supervision and the 1988 Basel Capital Accord.

The Trustee will be the Bank of Nova Scotia Trust (Bahamas) Limited a subsidiary of the Bank of Nova Scotia Trust Company (Canada).

Investment Managers (Counsel) will be Scotia Cassels Investment Counsel Limited licensed in accordance with Canadian securities law.

Plan Correspondence and Inquiries

All correspondence relating to the IESP should be sent to the Plan's administrative managers at;

Global Scholarship Plans Inc.
c/o Global Educational Marketing Corporation
800 Arrow Road, Suite 1100 Toronto, Ontario Canada M9M 2Z8

or email Global Scholarship Plans Inc. at;
info@globaliesp.com