

EMPIRE LIFE INFORMATION CIRCULAR

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CATEGORY : **COMPENSATION**

TO : Managing General Agents, Associate General Agents, Advisors,
General Agents, Independent Financial Advisors and National Accounts

SUBJECT : **Revised Commission Schedule – Hybrid Solution 100**

Please find attached an updated Commission Schedule. The Commission Schedule has been updated for the following Insurance product:

- Addition of the Hybrid Solution 100 product commissions

Reference **Kathy Thompson**, Vice-President and Product Actuary





Empire Life Commission Schedule

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General Information

Payments of the commissions shown in this Commission Schedule are subject to the terms of the applicable Advisor agreement between you and The Empire Life Insurance Company ("Empire Life") and to the following conditions:

1) Extra Premiums

On Individual Life and Individual Health plans, where extra premiums are charged for special hazards or health impairments, a first year commission rate of the lesser of 50% or the first year commission rate for the applicable plan, will be paid on these extra premiums. In subsequent policy years, the commission on these extra premiums will be in accordance with the Commission Schedule rates applicable to those years and plan types.

2) Life Time Renewal Commission (LRC)

- On Solution Series coverages settled on or after January 1, 2007 through MGAs and National Accounts, a LRC equal to 2.0% of premiums will be paid as earned, commencing in year 6 and continuing for the lifetime of the coverage.
- On Optimax coverages settled under rate series with an effective date of August 25th, 2008 or later through MGAs and National Accounts, a LRC equal to 2.0% of premiums will be paid as earned, commencing in year 6 and continuing for the lifetime of the coverage.

3) Chargebacks

If an Individual Life or Individual Health coverage lapses within the first twenty-four (24) months after issue, we will chargeback the compensation paid for each premium not received. Compensation includes First Year Commission and applicable bonus or override.

4) Joint First-to-Die and Joint Last-to-Die Products

Commissions are the same as for a single life at the Single Equivalent Age (SEA), for the plan and volume selected.

5) FundSERV

Investment policies settled using the FundSERV system are excluded for consideration from this Commission Schedule. Compensation for these policies will be as detailed by the ancillary agreements that granted FundSERV accessibility.

6) Group Conversions

Any placement that is the result of a client exercising a Group Conversion Option is ineligible for commissions or any other form of advisor compensation.

7) Conversion Rules

The following rules cover most occurrences, (please refer to Account Manager for situations not described):

- Conversion of policy less than two years old by original Advisor: the original policy is treated as a lapse, with normal chargeback of compensation. Full compensation is extended on the new policy.
- Conversion of policy less than two years old by different Advisor, original Advisor is active or terminated with compensation vesting: there is no chargeback of compensation to the original Advisor. The replacing Advisor receives compensation on the new case less the chargeback on the original case. The original Advisor will be notified of the replacement.
- Conversion of policy less than two years old by a different Advisor, and the original Advisor is no longer active, and compensation is not vested: the replacing Advisor receives compensation on the new case, less the chargeback on the original case.
- Conversion of policies older than two years: no chargebacks are involved, but notice will be given to the original active or terminated with vesting Advisor where a different Advisor is involved.
- The Associate Vice President, Sales and Distribution is the final authority in resolving any issues involving conversions.

8) Internal Replacement Policy,

The following rules cover most occurrences, (please refer to Account Manager for situations not described).

When a new policy replaces an existing policy, commissions paid on the new policy will be reduced based on following chart:

Replacement prior to receiving all premiums for:	Commissions on new policy will be reduced by:
Years 1 and 2	100% of the commission on the original case.
Year 3	75% of the commission on the original case.
Year 4	50% of the commission on the original case.
Year 5	25% of the commission on the original case.

Additional clarification concerning replacement of policies less than two years old:

Advisor is:	Impact on original Advisor	Impact on Replacing Advisor
Original Advisor	Greater of the normal chargeback or the 100% FYC restriction on the original case.	N/A
Different Advisor and the original Advisor is active or terminated with vesting.	Chargeback of compensation as per contractual agreement.	Commissions on new policy will be reduced by 100% of the commission on the original case.
Different Advisor and the original Advisor is not active and/or not vested.	N/A	Commissions on new policy will be reduced by 100% of the commission on the original case.

Commission Summary

(Note the Commission Summary is meant as a quick and convenient reference chart. For additional details please refer to the applicable section within the Commission Schedule).

Individual Life Insurance Plans and Individual Health Insurance Plans	Policy Years			
	1	2	3 to 5	6 Plus
TRILOGY				
Target Premium				
Level COI Structure (Life)	50%	2%	2%	N/A
ART85 COI Structure (Life)	60%	2%	2%	N/A
Term 10 and Term 20 COI Structure (Life)	45%	2%	2%	N/A
ART100 COI Structure (Life) and Additional Benefits	80%	2%	2%	N/A
All COI Structure (Life Plus)	45%	2%	2%	N/A
Administration Fee	65%	2%	2%	N/A
Excess Premium	2%	2%	2%	N/A
Draw/Charge Commission				
Level COI Structure (Life), Term 20 COI Structure (Life), Term 10 COI Structure (Life) , ART85 COI Structure (Life), All COI Structures (Life Plus), Additional Benefits and Administration Fee	N/A	3%	3%	N/A
ART100 COI Structure (Life) and TaxGuard Plus	N/A	10%	10%	N/A
Fund Value (Annual Rate)	N/A	0.25%	0.25%	0.25%
Overflow Value (Annual Rate)	2.40%	2.40%	2.40%	2.40%
<u>Adjusted Commissions on Trilogy Policies which have elected the Surrender Charge Option (Trilogy Plus)</u>				
Target Premium – ART85 COI Structure (Life)	55%	2%	2%	N/A
Tier 1 Excess Premium	7.5%	2%	2%	N/A
Tier 2 Excess Premium	1.0%	2%	2%	N/A
Fund Value (Annual Rate)	N/A	0.50%	0.50%	0.25%
Optimax Life Insurance Component	55%	5%	5%	2%
* The 6 Plus commission on Optimax is only available on coverages issued under rate series with an effective date of August 25 th , 2008 or later and settled through either an MGA or National Account.				
Solution Series				
Solution 10	45%	5%	5%	2%*
Solution 20	45%	5%	5%	2%*
Solution 100	50%	5%	5%	2%*
Hybrid Solution 100 [†]	50%	5%	5%	2%*
* The 6 Plus commission on Solution Series is only available on coverages settled on or after January 1, 2007 and sold through either an MGA or National Account.				
† Renewal commissions are based on the premium as determined on each anniversary.				
Vital Link and Vital Link ROP	45%	15%	5%	N/A
Additional Benefits	70%	10%	10%	N/A

Investment Product Plans and Investment Products attached to Individual Life and Health Products	Deposit Commission	Trailer Commission
Single Premium Immediate Annuities and Term Certain Annuities of 10 Years or More (SPIAs) First \$100,000 of cumulative premiums Next \$100,000 of cumulative premiums Excess over \$200,000 of cumulative premiums	 2.25% 1.50% 0.75%	 N/A N/A N/A
Elite Investment Program Treasury Interest Option Guaranteed Interest Option Segregated Funds (excluding Money Market) Money Market	 0.30% 0.25% per year sold 2.50% 0.075%	 0.40% 0.25% per year reinvested see detail 0.10%
Elite XL Investment Program Treasury Interest Option Guaranteed Interest Option Segregated Funds (excluding Money Market) Money Market	 0.30% 0.25% per year sold 1.00% 0.075%	 0.40% 0.25% per year reinvested see detail 0.10%
Option Plus Group RSP Treasury Interest Option Guaranteed Interest Option Segregated Funds (excluding Money Market) Money Market	 0.30% 0.25% per year sold 1.00% 0.075%	 0.40% 0.30% see detail 0.10%
Optimax Tax Exempt Investment Account Daily Interest Option Guaranteed Interest Option Index Option	 N/A N/A N/A	 0.50% 0.50% 1.00%
Note: Investment policies settled using the FundSERV system are excluded for consideration from this Commission Schedule. Compensation for these policies will be as detailed by the ancillary agreements that granted FundSERV accessibility.		

Individual Life Insurance Plans

Trilogy

TRILOGY Compensation Components	Policy Years		
	1	2 to 5	6 Plus
Target Premium			
Level COI Structure (Life)	50%	2%	N/A
ART85 COI Structure (Life)	60%	2%	N/A
Term 10 and Term 20 COI Structure (Life)	45%	2%	N/A
ART100 COI Structure (Life)	80%	2%	N/A
All COI Structure (Life Plus)	45%	2%	N/A
Additional Benefits	80%	2%	N/A
Administration Fee	65%	2%	N/A
Excess Premium	2%	2%	N/A
Draw/Charge Commission			
Level COI Structure (Life), ART85 COI Structure (Life), Term 20 COI Structure (Life), and Term 10 COI Structure (Life)	N/A	3%	N/A
ART100 COI Structure (Life) and TaxGuard Plus	N/A	10%	N/A
All COI Structure (Life Plus)	N/A	3%	N/A
Additional Benefits	N/A	3%	N/A
Administration Fee	N/A	3%	N/A
Fund Value (Annual Rate)	N/A	0.25%	0.25%
Overflow Value (Annual Rate)	2.40%	2.40%	2.40%

Additional Notes – TRILOGY

- 1) For TRILOGY there are four types of commission components:
 - a) Premium commissions are based on target and excess premiums.
 - i) The first year target premium receives equivalent treatment to a first year premium under a traditional Individual Life plan. The FYC associated with first year target premium is payable on an advance basis and is subject to the Individual Life chargeback rules.
 - ii) The excess premium and all premiums in years 2-5 will generate commission on an as earned basis. In each policy year, excess premium is only recognized once all target premium requirements have been satisfied.
 - b) Draw commissions are based on monthly cost of insurance charges and fees deducted from the policyholder's tax exempt account.
 - c) Fund value commissions are based on the fund value in the given month. Fund value commissions exclude the Overflow account.
 - d) Overflow value commissions are based upon the Overflow Account Value at the end of the given month. Overflow value commissions are ineligible for any bonus consideration.
- 2) No commissions are paid on deposits to the Overflow Account. Transfers from the Overflow Account will generate commissions in the same manner as premiums credited directly to the policy.
- 3) Commission Adjustments on Trilogy Policies which have elected the Surrender Charge Option (Trilogy Plus):
 - a) First Year Target Premium Commission on ART85 COI Structure (Life) transactions decreases from 60% to 55%.
 - b) First Year Tier 1 Excess Premium - First Year Excess Premium Commission increases from 2% to 7.5% for the portion of First Year premiums in excess of the Target Premium but less than 40% of the Maximum Premium.
 - c) First Year Tier 2 Excess Premium - First Year Excess Premium Commission decreases from 2% to 1% for the portion of First Year premiums in excess of 40% of the Maximum Premium.
 - d) Fund Value (Annual Rate) Commission in Policy years 2 to 5 increases from 0.25% to 0.50%.
- 4) Maximizer is Life coverage and earns the commissions corresponding to its' COI Structure (Life), (i.e. an ART85 Maximizer would be eligible for ART85 COI Structure (Life) commissions).
- 5) Any placement that is the result of a client converting ART85 coverage is ineligible for First Year Target Premium Commissions.

Optimax

Optimax Life Insurance Component

Product	Policy Years		
	1	2 to 5	6 Plus
Optimax 100 and Optimax 20 Pay	55%	5%	2%
* The 6 Plus commission on Optimax is only available on coverages issued under rate series with an effective date of August 25 th , 2008 or later and settled through either an MGA or National Account.			

Optimax Paid-Up Additions Rider

Accumulated Value of Deposits applied to purchase Paid-Up Additions 5.0%
 This commission is payable upon purchase of Paid-Up Additions and is ineligible for any bonus considerations.

Optimax Tax Exempt Investment Account

- | | |
|------------------------------------|-------|
| 1) Daily Interest Option | |
| a) New Deposits Commission | N/A |
| b) Anniversary Trailer Commissions | 0.50% |
| 2) Guaranteed Interest Option | |
| a) New Deposits Commission | N/A |
| b) Anniversary Trailer Commissions | 0.50% |
| 3) Index Option | |
| a) New Deposits Commission | N/A |
| b) Anniversary Trailer Commissions | 1.00% |

Anniversary Trailer Commissions are calculated on the accumulated value of the investment option at the policy anniversary date.

Additional Life Insurance Products

Product	Policy Years		
	1	2 to 5	6 Plus
Solution Series			
Solution 10	45%	5%	2%*
Solution 20	45%	5%	2%*
Solution 100	50%	5%	2%*
Hybrid Solution 100 [‡]	50%	5%	2%*
* The 6 Plus commission on Solution Series is only available on coverages settled on or after January 1, 2007 and sold through either an MGA or National Account.			
[‡] Renewal commissions are based on the premium as determined on each anniversary.			
Additional Benefits attached to Individual Life Policies	70%	10%	N/A
Additional Benefits include Guaranteed Insurability Rider, Children's Life Rider, Children's Critical Illness Rider, Accidental Death & Dismemberment, Waiver of Premium.			

Individual Health Insurance Plans

Product	Policy Years		
	1	2	3 to 5
Vital Link	45%	15%	5%
Vital Link Return of Premium	45%	15%	5%
Additional Benefits attached to Individual Health Policies	70%	10%	10%
Additional Benefits include Children's Life Rider, Children's Critical Illness Rider, Accidental Death & Dismemberment, and Waiver of Premium			

Investment Product Plans

Single Premium Immediate Annuities and Term Certain Annuities of 10 Years or More (SPIAs)

New Deposits Commissions

a) First \$100,000 of cumulative premiums	2.25%
b) Next \$100,000 of cumulative premiums	1.50%
c) Excess over \$200,000 of cumulative premiums	0.75%

SPIA purchases, which are the result of the client taking advantage of the RRIF corridor at age 80, will be compensated at 2/3rd of the regular commission rate.

SPIA purchases, which are the result of a transfer from a pre-existing Empire Life policy, may be subject to commission adjustments in those instances where either market value adjustments or surrender charges are being waived to accommodate the SPIA purchase.

Elite Investment Program

- 1) Treasury Interest Option
 - a) New Deposits Commission 0.30%
 - b) Anniversary Trailer Commissions 0.40%

Anniversary Trailer Commissions are calculated on the accumulated value of the investment option at the policy anniversary date less all deposits made during the preceding twelve months.

- 2) Guaranteed Interest Option
 - a) New Deposits Commissions & Reinvestments

Investment Term	Commission Rate	Investment Term	Commission Rate
1 year	0.25%	1.5 year	0.375%
2 year	0.50%	2.5 year	0.625%
3 year	0.75%	3.5 year	0.875%
4 year	1.00%	4.5 year	1.125%
5 year	1.25%	6 year	1.50%
10 year	2.50%		

- 3) Segregated Funds (excluding Money Market)
 - a) New Deposits Commission 2.50%
 - b) Elite Trailer Commissions (Annual Rate)
 - i) for policies administered under the Managing General Agents Agreement 0.20%
 - ii) for policies administered under either the General Agent's Agreement or Producer's Agreement Annual Trailer Commission varies by Funds Under Management according to the following chart:

Segregated Funds Under Management by Advisor	Annual Trailer Commission
\$0 to \$99,999	0.0%
\$100,000 to \$2,499,999	0.30%
\$2,500,000 to \$4,999,999	0.40%
\$5,000,000 and over	0.50%

- iii) Elite Trailer Commissions are paid monthly on a pro-rated basis.
 - iv) The monthly Trailer Commission will be based upon Elite Products under the Advisor's control and will equal:
 - (1) Total value of Segregated Funds, (excluding Money Market), less Segregated Fund deposits in the last twelve months multiplied by
 - (2) The Annual Trailer rate divided by twelve.
 - v) "Advisor's control" and "Management by Advisor" are both based upon the commissionable advisor.
 - vi) Segregated Funds Under Management is based upon Fund Values on the Trailer valuation date within the following Empire Life Funds;
 - (1) Funds which are a member of the Elite Family of Funds,
 - (2) Premier Equity Fund
 - (3) Equity Fund # 3
- 4) Money Market
 - a) New Deposits Commission 0.075%

Surrenders from the Money Market Fund within three months of the deposit date will be subject to full commission chargeback.

 - b) Elite Trailer Commissions (Annual Rate) 0.10%

Money Market Trailer Commissions are paid monthly on a pro-rated basis. The Money Market Trailer Commission will equal total value of Money Market funds less Money Market deposits in the last twelve months multiplied by the Annual Trailer rate divided by twelve.

Additional Notes – Elite Investment Program

- 1) New deposits and reinvestments when the annuitant's age exceeds 80.
 - a) Guaranteed Interest Option new deposit and reinvestment commissions are subject to a chargeback if the annuitant dies before the end of the investment term. The chargeback is equal to the commission rate per year of investment multiplied by the number of complete years remaining in the investment term.
 - b) Segregated Fund new deposits are subject to the following chargeback schedule if the annuitant dies within two years of the Segregated Fund deposit date,
 - i) If death occurs in the first year following the Segregated Fund deposit date then chargeback is 1.0% of original deposit,
 - ii) If death occurs in the second year following the Segregated Fund deposit date then chargeback is 0.5% of original deposit.
- 2) Funds transferred from a Segregated Fund, (excluding Money Market)
 - a) Funds transferred from a Segregated Fund retain their Segregated Fund deposit date(s). This date is the date upon which Segregated Fund New Deposits Commissions were generated. Transfers are considered to occur on a First-In-First-Out basis.
 - b) Funds transferred from a Segregated Fund are permanently ineligible for new deposit compensation within the current policy. They are eligible for the following,
 - i) While within the Money Market fund, transferred funds are included in the Money Market Trailer calculation.
 - ii) While within the Treasury Interest Option, transferred funds earn the Treasury Interest Option Anniversary Trailer Commissions. Only those Treasury Interest Option fund values where 5 years has passed since the Segregated Fund deposit date are eligible for the Anniversary Trailer Commissions.
 - iii) While within the Guaranteed Interest Option, transferred funds earn Anniversary Trailer Commissions.
 - Anniversary Trailer Commissions are equal to 0.30% of eligible fund values.
 - Anniversary Trailer Commissions are calculated on policy anniversaries.
 - Only those Guaranteed Interest Option fund values where 5 years has passed since the Segregated Fund deposit date are eligible for the Anniversary Trailer Commissions.
 - c) Funds transferred to a Guaranteed Interest Option within two years of the Segregated Fund deposit date are subject to the following chargebacks:
 - i) If transfer occurs in the first year following the Segregated Fund deposit date then chargeback is 1.0% of original deposit,
 - ii) If transfer occurs in the second year following the Segregated Fund deposit date then chargeback is 0.5% of original deposit.
 - iii) Transferred funds, which are subsequently surrendered from the Treasury Interest Option within three months of the transfer date, will also be subject to the above chargeback if it has not been previously charged.
- 3) Conversion from the Savings Plan to the RIF under the Elite Investment Program
 - a) Funds in the Guaranteed Interest Option are converted on a remainder in term basis. They receive no commission at point of conversion but will be eligible for reinvestment commissions.
 - b) Segregated Fund conversions will generate New Deposits Commissions subject to the following conditions,
 - i) Segregated Fund balances attributable to Segregated Fund deposits within the five years prior to conversion will be subject to a commission reduction equal to 0.45% multiplied by each year remaining until the Segregated Fund deposit will pass its fifth anniversary.
 - ii) Since RIF conversion will not generate reactivation of the Surrender Charge schedule a commission chargeback will be applicable on any subsequent withdrawals from the Segregated Funds. The end of the chargeback period will be five years following the conversion date and the chargeback will equal commission paid at time of conversion multiplied by number of complete years remaining to the end of the chargeback period divided by five.

- 4) Transfer from Guaranteed Interest Option to Other Investment Option
 - a) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term then the following will occur:
 - i) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve.
 - ii) Guaranteed Interest Options funds currently receiving Anniversary Trailer Commissions are not subject to an unearned commission chargeback.
- 5) Transfer to a Single Premium Immediate Annuity
 - a) Full SPIA commission is payable
 - b) If the source of the transfer is Segregated Funds with outstanding surrender charges then the following will occur:
 - i) No surrender charges will be assessed against the client.
 - ii) An unearned commission chargeback will be assessed. This chargeback will equal the New Deposits Commission multiplied by number of complete years remaining until the end of the chargeback period divided by five.
 - c) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term then the following will occur:
 - i) No Market Value Adjustment will be assessed against the client.
 - ii) Any applicable Interest Adjustments will be assessed.
 - iii) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve.
 - iv) Guaranteed Interest Options funds currently receiving Anniversary Trailer Commissions are not subject to an unearned commission chargeback.
 - d) SPIA purchases, which are the result of the client taking advantage of the RRIF corridor at age 80, will be compensated at $\frac{2}{3}$ rd of the regular commission rate.
- 6) FundSERV

Investment policies settled using the FundSERV system are excluded for consideration from this Commission Schedule. Compensation for these policies will be as detailed by the ancillary agreements that granted FundSERV accessibility.

Elite XL Investment Program

1) Treasury Interest Option

- a) New Deposits Commission 0.30%
- b) Anniversary Trailer Commissions 0.40%

Anniversary Trailer Commissions are calculated on the accumulated value of the investment option at the policy anniversary date less all deposits made during the preceding twelve months.

2) Guaranteed Interest Option

- a) New Deposits Commissions & Reinvestments

Investment Term	Commission Rate	Investment Term	Commission Rate
1 year	0.25%	1.5 year	0.375%
2 year	0.50%	2.5 year	0.625%
3 year	0.75%	3.5 year	0.875%
4 year	1.00%	4.5 year	1.125%
5 year	1.25%	6 year	1.50%
10 year	2.50%		

3) Segregated Funds (excluding Money Market)

- a) New Deposits Commission 1.00%
- b) Elite Trailer Commissions (Annual Rate)
 - i) for policies administered under the Managing General Agents Agreement 0.35%
 - ii) for policies administered under either the General Agent's Agreement or Producer's Agreement Annual Trailer Commission varies by Funds Under Management according to the following chart:

Segregated Funds Under Management by Advisor	Annual Trailer Commission
\$0 to \$99,999	0.0%
\$100,000 to \$2,499,999	0.60%
\$2,500,000 to \$4,999,999	0.70%
\$5,000,000 and over	0.80%

- iii) Elite Trailer Commissions are paid monthly on a pro-rated basis.
- iv) The monthly Trailer Commission will be based upon Elite Products under the Advisor's control and will equal:
 - (1) Total value of Segregated Funds, (excluding Money Market), less Segregated Fund deposits in the last twelve months multiplied by
 - (2) The Annual Trailer rate divided by twelve.
- v) "Advisor's control" and "Management by Advisor" are both based upon the commissionable advisor.
- vi) Segregated Funds Under Management is based upon Fund Values on the Trailer valuation date within the following Empire Life Funds;
 - (1) Funds which are a member of the Elite Family of Funds,
 - (2) Premier Equity Fund
 - (3) Equity Fund # 3

4) Money Market

- a) New Deposits Commission 0.075%
- b) Elite Trailer Commissions (Annual Rate) 0.10%

Surrenders from the Money Market fund within three months of the deposit date will be subject to full commission chargeback.

Money Market Trailer Commissions are paid monthly on a pro-rated basis. The Money Market Trailer Commission will equal total value of Money Market funds less Money Market deposits in the last twelve months multiplied by the Annual Trailer rate divided by twelve.

Additional Notes – Elite XL Investment Program

- 1) New deposits and reinvestments when the annuitant's age exceeds 80.
 - a) Guaranteed Interest Option new deposit and reinvestment commissions are subject to a chargeback if the annuitant dies before the end of the investment term. The chargeback is equal to the commission rate per year of investment multiplied by the number of complete years remaining in the investment term.
- 2) Funds surrendered from a Segregated Fund, (excluding Money Market), within one year of the Segregated Fund deposit date.
 - a) An unearned commission chargeback will be assessed. The chargeback will equal the commission paid multiplied by the number of months remaining from the surrender date to the end of the initial year on deposit. Partial months count as a full month for the purposes of this calculation.
 - b) A corridor exists in which the commission chargeback will be waived.
 - i) For Elite XL the corridor consists of a 1% per month Systematic Partial Surrender option, (or 12% per year of the policy value at the beginning of the year).
 - ii) For Elite XL RIF the corridor consists of 1.25% per month, (or 15% per year of the policy value at the beginning of the year).
- 3) Transfer from Guaranteed Interest Option to Other Investment Option
 - c) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term then the following will occur:
 - i) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve.
 - ii) Guaranteed Interest Options funds currently receiving Anniversary Trailer Commissions are not subject to an unearned commission chargeback.
- 4) Transfer to a Single Premium Immediate Annuity
 - a) Full SPIA commission is payable
 - b) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term, then the following will occur:
 - i) No Market Value Adjustment will be assessed against the client.
 - ii) Any applicable Interest Adjustments will be assessed.
 - iii) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve.
 - iv) Guaranteed Interest Options funds currently receiving Service Commissions are not subject to an unearned commission chargeback.
- 5) FundSERV

Investment policies settled using the FundSERV system are excluded for consideration from this Commission Schedule. Compensation for these policies will be as detailed by the ancillary agreements that granted FundSERV accessibility.

Option Plus Group RSP

- 1) Treasury Interest Option
 - a) New Deposits Commission 0.30%
 - b) Anniversary Trailer Commissions 0.40%

- 2) Guaranteed Interest Option
 - a) New Deposits Commission

Investment Term	Commission Rate	Investment Term	Commission Rate
1 year	0.25%	1.5 year	0.375%
2 year	0.50%	2.5 year	0.625%
3 year	0.75%	3.5 year	0.875%
4 year	1.00%	4.5 year	1.125%
5 year	1.25%	6 year	1.50%
10 year	2.50%		

- b) Anniversary Trailer Commissions 0.30%

The Guaranteed Interest Option's Anniversary Trailer Commissions are based upon the accumulated value of certificates that were the result of a reinvestment; (i.e. the certificate has passed its first reinvestment date).

- 3) Segregated Funds (excluding Money Market)

- a) New Deposits Commission 1.00%
 - b) Trailer Commissions

- i) For policies administered under the Managing General Agents Agreement and issued after July 20th, 2008
 - (1) The Annual Trailer Rate is 0.40%
 - (2) Trailer Commissions are paid monthly.
 - (3) Trailer Commission will be based upon total value of Segregated Funds, (excluding Money Market), less Segregated Fund deposits in the last twelve months multiplied by The Annual Trailer rate divided by twelve.
 - ii) For policies issued prior to July 21st, 2008 or administered under either the General Agent's Agreement or Producer's Agreement.
 - (1) The Trailer is classified as an Anniversary Trailer Commission
 - (2) The Annual Trailer Rate is 0.85%
 - (3) Trailer Commissions are paid annually.
 - (a) For money purchase pension plans, trailer commissions are paid at the end of the plan year on the entire group.
 - (b) For RRSPs, trailer commissions are calculated and paid based upon the anniversary date of each member's certificate.
 - (4) Trailer Commission will be based upon total value of Segregated Funds, (excluding Money Market), less Segregated Fund deposits in the last twelve months multiplied by The Annual Trailer rate.

- 4) Money Market

- a) New Deposits Commission 0.075%

Surrenders from the Money Market Fund within three months of the deposit date will be subject to full commission chargeback.

- b) Trailer Commissions

- i) For policies administered under the Managing General Agents Agreement and issued after July 20th, 2008
 - (1) The Annual Trailer Rate is 0.10%
 - (2) Trailer Commissions are paid monthly.
 - (3) Trailer Commission will be based upon total value of Money Market less Money Market deposits in the last twelve months multiplied by The Annual Trailer rate divided by twelve.

- ii) For policies issued prior to July 21st, 2008 or administered under either the General Agent's Agreement or Producer's Agreement.
 - (1) The Trailer is classified as an Anniversary Trailer Commission
 - (2) The Annual Trailer Rate is 0.10%
 - (3) Trailer Commissions are paid annually.
 - (a) For money purchase pension plans, trailer commissions are paid at the end of the plan year on the entire group.
 - (b) For RRSPs, trailer commissions are calculated and paid based upon the anniversary date of each member's certificate.
 - (4) Trailer Commission will be based upon total value of Money Market less Money Market deposits in the last twelve months multiplied by The Annual Trailer rate.

Additional Notes – Option Plus Group RSP

- 1) Option Plus Group RSP Anniversary Trailer Commissions are calculated on the accumulated value of the investment option at the policy anniversary date less all deposits made during the preceding twelve months.
 - a) For money purchase pension plans, trailer commissions are paid at the end of the plan year on the entire group.
 - b) For RRSPs, trailer commissions are calculated and paid based upon the anniversary date of each member's certificate.
- 2) Transfers between investment options do not generate New Deposits Commissions.
- 3) Funds surrendered from a Segregated Fund, (excluding Money Market), within one year of the Segregated Fund deposit date.
 - a) An unearned commission chargeback will be assessed. The chargeback will equal the commission paid multiplied by the number of months remaining from the surrender date to the end of the initial year on deposit. Partial months count as a full month for the purposes of this calculation.
- 4) Transfer from Guaranteed Interest Option to Other Investment Option
 - a) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term then the following will occur:
 - i) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve.
 - ii) Guaranteed Interest Options funds currently receiving Anniversary Trailer Commissions are not subject to an unearned commission chargeback.
- 5) Transfer to a Single Premium Immediate Annuity
 - a) Full SPIA commission is payable
 - b) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term then the following will occur:
 - i) No Market Value Adjustment will be assessed against the client.
 - ii) Any applicable Interest Adjustments will be assessed.
 - iii) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve, (Guaranteed Interest Options funds currently receiving Anniversary Trailer Commissions are not subject to an unearned commission chargeback).

Empire Class Segregated Funds

Segregated Funds (including Money Market)

Fund Class	Purchase Fee Option	Deposit Commission	Money Market Annual Trailer	Bond Annual Trailer	Equity Annual Trailer
B & C	DSC	2.32%	0.09%	0.16%	0.23%
B & C	Low-Load	0.93%	0.11%	0.23%	0.46%
B & C	Front-End Load	equal to sales charge* divided by 2.15	0.11%	0.23%	0.46%
D & E	Front-End Load	equal to sales charge* divided by 2.15	0.04%	0.11%	0.23%

* Valid sales charges are 0% to 5%.

Additional Notes – Empire Class Segregated Funds

- 1) Trailer Commissions
 - a) Paid monthly, (The Annual Trailer rate divided by twelve)
 - b) Based upon the Average Daily Balance during the month.
 - c) Money Market Trailer applies to Segregated Funds classified as Money Market Funds. As of the printing of this schedule this only applies to the Money Market Fund.
 - d) Bond Trailer applies to Segregated Funds classified as Bond Funds. As of the printing of this schedule this applies to the Bond Fund and the Income Fund.
 - e) Equity Trailer applies to Segregated Funds classified as Equity, Balanced or Portfolio Funds. As of the printing of this schedule this applies to all Funds other than the Money Market Fund, the Income Fund and the Bond Fund.
- 2) Front-End (F/E) Load Deposit Commissions
 - a) F/E Load Deposit Commissions can range from 0% to 2.32% and are equal to the sales charge assessed against the deposit divided by 2.15.
- 3) Changing from Savings Plan to RIF - No deposit commissions are generated when an Empire Class Segregated Funds Savings Plan policy is converted to an Empire Class Segregated Funds payout policy, (ie RIF or LIF).
- 4) Transfers between Purchase Fee options (e.g. transfer from DSC option to Low-Load option), are not allowed on this product.
- 5) Transfers between Fund Classes - No deposit commissions are generated as a result of a transfer between Fund Classes, (e.g. transfer from Class C to Class B).

Class Plus 2

Segregated Funds (including Money Market)

Fund Class	Purchase Fee Option	Deposit Commission	Money Market Annual Trailer	Bond Annual Trailer	Balanced Annual Trailer
J	DSC	2.32%	0.09%	0.11%	0.23%
	Low-Load	0.93%	0.11%	0.23%	0.46%
	Front-End Load	equal to sales charge* divided by 2.15	0.11%	0.23%	0.46%

* Valid sales charges are 0% to 5%.

Additional Notes – Class Plus 2

- 1) Trailer Commissions
 - a) Paid monthly, (The Annual Trailer rate divided by twelve)
 - b) Based upon the Average Daily Balance during the month.
 - c) Money Market Trailer applies to Segregated Funds classified as Money Market Funds. As of the printing of this schedule this only applies to the Money Market Fund.
 - d) Bond Trailer applies to Segregated Funds classified as Bond Funds. As of the printing of this schedule this only applies to the Bond Fund.
 - e) Equity Trailer applies to Segregated Funds classified as either Balanced Funds or Portfolio Funds. As of the printing of this schedule this applies to all Funds other than the Money Market Fund and the Bond Fund.
- 2) Front-End (F/E) Load Deposit Commissions
 - a) F/E Load Deposit Commissions can range from 0% to 2.32% and are equal to the sales charge assessed against the deposit divided by 2.15.
- 3) Changing from Savings Plan to RIF - No deposit commissions are generated when a Class Plus 2 Savings Plan policy is converted to a Class Plus 2 payout policy, (e.g. RIF or LIF).
- 4) Transfers between Purchase Fee options (e.g. transfer from DSC option to Low-Load option), are not allowed on this product.