

SCHEDULE “A” COMMISSION SCHEDULE

Each insurance coverage Settled shall have commissions credited on eligible premiums according to the tables in this Commission Schedule.

The commissions shown in this Commission Schedule are a percentage of the eligible annual premium, regardless of the premium payment mode and deposits received by the Company, unless otherwise stated, and represent total commission payable to one account or divided between accounts.

Table of Contents

Individual Life Products – Whole Life Participating Policies	3 -
Individual Life Products – Universal Life Policies	5 -
Individual Life Products – Term Policies/Term Riders	7 -
Individual Life Products – Critical Illness Policies/Riders.....	8 -
Individual Life Products – Simple Issue Policies	9 -
Large Case Commission for Policies	10 -
Individual Life Products – Immediate Annuities	11 -
Individual Life Products – Investment “Plans”/“Plan”	12 -
Policy Changes and Reinstatements	16 -
Chargeback Schedule	17 -
Definition Schedule	23 -

Individual Life Products – Whole Life Participating Policies

Plan type	Commission credited					
	First Year	Renewal				
		Year 2	Year 3	Year 4-5	Year 6-10	Year 11+
Equimax/Equimax 20-Pay – Estate Builder	50%	10%	10%	2%	2%	1%
Equimax/Equimax 20-Pay – Wealth Accumulator	55%*	10%	10%	2%	2%	1%
Excelerator Deposit Option	4%	4%	4%	4%	4%	4%
Optional Riders and Benefits						
Applicant's Death & Disability Waiver of Premium	40%	10%	5%	5%	1%	1%
Children's Protection Rider	40%	10%	5%	5%	1%	1%
Disability Waiver of Premium	40%	10%	5%	5%	1%	1%
Flexible Guaranteed Insurability Option	40%	15%	5%	5%	1%	1%
Guaranteed Insurability Option	40%	15%	5%	5%	1%	1%

*First year commission of 55% will be credited on Equimax Wealth Accumulator policies with an effective date of June 1, 2015 or later. Equimax Wealth Accumulator policies with an effective date before June 1, 2015 will be credited a first year commission of 50%.

Important Notes for Equimax Policies:

- Additional First Year Commission:** Additional First Year Commission will be credited to Producers that achieve a specified NAFYC of Equimax/Equimax 20-Pay base coverage production and a minimum number of Equimax/Equimax 20-Pay policies settled within the calendar year. Any Additional First Year Commission earned will be credited in January of the following year based on Equimax/Equimax 20-Pay base coverage premiums for new sales. This Additional First Year Commission will not be eligible for overrides. To qualify, the new Equimax/Equimax 20-Pay policies must be settled and in force as of the end of the calendar year. Premium and NAFYC for Excelerator Deposit Option and Other Riders and Benefits are not included in determining either eligibility for the Additional First Year Commission or the amount of the Additional First Year Commission. No more than five (5) Juvenile policies (age 0-17) as owner or life insured, will be eligible to qualify toward the minimum number of policies settled.

Policies settled where a Producer or a related party of the Producer is the policy owner, premium payor, life insured or beneficiary are excluded from the NAFYC and policy count calculations and are not eligible for Additional First Year Commission. A related party of the Producer includes, without limitation:

- Immediate family members such as a spouse, parent, grandparent, child, grandchild, or in-law. The Company's determination of immediate family member will apply.
- A corporation where the Producer or an immediate family member, individually or together own 50% or more of any class of shares of the corporation, and
- Where the Producer is incorporated, any director, officer, employee or agent of the Producer, and any parent, subsidiary or affiliated corporation of the Producer.

Multiple policies on the same policy owner will only count as one settled policy, with only the settled policy with the highest NAFYC applying to the NAFYC calculation.

For the 2016 calendar year the Additional First Year Commission will be 5% and will be credited to Producers that achieve Equimax/Equimax 20-Pay base coverage production of \$100,000 NAFYC or greater and have placed a minimum of twenty (20) settled Equimax/Equimax 20-Pay policies in the 2016 calendar year, subject to the five (5) Juvenile policy maximum. Qualifying Producers will be credited with the Additional First Year Commission in January 2017. This Additional First Year Commission will not be eligible for overrides.

- Additional Benefits:** Unless otherwise indicated, if an Additional Accidental Death benefit is included when the Policy is settled, the same rate of commission for the Policy applies. If the benefit is added after the Policy is Settled, the commission credited on the additional benefit will be at the commission rate being paid on the Policy at the time of the addition. For Commission credited on Term Riders added to Equimax Whole Life plans please see the applicable Term section of this schedule. Other Optional Riders and Benefits are credited commission as outlined in the above table.

Individual Life Products – Whole Life Participating Policies (Cont'd)

3. **Premiums Waived or Advanced Under Non-Forfeiture Provision:** Commission shall be credited on premiums advanced under the non-forfeiture provision or premiums waived by the Company.
4. **Temporary Life Insurance Agreement (TIA) Policy:** No commissions shall be credited on TIA Policy premiums.
5. **Extra Premiums:** First Year and Renewal Commissions will be credited on extra premium due to substandard ratings.
6. **First Year Commission on an As Earned Basis:** The Company is entitled to credit first year commissions on an as earned basis.
7. **Multiple Applications:** If within a six-month period more than one application is received on the same life to be insured the Company may combine the commissions under such policies for the purposes of crediting the commissions. If as a result of combining the commissions the total annual first year commission exceeds the maximum limit set out in the Large Case Commission section, then the Large Case Commission Rules will apply.

Individual Life Products – Universal Life Policies

Plan type	credited on	Commission credited				
		First Year	Renewal			
			Year 2	Year 3-5	Year 6-10	Year 11+
Equation Generation IV (Bonus/Low Fees) – YRT COI	Minimum/Target Premium	60%	5%	5%	3%	1%
	Excess to Maximum Premium ¹	10%	5%	5%	3%	0%
	Account Value (Policy plus Shuttle)	0%	0%	0%	0.02083% per month	0.02083% per month
Equation Generation IV (Bonus/Low Fees) – Level COI	Minimum/Target Premium	55%	3%	3%	0%	0%
	Excess to Maximum Premium ¹	7.5%	3%	3%	0%	0%
	Account Value (Policy plus Shuttle)	0%	0%	0%	0.02083% per month	0.02083% per month
Optional Riders and Benefits						
Applicant Waiver of Charges	Annual Rider Premium	60%	5%	5%	1%	1%
Children's Protection Rider	Annual Rider Premium	40%	10%	5%	1%	1%
Disability Waiver of Charges	Annual Rider Premium	60%	5%	5%	1%	1%
Flexible Guaranteed Insurability Option	Annual Rider Premium	40%	15%	5%	1%	1%

¹Maximum Premium is defined as the lesser of the calculated rate card maximum premium and the maximum exempt premium.

Premiums transferred from the Shuttle Account to the Universal Life policy are eligible for commissions as outlined in the table above.

Important Notes for Universal Life Policies:

1. **Additional Benefits:** Additional Accidental Death Benefit receives the same commission as the base Equation Generation IV coverage. For Commission credited on Term Riders and Critical Illness Riders added to Universal Life plans please see the applicable Term and Critical Illness sections of this schedule. Other Optional Riders and Benefits are credited commission as outlined in the above table.
2. **Basis of crediting Commissions:** Commissions are credited on annual premiums applicable in Ontario.
3. **Waiver of Monthly Charges:** If an insurance coverage or rider is being kept in force under the Waiver of Monthly Charges rider, commissions will be credited only if premiums continue to be paid.
4. **Chargeback to First Year Commission:** Should a Policyowner's second year premium payment be lower than the first year premium payment, a commission chargeback may apply. For further details, see Chargeback to First Year Commission in the Chargeback Schedule.
5. **Commissions on Riders:** First Year and Renewal Commission as outlined in the table above or in the applicable Term (for Term Riders) or Critical Illness (for Critical Illness Riders) sections will be credited on the portion of the premium allocated to the rider coverage.
6. **Temporary Life Insurance Agreement (TIA) Policy:** No commissions shall be credited on TIA Policy premiums.
7. **Extra Premiums:** First Year and Renewal Commissions will be credited on extra premium due to substandard ratings.
8. **Annualized and "As Earned" Commissions:** First Year commissions on premiums paid up to the Maximum Premium will be credited on an annualized basis. The Company reserves the right to credit commissions by a method other than annualized such as "As Earned".

All Renewal Commissions, and commission credited on the Account Value and Shuttle Account Value are paid on an "As Earned" basis.

Individual Life Products – Universal Life Policies (Cont'd)

9. **Multiple Applications:** If within a six-month period more than one application is received on the same life to be insured the Company may combine the commissions under such policies for the purposes of crediting the commissions. If as a result of combining the commissions the total annual first year commission exceeds the maximum limit set out in the Large Case Commission section, then the Large Case Commission Rules will apply.

Individual Life Products – Term Policies/Term Riders

Plan type	Commission credited			
	First Year	Renewal		
		Year 2	Year 3-5	Year 6+
10 Year Renewable & Convertible Term Policy/Rider	40%	3%	3%	2%
20 Year Renewable & Convertible Term Policy/Rider	50%	3%	3%	2%
Exchange to 20 Year Renewable & Convertible Term Policy/Rider	25%	3%	3%	2%
Term 30/65 Policy/Rider	50%	5%	5%	2%
Optional Riders and Benefits				
Disability Waiver of Premium	40%	10%	5%	1%
Guaranteed Insurability Option	40%	15%	5%	1%
Children's Protection Rider	40%	10%	5%	1%

Important Notes for Term Policies and Term Riders:

1. **Additional Benefits:** Unless otherwise indicated, if an Additional Accidental Death benefit is included when the Policy is settled, the same rate of commission for the Policy applies. If the benefit is added after the Policy is settled, the commission credited on the additional benefit will be at the commission rate being paid on the Policy at the time of the addition.
2. **Premiums Waived:** Commission shall be credited on premiums waived by the Company under the Disability Waiver of Premium provision.
3. **Temporary Life Insurance Agreement (TIA) Policy:** No commissions shall be credited on TIA Policy premiums.
4. **Extra Premiums:** First Year and Renewal Commissions will be credited on extra premium due to substandard ratings.
5. **First Year Commission on an As Earned Basis:** The Company is entitled to credit first year commissions on an as earned basis.
6. **Multiple Applications:** If within a six-month period more than one application is received on the same life to be insured the Company may combine the commissions under such policies for the purposes of crediting the commissions. If as a result of combining the commissions the total annual first year commission exceeds the maximum limit set out in the Large Case Commission section, then the Large Case Commission Rules will apply.

Individual Life Products – Critical Illness Policies/Riders

Plan type	Commission credited					
	First Year	Renewal				
		Year 2	Year 3-5	Year 6-10	Year 11	Year 12+
EquiLiving Critical Illness Policies (Adult and Juvenile)						
10 Year Renewable to Age 75	45%	2.5%	2.5%	2.5%	2.5%	2.5%
Level to Age 75	45%	2.5%	2.5%	2.5%	2.5%	2.5%
Level to Age 100	45%	2.5%	2.5%	2.5%	2.5%	2.5%
EquiLiving Critical Illness Riders (Universal Life)						
10 Year Renewable to Age 75	45%	2.5%	2.5%	1%	1%	1%
Level to Age 75	45%	2.5%	2.5%	1%	1%	1%
Level to Age 100	45%	2.5%	2.5%	1%	1%	1%
Optional Riders and Benefits						
Return of Premiums on Surrender/Expiry	30%	2.5%	2.5%	2.5%	2.5%	2.5%
Return of Premiums on Death	30%	2.5%	2.5%	2.5%	2.5%	2.5%
Accidental Death	45%	2.5%	2.5%	2.5%	2.5%	2.5%
Disability Waiver of Premium	40%	10%	5%	1%	1%	1%
Applicant's Death and Disability Waiver of Premium	40%	10%	5%	1%	1%	1%

Important Notes for EquiLiving Critical Illness Policies:

1. **Additional Benefits:** Unless otherwise indicated, if an Additional Accidental Death benefit is included when the Policy is settled, the same rate of commission for the Policy applies. If the benefit is added after the Policy is settled, the commission credited on the additional benefit will be at the commission rate being paid on the Policy at the time of the addition. For commission credited on Term Riders added to Critical Illness plans, please see the applicable Term section of this schedule.
2. **Premiums Waived:** Commission will be credited on premiums waived by the Company under the Disability Waiver of Premium provision.
3. **Temporary Critical Illness Insurance Agreement (TIA) Policy:** No commissions shall be credited on TIA Policy premiums.
4. **Extra Premiums:** First Year and Renewal Commissions will be credited on extra premium due to substandard ratings.
5. **First Year Commission on an As Earned Basis:** The Company is entitled to credit first year commissions on an as earned basis.
6. **Multiple Applications:** If within a six-month period more than one application is received on the same life to be insured the Company may combine the commissions under such policies for the purposes of crediting the commissions. If as a result of combining the commissions the total annual first year commission exceeds the maximum limit set out in the Large Case Commission section, then the Large Case Commission Rules will apply.

Individual Life Products – Simple Issue Policies

Plan type	Commission credited					
	First Year	Renewal				
		Year 2	Year 3	Year 4-5	Year 6-10	Year 11+
Final Protection Non-Participating Whole Life	45%	4%	4%	4%	4%	0%
Living Protection Critical Illness Policies						
10 Year Renewable to Age 75 (T-10)	40%	2.5%	2.5%	2.5%	2.5%	2.5%
Return of Premiums on Death Rider on T-10	30%	2.5%	2.5%	2.5%	2.5%	2.5%
Return of Premiums at Expiry on T-10	30%	2.5%	2.5%	2.5%	2.5%	2.5%
Level to Age 75 (T-75)	45%	2.5%	2.5%	2.5%	2.5%	0%
Return of Premiums on Death Rider on T-75	30%	2.5%	2.5%	2.5%	2.5%	0%
Return of Premiums at Expiry Rider on T-75	30%	2.5%	2.5%	2.5%	2.5%	0%

Important Notes for Final Protection Policies:

1. **Premiums Advanced Under Non-Forfeiture Provision:** Commission shall be credited on premiums advanced under the non-forfeiture provision.
2. **First Year Commission on an As Earned Basis:** The Company is entitled to credit first year commissions on an as earned basis.
3. **Multiple Applications:** If within a six-month period more than one application is received on the same life to be insured the Company may combine the commissions under such policies for the purposes of crediting the commissions. If as a result of combining the commissions the total annual first year commission exceeds the maximum limit set out in the Large Case Commission section, then the Large Case Commission Rules will apply.

Important Notes for Living Protection Policies:

1. **First Year Commission on an As Earned Basis:** The Company is entitled to credit first year commissions on an as earned basis.
2. **Multiple Applications:** If within a six-month period more than one application is received on the same life to be insured the Company may combine the commissions under such policies for the purposes of crediting the commissions. If as a result of combining the commissions the total annual first year commission exceeds the maximum limit set out in the Large Case Commission section, then the Large Case Commission Rules will apply.

Large Case Commission for Policies

Large case commission applies when a Settled Policy has AFYC greater than \$20,000 where the premium frequency is annual, or \$15,000 where the premium frequency is other than annual.

1. Where the premium frequency is other than annual, commission shall be credited as follows:
 - a. Within one month of settling, the amount credited shall be the greater of \$15,000 and one-quarter of the total AFYC on that Policy;
 - b. In months 2 to 12 inclusive after settling, the amount (if any) of 50% of the total AFYC less the amount credited in (a) above, shall be credited in equal amounts over those months; and;
 - c. In months 13 to 24 inclusive after settling, the remaining balance of the AFYC less the amounts credited in (a) and (b) above shall be credited in equal amounts over those months;

However, such commissions credited shall not be less than \$750 per month, save and except where the last amount to be credited is less than \$750. Commissions shall only be credited when the scheduled commissionable premiums are paid.
2. Where the premium frequency is annual, the commission credited in month 1 shall be the greater of \$20,000 and 50% of the total AFYC. The balance of commissions credited, on account of the payment of the first annual premium but not credited in month 1 shall be credited in month 13 when the scheduled commissionable premium is paid.
3. If a premium is refunded, any commissions credited on the refunded premium shall be Debited.

Individual Life Products – Immediate Annuities

	Deposit Amount	Commissions
Life and Term Certain Annuities > 15 years and over	First \$100,000	3.00%
	Next \$100,000	2.00%
	Next \$200,000	1.40%
	Balance	1.00%
Term Certain Annuities > 10 years to < 15 Years	First \$100,000	2.25%
	Next \$100,000	1.70%
	Balance	1.00%
Term Certain Annuities < 10 Years	First \$100,000	2.00%
	Next \$100,000	1.35%
	Balance	1.00%

Individual Life Products – Investment “Plans”/“Plan”

Personal Investment Portfolio, Guaranteed Interest Account (G.I.A.), Retirement Income Fund (R.I.F.), Life Income Fund (L.I.F.) and Interest Income Fund (I.I.F.)		
	Commissions	Monthly Renewal of Accumulated Value
Daily Interest Account (DIA)		Not applicable
At time of Deposit	$\frac{N}{365} \times 0.4\% \times \text{Deposit Amount}$ (N = days from deposit date to next monthiversary)	
Each Monthiversary	$\frac{1}{12} \times 0.4\% \times \text{Deposit Amount}$	Not applicable
Guaranteed Deposit Account (GDA)		
12-119 Months*	$\frac{\text{Term in Months}}{12} \times 0.4\% \times \text{Deposit Amount}$	Not applicable
120+ Month Term*	4% x Deposit Amount	Not applicable
GDA commission credited on each reinvestment *PIP and GIA only		
Term Deposit Account (TDA) – (R.I.F. and L.I.F. Only): TDA commissions credited on each reinvestment	4% x Deposit Amount	Not applicable
Personal Investment Portfolio (PIP) – Segregated Funds	New Deposits: 3.6% x Deposit Amount New Deposits mean new money deposited into a Plan, or a transfer of money within a Plan into Segregated Funds provided the money being transferred has been out of Segregated Funds for at least one year prior to transfer into Segregated Funds.	$\frac{1}{12} \times 0.3\% \times \text{Accumulated Value of new deposit amount after it has been on deposit for 1 month}$ No renewal commission for Money Market Fund.

Advisor Rate Discretion Option:

The interest rate on a Guaranteed Deposit Account (GDA) can be increased in exchange for reduced advisor commission. For each basis point (bps) commission reduction the advisor requests, the GDA interest rate will be increased by the same basis points during the term of the GDA. For example: A 5 bps reduction in commission will increase the GDA interest rate by 0.05%. The interest rate adjustment will not apply to future reinvestments of that GDA, or to future deposits made within the contract. The interest rate adjustment is limited to GDA terms of 10 years or less and is not available for the Daily Interest Account or Term Deposit Accounts.

Individual Life Products – Investment “Plans”/“Plan” (Cont’d)

Personal Investment Portfolio (P.I.P.), Guaranteed Interest Account (G.I.A.), Retirement Income Fund (R.I.F.), Life Income Fund (L.I.F.) and Interest Income Fund (I.I.F.)			
Commissions			
PIP to RIF/LIF Conversions (Segregated Funds Only)	3.6% on original PIP Deposit		
Original PIP Deposit > 6 years at conversion	3.6% on Original PIP Deposit, prorated based on following formula		
Original PIP Deposit ≤ 6 years at conversion	Commission credited on Original Deposit	x $\frac{\text{Expired balance of sixth year anniversary period in months (or days)}}{\text{Original investment term in months (or days)}}$	= Prorated Commission credited

In all cases, new surrender charges will apply under the RIF or LIF.

Applicable commission and chargeback will apply to DIA and GDA accounts moved. If surrender value is moved, full first year commission will be credited.

Pivotal Solutions Segregated Funds – No Load; Pivotal Solutions Retirement Income Fund – No Load (R.I.F.); Life Income Fund – No Load (L.I.F.)		
	Commissions	Monthly Renewal of Accumulated Value
(a) Heaped Commission Option	1.5% x Deposit Amount	1/12 x 0.504% x Accumulated Value of new deposit after it has been on deposit for 12 months, paid each monthiversary starting month 13 No renewal commissions for Money Market Fund
(b) Level Commission Option	Not applicable	1/12 x 0.72% paid each monthiversary starting month 1 No renewal commission for Money Market Fund
(c) Pivotal Solutions to Pivotal RIF/LIF Conversions – Heaped Commission option (Segregated Funds only)	1.5% on original deposit	
Original Pivotal deposit > 2 years at conversion	1.5% on original deposit prorated based on the following formula	
Original Pivotal deposit ≤ 2 years at conversion	Commission credited on Original Deposit	x $\frac{\text{Expired balance of second year anniversary period in months (or days)}}{\text{Original investment term in months (or days)}}$ = Prorated Commission credited

Individual Life Products – Investment “Plans”/“Plan” (Cont’d)

Pivotal Solutions DSC; Pivotal Solutions II; Pivotal Solutions II Retirement Income Fund (R.I.F.); Life Income Fund – DSC (L.I.F.)		
	Commissions	Monthly Renewal of Accumulated Value
(a) Pivotal Solutions DSC	3.6% x Deposit Amount	1/12 x 0.36% x Accumulated Value of new deposit after it has been on deposit for 1 month No renewal commission for Money Market Fund
(b) Pivotal Solutions II	4.3% x Deposit Amount	1/12 x 0.36% x Accumulated Value of new deposit after it has been on deposit for 1 month No renewal commission for Money Market Fund
(c) Pivotal Solutions DSC to Pivotal Solutions DSC RIF/LIF Conversions Original Pivotal Solutions DSC deposit > 6 years at conversion Original Pivotal Solutions DSC deposit ≤ 6 years at conversion	3.6% on original deposit 3.6% on original deposit prorated based on the following formula $\text{Commission credited on Original Deposit} \times \frac{\text{Expired balance of sixth year anniversary period in months (or days)}}{\text{Original investment term in months (or days)}} = \text{Prorated Commission credited}$	
(d) Pivotal Solutions II to Pivotal Solutions II RIF/LIF Conversions Original Pivotal Solutions II deposit > 6 years at conversion Original Pivotal Solutions II deposit ≤ 6 years at conversion	4.3% on original deposit 4.3% on original deposit prorated based on the following formula $\text{Commission credited on Original Deposit} \times \frac{\text{Expired balance of sixth year anniversary period in months (or days)}}{\text{Original investment term in months (or days)}} = \text{Prorated Commission credited}$	

In all cases, new surrender charges will apply under the RIF or LIF.

Individual Life Products – Investment “Plans”/“Plan” (Cont’d)
Pivotal Select

	Commissions	Monthly Renewal of Accumulated Value
(a) Deferred Sales Charge Option	3.6% x Deposit Amount	1/12 x a) 0% on Money Market funds b) 0.18% on Fixed Income funds c) 0.36% on all other funds x Accumulated Value of new deposit amount starting at the end of the first policy month
(b) Low Load Option	1.8% x Deposit Amount	Years 1 – 3: 1/12 x a) 0% on Money Market funds b) 0.18% on Fixed Income funds c) 0.36% on all other funds x Accumulated Value of new deposit amount starting at the end of the first policy month Years 4+: 1/12 x a) 0% on Money Market funds b) 0.36% on Fixed Income funds c) 0.72% on all other funds x Accumulated Value of new deposit amount starting at the end of the 37 th policy month
(c) No Load Option	Not applicable	1/12 x a) 0% on Money Market funds b) 0.36% on Fixed Income funds c) 0.72% on all other funds x Accumulated Value of new deposit amount starting at the end of the first policy month
(d) Pivotal Select to Pivotal Select RIF/LIF Conversions	Not applicable	

Regardless of Producer commission ownership, renewal commission will be credited to the party shown on the Company's records on the date the renewal commission is credited.

Policy Changes and Reinstatements

1. Commissions on Changed Policies:

- a. Attained Age Conversion of Term Policies and Rider:** The applicable commission set out in the Commission Schedule will apply to the converted term Policy with such commission being reduced by first year commissions previously credited in respect of the converted term Policy, according to the following chargeback schedule.

In-Force Duration of Policy (in Months)	Commission Chargeback	In-Force Duration of Policy (in Months)	Commission Chargeback
1-6	100%	16	50%
7	95%	17	45%
8	90%	18	40%
9	85%	19	35%
10	80%	20	30%
11	75%	21	25%
12	70%	22	20%
13	65%	23	15%
14	60%	24	10%
15	55%	25	0%

- b. Addition of Rider after Issue:** In the policy year coincident with or next following the addition of a Rider, First Year Commission will be credited on the rider premium at the applicable rate. Renewal Commission will be credited at the applicable rate.
- 2. Reinstatement:** If a terminated Policy is reinstated, and the Producer is entitled to credits pursuant to the Agreement, applicable commissions will be credited. If the Producer is not entitled to credits, then such commission shall be credited to the new agent of record, provided that on or after the 45th day following the due date of the premium, (non-payment of which caused the termination of the policy) the Producer obtains up to date payment and a signed reinstatement form, as required by the Company's reinstatement rules, the commission will be credited.

Chargeback Schedule

First Year Commission Chargeback on Life and Health Policies

Should the periodic premium amount used to establish the commission payable for that Policy not be received on a premium due date, a chargeback equal to a percentage of annualized first year commission credited on the Policy will be Debited at the rate set out in the table below. Should the Policy be reinstated within 2 years of the date of termination, the chargeback amount Debited will be credited.

Policy Terminates During Month	Percentage of First Year Commission Charged back and Debited
1 to 6	100%
7	95%
8	90%
9	85%
10	80%
11	75%
12	70%
13	65%
14	60%
15	55%
16	50%
17	45%
18	40%
19	35%
20	30%
21	25%
22	20%
23	15%
24	10%
25+	0%

Chargeback Schedule (Cont'd)

First Year Commission Chargeback on Equimax Wealth Accumulator Policies and Producer and Producer Related Equimax Estate Builder Policies

This first year commission chargeback provision applies to all Equimax Wealth Accumulator policies with an effective date of June 1, 2015 or later, as well as all Equimax Estate Builder policies where the settled Policy is to be owned directly or indirectly by a Producer or a related party of the Producer with an effective date of June 1, 2015 or later. The First Year Commission Chargeback on Life and Health Policies provision above does not apply to terminated Equimax Wealth Accumulator policies or to terminated Producer or Producer related Equimax Estate Builder policies.

Should the periodic premium amount used to establish the commission payable for that Policy not be received on a premium due date, a chargeback equal to a percentage of annualized first year commission credited on the Policy will be Debited at the rate set out in the table below, and not at the rate set out in the First Year Commission Chargeback on Life and Health Policies table above. Should the Policy be reinstated within 2 years of the date of termination, the chargeback amount Debited will be credited. A related party of the Producer includes, without limitation:

- Immediate family members such as a spouse, parent, grandparent, child, grandchild, or in-law. The Company's determination of immediate family member will apply.
- A corporation where the Producer or an immediate family member, individually or together own 50% or more of any class of shares of the corporation, and
- Where the Producer is incorporated, any director, officer, employee or agent of the Producer, and any parent, subsidiary or affiliated corporation of the Producer.

Policy Terminates during Month	Percentage of First Year Commission Charged back and Debited
1 to 36	100%
37 to 48	75%
49 to 61	50%
62+	0%

Commission Chargeback on Universal Life

Should a Policyowner withdraw an aggregate amount in excess of \$15,000 from the Shuttle Account within a policy year, where the withdrawal occurs within the first ten years that the insurance coverage is in force; then a percentage of the commissions credited on all deposits withdrawn in the policy year shall be charged back and Debited at the rate set out in the table below:

Duration of Deposit Deemed to be withdrawn	Percentage of Commissions which will be Charged back and Debited
Less than 1 year	100%
1 year to less than 2 years	83%
2 years to less than 3 years	66%
3 years to less than 4 years	50%
4 years to less than 5 years	33%
5 years to less than 6 years	16%
6 years and over	0%

Deposits shall be deemed to be withdrawn in the following order:

- i. any deposits made 6 years or more prior to withdrawal
- ii. those deposits that will result in the least commission being charged back

Chargeback Schedule (Cont'd)

Should a Policyowner change from YRT cost of insurance charges (“COI”) to Level COI within two years of the date the Equation Generation policy is Settled then 100% of the difference in first year commissions plus overrides between the YRT COI plan and the Level COI plan will be charged back and Debited.

Chargeback to First Year Commission

Should a Policyowner's second year premium payment be lower than the first year premium payment, a chargeback equal to a portion of the annualized first year commission credited for that policy may be Debited. The chargeback amount Debited, if any, is calculated: a) after the first policy year; and, b) at the earlier of the date the policy terminates and the end of the second policy year; using the following formula:

$$\text{Average premium paid} = [12 / (\text{the lesser of the number of full months of policy coverage prior to policy termination and 24})] \times \text{the sum of all premiums paid from the date of policy issue to the date of the calculation}$$

If the average premium paid at the time of calculation is greater than or equal to: a) the first year premium paid; or, b) the first year target premium; no annualized first year commission will be Debited.

If the average premium paid at the time of calculation is less than: a) the first year premium paid; and, b) the first year target premium; a portion of the annualized first year commission will be Debited. The portion that will be Debited is the difference between the first year commission credited for the policy and the first year commission that would have been credited using the average premium calculation.

The above calculations and Debit, if any, will also apply with more than one coverage, including coverage added after policy issue. The calculations will apply to each coverage separately based on the coverage issue date and the portion of the paid premium allocated to that coverage.

The above Debit, if any, shall be in addition to the First Year Commission Chargeback on Life and Health Policies, which chargeback shall also apply if the policy terminates within the 24 month chargeback period.

Chargeback Schedule (Cont'd)
Commission Chargeback on Pivotal Heaped Commission Option

Should all or a portion of the balance of a Plan be removed from the Plan, the unearned portion of commission credited shall be charged back and debited at the rate in the table below. Withdrawals shall be processed as provided for in the Information Folder.

Duration of Deposit at Time of Withdrawal (Months)	Percentage of Commissions Charged back and Debited
1	100.00%
2	95.83%
3	91.66%
4	87.50%
5	83.33%
6	80.16%
7	75.00%
8	70.83%
9	66.66%
10	62.50%
11	58.33%
12	54.16%
13	50.00%
14	45.83%
15	41.66%
16	37.50%
17	33.33%
18	29.16%
19	25.00%
20	20.83%
21	16.66%
22	12.50%
23	8.33%
24	4.16%
25	0.00%

Commission Chargeback on Personal Investment Portfolio, Pivotal Solutions Heaped Commission Option, Interest Income Fund, Pivotal Solutions II, Retirement Income Fund and Life Income Fund

1. Should all or a portion of the balance of a GDA, TDA or any new accounts established by the Company from time to time (individually a "Guaranteed Account") or any Segregated Funds established by the Company from time to time (individually a "Fund") be removed prior to the maturity date of the investment term of a Guaranteed Account, or prior to expiry of the sixth anniversary year of a deposit into a Fund; and transfer all or portion of the balance of the Guaranteed Account or Fund to another Guaranteed Account or Fund within the same Plan, then unearned portion of the commission credited shall be charged back and Debited as provided in paragraphs 4 and 5.
2. The unearned portion of the commission credited shall be the pro rata amount of commission for the unexpired investment term of a Guaranteed Account or the unexpired balance of the sixth year anniversary period of a deposit to a Fund, both based on the amount being transferred. The Company shall calculate the pro rata amount either on the monthly or daily basis.
3. Commission credited shall be deemed to be fully earned upon the expiry of the investment term of a Guaranteed Account or upon expiry of the sixth anniversary year of a deposit into a Fund.

Chargeback Schedule (Cont'd)

4. For transfer of the entire balance of a Guaranteed Account or Fund, the following formula shall apply:

$$\text{Commission credited} \quad \times \quad \frac{\text{Unexpired balance of: (a) investment term or (b) sixth year anniversary period in months (or days)}}{\text{Original investment term in months (or days)}} \quad = \quad \text{Chargeback to be Debited}$$

5. For the transfer of a portion of the balance of a Guaranteed Account or Fund, the following formula shall apply:

$$\text{Commission Subject to Chargeback} \quad \times \quad \frac{\text{Unexpired balance of: (a) investment term or (b) sixth year anniversary period in months (or days)}}{\text{Original investment term in months (or days)}} \quad = \quad \text{Chargeback to be Debited}$$

$$\text{Commission Subject To Chargeback} \quad \times \quad \frac{\text{Amount to be transferred}}{\text{Amount originally deposited}} \quad = \quad \text{Commission credited}$$

6. Where a policy is:

- a. On the life of a principle of the National Account, National MGA, MGA, IP, AGA or Firm, or any Producer appointed under the Agreement, or its directors if incorporated, or any members of their immediate families; or
- b. On the life of any shareholder or any company in which the National Account, National MGA, MGA, IP, AGA or Firm, or its directors if incorporated, or any Producer appointed under the Agreement, or its directors if incorporated, beneficially owns more than 10% of the outstanding shares of any class, or on the life of any member of the immediate family of such shareholder;

And the Policy is not taken, or the Policy is cancelled, rescinded, reduced in amount or terminated before the end of the second year of the Policy, all life commission override previously credited on such Policy shall be repayable to the Company on demand.

Commission Chargeback on Pivotal Select Deferred Sales Charge Option

1. Commission credited on each deposit after the annuitant's 80th birthday will be subject to a chargeback on death of the annuitant within 24 months following the deposit. The unearned portion of the commission credited shall be charged back and Debited at the rate set out in the table below:

Duration of Deposit at Time of Death (Months)	Percentage of Commissions Charged back and Debited
1 to 12	100.00%
13 to 24	50.00%
25+	0.00%

Chargeback Schedule (Cont'd)

Commission Chargeback on Personal Investment Portfolio and Guaranteed Interest Account

1. Commission credited on each deposit or renewal for GDA and TDA terms that extend past the annuitant's 85th birthday will be subject to a chargeback on death of the annuitant. The unearned portion of the commission credited shall be charged back and Debited according to the table below:

Commission Subject To Chargeback	x	Number of full years between the term maturity date and the later of <u>date of death or annuitant's 85th birthday</u> Original investment term in years	=	Chargeback to be Debited
-------------------------------------	---	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	--------------------------

Definition Schedule

“Annualized First Year Commissions” (AFYC): the commission which is the product of the applicable commission rate and the commissionable premium and the number of premiums payable in the first year of the Policy.

“As Earned”: the commission that is the product of the applicable commission rate and the commissionable premium paid.

“First Year Annualized Premiums”: the eligible premiums on which first year commission is paid on Policies.

“Net Annualized First Year Commissions” (NAFYC): Annualized First Year Commissions less the chargebacks detailed in the First Year Commission Chargeback Schedule.

“Pay Period”: a weekly pay period. The start of each pay period shall be the Wednesday in each week and the end of each pay period shall be the Tuesday in each week.

“Settled”: the later of the date when:

- a) Product Documentation is issued by the Company;
- b) The application and first Policy premium are received by the Company; or
- c) Each plan deposit or each reinvestment in the Plan is received by the Company.

“Terminated”: means that the Policy or Plan has been terminated by the Product owner or the Company for any reason other than the death of a Product owner and “Terminate” shall have a similar meaning.