

Schedule of Commissions



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INTRODUCTION

BMO Life Assurance Company ("BMO Insurance") is pleased to present you with a consolidated summary of the commission plans of our individual life, annuity and critical illness insurance portfolio. The commission schedule is an attachment to and forms part of the Representative Agreement. For the purposes of this schedule, the terms "representative", "advisor" and "agent" are used interchangeably.

This booklet contains information on commissions for the following plans:

- Universal Life Insurance
- Term Insurance
- Traditional Whole Life Insurance
- Critical Illness
- Single Premium Immediate Annuities
- BMO Guaranteed Investment Funds (GIF)

We have described the terms of the commission schedules in an easy-to-understand format. If you have any questions about the contents, please call your Managing General Agency office or the BMO® Insurance Regional Sales Office closest to you.

The commission schedules described in this Guide are for the insurance plans we offer for sale as of the effective date of this Guide. Prior commission schedules will continue to apply to policies (or coverages) submitted at the time such prior schedules were in effect, except where prohibited by laws, rules and regulations.

While we have made every effort to ensure the accuracy of the contents, we reserve the right to correct any errors and/or omissions contained herein.

CHANGES MADE IN THIS SCHEDULE

January 1, 2017

- Introduction of new Wealth Dimensions universal life plan effective January 1, 2017
- Revised chargeback schedule on partial cash withdrawals
- Products no longer available for new business effective January 1, 2017:
 - Life Dimensions and Life Dimensions (Low Fees) with the following options:
 - MaximizerSelect
 - Maximizer Elite
 - Fund Accelerator Investment Bonus
 - InvestorMaximizer on Life Dimensions (*However, the InvestorMaximizer will still be available on Life Dimensions (Low Fees)*)
 - Life Dimensions^{PRESTIGE} and Life Dimensions^{PRESTIGE} (Low Fees)
 - Life Provider (*However, LifeProvider (Low Fees) will still be available*)
- Term products renamed to Term 10, Term 20 and Term 30. Term 10 exchange program expanded to include Term 10 exchange to Term 30.

Our updated life insurance portfolio will continue to include:

Universal Life Insurance	Term Life Insurance	Whole Life Insurance
<ul style="list-style-type: none"> • Life Dimensions • Life Dimensions (Low Fees) • Wealth Dimensions NEW • The <i>InvestorMaximizer</i> (will continue to be available on Life Dimensions (Low Fees) and Wealth Dimensions only) • LifeProvider (Low Fees) 	<ul style="list-style-type: none"> • Term 10 • Term 20 • Term 30 	<ul style="list-style-type: none"> • 20 Pay Life • Pure T100

The Company reserves the right to modify this schedule when cases exceed specified limits as it may determine from time to time or involve Internal Replacements or Conversions.

COMMISSION RATE TABLES FOR UNIVERSAL LIFE PLANS

COMMISSIONS AS A PERCENTAGE OF PREMIUM*

Cost of Insurance Option	First Year ¹ Commission Rates			Renewal ² Commission Rates Years 2-5			Service Commission Rates			
	Up to Commissionable Target Premium	First Year Commissionable Target to First Year Commissionable Maximum Premium	Above First Year Commissionable Maximum Premium	Up to First Year Commissionable Target Premium	First Year Commissionable Target to First Year Commissionable Maximum Premium	Above First Year Commissionable Maximum Premium	Indexed Accounts	GMA ³	DIA ⁴ and GIA ⁵	ABC ⁶ Paid Years
Life Dimensions and Life Dimensions (Low Fees)										
YRT, YRT 85/20 and InvestorMaximizer	65%	5%	0.3%	5%	4%	0.3%	0.25%	0.25%	0%	6+
Level	60%	5%								
Wealth Dimensions										
YRT, YRT 85/20 and InvestorMaximizer	65%	0%	0.3%	5%	0%	0.3%	0.50%	0.25%	0.25%	1+
Level	60%	0%								
LifeProvider (Low Fees)										
Level	60%	5%	0.3%	5%	4%	0.3%	0.25%	N/A	0%	6+

Notes:

¹ Please refer to the Wave illustration System for First Year Commissionable Target, Commissionable Maximum, Minimum and Maximum Premiums. Policy changes made after issue may result in recalculated First Year values.

² Renewal Commissions on new deposits only except for ART Rider.

³ Guaranteed Market Indexed Accounts (GMIA)

⁴ Daily Interest Account (DIA)

⁵ Guaranteed Interest Account (GIA)

⁶ Asset Based Compensation (ABC)

* Subject to the Definitions and Terms for Universal Life Plans described in this Schedule.

SUPPLEMENTARY BENEFITS

The commission rate shown is applicable to the annual premium of the Supplementary Benefit.*

<i>Certain restrictions may apply to the availability of Supplementary Benefits. Refer to Product Overviews and Wave illustration system for details.</i>		
Accidental Death Benefit	60%	5%
Children's Term Rider	60%	5%
Payor Waiver	60%	5%
Waiver of Premium	60%	5%
Critical Illness Rider - Living Benefit 10	45%	5%
Critical Illness Rider - Living Benefit 20	50%	5%
Critical Illness Rider - Living Benefit 75	50%	5%
Critical Illness Rider - Living Benefit 100	50%	5%
Business Guaranteed Insurability Option (BGIO) Rider ³	35%	5%
LifeProvider Additional Coverage Rider ⁴	45%	5%
Term 100 Rider ⁵	45%	5%
Ten Year Renewable Term Rider	40%	5%
Twenty Year Renewable Term Rider	50%	5%
Thirty Year Term Rider	50%	5%
ART Rider ⁶	15%	10%
Joint Last-to-Die Conversion Rider	Nil	Nil

Notes:

- ¹ Please refer to the Wave illustration System for First Year Commissionable Target, Commissionable Maximum, Minimum and Maximum Premiums. Policy changes made after issue may result in recalculated First Year values.
 - ² Renewal Commissions on new deposits only except for ART Rider.
 - ³ BGIO Rider is available at issue on Life Dimensions plans.
 - ⁴ LifeProvider Additional Coverage Rider is only available on LifeProvider (Low Fees).
 - ⁵ Term 100 Rider is not available on LifeProvider (Low Fees).
 - ⁶ Renewal Commissions on the ART Rider will be paid on the ART cost of insurance as long as there is ART coverage in force, in years 2 to 5, and will be paid even if no new deposits are made to the plan.
- * Subject to the Definitions and Terms for Universal Life Plans described in this Schedule.

DEFINITIONS AND TERMS FOR UNIVERSAL LIFE PLANS

1. Policy Year

- First Policy Year is defined as the 12-month period commencing on the Policy Date (or Coverage Date if additional coverage is added to the policy after the Policy Date) and ending the day before the first Policy Anniversary (or first coverage anniversary).
- Subsequent Policy Years start on the Policy Anniversary and end the day before the next Policy Anniversary. For example, if the Policy Date is January 14, 2017, the First Policy Anniversary is January 14, 2018. The Second Policy Year starts on January 14, 2018 and ends on January 13, 2019.

2. First Year Commission (FYC) is based on first year premiums paid and additional deposits made during the First Policy Year and are subject to a chargeback period. (Please refer to Chargeback Rules for Universal Life Plans.)

- FYC is advanced for the total Annual Planned Premium which is based upon the deposit received by BMO Insurance at the time the policy is settled. (BMO Insurance reserves the right to pay FYC on an as-earned basis.)
- At the end of the First Policy Year, a recapture of unearned advanced FYC is immediately applied where the amount on which FYC was advanced is greater than the deposits actually received in the First Policy Year.
 - Additional FYC will be paid on an as-earned basis when deposits are received in the First Policy Year in excess of the Annual Planned Premium on which FYC was advanced.

3. Renewal Commissions are based on deposits made after the First Policy Year and will be paid at the rates and duration specified in each product's Commission Rate Table. The rate is determined based upon the date the deposit is received at BMO Insurance Head Office.

- Renewal Commission rates are based upon First Year Commissionable Target Premium and First Year Commissionable Maximum Premium.
- Transfers to the Side Account and Deposits to the exempt portion of the policy transferred from the Side Account will receive commission at the rate specified in each product's Commission Rate Table and based upon the effective date of the deposit or transfer.

4. Asset Based Compensation (ABC) is paid monthly beginning in the Policy Year as specified in each product's Commission Rate Tables.

- ABC is calculated at the end of each month beginning in the Policy Year stated for each UL product and is based on the Account Value of each Interest Account of the policy. The amount payable each month is equal to the sum of $[\text{Account Value} \times \text{Rate}] / 12$ for all Interest Accounts.

5. For policies issued over Insurance Age 70, commissions are based on the age 70 premium.

6. Commission on Ratings:

	Rate in 1 st Year	Rate Years 2 - 5	Rate Years 6+
Premium on Flat Extras payable for 5 years or less	0%	0%	0%
Premium on Flat Extras payable for more than 5 years	35%	5%	0%

Chargeback Rules are applicable to commission paid on flat extra ratings.

CHARGEBACK RULES FOR UNIVERSAL LIFE PLANS

1. **FYC Recapture** (First Year Unearned Advanced Commission Recapture)

Any amount of FYC that was advanced but that has not been earned, due to non-payment of premium, will be recovered in full at the first year anniversary of the policy.

2. **FYC Recovery at Second Year Anniversary**

At the end of the 24th month of the policy, if the total of the deposits made (including transfers in from the Side Account) to the tax-exempt investment account(s) of the policy during the first 24 months, divided by two (2), is:

- greater than or equal to the First Year Commissionable Target Premium, no First Year Commission Recovery will be applied.
- less than the First Year Commissionable Target Premium or the Premium on which First Year Commission was paid (whichever is less), a First Year Commission Recovery will be applied. The amount of the First Year Commission Recovery will be calculated as follows:

Step 1 Calculate average annual deposits in the first 2 years

$$(A+B) / 2 = C$$

where A = Deposits made in the first year

B = Deposits made in the second year

C = Average annual deposits made in the first 2 years of the policy

Step 2 Calculate Recovery Basis Amount

$$D - C = \text{Recovery Basis Amount}$$

where D = The lesser of the 'First Year Commissionable Target Premium' or 'Deposits made in the First Year'.

Step 3 Calculate First Year Commission Recovery

$$\text{Recovery Basis Amount} * \text{First Year Commissionable Rate applied to the policy when it settled} = \text{First Year Commission Recovery}$$

3. **Over Advanced FYC Recapture Credit**

At the end of the 24th month of the policy, for settled cases electing monthly deposits where deposits of at least 10 times the initial monthly deposit (on which advanced FYC is calculated) are made in the first Policy Year, a comparison is made between:

- the sum of deposits made (including transfers in from the Side Account) to the tax-exempt investment account(s) of the policy from months 1 through 24 inclusively, divided by two (2), and,
- the sum of deposits made to the exempt portion of the policy from months 1 through 12 inclusively.

If the sum of deposits made in months 1 through 24 inclusively, divided by 2, is equal to or greater than the sum of deposits made in months 1 through 12 inclusively, there is an Over Advanced FYC Recapture Credit payable. The amount of the Over Advanced FYC Recapture Credit will be calculated as follows:

Step 1 Calculate average annual deposits in the first 2 years:

$$(A+B) / 2 = C$$

where A = Deposits made in the first year

B = Deposits made in the second year

C = Average annual deposits made in the first 2 years of the policy

Step 2 Calculate "Recapture Credit Basis Amount"

$$C - A = \text{Recapture Credit Basis Amount}$$

Step 3 Calculate "Over Advanced FYC Recapture Credit"

$$\text{Recapture Credit Basis Amount} * \text{First Year Commissionable Rate applied to the policy when it settled} = \text{Over Advanced FYC Recapture Credit}$$

4. **Commission Chargeback on Partial Cash Withdrawals**

During the first two Policy Years, partial cash withdrawals from the policy are subject to a Commission Chargeback based on the amount withdrawn using the following schedule:

Policy Years	Withdrawal Source	Chargeback Rate applied to amount withdrawn
1-2	Exempt Investments	3.5%
1-2	Side Account Investments	0.3%

CHARGEBACK RULES FOR UNIVERSAL LIFE PLANS

5. Commission Chargeback due to Reduction of Coverage Life Dimensions, Wealth Dimensions and LifeProvider (Low Fees) Plans

If there is a request to reduce the Sum Insured or reduce the coverage provided by any Supplementary Benefit during the chargeback period following the date of issue, a portion of the FYC paid on the amount of coverage subsequently reduced will be charged back.

- The amount charged back will equal the FYC paid multiplied by the percentage shown in the following table (corresponding to the number of completed months prior to the reduction of coverage) multiplied by the proportionate reduction in the Sum Insured of the policy.

Completed Months	0	1	2	3	4	5	6	7	8	9	10	11	12
Commission Chargeback Rates (%)	100	100	100	100	100	100	95	90	85	80	75	70	65
Completed Months	13	14	15	16	17	18	19	20	21	22	23	24	
Commission Chargeback Rates (%)	60	55	50	45	40	35	30	25	25	25	25	0	

6. Commission Chargeback on Policy Lapse, Surrender or Premium Reduction due to other policy changes

If the policy and its associated supplementary benefits fail to remain in force for the full chargeback period following the date of issue, a portion of the FYC will be charged back.

- For a policy lapse, cancellation or surrender, the amount charged back will equal the FYC paid multiplied by the percentage shown in the following table corresponding to the number of completed months the policy remained in force.
- For policies that remain in force but where the premiums are reduced due to a change in smoking status, or any other policy change, the amount charged will equal the difference between the FYC paid and the FYC that would have been paid multiplied by the percentage shown in the following table corresponding to the number of completed months prior to the premium reduction.

Completed Months	0	1	2	3	4	5	6	7	8	9	10	11	12
Commission Chargeback Rates (%)	100	100	100	100	100	95	90	85	80	75	70	65	60
Completed Months	13	14	15	16	17	18	19	20	21	22	23	24	
Commission Chargeback Rates (%)	55	50	45	40	35	30	25	20	15	10	5	0	

Note: A chargeback is not applicable if the policy terminates due to payment of the death and/or critical illness benefit. Please make note of the specific Chargeback Rules applicable to Family Business.

COMMISSION RATE TABLES FOR TERM LIFE, TRADITIONAL WHOLE LIFE AND CRITICAL ILLNESS BASE PLANS

COMMISSIONS AS A PERCENTAGE OF PREMIUM*

Term Life (Renewable and Convertible)

	First Year Commission Rates	Renewal Commission Rates	Service Commission Rates	
		Years 2 - 5	Non-Premium Renewal Years 6+	Premium Renewal Years ¹
Term 10	40%	2%	2%	10%
Term 20	50%	2%	2%	10%
Term 30	50%	2%	2% (years 6-30 only)	10% (year 31 only)

Simplified issue life and accelerated living benefit Term Insurance

	First Year Commission Rates	Renewal Commission Rates	Service Commission Rates
		Years 2 - 5	Renewal Years 6+
insureNOW and insureNOW Plus	50%	2%	2%

Traditional Whole Life

	First Year Commission Rates	Renewal Commission Rates	Service Commission Rates	
		Years 2 - 5	Years 6 - 10	Years 11+
20 Pay Life	50%	3%	3%	0%
Pure Term 100 (Issue Age/ESA 18-80)	32.5%	2%	0%	0%
Pure Term 100 (Issue Age/ESA 81-85)	22.5%	2%	0%	0%

Critical Illness

	First Year Commission Rates	Renewal Commission Rates	Service Commission Rates	
		Years 2 - 5	Years 6 - 10	Years 11+
Living Benefit 10	45%	2%	2%	2%
Living Benefit 20	50%	2%	2%	2%
Living Benefit 75	50%	2%	2%	2%
Living Benefit 100	50%	2%	2%	2%
15-Pay Living Benefit 100	50%	2%	2%	2%

If a Living Benefit conversion is from a policy issued prior to November 2, 2015, Refer to the BMO Insurance Schedules of Commission in effect at the time the original policy was issued for conversion options and commission rates.

A Living Benefit 10 or Living Benefit 20 policy issued on or after November 2, 2015, can convert to a Living Benefit 75, Living Benefit 100 or 15-Pay Living Benefit 100 policy and will be paid commission based on the commission rates shown above for those plans.

Supplementary Benefits

Certain restrictions may apply to the availability of Supplementary Benefits. Refer to Product Overviews and Wave illustration system for details.	First Year Commission Rates	Renewal Commission Rates Years 2 - 5	Service Commission Rates	
			Years 6 - 10	Years 11+
Accidental Death Benefit	35%	5% (2.5% 2)	0%	0%
Waiver of Premium Benefit	35%	5% (2.5% 2)	0%	0%
Children's Term Insurance Benefit	35%	5% (2.5% 2)	0%	0%
Ten Year Term Riders on Whole Life base plans	40%	5%	0%	0%
Twenty Year and Thirty Year Term Rider(s) on Whole Life base plans	50%	5%	0%	0%
Ten Year Critical Illness Riders on Term Life base plans	45%	2%	2%	2%
Twenty Year Critical Illness Riders on Term Life base plans	50%	2%	2%	2%
Return of Premium Rider(s) on Critical Illness base plans	35%	2%	2%	2%
Business Guaranteed Insurability Option (BGIO) Rider ³	35%	5%	0%	0%

Notes:

¹ A premium renewal year is defined as the first year in which the policy is renewed for another term.

² Renewal Commissions when added to a Critical Illness policy.

³ BGIO Rider is available at issue on Term 10 and Term 20 plans.

* Subject to the Definitions and Terms for Term Life, Traditional Whole Life and Critical Illness base plans in this Schedule.

DEFINITIONS AND TERMS FOR TERM LIFE, TRADITIONAL WHOLE LIFE AND CRITICAL ILLNESS PLANS

1. Policy Year

- First Policy Year is defined as the 12-month period commencing on the Policy Date (or Coverage Date if additional coverage is added to the policy after the Policy Date) and ending the day before the first Policy Anniversary (or first coverage anniversary).
- Subsequent Policy Years start on the Policy Anniversary and end the day before the next Policy Anniversary. For example, if the Policy Date is January 14, 2017, the First Policy Anniversary is January 14, 2018. The Second Policy Year starts on January 14, 2018 and ends on January 13, 2019.

2. First Year Commission (FYC) is advanced upon receipt of the first premium due and the policy is settled and is subject to the chargeback period. (BMO Insurance reserves the right to pay FYC on an as earned basis.)

- The FYC rate shown above is applicable to the annual premium (including policy fee where applicable) for a policy without regard to the actual frequency or amount of premium payment.

3. Renewal Commissions and Service Commissions will be paid at the rates and duration specified in each product's Commission Rate Table.

- Renewal Commissions and Service Commissions will be paid on an as earned basis when premiums are received. The Rates will be based on the modal premium, including percentage ratings and excluding commissions on temporary and permanent flat extra premiums.

4. Commissions on Flat Extra Ratings will be paid on an as earned basis when premiums are received.

	First Year Commission Rates	Renewal Commission Rates Years 2-5	Service Commission Rates Years 6+
Premium on Flat Extras payable for 5 years or less	0%	0%	0%
Premium on Flat Extras payable for more than 5 years	35%	5%	0%
Term 20 or Term 30 Exchange Premium on Flat Extras payable for more than 5 years	25%	5%	0%
Pure Term 100 Premium on Flat Extras payable for more than 5 years	Same Rate as Base Policy	2%	0%

Chargeback Rules are applicable to commissions paid on flat extra ratings.

CHARGEBACK RULES FOR TERM LIFE, TRADITIONAL WHOLE LIFE AND CRITICAL ILLNESS PLANS

If a life and/or health policy (or coverage) and its associated supplementary benefits fail to remain in force for a full 24 months following the date of issue, a portion of the First Year Commission (FYC) for the specific policy will be charged back:

- For any policy lapse, cancellation or surrender, the amount charged back will equal the FYC paid multiplied by the percentage shown in the following table corresponding to the number of completed months the policy remained in force.
- For policies that remain in force but where the premiums are reduced due to a reduction in face amount, change in smoking status, or any other policy change, the amount charged back will be equal to the difference between the FYC paid and the FYC that would have been paid multiplied by the percentage shown in the following table corresponding to the number of months prior to the premium reduction.

Completed Months	0	1	2	3	4	5	6	7	8	9	10	11	12
Commission Chargeback Rates (%)	100	95.83	91.67	87.5	83.33	79.17	75	70.83	66.67	62.5	58.33	54.17	50
Completed Months	13	14	15	16	17	18	19	20	21	22	23	24	
Commission Chargeback Rates (%)	45.83	41.67	37.5	33.33	29.17	25	20.83	16.67	12.5	8.33	4.17	0	

Note: A chargeback is not applicable if the policy terminates due to payment of the death and/or critical illness benefit.

Please make note of the specific Chargeback Rules applicable to Family Business.

COMMISSION RATE TABLES FOR SINGLE PREMIUM IMMEDIATE ANNUITIES

COMMISSIONS AS A PERCENTAGE OF PREMIUM

	Amount of Premium	Commission Rates
Life Annuities	First \$100,000	3%
	Balance of Premium	1.5%
Term Certain Annuities	First \$100,000	2%
	Balance of Premium	1%

COMMISSION RATE TABLES FOR BMO GUARANTEED INVESTMENT FUNDS (GIF) COMMISSIONS AS A PERCENTAGE OF DEPOSIT

This Table outlines the total compensation payable to the Advisor and the MGA in respect of BMO Guaranteed Investment Fund (GIF) issued business.

Guarantee Options	Commission Rates	Front-End Load	Deferred Sales Charge (DSC)	No-Load
GIF 75/75 GIF 75/100	Deposit Commission Rates	0 – 5.0% negotiated with client	5.5%	2.5%
	Trailer Commission Rates (annual rate)	1.00% (100 bps) of investment value starting in 1 st month 0% money market	0.50% (50 bps) of investment value starting in 1 st month 0% money market	1.00% (100 bps) of investment value starting in 25 th month 0% money market
GIF 100/100	Deposit Commission Rates	0 - 5.0% negotiated with client	5.0% (< 20 years [*]) 5.5% (≥ 20 years [*])	2.5% (< 20 years [*]) 3.0% (≥ 20 years [*])
	Trailer Commission Rates (annual rate)	1.00% (100 bps) Class A 0.75% (75 bps) Prestige Class of Investment Value starting in 1 st month 0% money market	0.50% (50bps) Class A 0.25% (25 bps) Prestige Class of Investment Value starting in 1 st month 0% money market	1.00% (100bps) Class A 0.75% (75 bps) Prestige Class of Investment Value starting in the 25 th month 0% money market

* Number of years from Deposit Date to Maturity Date

COMMISSIONS ON BMO GUARANTEED INVESTMENT FUNDS (GIF)

Deposit commission - deposit commission is paid as earned on each deposit made to BMO GIF and is calculated as a percentage of the deposit. The rate (%) applicable to each deposit, as set out in the table above, varies depending on the type of sales charge applicable to the deposit, and in the case of the DSC and no-load option, on the number of years between the date the deposit is made and the maturity date. Deposit Commission does not apply to renewal deposits (*as defined under the information folder*).

Trailer commission - trailer commission is paid as earned on each deposit made to BMO GIF and is calculated as a percentage of the deposit for as long as the BMO GIF policy remains in force, including during a renewal term of the policy. The rate (%) to calculate trailer commissions depends on the type of sales charge and the type of fund. The start date for the payment of trailer commission also varies depending on the sales charge option. Trailer commission is calculated as a percentage of the market value of units allocated to a policyowner(s)' policy on the last valuation day of each month divided by 12, except that for no-load sales charge, only units that were deposited for at least 24 months before are included in the calculation of trailer commission. Trailer commission is payable at the end of each calendar month and will be prorated for partial months. (*See information folder for calculation of market value.*)

Payment of Commissions

Deposit commissions and trailer commissions for paper-based transactions are paid to the MGA and the Advisor in the allocations provided to BMO Insurance.

Where transactions are processed electronically through the FundSERV network and commissions are elected to be received via FundSERV, all commissions will be paid to the MGA. If commissions are elected to not be received via FundSERV, commissions will be paid to the MGA and the Advisor in the allocations provided to BMO Insurance. Upon such payments, BMO Insurance's obligation with respect to the payment of deposit commissions and trailer commissions will be fully satisfied.

CHARGEBACK RULES FOR BMO GUARANTEED INVESTMENT FUNDS (GIF)

Chargeback Rules: No-load option

On a deposit with a No Load Sales Charge Option, a uniform prorata chargeback will be applied to the Deposit Commission applicable to units that are withdrawn within 24 months following the deposit date. The amount charged back will equal the commission paid multiplied by the percentage shown in the following table corresponding to the number of completed months since the deposit date. Withdrawals of units from a BMO Guaranteed Investment Funds (GIF) contract will be processed on a 'First In First Out' basis (FIFO).

Note: A chargeback is not applicable if the contract terminates due to payment of a Death Benefit.

Completed Months	0	1	2	3	4	5	6	7	8	9	10	11	12
Commission Chargeback Rates (%)	100	95.83	91.67	87.50	83.33	79.17	75.00	70.83	66.67	62.5	58.33	54.17	50.00
Completed Months	13	14	15	16	17	18	19	20	21	22	23	24	
Commission Chargeback Rates (%)	45.83	41.67	37.50	33.33	29.17	25.00	20.83	16.67	12.5	8.33	4.17	0	

COMPENSATION RULES AND CONDITIONS

1. INTERNAL REPLACEMENTS

When a new policy (or coverage) replaces an existing policy (or coverage), which has not reached its fifth Policy Anniversary, whether in force or lapsed, FYC paid on the new policy (or coverage) will be reduced based on the following table:

Inforce duration of policy being replaced (based on the number of completed months the policy remained in force)	FYC on the new policy will be reduced by the following percentage of the FYC credited to the writing agent on the original policy (coverage)
0 – 24 months	100%
25 – 36 months	75%
37 – 48 months	50%
49 – 60 months	25%
61 months or more	0%

With all internal replacements, the FYC will be reduced whether or not the original advisor is the writing agent of the new policy.

Chargeback due to lapse will not be applied to the Replaced Policy and the new policy will be subject to the applicable Chargeback Schedule.

If the calculated FYC on the new policy results in a negative amount, the amount owed will be debited against the writing advisor's commission account; renewal commissions and renewal overrides will be applied to the new policy for the First Policy Year.

2. COMPLETE AND PARTIAL CONVERSIONS

For details on other FYC rates, renewals, service fees, chargeback schedules, conditions and/or rules, please refer to the applicable Commission Schedules in effect at the time the original policy was issued.

A. BMO Insurance and former AIG Life of Canada (Life policies) to Eligible BMO Insurance Plans

CHARGEBACK RATES ON CONVERTED POLICY	FYC RATES APPLIED TO NEW POLICY
Applicable Lapse/Surrender Chargeback Table applies	Applicable FYC Rate of new plan applies

Eligible BMO Insurance Plans: Life Dimensions, Wealth Dimensions, Pure Term 100 and 20 Pay Life.

Note: LifeProvider plan is not eligible conversion plans.

B. Former Hartford Life Term Conversions to Eligible Conversion Plans: Whole Life or Endowment to 85

FYC APPLIED TO NEW POLICY	FIRST YEAR OVERRIDE
15% of premium to age 65 or for 10 years, whichever is greater	50% of premium, split evenly between the advisor and the MGA, unless advised otherwise in advance by MGA

C. BMO Insurance (formerly Norwich Union Brokerage (AIG Assurance)) Term Conversions to Eligible BMO Insurance Plans

ELIGIBLE PLANS	FYC Rate / FYC Rate- Tier 1*
20 Pay Life, Pure Term 100	30%
Life Dimensions, Wealth Dimensions	30%

*FYC - Tier 1 refers to the Commissionable Target Premium amount for FYC Rate for Life Dimensions and Wealth Dimensions plans.

continued on next page...

COMPENSATION RULES AND CONDITIONS

D. Critical Illness Living Benefit 10 or 20 Plan or Rider Conversions to Eligible BMO Insurance Plans

Conversion from a policy issued before April 8, 2010.

ELIGIBLE PLANS	FYC RATE
Term-to-75 CI Conversion Plan	25%*
Term-to-100 CI Conversion Plan	25%*

*FYC is at a rate of 25%. **If** the originating policy is in Policy Year 1-10 at the time of the conversion, then FYC of 25% is based on the **increase** in commissionable premium only.

Conversion from a policy issued after April 7, 2010 and before November 2, 2015.

ELIGIBLE PLANS	FYC RATE
Term-to-75 CI Conversion Plan	45%
Term-to-100 CI Conversion Plan	45%

Conversion from a policy issued on or after November 2, 2015.

ELIGIBLE PLANS	FYC RATE
Living Benefit 75	50%
Living Benefit 100	50%
15-Pay Living Benefit 100	50%

Refer to the BMO Insurance Commission Schedules in effect at the time the original policy was issued for conversion options and compensation.

E. Term 10 to Term 20 or Term 30 Policy Exchange

This Exchange option is only available on Term 10 policies issued with The Wave (version 33.0) or later rates.

CHARGEBACK ON TERM 10 POLICY	FYC RATE APPLIED TO NEW TERM 20 OR TERM 30 POLICY
Full exchange: Applicable Lapse/Surrender Chargeback tables are waived	25%
Partial exchange*: Applicable Lapse/Surrender Chargeback tables will apply to the portion of the coverage being exchanged	

*Partial exchange means that the policy owner exchanges a portion of the Term 10 plan coverage and keeps the remaining coverage in force (subject to issue requirements on both the original and new policy).

Refer to the BMO Insurance Commission Schedules in effect at the time the original policy was issued for Policy Exchange options and compensation.

For details on the Term 10 Exchange Program, please refer to the Term Insurance Product Overview 215E.

COMPENSATION RULES AND CONDITIONS

3. FAMILY BUSINESS RULES (POLICIES ISSUED ON ADVISORS AND MEMBERS OF THE ADVISOR’S FAMILY)

Definition: Family members of the advisor include, but are not limited to, spouse, children, siblings, parents or dependents.

If the policy and its associated supplementary benefits fail to remain in force for the full chargeback period following the date of issue, as shown in the following tables, a portion of the FYC will be charged back.

- For a policy lapse, cancellation or surrender, the amount charged back will equal the FYC paid multiplied by the percentage shown in the following table corresponding to the number of completed months the policy remained in force.
- For Term Life, Traditional Whole Life and Critical Illness policies that remain in force but the premiums are reduced due to a reduction in face amount, a change in smoking status, or any other policy change, the amount charged will equal the difference between the FYC paid and the FYC that would have been paid multiplied by the percentage shown in the following table corresponding to the number of months prior to the premium reduction.
- For Universal Life policies that remain in force but premiums are reduced due to a reduction of coverage, the amount charged will equal the FYC paid multiplied by the percentage shown in the following table, corresponding to the number of completed months prior to the reduction of coverage, multiplied by the proportionate reduction of coverage.
- For Universal Life policies that remain in force but the premiums are reduced due to a change in smoking status or other policy change, the amount charged will equal the difference between the FYC paid and the FYC that would have been paid multiplied by the percentage shown in the following table corresponding to the number of months prior to the premium reduction.

# OF COMPLETED MONTHS POLICY IN-FORCE	CHARGEBACK RATE ON FYC
1 – 30	100%
31 – 60	50%

4. JUMBO CASE RULES

Large Commission Amounts

BMO Insurance reserves the right to obtain approval from the MGA for release of all or partial commission and/or compensation on any single policy or group of related policies and to hold back any amounts in excess of the \$10,000 or amounts unearned. Such amounts held will be released according to an agreed upon schedule for each case.

Large Face Amounts

BMO Insurance reserves the right to limit commission and/or compensation on policies where the face amount exceeds specified limits, as it may determine from time to time.

5. COMMISSION ON REFUNDED PREMIUMS

In all circumstances where premium or deposit is refunded, any commission previously paid on that premium or deposit will be reversed. This includes, but is not limited to, premium or deposit refunded due to policy rescissions.

6. UNEARNED COMPENSATION

Unearned compensation is deemed a debt due to BMO Insurance by the advisor, repayable on demand. Compensation is considered “earned” when the total amount of premium owing under a policy is received by BMO Insurance.

7. REINSTATEMENTS

Commission will be paid based upon the premium submitted and applied to reinstate the policy.

COMPENSATION RULES AND CONDITIONS

8. POLICY CHANGES AFTER ISSUE

Coverages/riders added after issue

- FYC will be advanced at the rates applicable on the coverage date of the additional coverage.

YRT to Level Cost of Insurance Switch

- Renewal Commissions will be paid on the new Level COI coverage beginning with the Level COI commission rate of the same duration as the YRT COI coverage at the time of the switch.

LifeProvider Additional Coverage Rider Exchange

- Commission will be paid on the new UL policy based upon the current duration of the LifeProvider Additional Coverage Rider at the point of the exchange and at the applicable renewal commission rate of the new plan.

Example: LifeProvider Additional Coverage Rider in force for 2 years at the time of the exchange, commission on the new policy will be paid at a renewal commission rate for 3 years.

- ABC, where applicable, will commence with the 6th Policy Year of the new policy.

9. VESTING

FYC, Deposit Commission and Renewal Commissions are vested to the original writing advisor(s). A request from the policy owner for a different Agent of Record will not divest this right. For BMO Guaranteed Investment Funds, Trailer Commissions do not vest, and are paid to the Servicing Agent of Record.

Service Commissions and Service Fees are continuing payments to compensate a licensed Agent of Record for service to BMO Insurance's policy owners.

10. CONTRACT OPTIONS

BMO Insurance reserves the right to:

Change the "**Schedule of Commissions**" in whole or in part provided that such change will only apply to policies solicited subsequent to the date that such notice is given, except that a change to the Schedule of Commission may apply retroactively to comply with laws, rules and regulations.

11. BUSINESS CONDUCT

An Advisor is expected to conduct business in a manner that is compatible with the interests of BMO Insurance. Sales practices that are not conducted in this manner may incur remedial action including chargebacks where appropriate.

To find out more about BMO Insurance products, please call your MGA, contact the BMO Insurance regional sales office in your area, call 1-877-742-5244 or visit bmoinsurance.com/advisor.

Ontario Region

1-800-608-7303

Quebec – Atlantic Region

1-866-217-0514

Western Region

1-877-877-1272

BMO Life Assurance Company

60 Yonge Street, Toronto, ON M5E 1H5

1-877-742-5244

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