



	Commission Rate at Year		
	1	2-5	6+
Life Insurance			
Term insurance¹			
Term 10	45%	5%	2%
Term 20	50%	5%	2%
Riders for all life plans			
Term 10	45%	5%	2%
Term 20	50%	5%	2%
Child Term Rider ²	45%	5%	2%
Disability Income^{3, 8}			
Fully underwritten policies			
Large Case 10% Premium Discount (B)	39%	2%	2%
Large Case 15% Premium Discount (C) ⁴	35%	2%	2%
Bridge Series [®] & Buy-Sell Products with Large Case Discount	30%	2%	2%
Fundamental Series [™]	30%	2%	2%
Fundamental Series [™] with Large Case Discount	20%	2%	2%
Critical Illness^{5, 8}			
Fully underwritten policies			
Large Case 5% Premium Discount (A) ⁴	37%	2%	2%
Large Case 10% Premium Discount (B)	34%	2%	2%
Large Case 15% Premium Discount (C) ⁴	30%	2%	2%
Simplified Critical Illness	15%	4%	4%
Guarantee Standard Issue[®] policies			
Disability Income and Critical Illness policies			
Large Case 5% Premium Discount (A) ⁴	23%		
Large Case 10% Premium Discount (B) ⁴	21%		
Large Case 15% Premium Discount (C) ⁴	18%		
Bridge Series [®] & Buy-Sell Products with Large Case Discount	15%		
Renewal commissions^{6, 7} for Disability Income and Critical Illness Guarantee Standard Issue[®] policies			
	Commission Rate at Year		
Qualification Amount	2-5	6-10	11+
\$1 – \$9,999	5%	5%	2%
\$10,000 – \$19,999	10%	7.5%	2%
\$20,000 – \$39,999	15%	12.5%	5%
\$40,000 +	17.5%	15%	5%

1. Commissions for Accidental Death Benefit and all forms of Waiver of Premium are payable at the same rate as that of the base coverage to which they are added.
2. Commissions on in force Child Term Riders are payable for a maximum period of 20 years.
3. For AIB, FIO, GPI, GCI, riders, Update, COLA and similar individual policy riders or additions, the rates in this Schedule apply to the premium charged for these riders or additions at the time of policy issue. When the benefit is exercised, the compensation on the new additional premium for the increased insurance will be paid according to RBC Life Insurance Company (the Company) rules and practices then in effect.
4. Large Case discounts (A) and (C) are available only for new business added to in force groups of policies that previously qualified for the discount. Large Case Discount (B) is similarly restricted for GSI Critical Illness groups. See Underwriting Guidelines for availability.
5. For SIB riders and similar individual policy riders or additions, the rates in this Schedule apply to the premium charged for these riders or additions at the time of policy issue. When the benefit is exercised, the compensation on the new additional premium for the increased insurance will be paid according to Company rules and practices then in effect.
6. Upon renewal increases of the 10 Year Term Critical Illness Recovery Plan™ policy, the compensation on the new additional premium will be paid according to the Company's rules and practices then in effect.
7. Renewal commission rates are determined based on the Qualification Amount. The Qualification amount is defined as the Net Annualized First Year Premium (Annualized First Year Premium less any unearned premium due to terminations during the production year) produced from Disability Income and Critical Illness policies in the previous calendar year in which the policy was placed and paid. The Qualification Amount excludes Bridge Series®, Fundamental Series™ and Simplified Critical Illness products.
8. For multi-life/large case policies issued as part of a special premium discount plan approved in advance, compensation will be adjusted in accordance with the Company's then current rules and practices.

Terms and Conditions

- > The Company shall determine the commissions payable on all policies and plans not listed in the current commission schedule.
- > Full commissions are payable on medical, occupational and other special risks, but only where the additional premium for such risks is payable to the Company for a period of more than five years.
- > Full commissions are payable on premiums waived and/or premiums paid by automatic premium loan.
- > Commissions are calculated based on the annual premium, including policy fees, regardless of the premium payment mode for the policy, except on Disability Income and Critical Illness policies that also include modal loadings.
- > The Company, at its sole discretion, may pay first year commission in advance when the policy is issued and settled. Renewal commissions are paid as earned when the Company receives premiums.
- > The Company reserves the right to withhold compensation until a minimum payable as set by the Company has been attained.
- > Where total compensation on a single policy or group of related policies is above the guideline, as set by the Company from time to time, the Company reserves the right to pay commissions as follows: The amount as set in the guideline will be paid when the policy or policies settle. Where premiums are paid on an annual basis, 50% of the excess above the set guideline will be paid when the policy or policies settle. The remaining 50% will be paid with interest when the Company receives the second annual premium. The interest rate will be a Royal Bank of Canada 1-year GIC rate at the date the policy or policies settle. Where premiums are paid other than annually, the excess above the set guideline will be paid on an as earned basis, after the set guideline amount paid has been earned. The Company's current total Compensation guideline is \$25,000.
- > Policies rescinded either during or after the chargeback period will have all commissions reversed.
- > Premium reductions resulting from the Multi Product Savings (MPS) program approved during the chargeback period will generate an adjustment in commissions in accordance with our Chargeback Schedule.

Coverage added after the policy is issued

- > This section does not apply to Automatic Coverage Amount increases driven by tax exemption maintenance.
- > A life coverage increase approved after the policy date is issued as a new and separate coverage. Effective from its Coverage Date, the new coverage will generate first year and renewal commissions as described in the Schedule, excluding the policy fee. Commissions will be annualized as described above.
- > Rider coverage added after issue is a separate coverage. Effective from its Coverage Date, the new rider coverage will generate first year and renewal commissions as specified in the Schedule.

Policy changes that require the issuance of a new policy or policies

- > Upon exchange of the Bonus Coverage Benefit to a new coverage, the new coverage's first year commission rate less 5% will apply. Renewal commission rates remain unchanged on the new coverage and the renewal year is measured from the date the new coverage is added.
- > When a new policy is issued under the Survivor Benefit, compensation is payable as described under Joint Coverage Exchange Option above.

Products Available for Conversion Only

	Commission Rate at Year		
	1	2-5	6+
Term Insurance Products			
Exchange from Term 10 to Term 20 ⁴	25%	5%	2%
Conversion from Term 20 GSI [®] to Term 100	10%	1%	1%
Term 100	30%	5%	2%
RBC Universal Life[™] Insurance Products			
Target Premium ¹	55%	4%	0%
Excess over Target to Maximum Premium ²	8%	4%	0%
Asset based compensation ³			
Average of Accumulation Value	0%	0%	0.25%
Average of Side Account	0.25%	0.25%	0.25%
Riders for all Universal Life plans			
Universal Life Waiver of Deductions	55%	5%	0%
Universal Life Payor Waiver of Deductions	55%	5%	0%
Universal Life Accidental Death Benefit	55%	5%	0%
Living Benefits Products			
Long Term Care	30%	10%	5%

1. Target Premium is the Level COI minimum premium, as described in the policy. Target Premium excludes any rider premiums and any flat extra premium of five years or less in duration.
2. Any premium in excess of the maximum premium is not deposited to the policy; it is deposited directly to the Side Account. There is no commission on deposits to the Side Account. Funds transferred from the Side Account to the policy will earn commission applicable to the regular premium payments for the year they are transferred in.
3. Asset based compensation is calculated on every Monthly Processing Day based on the previous day's balance.
4. First Year Overrides are not paid on policies exchanged from a Term 10 to a Term 20 product.

Additional terms and conditions for universal life

- > First Year Commission (FYC) is advanced based on the premium received with the application and scheduled premium at issue, up to and including the Excess over Target to Maximum Premium.
- > If The Company subsequently receives premiums that exceed the amount on which we advanced commissions, we will pay additional first year commission on an as-earned basis up to and including the Excess over Target to Maximum Premium.
- > If by the end of the first policy year the Company receives less than the amount of premiums on which commissions were advanced, unearned first year commissions will be charged back as at the first policy anniversary.
- > Unscheduled deposits (meaning any deposits excluding the scheduled PAC premium or the scheduled annual premium) made within ten (10) days preceding any policy anniversary will be considered as subsequent year deposits for commission purposes.
- > If a policy change increases or decreases the Minimum Premium, the Target Premium will be revised accordingly. Any further commissions will be payable as earned, based on the revised Target Premium.
- > Immediate recovery occurs under the following circumstances: The policy owner reduces his scheduled premium during the first policy year; the policy owner reduces his Coverage Amount, or exercises any other policy change that would reduce the First Year commissionable Target Premium; the policy owner withdraws money from the policy within the first 13 months of the policy. The amount of any chargeback as the result of a change in the Target Premium depends on the number of months the policy has been in force, as shown in the Chargeback Schedule.
- > For coverages added after the policy is issued, the coverage will generate first year and renewal commissions on the Target Premium excluding the policy fee. Commissions on premiums in excess of the Target Premium are calculated from the Policy Date, regardless of any coverage increases, and regardless of any increases to the Maximum Premium as a result of the coverage increase. The surrender charge period and charge backs will be calculated from the effective date of the additional coverage. This does not apply to Automatic Coverage Amount increases driven by tax exemption maintenance.

Policy changes that require the issuance of a new policy or policies

- > First year and renewal commissions applicable to conversions to level premium products and permanent products will be subject to the current guidelines published by the Company at the time of the conversion.
- > If a non-renewable term policy is converted within two years prior to the expiry date, first year commission on the new policy shall be limited to the largest renewal commission payable for that policy.
- > No commissions are payable on a conversion of a Group policy or a Business Overhead Expense (BOE) policy.
- > If the Joint Coverage Exchange option is exercised on a universal life policy in the first 60 months of coverage, for commission purposes it will be treated as a replacement under our current replacement rules. If this option is exercised after the first 60 months, FYC will be suppressed for the new policies but we will continue to pay the applicable asset based compensation.

Colleagues as Clients

The Colleagues as Clients program is a program that offers RBC® employees, their spouses and dependent children* savings on select insurance products.

*Dependent children are defined as a natural or adopted child of the employee and/or the employee's spouse and who is unmarried and dependant on the employee for support, and are under the age of 25.

	Colleagues as Clients Savings	Commission Rate at Year		
		1	2-5	6+
Term 10	10%	15%	5%	2%
Term 20	10%	17.5%	5%	2%
T20 Exchange from T10	10%	10%	5%	2%
Child Term Rider	10%	15%	5%	2%
T100 (Available for Conversion Only)	10%	10%	3%	0%
Disability Income (Except Bridge Series®)	25%	39%	2%	2%
Disability Income Bridge Series® Occupation class 3A & 4A	20%	30%	2%	2%
Disability Income Bridge Series® Occupation class 2A, A&B	10%	50%	2%	2%
Disability Insurance, The Foundation Series™	15%	50%	2%	2%
Disability Insurance, The Fundamental Series™	15%	24%	2%	2%
Critical Illness	15%	30%	2%	2%

- > When selling a life or living benefits insurance policy with the applicable discount, please indicate a request for the Colleagues as Clients discount on the application.
- > Commissions on in force Child Term Riders are payable for a maximum period of 20 years.
- > Disability Income products are not available to spouses and/or dependent children.
- > All product limits apply according to current underwriting guidelines, however, for Term 10 and Term 20, the availability of the discount is capped at \$25,000,000 and \$10,000,000 for Term 100.
- > Colleagues as Clients discounts do not apply to policies already in force.
- > Colleagues as Clients cannot be combined with any other offer
- > Colleagues as Clients is not available with long term care or universal life plans

Chargeback Schedule

First year commission paid to the Representative shall be subject to a chargeback for twenty-four (24) months following the date of issue. There shall be a chargeback to the Representative if, during that period, the coverage is replaced, lapsed, surrendered (full or partial), converted, exchanged, premiums are decreased, or premiums are refunded. The amount of the chargeback depends on the number of months that the coverage has been in force and is equal to the applicable commission multiplied by the appropriate percentage in the following table:

Number of Months	Chargeback Percentage	Number of Months	Chargeback Percentage	Number of Months	Chargeback Percentage	Number of Months	Chargeback Percentage
0	100	5	95	10	70	15	45
1	100	6	90	11	65	16	40
2	100	7	85	12	60	17	35
3	100	8	80	13	55	18	30
4	100	9	75	14	50	19	25
						24	0

Internal Replacement Schedule

A policy is considered an internal¹ replacement if:

- (a) the same life or lives change from an existing coverage(s) to a new coverage(s), or
- (b) an existing coverage(s) lapses within twelve months before or after the new coverage(s) is issued

When an internal replacement occurs:

- (a) The first year commission payable on the new coverage will be reduced, based on how many months the replaced coverage was in force prior to the replacement, as shown in the schedule below:

Months in Force	Percentage Reduction
0 – 59 months	$[(60 - \text{months in force}) \times 100^2] \div 60$
60 months or more	0%

- (b) There will be no chargeback on the coverage being replaced.
- (c) If the premium of the new coverage is greater than that of the existing coverage, full first year commission will be paid on the difference in premium.

Commissions on excess premium and asset based compensation are not included in first year commission for internal replacements.

1 - Internal policies refers to any policy underwritten or insured by the Company

2 - Rounded to 1 decimal place