Commission Schedule and Remuneration Rules

Individual Life Insurance

Effective as of April 15th, 2014

1. TERMS AND CONDITIONS FOR CALCULATING REMUNERATION

1.1 Definitions

In this Schedule, unless otherwise indicated, defined terms have the meaning ascribed thereto hereinafter. The terms defined in this Schedule and referred to in the Broker's Contract entered into between the Broker and SSQ Insurance Company Inc. ("SSQ") also have the meaning set forth in that Contract unless otherwise indicated in this Schedule.

"First Year Remuneration" means the remuneration paid by SSQ to the Broker in relation to new business generated further to the purchase of Insurance Products by Clients. The First Year Remuneration corresponds to the first year commissions plus the sales bonus.

The sales bonus shall be established as a percentage of sales commissions earned on the first year premiums.

"Renewal Commissions" means the remuneration paid by SSQ to the Broker, for the renewal or continuation of an Insurance Product.

1.2 First Year Remuneration and Renewal Commissions

In consideration of the services rendered by the Broker to SSQ under the Broker's Contract, SSQ shall pay the First Year Remuneration and the Renewal Commissions, calculated as indicated in the table shown in section 2 of this Schedule for the period indicated.

1.3 First Year Remuneration

1.3.1 Subject to any adjustment provided for in subsection 1.7, the First Year Remuneration shall be paid out upon the issuance of an Insurance Product, and shall be calculated on the amount of the annual premiums for the first year related to the Insurance Product, without taking into account any additional amount that may be added to the premiums as management fees, resulting from the payment of the premium by the policyowner over a certain period of time;

1.3.2 Such First Year Remuneration shall also be paid by SSQ to the Broker within the time limits prescribed in subsection 1.5, without SSQ being required to obtain confirmation that any negotiable instrument or other method of payment used by the Client has been honored, subject however to any adjustment provided for in subsection 1.7 of this Schedule;

1.3.3 Notwithstanding subsection 1.5, any First Year Remuneration pertaining to an Insurance Product exceeding twenty-five thousand dollars ($25,000) shall be paid by SSQ to the Broker, in accordance with SSQ's established payment terms;

1.3.4 Notwithstanding subsection 1.5, any first year commission pertaining to an Insurance Product of which the policyowner is the Broker or a family member of the Broker (spouse or common law partner, child, brother, sister, father, mother, stepchild, sister-in-law, brother-in-law, half sister, half brother, grandfather, grandmother) shall be paid by SSQ to the Broker, in accordance with SSQ's established payment terms then in force;

1.3.5 Where an Insurance Product issued by SSQ is terminated or decreased within the 12 months prior to or following the effective date of another Insurance Product issued by SSQ on the same insured, i.e. in the event of internal replacement, the First Year Remuneration that the Broker is entitled to shall be adjusted in accordance with subsection 1.8 of this Schedule.

1.4 Renewal Commissions

The Renewal Commissions shall be payable for the period indicated in section 2 of this Schedule and shall be calculated on the actual amount of premiums paid by the policyowner to SSQ, taking into account any additional amount that may be added to the premiums as management fees, resulting from the payment of the premiums over a certain period of time.

1.5 Methods of payment

Subject to subsections 1.3 and 1.4, unless SSQ had given prior notice to the Broker, the First Year Remuneration and the Renewal Commissions shall be paid by SSQ to the Broker by direct deposit at least on a weekly basis. No First Year Remuneration and Renewal Commissions will be deposited if the amount is less than one hundred dollars ($100). SSQ will release the deposit when the broker's account exceeds one hundred dollars ($100).

1.6 Amendment of this Schedule

SSQ may amend the first year commission and the Renewal Commissions stipulated in section 2 of this Schedule, by notice from SSQ to the Broker, it being understood that such notice may be included in a bulletin or release or as a change to any software made available to the Broker by SSQ, or in a document available in electronic format or accessible via the Internet, intranet or extranet. Such amendment shall take effect on the date indicated in the updated Schedule and shall apply only to any new issuance that may be added to the Broker's Portfolio as of the notice.

1.7 Adjustments to the First Year Remuneration and the Renewal Commissions

1.7.1 Notwithstanding any payment that SSQ may have made to the Broker as First Year Remuneration or as Renewal Commissions, the Broker shall undertake to reimburse SSQ the amount indicated, upon the occurrence of any of the following events:

a) for all products referred to in section 2, any portion of the First Year Remuneration paid by SSQ to the Broker with respect to an Insurance Product, which has been terminated by the policyowner before the expiry of a twenty-four (24) month period following its issuance, calculated as follows:

$$\frac{A - B}{A} \times C = \text{Adjustment}$$

A: 24 months
B: Number of full months elapsed since the issuance of the Insurance Product
C: Amount of the First Year Remuneration paid by SSQ

b) when the premium related to a product mentioned in section 2 of this Schedule is decreased within twenty-four (24) months following the issuance of such product, any amount paid as First Year Remuneration is subject to a chargeback that is prorated to the premium decrease.

c) any amount paid as Renewal Commissions for an Insurance Product where the payment of the related premium has not been honored.

d) for the UL Protection and UL Investment universal life insurance products:

i) Adjustment to the First Year Remuneration paid in advance

Any portion of the First Year Remuneration paid in advance and unearned due to planned but unpaid premiums.

ii) Adjustment to the First Year Remuneration on the 2nd contract anniversary

At the end of the twenty-fourth (24th) month of insurance coverage, if the sum of deposits received by SSQ under the tax exempt portion of the contract during the first twenty-four (24) months, divided by 2, is less than the lesser of the following 2 amounts:

(1) the annual target premium for Commissions; or
(2) the sum of premiums for which a First Year Remuneration was paid,

the portion of the First Year Remuneration that the Broker undertakes to reimburse is determined by the following rule:

$(A - B) \times C = \text{Adjustment}$

A: Lesser of the annual target premium for Commissions and the sum of premiums for which a First Year Remuneration was paid
B: Sum of deposits received by SSQ under the tax exempt portion of the contract during the first twenty-four (24) months, divided by 2
C: First Year Remuneration rate, comprised of first year commission rate as stipulated in section 2 of this Schedule and the sales bonus rate based on this commission.

1.7.2 The Broker shall promptly reimburse SSQ any amount that he may owe to SSQ, including amounts resulting from the adjustments referred to in paragraph 1.7.1.

1.7.3 The Broker further acknowledges that SSQ may deduct from any amount that it may owe to the Broker, any indebtedness of the Broker towards SSQ, more particularly pursuant to the adjustments provided for in paragraph 1.7.1.

1.8 Adjustments to the First Year Remuneration in Case of Internal Replacement

Upon the occurence of an internal replacement, as stipulated in subsection 1.3.5 of this Schedule, the First Year Remuneration pertaining to the new Insurance Product shall be adjusted as follows:

Adjusted commission =

$$\text{Commission payable for the new Insurance Product} - \left(A \times \text{Penalty (\%)} - \frac{A \times (C - B)}{C}\right)$$

A: Minimum between the commission payable on the old Insurance Product and the commission payable on the new Insurance Product

B: Minimum between the value of C and the number of months the old Insurance Product was in force

C: Clawback period pertaining to the commissions on the new Insurance Product (months)

The penalty (%) is equal to the greater of the following 2 amounts:
(1) 1 minus (the number of months the old Insurance Product was in force X 2%); or
(2) 0%.

When the replaced Insurance Product was in force for fifty (50) months or more, there is no adjustment on the First Year Remuneration of the new Insurance Product.

2. TABLE OF FIRST YEAR COMMISSION AND RENEWAL COMMISSIONS

2.1 Permanent Life Insurance

Name of Product	1st year Commission Rate	Renewal Commissions Rate and Term		
		Years 2-5	Years 6-10	Years 11+
Whole Life 20	50%	5%	2%	2%[1]
Whole Life 100	50%	5%	2%	2%
Term 100	50%	5%	2%	2%

(1) Payable up to year 20

2.2 Term Life Insurance

Name of Product	1st year Commission Rate	Renewal Commissions Rate and Term
		Years 2+
Term 10	40%	3%
Term 20	50%	3%
Term 70	50%	3%
		Years 2+
Term Plus 10	40%	3%
Term Plus 15	40%	3%
Term Plus 20	50%	3%
Term Plus 25	50%	3%
Term Plus 30	50%	3%
Term Plus 35	50%	3%

2.3 Additional Benefits on Term Plus

Name of Product	1st year Commission Rate	Renewal Commissions Rate and Term
		Years 2+
Total Disability Rider	40%	3%
Critical Illness Rider	40%	3%

2.4 Critical Illness Insurance

Name of Product	1st year Commission Rate	Renewal Commissions Rate and Term	
		Years 2-5	Years 6+
Critical Illness Insurance T10(1)	45%	5%	2%
Critical Illness Insurance T20(2)	50%	5%	2%
Critical Illness Insurance T75	50%	5%	2%
Critical Illness Insurance T100	50%	5%	2%
Critical Illness Insurance T100 paid-up 20 years	50%	5%	2%

(1) For each 10-year renewal period, a 15% Renewal Commission on the new Critical Illness Insurance T10 premium shall be paid (also applies to Return of Premiums at Expiry and Return of Premiums on Death). Thereafter, the Renewal Commission stipulated for the period indicated shall apply.

(2) For each 20-year renewal period, a 15% Renewal Commission on the new Critical Illness Insurance T20 premium shall be paid (also applies to Return of Premiums at Expiry and Return of Premiums on Death). Thereafter, the Renewal Commission stipulated for the period indicated shall apply.

2.5 Additional Benefits on Critical Illness Insurance

Name of Product	1st year Commission Rate	Renewal Commissions Rate and Term	
		Years 2-5	Years 6+
Children's Endorsement	40%	5%	2%
Return of Premiums on Death	30%	5%	2%
Return of Premiums at Expiry	30%	5%	2%
Return of Premiums on Cancellation	30%	5%	2%

2.6 Universal Life Insurance

Name of Product	1st year Commission Rate	Renewal Commissions Rate and Term	
		Years 2-5	Years 6+
UL Protection **T20-YRT Cost of Insurance**			
Up to minimum premium	55%	5%	5%
From minimum premium to target premium	55%	5%	5%
From target premium to maximum premium	5%	5%	5%
From maximum premium to maximum deposit	N/A	1,5%	1,5%
UL Investment **YRT, T20-YRT and YRT 85/20** **Costs of Insurance**			
Up to minimum premium	65% (1)	5%	5%
From minimum premium to target premium	65% (1)	5%	5%
From target premium to maximum premium	5%	5%	5%
From maximum premium to maximum deposit	N/A	1,5%	1,5%

(1) 55% for ages 76 to 80 at issue (YRT and YRT 85/20)
45% for ages 81 to 85 (YRT)

The sales bonus applicable on the excess of the target premium is only payable on the first year of contract.

A commission of 0.25% is payable from the 2nd year on the accumulation fund and transitory deposit account values.

2.7 Other Additional Benefits

Name of Product	1st year Commission Rate	Renewal Commissions Rate and Term	
		Years 2-5	Years 6+
Waiver of Premium (WP)	50%	5%	2%
Accidental Death and Dismemberment (ADD)	50%	5%	2%
Child Rider	50%	5%	2%
Fracture	50%	5%	2%

3. SPECIAL CONDITIONS

- Only surcharges for contracts of 5 years or more shall be paid at the same commission rate as the benefit to which they are attached and the duration that determines the commission rate is measured from the issue date of said benefit. Surcharges for contracts of less than 5 years are not eligible for remuneration.

- Where a product is put into effect following the exercise of the conversion option within 2 years of the taking into effect, the Broker shall be paid the First Year Remuneration of the new product, less the previously paid amount. Where the converted benefit has been in effect for more than 2 years, the Broker shall receive the First Year Remuneration as indicated in the table shown in section 2 of this Schedule.

- In the event of termination of the Broker's Contract, SSQ may for thirty (30) months retain any credit balance to cover unearned compensation.

- In the event of change in product, the First Year Remuneration and the Renewal Commissions shall be established by SSQ by taking into account the conditions specific to each request.

- If an insurance product does not fall within the categories listed above, the First Year Remuneration and the Renewal Commissions shall be established by SSQ.

- For the products sold before the implementation of this Schedule, please refer to the remuneration schedule in force for the targeted period.