

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 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

May 26, 2014

- Introduction of NEW Preferred Term 10 to Preferred Term 20 Exchange Program, for any base plan issued with The Wave (version 28.0) or later rates

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

COMMISSION RATE TABLES FOR UNIVERSAL LIFE PLANS

COMMISSIONS AS A PERCENTAGE OF PREMIUM*

Life Dimensions and Life Dimensions (Low Fees)

	First Year ¹ Commission			Renewal ² Commissions Years 2-5			Service Commissions	
	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	Asset Based Compensation Years 6+	Indexed Accounts and GMIA ⁷
YRT / YRT 85/20 InvestorMaximizer and MaximizerSelect	65%	5%	0.3%	5%	4%	0.3%	0.25%	0%
Level	55%	5%						

Life Dimensions and Life Dimensions (Low Fees) with Fund Accelerator Investment Bonus

	First Year ¹ Commission			Renewal ² Commissions Years 2-5			Service Commissions	
	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	Asset Based Compensation Years 6+	Indexed Accounts and GMIA ⁷
YRT / YRT 85/20 InvestorMaximizer and MaximizerSelect	65%	2%	0.3%	5%	2%	0.3%	0.25%	0%
Level	55%	2%						

Life Dimensions (Low Fees) with Maximizer Elite

	First Year ¹ Commission			Renewal ² Commissions Years 2-5			Service Commissions	
	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	Asset Based Compensation Years 6+	Indexed Accounts and GMIA ⁷
Maximizer Elite YRT	65%	3.5%	0.3%	5%	4%	0.3%	0.25%	0%

Life Dimensions^{PRESTIGE} and Life Dimensions^{PRESTIGE} (Low Fees)

	First Year ¹ Commission			Renewal ² Commissions Years 2-5			Service Commissions	
	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	Asset Based Compensation Years 6+	Indexed Accounts and GMIA ⁷
YRT/Investor Maximizer/ Level	50%	5%	0.3%	2%	2%	0.3%	0.25%	0%

LifeProvider and LifeProvider (Low Fees)

	First Year ¹ Commission			Renewal ² Commissions Years 2-5			Service Commissions	
	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	Asset Based Compensation Years 6+	Indexed Accounts
Level	55%	5%	0.3%	5%	4%	0.3%	0.25%	0%

SUPPLEMENTARY BENEFITS

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

	First Year ¹ Commission	Renewal ² Commissions Years 2- 5
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	35%	5%
Critical Illness Rider - Living Benefit 20	35%	5%
Critical Illness Rider - Living Benefit 75	35%	5%
Critical Illness Rider - Living Benefit 100	35%	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 and Additional Ten Year Renewable Term Rider	35%	5%
Twenty Year and Additional Twenty Year Renewable Term Rider	40%	5%
Thirty Year Renewable Term Rider	40%	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 and Preferred Term 10 and 20 plans.
 - ⁴ LifeProvider Additional Coverage Rider is only available on LifeProvider or LifeProvider (Low Fees) plans.
 - ⁵ Term 100 Rider is not available on LifeProvider.
 - 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.
 - ⁷ Guaranteed Market Indexed Accounts (GMIA)
- * Subject to the following Definitions and Terms

DEFINITIONS AND TERMS FOR UNIVERSAL LIFE PLANS

1. Policy Year

- First Policy Year is defined as the 12-month period commencing on the Policy Effective Date and ending the day before the first Policy Anniversary.
- Subsequent Policy Years start on the Policy Anniversary and end the day before the next Policy Anniversary. For example, if the Policy Effective Date is January 14, 2010, the First Policy Anniversary is January 14, 2011. The Second Policy Year starts on January 14, 2011 and ends on January 13, 2012.

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 renewal deposits 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 6th Policy Year (or as may be 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 Fund Value of the policy. The amount payable each month is equal to $[\text{Fund Value} \times \text{Rate}] / 12$.

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 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 exempt portion 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:
 - the difference between the First Year Commissionable Target Premium paid and the total of the commissionable premiums received in the first 24 months divided by two (2), times the applicable First Year Commissionable Rate listed in the Commission Rate Tables for Universal Life Plans (Up to Commissionable Target Premium).

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 exempt portion 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 on this difference up to a maximum of the amount of any applicable Over Advanced FYC Recapture.

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
1-2	Exempt Investments	5%
1-2	Side Account Investments	0.3%

CHARGEBACK RULES FOR UNIVERSAL LIFE PLANS

5. Commission Chargeback due to Reduction of Coverage Life Dimensions and LifeProvider 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) times 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 (%)	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 (%)	60	55	50	45	40	35	30	25	25	25	25	0	

Life Dimensions^{PRESTIGE}

If there is a request to reduce the Sum Insured or reduce the coverage provided by any Supplementary Benefit during the chargeback period, the portion of the FYC charged back will be calculated as above, but will use the Life Dimensions^{PRESTIGE} table in section 6 below.

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.

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

Life Dimensions^{PRESTIGE}

Completed Months	0	1	2	3	4	5	6	7	8	9	10	11	12
Commission Chargeback (%)	100	100	100	100	100	100	100	97.5	95	92.5	90	85	80
Completed Months	13	14	15	16	17	18	19	20	21	22	23	24	25
Commission Chargeback (%)	77.5	75	72.5	70	67.5	65	62.5	60	57.5	55	52.5	50	47.5
Completed Months	26	27	28	29	30	31	32	33	34	35	36	37	
Commission Chargeback (%)	45	42.5	40	37.5	35	32.5	30	27.5	25	20	10	0	

All other Universal Life Plans and Supplementary Benefits

Completed Months	0	1	2	3	4	5	6	7	8	9	10	11	12
Commission Chargeback (%)	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 (%)	55	50	45	40	35	30	25	20	15	10	5	0	

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

Term Life COMMISSIONS AS A PERCENTAGE OF PREMIUM*

	First Year Commission	Renewal Commissions	Service Commissions	
		Years 2 - 5	Non-Premium Renewal Years 6+	Premium Renewal Years ¹
EasyTerm 10	37.5%	2%	0%	10%
Preferred Term 10	40%	2%	2%	10%
Preferred Term 20	50%	2%	2%	10%
Preferred Term 30	45%	2%	2% (years 6-30 only)	10% (year 31 only)

Traditional Whole Life

	First Year Commission	Renewal Commissions	Service Commissions	
		Years 2 - 5	Years 6 - 10	Years 11+
20 Pay Life	50%	3%	3%	0%
Term 100 Platinum	60%	3%	3%	0%
Term 100 Plus	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	Renewal Commissions	Service Commissions	
		Years 2 - 5	Years 6 - 10	Years 11+
Living Benefit 10**	45%	2.5%	2.5%	2.5%
Living Benefit 20**	45%	2.5%	2.5%	2.5%
**Term-to-75 CI Conversion Plan **Term-to-100 CI Conversion Plan	45% ²	2.5%	2.5%	2.5%
Living Benefit 75	45%	2.5%	2.5%	2.5%
Living Benefit 100	45%	2.5%	2.5%	2.5%
15-Pay Living Benefit 100	45%	2%	2%	2%

Supplementary Benefits

<i>Certain restrictions may apply to the availability of Supplementary Benefits. Refer to Product Overviews and Wave illustrations for details.</i>	First Year Commission	Renewal Commissions	Service Commissions	
		Years 2 - 5	Years 6 - 10	Years 11+
Accidental Death Benefit	35%	5% (2.5% ³)	0%	0%
Waiver of Premium Benefit	35%	5% (2.5% ³)	0%	0%
Children's Term Insurance Benefit	35%	5% (2.5% ³)	0%	0%
Ten Year and Additional Ten Year Term Riders on WL	35%	5%	0%	0%
Twenty Year and Additional Twenty Year Term Rider(s) on WL	40%	5%	0%	0%
Ten Year and Twenty Year Critical Illness Riders on Term Plans	45%	2.5%	2.5%	2.5%
Return of Premium Rider(s) on CI	35%	2.5%	0%	0%
Business Guaranteed Insurability Option (BGIO) Rider ⁴	35%	5%	0%	0%

Notes:

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

² If conversion is from a policy issued prior to April 8, 2010:

• FYC is at a rate of 25%; and

• If the original policy is in Policy Year 1-10, FYC of 25% is based on the increase in commissionable premium only.

³ Renewal Commissions when added to a Critical Illness policy.

⁴ BGIO Rider is available at issue on Life Dimensions plans and Preferred Term 10 and 20 plans.

* Subject to the following Definitions and Terms

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 Effective Date and ending the day before the first Policy Anniversary.
- Subsequent Policy Years start on the Policy Anniversary and end the day before the next Policy Anniversary. For example, if the policy Effective Date is January 14, 2010, the First Policy Anniversary is January 14, 2011. The Second Policy Year starts on January 14, 2011 and ends on January 13, 2012.

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, exclusive of commissions on temporary and permanent flat extra premiums.

4. Commissions 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%
Preferred Term 20 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%

5. Renewal Commissions and Service Commissions will be paid on an as-earned basis when Renewal premiums are received and will be based upon the modal premium received.

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.

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

Completed Months	0	1	2	3	4	5	6	7	8	9	10	11	12
Commission Chargeback (%)	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 (%)	45.83	41.67	37.5	33.33	29.17	25	20.83	16.67	12.5	8.33	4.17	0	

COMMISSION RATE TABLES FOR SINGLE PREMIUM IMMEDIATE ANNUITIES

COMMISSIONS AS A PERCENTAGE OF PREMIUM

	Amount of Premium	Commission
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.

Commissions	Front-End Load	Deferred Sales Charge	No-Load
Deposit Commission	0 - 5.0% negotiated with client (all funds)	4.5% (< 20 years) 5.0% (≥ 20 years) (all funds)	2.5% (< 20 years) 3.0% (≥ 20 years) (all funds)
Trailer Commission (annual rate)	1.0% of Investment Value starting at the end of the first month (non-Money Market Funds) 0% Money Market Funds	0.5% of Investment Value starting at the end of the first month (non-Money Market Funds) 0% Money Market Funds	1.0% of Investment Value starting at the end of the 25 th month (non-Money Market Funds) 0% Money Market Funds

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 (%)	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 (%)	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 levels, renewals, service fees, chargeback schedules, conditions and/or rules, please refer to the applicable BMO Insurance Commission Schedules in effect at the time.

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

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

Eligible BMO Insurance Plans: Life Dimensions, 20 Pay Life, T100 Plus and T100 Platinum.

Note: LifeProvider and Pure Term 100 plans are 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 / FYC - Tier 1*
Term 100 Plus, Term 100 Platinum, 20 Pay Life	30%
Life Dimensions, Life Dimensions ^{PRESTIGE}	30%

*FYC - Tier 1 refers to the Commissionable Target Premium amount for FYC for Life Dimensions and Life Dimensions^{PRESTIGE} Plans.

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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
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.

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

E. Preferred Term 10 to Preferred Term 20 Policy Exchange

This Exchange option is only available on Preferred Term 10 policies issued with The Wave (version 28.0) or later rates.

CHARGEBACK ON PREFERRED TERM 10 POLICY	FYC APPLIED TO NEW PREFERRED TERM 20 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: When the policyowner exchanges a portion of the Preferred Term 10 plan coverage and keeps the remaining coverage in force (subject to issue requirements on both the original and new policy)	

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

COMPENSATION RULES AND CONDITIONS

3. 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 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.

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

4. JUMBO CASE RULES

Large Commission Amounts

If

- any single policy, or group of related policies, results in First Year Commission in excess of \$10,000; or
- at any time total compensation payable on a single policy, or group of related policies, exceeds \$10,000

then,

BMO Insurance reserves the right to hold back any amounts in excess of the \$10,000 or amounts unearned.

Such amounts held in reserve will be released according to an agreed upon schedule for each case.

Large Face Amounts

BMO Insurance reserves the right to limit commissions 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 effective 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.

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 www.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
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