

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

June 1, 2020

Introduction of new plan options for BMO Insurance Whole Life:

- Estate Protector
- Wealth Accelerator

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			Asset Based Compensation (ABC)			
	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	GMIA ³ and EMIA ⁴	DIA ⁵ and GIA ⁶	ABC Paid Years
Life Dimensions and Life Dimensions (Low Fees)										
YRT, YRT 85/20 and Investor Maximizer	65%	5%	0.3%	5%	4%	0.3%	0.25%	0.25%	0%	6+
Level	60%	5%								
Wealth Dimensions										
YRT, YRT 85/20 and Investor Maximizer	65%	0%	0.3%	5%	0%	0.3%	0.50%	0.25%	0.25%	1+
Level	60%	0%								

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 Enhanced Market Indexed Account (EMIA).

⁵ Daily Interest Account (DIA).

⁶ Guaranteed Interest Account (GIA).

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

SUPPLEMENTARY BENEFITS AND RIDERS ON UNIVERSAL LIFE PLANS

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>	First Year ¹ Commission Rates	Renewal ² Commission Rates 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 and Additional Living Benefit 10	45%	5%
Critical Illness Rider - Living Benefit 20 and Additional Living Benefit 20	50%	5%
Critical Illness Rider - Living Benefit 75 and Additional Living Benefit 75	50%	5%
Critical Illness Rider - Living Benefit 100 and Additional Living Benefit 100	50%	5%
Business Guaranteed Insurability Option (BGIO) Rider ³	35%	5%
Ten Year Renewable Term Rider	40%	5%
Fifteen Year Renewable Term Rider	42.5%	5%
Twenty Year Renewable Term Rider	50%	5%
Twenty-Five Year and Thirty Year Non-renewable Term Rider	50%	5%
ART Rider ⁴	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.

⁴ 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 Override Recovery

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

3. Over Advanced FYO 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 "FYO Recapture Credit Basis Amount"

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

Step 3: Calculate Over Advanced FYO Recapture Credit

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

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%

5. Commission Chargeback due to Reduction of Coverage Life Dimensions and Wealth Dimensions 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
Commission Chargeback Rates (%)	100	100	100	100	100	100	95	90	85
Completed Months	9	10	11	12	13	14	15	16	17
Commission Chargeback Rates (%)	80	75	70	65	60	55	50	45	40
Completed Months	18	19	20	21	22	23	24		
Commission Chargeback Rates (%)	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
Commission Chargeback Rates (%)	100	100	100	100	100	95	90	85	80
Completed Months	9	10	11	12	13	14	15	16	17
Commission Chargeback Rates (%)	75	70	65	60	55	50	45	40	35
Completed Months	18	19	20	21	22	23	24		
Commission Chargeback Rates (%)	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 PLANS

COMMISSIONS AS A PERCENTAGE OF PREMIUM*

Term Life				
	First Year Commission Rates	Renewal Commission Rates		
		Years 2 - 5	Non Premium Renewal Years 6+	Premium Renewal Years ¹
Term 10 (Renewable and Convertible)	40%	2%	2%	10%
Term 15 (Renewable and Convertible)	42.5%	2%	2%	10%
Term 20 (Renewable and Convertible)	50%	2%	2%	10%
Term 25 (Non-Renewable and Convertible)	50%	2%	2% (years 6-25 only)	n/a
Term 30 (Non-Renewable and Convertible)	50%	2%	2% (years 6-30 only)	n/a

Traditional Whole Life				
Term 100				
	First Year Commission Rates	Renewal Commission Rates		
		Years 2 - 5	Years 6 - 10	Years 11+
Term 100	60%(up to age 70)*	5%	0%	0%

* The First Year Commission Rate for ages above 70 = 60% - 2% x (issue age - 70).

BMO Insurance Whole Life Estate Protector and Wealth Accelerator				
	First Year Commission Rates	Renewal Commission Rates		
		Years 2 - 3	Years 4 - 10	Years 11+
10 Pay	40%	5%	2%	0%
20 Pay	50%	5%	2%	2% (years 11-20 only)
Pay to age 100 ("Life Pay")	50%	5%	2%	2%
Additional Payment Option (APO) Deposits*	4% (Years 1+)			

*Commission rates on APO deposits are payable at the time of deposit in the policy (as earned). Regular commission payable on premium paid by Premium Offset.

Critical Illness				
	First Year Commission Rates	Renewal 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% (years 11-15 only)

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 and Riders on Term, Traditional Whole Life and Critical Illness base plans*

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	Years 6 - 10	Years 11+
Accidental Death Benefit	35%	5% (2.5% ¹)	0%	0%
Waiver of Premium Benefit	35%	5% (2.5% ¹)	0%	0%
Children's Term Insurance Benefit	35%	5% (2.5% ¹)	0%	0%
Ten Year Term Riders	40%	5%	0%	0%
Fifteen Year Term Rider	42.5%	5%	0%	0%
Twenty Year, Twenty-Five and Thirty Year Term Rider(s)	50%	5%	0%	0%
Critical Illness Rider - Living Benefit 10 and Additional Living Benefit 10	45%	2%	2%	2%
Critical Illness Rider - Living Benefit 20 and Additional Living Benefit 20	50%	2%	2%	2%
Critical Illness Rider - Living Benefit 75 and Additional Living Benefit 75	50%	2%	2%	2%
Critical Illness Rider - Living Benefit 100 and Additional Living Benefit 100	50%	2%	2%	2%
Return of Premium Rider(s) on Critical Illness base plans	35%	2%	2%	2%
Business Guaranteed Insurability Option (BGIO) Rider ²	35%	5%	0%	0%

Notes:

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

¹ Renewal Commissions when added to a Critical Illness policy or rider.

² BGIO Rider is available at issue on all Term and Term 100 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 will be paid at the rates and duration specified in each product's Commission Rate Table.

- Renewal 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. Commission on Ratings:

	First Year Commission Rates	Renewal Commission Rates	
		Years 2-5	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%
New term policy under the Term 10 Exchange Program	21.25% for Term 15 25% for Term 20, 25 and 30	5%	0%
Premium on Flat Extras payable for more than 5 years (on new term policies under the Exchange Program)	35%	5%	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.

BMO Insurance Whole Life Estate Protector and Wealth Accelerator

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

All other Term Life, Traditional Whole Life and Critical Illness base plans

Completed Months	0	1	2	3	4	5	6	7	8
Commission Chargeback Rates (%)	100	95.83	91.67	87.50	83.33	79.17	75	70.83	66.67
Completed Months	9	10	11	12	13	14	15	16	17
Commission Chargeback Rates (%)	62.50	58.33	54.17	50	45.83	41.67	37.50	33.33	29.17
Completed Months	18	19	20	21	22	23	24		
Commission Chargeback Rates (%)	25	20.83	16.67	12.50	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

COMMISSION 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 (3)	No-Load (5)
GIF 75/75 GIF 75/100	Deposit Commission Rates	0 – 5.0% negotiated with client	5.0%	3.0%	5.0%
	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	0.50% (50 bps) of investment value starting in the 25 th month, increasing to 1.00% (100 bps) at the 73 rd month 0% on money market.
GIF 75/100 Plus	Deposit Commission Rates	0.00%	Not available		
	Trailer Commission Rates (annual rate)	1.00% (100 bps) of investment value starting in 1 st month 0% money market	Not available		
GIF 100/100	Deposit Commission Rates	0 - 5.0% negotiated with client	5.0%	3.0%	5.0%
	Trailer Commission Rates (annual rate)	1.00% (100 bps) Class A 0.85% (85 bps) Prestige Class of investment value starting in 1 st month 0% money market	0.50% (50bps) Class A 0.35% (35 bps) Prestige Class of investment value starting in 1 st month 0% money market	1.00% (100 bps) Class A 0.85% (85 bps) Prestige Class of investment value starting in the 25 th month 0% money market	0.50% (50 bps) of investment value starting in the 25 th month, increasing to 1.00% (100 bps) at the 73 rd month (Class A) 0.35% (35 bps) of investment value starting at the 25 th month, increasing to 0.85% (85 bps) at the 73 rd month (Prestige Class) 0% on money market

COMMISSION 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. 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 (3) option

On a deposit with a No-Load (3) 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).

Completed Months	0	1	2	3	4	5	6	7	8
Commission Chargeback Rates (%)	100	95.83	91.67	87.50	83.33	79.17	75	70.83	66.67
Completed Months	9	10	11	12	13	14	15	16	17
Commission Chargeback Rates (%)	62.50	58.33	54.17	50	45.83	41.67	37.50	33.33	29.17
Completed Months	18	19	20	21	22	23	24		
Commission Chargeback Rates (%)	25	20.83	16.67	12.50	8.33	4.17	0		

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

Chargeback Rules: No-Load (5) option

On a deposit with a No-Load (5) Sales Charge Option, a chargeback will be applied to the Deposit Commission applicable to units that are withdrawn within 60 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).

Completed Months	0-12	13-24	25-36	37-48	49-60	61+
Commission Chargeback Rates (%)	100	80	60	40	20	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:

In force 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 advisor 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, 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 ON CONVERTED POLICY	FYC RATES and FYO APPLIED TO NEW POLICY
Applicable Lapse/Surrender Chargeback Table applies	Applicable FYC and FYO of new plan applies

Eligible BMO Insurance Plans: Life Dimensions, Wealth Dimensions, Term 100 and BMO Insurance Whole Life.

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*
BMO Insurance Whole Life, Term 100	30%
Life Dimensions, Wealth Dimensions	30%

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

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 Exchange Program

The Term 10 Exchange Program is only available on Term 10 policies issued with The Wave (version 28.0) or later. Furthermore, exchanges to Term 15 or Term 25 plans are only available on Term 10 policies issued with The Wave (version 35.0) or later.

CHARGEBACK ON TERM 10 POLICY	FYC RATE APPLIED TO NEW TERM POLICY
Full exchange: Applicable Lapse/Surrender Chargeback tables are waived	Term 15 policy – 21.25%
Partial exchange*: Applicable Lapse/Surrender Chargebacks tables will apply to the portion of the coverage being exchanged	Term 20, 25 or 30 policy – 25%

*Partial exchange means that the policy owner exchanges a portion of the Term 10 plan coverage and keeps the remaining coverage inforce (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.

Any FYC adjustments/chargebacks on conversions and/or the Policy Exchange will occur whether or not the original advisor is the writing advisor of the new policy.

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 inforce 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 inforce 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 Month 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, replayable 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.

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.

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.

Renewal Commissions 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.

Let's connect

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.

BMO Life Assurance Company, 60 Yonge Street, Toronto, ON M5E 1H5

Ontario Region
1-800-608-7303

Quebec – Atlantic Region
1-866-217-0514

Western Region
1-877-877-1272

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