



BROKER AGREEMENT (Group Insurance & Group Pension)

THIS AGREEMENT entered into this _____ day of _____ .

BETWEEN: _____ THE STANDARD LIFE ASSURANCE COMPANY OF CANADA
(hereinafter referred to as “the Company”)

AND: _____
(hereinafter referred to as “the Broker”)

WITNESSETH THAT in consideration of the mutual covenants of the parties herein contained, the parties hereto agree as follows:

1. STATUS

The Company hereby agrees to consider applications for group insurance and group pension policies submitted to the Company by the Broker upon and subject of the following terms and conditions. The parties acknowledge and agree that, in carrying out its activities under this Agreement, the Broker is an independent broker acting on behalf of its clients and is not, and shall not represent itself or hold itself out as, an employee, agent, broker or representative of the Company.

2. BROKER’S RESPONSIBILITIES

The Broker shall:

- a) solicit applications only in the geographic area for which it is licensed;
- b) immediately transfer to the Company, without any deduction whatsoever, any monies collected; all premiums or other amounts payable in respect of any insurance or annuity contract must be made payable to the Company;
- c) obtain (and renew, as appropriate) all licenses and errors and omissions insurance required pursuant to applicable statutory and regulatory authority; where the Broker’s regulatory jurisdiction does not require errors & omissions insurance, the Broker shall obtain (and renew) errors and omissions insurance from an insurer and in an amount acceptable to the Company;
- d) be responsible for the actions and conduct of representatives and employees and shall train, monitor and supervise the activities of its representatives and employees at its own cost and expense;
- e) conduct its business activities, in accordance with the highest ethical standards and, in particular, shall comply with all federal and provincials;
- f) observe and be bound by the Company’s Code of Ethics;
- g) observe and be bound by the Company’s instructions, rules and regulations with respect to sales and the servicing of clients as the same may be published or communicated to the Broker and as amended or added to from time (collectively called “the Company’s Rules”);
- h) attend, when requested by the Company to do so, informational and training sessions provided by the Company with respect to the Company’s Code of Ethics, the Company’s Rules and such other compliance and market conduct matters as the Company may determine (the “Compliance Sessions”);
- i) cause its representatives and employees to observe and be bound by the Company’s Code of Ethics, the Company’s Rules and, where required by the Company, to attend Compliance Sessions;
- j) promptly deliver to the Company all applications solicited by the Broker and keep regular and accurate accounts of all transactions with or for the Company. The Broker must, at the request of the Company, provide access to any documentation related to any financial transaction undertaken by the Broker in relation to the Company;



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- k) promptly deliver to the Company any claim or complaint made against the Broker in connection with the Company;
- l) notwithstanding that this Agreement may have been terminated, promptly deliver to the Company, on demand, computers, software, manuals, stationery, forms and all other books and papers that had been supplied by the Company which the Broker hereby acknowledges are the exclusive property of the Company;
- m) repay to the Company any remuneration paid to it in respect of any premium or part thereof refunded by the Company for any reason whatsoever, notwithstanding that this Agreement may have been terminated;
- n) allow the Company or its representatives, during normal business hours, to attend at the offices of the Broker in order to examine, monitor and/or audit any and all aspects of the business of the Broker, including its books and records, which relate to the Company;
- o) comply with the policies and procedures for deterring money laundering activities established by the Company and to comply with anti-money laundering legislation or regulations (the "Policies"); ensure that its representatives and employees comply with the Policies; and supply such information or documentation as the Company may require with respect to compliance with anti-money laundering legislation or regulations;
- p) ensure that any product or policy solicited meets the identified insurance and financial needs and goals of the client;
- q) treat all personal information received by it relating to the Company's policyholders and the members of the group plans of such policyholders ("Confidential Information") in strictest confidence and, except with consent or where required by law, shall not disclose such confidential information to anyone, other than its directors, officers and employees on a "need to know" basis for the purpose referred to in subsection (r) hereof;
- r) except with consent, use Confidential Information relating to the Company's policyholders and to the members of the group plans of such policyholders only for the purpose of providing service to such policyholders and members in respect of such group plans and for no other purpose; and
- s) use, retain and disclose Confidential Information in accordance with applicable laws and regulation related to the protection of privacy.

3. LIMITATION OF AUTHORITY OF THE BROKER

The authority of the Broker is limited to that expressly granted herein, and, without limiting the generality of the foregoing, the Broker is not authorized and shall not do any of the following:

- a) incur any expenses, liability or indebtedness on behalf of the Company;
- b) make, alter or cancel contracts on behalf of the Company, waive forfeiture or bind the Company in any way not expressly authorized in writing by an officer of the Company;
- c) modify or change any premium rate published by the Company from time to time or rebate all or a part of a premium or pay all or a part of a premium on behalf of a policyholder of the Company or an applicant for insurance or an annuity;
- d) commence or threaten to commence any suit or action against any third person on any matter arising out of or in connection with the activities of the Broker relating to the Company;
- e) assign any right or benefit under this Agreement;
- f) issue, use or allow to be published or presented any circular, advertisement, brochure, policy illustration or other matter related to the Company or its policies; or
- g) use or display the trade-marks or logo of the Company in any manner or form.



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4. BROKER'S REMUNERATION

Commissions are based on paid premium as earned by the Company.

- a) Remuneration Schedule: The current Remuneration Schedule applicable to group insurance policies sold or serviced by the Broker is attached hereto as in Appendix A of this Agreement.

The Remuneration Schedule for group pension and savings policies will be set out in a separate appendix.

- b) Changes in the Remuneration Schedule: The standard Remuneration Schedule for group insurance may be changed on any renewal date for a policy following a 30-day advance notice given by the Company, or coincident with any change in pricing initiated by the policyholder for a policy that alters the Remuneration Schedule in effect, unless the policy is the subject of a special agreement.
- c) Right to Commissions:
- (i) As long as the Broker continues to provide service to the policyholder, is recognized as the servicing broker by the policyholder and is duly licensed to provide service to the policyholder, the commission provided for in this Agreement for the policy in question will continue to be paid to the Broker.
 - (ii) Where a member under a group policy terminates membership in the group policy and transfers funds in such group policy to a group arrangement established by the Company for terminated or retired members, commission will continue to be paid to the Broker (who is servicing the policyholder in accordance with subsection (i) hereof at the time of such termination) so long as the Broker remains duly licensed. Such commission is not transferable or assignable and shall be payable in such amounts as are established by the Company from time to time.
- d) Commissions paid in advance: The Company may pay commissions in advance based on an estimate of premium or cashflow expected to be received in a policy year. The terms of the commission advance, if any, shall be described in an appendix to this Agreement. The final computation of commissions to be paid shall be determined at the end of the policy year or the cancellation date of the policy, whichever occurs first. Any commission then determined to be due to the Broker will be paid or, alternatively, the Company will recover any overpayment of commission from the Broker.
- e) Offsets to Commission: The Company shall have a first charge or lien upon any monies accrued or to accrue to the Broker hereunder for all amounts of indebtedness to the Company or of advances made by the Company to the Broker and may offset such amounts against any monies accruing under this Agreement or otherwise payable by the Company to the Broker until all amounts of such indebtedness or advance are fully paid.

5. INDEMNIFICATION

The Broker agrees to indemnify and hold the Company harmless from all claims, liabilities and expenses made by any third party (including policyholders and brokers) arising from the negligent or intended act or omission of the Broker or any of its directors, officers or employees. This indemnification shall survive the termination of this Agreement.

6. GENERAL PROVISIONS

- a) The Company incurs no liability to the Broker whatsoever by reason of furnishing information, upon inquiry, from any person or persons entitled to receive such information in accordance with applicable law regarding (1) the Broker's record with the Company, or (2) the reason(s) for the termination of this Agreement, if applicable.
- b) The Company shall have the right to refuse any applications obtained by the Broker.
- c) In the event of any dispute between the Broker and the Company with regard to remuneration or any matter arising out of its activities as a broker, the Broker shall refer the matter to the Company for arbitration as prescribed by applicable provincial legislation and the decision of the individual or committee arbitrating the dispute shall be final and binding upon the Broker and shall not be subject to appeal to the courts.



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- d) No provision of this Agreement shall be deemed to have been waived by the Company unless the waiver is in writing signed by an authorized officer of the Company stating explicitly that it is intended to modify or waive the effect of such provision.
- e) In this Agreement the words “it” and “its” shall be interpreted as “he” or “she” and “his” or “her” when the gender of the Broker so requires.

7. TERMINATION

a) Automatic Termination

This Agreement will terminate automatically without notice to the Broker from the Company in the event of the following:

- (i) the cessation of business, the filing of a petition in bankruptcy, the insolvency, or the making of a general assignment for the benefit of creditors by the Broker;
- (ii) the death of the Broker where the Broker is a sole proprietor or is in a partnership where there is no surviving partner; or
- (iii) there is a Change in Control of the Broker without the prior written consent of the Company pursuant to Section 9(b).

b) Termination without Notice

The Company may terminate this Agreement immediately or at any time thereafter upon written notice to the Broker in the event of the following:

- (i) the Broker breaches or fails to perform or observe any term or condition of this Agreement;
- (ii) the Broker, in the sole opinion of the Company, conducts itself so as to injure the Company’s standing or good name in the community or elsewhere; or
- (iii) the Broker at any time commits an act of fraud or dishonesty against the Company or any of its policyholders or violates any law or regulation.

c) Termination with Notice

Any party may terminate this Agreement, without cause, upon sixty (60) days notice in writing to the other parties.

- d) Neither the termination of this Agreement nor the insolvency, winding-up or bankruptcy of the Broker shall release the Principals of the Broker from the guarantees provided hereunder nor in any way lessen the liability of the Principals of the Broker under such guarantees.

8. INVALIDITY OF PROVISIONS

In the event, in any legal proceedings before a competent tribunal in any jurisdiction, it is determined that any section, paragraph or sub-paragraph of this Agreement or any part of the same is invalid, that section, paragraph or sub-paragraph or part thereof shall be deemed to be severed from the remainder of this Agreement for purposes only of the particular legal proceeding in question, and this Agreement shall, in every other respect, continue in full force and effect.

9. GUARANTEE

- a) Unless the Broker is an individual, the Principal(s) (as hereinafter defined) of the Broker, satisfactory to the Company in its sole discretion, shall provide the personal guarantee(s) set out at the conclusion of this Agreement. In the event that a Principal of the Broker who has provided such a personal guarantee leaves the service of the Broker for any reason, dies or becomes insolvent or bankrupt during the continuance of this Agreement, the Broker shall forthwith cause another Principal of the Broker, satisfactory to the Company in its sole discretion, to provide the same personal guarantee that the original Principal formerly provided; failing which, this Agreement may, at the option of the Company, be terminated on three (3) days’ notice to the Broker.



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- b) The Broker will notify the Company in writing prior to effecting or permitting any change in any or all of the Principals of the Broker. No such change and no Change of Control (as hereinafter defined) shall be effected without the written consent of the Company, which shall not be unreasonably withheld.
- c) "Change of Control" shall include, but shall not be limited to:
 - (i) in the case of a corporation, the transfer in whole or in part of the legal and/or beneficial interest in any or all of the capital stock of such corporation, the issuance of any capital stock from treasury or any amalgamation, re-organization, liquidation or dissolution;
 - (ii) in the case of a partnership, any material change in the management of the partnership, the admittance of new partners, the withdrawal of partners or any change in the constitution of the partnership;
 - (iii) any other change in control in a partnership, corporation or other legal entity with a direct, indirect and/or beneficial interest in the Broker; and
 - (iv) the appointment of a receiver, receiver and manager, interim receiver, trustee or other similar party over any or all of the parties listed above in subsections (i) to (iii) inclusively.

10. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the Province of _____.

11. NOTICE

Any notice required under this Agreement shall be deemed sufficiently made if sent by prepaid first class registered mail addressed as follows:

To the Company:

The Standard Life Assurance Company of Canada
1245 Sherbrooke Street West
Montréal, Québec
H3G 1G3

Attention: General Counsel

To the Broker:

Either party may change its address for notice by communicating such change to the other party hereto as hereinbefore provided. Any notice addressed as aforesaid will be conclusively deemed to have been received on the third (3rd) business day following the date of mailing thereof.

12. LANGUAGE

The parties declare that this Agreement has been prepared in the English language at their request. Les parties aux présentes déclarent qu'elles ont exigé que le contrat soit rédigé en anglais.



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13. DISCLOSURE

The Broker consents to the disclosure by the Company of information related to the Broker, its business and its customers to other affiliates or subsidiaries of the Company and their directors, officers, employees, agents and consultants.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

THE STANDARD LIFE ASSURANCE COMPANY OF CANADA

Per: _____
Authorized Signing Officer

Date signed by the Company: _____

Name of Broker
(Signature if Broker is an individual)

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

Date signed by the Broker: _____

N.B. If the Broker is a corporation, this Agreement should be executed under its corporate seal.

I/we, the undersigned (herein called the "Principal(s) of the Brokers") covenant and agree with the Company to be bound by each and every one of the terms and conditions of this Agreement to be complied with by the Broker and that I/we will be jointly and severally bound with the Broker. I/we will pay to the Company on demand any and all indebtedness of the Broker to the Company under this Agreement.

Signature of Principal

Date signed by the Principal: _____

Signature of Principal

Date signed by the Principal: _____

Signature of Principal

Date signed by the Principal: _____