

SCHEDULE A

CODE OF CONDUCT

Foreword

The duty of the agent/agency (Broker) is to comply with the insurance laws of every jurisdiction in which he/she is licensed as a Life or Accident and Sickness agent/agency. It is not sufficient, however, for an agent/agency to observe merely the letter of the law; the agent/agency has important responsibilities to the policyholders and prospective purchasers whom he/she serves and the insurer whose insurance he/she sells.

By entering into contract with Interlife Financial (MGA), you agree to adhere at minimum to the following code of conduct as well as the *Code of Conduct* of any Life Insurance company whose product is sold by the Agent/Broker.

Definitions

"*Life Insurance*" shall mean all individual life insurance policies, policy riders and annuity contracts issued by a life insurance company including all policies, whether or not such policies contain provisions for cash surrender or paid up values, and any contract under which the reserve, or part thereof, varies in amount depending on the market value of a specified group of assets.

Priority of Policy Owner Interests

An agent/agency shall place the interest of policy owners and prospective purchasers before themselves.

It is self-evident that any practitioner should place client's interests first. This requires the highest level of integrity and performance on the part of the agent/agency.

In practical terms, this stipulates that an agent/agency must recommend with integrity; competency and diligence the amount and type of life insurance that is best for the purchaser's circumstances. The commission to be obtained from making the sale should have absolutely no bearing upon the agent/agency advice to the policy owner or prospective purchaser and full disclosure should be made as applicable under appropriate regulation.

Money Laundering

An agent/agency shall, at its own cost and expense, adopt, implement and monitor any and all necessary or desirable measures to ensure complete and timely compliance with, and shall bear sole responsibility with respect to, any and all laws, statutes and regulations relating to, dealing or in connection with, money laundering including, without limitation, the ***Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*** as the same may be amended, supplemented or replaced from time to time, such measures including without limitation reporting required transactions to the ***Financial Transactions and Reports Analysis Centre of Canada («FINTRAC»)***, or any replacement organization or agency, keeping required reports, effecting required verifications of clients' identity and generally, establishing clear policies and procedures, ensuring continuous communication, and as appropriate establishing management support and providing training to management, in each case by qualified persons.

Confidential Information

An agent/agency shall respect the confidence/privacy of the policy owners and prospective purchasers regarding their personal and business affairs. Consequently, if it appears to be in the interests of the policy owner or prospective purchaser for an agent/agency to discuss a policy owners' or prospective purchaser's affairs with any other person, an agent/agency must first secure the policy owners or prospective purchaser's written permission to do so.

PIPEDA

The agent/agency will comply with all provisions of the Personal Information Protection and Electronic Documents Act and all governmental rules and regulations in protecting the privacy and personal information of clients and other individuals.

Canada's Anti-Spam Legislation (CASL) and Do Not Call (DNC)

An agent/agency is bound by and must follow the provisions of Canada's Anti-Spam Legislation (CASL) and Do Not Call Legislation (DNC), including CRTC guidelines.

Misrepresentation

An agent/agency shall not make a y false or misleading statement or representation in the course of selling or servicing life insurance, disability, Seg. Funds, CI, LTC.

An agent/agency is obligated to disclose accurately and completely, all information required by a policy owner or prospective purchaser in order to determine the best course of action. An agent/agency must act in a client's best interest.

An agent/agency is also obligated to disclose, accurately and completely, all information required by an insurer to enable a decision to be made regarding the issuance of a contract of life insurance, disability, Seg. Funds, CI, LTC. It is just as wrong for an agent/agency to omit essential information or to fail to correct a mistaken impression known to exist, as it is to give inaccurate or misleading information.

Defamation

An agent/agency shall not act in any way to defame any entity or individual, life insurance companies, their products or representatives.

No statement may be made, published, or circulated in any oral, written or printed statement which is knowingly or recklessly false regarding any insurer; its products, or its representations and which might reasonably injure the reputation or livelihood of any person engaged in the insurance business.

Complaints

In the event an agent/agency receives or becomes aware of a complaint about a life insurance product, sale, or service, or a Life Insurance Company product, sale, or service, the agent/agency shall immediately report the complaint to MGA detailing the complaint including the complainant, the date of the complaint, the nature of the complaint, the action taken to satisfy the complaint, any regulatory action taken in response to the complaint, and essentially all relevant facts in relation to the complaint.

Regulatory Proceedings

In the event an agent/agency becomes subject to a Regulatory inquiry or investigation, the agent/agency shall immediately report the inquiry or investigation to MGA detailing all relevant facts. Upon any determination of an investigation, the agent/agency shall immediately report the determination to MGA.

Rebating and/or Sharing of Compensation

Rebating

An agent/agency shall not directly or indirectly rebate or attempt to rebate all or any part of a premium for insurance.

Rebating shall include any agreement as to the premium to be paid/or a policy other than as set forth in the policy; any payment, allowance, or gift as an inducement to insure; any paid employment, contract for services, or inducement of any kind intended to be in the nature of a rebate of premium for disability, Seg. Funds, CI, LTC individual insurance products and any negotiations of a sale of disability, Seg. Funds, CI, LTC individual life insurance, in respect of which a reduced special premium has been established on the understanding that the agent/agency will forego all or a part of the regular commission normally payable.

It is fairly common practice for an agent/agency to entertain policy owners or prospective purchasers and give them nominal or token gifts. This is considered to be a normal business practice and not in the nature of a rebate, in no circumstances shall an agent/agency make a gift of anything of value as an inducement to insure.

Excessive benefits or gifts conferred upon policy owners or prospective purchasers /may, depending on the circumstances, expose an agent/agency to a charge of rebating.

Sharing of Compensation

An agent/agency shall not share compensation earned from the sale of life insurance with any person(s) who do not hold a life insurance agent's license or equivalent certificate.

In no circumstances shall an agent/agency make a gift of value or monetary payment to an unlicensed person as a share of the compensation earned in the sale of disability, Seg. Funds, CI, LTC life insurance. Gifts or payments which tend to vary according to the amount of compensation earned; from a referral, may expose an agent/agency to a charge of sharing compensation with a person who does not hold a life insurance agents' license or equivalent certificate. If the person receiving the gift and/or monetary payment were found to have been in a position to influence the purchase of the life insurance contract a charge of rebating may also be applicable.

Charging of Fees

An agent/agency shall not waive all or any portion of the fees for services as an inducement to purchase disability, Seg. Funds, CI, LTC or life insurance.

There is a general agreement that an agent/agency may charge a fee for services pursuant to a prior agreement entered into between the agent/agency and the policy owner or other person regarding any such proposed fee, provided that such procedure does not contravene any law or does not involve the unauthorized practice of another profession.

It is essential that the prior agreement entered into between the agent/agency and the policy owner should not state or imply that any portion of the fees will be waived if any insurance products required are purchased. This will be considered a direct inducement to insure and a charge of rebating will apply.

In this connection it must also be emphasized that in performing any services for a fee, an agent/agency must exercise great care not to encroach upon the practice of other professions.

Replacement

An agent/agency shall not induce a policy owner to replace an existing contract of life insurance with a new contract of life insurance, unless it appears that, due to a change in circumstances to the benefit of the policy owner, an existing contract of life insurance should be amended or changed to another contract of life insurance. In that case, an agent/agency all endeavor to have the existing contract amended or changed by the insurer which issued the existing contract of life insurance in order that any values, credits or privileges in the existing contract may be transferred to the amended or changed contract of life insurance.

Where replacement of a contract of life insurance is indicated, an agent/agency shall, prior to-taking a new application:

1. enquire about the policyholder's insurance needs, in particular, about the number of dependents, personal and family obligations, financial means, and life insurance policies, their characteristics and the insurers which issued them.
2. present and review with the applicant a fully completed "Life Insurance Replacement Declaration", including the agents' "Written Explanation".
3. secure the applicants' signature, along with the signature of the life insured, if other than the applicant, acknowledging the receipt of the Life Insurance Replacement Declaration.

In every instance where life insurance is being applied for, an agent/agency shall:

1. Obtain as part of each application for a contract of life insurance, a statement signed by the applicant stating whether or not replacement of a contract of life insurance is intended and,
2. prepare and forward to the insurer with each application for a contract of life insurance a statement stating whether or not a replacement contract is Intended

An agent/agency shall, upon taking an application where replacement of life insurance is indicated:

1. be personally responsible for the forwarding within three working days of the date of application, to every insurer whose contract of life insurance is indicated to be replaced, a fully completed copy of the Life Insurance Replacement Declaration as presented to and signed by the applicant,
2. forward to the insurer, which has been requested to issue any new contract(s) of life insurance, a fully completed copy of the Life Insurance Replacement Declaration as presented to and signed by the applicant, and
3. unless contrary written instructions have been received from the applicant, deliver the new contract(s) of life insurance as soon as practicable

Rated Policies

An agent/agency shall request an insurer to reduce or eliminate the extra premium for a medical or occupational rating under existing insurance when it appears that another insurer would now issue new insurance on the same plan without any extra premium or with a reduced extra premium.

An agent/agency shall make every reasonable effort to have an insurer reduce or eliminate the extra premium for a medical or occupational rating under existing insurance when it appears that another insurer would now issue new insurance on the same plan without any extra premium or with a substantially reduced extra premium. If the insurer which issued the existing insurance will not reduce or eliminate the extra premium, the agent/agency may proceed in accordance with the Replacement term herein.

Holding Out To the Public

An agent/agency shall carry on business in good faith as an insurance agent in conformity with the provisions of the law of each jurisdiction in which the agent/agency holds a life insurance agents' license.

An agent/agency shall with respect to the business as a life insurance agent and related financial services include on all letterheads, business cards, written proposals and advertising at least one of the following:

1. name of sponsoring insurer
2. life insurance
3. life insurance agent
4. agent/agency

An agent/agency shall not advertise an ability to offer counsel in the fields of law, accounting or taxation. Notwithstanding the foregoing, an agent/agency (broker) who is fully qualified as a lawyer, accountant or investment counselor may identify such qualification.

An agent/agency shall not carry on business as a life agent under a business name or description which includes the words "and Associate(s)" unless there is at least one other licensed agent/agency directly associated with the principal agent/agency.

Improper Advertising

An agent/agency shall not in any manner whatsoever solicit publicly, pay for, or approve advertising which indicates sales attainments or membership in a club or other organization in which the production of a stipulated volume of business is a necessary qualification for membership this provision in the *Code of Ethics* rules out advertising or publicity which includes reference to either a specific volume of personal production or achievement (i.e. 'Leading agent, top agent, etc.'). It is, however, acceptable for MDRT status (in accordance with MDRT regulations) to be indicated on an agent/agency's' letterhead, business cards and in any announcement which otherwise meets LUAC's advertising guidelines. As a general principle, any publicity or advertising should be based primarily on an agent/agency's experience and capacity to serve the public.

This prohibition does not apply to publicity at life insurance meetings, in insurance company publications, insurance trade journals or to business stationery (letterhead and business cards).

It is an agent/agency responsibility to ensure that this Code is complied with and he or she shall specifically advise any writer, journalist, and/or master of ceremonies of this prohibition.

Books, Accounts and Registers

Every person authorized to practice the profession of an insurance agent and who, in the course of business, receives amounts on behalf of another person must keep a trust account for such amounts and for all disbursements chargeable thereto and keep a separate accounting thereof in a book reserved for such a purpose.

Intimidation

An agent/agency shall not intimidate or attempt to intimidate any person or association for the purpose of compelling such person or association to abstain from doing anything that the person or association has a lawful right to do.

An agent/agency shall not threaten to launch any civil, criminal or other action or launch any frivolous action against any complainant, witness, complaint committee member, or association where such threat or frivolous action is intended to prevent a complaint under the Code from being brought against the agent/agency, to impede a complaint or to induce any person to withdraw or dismiss a complaint.

I have reviewed and understand the contents of the Advisor Code of Conduct. I understand and agree that I will adhere to the principles and requirements of the Code and will notify the MGA immediately of any changes, as required by the Code. I understand that failure to comply with the Code can lead to a report being made to insurers and/or regulators, as required, and could lead to regulatory actions, disciplinary actions and measures up to and including contract termination.

Signed and Dated: _____

Signature of Broker: _____

SCHEDULE B

COMMISSION SCHEDULE

"To be provided separately from Broker Agreement"

SCHEDULE C

PERSONAL GUARANTEE (For Corporate Contracts Only)

For valuable consideration received, the undersigned (the "Guarantors") hereby jointly and severally guarantee the due performance of all obligations of _____ (hereinafter referred to as the "Broker") under the Broker Agreement between Interlife Financial (MGA) and the Broker, as amended from time to time ("the Broker Agreement"), including without limitation the payment when due of all sums payable to MGA by the Broker.

This Guarantee shall be irrevocable by the Guarantors. The Guarantors hereby acknowledge that this Guarantee shall be a continuing guarantee of all indebtedness of the Broker to MGA and shall remain in full force and effect, notwithstanding the termination of the Broker Agreement or the insolvency bankruptcy or reorganization of the Broker.

The Guarantors each agree that MGA shall not be required to exhaust its recourse against the Broker, including without limitation enforcement of any lien, before being entitled to payment from the Guarantors under this Guarantee. The Guarantors hereby waive notice of acceptance of this Guarantee, and of default, and of extension of time for payment, and all notices and demands.

This Guarantee shall continue to be binding upon the Guarantors and their heirs, executors, administrators and assigns.

This Guarantee shall be deemed to have been made in and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of such province.

DATED this _____ day of _____, _____.

Each person holding 10% of the shares or the units of the Broker must sign this Guarantee as a Guarantor

Signature of Guarantor

Signature of Witness

Name of Guarantor (Please Print)

Name of Witness (Please Print)

Signature of Guarantor

Signature of Witness

Name of Guarantor (Please Print)

Name of Witness (Please Print)

Signature of Guarantor

Signature of Witness

Name of Guarantor (Please Print)

Name of Witness (Please Print)

Signature of Guarantor

Signature of Witness

Name of Guarantor (Please Print)

Name of Witness (Please Print)



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www.interlifefinancial.com

EFT Commission Payments and E-mail Commission Statements

Agent #: _____

Agent Name: _____

(as listed on contract)

E-mail Address: _____

Bank Information (Attached a void cheque)

Bank #: _____ **Transit#:** _____ **Account #:** _____

Name of Account Holder: _____

I hereby give Interlife Financial Ins. Corp. the authority to deposit commissions, which is an advanced commission into my bank account.

Printed Name

Signature

AUTHORIZATION AND DIRECTION AGREEMENT

THIS AGREEMENT is entered into as of the ____ day of _____, 20____,

_____ (the "Broker") and Interlife Financial

WHEREAS Interlife Financial (MGA) and the Broker have entered into a Managing General Agent Broker Agreement, dated as of _____ ("the Broker Agreement);

AND WHEREAS the Broker desires that the Company pay amounts owing to the Broker under the Broker Agreement directly to the Managing General Agent;

NOW THEREFORE the parties hereto, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree as follows:

1. The Broker and the Managing General Agent hereby:

- (a) authorize and direct the Company to pay to the Managing General Agent any and all amounts hereinafter payable by the MGA to the Broker pursuant to the Broker Agreement, including without limitation all amounts payable to the Broker by the MGA in respect of commissions or other compensation;
- (b) acknowledge and agree that such authorization and direction shall continue to be effective until revoked by delivery to the Company of not less than thirty (30) days prior written notice of revocation of such authorization executed by the Broker and the Managing General Agent;
- (c) acknowledge and agree that such authorization and direction shall continue to be effective notwithstanding any termination of the relationship between the Broker and the Managing General Agent;
- (d) acknowledge and agree that the Company's payment of amounts to the Managing General Agent pursuant to such authorization and direction shall fully discharge the obligations of the MGA to the Broker in respect of the amounts paid; and
- (e) acknowledge and agree that any amounts paid by the Company to the Managing General Agent pursuant to such authorization and direction are paid by the Company on behalf of the Broker and that the Broker shall remain solely responsible for any government or other reporting and remittances in respect of such amounts paid.

2. The Managing General Agent and the Broker further acknowledge and agree:

- (a) that, in accordance with the provisions of the Broker Agreement, any amounts due and payable to the Company by the Broker in respect of the chargeback of commissions or otherwise may be set-off

Letter of Undertaking

(This is form that should be completed on every life insurance disability, Seg. Funds, CI, LTC sale and maintained in your client file.)

_____ is licensed as a Life Insurance Agent by _____.
(Agent) (Province)

_____ maintains Professional Liability insurance coverage as required under the Provincial Law and Regulations
(Agent)

of the provinces he/she is licensed in.

Parties to this Agreement: _____ offers their services to _____

For their life insurance CI, disability or investments needs.

_____ represents and has sold insurance and financial products issued by the following
(Agent)
insurance companies:

(Names of companies that you have sold for)

Contracting with additional companies is available to me as required for specific client needs.

There are no outstanding financial relationships, such as loans or other forms of indebtedness other than agency relationships, in existence between agent and an insurance company.

Upon completion of this transaction, I will be remunerated by way of commission or other remuneration by the insurance company and by Interlife Financial my Managing General Agent.

I may also be eligible for additional compensation, such as bonuses, or non-monetary benefits, such as travel incentives, depending on various factors such as the volume or persistency of business that I place with a particular company during a given time period.

Needs:

Analysis of your Needs and Insurance Requirements

(Provide a short summary of your Needs Analysis and the Clients Insurance Requirements)

_____ has discussed his/her insurance needs with _____.
(Client) (Agent)

_____ does not desire (additional) critical illness insurance, (additional) disability
(Client)
insurance, long-term care insurance, travel insurance or health insurance or additional life insurance.

(The following is Not for Use in Quebec)

Or: _____ has determined not to discuss his/her insurance needs with
(Client)

(Agent)

by the Company against any amounts payable by the Company to the Managing General Agent pursuant to the authorization and direction provided herein;

(b) that, in accordance with the provisions of the Broker Agreement, the Managing General Agent shall immediately pay to the Company upon demand any chargebacks against Broker commissions paid to the Managing General Agent pursuant to the authorization and direction provided herein; and

(c) to indemnify and save the Company harmless in respect of any claims that may be made against the Company with respect to, or any liabilities incurred by the Company in connection with, the payment of any amounts to the Managing General Agent pursuant to the authorization and direction provided for herein..

IN WITNESS WHEREOF the parties have executed this Authorization and Direction Agreement as of the date first written above.

Per: _____
INTERLIFE FINANCIAL

Per: _____
BROKER

Confidentiality: During the course of the relationship, it will be necessary for the client to provide a variety of very personal financial information. The quality of the work undertaken on behalf of the client requires this personal information to be accurate and complete. _____ commits that all

(Agent)

Information will be held in strictest confidence and that no information shall be divulged about the client's personal situation to any outside organization or government agency without the client's prior consent, unless as may be required by law. It is further understood that in accordance with the Personal Information Protection and electronic Documents Act (PIPEDA), the client directly authorizes and instructs _____ to maintain

(Agent)

information of a personal and private nature that could be considered pertinent or necessary in the provision of financial advice until such time as requested by the client in writing to destroy such information.

Financial Relationships:

When you buy a product from Life Insurance Company, I place this business through a Managing General Agent (MGA), _____. The MGA may have a financial relationship with the insurer, of which I am not a part. MGA's offer a service to independent agents/brokers, like me, and insurance companies by assisting with administrative issues, for example ensuring the policy information is complete before sending it to the insurer. MGA's do not provide financial or policy advice to consumers. This is the role of a broker – like me.

Disclosure: _____ agrees to notify the client of any and all existing or perceived

(Agent)

Conflicts of interest, if and when they arise, as they may relate to any recommendations made regarding transactions, prior to or at the time of making such recommendations.

Conflict of Interest: I confirm that there is no conflict of interest in regards to the proposed sales transaction that you are considering and that my overall recommendation takes into consideration and is based on my analysis and assessment of your financial and security needs.

Should you require information about my qualifications or the nature of my business relationships I would be pleased to assist you.

The client has read the proceeding provisions. The client understands the nature of this agreement and agrees to its terms.

Signed at, _____ this, _____ day of, _____ 201 _____.

Client – print name

Spouse – print name

Client – print name

Spouse – print name

Broker – print name

Broker - signature