



## ADVISOR AGREEMENT

Between **OM FINANCIAL INC.** (the "General Agent")

and \_\_\_\_\_ (the "Advisor")

### **Preamble**

IT IS UNDERSTOOD THAT the Advisor solicits the services of the General Agent to handle the business of insurance and investment with the different insurance companies with which the General Agent has entered into distribution agreements.

IT IS UNDERSTOOD THAT the General Agent agrees to do business with the Advisor in accordance with the following terms and conditions:

This agreement is effective from \_\_\_\_\_ (the "Effective Date").

### **Definitions**

- a) APPLICATION(s) means any application for life insurance, health insurance, annuity products or group insurance submitted on statutory Insurance Company forms.
- b) COMMISSION(s) means the commission paid by the company as the result of issuance or modification of a policy applied for by the Advisor for his client.
- c) BONUS(es) means any commission paid in addition to the base commission set by the Companies, awarded and/or paid by the Companies to the General Agent.
- d) CALENDAR YEAR(s) means the year extending from January first (1st) to December thirty first (31st).
- e) CHARGEBACK means any Commission or Bonus which is paid in advance, but is unearned and must be reimbursed to the Company, as defined in the compensation rules of the company.
- f) COMPANY(ies) means any corporation carrying on the business of insurance and investment, and which is duly authorized by law and by the applicable regulations to conduct such business.
- g) FSRB stands for Financial Sector Regulatory Bodies, which includes all the various recognized federal and provincial offices and agencies that control and govern the activities of the financial sector across Canada.
- h) POLICY(ies) means the contract whereby the Companies guarantee payment of either life insurance benefits, loss of income or health benefits, segregated funds, annuities or group insurance benefits to the applicant or beneficiary.
- i) PORTFOLIO means all the policies placed with the companies by the Advisor which are still in force, whose business is credited as volume, premium or points.
- j) RENEWAL COMMISSION(s) means all remuneration paid by the company as of the second policy anniversary which is included in the Advisor's portfolio.
- k) YEAR(s) means any consecutive period of 12 months.

### **1. INDEPENDENT ADVISOR**

The Advisor is an independent contractor and the present contract shall not be interpreted as creating an employee-employer relationship between the General Agent and the Advisor and/or the Companies.



## 2. **TERRITORY**

The Advisor agrees to respect the territorial boundaries that may be imposed by the different Companies with which the Advisor will be dealing and by the licenses he possesses. The Advisor recognizes that the General Agent is equally subject to the territorial boundaries imposed by his licenses and by the Companies. Should the Advisor fail to observe the boundaries, the present Agreement may be terminated without prejudice to all the General Agent's rights and recourses towards the Advisor.

## 3. **ROLES AND DUTIES OF THE ADVISOR**

The Advisor agrees to respect the following duties, and if Advisor is a corporation consisting of several advisors or representatives, he agrees to ensure that each of his affiliated advisors or representatives also respect the following obligations:

- 3.1 The Advisor publicly represents the Companies for the purpose of soliciting applications
- 3.2 The Advisor must ensure that all applications be solicited and submitted solely by persons holding an appropriate and valid license and/or certificate issued by an FSRB
- 3.3 The Advisor shall be the sole person responsible for the collection of premiums on submitted business and for the remittance of such premiums to the Companies to which applications were submitted and by which policies were issued. The General Agent shall act solely as intermediary, upon request by the Companies, for the remittance of premiums to the Companies, and this without any responsibility on his part regarding the collection of such premiums
- 3.4 The Advisor may not bind or commit the General Agent by promise, commitment, or contract nor may he in any way incur any debt or liability in the name of the General Agent
- 3.5 The Advisor agrees to hold the General Agent harmless of any claim or responsibility related to the business of the Advisor. The General Agent does not endorse the advice given or the actions taken by the Advisor. The Advisor is the sole person responsible for his practice
- 3.6 The Advisor agrees to indemnify the General Agent for any claim of any nature that may be filed against the General Agent and resulting, directly or indirectly from the activities of the Advisor or his representatives
- 3.7 Whether the Advisor places his business personally or through his own corporation, he shall personally guarantee the Chargebacks that may arise from the lapsing or change of a policy as well as any debt to the General Agent resulting from his activities with the Companies (see Appendix A, Personal Guarantee)
- 3.8 The Advisor shall always and in every way respect and conform to the laws governing his profession, as well as to FSRB regulations. He is also responsible for ensuring that his representatives are in compliance
- 3.9 It is incumbent upon the Advisor and his representatives to conform at all times to the body of:
  - i. Laws, rules and regulations of each territory that they are subject to;
  - ii. Rules, regulations, guidelines and other requirements from regulating authorities, whether administrative or governmental, and from self-regulating organizations to which they adhere or of which they are members;
  - iii. Court rulings that are in any way related to the conducting of activities while soliciting Applications, or to the Advisor's practice.
- 3.10 It is incumbent on the Advisor and his representatives to keep up-to-date all licenses and certificates required by all applicable laws and by all regulating authorities, whether administrative or governmental, or by pertinent self-regulating organizations to which the Advisor and his representatives adhere or of which they are members
- 3.11 It is incumbent upon the Advisor to ensure the provision of suitable services in all aspects of his business, and this including the business of his representatives, and to provide the necessary personnel, material and office installation to serve his clients
- 3.12 The Advisor acknowledges and recognizes that it is of the utmost importance to follow, and he commits to following,



the procedures prescribed by the FSRB regarding the replacement of a Policy

- 3.13 The Advisor shall not waive, alter or rebate any premium or fee
- 3.14 The Advisor shall not publish or distribute any advertising or promotional material of any kind with respect to the business of General Agent, or use General Agent logos, trademarks, trade names or other proprietary marks of the General Agent
- 3.15 During the term of agreement the advisor shall:
- a) Maintain professional liability insurance coverage (errors and omissions) at levels generally acceptable for the industry, and provide proof of such insurance to General Agent upon request;
  - b) Maintain effective policies in respect to compliance with money laundering laws, without limitation, the identification and verification of clients;
  - c) Undertake reasonable training and continuing education in order to maintain standards and practices in industry as a prudent advisor would;
  - d) Comply with all applicable laws and regulatory requirements, privacy obligations, disclosure obligations, General Agent rules, Insurer rules and any General Agent, Insurer and/or Industry codes of conduct, all as in effect from time to time;
  - e) Maintain proper books and records in respect of all transactions relating to insurance policies, investment products;
  - f) At General Agent request and not more than twice yearly, submit to a review and audit of advisors books, records, books of accounts, reports, files and all other records, whether in printed or electronic form, relating to the conduct and obligations of advisor in connection with this agreement, for purposes of ensuring compliance with advisors obligations under this Agreement;
  - g) Maintain electronic access to systems and websites confidential. Advisor shall not share passwords or access with parties not authorized to view content. Advisor maintains responsibility of ensuring their own confidentiality by maintaining control of their electronic access;
- 3.16 The Advisor shall not present to the public as the representative of the General Agent.
- 3.17 The Advisor will be responsible for maintaining a client file containing copies of all documents relating to segregated funds including segregated funds transaction orders.
- 3.18 The Advisor will immediately notify the General Agent of all written and/or verbal client complaints.
- 3.19 The Advisor will only trade in segregated funds for which he is contracted and when approved in advance by the General Agent.
- 3.20 The Advisor will advise his clients that: (i) Segregated funds are subject to fluctuations in market value; (ii) Past performance is not necessary indicative of future performance.
- 3.21 Where required by law, the Advisor will inform the client of commissions earned and the commission structure applicable to all segregated funds purchased through the General Agent.
- 3.22 The Advisor is personally responsible and liable for his actions undertaken in the distribution of the segregated funds, regardless of whether or not business is conducted under a separate corporate entity.
- 3.23 The Advisor is responsible for carrying and maintaining the errors and omissions insurance and (If available) Fraudulent Acts Insurance that covers Segregated funds trading. A copy of the Advisors insurance must be provided to the General Agent upon execution of the contract.
- 3.24 Any Regulatory changes or new practice codes issued by a governing body such as the Provincial Insurance Council that take effect after the signing of this Agreement will supersede any respective sections or parts of this Agreement that they may relate to and said new regulations will take effect immediately.



#### **4. RELATIONSHIP WITH THE COMPANY**

Company and Advisor are independent contractors for all purposes and in all situations and nothing in this Agreement shall be understood to create an employer/employee relationship between company and agency or company and employees of advisor. Company and advisor are not partners or joint ventures with each other, shall not hold themselves out as such to any person, firm or corporation and shall not be deemed to be partners or joint ventures with each other and nothing herein shall be construed so as to make them partners or joint ventures or imposes any liability as such on either of them. Neither company nor Advisor shall have the authority or be entitled to bind the other to any third party.

#### **5. COMPENSATION**

- 5.1 The Advisor's compensation corresponds to the Commission paid by the Companies according to the commission schedules for each of their products, which are revised periodically by the aforementioned Companies. Advisor acknowledges that all commissions earned by advisor in connection with life insurance, group insurance and investment policies sold hereunder are payable directly by each insurer to advisor in accordance with advisors contract with said insurer and payment of such commission is not the responsibility of the General Agent. All commissions payable are subject to the appropriate commission schedule in effect at the time of the application, and commission adjustments such as, but not limited to, replacements, conversions, and ratings are subject to said commission schedule or other notification made available by the insurer. Advisor agrees that commissions can be paid on as earned basis at the sole discretion of General Agent. In the event that advisors contract with an insurer stipulates that commissions and/or renewals vest with the General Agent instead of Advisor, General Agent hereby agrees that these commissions will vest with advisor upon receipt by General Agent of such commissions from an Insurer and will be paid to advisor, subject to Section 6.
- 5.2 The Advisor's compensation further corresponds to a portion of the Bonuses paid by the Companies to the General Agent. The portion of the Bonuses payable to the Advisor is established according to Net Settled Annualized Commissions (NSAC) earned by the Advisor and plan through the General Agent in the course of the Calendar Year in accordance with the General Agents Bonus Schedule in Appendix B (see Appendix B, Compensation Sharing).
- 5.3 As part of the present Agreement, the Advisor commits to signing on request any document useful or necessary for authorizing the Companies with which he does business through the General Agent, to pay directly to the Advisor the sums of money that correspond to the Base Commissions and Bonuses he earns.
- 5.4 The Advisor agrees that he may not demand payment of money agreed to as compensation unless all delivery requirements of the policy have been handed over to the Company, and the latter has accepted to make the payment of Base Commissions or Bonuses.

#### **6. RESPONSIBILITY AND ASSIGNMENT OF DEBT**

A common practice is for Companies to annualize Commissions and Bonuses, specifically the Companies accept to pay an advance on Commissions and Bonuses to the Advisor and to the General Agent on the condition that the premiums of the Policy are paid for a minimum number of months (usually 24 to 36 months).

- 6.1 Commissions and Bonuses so agreed upon and paid to the Advisor by the Companies thus in fact represent advances of Commissions and Bonuses paid to the Advisor for the portion of sums over and above what was actually earned by the Advisor, based on the number or amount of premiums paid by the client. The Advisor recognizes that these advances of Commissions and Bonuses constitute a demand loan to the Companies and/or the General Agent, up to either the amount that was actually advanced or the amount which is demanded by the Company, following lapse, change or cancellation of the Policy, and this without regard for the grounds or reasons for the termination or change of the aforementioned Policy. This will hold true for all sold or transferred policies included in the Advisor's Portfolio.
- 6.2 Should the repayment provided for in Paragraph 6.1 of the present Agreement not be made by the Advisor on demand, the latter acknowledges and agrees to pay the General Agent an annual interest of 12%, calculated and capitalized monthly at the rate of 1% per month on the unpaid balance of advances not repaid, effective from the due date forward.
- 6.3 In order to guarantee repayment of any advances on Base Commissions and Bonuses to the General Agent by the Advisor, the latter will herein expressly transfer to the General Agent all of his rights to future Commission, Renewal Commission, as well as to all Bonuses which may be paid him by the companies with which he has done, does or will do business. The parties expressly agree that the General Agent may seek compensation for the amounts



described in the present paragraph, without notice to the Advisor, but solely to secure repayment of Chargebacks, or on any other debts the latter owes to the General Agent or the Companies. (See Appendix C, Assignment of Receivables,)

- 6.4 The Advisor hereby acknowledges his indebtedness to the General Agent for any amount received from his client in payment of insurance premiums that are not remitted to the Companies within the time limit prescribe by the letter and for which the General Agent is liable to the companies. This acknowledgement of the indebtedness is specifically limited to any sums withheld and/or misappropriated by the Advisor or his representatives, is applicable.
- 6.5 The Advisor agrees herein not to transfer, secure, mortgage or dispose in any way of Commissions, Renewal Commission and Bonuses payable by any Company without prior written authorization by the General Agent.
- 6.6 The Advisor is responsible for any advance, Commission or Bonus paid to his representatives, as well as for any Chargeback not reimbursed by his representatives,
- 6.7 If any debt is not repaid or if a mutually accepted arrangement has not been made regarding repayment, General Agent may refer the debt to a collection advisor. The cost of such action, including, without limitation, collection agency, legal and accounting fees and interest, will be recoverable from advisor as part of debt.
- 6.8 General Agent, in its sole discretion, may register this Agreement under the Personal Property Security Act (Ontario) or any similar legislation in other jurisdictions in Canada. Advisor agrees that General Agent shall not be required to deliver to advisor a copy of financial statement or other security documentation filed by General Agent in any provincial registry in connection therewith.
- 6.9 Termination of this Agreement for any reason whatsoever shall not affect the obligation of advisor to repay the debt, and the provisions of this section 6, shall survive any such termination in their entirety, including, without limitation, the direction to insurers in Section 6.
- 6.10 General Agent shall pay a bonus to advisor with respect to first year commissions earned and received by advisor at the rate and upon the terms specified in Appendix B attached hereto. General Agent may, at its sole discretion, direct an Insurer to pay a bonus on its behalf directly to advisor. General Agent has a right to modify the rate and terms specified in Appendix B at any time which rate and terms shall take effect upon General Agent delivering notice of change to advisor by electronic or other means.
- 6.11 Should there be any outstanding debt, this is to authorize OM Financial Inc. to withhold the commission and override payment with all insurance companies, as well as Advisor's contracts with other MGAs to payback any amount owed. Advisor agrees to release the amount equals to the debt and make payable to OM Financial Inc.

## **7. DEFAULTS**

- 7.1 The Advisor will be considered in default in the following cases, and therefore subject to all legal recourse, the present Agreement will be terminated, and the total amount owed to the General Agent by the Advisor in accordance with the present Agreement or otherwise will become due without prior notice or summons.
  - a) The Advisor or one of his representatives is found guilty of an act of fraud, of a false declaration or of dishonesty, or he fails to comply with the laws of the jurisdiction in which he conducts business or with the regulations applicable by the FSRB
  - b) The Advisor fails to observe his obligations under the terms of the present Agreement, or further, he becomes insolvent, files a petition for bankruptcy disposes of his assets, is certified bankruptcy or has a financial arrangement with creditors.
- 7.2 The Advisor acknowledges that termination of the present Agreement does not in any way release the Advisor and his representatives from their responsibilities and obligations to the Companies and to the General Agent, nor does it release them from any indebtedness they may have, now or in the future, to the General Agent or to the Companies.
- 7.3 The Advisor herein expressly gives up the right to any claims for damages or otherwise, and to all legal recourse against the General Agent resulting from termination of the present Agreement provided that the General Agent exercises his rights in good faith, without prejudice or illegal consideration.



## **8. RENEWAL COMMISSIONS**

The General Agent and/or the companies will pay the Advisor, as long as he holds a license or certificate required by the FSRB, the renewal commission that are owed after termination of this agreement by either of the two parties as soon as they are paid by the companies and received by the General Agent. However, the General Agent reserves the right to set off the Advisors debt to the General Agent or the companies, subject to section 6.

## **9. INTERRUPTIONS OF SERVICES, TRANSFER OF BUSINESS, SALE OR ASSIGNMENT**

- 9.1 The interruption of services takes effect when the Advisor and/or his representatives and/or his personnel are, for any reason whatsoever, no longer able to offer an acceptable service to their Clients for longer than six (6) months, thus violating Article 3.12 herein.
- 9.2 In such a case, the General Agent will send written notice to the Advisor or to his estate to inform them of the situation and to grant them a reasonable delay to rectify the situation. If the situation persists, the General Agent shall have no choice but to advise all the Companies of the Advisor's default and of the fact that he wishes to take responsibility for the service until he finds a buyer to take over the portfolio of the Advisor consequently, the General Agent will demand that all Renewal Commission due to the Advisor or to his estate be henceforth paid to him.
- 9.3 The General Agent may then look for another Advisor interested in servicing this clientele, and may transfer, sell, or cede the portfolio to him in a reasonable manner. If monetary Compensation is paid by the new Advisor, the General Agent agrees to appropriately compensate the former Advisor or his estate, with consideration for all direct and indirect costs incurred during the process of transferring the Portfolio.
- 9.4 Advisor may not sell, transfer or merge advisors business to or with another advisor or licensed entity, or assign any compensation payable under this agreement, without the prior written consent of General Agent, which consent will not be reasonably withheld or delayed, but which consent may be conditional on (i) settlement of any debt, whether payable to General Agent or Insurer, and/or (ii) any other reasonable term General Agent may impose. In the event the advisor is a corporation or partnership, advisor shall not allow the transfer or issuance of shares in capital stock, or of partnership interests, as applicable, of advisor, or the transfer of all or substantially all of the assets of advisor, where such transfer or issuance, or series of transfers or issuances will have the effect of changing control of advisor or its assets, without prior written consent of the General Agent, which consent will not be unreasonably withheld or delayed, but which consent may be conditional upon (i) settlement of any debt, whether payable to General Agent or insurer and/or (ii) any other reasonable term General Agent may impose.
- 9.5 General Agent may sell, transfer, reorganize, merge or effect a change of control of General Agent and/or its assets, and/or assign its rights under this Agreement, without consent of advisor.

## **10. DURATION**

This Agreement comes into effect on the date that the two parties sign it for the duration of one Year, and will be automatically renewed Year by Year unless one of the parties provides Written Notice to the other at least thirty (30) days before expiry, advising of his intention to not renew or subject to termination as provided in sections

## **11. TERMINATION OF THE AGREEMENT**

- 11.1 Subject to the aforementioned arrangements, this Agreement will fully terminate on the liquidation or the dissolution of the Advisors affairs.
  - i. If the advisor is an individual, upon the death of the advisor;
  - ii. Upon the revocation, termination or non-renewal of advisor's license, which revocation, termination or non-renewal is not cured within ten (10) days of such revocation, termination or non-renewal;
  - iii. In the event of fraud or willful misconduct by a party hereto, or
  - iv. Upon advisors bankruptcy, receivership, insolvency or upon the execution of a general assignment for the benefit of advisors creditors.
- 11.2 This Agreement may be terminated unilaterally, without cause, and at any time, by giving at least ten (10) days written notice by either of the parties. Notice to the advisor shall be delivered to advisor's last address recorded with



General Agent and Notice to the General Agent shall be delivered to the Head Office of General Agent located at:

**OM FINANCIAL INC**  
**1049 MCNICOLL AVE**  
**TORONTO, ON M1W 3W6**

Termination will take effect on the latter of the date the notice is received or on the date specified therein.

- 11.3 Termination of the present Agreement does not include termination of Section 6, of Assignment of Receivables in Appendix C, nor of the Personal Guarantee in Appendix A to terminate the assignment of receivables and/or personal guarantee, is a bilateral written agreement by the two parties required.
- 11.4 At its sole option and discretion, General Agent may terminate this agreement on five (5) days written notice in the event that an Insurer terminates its contract with Advisor.
- 11.5 If any given calendar year, the advisor production is below five thousand (\$5,000) First year commission (FYC), the General Agent has a right to terminate the agreement.

## 12. **RESTRICTIONS**

It is presumed that all the stipulations, conditions and restrictions provided for in the contracts with the Companies are an integral part of the present Agreement in such a way that the said stipulations, conditions and restrictions must be read in conjunction with the present Agreement.

## 13. **NOTICE**

Any notice or other form of communication that must be given in accordance with this Agreement is considered validly given if it is recoded in writing and expedited by a mode of communication that permits the expediting party to prove that the said notice was in fact delivered to the receiving party at the address known to the expediting party

## 14. **GENERAL REMARKS**

- 14.1 Each article, paragraph or provision herein forms a distinct whole in such a way that any court decision ordering any one article, paragraph or provision herein void or unenforceable in no way affects either the validity or the enforceability of the other articles, paragraphs or provisions herein
- 14.2 The titles are used only to create order and are of secondary importance and shall in no way affect the meaning or the scope of line provisions they designate
- 14.3 The silence of one of the parties, or his negligence or lateness in exercising a right or a recourse that is given or open to him in accordance with this Agreement shall never be interpreted as a relinquishment of the said rights and recourses by this part
- 14.4 All the rights mentioned herein are cumulative and cannot be modified
- 14.5 The Advisor cannot transfer the rights he has in this Agreement unless he has obtained written consent from the General Agent
- 14.6 Any litigation arising from the interpretation or application of the provisions of this Agreement will be subject to the exclusive jurisdiction of the courts of the judicial district of such province.
- 14.7 The Appendices herein, when duly initialed by the parties, form an integral part of this Agreement,
- 14.8 The Preamble herein is an integral part of this Agreement.
- 14.9 For the purposes of this Agreement, the singular includes the plural, and the plural includes the singular; the masculine includes the feminine, and the feminine includes the masculine; all words signifying persons also include associations, companies, corporations or legal entities, and vice versa.
- 14.10 The parties wish that this Agreement be interpreted as a contract signed by mutual agreement.



## 15. **INDEMNIFICATION**

The Advisor commits herein to irrevocably and unconditionally hold harmless and at all times continue to hold harmless the General Agent, as well as his successors and transferees, for all claims, demands, losses, fines, obligations and responsibilities, and for all actions, lawsuits, damages, costs and payments of any nature or type which may be instituted or claim by any of the Advisor's clients on the basis of, ensuing from, attributable to, related or attached in any way to.

- i) Any breach or nonfulfillment of commitments or obligations by the Advisor agreed upon in the present Advisor Agreement.
- ii) Any claim by an Advisors client against the General Agent, or jointly against the General Agent and the Advisor,
- iii) Any understanding or agreement, or any alleged understanding or agreement, between the Advisor and his client
- iv) Any act or omission by the Advisor or his representatives
- v) If the insurer to which an application is forwarded refuses to issue a policy of insurance or delays in doing so and advisors client or other third party suffers a loss or damage as a result, General Agent shall not be liable therefore and advisor shall indemnify and save harmless General Agent against any claim for such loss and the cost of defending any such claim, including, without limitation, reasonable legal and accounting fees.
- vi) If Advisor is a corporation or is acting as an Associate General Agent on behalf of its advisors, each principal hereby agrees to indemnify and save harmless General Agent for any or all indebtedness to General Agent of advisor and any of its advisors, and each principal guarantees the due payment to General Agent of all liabilities of advisor to General Agent as though the Principal personally entered into this agreement with General Agent, whether or not the remedies of General Agent against advisor have been exhausted.
- vii) The failure of either party hereto to insist upon the strict performance of any condition of this agreement shall not be considered a waiver of such a condition.

## 16. **PROTECTION OF PERSONAL INFORMATION / RECORD KEEPING**

Notice regarding the protection of personal information (in accordance with the Quebec Act Respecting the protection of personal information-Bill 68-and in accordance with the laws of the other provinces)

In connection with all the information of the clients which relates to a natural person and allows such person to be identified ("Personal Information") obtained by advisor or any of the advisor's employees in performing advisor's duties hereunder, advisor agrees:

- a. To collect only the Personal information that is necessary for (i) preparing applications for life insurance, group insurance or investment products for a client to be submitted to an insurer through General Agent, (ii) providing ongoing service to such clients in respect of life insurance, investment products and to use, disclose and retain Personal Information only for such purposes or as otherwise permitted or required by law.
- b. To inform the client of such purposes for which the Personal Information is being collected at the time that it is being collected;
- c. To collect Personal Information only from the relevant client, unless the client consents to collection of such information from third parties;
- d. To indicate on the clients file the source of any Personal Information collected from a Third party
- e. To obtain the consent of the client that Personal Information may be stored electronically by General Agent;
- f. To communicate all Personal Information to General Agent as necessary;
- g. Not to provide any Personal Information to any other person, other than the Insurer, without General Agents written consent, except permitted or required by law;
- h. Not to communicate a list of names and addresses or phone numbers of clients and prospects to a third party, without General Agent's written consent;





- i. To ensure that Personal Information is current and accurate from time to time;
- j. To protect Personal Information by safeguards appropriate to the sensitivity of the information; and
- k. To inform General Agent promptly of a client's request to have access or make changes to his Personal Information in advisors file.
- l. In order to uphold the confidential nature of the personal information the General Agent obtains concerning the Advisor, the General Agent will open an agency file in which he will keep the information regarding the Advisor's ability to place business with the General Agent, as well as information on the transactions made by the Advisor within the framework of that relationship
- m. The Advisors file will be kept in the offices of the General Agent, and only those persons duly authorized, namely, those who need to refer to this information in the course of their duties, or any other persons or bodies that the Advisor may authorize from time to time, will have access to this file. The Advisor may access the file and, if need be, have it rectified with a written request to:

**OM FINANCIAL INC**  
**1049 MCNICOLL AVE**  
**TORONTO, ON M1W 3W6**

- n. If the General Agent receives a request for access to or rectification of information from the Advisor, he will follow up within thirty (30) days. The General Agent may ask the Advisor to pay, in advance, reasonable reproduction and delivery fees, per page of requested information. The General Agent will indicate the exact total of these fees when he has determined the exact number of pages involved. If the General Agent denies the request for access or rectification, he will write to the Advisor to explain the reasons for this refusal.

## **17. AUTHORIZATION**

- 17.1 Advisor hereby authorizes and directs any third party to release to General Agent information contained in its files concerning advisor, its advisor, if any, its business, employment, education, and credit records, and/or any other information relevant to a contract to sell life, group and/or accident and sickness insurance, any investment products through the General Agent.
- 17.2 Advisor hereby specifically authorizes General Agent to obtain (i) a criminal activity clearance report from any police agency or government; (ii) information regarding certificates, licenses and registrations; (iii) any information concerning complaints or disciplinary measures from regulators, industry and professional organizations and associations; and (iv) exchange information with any regulator, professional registry or database, insurance company, financial institution, personal information, detective, security agencies or other organizations whose functions are the prevention, detection and repression of crimes or offences, market intermediaries, any current or former employer, including any and all personal information which could be collected through verification of an application for employment or contract and ongoing performance.
- 17.3 Advisor acknowledges that General Agent will establish a file containing Advisor and subsequent performance and that the Personal information contained in this file will be consulted by General Agent's employees and its authorized advisors in relation to this agreement. The file will be kept in General Agents Offices. Advisor may consult the Personal Information contained in this file, and, if applicable, request that any errors or misinformation be rectified. A photocopy of this consent shall have the same force and effect as original.
- 17.4 If an individual advisor authorizes General Agent to use his Social Insurance Number in its files pertaining to Advisor.
- 17.5 This Agreement supersedes all previous agreements between General Agent and advisor but this agreement does not release the parties hereto from any liability under such previous agreements.
- 17.6 This Agreement may only be amended by agreement in writing signed by the parties hereto.
- 17.7 This Agreement shall be governed by the laws of Ontario and the parties hereto hereby attorn to the jurisdiction of the Courts of such Province.
- 17.8 This agreement ensures to the benefit of and binds the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, and, as permitted hereunder, successors and assigns.



**18. RIGHT TO CLIENTS**

18.1 General Agent agrees not to solicit clients without advisor's consent

18.2 If any client of advisor gives written notice to the General Agent of a wish to transfer such clients account to another advisor with General Agent, then advisor waives any rights to such client. Upon receipt of such notice from a client, General Agent will notify advisor and provide two (2) weeks grace before changing the advisor of record, unless otherwise directed by client.

**19. PERSONAL GUARANTEE**

The Advisor personally guarantees repayment of all debts and shall be liable for advanced but unearned commissions and bonuses and/or chargebacks. The guarantee shall apply all policies written for the life insurance companies solicited by the advisor and placed through the General Agent. The Advisor unconditionally guarantees General Agent to pay all unearned commissions and Bonuses and/or commission chargeback upon demand. This guarantee is binding heirs and representatives of the Advisor. This guarantee shall survive the termination of this Agreement or any agreement between the parties.

**20. ASSIGNMENT**

For value received, hereby assigns General Agent, all amounts of any nature or kind whatsoever owing, accruing, or which may hereafter become owing or accruing to the Advisor to the Life Insurance Companies, hereinafter referred to as "the debts" to be continuing security to General Agent. Should the Advisor be a partnership or corporation, then the individuals, whose signatures appear on this Agreement on behalf of such partnership or corporation, personally guarantee payment to General Agent of all amounts of any nature or kind whatsoever owing or accruing or which may hereafter become owing or accruing to the Advisor from the Life Insurance Companies. The undersigned, Advisor acknowledges that General Agent is the absolute owner of the debts and authorized the General Agent to collect demand, sue and enforce, recover and receive the debt and give valid and binding receipts and discharge therefore, without regard to the state of accounts between the Advisor and the General Agent, and without notice to Advisor.

Advisor hereby acknowledges having an opportunity to review and having reviewed the provisions of this Agreement and Appendix A, B, and C attached hereto, having sought clarification where necessary, has obtained independent legal advice in connection herewith and hereby confirms that advisor is familiar with and agrees to all terms and conditions of this Agreement.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
(City, Province)

\_\_\_\_\_  
Advisor Signature

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Advisor Name

\_\_\_\_\_  
Witness Name

**OM FINANCIAL INC.**

\_\_\_\_\_  
President / Authorized Official Signature

\_\_\_\_\_  
President / Authorized Official Name



## **ADDENDUM- ASSOCIATE GENERAL AGENT AGREEMENT**

Further to Section 6 of the present Agreement, the Associate General Agent ("AGA") hereby acknowledges and accepts responsibility for the recovery of any chargebacks incurred by Advisors associated with the AGA. In such cases where recovery of any amounts owing from the implicated Advisor is not possible or is not completed within a period of time deemed acceptable at the sole discretion of the General Agent, the AGA hereby agrees to pay within thirty (30) days after requested by the General Agent or any Insurance company any and all outstanding monies owed by the Advisor to the General Agent or any Insurance Company. The AGA accepts responsibility for recuperating from the Advisor any sums so paid on the Advisor's behalf.

### **DEFINITIONS**

- a) "ASSOCIATE GENERAL AGENT" is an individual, corporation or partnership that is responsible for its Advisors
- b) "ADVISOR" is an Independent Representative(s) of the Company whose Independent Representative Agreements have been endorsed by the AGA. If the Advisor is a corporation then this term "Advisor" will include any persons placing insurance through that corporation

The Associate General Agent acknowledges having received a copy of this Agreement, having read and informed himself of the contents of this Agreement and acknowledges having received advice on the nature and effects thereof.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS ADDENDUM

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
(City, Province)

**ASSOCIATE GENERAL AGENT:** \_\_\_\_\_

\_\_\_\_\_  
President / Authorized Official Signature

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
President / Authorized Official Name

\_\_\_\_\_  
Witness Name

**OM FINANCIAL INC.**

\_\_\_\_\_  
President / Authorized Official Signature

\_\_\_\_\_  
President / Authorized Official Name



## APPENDIX A

**OM Financial Inc.**  
1049 McNicoll Ave  
Toronto, Ontario M1W3W6

### LETTER OF GUARANTEE

This letter will serve as a personal guarantee that \_\_\_\_\_, are severally responsible for repaying any chargeback within 5 working days as a result of the surrender or lapses of any policy. The Chargeback will include the compensation paid to \_\_\_\_\_ on the first year commission and override according to the Insurance Carrier Schedule of Commissions.

Should there be any outstanding debt arising from any policy by \_\_\_\_\_, this is to authorize OM Financial Inc. to withhold the commission and override payment with all insurance companies, as well as my contracts with other MGAs to payback any amount owes.

I, \_\_\_\_\_ would agree to release the amount equals to the debt and make payable to OM Financial Inc. as indicated above.

Yours truly,

\_\_\_\_\_ Date \_\_\_\_\_  
Advisor Signature

Advisor Name: \_\_\_\_\_ SIN: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_  
Witness Signature

Witness Name \_\_\_\_\_



## Adhering to FINTRAC Guidelines

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Canada's financial intelligence unit, was created in 2000. It is an independent agency, reporting to the Minister of Finance, who is accountable to Parliament for the activities of the Centre. It was established and operates within the ambit of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)* and its Regulations.

FINTRAC's mandate is to facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities, while ensuring the protection of personal information under our control.

FINTRAC fulfill their mandate through the following activities:

- Receiving financial transaction reports and voluntary information on money laundering and terrorist financing in accordance with the legislation and regulations and safeguarding personal information under our control;
- Ensuring compliance of reporting entities with the legislation and regulations;
- Producing financial intelligence relevant to money laundering, terrorist activity financing and threats to the security of Canada investigations;
- Researching and analyzing data from a variety of information sources that shed light on trends and patterns in money laundering and terrorist financing;
- Maintaining a registry of money services businesses in Canada;
- Enhancing public awareness and understanding of money laundering and terrorist activity financing.

Advisor is responsible for managing their business as per FINTRAC Guidelines. Advisor is liable and responsible for any activity which may require notifying the General Agent, as per FINTRAC guidelines. The Advisor is also responsible to educate and update themselves on the guidelines by FINTRAC by going on FINTRAC's website. On Demand Advisors agrees to provide all files to General Agent, if audited by FINTRAC.

Read, accepted in \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
(City, Province)

\_\_\_\_\_  
Advisor Name

\_\_\_\_\_  
Advisor Signature



## APPENDIX B

Company will pay advisor the following fees and bonuses, in accordance with Company's standard pay schedules:

Level	Calendar Year FYC	Life & Health Insurance Bonus Rate
1	0- \$ 5,000	100%
2	\$ 5001- \$ 15,000	110%
3	\$ 15,001- \$ 25,000	120%
4	\$ 25,001- \$ 40,000	130%
5	\$ 40,001- \$ 50,000	140%
6	\$ 50,001- \$ 65,000	150%
7	\$ 65,001 +	155%

FYC - First Year Commission

Bonus is expressed as a percentage of First year commission

For the First year commission rates, see Carrier Commission Schedule

Bonus is based on Net settled First year commission production per calendar year Bonuses are paid by OM Financial Inc.

**Agreed rate at contract signature**

\_\_\_\_\_  
Insurance Bonus Rate%

\_\_\_\_\_  
Segregated Funds Commission Rate %



## APPENDIX C

### ASSIGNMENT OF RECEIVABLES

Transfers to the General Agent all his rights to first-year and renewal commissions, as well as all rights to Bonuses that may be attributed or paid to him by the Companies with which he has done business, currently does business, or will do business in the future.

This assignment is granted only as repayment of advances on commissions and Bonuses and/or other debt that the Advisor owes to the General Agent and to the Companies. Both the General Agent and the Companies may at any time invoke this provision without notice to the Advisor.

Read, accepted in \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
(City, Province)

\_\_\_\_\_  
Advisor Name

\_\_\_\_\_  
Advisor Signature