This contract, ("Service Agreement" or "this Agreement") is made as of the Effective date;

BETWEEN: AUTORITÉ DES MARCHÉS FINANCIERS, a legal person established in the public interest under An Act respecting the Autorité des marchés financiers, (R.S.Q., c. A-33.2), having its head office at Place de la Cité, 2640, boulevard Laurier, bureau 400, Québec (Québec) G1V 5C1, herein represented by its President and Chief Executive Officer, duly authorized for purposes hereof;

(the "Service Provider")

AND: SPECIFICS OF REGULATOR

(the "Regulator")

(collectively, the "Parties")

The Parties agree as follows:

1. **Purpose of the Service Agreement**

1.1 By signing the Participation Agreement and this Agreement, the Regulator confirms its participation in the implementation of a Canada-wide insurance of persons (life and health) qualification program (the "Program"), as more fully described in the Participation Agreement entered into by all Program Participants (the "Participation Agreement").

1.2 As part of the implementation of the Program, the Service Provider undertakes to the Regulator to provide the services as set out in Appendix A (the "Services"), and to provide all the services described herein, the whole in accordance with the terms and conditions of this Agreement, the Participation Agreement and a licensing agreement to be entered into with third party course providers approved by Participants (the "Course Providers") as set out in Section 3 hereof and Section 3.2(e) of the Participation Agreement.
1.3 The Service Provider acknowledges and agrees that the Services will be provided in accordance with the terms and conditions set forth in this Agreement and the policies, procedures and directives given by the Board, as described in the Participation Agreement, and that the Autorité des marchés financiers's (the "AMF") role as Service Provider hereunder does not grant it any authority over the Program other than as a Participant under the Participation Agreement.

1.4 In consideration of the Services, the Regulator acknowledges and agrees with the financial management and funding terms and conditions set out in Section 6 hereof.

1.5 The Effective Date of this Agreement is:
   a) the date on which the Canadian insurance regulators from six Canadian jurisdictions have signed the English version of both this Agreement and the Participation Agreement, and the nationwide total of their respective average registration ratios for the annual examinations is at least seventy per cent (70%); or
   b) the date on which the Canadian insurance regulators from five Canadian jurisdictions have signed the English version of both this Agreement and the Service Agreement, and the nationwide total of their respective average registration ratios for the annual examinations is at least ninety per cent (90%).

1.6 This Agreement shall have no effect prior to the Effective Date.

2. Development and maintenance of Program by the Service Provider

2.1 The Parties agree that the Program will be developed and maintained by the Service Provider, and administered by the Regulator, in accordance with the minimum Program standards set out in Appendix B hereof.

2.2 Development and maintenance of the Program by the Service Provider consists of the provision of Services described in Appendix A, which is an integral part hereof.

2.3 The Program will be developed and maintained by the Service Provider's Education Development Specialist Team (the "Team") as set out in Appendix C, who will act as education experts for the Program, under the direction of the Program's project manager.

3. Licensing of Course Providers

3.1 The Service Provider will provide the examination preparation manuals (the "Study Material") to the Course Providers in accordance with a licence agreement to be entered into between the Service Provider and each Course Provider (the "Licence"). A single model of the Licence will be used for all Course Providers (a term sheet of the Licence is set out in Appendix D). Licensed Course Providers will have to apply to and obtain approval from the Regulator in order to provide the Course in the jurisdiction of the Regulator.
4. Role and Responsibilities of the Service Provider’s Project Manager

4.1 The day-to-day management of the Services will be the responsibility of the Service Provider’s Director in charge of training and qualification, who will serve as project manager (the “Project Manager”).

4.2 The Project Manager will supervise the Team and will monitor and oversee the Program’s performance.

4.3 In accordance with the schedule determined by the Board, the Project Manager will apprise the Board of the development of the Program, the progress of Team activities, the financial administration and financial management of the Program, and any other aspect of his duties or the Program in respect of which the Board wishes to obtain information.

Accordingly, the Project Manager will present to the Board all reports, analyses and other documents as the Board may request.

4.4 The Project Manager may make recommendations to the Board or the Governance Committee in accordance with the Participation Agreement regarding Program content, but must obtain Board approval prior to the Service Provider implementing such recommendations.

5. Regulator’s Responsibilities

5.1 The Regulator undertakes to diligently provide all documentation and information reasonably required by the Service Provider so as to enable it to perform its duties and obligations under this Agreement and the Participation Agreement.

6. Financial Management and Funding Terms and Conditions

6.1 The Service Provider will be responsible for the financial administration and financial management of the Program.

6.2 The financial management and funding terms and conditions of the Program are those set out in Appendix E hereof.

6.3 The Service Provider will prepare financial statements and a budget annually, or as often as required, for approval by the Board and will manage the budget approved by the Board in accordance with the Board’s recommendations and directions.

6.4 The fiscal year of the Program will end on March 31 of each year.

6.5 The Service Provider will establish and maintain a bank account separate from its other assets and from any other account it administers, to be used exclusively for the purposes of the Program (the “Separate Account”). The Service Provider will keep up-to-date accounting records for the Separate Account.

6.6 The Service Provider will report to the Board, at a minimum, on or before June 30, September 30, December 31 and March 31 of each year, and as reasonably requested by the Board, in the form and under the terms and conditions agreed to with the Board.

6.7 The Service Provider will promptly inform the Board of any aspect which, to its knowledge, could affect the financial viability of the Program, and will comply with and assist in any audit or review of the Program requested by the Board.
7. **Intellectual Property**

7.1 The Service Provider will hold all copyright and all other intellectual property rights to the Study Material, examination questions, Program curriculum and any other documents it develops in connection with the Program (the "Documents").

7.2 Subject to Sections 7.3 and 7.4, the Service Provider grants the Regulator an irrevocable, free, non-transferrable licence to use and reproduce the Documents for purposes of implementing and administering the Program in the Regulator’s jurisdiction. The licence to use the Study Material will be limited to providing a digital or printed copy of the Study Material for examination sessions and for internal use by the Regulator.

7.3 If the Regulator withdraws from the Program or this Agreement is terminated pursuant to Section 10 hereof within two fiscal years following the total reimbursement of the Service Provider’s Initial Investment described in Appendix E, the Regulator’s licence granted hereunder will cease automatically and the Regulator will not be authorised to use any Documents.

7.4 If the Regulator withdraws from the Program or this Agreement is terminated pursuant to Section 10 hereof after two fiscal years have elapsed following the total reimbursement of the Service Provider’s Initial Investment described in Appendix E, the Regulator’s licence granted hereunder will remain in force for the entire duration of the protection conferred by the Copyright Act (R.S.C., c. C-42) and the Regulator will be authorised to continue to use the Documents.

7.5 In the event the Program is terminated under the terms and conditions set out in Section 10 of the Participation Agreement or if the Service Provider withdraws from this Agreement, the licence referred to herein will remain in force for the entire duration of the protection conferred by the Copyright Act (R.S.C., c. C-42) and the Regulator will be authorised to continue to use the Documents.

8. **Confidentiality**

8.1 The Parties acknowledge that information relating to the Program’s development, implementation, its content and the Services provided by the Service Provider, will be treated as confidential information. Subject to applicable legal requirements in each jurisdiction, the Parties agree not to disclose such information to any person except according to the communication plan established by the Board and to comply with policies and procedures about confidentiality and security developed by the Board.

8.2 The Parties agree to ensure the security of all personal information and confidential third party information and agree not to disclose it without the consent of the person or third party except as required by law. In the event that such disclosure is legally compelled or requested, a Party shall provide the Board with prompt notice of such request or compulsion.

8.3 Each Party will at all times, whether during the term of this Agreement or after its termination, or after the termination of a Participant’s status under the Participation Agreement, use confidential information only for the performance of its duties and obligations under this Agreement and the Participation Agreement and only for the performance of its legal obligations, and not for its own benefit nor purposes or for the benefit or purposes of any other person.
9. Dispute Resolution

9.1 In the event of a dispute under this Agreement, the Parties undertake to resolve the dispute in a conciliatory and cooperative manner by negotiation before undertaking any formal recourse under this Section, whether the dispute arises before or after the termination of the Program or after the Regulator's withdrawal from the Program or the termination of this Agreement.

9.2 If a dispute is not resolved in accordance with Section 9.1 hereof, the Parties agree that any disagreement or dispute relating to this Agreement or consequential upon its interpretation or application will be permanently decided by arbitration, to the exclusion of the courts, according to the laws of Quebec.

9.3 Unless the Parties decide otherwise in an arbitration agreement, the arbitration will be conducted under the auspices of a single arbitrator in accordance with the rule of law and the provisions of the Code of Civil Procedure of Québec in force at the time of the dispute. The arbitration award will be final, enforceable and without appeal and will bind the Parties. The costs of the arbitrator will be divided equally between the parties or as otherwise expressly provided in the arbitrator's decision.

10. Withdrawal of a Participant and Termination of the Service Agreement

10.1 If the Regulator no longer wishes to participate in the Program, it can withdraw from the Program pursuant to the terms and conditions set out in Section 9 of the Participation Agreement. The withdrawal of a Regulator automatically terminates this Agreement without any further notice or delay.

10.2 This Agreement will be terminated automatically in the event the Regulator fails to remedy any non-compliance with this Agreement within the time period established by the Board or, by default, within 30 days of receipt of a written notice to that effect from the Board.

10.3 This Agreement will be terminated automatically in the event the Regulator fails to comply with the terms and conditions of the Participation Agreement or this Agreement and is terminated from the Program for this reason by a decision of two-thirds (2/3) of the remaining Participants, pursuant to the terms and conditions set out in Section 9.3 of the Participation Agreement.

10.4 The termination of the Participation Agreement will automatically cause the immediate termination of this Agreement.

10.5 The withdrawal of the Service Provider will terminate this Agreement. If the Service Provider decides to no longer offer the Services, it must give at least one year's written notice to the remaining Participants prior to the withdrawal of the Services.

10.6 The terms and conditions set out in Sections 7 to 10 hereof will continue to bind the Parties despite the termination of the Agreement.
11. **Assignment of Agreement**

11.1 Other than to a public or quasi-public successor entity within its own jurisdiction, a Party may not assign its rights and obligations under this Agreement without the prior consent of all other Participants.

12. **Notices**

12.1 Any notice or other communication required or permitted to be given in connection with this Agreement will be given in writing. Such notice or communication will be given: (i) by delivery in person, (ii) by a nationally recognized next day courier service, (iii) by first class, registered or certified mail, postage prepaid, (iv) by facsimile, or (v) by electronic mail to the address of the party.

12.2 All notices will be deemed to have been duly given: (i) when delivered in person, (ii) upon confirmation of receipt when transmitted by facsimile transmission or by electronic mail (but, in the case of electronic mail, only if followed by transmittal by national overnight courier or hand-delivery on the next business day), or (iii) upon receipt after dispatch by registered or certified mail, postage prepaid.

13. **Miscellaneous**

13.1 This Agreement will be governed by and construed and interpreted in accordance with the laws applicable in the Province of Québec.

13.2 This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes any prior agreements, understandings, negotiations and discussions, whether written or oral, pertaining to the subject matter hereof. This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of each of the Parties.

13.3 This Agreement may not be amended except by written agreement signed by the Parties.

13.4 Despite Section 13.3, time limits and dates under this Agreement may be extended or amended by unanimous agreement of the Board.

13.5 All references to a number of days in this Agreement will be computed in calendar days.

13.6 Each Party will do such acts and execute such further documents and cause the doing of such acts and the execution of such further documents as are within its powers as reasonably required in order to give full effect to the provisions of this Agreement.

13.7 No Party will be liable for damages caused by delay or failure to perform its obligations under this Agreement where such delay or failure is caused by an event beyond its reasonable control. The Parties agree that an event will not be considered beyond its reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in this Agreement would have put in place contingency plans to either materially mitigate or negate the effects of such event.
13.8 Nothing in this Agreement or the Participation Agreement shall be interpreted or construed as imposing any direct or indirect legal obligation or liability on Ontario or the insurance Regulator for Ontario to make any payment to the Service Provider or any other party or person.

13.9 However, considering its obligations under the TRADE AND COOPERATION AGREEMENT BETWEEN ONTARIO and QUÉBEC, the Ontario Government and/or the Insurance Regulator for Ontario undertakes to remain a Participant in the Program at least until the Initial Investment has been fully repaid in accordance with this Agreement, acknowledges that the default to respect such undertaking will cause material damages to the Service Provider and undertakes to use all necessary measures to mitigate such damages for the Service Provider.

13.10 The Parties acknowledge that this Agreement has been entered into in both English and French.

13.11 This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed to be an original, including any fax counterpart, and it will not be necessary when making proof of this Agreement to account for more than one counterpart.
Appendix A

Description of Services

The Service Provider will provide the following services as part of the development and maintenance of the Program:

1) Conducting preliminary studies;
2) Completing occupational analyses and preparing reports of analysis results in French and English;
3) Creating a common curriculum approved by the Board;
4) Developing a procedure and criteria for the recognition, renewal and supervision of Course Providers by each jurisdiction;
5) Monitoring the quality of the training programs offered by Course Providers and making relevant recommendations to the Board;
6) Creating a database containing over 1,800 examination questions, in French and English, for all Program modules;
7) Creating an algorithm and criteria for the development of examinations from a question database;
8) Developing different examination formats and versions;
9) Statistical monitoring of success rates by question and examination;
10) Implementing review procedures for examination questions in case of irregularities;
11) Developing and updating the Study Material, one (1) manual for each module, available in French and English;
12) The development of the Study Material will take place in English and in French and includes distribution, publishing on the appropriate medium (print or digital) and updating thereof when required;
13) Developing educational policies, guidelines and rules ensuring that national examinations are taken under uniform and fair conditions for all candidates;
14) Developing procedures to ensure the confidentiality and security of examinations and candidates' personal information;
15) Producing ad hoc analyses, information and reports requested by the Board, and cooperating in any audit of the Program;
16) Monitoring industry sectors to remain up-to-date on new developments or changes and evaluating their impact on standards in place;
17) Distributing the Study Material and licensing of Course Providers;
18) Budget planning and monitoring;
19) Producing financial reports.
Appendix B

Minimum Program Standards

1) The Service Provider will have discretion to apply its education expertise in order to design the Program Documents, in accordance with any policies and directions of the Board.

2) The Service Provider will ensure the Program is designed, developed and maintained in accordance with generally-accepted best practices for education, examinations and training.

3) The Service Provider will be responsible for the technical accuracy and quality of the Program Documents, for ensuring they cover the relevant technical knowledge and skills required by life and health insurance agents or representatives, and for ensuring the Program Documents remain current, in accordance with any policies and directions of the Board.

Examinations:

1) Candidates will have to obtain a passing grade in each of the modules to pass the examination;
2) A grade of 60% will be required to pass each module;
3) Examinations will be available in both English and French;
4) Examinations will consist of multiple choice questions with four (4) possible answers;
5) Examinations will also include short case studies drawing on professional practice;
6) The Study Material will be allowed, but not required, during open book examination sittings;
7) Candidates will have to apply their knowledge and skills to resolve situations outlined; answers will not be found textually in the Study Material.

Training:

8) The successful completion of a training course with an approved Course Provider will be required before registering for the qualification examination.
Appendix C

Education Development Specialist Team

Training Tool Coordinator (Editor-in-Chief): 1 professional
The incumbent monitors and supervises training tool analysts' work in order to ensure the quality and consistency of Study Material produced. He/she should adopt a big-picture approach, considering the manuals as parts of a collection. He/She consults with the Project Manager and ensures that the Project Manager’s vision is being reflected through all of the details the incumbent will verify during the design, drafting and production of manuals. The incumbent supervises all editing projects by determining analysts' individual work plans, methodologies, schedules and budgets for all projects.

He/she also acts as a resource person and represents, through his or her editorial experience, the Service Provider. He/she works on the pedagogical and visual design of Study Material, and develops and recommends editorial guidelines.

Note: only 25% of the work is to coordinate the editorial team, the remaining 75%, he is acting as a training tool analyst.

Training Tool Analyst (Editor): 2 professionals
The incumbent is responsible for the development and production of Study Material that will be used by future professionals and Course Providers that provide exam preparation training, as well as by insurance company training directorates that train their own candidates.

Analysts manage different editing projects, from the selection of content to the publication stages. Project management includes planning the production schedule and budget distribution with the coordinator, selecting and supervising authors, analyzing the content of proposed manuscripts, implementing professional reading committees, selecting external service providers (linguistic revisers, proofreaders and desktop publishers), while following schedules and budgets.

Standards of Qualification Development Analyst: 1 professional
The incumbent is responsible for the development and update of all requirements (standards of qualification) leading to representative/agent certification. He/she works with teams of insurance industry experts. The incumbent will recommend strategies, procedures and new guidelines for the coordination of the Team’s activities with those of its partners.

The incumbent must suggest criteria to approve Program recognition, course and exemption applications to ensure that they qualify a candidate for his career. Lastly, the incumbent ensures there is communication between the Service Provider and different partner organizations such as training organizations and associations.

Exam Development Analyst: 2 professionals
Working with teams of insurance industry experts, the incumbent develops evaluation tables, question banks and exam formats for each skill evaluated. He/she manages different evaluation projects and is responsible for planning the development schedule and budget distribution with the coordinator, selecting and supervising collaborators, analyzing the questions submitted and ensuring that the exams produced are valid and relevant to
professional practice and consumer protection. In order to interact efficiently with content experts, the incumbent must keep up with and learn about the relevant fields of financial services.

Using the data provided by the evaluation and statistics technician, the incumbent is also responsible for analysing exam results in order to confirm that different formats of the same exam are equally difficult and that questions are valid. He/she performs verifications and requests updates, if applicable, in response to various industry comments on exams or the study material.

*Exam Development Coordinator: 1 professional*

The incumbent monitors and supervises exam development analysts’ and the evaluation statistics technician’s work in order to ensure the quality and consistency of exams produced as well as the coherence and relevance of the qualification process. He/she consults with the Project Manager and ensures that the Project Manager’s vision is being reflected through all of the details the incumbent will verify during the design, drafting, production and monitoring of exams. The incumbent supervises all exam projects by determining analysts’ individual work plans, methodologies, schedules and budgets. He/she supervises the production of statistical reports and the application of corrective measures that may ensue.

The incumbent also acts as a resource person concerning the qualification process and submits proposals to his or her immediate supervisor for the continuous improvement of this process.

*Note:* only 25% of the work is to coordinate the exam expert’s team, the remaining 75%, he or she is acting as an exam development analyst.

*Evaluation and Statistics Technician: 1 technician (new – to hire in April 2015)*

Using specialized software, the incumbent compiles and processes data relating to examination results received from all jurisdictions and produces statistical reports for the purposes of the exam monitoring process for which the exam development analysts are responsible. He/she also processes communications received from candidates regarding exams and exam results.
Appendix D

Licence Agreement Term Sheet

The License Agreement to be entered into between the Autorité des marchés financiers, as Licensor, and each Course Provider as Licensee, as set out in Section 3.1 of the Service Agreement, shall provide the following:

1. Recitals as to the business, activities and responsibilities of the Licensor and Licensee (the "parties"), the reasons for the License, and the objectives of both parties, in reference to the LLQP Program, the Participation Agreement and the Service Agreement.

2. Definitions of Intellectual Property and Training Program.

3. Grant of limited, non exclusive, non transferable license from the Licensor to the Licensee for the use of the Intellectual Property for the purpose of the Training Program, limited in time and as to a determined territory (one license for each student registered under the Training Program).

4. Royalties and fees payable by Licensees for each registered student; adjustment of fees upon renewal of license for additional or lower number of licenses.

5. Audited statements by Licensees as to numbers of licenses.

6. Acknowledgement of Licensee as to ownership rights of Licensor in Intellectual Property; Undertaking of Licensee to refrain from disputing the validity of Licensor’s rights or of its ownership of the Intellectual Property.


8. Technical services and assistance by Licensor.

9. Representations and warranties of the parties as to incorporation, capacity, approvals, no insolvency, no inconsistent obligation, title to Intellectual Property and right to grant, validity of rights, no infringement, no litigation.


11. No use or disclosure for purposes other than contemplated unless prior approval.

12. Entry into force, term and renewal.

13. Termination by Licensor or Licensee, for breach, receivership or bankruptcy, liquidation or party ceasing to carry on business.


15. Governing law and dispute resolution.

16. Miscellaneous: force majeure, entire agreement, counterparts, amendment in writing, binding on successors and assigns, severability, further assurances.
Appendix E

Financial Management and Funding Terms and Conditions

A. Funding Terms and Conditions Program Funding:

1) The development and implementation of the Program will result in costs approximating $3,775,000 (the "Initial Investment"), and shall not exceed $4,000,000 (four million dollars).

2) The Initial Investment includes all expenses and expenditures of every kind to develop the national harmonized Program. This includes the cost to develop, design and test all the Documents; the cost for the salaries and benefits related to the Program development for the Project manager (15%), and the Exam Development Coordinator (100%); licensing agreement costs, and all other costs that are required in order to implement the Program, beginning in 2015, in accordance with the budget projection that has been prepared by the Service Provider and shared with the Regulator.

3) The expenses and expenditures for the Initial Investment shall be incurred by the Service Provider in the period between approximately September 1st 2012 and March 31st 2017, in accordance with an annual budget that is approved by the Board.

4) The Service Provider will provide all funding required for the Initial Investment, and incur all of the necessary expenses and expenditures, in order to develop and implement the Program.

5) The Service Provider will recover or be reimbursed the Initial Investment pursuant to the terms and conditions set out in this Appendix. No interest accrues or is payable on the Initial Investment.

6) The yearly cost for maintaining the Program and for providing the Services once it is implemented (the "Maintenance Cost"), will also be assumed by the Service Provider. The Maintenance Cost includes all the ongoing costs for providing the Services described in Appendix A, including the cost to maintain and update the Program Documents; office expenses; the salaries and benefits of the Team and Project Manager allocated in accordance with Section C, and the additional cost to improve the Program performance over and above the regular Maintenance Cost where that is requested by the Board.

7) The Initial Investment and the Maintenance Cost incurred by the Service Provider will be recovered through a funding model approved by the Board. The funding model will require each Course Provider to pay to the Service Provider a licensing fee based on individual student enrollment as set out in Appendix D.

8) The licensing fee to be paid for the Study Materials by Course Providers will be determined by the Board before the date the Program is implemented.

9) The budget projection that has been provided by the Service Provider to the Regulator may be modified depending on the number of Participants who join the Program.
B. Terms and Conditions of Reimbursement of Initial Investment:

1) Once the Program is implemented in 2015, annual revenues generated from the licensing of the Study Material to Course Providers, as described in Appendix D, will be used to offset the Maintenance Cost of the current year and any annual surpluses will be used to reimburse the Initial Investment to the Service Provider. All revenues generated from the licensing of Study Material to Course Providers will be deposited in the Separate Account.

2) All amounts deposited in the Separate Account, including any interest on such amounts, will be used to reimburse the Service Provider for the Maintenance Cost and the Initial investment until such time as the Initial Investment is fully reimbursed. The Service Provider will transfer these amounts from the Separate Account to its current account on a quarterly basis until such time as the Initial Investment is fully reimbursed. Once the Initial Investment has been reimbursed, the Service Provider will transfer revenue amounts as required to reimburse any ongoing Maintenance Cost.

3) The Service Provider will issue a quarterly statement of account to the Regulator informing it of: (i) the costs incurred by the Service Provider for the Services provided (the Maintenance Cost and Initial Investment), (ii) the Regulator's proportionate share of such costs, calculated based on the Participant percentages set out in Appendix F hereof (the "Share") and (iii) the balance of the Regulator's Share once it has been offset through the Separate Account for revenue received, (i.e. balance of Regulator's Share = Participant Percentage (%) x [(Initial Investment - (Total Revenue - Total Maintenance Cost)]).

4) The revenue will be monitored so that the Board can modify the licensing fee each year to make sure that the initial investment is reimbursed and that the Program operates on a not-for-profit basis. In the event that a surplus is generated, the Board will make a decision about how the surplus should be used and any changes required to the funding model to ensure the Program operates on a not-for-profit basis.

5) In the improbable event that the Service Provider is not fully reimbursed the Initial Investment and accumulated Maintenance Cost by fiscal year 2021, the Regulator undertakes to reimburse, within 60 days of receiving notice from the Service Provider, the balance of the Regulator's Share, calculated based on the Participant percentages established in Appendix F.

6) In the event of the withdrawal or termination of the Regulator under the terms and conditions of this Agreement or the Participation Agreement after all of the expenses for the Initial Investment have been incurred by the Service Provider, the Regulator will be liable for the balance of its Share to the Service Provider, calculated based on the Participant percentages set out in Appendix F hereof and the Initial Investment and accumulated Maintenance Cost that has accrued as of the withdrawal or termination date. If the Regulator withdraws before all expenses projected for the Initial Investment have been incurred, the Regulator is liable for its full Share of the projected Initial Investment.
7) Despite section 5 and section 6, in the event that,

(i) the Service Provider has not fully recovered its Initial Investment by 2021, or it appears unlikely that it will recover its Initial Investment by 2021, under the funding model or otherwise, or

(ii) the Regulator for Ontario withdraws or is terminated from the Program,

the Regulator for Ontario undertakes to take all steps that are within its legal authority and control, including making such amendments or modifications to the contractual arrangement with the examination provider in Ontario as necessary, in order to require the payment to the Service Provider by the examination provider in Ontario, of an amount, not to exceed the amount calculated in accordance with section 5 or section 6 as the case may be.

8) In particular, and subject to the foregoing, the Regulator undertakes to require the examination provider to purchase examinations directly from the Service Provider and to include that cost in the examination fees charged by the examination provider. The Regulator for Ontario further undertakes not to withdraw from the Program before 2023. In the event the Regulator withdraws from the Program within two fiscal years following the recovery or reimbursement of the Initial Investment, the Regulator acknowledges that it will not be entitled to any portion of the amounts held in the Separate Account and waives such entitlement for all legal purposes.

9) In the event the Regulator withdraws from the Program after two fiscal years have elapsed following the recovery or reimbursement of the Initial Investment, the Regulator will be entitled to receive its share of such positive balance, calculated based on the Participant percentages set out in Appendix F hereof. In the event the Service Provider withdraws from the Program before the recovery or reimbursement of the Initial Investment, the Regulator will not have to pay its Share of the balance owing on the Initial Investment.

10) If, upon termination of the Agreement for any reason other than the withdrawal or termination of the Regulator, the Separate Account posts a positive balance, the Regulator will be entitled to receive its share of such positive balance, calculated based on the Participant percentages set out in Appendix F hereof.

C. Allocation, Terms and Conditions of Program Team Costs

1) With the exception of costs related to the Project Manager (15%) and the Exam Development Coordinator (100%), the costs related to the Team assigned to the Program are incurred and will be covered by the Service Provider until the Program is implemented, since the cost associated with these human resources are funded by the sale of current study materials in Québec. These costs are not included in Initial Investment.
2) At the Program launch date in 2015, the Team costs are allocated as follows:

<table>
<thead>
<tr>
<th>Team</th>
<th>Costs assumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Project Manager</td>
<td>65% by AMF 35% by all Participants (including AMF)</td>
</tr>
<tr>
<td>• 1 Training Tool Coordinator (Editor-in-Chief)</td>
<td>50% by AMF 50% by all Participants (including AMF)</td>
</tr>
<tr>
<td>• 2 Training Tool Analyst (Editor)</td>
<td></td>
</tr>
<tr>
<td>• 1 Standards of Qualification Development Analyst</td>
<td></td>
</tr>
<tr>
<td>• 2 Exam Development Analyst</td>
<td></td>
</tr>
<tr>
<td>• 1 Exam Development Coordinator</td>
<td>100% by all Participants (including AMF)</td>
</tr>
<tr>
<td>• 1 Evaluation and Statistics Technician</td>
<td></td>
</tr>
<tr>
<td>• Additional human resources assigned to the Program development and maintenance, as well as and costs related thereto, as approved by the Board</td>
<td></td>
</tr>
</tbody>
</table>

These percentages may be amended on recommendation of the Board and as agreed by all parties to the Participation Agreement.
Appendix F

Percentage of Costs Shared Among Participants

<table>
<thead>
<tr>
<th>Province</th>
<th>Average candidates per year</th>
<th>Percentage* assumed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Columbia</td>
<td>1748</td>
<td>13.84%</td>
</tr>
<tr>
<td>Alberta</td>
<td>1583</td>
<td>12.54%</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>233</td>
<td>1.85%</td>
</tr>
<tr>
<td>Manitoba</td>
<td>324</td>
<td>2.57%</td>
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<tr>
<td>Ontario</td>
<td>5907</td>
<td>46.78%</td>
</tr>
<tr>
<td>Québec</td>
<td>2217</td>
<td>17.56%</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>169</td>
<td>1.34%</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>337</td>
<td>2.67%</td>
</tr>
<tr>
<td>Newfoundland</td>
<td>87</td>
<td>0.69%</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>21</td>
<td>0.17%</td>
</tr>
<tr>
<td>Yukon</td>
<td>1</td>
<td>0.01%</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Nunavut</td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

* These percentages are based on the average calculation for 2009, 2010 and 2011.

1) These percentages may vary upon the number of Participants and will be final on the 121st day after the Effective Date according to the number of Participants who will sign this Agreement.

2) These percentages may be amended on the recommendation of the Board and as agreed by all parties to the Participation Agreement.