This agreement ("Participation Agreement" or "this Agreement") is made as of the Effective date. The signatories of this Agreement will hereafter be referred to collectively as the "Participants".

WHEREAS the Participants are Canadian insurance regulators whose mission includes determining the educational requirements for individuals obtaining the legal authorization to act as agent or representative in the area of life and health insurance;

WHEREAS the Participants, to adhere to their responsibilities and their mission, have expressed their intent to coordinate their efforts and collaborate in developing and implementing a Canada-wide insurance of persons (life and health) qualification program (the "Program"), as more fully described in Section 3 hereof, by entering into a Co-Operative Memorandum of Understanding targeting the Implementation of a Canada-wide Insurance of Persons (life and health) Qualification Program (the "MOU") on June 15, 2012;

WHEREAS the Program would allow the Participants to standardize their career entry requirements in the insurance of persons (life and health) and more specifically those requirements related to training and examinations;

WHEREAS pursuant to the MOU, the Participants agreed to make reasonable efforts to enter into a Participation Agreement that would create binding obligations between them regarding the development, implementation and administration of the Program and, more particularly, to establish the Program's operating and governance rules.

NOW THEREFORE, the Participants agree as follows:

1. Scope of the Participation Agreement

1.1 The scope of this Agreement is to set out the terms and obligations governing the Participants and more particularly:

a) To identify the Canadian insurance regulators who are committed to participating in the development and implementation of the Program and to set out the terms and conditions of their continued participation; and

b) To define the scope of the Program, as well as its governance and operations.

1.2 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 Service 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%).

1.3 This Agreement shall not be binding on any signatory and shall have no effect prior to the Effective date.

2. Participants

2.1 Each Participant hereto agrees to:

a) Enter into the Service Agreement (a single model of which will be used for all Participants), pursuant to which education development services will be provided for the creation and maintenance of the Program, when it enters into this Agreement, and to abide by the terms and conditions of both Agreements;

b) Comply with the terms and conditions of the Participation Agreement, the Service Agreement and all related agreements;

c) Use the curriculum, study material and examinations prescribed by the board of representatives of the Participants (the “Board”, as more fully described in Section 4.1 hereof) as the licensing education standard for insurance agents or representatives in its jurisdiction;

d) Comply with the examination administration policies and procedures as adopted by the Board, and any other policies and directions of the Board relating to the Program;

e) Designate a representative to serve on the Board as more fully described in Section 4.1 hereof;

f) Provide the necessary resources and expertise for the administration, governance, implementation and ongoing improvement of the Program in its jurisdiction; and

g) Provide required information and documentation to the Board and the LLQP Governance Committee (the “Governance Committee”, as more fully described in Sections 4.7 to 4.11 hereof).

2.2 Only the Participants are authorized to participate in the Program and to use the curriculum, the examinations, study material or other documents developed for the Program, and only while they retain their status as Participants under this Agreement, except as permitted under Section 7.4 or Section 7.5 of the Service Agreement.
2.3 Unless permitted by the Board, an insurance regulator in Canada that has not signed the Participation Agreement within 120 days of the Effective Date will not be permitted to join the Program until January 1, 2020 after having obtained specific authorization to do so from the Board.

3. Program Description and Implementation

3.1 The Program will harmonize current training and examination qualification programs with respect to insurance of persons (life and health) throughout participating Canadian jurisdictions with a modernized educational standard that will be no less difficult than the present educational standards for the protection of consumers currently used by participating jurisdictions for life and health insurance agents or representatives.

3.2 The Program will generate common educational qualification requirements designed to prepare and test individuals to act as life and health insurance agents or representatives, and will particularly include the following elements, more fully described in the Description of Services in Appendix A of the Service Agreement:

   a) A common service provider for the development and implementation of the Program curriculum, examinations, study material and other documents, as set out in the Service Agreement;

   b) A common curriculum design document that sets out the knowledge and skills that must be taught by third party course providers and must be tested by the common examination in life insurance and accident and sickness insurance;

   c) A common databank of examination questions for the purpose of creating common modular examinations;

   d) Common study materials;

   e) Approved third party course providers by each Participant, based on a common set of criteria developed by the Board and recommendations made by the Governance Committee;

   f) Policies and procedures for ensuring confidentiality of information and security regarding the administration of examinations; and

   g) Policies and procedures regarding examination development and Program maintenance as determined by the Board (e.g. maintaining statistical information).

3.3 The Program implementation is scheduled for September, 2015.

4. Governance

4.1 The governance of the Program will be the responsibility of the Board. The Board will be composed of one representative designated by each Participant.

4.2 The Board members designated in accordance with Section 4.1 will call a meeting within 30 days of the Effective Date of this Agreement. Each Board member will act as the primary point of contact for the Participant he or she represents.
4.3 The responsibilities of the Board will include the following:

a) Making strategic decisions regarding the development, implementation, amendment and ongoing maintenance of the Program, including:
   i. Approving the curriculum, study material and the examinations developed by the service provider as referred to in the Service Agreement;
   ii. Developing policies and procedures for the operation and administration of the Program; and
   iii. Developing a set of criteria for the approval of third party course providers by each Participant.

b) Developing a communication plan regarding the Program’s implementation and content;

c) Approving annual budgets, including criteria regarding reporting, controls and access;

d) Taking appropriate steps and actions to ensure the Participants act in accordance with the terms and conditions of the Participation Agreement, the Service Agreement and the Board’s policies and procedures;

e) Addressing as it sees fit all questions and issues from Participants, the Governance Committee, industry stakeholders and course providers;

f) Reviewing and recommending amendments to the Participation Agreement, as well as to the Service Agreement between Participants and the service provider, as may be required;

g) Monitoring operations and competency of any service provider and ensuring it complies with the terms and conditions of the Service Agreement in place; and

h) Exercising such other functions and taking on such other responsibilities as required for the operation of the Program or matters pertaining to it.

4.4 The members of the Board will appoint a Chair and a Secretary. The Secretary will keep records of all proceedings and decisions of the Board and will distribute copies thereof to all members.

4.5 The following rules will apply to the decision-making process of the Board:

a) A minimum equal to 50% + 1 of the current members of the Board will be required to constitute a quorum;

b) Each member of the Board will have one vote;

c) Unless specified otherwise herein, decisions of the Board will be decided by a qualified majority vote of two-thirds (2/3) of the members who are present at the meeting;

d) Decisions regarding any change to the Program of a fundamental nature, which are: (i) a change from an open book to a closed book examination, (ii) a change from a modular examination program, (iii) a change in the level of difficulty of examinations, (iv) a change from the licensing of third party course providers to use Program materials, or (v) a change from a self-
funding model for the Program, will require the unanimous decision of all members of the Board;

e) A member of the Board may be disqualified from participation in the deliberations of the Board with regard to any acts of non-compliance with this Agreement or the Service Agreement by the Participant that he or she represents. Upon completion of the deliberations and decision of the Board, the member may resume his or her functions, provided the Participant that he or she represents is not terminated in accordance with the terms of this Agreement;

f) A member of the Board must disclose to the Board all conflicts of interest, apparent or real, that he or she may have that are reasonably expected to affect, appear to affect or pertain directly to any matter covered by this Agreement or the Service Agreement, in accordance with a disclosure procedure to be developed by the Board; and

g) The Board cannot delegate any of its powers, except for day-to-day administrative functions delegated to the Governance Committee in relation to responsibilities set out in Section 4.11 hereof.

4.6 In addition to the rules in Section 4.5, the meetings of the Board will be governed by procedures to be agreed upon by the Board, which will particularly address meeting procedures and communications.

4.7 Day-to-day administration of the Program will be delegated to the Governance Committee, a subcommittee of the Board whose members will be designated by a majority vote of the Board.

4.8 The Board will ensure that, as of April 1, 2015, the Governance Committee will be composed of: i) two Board members designated by the Participants of the jurisdictions of Québec, Ontario, British Columbia and Alberta, ii) one Board member designated by the Participants of the jurisdictions of Yukon, Nunavut, the Northwest Territories, Saskatchewan and Manitoba, and iii) one Board member designated by the Participants of the jurisdictions of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

4.9 Notwithstanding Section 4.8, if for any reason whatsoever the required number or composition of members of the Governance Committee cannot be attained, the Board may, by a majority vote, designate other persons to serve as members.

4.10 Except for the first mandate beginning on April 1, 2015, where half the members of the Governance Committee will be replaced after one year, Governance Committee members will be designated to serve for a two-year term.

4.11 The responsibilities of the Governance Committee will be as follows:

a) Making day-to-day operational decisions relating to the Program, including:

i. Responding to questions from participating jurisdictions, the Participants and the Board;
ii. Developing and implementing a process for collecting and addressing candidate and industry questions, suggestions and concerns;

iii. Transferring questions to the Education Development Specialist Team, as defined in the Service Agreement, where appropriate; and

iv. Meeting with stakeholders, when required;

b) Submitting strategic recommendations to the Board for approval;

c) Recommending the approval or rejection of applications for third party course provider status based on the selection and competency criteria established by the Board;

d) Reporting to the Board as required;

e) Liaising with the service provider of the education development services as required and in accordance with the terms and conditions of the Service Agreement;

f) Implementing communication plans as developed by the Board; and

g) Exercising such other functions and taking on such other responsibilities as may be determined by the Board.

5. **Funding of Program**

5.1 Funding of the development and maintenance of the Program will be made in accordance with the Service Agreement.

5.2 The Program is intended to be self-funded, as set out in the Service Agreement. In the event that it is not, Participants agree to work together and re-examine the scope and strategy of the Program in accordance with the terms of this Agreement and the Service Agreement.

5.3 The Program is a not-for-profit initiative and all funds will be used exclusively for the Program in accordance with the Service Agreement and directives of the Board.

6. **Intellectual Property**

6.1 All matters pertaining to Intellectual Property will be governed by the Service Agreement.

7. **Confidentiality**

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

7.2 The Participants 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 Participant shall provide the Board with prompt notice of such request or compulsion.

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

8. **Dispute Resolution Process**

8.1 In the event of a dispute under this Agreement, the Participants undertake to attempt 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 withdrawal or termination of any Participant.

8.2 If a dispute is not resolved in accordance with Section 8.1 hereof, the Participants 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 Ontario.

8.3 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 *Arbitration Act, 1991* or its successor legislation in force in Ontario 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.

9. **Withdrawal and Termination of Participation**

9.1 If a Participant no longer wishes to take part in the Program, it can withdraw from the Participation Agreement by providing a written notice to other Participants at least 90 days in advance of the effective date of its withdrawal, and complying with the terms and conditions in the Service Agreement that apply in the event of the withdrawal of a Participant.

9.2 The Participant’s adherence to and obligations under the Service Agreement will automatically terminate at the same time as it withdraws from this Agreement.

9.3 A Participant that has not complied with the terms and conditions of the Participation Agreement may have its status as a Participant under this Agreement terminated by a decision of two-thirds (2/3) of the remaining Participants, if it has not complied with a written notice of non-compliance issued by the Board.

9.4 The Participant’s adherence to and obligations under the Service Agreement will be terminated at the same time. A Participant whose status is terminated will comply with the terms and conditions in the Service Agreement that apply in the event of the termination of a Participant.

9.5 A Participant that withdraws or whose participation in this Agreement or the Service Agreement is terminated will not be entitled to continue to use the
curriculum, examinations and other documents developed within the Program except as specifically provided in Section 7.4 or Section 7.5 of the Service Agreement.

10. **Termination of Agreement**

10.1 This Agreement will continue in existence after its effective date until terminated in accordance with this Agreement.

10.2 This Agreement may be terminated by a majority decision of the Participants if there remain fewer than five (5) Participants that are signatories to this Agreement.

10.3 This Agreement may also be terminated in the same circumstances provided in the Service Agreement or by unanimous decision of all Participants.

10.4 Notwithstanding the foregoing, the terms and conditions set out in Sections 6 to 10 hereof will continue to bind the Participants despite the termination of this Agreement.

11. **Assignment of Agreement**

11.1 Other than to a public or quasi-public successor entity within its own jurisdiction, a Participant 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 specified in Appendix A.

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 Ontario.

13.2 This Agreement constitutes the entire agreement between the Participants 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 endure to the benefit of and be binding upon the respective successors and permitted assigns of each of the Participants.
13.3 This Agreement may not be amended except by written agreement signed by all Participants.

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

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

13.6 Each Participant 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 Participant 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 Participants 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 The Participants acknowledge that this Agreement has been entered into in both English and French.

13.9 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

### Addresses of each Participant

<table>
<thead>
<tr>
<th>Province</th>
<th>Address</th>
<th>Representative</th>
</tr>
</thead>
</table>
| British Columbia | The Insurance Council of British Columbia  
300-1040 W. Georgia Street,  
Vancouver, British Columbia, V6E 4H1  
Herein represented by Gerald Matier; in his capacity as Executive Director |                                                                              |
| Alberta          | The Alberta Insurance Council  
600 Bell Tower, 10104 103 Avenue  
Edmonton, Alberta, T5J0H8  
Herein represented by Joanne Abram, in her capacity as Chief Executive Officer |                                                                              |
| Saskatchewan     | THE LIFE INSURANCE COUNCIL OF SASKATCHEWAN  
310-2631 28th Avenue  
Regina, Saskatchewan, S4S 6X3  
Herein represented by Ron Fullan in his capacity as Executive Director |                                                                              |
| Manitoba         | The Insurance Council of Manitoba  
466-167 Lombard Avenue  
Winnipeg, Manitoba, R3B 0T6  
Herein represented by Nancy Streuber, in her capacity as Chairperson |                                                                              |
| Ontario          | Her Majesty the Queen in right of Ontario (Financial Services Commission of Ontario)  
5160 Yonge Street, 17th floor  
Toronto, Ontario, M2N 6L9  
Herein represented by the Superintendent of Financial Services |                                                                              |
| Québec           | AUTORITÉ DES MARCHÉS FINANCIERS,  
Place de la Cité, 2640 Laurier boulevard, suite 400  
Québec (Québec) G1V 5C1  
Herein represented by Mario Albert, in his capacity as President and chief executive officer |                                                                              |