Vancouver
16-Jun-26
REGISTRY

NO. S243397
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

GEISS HOLDINGS LTD.

PLAINTIFF

AND

RBC LIFE INSURANCE COMPANY doing business as RBC INSURANCE, and ROYAL BANK OF CANADA

DEFENDANTS

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

AFFIDAVIT

I, **MARIA WINSLOW**, Senior Vice President, of 6880 Financial Drive, in the City of Mississauga, Province of Ontario, AFFIRM THAT:

1. I am the Senior Vice President, Individual and Group Insurance Products and Pricing, at RBC Life Insurance Company ("**RBC Life**"). I have personal knowledge of the matters described in this affidavit, except where I indicate that certain matters are based on information and belief, in which case I believe those matters to be true.

2. RBC Life, which does business as "RBC Insurance", is an indirect, wholly-owned subsidiary of Royal Bank of Canada ("**RBC**"). I provide this affidavit on behalf of the Defendants in this proceeding, RBC Life and RBC.

3. I have been with RBC Life or RBC Insurance Services since December 2001. During that time, I have held various management roles, including the following roles since November 2009:

(a) Senior Manager, Product Strategy & Management, Mass Market Life & Health (November 2009 to September 2015)

(b) Senior Manger, Product Strategy & Management, HomeProtector & Loan Protector (September 2015 to November 2016)

(c) Senior Director, Product Strategy & Management, Life & Health (November 2016 to March 2022)

(d) VP, Client Acquisition and Service (March 2022 to June 2024)

(e) VP, Individual and Creditor Products (July to October 2024)

(f) SVP, Insurance Products & Pricing (November 2024 to present)

4. In my current role, I oversee the development, pricing and management of individual and group insurance products at RBC Life. My responsibilities include overseeing a variety of products across several categories, including individual life and health, wealth, creditor, travel, group benefits, and group annuity.

5. Part of my role includes overseeing the management of RBC Life's Security Fund universal life insurance product, which I describe below. I have been involved with the Security Fund product in different capacities since 2003. During that time, the nature and level of my involvement has varied depending on my role.

Security Fund Policy

6. RBC Life is the underwriter of a universal life insurance product known as the "Security Fund" policy (the "**Security Fund Policy**" or "**SF Policy**"). In this section, I provide a brief overview of the SF Policy. In the sections that follow, I provide a more detailed description of the historical evolution of the SF Policy, the investment and leveraging options associated with it, and the management fees charged by RBC Life, among other things.

7. The SF Policy is a type of universal life insurance policy. Universal life insurance – which is a form of "permanent" insurance – is designed to remain in force for the lifetime of the insured, typically until death. Universal life policies are commonly used in estate planning

because they provide both a form of permanent insurance and favourable investment and tax benefits to policyholders. As explained in more detail below, the money deposited into a universal life policy can grow on a tax deferred basis, up to a limit set by tax legislation.

8. The relevant versions of the SF Policy (4.1 to 4.7) were first issued by RBC Life in 2001 and last issued by RBC Life in 2019. The terms of the SF Policy are set out in a policy document which, along with other documents (including applications, amendments or endorsements), comprise the contractual terms of insurance between RBC Life and the policyholder.

9. RBC Life did not sell the SF Policy directly to policyholders. Instead, it was sold exclusively by PPI Management Inc. ("**PPI**"), a Managing General Agent with a network of independent licensed insurance advisors. Mr. Geiss and Mr. Stone are PPI advisors.

10. Clients who purchased the SF Policy did so upon the recommendation of an independent licensed insurance advisor who was required to explain the risks, benefits, costs and fees associated with the SF Policy and to ensure that it and any related financial or estate planning strategy was suitable for the individual needs and circumstances of a given client. Mr. Geiss and Mr. Stone are licensed insurance advisors who, collectively, sold hundreds of SF Policies to their clients, and profited as a result.

11. Through PPI, the SF Policy was marketed primarily to high net-worth individuals with sophisticated planning objectives. My understanding, based on my discussions with representatives at PPI, is that SF policyholders are usually supported by a team of insurance advisors, tax planners, lawyers, and other professionals. This is because the SF Policy is typically used to support a larger set of estate and tax planning goals that are unique to each policyholder.

12. Policyholders of the SF Policy are responsible for depositing sufficient money into their policy to cover the cost of the policy. These deposits are added to the policy's "Accumulation Fund". Policyholders can allocate their Accumulation Fund deposits to one or more investment accounts within the SF Policy, and the Accumulation Fund is also used to cover monthly charges (including mortality charges and administration charges).

13. Universal life policies like the SF Policy usually have a maximum and minimum premium deposit amount. Within the permitted ranges, the amount and frequency of premium deposits varies from policyholder to policyholder. By making larger or more frequent contributions, policyholders can grow their Accumulation Fund more quickly. Depending on the policy options selected by the client, an increase in the Accumulation Fund can increase the death benefit. The "death benefit" is the benefit paid to the beneficiary (or beneficiaries) upon the death of the insured(s). In the SF Policy, this benefit is defined as the "Total Life Benefit".

14. As I explain in the sections that follow, policyholders may realize the value of their Accumulation Fund in different ways – by using it to cover the cost of insurance, by leveraging it (through loans secured against their policy), or by withdrawing cash amounts. Upon death, a policyholder's Accumulation Fund will be included in the calculation of the death benefit payable to the policyholder's beneficiaries, depending on what type of death benefit they have chosen.

15. SF policyholders may choose to leverage the cash value of their policy by taking a loan secured by a collateral assignment of the policy. These loans may be provided by RBC Life or by other external lenders. This type of "leveraged life insurance" arrangement – which is commonly used with universal life insurance policies – allows policyholders to unlock some of the value of their policy while the insured is still alive. Policyholders who use the borrowed funds for qualifying business or investment purposes may realize additional benefits, including tax advantages through the deduction of the loan interest.

16. The investment and leveraging options for the SF Policy have changed over time. The most significant and recent of those changes was in 2013, when RBC Life introduced a new investment option within the SF Policy, known as the Smoothed Return Investment Account (the "**SRIA**"), in response to changes to the *Income Tax Act*.

17. The SRIA was only available to holders of the SF Policy versions 4.1 to 4.7, and only some of the policyholders with those versions of the SF Policy elected to invest in the SRIA.

18. I understand that the plaintiff has proposed a class action relating to RBC Life's management of the SRIA. In the following sections of this affidavit, I refer to policyholders

of the SF Policy (versions 4.1 to 4.7) who invested in the SRIA as the "**SRIA Policyholders**". When I refer more generally to holders of the SF Policy (versions 4.1 to 4.7), who may or may not have invested in the SRIA, I use the term "policyholders" or "SF policyholders".

Historical Investment and Leverage Options (Pre-2014)

19. Before January 1, 2014, many SF policyholders (including the plaintiff) participated in an insurance strategy commonly referred to as a "10/8 plan" or "10/8 arrangement."

20. This arrangement involved an investment account within the SF Policy, called the Collateral Investment Account and a related loan (provided through a separate loan contract) called the Investment Credit Facility.

21. In practice, the rate credited to the Collateral Investment Account was directly linked to the interest rate for the Investment Credit Facility. For Security Fund versions 4.1 to 4.7, prior to 2014, the credited rate was typically 2% lower than the interest rate charged on the Investment Credit Facility.

22. I understand that the 10/8 arrangement was attractive to high-net-worth individuals because it could provide tax benefits, in addition to the estate planning benefits provided by the universal life insurance policy.

23. For one, the interest paid on the Investment Credit Facility, and a portion of the premiums for the SF Policy, could be tax-deductible, if the loan was used for qualifying business or investment purposes. Meanwhile, the interest credited to the Collateral Investment Account could grow tax-deferred within the policy (since earnings inside a life insurance policy are not immediately taxable to the policyholder as long as the policy complies with applicable exemption limits).

24. The tax benefits received by each policyholder are specific to their financial and tax circumstances**2013 Changes to the *Income Tax Act***

25. In 2013, the federal government changed the tax rules governing "10/8" life insurance arrangements. These changes, implemented through amendments to the *Income Tax Act*, resulted in the elimination of the tax benefits previously associated with the Collateral Investment Account and Investment Credit Facility.

26. In light of these changes, RBC Life worked with PPI Management Inc. to design a new structure for the SF Policy that would comply with the revised tax rules while preserving some of the benefits historically enjoyed by SF policyholders.

27. This effort culminated in the creation of a policy endorsement that, if accepted by policyholders, introduced a new kind of investment account within the SF Policy – the "Smoothed Return Investment Account" or SRIA. The endorsement also removed the Collateral Investment Account from the SF Policy.

The SRIA Endorsement

28. In April and September 2013, RBC Life updated advisors about proposed changes to the taxation of leveraged life insurance arrangements. Attached to this affidavit and marked as **Exhibits "A"** and **"B"** are copies of the April and September 2013 updates to advisors, respectively.

29. In October 2013, RBC Life announced the creation of the SRIA, which would be available to SF policyholders version 4.1 or higher and to new clients who purchase an SF Policy on or after January 1, 2014. A copy of this announcement, which was distributed to advisors, is attached to this affidavit and marked as **Exhibit "C"**.

30. In November 2013, RBC Life sent a package of documents relating to the SRIA to existing SF policyholders who had either an Investment Credit Facility or Fixed Rate Policy Loan. This package varied slightly depending on the SF Policy version and on whether they had an Investment Credit Facility or a Fixed Rate Policy Loan, but all such SF policyholders received the following documents:

    (a) A covering letter explaining the new investment account option (the SRIA), along with instructions for policyholders that wanted to participate in the SRIA.

Templates of this letter, as sent to policyholders of SF Policy versions 4.1 to 4.7, either with an Investment Credit Facility or Fixed Rate Policy Loan, are attached to this affidavit and marked as **Exhibits "D" and "E"**, respectively.

(b) An Addendum to the Information Summary for the Security Fund Policy, which explained the features of the SRIA and the related amendments SF Policy. A copy of this addendum is attached to this affidavit and marked as **Exhibit "F"**;

(c) A Smoothed Return Investment Account Election Form. Clients that wanted to participate in the SRIA were required to sign and return this election form. A copy of this election form for SF versions 4.1 to 4.3 is attached to this affidavit and marked as **Exhibit "G"** and for SF 4.4 to 4.7 as Exhibit "**H**";

(d) Investment Allocation Form. Clients were required to submit this form to indicate how they wanted their premiums allocated between the various investment accounts in the SF Policy, including the new SRIA. A copy of this investment allocation form is attached to this affidavit and marked as **Exhibit "I"**;

(e) A copy of the SRIA Endorsement that aligned with the version of the SF Policy contract of the particular policyholder, as described and attached below.

31. In November 2013, RBC Life also sent to each PPI agent a list of their SF policyholder clients who had either an Investment Credit Facility or a Fixed Rate Policy Loan who might want to amend their SF Policy to transition to the SRIA. Templates of that Memorandum are attached to this affidavit and marked as **Exhibit "J"** (memo for clients with Investment Credit Facility) and **Exhibit "K"** (memo for clients with Fixed Rate Policy Loan).

32. SF policyholders who were not leveraging their policy were not notified of the new SRIA option until January 2014.

33. Both Mr. Geiss and Mr. Stone inaccurately describe the options that were available to SF policyholders invested in the Collateral Investment Account in 2013. Both seem to suggest or imply that SF policyholders had no real choice but to accept the SRIA Endorsement.

34. That is not accurate. Following the 2013 changes to the *Income Tax Act*, SF policyholders who had used their SF Policy for leveraging purposes generally had three options:

(a) Maintain status quo: keep their SF Policy as it was and continue the existing 10/8 loan arrangement into 2014, understanding that, in doing so, they would likely lose the tax benefits historically provided by the 10/8 arrangement;

(b) Stop leveraging the SF Policy: unwind their existing 10/8 loan arrangement, which would require them to repay their Investment Credit Facility and reallocate funds held in their Collateral Investment Account into different investment accounts within the SF Policy; or

(c) Continue to leverage the SF Policy, as amended, by electing to accept the SRIA Endorsement, investing money in the SRIA, and taking a Credit Facility loan or Annual Rate Policy Loan (from RBC Life) or a loan from an external lender.

35. While leveraged SF policyholders had other options, many chose to invest in the SRIA, presumably because they wanted to continue receiving the significant benefits (including tax benefits) of a leveraged insurance arrangement.

36. To provide the SRIA option, RBC Life introduced an endorsement to the SF Policy that became effective January 1, 2014 (the "**SRIA Endorsement**"). The language of the SRIA Endorsement varied slightly depending on the version. A copy of the SRIA Endorsement for version 4.7, single life, is attached to this affidavit and marked as **Exhibit "L"**.

37. In parallel, RBC Life provided two new loan options for policyholders, one known as the "Credit Facility" and the other called the "Annual Rate Policy Loan". The former was provided through a separate contract, while the latter was provided through the SF Policy, as amended by the SRIA Endorsement.

38. The interest rate charged on both the Credit Facility ("**CF**") and the Annual Rate Policy Loan ("**ARPL**") is determined with reference to the SRIA credited rate. Specifically, the interest rate for both types of loans is the SRIA credited rate plus 1.65%, plus the smoothing adjustment factor. The smoothing adjustment factor is applied to ensure consistency between the credited rate and the performance of the Smoothed Return Reference Portfolio ("**SRRP**") over time, as I explain in more detail below.

39. Licensed Insurance Advisors, such as Mr. Geiss and Mr. Stone, had a professional obligation to review the SRIA Endorsement and new loan options with their clients in 2013 to ensure that their clients understood the changes to the SF Policy and the risks, benefits, costs and fees associated with the newly available investment and loan options. If they did not believe that they had enough information to make that determination for their clients, then they should have requested additional information before transitioning their existing clients to the SRIA Endorsement and before advising new clients to invest in the SRIA.

40. SF policyholders were not required to participate in the SRIA. If they chose to participate in the SRIA, they were not required to take a loan from RBC Life.

41. SF policyholders who wished to keep their SF Policy but not invest in the SRIA could instead allocate the value of the Accumulation Fund of their policy to other investment accounts within the SF Policy, such as the Fixed Rate Investment Account, a Managed Investment Account, or a Managed Portfolio Investment Account.

42. There are some variations in policy documents. Most SRIA Policyholders who purchased the SF Policy before 2014 will have an original SF Policy document and a subsequent SRIA Endorsement. Some SRIA Policyholders who purchased their policy in or after January 2014 would have received a consolidated policy document, rather than a separate endorsement. A copy of a consolidated version of the SF Policy (version 4.7), issued in January 2014, is attached to this affidavit and marked as **Exhibit "M"**.

43. The last SF Policies were issued in early 2019.

The Smoothed Return Investment Account (SRIA)

44. In late 2013, many SF policyholders had borrowed money using the value of their SF Policy as collateral. This means that they either had an Investment Credit Facility or policy loan (from RBC Life) or had assigned the policy as collateral to a third-party lender.

45. The SRIA was designed so that SF policyholders who wished to continue to be able to borrow against their SF Policy could do so in a tax efficient manner. While SRIA

Policyholders were not required to take loans from RBC Life (or from other lenders), the preservation of the leveraging option was the main driver of the SRIA Endorsement's design.

46. SRIA Policyholders have a contractual entitlement to receive an annual rate of return that is determined by RBC Life using the cumulative returns of a reference portfolio, known as the Smoothed Return Reference Portfolio ("**SRRP**"), net of an RBC Life management fee. I describe the SRRP in more detail in the next section.

47. The annual rate of interest credited to the SRIA is described in the contract as the "Base Interest Rate". More commonly, this rate of interest is known as the "credited rate" or "crediting rate".

48. Contractually, RBC Life guarantees that the annual credited rate in the SRIA will never be less than 0%. RBC Life also fixed the credited rate at 4.75% for the first five years, from January 1, 2014 to January 1, 2019.

49. The SRIA is not comparable to a traditional investment fund, such as a mutual fund. The SRIA was not designed or intended to achieve the highest possible credited rate each year. Rather, the SRIA was designed to deliver a stable credited rate in a range that would enable SRIA Policyholders to continue to use the policy as collateral for a loan and enjoy the associated tax benefits, while remaining compliant with the revised provisions of the *Income Tax Act.*

50. Under the terms of the SF Policy, the value of the SRIA may be realized by policyholders or their beneficiaries in several distinct ways. In general terms, they include the following:

    (a) As part of the death benefit paid to the beneficiary upon the death of the insured;

    (b) Through withdrawals from the SRIA, to pay monthly charges under the policy or for other reasons;

    (c) By receiving the actual cash value upon surrender of the policy;

    (d) By leveraging it through policy loans or loans secured by the policy; and

(e) By transferring funds between investment accounts within the policy, including to or from the SRIA.

51. When the value of the SRIA is paid out as part of the death benefit or used to pay off a Credit Facility, there is no market value adjustment. All of the other options outlined above are subject to a market value adjustment, and may be subject to other restrictions and charges under the SF Policy. I explain the concept of a market value adjustment in more detail below.

The Smoothed Return Reference Portfolio (SRRP)

52. The Smoothed Return Reference Portfolio (previously defined as the "SRRP") is a notional portfolio of assets selected by RBC Life. SRIA Policyholders do not own the assets in the SRRP, directly or indirectly; rather, they have a contractual right to receive a credited rate determined by reference to the cumulative performance of the SRRP over time, net of RBC Life's management fee.

53. RBC Life exercises discretion over the composition and management of the SRRP. The notional assets of the SRRP were chosen by RBC Life to achieve the objectives of the SRIA.

54. The SRRP is mainly segmented into two parts: the leveraged and the non-leveraged portions.

55. Since its inception in 2014, the returns of the non-leveraged portion of the SRRP have been based on the RBC Select Conservative Portfolio (Series A), a managed fund offered by RBC Global Asset Management Inc. This portion of the SRRP represents policyholder funds in the SRIA that are not pledged as security for a Credit Facility or Annual Rate Policy Loan with RBC Life.

56. Since its inception in 2014, the returns of the leveraged portion of the SRRP are determined with reference to the interest received from policyholders who have leveraged the policy with RBC Life using a Credit Facility loan or Annual Rate Policy Loan. These loans are considered notional assets of the SRRP, and the rate of interest on these loans represents the notional rate of return of the leveraged portion of the SRRP.

57. A small portion of the SRRP may also comprise cash or cash-equivalents, maintained to notionally account for transfers and withdrawals.

58. Many SRIA Policyholders chose to leverage the value of their SF Policies with external lenders. These funds are considered part of the "non-leveraged" portion of the SRRP, because they are not associated with a loan provided by RBC Life. Currently, over 90% of the money in the non-leveraged portion of SRRP is associated with SRIA Policyholders who are leveraging the money in their SRIA account as security for a loan from an external lender.

59. For commercial reasons, RBC Life tends to hold assets in its general funds, the returns of which closely track the returns of the reference assets selected for investment accounts in universal life policies. RBC Life's general funds comprise a large and diverse pool of assets and asset classes, which may include anywhere from 200 to 600 different assets at any given time.

60. Since the introduction of the SRIA in 2014, RBC Life has held units of the RBC Select Conservative Portfolio in its general funds (both Series O and Series A). RBC Life purchases Series O units to back the liabilities associated with the non-leveraged component of the SRRP. RBC Life pays GAM a management fee for these holdings. That fee is not paid by SRIA Policyholders, who have no ownership interest in the SRRP or in the notional assets selected for that portfolio.

The Credited Rate and Smoothing Process

61. For the first five years of the SRIA, from 2014 to 2018, the credited rate was contractually fixed at 4.75%.

62. For years 2019 and after, RBC Life set the credited rate annually. This rate setting process typically occurs in the fall, to determine the credited rate for the upcoming calendar year.

63. The credited rate for the SRIA for the following calendar year is determined using the cumulative returns of the SRRP up to August 31st of the current year, net of RBC Life's management fee and subject to a smoothing process.

64. The smoothing process is a discretionary process that RBC Life uses to help limit the volatility of the credited rate. In simple terms, the purpose of the smoothing process is to limit the year-over-year change in the credited rate, even if there are large year-over-year changes in the returns of the SRRP. This gives policyholders a more stable SRIA credited rate, and also preserves a reasonable and stable loan rate (for CF and ARPL loans), since the SRIA credited rate is part of the calculation for setting the loan rate. This is one of the ways in which the SRIA is unlike a traditional investment fund.

65. The smoothing process also allows RBC Life to guarantee that the credited rate will not be less than 0% in any year, which is important for policyholders that are using their SF Policy for leveraging, whether their loan is with RBC Life or an external lender. Because of the smoothing process, if the net returns of the SRRP are negative in one year, SRIA Policyholders will not experience a negative credited rate, and will instead likely experience a positive credited rate (and certainly experience a credited rate that is no lower than 0%).

66. Through the application of the smoothing process, RBC Life has been able to maintain a relatively stable credited rate in the SRIA, despite some volatility in the notional returns of the SRRP.

67. Mr. Stone inaccurately describes the relationship between the fixed 4.75% rate (from 2014 to 2018) and the smoothing process. In particular, Mr. Stone is incorrect that the fixed 4.75% rate "simply suspended the smoothing process for the first five years, and should not interfere with the Policyholder's entitlement to the actual returns generated by the SRRP net of management fees in the first five years." (Stone #1, para. 28).

68. Mrs. Stone's description of the smoothing process is oversimplified and inaccurate. As an example, the beneficiaries of SRIA Policyholders that died within the first five years of the SRIA would have realized the benefit of the fixed 4.75% annual rate, without any impact from the smoothing process. As I explain below in more detail, this is because there is no market value adjustment upon death of a policyholder.

69. Since the credited rate for the SRIA was fixed for the first five years, RBC Life did not make any announcements about the credited rate or the SRRP performance for those years.

70. I am confused by the Mr. Geiss' claim that the "returns credited to the SRRP were to be the same as the returns received by RBC Life on its general funds, less the expressly stated management fee" (Geiss #1, para. 24). This phrase does not appear anywhere in the SF Policy or in any of RBC Life's representations to SRIA Policyholders.

71. RBC Life has never promised SRIA Policyholders that they would receive the rate of return that RBC Life experiences on its general funds. As I explained above, RBC Life's general funds comprise hundreds of assets and asset classes that collectively back RBC Life's liabilities across its entire portfolio of products. RBC Life's clients have no entitlement to the general funds or to the returns earned on those funds.

72. RBC Life promises to deliver a credited rate that is calculated in accordance with the SF Policy – which it has always done and continues to do.

Rate Announcements and Performance Reporting

73. Beginning in fall 2018, RBC Life issued annual rate announcements and related communications to advisors through PPI. These announcements are typically issued in November each year to communicate the credited rate for the SRIA and the loan rates for the Annual Rate Policy Loan and Credit Facility for the upcoming year. They also contain information about the composition and performance of the SRRP.

74. The content of the annual rate announcements have evolved over time. Copies of the annual rate announcements are attached to this affidavit as the following exhibits:

(a) November 1, 2018: **Exhibit "N"**

(b) November 1, 2019: **Exhibit "O".** The first line of this announcement incorrectly states that it is a rate announcement for 2019. In fact, it was a rate announcement for 2020, issued in November 2019.

(c) November 1, 2020: **Exhibit "P"**

(d) November 1, 2021: **Exhibit "Q"**

(e) November 1, 2022: **Exhibit "R"**

(f) November 1, 2023: **Exhibit "S"**

(g) November 1, 2024: **Exhibit "T"**

(h) November 1, 2025: **Exhibit "U"**

75. RBC Life has regularly issued updates to advisors, which are distributed through PPI, about the SRIA and Security Fund policy. Those updates provide additional information to advisors about the SRIA credited rate, the loan rates, and administrative matters. Copies of these advisor updates are attached to this affidavit as the following exhibits:

(a) November 1, 2018: **Exhibit "V"**

(b) November 1, 2019: **Exhibit "W"**

(c) November 1, 2020: **Exhibit "X"**

(d) November 1, 2021: **Exhibit "Y"**

(e) November 1, 2022: **Exhibit "Z"**

(f) November 1, 2023: **Exhibit "AA"**

(g) November 1, 2024: **Exhibit "BB"**

(h) November 1, 2025: **Exhibit "CC"**

76. RBC Life has also issued mid-year announcements about the performance of the SRRP. Copies of the mid-year performance announcements are attached to this affidavit as the following exhibits:

(a) 2019: **Exhibit "DD"**

(b) 2020: **Exhibit "EE"**

(c) 2021: **Exhibit "FF"**

(d) 2022: **Exhibit "GG"**

(e) 2023: **Exhibit "HH"**

(f) April 2024: **Exhibit "II"**

(g) August 2024: **Exhibit "JJ"**

(h) June 2025: **Exhibit "KK"**

77. In his affidavit, Mr. Geiss states that the "only form of disclosure" that Cove received from RBC Life were one-page "information sheets". He then attaches the mid-year performance announcements from 2018 to 2022 (excluding subsequent mid-year announcements).

78. The mid-year performance announcements were not the "only form of disclosure" from RBC Life to advisors and policyholders. As I set out above, RBC Life also issued annual rate announcements starting in 2018, along with separate advisor updates starting in 2018.

79. All of the disclosures listed above are in addition to the disclosures and updates that RBC Life issued in 2013 when developing and introducing the changes to the SF Policy.

80. Mr. Geiss and Mr. Stone have received extensive disclosure about the structure and function of the SRIA and the SF Policy since 2013. To my knowledge, neither of them ever communicated to RBC Life – prior to transitioning their many clients into the SRIA – that they believed they had insufficient information to determine whether the SRIA was suitable for those clients.

Management Fee

81. RBC Life applies a management fee to the value of the SRRP. The returns of the SRRP are calculated net of RBC Life's management fee.

82. Under the SF Policy, the Management Fee can range between 1.50% and 2.25% per annum, at RBC Life's discretion. RBC Life has always applied a management fee to the value of the SRRP that is within the permitted range.

83. RBC Life's discretion over the management fee is part of the product's design. If the returns of the SRRP becomes unusually high, RBC Life would need to increase the management fee to ensure that the SRIA credited rate and the corresponding loan rates (for the CF and ARPL) remain commercially reasonable.

84. In particular, since the CF and ARPL loan rates are calculated using the SRIA credited rate, an increase in the SRIA credited rate will increase the CF and ARPL loan rates. As an example, a SRIA credited rate in the range of 5% to 7% could result in a CF and ARPL loan rate in the range of 6.65% to 8.65% (or higher), depending on the size of the smoothing adjustment factor. In today's credit market, a loan rate in that range may not be considered commercially reasonable, which could jeopardize the policyholder's ability to deduct the associated loan interest.

85. Contrary to the plaintiff's allegation, RBC Life has not charged any "additional" or "hidden" fees. In particular, any fees associated with the reference assets of the SRRP – such as the MER associated with the RBC SCP (Series A) – are not paid by SRIA Policyholders.

86. SRIA Policyholders have no ownership interest in the assets referenced in the SRRP, directly or indirectly, and they do not pay fees or expenses associated with those assets or any of the assets of RBC Life in its general funds.

87. RBC Life acknowledges that some reporting errors occurred in certain annual announcements about the gross and net performance of the SRRP, as detailed in the letter from Rino D'Onofrio dated January 31, 2024 (attached below as **Exhibit "RR"**). As explained by Mr. D'Onofrio, these reporting errors did not affect the actual SRIA credited rates or the interest rates applied to loans taken by SRIA Policyholders.

Market Value Adjustment

88. With limited exceptions, SRIA Policyholders' SRIA accounts are subject to a market value adjustment ("**MVA**") when the Policyholder realizes the value of the SRIA. Under the SF Policy, the MVA is defined in Section D (definitions).

89. The MVA (along with the smoothing adjustment factor) helps ensure that the value of the SRIA delivered to the policyholder reflects the notional performance of the SRRP, net of RBC Life's management fee, over the relevant holding period.

90. In plain terms, if the SRIA's credited rate has outpaced the SRRP's performance over the relevant holding period, the MVA reduces the amount paid to the policyholder to match the performance of the SRRP. Conversely, if the SRRP has outperformed the credited rate over the holding period, the MVA increases the amount paid out to the policyholder.

91. There is no market value adjustment when the value of the SRIA is paid out as part of the death benefit upon the policyholder's death. There is also no market value adjustment on loan repayments.

92. As a result, policyholders who realize the value of the SRIA upon death could experience an overall rate of return that outperforms the notional performance of the SRRP. In fact, for any SRIA Policyholders that died between 2014 to present, their beneficiaries benefited from the high value of the SRIA's credited rate, relative to the performance of the SRRP.

93. SRIA Policyholders may have very different return experiences with the SRIA, depending on when they deposited funds in the SRIA and on when they withdraw those funds. Since the Market Value Adjustment is a function of when funds are deposited and withdrawn from the SRIA, two SRIA Policyholders withdrawing funds on the same day could (and likely will) have different Market Value Adjustments.

Broker Complaints and Responses

94. In March 2023, RBC Life received a letter from three advisors seeking additional information about the SRRP and SRIA. A copy of that letter – which was signed by Bernie

Geiss, Wayne Stone and Peter Sorrell – is attached to this affidavit and marked as **Exhibit "LL"**.

95. RBC Life responded to the brokers' inquiries on April 12, 2023 by email. A copy of RBC Life's response, sent by Cathy Preston, VP Individual Markets, is attached to this affidavit and marked as **Exhibit "MM"**.

96. On May 16, 2023, Messrs. Geiss, Stone and Sorrell sent a further letter with additional questions about the SRIA and SRRP. A copy of that letter is attached to this affidavit and market as **Exhibit "NN"**.

97. RBC Life responded in detail to the questions raised by the brokers about the SRIA and SRRP. A copy of RBC Life's response, sent by Cathy Preston on June 26, 2023, is attached to this affidavit and marked as **Exhibit "OO"**.

98. On October 3, 2023, Bernie Geiss sent an email to Cathy Preston attaching a draft letter for Mr. Geiss' clients. Mr. Geiss has attached his email to his first affidavit, at Exhibit N, but did not attach a copy of the draft letter that he sent to Ms. Preston. A copy of that letter is attached to this affidavit and marked as **Exhibit "PP".**

99. On October 20, 2023, Wayne Stone (Westward Advisors) sent a further letter about RBC Life's management of the SRIA and SRRP. A copy of that letter is attached to this affidavit and marked as **Exhibit "QQ"**

100. On January 31, 2024, RBC Life responded to Mr. Stone's letter (and to Mr. Geis' email of October 3rd). A copy of RBC Life's response, sent by Rino D'Onofrio, President and COO, is attached to this affidavit and marked as **Exhibit "RR"**.

The Proposed Class Members

101. The SRIA Policyholders are differently situated in several material respects. I outline some of these differences below.

102. The purposes for which SRIA Policyholders acquired and maintained their Security Fund Policies differ. These purposes can include tax planning, estate planning, and personal financial planning, among others. The purpose of the policy – and how it fits into a policyholder's overall financial planning objectives – will impact the benefit that the policyholder receives from the policy and from the rate credited to the SRIA.

103. The vast majority of SRIA Policyholders utilized the policy as part of leveraged insurance strategies, but not everyone did so. The overall benefits of the leveraging strategy – including the tax benefits – will depend on the type of loan, the extent of the leveraging, the policyholder's personal tax strategies, and whether the loan was provided by RBC Life or a third-party lender. In addition, leveraged policyholders had the opportunity to generate business and investment income with the loan proceeds.

104. Changes to the SRIA credited rate impact leveraged and non-leveraged policyholders differently. For leveraged policyholders that have a CF or ARPL from RBC Life, an increase in the SRIA credited rate will also increase their loan rate by roughly the same amount. For leveraged SRIA Policyholders, an increase in the SRIA credited rate will mean that any additional returns in the SRIA are offset by additional interest charged to the Credit Facility or ARPL. Therefore, an increase in the rate credited to the SRIA may or may not have any net impact on the SRIA Policyholder, depending in part on their leveraging strategy.

105. The value that SRIA Policyholders (or their beneficiaries) ultimately realize from the SRIA can vary significantly. As explained above, when a SRIA Policyholder realizes the value of the SRIA, the SRIA may or may not be subject to a market value adjustment. If a market value adjustment does apply, the size of that adjustment depends on the amount of each deposit and when each deposit was made into the SRIA and the timing of their exit.

106. Since there is no market value adjustment on death, SRIA Policyholders who die (and whose beneficiaries receive a death benefit) are differently situated than SRIA Policyholders who withdrawal funds from the SRIA during their lifetime. Partly as a result of the MVA, changes in the value of the SRRP do not impact all SRIA Policyholders in the same way. In fact, for some SRIA Policyholders, changes in the value of the SRRP would have had no impact on the benefit they (or their beneficiaries) received from the SRIA.

107. As an example, any policyholders that died between 2014-2018 would have received an annual, guaranteed credited rate of 4.75% without any market value adjustment. That is because the credited rate was fixed for the first five years, and because there is no market value adjustment on death. Consequently, any changes in the value of the SRRP would have no impact on the SRIA for those policyholders and, therefore, no impact on the size of the death benefit paid to beneficiaries. This is just one example of the way in which the effect of a change in value of the SRRP may or may not have any impact on the benefits to which SRIA Policyholders were entitled.

Estimated Class Size

108. I have reviewed the proposed class definition at paragraph 2 of Part 1 of the plaintiff's notice of application for certification (the "**Proposed Class Definition**"). The Proposed Class Definition seems out of step with the plaintiff's claim, which I understand to be about RBC Life's management of the SRIA.

109. First, the Proposed Class Definition references one version of the SF Policy and one version of the SRIA Endorsement. As I explained above, multiple versions of the SF Policy (4.1 to 4.7) were eligible for the SRIA Endorsement. The version of the SRIA Endorsement that a policyholder received corresponded with the version of their SF Policy. Mr. Geiss is incorrect when he states that all versions of the SRIA Endorsement are "identical" (Geiss #1, para. 20).

110. Second, the Proposed Class Definition, as currently drafted, includes people that never had any money in the SRIA. Just because a policyholder accepted the SRIA Endorsement does not mean that they ever invested money in the SRIA. There are more than 175 SF Policies that have the SRIA Endorsement (or that were issued after January 1, 2014) – and therefore had the SRIA option available – but the policyholder never invested in the SRIA.

111. I estimate that there are 944 SRIA Policyholders. Of that total, 244 are individuals, and the remaining 700 are corporations.

112. The putative class members are predominantly high net worth individuals, as their policies reveal. The average death benefit for the SRIA Policyholders' SF Policies exceeds $5 million. For more than 185 policies, the death benefit exceeds $10 million. Currently, for in force SRIA Policyholders, the average amount invested in the SF Policy is in excess of $2 million. Dozens of SRIA Policyholders have total investments within their SF Policies that exceed $10 million, and over one hundred of them have investment accounts that exceed $5 million.

113. Some SRIA Policyholders own (or owned) more than one SF Policy with money in the SRIA. In total, 944 SRIA Policyholders have held 1,181 SF Policies with money in the SRIA. Only 927 of those policies remain in force, meaning that 254 have closed (due to death of the policyholder or otherwise). Of the 1181 SF Policies with money in the SRIA at some point in time, only 143 (either currently in force or already closed) never leveraged the money in the SRIA (meaning that the SF Policy never had a Credit Facility or an Annual Rate Policy Loan and was never collaterally assigned).

114. I know of no fact material to the plaintiff's application for certification that has not been disclosed in this affidavit or in the other affidavits filed in the proceeding.

AFFIRMED BEFORE ME at the City of Mississauga, in the Province of Ontario, this 20th day of November, 2025.

Jacob McNair

A Commissioner for taking Affidavits for Ontario

M. Winslow

MARIA WINSLOW

Jacob Daniel McNair, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires May 22, 2027.

This is Exhibit **"A"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob Main

A Commissioner for taking Affidavits within Ontario

RBC Insurance

RBC Insurance News



FOR ADVISOR USE ONLY. NOT INTENDED FOR CLIENT DISTRIBUTION.

April 25, 2013

Federal Budget: Changes to Tax Benefits for 10-8 Programs

The March 2013 federal budget proposes measures that are intended to eliminate the tax benefits of certain leveraged life insurance arrangements, commonly referred to as 10-8 programs.

You may have clients who hold life insurance policies (including Security Fund‡ with a fixed rate policy loan or Investment Credit Facility) in 10-8 arrangements as outlined in the budget proposal.

The budget is a proposal at this point in time, and we are assessing the implications should the proposal move forward. In the interim, in an effort to ensure clients are aware of the proposed budget changes, we have developed additional disclosure wording applicable to new Fixed Rate Policy Loans, as well as renewals or amendments applicable to existing Investment Credit Facility.

Like other companies in the industry, RBC Insurance®, working in conjunction with PPI Advisory, is exploring potential alternative product options that can help address the concerns raised with the proposed budget.

We are committed to keeping you informed on this important issue. If you have any questions or require more information, please contact your local PPI Marketing Office.

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This is Exhibit **"B"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVair

A Commissioner for taking Affidavits within Ontario

RBC Insurance

RBC Insurance News



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September 17, 2013

Proposed Federal Budget Changes: RBC Insurance Update

On April 25, 2013, we shared a communication with you on the "Federal Budget: Changes to Tax Benefits for 10-8 Programs".

On September 13, 2013, the Department of Finance released the draft legislation with accompanying explanatory notes relating to certain tax proposals announced in the 2013 Federal Budget. We want to take this opportunity to advise you that we are reviewing the draft legislation and are working on a response and possible alternatives for your clients.

We expect to make a further announcement in the coming weeks.

We are committed to keeping you informed and want to assure you that this important issue is a high priority for us.

Thank you for your patience. If you have further questions, please contact your local PPI Marketing Office.

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This is Exhibit **"C"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

RBC Insurance

RBC Insurance News



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October 9, 2013

New RBC Insurance Investment Account for Security Fund Clients

In response to the September 13, 2013 draft legislation and changes proposed in the 2013 Federal Budget, we at RBC Insurance® are pleased to announce the creation of an exciting new investment account. The "**Smoothed Return Investment Account**", will be available to all your existing clients with a Security Fund‡ policy, version 4.1 or higher, and to new clients who purchase a Security Fund policy on or after January 1, 2014.

RBC Insurance is making alternative product options available in response to the draft legislation released on September 13, 2013. However, as the final legislation has not yet been released, we reserve the right to withdraw or amend the proposed options if the final legislation introduces substantive additional changes.

Product Highlights

The Smoothed Return Investment Account (SRIA) is a new investment account that aims to provide a smoothed rate of return with limited volatility to policy owners. It will serve as security for any collateral or policy loan and is also available for non leveraged investments. The SRIA will be available to all Security Fund policy owners (version 4.1 or higher), whether or not a loan is ever taken. In addition, the policy loan options of the Security Fund policy and the Investment Credit Facility have been amended to provide new terms.

Security Fund Policy Options

Smoothed Return Investment Account
The Smoothed Return Investment Account has a goal of providing long term stable returns. The crediting rate of the SRIA is determined based on the returns of a reference portfolio and a smoothing process. The smoothing process involves determining a crediting rate based on the prior 5 year average returns of the reference portfolio, less an MER, with the objective of ensuring SRIA returns are consistent with the reference portfolio net returns over a period of time. The SRIA crediting rate is set annually on each January 1 and is fixed until the end of the calendar year. For each of the five years commencing January 1, 2014, the crediting rate for the new investment account will be 4.75%.

There may be restrictions on the amount that can be deducted, transferred or withdrawn from the SRIA and a market value adjustment (MVA) may apply. The MVA will not apply to SRIA funds either withdrawn to make a loan payment or used as security to make a loan interest payment.

Annual Rate Policy Loan
The current Fixed Rate Policy Loan (FRPL) option will be replaced with a new Annual Rate Policy Loan (ARPL). This policy loan is characterised by the following revised loan rate structure:

- The loan rate for the interest payable in arrears will be set on January 1 each year, equal to the crediting rate of the Smoothed Return Investment Account.

- The loan rate for the interest payable in advance is equal to 1.65% plus a smoothing adjustment factor that will be set at 0% for each of the 5 years commencing January 1, 2014. From January 2019, the smoothing adjustment factor is subject to change on each January 1 and could be positive or negative. Any change to the smoothing adjustment factor is effective on the policy anniversary following the date of change and will apply for the policy year.

- The smoothing adjustment factor is the mechanism used by the Company to ensure that returns on the reference portfolio accrue to the policy over time.

Credit Facility

The current Investment Credit Facility (ICF) will be amended with the revised loan rate structure below and renamed Credit Facility (CF).

- The loan rate for the interest payable in arrears will be set on January 1 each year, equal to the crediting rate of the Smoothed Return Investment Account.

- The rate for the Security Deposit is equal to 1.65% plus a smoothing adjustment factor that will be set at 0% for each of the 5 years beginning January 1, 2014. From January 2019, the smoothing adjustment factor is subject to change on each January 1 and could be positive or negative.

- Any change to the smoothing adjustment factor is effective on the CF anniversary following the date of change and will apply for the loan year.

Illustration Software

A new version of Composer software is now available to reflect these changes. Please contact your PPI Advisory Marketing Office to request illustrations showing the transition to the new options for your leveraged clients.

You will receive another version of Composer software in late December that will enable you to illustrate the new account for all your clients.

Supporting Materials

Samples of the following materials relevant to transitioning your clients into the new options will be available on the PPI website shortly:

- Security Fund Policy Endorsement
- Credit Facility Agreement (Amendment)
- SRIA Election Form
- Addendum to the Information Summary for Security Fund versions 4.1 to 4.7
- CF Frequently Asked Questions
- Client letter

Transition for clients with an ICF (with or without a loan balance)

In order for your clients to transition to the new options effective January 1, 2014, the signed SRIA Election Form and the signed Credit Facility Agreement (Amendment) must be received in our office by December 31, 2013. Due to anticipated volume and to ensure a smooth transition for your clients, it is recommended that all required documents are submitted before the deadline. This transition will not require interim financial underwriting or the introduction of annual financial reviews where currently not required.

- Clients must return the original signed Credit Facility Agreement (Amendment) and SRIA Election Form and keep a copy for their records. RBC Insurance will accept electronic copies of the signed documents up to December 31, 2013 with the originals to follow.
  Note: This differs from the current practice followed for ICF new business and amendments to loan facilities.

- All forms received by RBC Insurance after December 31, 2013, will take effect on the date they are received.

- Any excess Security Deposit paid resulting from the reduction to the Security Deposit rate will be applied as a loan repayment on the effective date of the election.
- The new Credit Facility loan rates and the above noted loan repayment will be reflected in the Credit Facility monthly statement following the effective date of the election.
- The transfer from the Collateral Investment Account to the new investment account will be reflected in the next Security Fund annual statement following the effective date of the election.

Transition for clients with an outstanding Fixed Rate Policy Loan

In order for your clients to transition to the new policy options effective January 1, 2014, the signed SRIA Election Form must be received at RBC Insurance by December 31, 2013. RBC Insurance will accept an electronic version of the signed SRIA Election Form up to December 31, 2013 with the original to follow. Due to anticipated volume and to ensure a smooth transition for your clients, it is recommended the signed SRIA Election form is submitted before the deadline.

- All forms received by RBC Insurance after December 31, 2013, will be take effect on the date they are received.
- Any excess advance interest paid resulting from the reduction to the Interest Payable In Advance rate will be applied as a loan repayment on the effective date of the election.
- The transfer from the Policy Loan Investment Account to the new investment account will be reflected in the next Security Fund annual statement following the effective date of the election.

Associate Mailing

At the end of October 2013, all associates will receive a transition package for each of their clients with an ICF or a Fixed Rate Policy Loan balance.

For clients with an ICF, the transition package will include the following:

- A copy of the client letter,
- An endorsement for the Security Fund policy,
- A revised cash accumulation rider or hybrid rider, if applicable
- An Addendum to the Security Fund Information Summary,
- An SRIA Election Form, and
- A Credit Facility Agreement (Amendment) -- (including Schedule B, Schedule 3, Schedule 4 and Letter of Direction, where applicable)

For clients with a Fixed Rate Policy Loan balance, the transition package will include the following:

- A copy of the client letter,
- An endorsement for the Security Fund policy,
- A revised cash accumulation rider or hybrid rider if applicable,
  An Addendum to the Security Fund Information Summary and
- An SRIA Election Form.

Client Mailing

Approximately one week following the associate mailing, clients with an ICF or Fixed Rate Policy Loan balance will receive the client letter that outlines the new options available to them effective January 1, 2014.

A second client mailing will occur in January 2014 to all remaining clients who hold a Security Fund policy, version 4.1 or higher. More information on this mailing will follow.

2013 ICF Special Interest Billing Offer

This offer will only be mailed to any client who elected the Special Interest Billing option in 2012 or upon request by the associate. Any requests by associates must be received in RBC Insurance by October 25, 2013.
The standard eligibility rules will apply.

ICF and Credit Facility Confirmation of Interest Letters

For ICF clients who transition to the new policy options effective January 1, 2014, there will be no change in the information included in their confirmation of interest letters for reporting period end dates after December 31, 2013 aside from the interest calculation changes resulting from the applicable loan rate changes.

Where an the ICF client does NOT transition to the new policy options or where an ICF client transitions to the new policy options after January 1, 2014, the current content included in confirmation of interest letters will be revised for reporting period end dates after December 31, 2013. Samples will be provided at a later date.

Questions?

If you have further questions about the new investment account, please contact your local PPI Advisory Marketing office.

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This is Exhibit **"D"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVinnie

A Commissioner for taking Affidavits within Ontario

RBC Insurance

<Business Date>

RBC Life Insurance Company
P.O. Box 246, Station A
Mississauga ON L5A 3A1
Tel: 1-800-667-8910

<ICF Borrower 1 First Name> <ICF Borrower 1 Middle Initial> < ICF Borrower 1 Last Name>
<ICF Borrower 1 Address Line 1>
<ICF Borrower 1 Address Line 2>
<ICF Borrower 1 Address Line 3>
<ICF Borrower 1 City> <ICF Borrower 1 Province> <ICF Borrower 1 Postal Code>
<ICF Borrower 1 Country> Only populate if not CANADA

Re: Investment Credit Facility Number: <ICF Policy Number>
Security Fund‡ Number: <SF Policy Number>

As you may know, the 2013 Federal Budget announced changes that affect the tax benefits of specific leveraged life insurance arrangements. These arrangements involve borrowing against the value of the life insurance policy for business and investment planning purposes. As such, the tax benefits of your RBC Insurance Investment Credit Facility ("ICF") are affected by these changes.

As of January 2014, the Federal Budget proposes to:

- eliminate the ability to deduct interest on an ICF;
- eliminate the ability to deduct premiums paid for policies assigned in support of an ICF; and
- restrict the credit to a corporation's capital dividend account where the policy death benefit is payable to a corporation.

In response to the announced changes, we are modifying the ICF and Security Fund products to help ensure they continue to meet your business and investment planning objectives. As of January 1, 2014, the following alternative product options will be available to you:

- **A new investment account within the Security Fund insurance policy.** This account, named the Smoothed Return Investment Account, will serve as collateral for your loan and can also be used for investment purposes.
- **A modified loan rate structure.** Loan rates will be set annually for one year terms. Under this initial offer, new loan rates will be set on January 1, 2014 and are guaranteed not to change prior to January 2019.

We have sent a detailed package to your insurance advisor, <ICF Broker 1 First Name> <ICF Broker 1 Last Name>, which contains all the materials needed to take advantage of these changes.

Please note that the federal government released draft legislation related to these tax changes on October 18th, 2013. The final legislation is expected to be released later this year. In the event that this final legislation introduces additional changes which we judge to be substantive, RBC Life Insurance Company reserves the right to withdraw or amend the new product options. In addition, if you have elected the new product options, you have the right to retract your election prior to the effective date.

We encourage you to review the Federal Budget changes and these new product options with your tax, legal and insurance advisors to ensure the decision you make is right for you.

Thank you for choosing RBC Insurance.

Sincerely,



Cathy Preston

Vice President, Life and Health

cc: < ICF Borrower 2 First Name> <ICF Borrower 2 Middle Initial> <ICF Borrower 2 Last Name>

< ICF Guarantor 1 First Name> <ICF Guarantor 1 Middle Initial> <ICF Guarantor 1 Last Name>

< ICF Guarantor 2 First Name> <ICF Guarantor 2 Middle Initial> <ICF Guarantor 2 Last Name>

Instructions: Print names and addresses for Borrower 2, Guarantor 1 and Guarantor 2 on Labels and mail copy of letter for each in a separate envelope

<ICF Broker 1 Routing Path >

<ICF Broker 1 First Name> <ICF Broker 1 Last Name>

<ICF Broker 1 Phone Number>

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This is Exhibit **"E"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob Nathan

A Commissioner for taking Affidavits within Ontario

RBC Insurance

RBC Life Insurance Company
P.O. Box 246, Station A
Mississauga ON L5A 3A1
Tel: 1-800-667-8910

<Business Date>

<Owner 1 First Name> <Owner 1 Middle Initial> <Owner 1 Last Name>
<Owner 1 Address Line 1>
<Owner 1 Address Line 2>
<Owner 1 Address Line 3>
<Owner 1 City> <Owner 1 Province> <Owner 1 Postal Code>

Re: Security Fund‡ Number: <SF Policy Number>

As you may know, the 2013 Federal Budget announced changes that affect the tax benefits of specific leveraged life insurance arrangements. These arrangements involve borrowing against the value of the life insurance policy for business and investment planning purposes. As such, the tax benefits of your RBC Insurance Fixed Rate Policy Loan ("FRPL") in your Security Fund policy are affected by these changes.

As of January 2014, the Federal Budget proposes to:

- eliminate the ability to deduct interest on your policy loan; and
- restrict the credit to a corporation's capital dividend account where the policy death benefit is payable to a corporation.

In response to the announced changes, we are modifying the Security Fund product to help ensure your policy continues to satisfy your financial needs. As of January 1, 2014, the following alternative policy options will be available to you:

- **A new investment account.** This account, named the Smoothed Return Investment Account, will serve as security for your policy loan and can also be used for investment purposes.
- **A new policy loan option.** This option, named the Annual Rate Policy Loan, will replace your Fixed Rate Policy Loan. Loan rates will be set annually for one year terms. Under this initial offer, new loan rates will be set on January 1, 2014 and are guaranteed not to change prior to January 2019.

We have sent a detailed package to your insurance advisor, <Broker 1 First Name> <Broker 1 Last Name>, which contains all the materials needed to take advantage of these changes.

Please note that the federal government released draft legislation related to these tax changes on October 18th, 2013. The final legislation is expected to be released later this year. In the event that this final legislation introduces additional changes which we judge to be substantive, RBC Life Insurance Company reserves the right to withdraw or amend the new product options. In addition, if you have elected the new product options, you have the right to retract your election prior to the effective date.

We encourage you to review the Federal Budget changes and these new product options with your tax and insurance advisors to ensure the decision you make is right for you.

Thank you for choosing RBC Insurance.

Sincerely,



Cathy Preston

Vice President, Life and Health

cc: <Owner 2 First Name> <Owner 2 Middle Initial> <Owner 2 Last Name>
<Owner 3 First Name> <Owner 3 Middle Initial> <Owner 3 Last Name>

Instructions: Print names and addresses for Owner 2, Owner 3 on Labels and mail copy of letter for each in a separate envelope

<Broker 1 Routing Path> <Broker 1 First Name> <Broker 1 Last Name> <Broker 1 Phone Number>

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This is Exhibit **"F"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Security Fund‡

DISCLOSURE NOTES: *This document is intended for information purposes only and does not amend the policy. For full details please refer to the policy contract. In case of a discrepancy between the information in this document and the policy, the information in the policy will prevail.*

The policy does not participate in the profits of RBC Life Insurance Company, (hereafter referred to as "the company").

Addendum Information Summary for Security Fund‡ Versions 4.1 to 4.7

Effective January 1st, 2014 the following is introduced:

- ☐ A new investment account, the Smoothed Return Investment Account, will be made available to policy owners of existing Security Fund versions 4.1 – 4.7, replacing the Collateral Investment Account and the Policy Loan Investment Account.
- ☐ A new policy loan option, the Annual Rate Policy Loan, will be made available to policy owners of existing Security Fund versions 4.4 – 4.7, replacing the Fixed Rate Policy Loan.

Smoothed Return Investment Account

The Smoothed Return Investment Account ("the account") is an investment account that aims to provide a smoothed rate of return with limited volatility to policy owners. Interest credited to the account will be determined by reference to the Smoothed Return Reference Portfolio ("the portfolio"). Policy owners with funds invested in the account do not, however, own the assets in the portfolio.

The portfolio is a mix of assets that the company tracks and manages with the objective of maintaining a stable long-term crediting rate for the account.

A smoothing process, established by the company, will be used to bring the earnings of the portfolio, including realized and non-realized gains and losses and net of management fees, into the rate of return for the account over time. The market value of the assets held within the portfolio will be used in the determination of both the base interest rate and any market value adjustment that may apply to the account.

The account may be used for investment purposes. The account will also be used when the policy has been assigned to the company as collateral security for a loan established through a credit facility or when the policy owner elects an advance under an Annual Rate Policy Loan.

There may be restrictions on the amount that can be withdrawn or transferred from the account, as described in the Deferred Withdrawal or Transfer Amount. The account may be used to fund the total monthly charges commencing January 1st, 2019.

The Smoothed Return Investment Account is guaranteed to always be available.

Deferred Withdrawal or Transfer Amount

The deferred withdrawal or transfer amount is an amount that is not available

for withdrawals or transfers to other investment accounts within the policy.

Prior to January 1, 2021, the deferred withdrawal or transfer amount is the value in the account in excess of any outstanding loan balance or in excess of the amount outstanding under an associated Credit Facility.

On or after January 1, 2021, the deferred withdrawal or transfer amount at any time is the value of allocations made to the account in the current and preceding 4 calendar years excluding any allocations made as a result of loan advances associated with an Annual Rate Policy Loan or Credit Facility.

A loan payment or a reduction to the amount outstanding under an associated Credit Facility may result in an automatic transfer of funds from the account to other investment accounts as selected by the policy owner. If no selection is made, the transfer will be allocated to the investment accounts according to the most recent investment allocation filed with the company. Any portion of the transfer remaining in the account will be deemed to be allocated on the date of the reduction or loan payment.

Base Interest Rate

The base interest rate will be set at 4.75% for 5 years beginning January 1st, 2014. Beginning January 1st, 2019, the base interest rate is subject to change on each January 1st.

The base interest rate will never be less than zero.

Bonus Interest Rate

The bonus interest rate for all years is zero.

Management Fees

A management fee, in the range of 150 to 225 basis points annually, will be charged daily to the portfolio. A change to the management fee outside of the specified range may occur as a result of legislative or regulatory changes that impact the cost to the company of maintaining the portfolio.

Withdrawal Option

Withdrawals can be made from the accumulation fund of the policy at any time, subject to applicable restrictions on withdrawals from the Smoothed Return Investment Account. The maximum amount that can be withdrawn is the total value of the accumulation fund net of any outstanding policy loan balance, any applicable market value adjustment and the deferred withdrawal or transfer amount. The total life benefit of the policy will be reduced by any amounts withdrawn.

Market Value Adjustment

A market value adjustment, which can be either positive or negative, will apply at any point in time to transactions involving the Smoothed Return Investment Account in respect of the following:

- ☐ Capital Benefits
- ☐ Optional Life Benefits
- ☐ transfers to other investment accounts
- ☐ lapse or full surrender of the policy
- ☐ policy withdrawals
- ☐ total monthly charges
- ☐ any loan advances against existing funds in the account which, at the owners request, are used to secure the loan advance in lieu of automatic transfers from other investment accounts in the policy

A market value adjustment will not apply to the payment of the total life benefit on the death of the insured(s), to loan re-payments (including loan re-payments resulting from transactions listed above) or to loan advances to pay interest payable in arrears.

The market value adjustment will reflect the difference in the returns of the portfolio and the account for the period of time the funds are invested. The market value adjustment will be a charge or a credit to the account.

The market value adjustment will be calculated according to the following formula:

$$MVA = A \times (1 - B / C)$$

where **A** = amount allocated from the account on the date of the market value adjustment

B = the value, as of the date of the market value adjustment, of $1 invested in the portfolio on the investment date of A

C = the value, as of the date of the market value adjustment, of $1 invested in the account on the investment date of A

Annual Rate Policy Loan

The owner may elect to take a policy loan from the company in accordance with the terms of the Security Fund policy. Loan advances are permitted up to the total value of the accumulation fund net of any outstanding loan balance and any applicable market value adjustment. This amount is further reduced by an estimated amount of the greater of monthly charges due prior to the next scheduled premium or for the next three months (monthly charge security). The amount of funds available for a loan advance is subject to a minimum requirement set by the company from time to time.

When a loan advance is requested under the annual rate policy loan option, an amount equal to the outstanding loan balance is transferred from other investment accounts to the Smoothed Return Investment Account or, at the owner's request existing funds in the account may be used. In either case, a market value adjustment may apply. The balance in the Smoothed Return Investment Account must always be greater than or equal to the outstanding loan balance.

The owner may make a loan payment or pay off the loan at any time. A loan payment is not considered a premium deposit under the policy. A full or partial loan payment may result in a prorated refund of the interest paid in advance. If there is any outstanding annual rate policy loan at the time a life benefit becomes payable, the proceeds will be reduced by the outstanding loan balance.

Exercising the annual rate policy loan option does have tax consequences and tax may be payable on all or a portion of the loan advance. The company recommends that you consult with your financial, legal and tax advisors to determine if the annual rate policy loan is right for you.

Interest

Interest on the Annual Rate Policy Loan is comprised of Interest Payable in Advance, which includes the Smoothing Adjustment Factor if applicable, plus Interest Payable in Arrears.

Interest Payable in Advance

Interest payable in advance is calculated using an interest rate that is equal to 1.65%

plus the smoothing adjustment factor. On or after January 1st, 2019, this rate of interest may change on each January 1st as described in Smoothing Adjustment Factor. Any change to the interest rate is effective on the policy anniversary coincident with or following the date of the change and will apply for that policy year.

Interest payable in advance is due on each loan advance at the time the advance is taken and again on the outstanding loan balance on each subsequent policy anniversary.

Smoothing Adjustment Factor

The smoothing adjustment factor is a factor that is determined by the company, which may be used from time to time, to adjust the interest payable in advance.

Beginning January 1st, 2014, the smoothing adjustment factor will be set at 0% for 5 years. Thereafter, the smoothing adjustment factor may be positive or negative.

Interest Payable in Arrears

Interest payable in arrears is calculated using an interest rate that is equal to the base interest rate for the Smoothed Return Investment Account. Beginning on January 1st 2019, this rate of interest may change on each January 1st. Interest payable in arrears accrues each day based upon the value of the outstanding loan balance on that day. On each policy anniversary, any accrued but unpaid interest payable in arrears is due.

Underwritten by
RBC Life Insurance Company.

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(104878) October 2013

This is Exhibit **"G"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

RBC Insurance

Smoothed Return Investment Account Election Form
Security Fund Versions 4.1 - 4.3

Security Fund‡ Policy Number _____

Owners _____

Please add the Smoothed Return Investment Account ("SRIA") to the Security Fund policy noted above.

As a result of requesting the policy option above, I understand that:

(a) The Collateral Investment Account will be discontinued and removed from the policy as an investment account.

(b) If a Credit Facility is established, all or part of the SRIA will be allocated as collateral security for the Credit Facility.

(c) There may be restrictions on the amount that can be deducted, transferred or withdrawn from the SRIA.

(d) A Market Value Adjustment may apply to any amounts deducted, transferred or withdrawn from the SRIA.

(e) This election will take effect on the date that RBC Life Insurance Company receives this election form.

(f) This election form will form part of the Security Fund policy indicated above.

I, as Owner of the above Security Fund policy, acknowledge that I have received and had an opportunity to review the Information Summary Addendum for Security Fund Versions 4.1 to 4.7 dated October 2013.

Date _____
Day Month Year

_____ _____
Signature of Owner Signature of Joint Owner

_____ _____
Signature of Collateral Assignee Signature of Irrevocable Beneficiary

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20 day of November, 2025.

Jacob McVain

A Commissioner for taking Affidavits within Ontario

RBC Insurance

Smoothed Return Investment Account Election Form
Security Fund versions 4.4 - 4.7

Security Fund‡ Policy Number _____

Owners _____

Please add the Smoothed Return Investment Account ("SRIA") to the Security Fund policy noted above.

As a result of requesting the policy option above, I understand that:

(a) The Collateral Investment Account and the Policy Loan Investment Account will be discontinued and removed from the policy as investment accounts.

(b) The Fixed Rate Policy Loan Option will be replaced with the Annual Rate Policy Loan Option.

(c) All or part of the SRIA will be allocated as security for any Outstanding Loan Balance, if applicable, under the Annual Rate Policy Loan, or if a Credit Facility is established all or part of the SRIA will be allocated as security for the Credit Facility.

(d) There may be restrictions on the amount that can be deducted, transferred or withdrawn from the SRIA.

(e) A Market Value Adjustment may apply to any amounts deducted, transferred or withdrawn from the SRIA.

(f) This election will take effect on the date that RBC Life Insurance Company receives this election form.

(g) This election form will form part of the Security Fund policy indicated above.

I, as Owner of the above Security Fund policy, acknowledge that I have received and had an opportunity to review the Information Summary Addendum for Security Fund Versions 4.1 to 4.7 dated October 2013.

Date _____
Day Month Year

_____ _____
Signature of Owner Signature of Joint Owner

_____ _____
Signature of Collateral Assignee Signature of Irrevocable Beneficiary

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A Commissioner for taking Affidavits within Ontario

RBC Insurance

Investment Allocation 026

Submit by MAIL or FAX at 905 - 286 - 7890 or 1-800-661-2794
RBC Life Insurance Company P.O. Box 246, Station A, Mississauga ON L5A 3A1

Policy Number _____ Owner _____

Joint Owner (if any) _____

TRANSFER OF EXISTING PORTFOLIO: Complete this section to transfer the value in existing investments. If the request is for a specific dollar amount, we will transfer the lesser of the specified amount or the amount in that Investment Account.

Accumulation Account (AA)

Transfer Amount (specify $ or %)	From Investment Account	To Investment Account[1]

Bonus Account – applies only to Bonus Account plans (BA)

Transfer Amount (specify $ or %)	From Investment Account	To Investment Account

ALLOCATION OF FUTURE PREMIUM DEPOSIT: Complete this section to allocate:
1) only premium accompanying this form ☐; OR
2) premium accompanying this form (if any) and future premium deposits ☐ (default)
Only one allocation instruction can apply to premiums paid on the same effective date.
Total Allocation must equal 100%. Percentages must be whole numbers with no decimals.

FIXED RATE INVESTMENT ACCOUNTS		MANAGED INVESTMENT ACCOUNTS	
1 Policy Month	%	RBC ® Canadian Short-Term Income	%
1 Year	%	RBC Bond	%
3 Year	%	RBC Global Bond	%
5 Year	%	RBC Balanced	%
7 Year	%	RBC Global Balanced	%
10 Year	%	RBC Canadian Dividend	%
INDEXED INVESTMENT ACCOUNTS		RBC Canadian Equity	%
Canadian Bond	%	RBC O'Shaughnessy All-Canadian Equity	%
Dow Jones Euro Stoxx 50	%	RBC U.S. Dividend	%
NASDAQ 100	%	RBC North American Growth	%
Nikkei 225	%	RBC U.S. Equity	%
S&P 500	%	RBC O'Shaughnessy U.S. Value	%
S&P/TSX 60	%	RBC U.S. Mid-Cap Equity	%
MANAGED PORTFOLIO INVESTMENT ACCOUNTS		RBC O'Shaughnessy International Equity	%
RBC Select Conservative	%	RBC Global Dividend Growth	%
RBC Select Balanced	%	**OTHER INVESTMENT ACCOUNTS**	
RBC Select Growth	%	Smoothed Return Investment Account (SRIA) [1]	%
RBC Select Aggressive Growth	%		

[1] A Smoothed Return Investment Account Election Form, unless previously submitted, must be completed prior to a premium allocation or transfer of funds into the SRIA. A SRIA Election Form will not be required for Security Fund Version 4.7 policies issued with the SRIA.

Please ensure signature Section on Page 2 is completed.

REBALANCING EXISTING PORTFOLIO: Total allocation must equal 100%. Complete this section each time you want to rebalance the value in your existing investments. Note: automatic rebalancing is not available.

Investment Account	Allocation Percentage		Investment Account	Allocation Percentage	
	AA	BA		AA	BA
	%	%		%	%
	%	%		%	%
	%	%		%	%
	%	%		%	%
	%	%		%	%

REINVESTMENT: This section only applies to Fixed Rate Investment Accounts. Credited Interest Amounts (does not apply to Security Fund‡ 4 products) and Maturing Fixed Rate Investment Accounts should be reinvested as follows:

Option A Will be reinvested in a new Fixed Rate Investment Account with the same fixed rate investment term ☐ **OR**

Option B Will be reinvested according to current investment allocation for future premium deposits ☐

If no selection is made, prior instructions will continue to apply. If no prior instructions, Option A will apply.

For policies with a Bonus Account, only one reinvestment option is applicable for both the Accumulation Account and Bonus Account.

It is understood that:

1. Forms must be received at RBC Life Insurance Company by 3:00 p.m. Eastern time to be deemed received on that day. Forms received after 3:00 p.m. are deemed received the next business day. Faxes are acceptable, except in Quebec where originals are required within 7 business days. (Please note that processing can begin with the receipt of the Fax).
2. For plans subject to daily investment processing with the exception of Security Fund 4.3 and subsequent Security Fund plans, this investment allocation will be effective on the same day it is deemed received.
3. For Security Fund 4.3 and subsequent plans, this investment allocation will be effective on the next applicable Valuation Date following the day it is deemed received.
4. For plans subject to monthly investment processing, this investment allocation will be effective on the first day of the policy month following receipt of this form. If Allocation of Future Premium Deposit, Option 2 is selected, this allocation will also apply to premiums received since the previous policy month, but prior to this form. (Please note: Only one form can be processed in any policy month.)
5. Any value transferred from an unmatured Fixed Rate Investment Account may be subject to a Market Value Adjustment.
6. A Smoothed Return Investment Account Election Form, unless previously submitted, must be completed prior to a premium allocation or transfer of funds into the SRIA. A SRIA Election Form will not be required for Security Fund Version 4.7 policies issued with the SRIA. There may be restrictions on the amount that can be deducted, transferred or withdrawn from the Smoothed Return Investment Account. A Market Value Adjustment may apply to any amounts deducted, transferred or withdrawn from the Smoothed Return Investment Account.
7. There is no charge for the first two requests to move funds from one investment account to another received in a Policy Year, however, there will be a charge of $25.00 for each additional request received within the same year.
8. Any corrections to the form must be initialed by all signing parties.

Date _____
Day Month Year

_____
Signature of Owner (if corporate, include Title or Seal)

_____
Signature of Joint Owner (if any)

_____
Signature of Collateral Assignee (if any)

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This is Exhibit **"J"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVair

A Commissioner for taking Affidavits within Ontario

RBC Insurance

030
Memorandum

RBC Life Insurance Company
Service & Operations
P.O. Box 246, Station "A"
Mississauga, ON L5A 3A1
Tel:(905) 606-1700
Fax:(905) 289-7890

Date: <Business Date>

To: <ICF Broker 1 First Name> <ICF Broker 1 Last Name>

Re: **Client Transition Packages for Policies with an Investment Credit Facility (ICF)**

Enclosed are transition packages for your clients listed below (sorted by the ICF Borrower's name).

In order for your clients to transition to the new options effective January 1, 2014, the signed SRIA Election Form and the signed Credit Facility Agreement (Amendment) must be received at RBC Insurance by December 31, 2013. RBC Insurance will accept electronic copies of the signed documents up to December 31, 2013 with the originals to follow. Due to anticipated volume and to ensure a smooth transition for your clients, it is recommended that all required documents are submitted before the deadline.

For clients proceeding with the transition, please ensure they keep the Endorsement for their Security Fund policy, the CAR Rider if included in their package, and the Addendum to the Security Fund Information Summary. Please ensure clients return the **original** signed Credit Facility Agreement (Amendment) and SRIA Election Form and keep a copy of these documents for their records. **Note**: This differs from the current practice followed for ICF new business and amendments to loan facilities.

If you have any questions, please contact your local PPI Advisory Marketing Office.

ICF Borrower Corporate/Last Name	ICF Policy Number	SF Policy Number	ICF Renewal Date	SF Number of Collateral Assignees other than RBC Life	SF Number of Irrevocable Beneficiaries
<ICF Borrower 1 Last Name>	<ICF Policy Number>	<SF Policy Number>	<ICF Renewal Date>	<SF Number of Collateral Assignee Other than RBC Life>	<SF Number of Irrevocable Beneficiaries>
Instructions: Only list policies for the ICF Broker 1 the Memo is addressed to. Sort by ICF Borrower 1 Last Name, then by ICF Renewal Date.					

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Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McNair

A Commissioner for taking Affidavits within Ontario

RBC Insurance

032

Memorandum

RBC Life Insurance Company
Service & Operations
P.O. Box 246, Station "A"
Mississauga, ON L5A 3A1
Tel:(905) 606-1700
Fax:(905) 289-7890

Date: <Business Date>

To: <Broker 1 First Name> <Broker 1 Last Name>

Re: **Client Transition Packages for Policies with a Fixed Rate Policy Loan**

Enclosed are transition packages for your clients listed below (sorted by the policyowner's name).

In order for your clients to transition to the new options effective January 1, 2014, the signed SRIA Election Form must be received at RBC Insurance by December 31, 2013. RBC Insurance will accept an electronic copy of the election form up to December 31, 2013 with the original to follow. Due to anticipated volume and to ensure a smooth transition for your clients, it is recommended that forms are submitted before the deadline.

For clients proceeding with the transition, please ensure they keep the Endorsement for their Security Fund policy, the CAR Rider if included in their package, and the Addendum to the Security Fund Information Summary.

If you have any questions, please contact your local PPI Advisory Marketing Office.

Policy Owner Corporate/Last Name	SF Policy Number	Number of Collateral Assignees	Number of Irrevocable Beneficiaries
<Owner 1 Last Name>	<SF Policy Number>	<Number of Collateral Assignees>	<Number of Irrevocable Beneficiaries>
Instructions: Only list policies for the Broker 1 the Memo is addressed to. Sort by the Owner 1 Last Name, then by the SF Policy Number.			

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Affirmed before me at Mississauga in the Province of Ontario this
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Jacob McWin

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Policy Endorsement

This Endorsement is to be attached to and forms part of the *Policy*.

This Endorsement introduces a new *Investment Account*: *Smoothed Return Investment Account* and a new Policy Loan provision: B 12 Annual Rate Policy Loan Option.

This Endorsement adds new definitions to the *Policy* and removes or revises existing provisions and definitions in the *Policy* and in any previous Endorsements, as described below. All other provisions and definitions of the *Policy* will remain the same.

New Definitions: *Annual Rate Policy Loan, Credit Facility, Deferred Withdrawal or Transfer Amount, Smoothed Return Investment Account, Smoothed Return Reference Portfolio, Smoothing Adjustment Factor*

Removed Definitions: *Collateral Investment Account, Fixed Rate Policy Loan, Investment Credit Facility, Policy Loan Interest Rate, Policy Loan Investment Account*

Revised Definitions: *Accrued Interest, Automatic Allocation Rules, Base Interest Rate, Bonus Interest Rate, Guaranteed Interest Rate, Interest Payable in Advance, Interest Payable in Arrears, Interest Refund, Investment Account, Investment Term, Loan Advance, Loan Payment, Loan Reduction, Management Fee, Market Value Adjustment, Outstanding Loan Balance, Outstanding Principal, Policy, Tax Refund, Value*

New Provisions: B 12 Annual Rate Policy Loan Option

Removed Provision: B 12 Fixed Rate Policy Loan Option

Revised Provisions: A 1.1 Determination of the Total Life Benefit, B 2 Determination of the Accumulation Fund, B 3 Transfers Between Investment Accounts, B 7 Withdrawal Options, B8 Conditions for Default.

A 1.1 Determination of the Total Life Benefit

The *Total Life Benefit* at any time is equal to the greatest of (i), (ii) and (iii) where:

(i) is the *Base Life Benefit*,

plus	-	the total amount of *Life Benefits* provided by *Riders*,
minus	-	the *Total Withdrawals*,
minus	-	the *Total Capital Benefits*,
minus	-	any amounts deducted from the *Accumulation Fund and* designated as *Loan Reductions*, and

(ii) is the *Required Life Benefit* for the current *Policy Year*,

minus	-	any withdrawals made since the date the current *Required Life Benefit* was established, as described in provision B 7.1 Policy Withdrawals,
minus	-	any *Capital Benefit* payments paid since the date the current *Required Life Benefit* was established, as described in provision A 2.3 Capital Benefit Payment,
minus	-	any amounts deducted from the *Accumulation Fund* and designated as *Loan Reductions* since the date the current *Required Life Benefit* was established, and

(iii) is the *Value* of the *Accumulation Fund*.

The *Total Life Benefit* on the *Policy Date*, determined without taking into account the *Life Benefits* provided by *Riders*, is the *Initial Total Life Benefit* shown in the Policy Schedule.

The *Total Life Benefit* at any time cannot exceed the *Maximum Net Amount of Risk* shown in the Policy Schedule plus the *Value* of the *Accumulation Fund*.

SPECIMEN

B 2 Determination of the Accumulation Fund

An *Accumulation Fund* will be established on the *Policy Date*. The *Value* of the *Accumulation Fund* on that date will be the *Premium Accumulation Amount* on the *Policy Date* minus the *Total Monthly Charge* for the first *Policy Month*. This amount will be allocated among the various *Investment Accounts* according to the most recent investment allocation filed with the *Company*. If no investment allocation has been filed with the *Company*, this amount will be allocated to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

At any time after the *Policy Date*, the *Value* of the *Accumulation Fund* will be equal to the sum of the *Values* of all the *Investment Accounts* in the *Accumulation Fund*.

For each *Premium Deposit*, the *Value* of the *Accumulation Fund* is increased by the *Premium Accumulation Amount*. This allocation will occur on the next applicable *Valuation Date*. The *Premium Accumulation Amount* will be allocated among the various *Investment Accounts* according to the most recent investment allocation filed with the *Company*. If no investment allocation has been filed with the *Company,* the *Premium Accumulation Amount* will be allocated to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

At the end of the *Investment Term*, the *Value* of any *Fixed Rate Investment Account* will be allocated to one or more *Investment Accounts*, according to the most recent investment allocation filed with the *Company*. If no investment allocation has been filed with the *Company*, such *Value* will be allocated to a new *Fixed Rate Investment Account* with the same *Investment Term* as the *Investment Term* that has just ended, if available. If the same *Investment Term* is no longer available, an *Investment Term* of five years will be used.

The following amounts will be deducted from the *Accumulation Fund* according to the *Automatic Allocation Rules:*

(i) on the first day of each *Policy Month*, the *Total Monthly Charge* for that *Policy Month* including any applicable *Market Value Adjustment,* and

(ii) any amounts that are indicated in *Riders* as amounts to be deducted from the *Accumulation Fund* and are not specified as *Monthly Charges*.

The following amounts will be deducted from the *Accumulation Fund* according to the *Investment Accounts* selected by the *Owner,* or if no selection is made, according to the *Automatic Allocation Rules:*

(i) any *Capital Benefits* payable, on that date, including any applicable *Market Value Adjustment*, under provision A 2.3 Capital Benefit, and

(ii) any withdrawals from the *Cash Option* including any applicable *Market Value Adjustment,* payable on that date under provision B 7.1 Policy Withdrawals, and

(iii) any amounts designated as *Loan Reductions.*

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B 3 Transfers Between Investment Accounts

Subject to the terms of this provision, the *Owner* may request in writing to have part or all of the *Value* of an *Investment Account* transferred to other *Investment Accounts*. Such transfers will be effective on the next applicable *Valuation Date*.

If an amount is transferred from a *Fixed Rate Investment Account* or the *Smoothed Return Investment Account*, any applicable *Market Value Adjustment* will be applied to the amount transferred.

If an amount is transferred to a *Fixed Rate Investment Account*, a new *Fixed Rate Investment Account* will be created on the effective date of the transfer with the appropriate *Investment Term*.

An amount may be transferred from the *Value* of the *Smoothed Return Investment Account* only when the amount so transferred does not decrease the *Value* of the *Smoothed Return Investment Account* below the sum of:

(i) the *Deferred Withdrawal or Transfer Amount* and

(ii) the *Outstanding Loan Balance* or the amount outstanding under an associated *Credit Facility*.

If more than two requests for transfers are received in a *Policy Year*, an additional charge as determined by the *Company* will be deducted from the amount being transferred for each transfer processed after the second in a *Policy Year*.

In the event of a loan advance associated with a *Credit Facility*, except for a loan advance made by the *Company* to pay accrued interest, the *Company* will automatically transfer funds from the *Investment Accounts* within the *Policy* to the *Smoothed Return Investment Account* in an amount equal to the loan advance. The transfer will be made in accordance with the *Automatic Allocation Rules*, unless requested otherwise.

An amount equal to any reduction to the amount outstanding under an associated *Credit Facility,* except for a loan reduction made as a result of a *Policy Withdrawal,* will be transferred automatically from the *Smoothed Return Investment Account* to the *Investment Accounts* within the *Policy*. The transfer will be made in accordance with the most recent investment allocation filed with the *Company,* unless requested otherwise. If no investment allocation has been filed with the *Company*, the transfer from the *Smoothed Return Investment Account* will be made to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

In the event of a *Loan Advance,* except for a *Loan Advance* made by the *Company* to pay *Interest Payable in Arrears*, the *Company* will automatically transfer funds from the *Investment Accounts* within the *Policy* to the *Smoothed Return Investment Account* in an amount equal to the *Loan Advance.* The transfer will be made in accordance with the *Automatic Allocation Rules*, unless requested otherwise.

An amount equal to any reduction in the *Outstanding Loan Balance* resulting from a *Loan Payment* will be transferred automatically from the *Smoothed Return Investment Account* to the *Investment Accounts* within the *Policy*. The transfer will be made in accordance with the most recent investment allocation filed with the *Company,* unless requested otherwise. If no investment allocation has been filed with the *Company*, the transfer from the *Smoothed Return Investment Account* will be made to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

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B 7 Withdrawal Options

This provision allows the *Owner* to withdraw all or a portion of the *Cash Option* at any time while the *Insured* is living and this *Policy* is *In Force*.

B 7.1 Policy Withdrawals

The *Owner* may withdraw a portion of the *Cash Option* in excess of any *Deferred Withdrawal or Transfer Amount*, while the *Insured* is living and this *Policy* is *In Force*. A written request must be sent to the *Company*.

The amount withdrawn from the *Cash Option* will be deducted from the *Accumulation Fund* on the date of the withdrawal. The *Owner* may select the *Investment Accounts* from which the withdrawal is to be deducted. If no selection is made, the withdrawal will be deducted from the *Investment Accounts* according to the *Automatic Allocation Rules*.

The *Proceeds* in respect of such withdrawal from the *Cash Option* will be calculated as follows:

	-	the amount of *Cash Option* withdrawn,
minus	-	any *Market Value Adjustment* applicable to the amount of *Cash Option* withdrawn,
plus	-	the *Tax Refund*.

The *Proceeds* will be paid no later than 30 days following receipt of the request for the withdrawal.

B 7.2 Policy Surrender

The *Owner* can elect to surrender this *Policy* at any time by withdrawing the entire *Cash Option* while the *Insured* is living and this *Policy* is *In Force*. A written request, and this *Policy* if the *Company* requests it, must be sent to the *Company*.

The *Proceeds* in respect of such surrender will be calculated as follows:

	-	the *Cash Option*,
minus	-	any *Market Value Adjustment* applicable,
plus	-	the *Tax Refund*.

The *Proceeds* will be paid no later than 30 days following receipt of the request for the surrender.

At the time that the *Proceeds* from such surrender are paid out, this *Policy* will terminate and have no further value.

B 8 Conditions for Default

On the first day of any *Policy Month*, this *Policy* will go into *Default* if:

(i) the *Outstanding Loan Balance* is zero and the deduction of the *Total Monthly Charge* results in the *Value* of the *Accumulation Fund* becoming negative, or

(ii) the *Outstanding Loan Balance* is zero and the deduction of the *Total Monthly Charge* results in the *Value* of the *Accumulation Fund* becoming less than the *Value* of the *Smoothed Return Investment Account,* or

SPECIMEN

(iii) the *Outstanding Loan Balance* exceeds zero and the *Cash Option* is negative, or

(iv) the *Outstanding Loan Balance* exceeds zero and the *Interest Payable in Advance* has not been paid in full when due.

This *Policy* will stay *In Force* during the *Grace Period* and will be brought out of *Default* if an amount equal to or greater than the *Default Premium* is paid during the *Grace Period*.

If this *Policy* is still in *Default* at the end of the *Grace Period*, any *Proceeds* payable as described in provision B 7.2 Policy Surrender will be paid to the *Owner*. In this event the *Owner* is deemed to have elected to surrender the *Policy* and the *Policy* will terminate on that date and have no further value. If no *Proceeds* would be payable under provision B 7.2 Policy Surrender then this *Policy* will terminate on that date and have no further value. The *Policy* may be reinstated within two years of termination under this provision.

B 12 Annual Rate Policy Loan Option

The *Owner* may request a *Loan Advance* under the Annual Rate Policy Loan Option by providing a written request to the *Company* provided that this *Policy* is not the subject of a collateral assignment.

The maximum *Loan Advance* available under the Annual Rate Policy Loan Option is equal to the *Cash Option* less the *Monthly Charge Security* and less any applicable *Market Value Adjustment*. The *Monthly Charge Security* will be held in a *Fixed Rate Investment Account*. The amount of the *Loan Advance* must comply with the minimum advance requirement set by the *Company* from time to time. Such minimums do not apply to *Loan Advances* made to pay the *Interest Payable in Advance* or *Interest Payable in Arrears*.

The *Owner* is required to pay interest on the *Annual Rate Policy Loan* when due as specified in the definitions of *Interest Payable in Advance* and *Interest Payable in Arrears*. If the *Company* has not received the *Interest Payable in Advance* when due, the *Company* will make an additional *Loan Advance*, to the extent possible, as full or partial payment of the required *Interest Payable in Advance*. If the *Company* has not received the *Interest Payable in Arrears* when due, the *Company* will automatically make an additional *Loan Advance*, as payment of the required *Interest Payable in Arrears*.

In the event of a *Loan Advance*, except for a *Loan Advance* made by the *Company* to pay *Interest Payable in Arrears*, the *Company* will automatically transfer funds from the *Investment Accounts* within the *Policy*, to the *Smoothed Return Investment Account* in an amount equal to the *Loan Advance*. The transfer will be made in accordance with the *Automatic Allocation Rules*, unless requested otherwise.

The *Owner* has the right to make a *Loan Reduction* on the *Annual Rate Policy Loan* at any time. The *Loan Reduction* may generate an *Interest Refund* of the *Interest Payable in Advance.*

Any *Interest Refund* will be automatically applied by the *Company* as a *Loan Reduction*. If the *Interest Refund* exceeds the *Outstanding Loan Balance*, the excess will be paid to the *Owner* by the *Company*.

D Definitions

The following definitions apply to this *Policy* and all *Riders* except where defined otherwise in a specific *Rider*.

Accrued Interest

For a *Fixed Rate Investment Account*, interest is credited monthly. *Accrued Interest* at any time will be calculated on a daily compounded basis using the *Total Interest Rate* for that account.

For a *Variable Investment Account*, interest is credited on the next applicable *Valuation Date*. No *Accrued Interest* is applicable.

For the *Smoothed Return Investment Account, Accrued Interest* at any time will be calculated on a daily compounded basis using the *Total Interest Rate* for the account.

Annual Rate Policy Loan

The *Owner* may establish an *Annual Rate Policy Loan* as described in provision B 12 Annual Rate Policy Loan Option.

Automatic Allocation Rules

Any amount that is to be deducted from the *Investment Accounts* in the *Accumulation Fund* in accordance with the *Automatic Allocation Rules* will be allocated as follows:

(i) the amount to be allocated will be deducted from the *Fixed Rate Investment Accounts* in reverse chronological order starting with the *Fixed Rate Investment Accounts* having the most recent *Investment Date*. If this allocation requires a deduction to be made from more than one *Fixed Rate Investment Account* with common *Investment Dates*, the deduction will be made proportionately based on the relative value of those *Fixed Rate Investment Accounts*.

(ii) if there is any balance remaining to be allocated, it will then be deducted from all of the *Variable Investment Accounts* proportionately based on the relative value of each *Variable Investment Account*.

(iii) if there is any balance remaining to be allocated it will then be deducted from the *Smoothed Return Investment Account* in reverse chronological order starting with the *Value* of the funds having the most recent *Investment Date*, as follows:

(a) At any time, in the event of a loan advance associated with a *Credit Facility* or a *Loan Advance*, it will be allocated from the *Value* of the *Smoothed Return Investment Account*.

(b) On or after January 1, 2019, if there is any balance remaining to be allocated for *Total Monthly Charges*, it will be deducted from the *Value* of the *Smoothed Return Investment Account* in excess of the *Outstanding Loan Balance* or in excess of the amount outstanding under an associated *Credit Facility*.

(c) On or after January 1, 2021, if there is any further balance remaining to be allocated for any other deduction, it will be deducted from the *Value* of the *Smoothed Return Investment Account* in excess of the sum of the

SPECIMEN

Outstanding Loan Balance and the *Deferred Withdrawal or Transfer Amount* or in excess of the sum of the amount outstanding under an associated *Credit Facility* and the *Deferred Withdrawal or Transfer Amount.*

Base Interest Rate

Each *Investment Account* has a *Base Interest Rate*. The *Base Interest Rate* is used to determine the *Total Interest Rate* for that *Investment Account.*

For a *Fixed Rate Investment Account*, the *Base Interest Rate* is set by the *Company* on the *Investment Date* and is fixed until the end of the *Investment Term* for that *Fixed Rate Investment Account.*

For a *Variable Investment Account*, the *Base Interest Rate* is calculated on the next applicable *Valuation Date*. The *Base Interest Rate* for an *Indexed Investment Account* is based on the change in the *External Investment Index* from the last applicable *Valuation Date*. The *Base Interest Rate* for a *Managed Investment Account* or a *Managed Portfolio Investment Account* is based on the change in the *External Investment Fund* from the last applicable *Valuation Date*. The *Base Interest Rate* for a *Variable Investment Account* can be either positive or negative.

For the *Smoothed Return Investment Account*, the *Base Interest Rate* is set by the *Company* on each January 1st and is fixed until the end of that calendar year. The *Base Interest Rate* is determined using the returns of the *Smoothed Return Reference Portfolio,* net of the *Management Fee,* and the smoothing process described in the definition of *Smoothed Return Investment Account.* The *Base Interest Rate* will be set at 4.75% for each of the 5 years beginning January 1st, 2014.

The *Base Interest Rate* for an *Investment Account* is guaranteed not to be less than the *Guaranteed Interest Rate* applicable to that *Investment Account* on the date that the *Base Interest Rate* is being set.

SPECIMEN

Bonus Interest Rate

The *Bonus Interest Rate* is used in determining the *Total Interest Rate* for each *Investment Account.*

The *Bonus Interest Rate* for a *Fixed Rate Investment Account* and a *Variable Investment Account* for the first 5 *Policy Years* is zero.

On a *Fixed Rate Investment Account* and a *Variable Investment Account*, the *Bonus Interest Rate* starting on the fifth *Policy Anniversary* up to but not including the 10th *Policy Anniversary* is an annual effective rate of 0.50%.

On a *Fixed Rate Investment Account*, the *Bonus Interest Rate* starting on or after the 10th *Policy Anniversary* is an annual effective rate of 1.0%.

On a *Variable Investment Account*, the *Bonus Interest Rate* starting on or after the 10th *Policy Anniversary* is an annual effective rate of 1.5%.

The *Bonus Interest Rate* for the *Smoothed Return Investment Account* for all years is zero.

Credit Facility

The *Credit Facility* is a credit facility that the *Company* may make available to a borrower pursuant to terms and conditions contained in a credit agreement entered into between a

borrower and the *Company*. Security for the *Credit Facility* includes a collateral assignment of the *Policy*.

Deferred Withdrawal or Transfer Amount

Prior to January 1, 2021, the *Deferred Withdrawal or Transfer Amount* is the *Value* in the *Smoothed Return Investment Account* in excess of the *Outstanding Loan Balance* or in excess of the amount outstanding under an associated *Credit Facility*.

On or after January 1, 2021, the *Deferred Withdrawal or Transfer Amount* at any time is the *Value* of allocations made to the *Smoothed Return Investment Account* in the current year and preceding 4 calendar years excluding any of those allocations which were made as a result of *Loan Advances* or loan advances under an associated *Credit Facility*.

When a reduction to the amount outstanding under an associated *Credit Facility* or a *Loan Payment* results in an automatic transfer of funds from the *Smoothed Return Investment Account* to the *Investment Accounts* within the *Policy* as described in B 3 Transfers Between Investment Accounts, any allocation to the *Smoothed Return Investment Account* will be deemed to be allocated on the date of the reduction or *Loan Payment.*

The *Deferred Withdrawal or Transfer Amount* is not available for transfers to other *Investment Accounts* as described in B 3 Transfers Between Investment Accounts or withdrawals as described in B 7.1 Policy Withdrawals.

Guaranteed Interest Rate

The *Base Interest Rate* for each *Investment Account* will be equal to or greater than the *Guaranteed Interest Rate* for that *Investment Account.* The *Guaranteed Interest Rate* for an *Investment Account* will be calculated each time its *Base Interest Rate* is being set, as described below.

Fixed Rate Investment Accounts

The *Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of less than one year will be equal to:

	-	90% of the annual interest yield available (expressed as a percentage), on the *Investment Date*, on a Government of Canada treasury bill, actively traded on a Canadian exchange, with a term to maturity of less than one year,
minus	-	200 basis points.

The *Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with any other *Investment Term* will be equal to:

	-	90% of the annual interest yield available (expressed as a percentage), on the *Investment Date*, on a Government of Canada bond, actively traded on a Canadian exchange, with a term to maturity nearest to the *Investment Term* of the *Fixed Rate Investment Account*,
minus	-	175 basis points.

Under no circumstances will the *Guaranteed Interest Rate* for a *Fixed Rate Investment Account* be less than the *Minimum Guaranteed Interest Rate* for that *Investment Term*.

SPECIMEN

Indexed Investment Accounts

The *Guaranteed Interest Rate* for the Canadian Bond, the S & P/TSX 60, the S & P 500, the NASDAQ 100, and the Nikkei 225 *Indexed Investment Account*s will be equal to:

- 100% of the *Percentage Change* in the applicable *External Investment Index*,

minus - 1.300 basis points per day.

The *Guaranteed Interest Rate* for the DJ Euro Stoxx 50 *Indexed Investment Account* will be equal to:

- 100% of the *Percentage Change* in the applicable *External Investment Index*,

minus - 1.400 basis points per day.

It is possible for the *Guaranteed Interest Rate* for an *Indexed Investment Account* to be negative.

Managed Investment Accounts

The *Guaranteed Interest Rate* for *Managed Investment Accounts* will be equal to:

- the *Percentage Change* in the Canadian dollar value of the corresponding *External Investment Fund*

minus - the *Management Fee*.

It is possible for the *Guaranteed Interest Rate* for a *Managed Investment Account* to be negative.

For a list of *Management Fees* please refer to the product material or contact your insurance advisor.

SPECIMEN

Managed Portfolio Investment Accounts

The *Guaranteed Interest Rate* for the *Managed Portfolio Investment Accounts* will be equal to:

- the *Percentage Change* in the Canadian dollar value of the corresponding *External Investment Fund*

minus - the *Management Fee*.

It is possible for the *Guaranteed Interest Rate* for a *Managed Portfolio Investment Account* to be negative.

For a list of *Management Fees* please refer to the product material or contact your insurance advisor.

Smoothed Return Investment Account

The *Guaranteed Interest Rate* for the *Smoothed Return Investment Account* will never be less than zero.

Interest Payable in Advance

The rate of interest used to calculate *Interest Payable in Advance* is equal to 1.65% plus the *Smoothing Adjustment Factor.* For each of the 5 years beginning January 1st, 2014 the *Smoothing Adjustment Factor* is 0%. On or after January 1st, 2019, the *Smoothing Adjustment Factor* is subject to change on each January 1st and will be effective on the *Policy Anniversary* coincident with or following the date of the change and will apply for that *Policy Year.*

Interest Payable in Advance is due at the time of each *Loan Advance* and is equal to the rate of interest used to calculate *Interest Payable in Advance* at that time multiplied by the *Loan Advance* multiplied by the ratio of the number of days remaining in that *Policy Year* to the number of days in that *Policy Year.*

Interest Payable in Advance is due on each *Policy Anniversary*, and is equal to the rate of interest used to calculate *Interest Payable in Advance* at that time multiplied by the *Outstanding Loan Balance.*

Interest Payable in Arrears

On each *Policy Anniversary*, any accrued but unpaid *Interest Payable in Arrears* is due. *Interest Payable in Arrears* accrues each day based upon the value of the *Outstanding Loan Balance* on that day.

The rate of interest used to calculate *Interest Payable in Arrears* is equal to the *Base Interest Rate* for the *Smoothed Return Investment Account,* which is subject to change on each January 1st.

SPECIMEN

Interest Refund

An *Interest Refund* may arise whenever the *Outstanding Principal* is reduced. The *Interest Refund* at any time is equal to:

	-	the rate of interest last used to calculate the *Interest Payable In Advance*
multiplied by	-	the amount by which the *Outstanding Principal* is reduced,
multiplied by	-	the number of days remaining in the applicable *Policy Year*,
divided by	-	the number of days in the applicable *Policy Year.*

Investment Account

The *Owner* may choose to allocate among several *Investment Accounts* the *Value* of the *Accumulation Fund.* The *Owner* may change this allocation at any time by completing an investment allocation form and returning it to the *Company*. The *Owner* also has the right to transfer *Value* from one *Investment Account* to another as described in provision B 3 Transfers Between Investment Accounts.

There are three general types of *Investment Account*: the *Fixed Rate Investment Account*, the *Variable Investment Account*, and the *Smoothed Return Investment Account.*

From time to time, the *Company* may make additional *Investment Accounts* available or may discontinue an *Investment Account.*

If a *Fixed Rate Investment Account* is discontinued, the *Value* of that *Investment Account* will be reallocated at the end of the *Investment Term* to an *Investment Account* selected by the *Owner*. If no election is made, the reallocation will be to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

If a *Variable Investment Account* is discontinued, the *Value* of that *Investment Account* will be reallocated at the next applicable *Valuation Date* to an *Investment Account* selected by the *Owner*. If no selection is made, the reallocation will be to an *Investment Account* with a similar investment objective. If such a similar *Investment Account* is not available, the reallocation will be to a *Fixed Rate Investment Account* with the shortest *Investment Term* available.

The *Company* guarantees to always offer the *Fixed Rate Investment Account* with an *Investment Term* of five years, and the *Smoothed Return Investment Account*.

Investment Term

The *Investment Term* of a *Fixed Rate Investment Account* is the period of time, starting on the *Investment Date*, for which the *Base Interest Rate* for that *Fixed Rate Investment Account* applies. A *Fixed Rate Investment Account* can have an *Investment Term* of 1, 3, 5, 7 or 10 years, or 1 month.

Loan Advance

A *Loan Advance* is an advance of funds made by the *Company* to the *Owner* as described in provision B 12 Annual Rate Policy Loan Option.

Loan Payment

A *Loan Payment* is not a *Premium* under this *Policy* and must be designated as a *Loan Payment* in order to be applied towards the *Annual Rate Policy Loan*.

Loan Reduction

A *Loan Reduction* is either a *Loan Payment* or an amount deducted from the *Smoothed Return Investment Account* to be applied against an *Annual Rate Policy Loan,* as designated by the Owner, in accordance with the definition of the *Smoothed Return Investment Account*.

A *Loan Reduction* will be applied as follows:

(i) firstly, to any outstanding *Interest Payable in Advance*,

(ii) secondly, to any accrued but unpaid *Interest Payable in Arrears*, and

(iii) thirdly, towards the *Outstanding Principal*.

Management Fee

A *Management Fee* is a fee charged by the *Company* in association with a *Managed Investment Account*, a *Managed Portfolio Investment Account* and the *Smoothed Return Investment Account*.

For a *Managed Investment Account* and a *Managed Portfolio Investment Account, t*he *Management Fee* is in addition to any management fee charged by the professional fund

SPECIMEN

manager for the corresponding *External Investment Fund,* whose value is net of such management fees.

For the *Smoothed Return Reference Portfolio, the Management Fee* will be between 150 and 225 basis points per year. A change to the *Management Fee* outside of the specified range may occur as a result of a legislative or regulatory change which impacts the cost to the *Company* of maintaining the *Smoothed Return Reference Portfolio*.

For information about the *Management Fee* in effect for a *Managed Investment Account*, a *Managed Portfolio Investment Account* or the *Smoothed Return Investment Account*, please refer to the product material or contact your insurance advisor.

Market Value Adjustment

Fixed Rate Investment Accounts

A *Market Value Adjustment* will apply to the amount paid out of a *Fixed Rate Investment Account* before the end of its *Investment Term* in respect of:

- payment of a *Capital Benefit* as described in provision A 2.3 Capital Benefit Payment, or
- amounts withdrawn from the *Cash Option* as described in provisions B 7 Withdrawal Options or B 11 Tax Exempt Policy, or
- *Value* transferred to other *Investment Accounts* as described in provision B 3 Transfers Between Investment Accounts.

If the *Base Interest Rate* of the *Fixed Rate Investment Account* is greater than or equal to its *Market Value Interest Rate*, the *Market Value Adjustment* will be zero.

If the *Base Interest Rate* of the *Fixed Rate Investment Account* is less than its *Market Value Interest Rate*, the *Market Value Adjustment* will be equal to:

- the number of *Policy Months* left in the *Investment Term*,

multiplied by

- the amount to which the *Market Value Adjustment* is being applied,

multiplied by

- the difference between the *Market Value Interest Rate* and the *Base Interest Rate* for that *Fixed Rate Investment Account*,

divided by

- 12.

Smoothed Return Investment Account

A *Market Value Adjustment,* which can be either positive or negative, will apply to the portion of the *Value* in the *Smoothed Return Investment Account* in excess of the amount outstanding under an associated *Credit Facility* or the *Outstanding Loan Balance* that is allocated, as described in the *Automatic Allocation Rules*, from the *Smoothed Return Investment Account* in respect of:

- payment of a *Capital Benefit* as described in provision A 2.3 Capital Benefit Payment, or

SPECIMEN

- amounts withdrawn from the *Cash Option* as described in provisions B 7 Withdrawal Options or B 11 Tax Exempt Policy, or
- *Value* transferred to other *Investment Accounts* as described in provision B 3 Transfers Between Investment Accounts, or
- the *Total Monthly Charge*, or
- a loan advance associated with a *Credit Facility*, except for a loan advance as made by the *Company* to pay accrued interest, or
- a *Loan Advance,* except for a *Loan Advance made by the Company to pay Interest Payable in Arrears.*

The *Market Value Adjustment* will be equal to:

The amount allocated from the *Smoothed Return Investment Account* on the date of the *Market Value Adjustment*,

minus

the amount allocated from the Smoothed Return Investment Account on the date of the *Market Value Adjustment,*

multiplied by - the value of $1.00 invested in the *Smoothed Return Reference Portfolio* from the *Investment Date* the amount was allocated to the *Smoothed Return Investment Account* to the date of the *Market Value Adjustment*,

divided by - the value of $1.00 invested in the *Smoothed Return Investment Account* from *the Investment Date* the amount was allocated to the *Smoothed Return Investment Account* to the date of the *Market Value Adjustment.*

SPECIMEN

Outstanding Loan Balance

The *Outstanding Loan Balance* is equal to the *Outstanding Principal* under provision B 12 Annual Rate Policy Loan Option plus the accrued but unpaid *Interest Payable in Arrears* plus any outstanding *Interest Payable in Advance* owing.

Outstanding Principal

The *Outstanding Principal* is equal to the sum of all *Loan Advances* made under provision B 12 Annual Rate Policy Loan Option less the sum of all principal reductions.

Policy

This *Policy* is a life insurance policy within the meaning of all the relevant provincial legislation in Canada, and forms the entire contract between the *Company* and the *Owner*. This *Policy* includes all of the following:

(i) everything listed in its Guide to Contents, and

(ii) the application for this *Policy*, and

(iii) any *Riders*, and

(iv) any application for reinstatement or to exercise an option under this *Policy* that the *Company* approves, and

(v) any Amendments, Exclusions or Endorsements, and

(vi) any other documents the *Company* attaches to this *Policy*.

No Representative or other person, except an officer of the *Company*, may modify this *Policy*. The *Company* will be deemed not to have waived any condition of this *Policy*, either in whole or in part, unless the waiver is clearly expressed in writing and signed by an officer of the *Company*.

The *Credit Facility* and all agreements, documents and instruments relating thereto do not form part of the *Policy*.

Smoothed Return Investment Account

The *Smoothed Return Investment Account* is an *Investment Account* within the *Policy*.

Beginning on January 1, 2019, the *Base Interest Rate* for the *Smoothed Return Investment Account* will be set by the *Company* on each January 1st, using the returns of the *Smoothed Return Reference Portfolio* and the smoothing process. The smoothing process established by the company will be used to bring the earnings of the *Smoothed Return Reference Portfolio*, including realized and non-realized gains and losses, net of the *Management Fee*, into the *Base Interest Rate* for the *Smoothed Return Investment Account* over time.

The *Bonus Interest Rate* for the *Smoothed Return Investment Account* for all years is zero.

Prior to January 1st, 2019 no amount in the *Smoothed Return Investment Account* may be used to fund the *Total Monthly Charge*.

An amount equal to the *Deferred Withdrawal or Transfer Amount* is not available for transfers to other *Investment Accounts* as described in B 3 Transfers Between Investment Accounts or withdrawals as described in B 7.1 Policy Withdrawals.

An amount in the *Smoothed Return Investment Account* equal to the *Outstanding Loan Balance* is available to the *Owner* for use as a *Loan Reduction* without a *Market Value Adjustment*.

Smoothed Return Reference Portfolio

The *Smoothed Return Reference Portfolio* is a portfolio of assets held by the *Company* as part of its general funds.

Owners who invest in the *Smoothed Return Investment Account* do not hold any ownership interest in the assets underlying the *Smoothed Return Reference Portfolio*.

The *Smoothed Return Reference Portfolio* will be used to track the earnings of the underlying assets and will reflect the market value of those assets.

Any *Market Value Adjustment* assessed on allocations from the *Smoothed Return Investment Account* will be included in the earnings of the *Smoothed Return Reference Portfolio*.

SPECIMEN

Smoothing Adjustment Factor

The *Smoothing Adjustment Factor* is a factor that is determined by the *Company* to adjust the rate of interest used to calculate the *Interest Payable in Advance*.

The *Smoothing Adjustment Factor* will be set at 0% for each of the 5 years beginning January 1st, 2014. On or after January 1st 2019, the *Smoothing Adjustment Factor* is subject to change on each January 1st and could be positive or negative.

Any change to the *Smoothing Adjustment Factor* will be effective on the *Policy Anniversary* coincident with or following the date of the change and will apply for that *Policy Year*.

Tax Refund

The *Tax Refund* is equal to the amount by which the *Company's* liability for investment income tax imposed under Section 211.1 of the Income Tax Act (Canada) is reduced as the result of:

(i) a withdrawal from the *Cash Option* as described in provision B 7.1 Policy Withdrawals, or

(ii) a surrender of this *Policy* as described in provision B 7.2 Policy Surrender, or

(iii) a *Loan Advance* as described in provision B 12 Annual Rate Policy Loan Option.

Value

The term *Value* will include *Accrued Interest.*

For a *Fixed Rate Investment Account*, the *Value* is the amount invested in that *Fixed Rate Investment Account* at that time plus *Accrued Interest* calculated on a daily compounded basis, up to that point in time.

For a *Variable Investment Account*, interest is allocated on the *Valuation Date*, therefore, the *Value* is the total amount invested in that account at that time.

For the *Smoothed Return Investment Account*, the *Value* is the amount invested in the *Smoothed Return Investment Account* at that time, plus *Accrued Interest* calculated on a daily compounded basis, up to that point in time.

SPECIMEN

RBC LIFE INSURANCE COMPANY

Laura A. Gainey
Senior Vice-President, Service & Operations

Rino D'Onofrio
President & CEO

This is Exhibit **"M"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

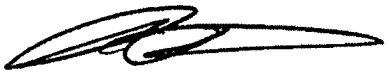
RBC Life Insurance Company, hereinafter called the *Company*, agrees to pay benefits in accordance with the terms and conditions of this *Policy*, for losses occurring while the *Policy* is *In Force*.

Terminology

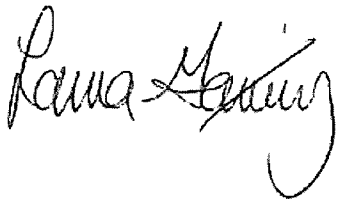
Italicized words and phrases in this *Policy* are defined in Section D of this *Policy*.

10-Day Right to Cancel This Policy

Provided written notification is given to the *Company* or to a Representative of the *Company*, within 10 days from the *Delivery Date* of this *Policy*, this *Policy* will be cancelled as of its *Policy Date*. All *Premiums* paid shall be refunded.



Rino D'Onofrio
President and Chief Executive Officer



Laura A. Gainey
Senior Vice-President, Service & Operations

RBC Life Insurance Company

P.O. Box 246
Station A
Mississauga, Ontario L5A 3A1

Policy Summary

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Guide to Contents

Title Page		Page
Policy Summary		i
Guide to Contents		iii
Policy Schedule		ps-i
A	**Benefits**	**1**
A 1	Life	1
A 1.1	Determination of the Total Life Benefit	1
A 1.2	Proceeds of the Life Benefit	2
A 1.3	Changes to the Base Life Benefit	2
A 1.4	Options to Modify the Life Benefits	2
A 1.4.1	Modification of the Required Life Benefits	2
A 1.4.2	Optimization of the Total Life Benefit	3
A 2	Capital Replacement	5
A 2.1	Capital Benefit Eligibility	5
A 2.2	Recurrent Capital Benefit	5
A 2.3	Capital Benefit Payment	5
A 2.4	Exclusions and Limitations	6
B	**Policy Funding**	**9**
B 1	Premium Payment	9
B 2	Determination of the Accumulation Fund	9
B 3	Transfers Between Investment Accounts	10
B 4	Mortality Charge Method	11
B 5	Mortality Change Option	11
B 6	Change of Smoking Habit	11
B 7	Withdrawal Options	12
B 7.1	Policy Withdrawals	12
B 7.2	Policy Surrender	12
B 8	Conditions for Default	12
B 9	Reinstatement	13
B 10	Substitute Life Option	13
B 11	Tax Exempt Policy	14
B 12	Annual Rate Policy Loan Option	15
B 13	Single to Joint Life Change Option	16
C	**General Provisions**	**17**
C 1	Assignment	17
C 2	Currency	17
C 3	Dividends	17
C 4	Incontestability	17
C 5	Misstatement of Age or Sex	17
C 6	Misstatement of Smoking Habit	18
C 7	Policy Options	18
C 8	Proof of Claim	18
C 9	Suicide	18

D Definitions 19

Accrued Interest 19
Accumulation Fund 19
Annual Rate Policy Loan 19
Annual YRT Mortality Factors 19
Attained Age 19
Automatic Allocation Rules 19
Base Interest Rate 20
Base Life Benefit 21
Beneficiary 21
Benefit or Benefits 21
Bonus Interest Rate 21
Capital Benefits 22
Cash Option 22
Company 22
Credit Facility 22
Critical Condition 22
Critical Illness 22
Default 22
Default Premium 23
Deferred Withdrawal or Transfer Amount 23
Delivery Date 23
Deposit Frequency 23
Diagnosed or Diagnosis 23
Expiry Date 24
External Investment Fund 24
External Investment Index 24
Fixed Rate Investment Account 24
Full-time Employment 24
Grace Period 25
Guaranteed Interest Rate 25
- Fixed Rate Investment Accounts 25
- Indexed Investment Accounts 25
- Managed Investment Accounts 26
- Managed Portfolio Investment Accounts 26
- Smoothed Return Investment Account 26

Indexed Investment Account 26
In Force 26
Initial Scheduled Premium 27
Initial Total Life Benefit 27
Injury 27
Insured 27
Interest Payable in Advance 28
Interest Payable in Arrears 28
Interest Refund 28
Investment Account 28
Investment Date 29
Investment Term 29
Issue Age 29
Life Benefit 29
Life Support 29
Loan Advance 29
Loan Payment 29
Loan Reduction 30
Loss of Independent Existence 30

Managed Investment Account 30
Managed Portfolio Investment Account 31
Management Fee 31
Market Value Adjustment 31
    Fixed Rate Investment Accounts 31
    Smoothed Return Investment Account 32
Market Value Interest Rate 33
Maximum Net Amount of Risk 33
Minimum Guaranteed Interest Rate 33
Monthly Administrative Charge 33
Monthly Charge Security 34
Monthly Charges 34
Monthly Earned Income 34
Monthly Mortality Charges 35
Mortality Charge Method 35
Net Amount of Risk 35
Occupation 35
Occupational Disability or Occupationally Disabled 35
Outstanding Loan Balance 36
Outstanding Principal 36
Owner 36
Percentage Change 36
Physician 37
Plan Type 37
Policy 37
Policy Anniversary 37
Policy Date 37
Policy Delivery Receipt 38
Policy Month 38
Policy Number 38
Policy Year 38
Premium 38
Premium Accumulation Amount 38
Premium Deposits 38
Premium Load 38
Prior Average Monthly Earned Income 38
Proceeds 39
Regular Care and Attendance of a Physician 39
Reinstatement Premium 39
Required Life Benefit 39
Rider 40
Sex 40
Sickness 40
Smoking Habit 40
Smoothed Return Investment Account 40
Smoothing Adjustment Factor 41
Specialist 41
Surgery 41
Survival Period 41
Tax Refund 42
Total Capital Benefits 42
Total Interest Rate 42
Total Life Benefit 42
Total Monthly Charge 42
Total Withdrawals 42
Triggering Event for Capital Benefits 42

Valuation Date 43
Value 43
Variable Investment Account 43
Waiting Period 43

E List and Definitions of Critical Illnesses 45

Alzheimer Disease 45
Aortic Surgery 45
Blindness 45
Cancer 45
Coma 46
Coronary Artery Bypass Graft 46
Deafness 46
Heart Attack 46
Heart Valve Replacement 47
Kidney Failure 47
Loss of Limbs 47
Loss of Speech 47
Major Organ Failure On Waiting List 47
Major Organ Transplant 47
Motor Neuron Disease 48
Multiple Sclerosis 48
Occupational HIV Infection 48
Paralysis 49
Parkinson Disease 49
Severe Burns 49
Stroke 50

APPENDIX A ..... appA

Provincial Endorsements ..... pe-i

Policy Schedule

(Generated Policy Specific)

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A Benefits

A 1 Life

Subject to the provisions of this *Policy*, the *Company* will pay the *Proceeds* of the *Life Benefit* as described in provision A 1.2 Proceeds of the Life Benefit, to the *Beneficiary* when the *Insured* dies provided the death occurs while this *Policy* is *In Force*. The payment will be made within 30 days following the date that adequate proof of claim is provided to the *Company*.

A 1.1 Determination of the Total Life Benefit

The *Total Life Benefit* at any time is equal to the greatest of (i), (ii) and (iii) where:

(i) is the *Base Life Benefit*,

plus	-	the total amount of *Life Benefits* provided by *Riders*,
minus	-	the *Total Withdrawals*,
minus	-	the *Total Capital Benefits*,
minus	-	any amounts deducted from the *Accumulation Fund and* designated as *Loan Reductions*, and

(ii) is the *Required Life Benefit* for the current *Policy Year*,

minus	-	any withdrawals made since the date the current *Required Life Benefit* was established, as described in provision B 7.1 Policy Withdrawals,
minus	-	any *Capital Benefit* payments paid since the date the current *Required Life Benefit* was established, as described in provision A 2.3 Capital Benefit Payment,
minus	-	any amounts deducted from the *Accumulation Fund* and designated as *Loan Reductions* since the date the current *Required Life Benefit* was established, and

(iii) is the *Value* of the *Accumulation Fund*.

The *Total Life Benefit* on the *Policy Date*, determined without taking into account the *Life Benefits* provided by *Riders*, is the *Initial Total Life Benefit* shown in the Policy Schedule.

The *Total Life Benefit* at any time cannot exceed the *Maximum Net Amount of Risk* shown in the Policy Schedule plus the *Value* of the *Accumulation Fund*.

A 1.2 Proceeds of the Life Benefit

The *Proceeds* of the *Life Benefit* are:

	-	the *Total Life Benefit* as determined in provision A 1.1 Determination of the Total Life Benefit,
minus	-	the *Outstanding Loan Balance* at the time the *Proceeds* become payable,
minus	-	the *Default Premium*, if the *Insured* dies during the *Grace Period*.

A 1.3 Changes to the Base Life Benefit

At the beginning of any *Policy Month* where the *Required Life Benefit* is greater than the aggregate of the *Base Life Benefit* and the total amount of *Life Benefits* provided by *Riders*, the *Owner* may elect in writing to have the *Base Life Benefit* increased to an amount, not exceeding:

(i) the *Required Life Benefit* at that time,

minus - the total amount of *Life Benefits* provided by *Riders*.

Once such an increase has been made, no further increase in the *Base Life Benefit* may be made unless evidence of insurability satisfactory to the *Company* is provided.

At the beginning of any *Policy Month*, the *Owner* may elect in writing to have the *Base Life Benefit* reduced. There is no limit on the number of times reductions may be elected.

A 1.4 Options to Modify the Life Benefits

The *Required Life Benefits* which are scheduled in Appendix A, if any, were determined on the *Policy Date* based on projected values of the *Accumulation Fund* derived from assumptions of the *Benefits*, *Premiums* and *Total Interest Rates* which were reflected in the illustration submitted at the time of application for this *Policy*.

A 1.4.1 Modification of the Required Life Benefits

If at any time during the *Policy Years* for which *Required Life Benefits* are scheduled in Appendix A, the value of the *Accumulation Fund* is substantially different from the value that was projected on the *Policy Date*, or if the *Owner* wants to change the assumptions of future *Benefits*, *Premiums* or *Total Interest Rates*, the *Owner* may request that the *Company* modify the *Required Life Benefits* scheduled in Appendix A. If the modified *Required Life Benefit* for any *Policy Year* is greater than the *Required Life Benefit* that was previously scheduled, evidence of insurability satisfactory to the *Company* will be required before the schedule of *Required Life Benefits* is changed.

It may not be possible to determine a schedule of *Required Life Benefits* that will satisfy the criteria for this *Policy* to qualify as an Exempt Policy within the meaning of the Income Tax Act (Canada), where the assumptions for future *Premiums* or *Total Interest Rates* have increased, or *Benefits* have decreased. If that is the case, the *Company* will so advise the *Owner* and outline possible alternative courses of action to maintain the Exempt Policy status.

A 1.4.2 Optimization of the Total Life Benefit

At the beginning of any *Policy Month*, the *Owner* may elect in writing to have the *Total Life Benefit* determined thereafter, so as to minimize the *Monthly Mortality Charges* while still keeping the *Policy* exempt under the Income Tax Act (Canada) and its Regulations in effect on the *Policy Date*. This change will be effective at the beginning of the *Policy Month* immediately following or coincident with the date of receipt by the *Company* of such election. As a result, the *Total Life Benefit* will automatically be adjusted on the effective date of this election and on each subsequent *Policy Anniversary*. When filing an election under this provision, the *Owner* must specify the value of the *Base Life Benefit*, which will apply thereafter. The value chosen cannot exceed the *Base Life Benefit* at that time and may be reduced to any amount.

On the effective date of this election, the following will automatically occur:

(i) subject to the limits mentioned above, the *Base Life Benefit* will be set to the value specified by the *Owner* in the election, and

(ii) any *Riders* which provide *Life Benefits* will terminate, and

(iii) the values of the *Required Life Benefits* shown in the Appendix A will no longer be applicable. The *Required Life Benefits* will be set at the beginning of each *Policy Year*, if necessary, as described in B11 Tax Exempt Policy.

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A 2 Capital Replacement

Subject to the provisions of this *Policy*, *Capital Benefits* are payable by the *Company* to the *Insured*, each time the following requirements are met:

(i) the *Owner* has filed an election for such *Benefits* with the *Company* prior to the *Triggering Event for Capital Benefits*;

(ii) the *Insured* satisfies the eligibility requirements specified in provision A 2.1 Capital Benefit Eligibility; and

(iii) it is not shown in the Policy Schedule that *Capital Benefits* are not applicable.

The *Owner* may modify or rescind a previous election anytime prior to the *Triggering Event for Capital Benefits.* If no election for *Capital Benefits* is on file with the *Company* when the *Triggering Event for Capital Benefits* occurs, then a *Capital Benefit* will not be payable.

The *Owner* may designate in an election filed under this provision that another party be the recipient of any *Capital Benefits* that become payable.

A 2.1 Capital Benefit Eligibility

Eligibility for *Capital Benefits* is satisfied when:

(i) the *Insured* is *Occupationally Disabled* and the *Waiting Period* has been completed; or

(ii) the *Insured* is *Diagnosed* with a *Critical Condition* and the *Survival Period* has been completed; or

(iii) the *Insured* had qualified for *Capital Benefits* under (i) or (ii) above, and no more than 90 days have elapsed since the *Insured* ceased to qualify for *Capital Benefits*.

A 2.2 Recurrent Capital Benefit

A period of *Occupational Disability* or a *Critical Condition*, resulting from the same or related cause as a previous period for which the *Waiting Period* or *Survival Period* for *Capital Benefits* was completed, and which begins within 12 months from the date on which the previous period ended, will be considered a continuation of the previous period. It will not be necessary to complete a new *Waiting Period* or *Survival Period* for *Capital Benefits*.

For all other periods of an *Occupational Disability* or a *Critical Condition* it will be necessary to complete a new *Waiting Period* or *Survival Period* for *Capital Benefits*.

A 2.3 Capital Benefit Payment

If a *Capital Benefit* is payable under this provision, the *Company* will pay the *Benefit* no later than 45 days following the date adequate proof of claim is provided to the *Company*.

When filing an election under provision A 2 Capital Replacement, the *Owner* can choose between one of the following two payment options:

(i) the *Capital Benefit* payable be paid as a single lump sum, where the *Owner* must specify the proportion of the *Cash Option* to be paid as a lump sum, or

(ii) the *Capital Benefit* payable be paid as a monthly *Income Benefit* where the *Owner* must specify the proportion of the *Cash Option* or the dollar amount to be paid as a monthly *Income Benefit*. Each such *Capital Benefit* payment cannot exceed the *Cash Option* on the date the payment is to be made. These *Capital Benefit* payments will continue to be made throughout the period of eligibility described in provision A 2.1 Capital Benefit Eligibility so long as there are sufficient funds in the *Cash Option*. The aggregate of the monthly *Income Benefits* paid under this option cannot exceed the total *Capital Benefit* payable.

The total *Capital Benefit* payable under this provision is equal to the lesser of:

(i) the *Cash Option* at the date at which eligibility for *Capital Benefits* is established

multiplied by	-	the proportion of the *Cash Option* elected
minus	-	any applicable *Market Value Adjustment*
minus	-	the *Monthly Charge Security*, and

(ii) the *Cash Option* at the date that the *Capital Benefit* is paid

multiplied by	-	the proportion of the *Cash Option* elected
minus	-	any applicable *Market Value Adjustment*
minus	-	the *Monthly Charge Security*.

The designated recipient has the right to decline payment of the *Capital Benefit* after the date that eligibility for *Capital Benefits* is established and prior to the payment of such *Benefits* by the *Company*. If the designated recipient declines receipt of a monthly *Capital Benefit*, in respect of an *Occupational Disability* or *Critical Condition* for which eligibility for *Capital Benefits* is established, all subsequent *Capital Benefits* otherwise payable in respect of such *Occupational Disability* or *Critical Condition* will be forfeited.

On the date a *Capital Benefit* is paid, the *Accumulation Fund* will be reduced by the amount paid plus the applicable *Market Value Adjustment* as described in provision B 2 Determination of the Accumulation Fund. Where the designated recipient declines a *Capital Benefit* payment, no adjustment will be made to the *Accumulation Fund*.

A 2.4 Exclusions and Limitations

No payment of *Capital Benefits* will be made because of *Occupational Disability* or *Critical Condition* caused directly or indirectly by:

(i) self-inflicted injury, while sane or insane, or

(ii) an act or accident of war, declared or undeclared, or due to any type of military conflict, or

(iii) normal pregnancy or childbirth. This *Policy* however, does provide coverage for *Occupational Disability* arising from complications of pregnancy or childbirth, or

(iv) transplant surgery where a part of the *Insured's* body is transplanted to another person during the first 6 months that this *Policy* is *In Force*, or

(v) cosmetic surgery during the first 6 months that this *Policy* is *In Force*.

No payment of *Capital Benefits* will be made because of *Critical Condition* caused by:

(i) use of illegal or illicit drugs or substances, or misuse of medication obtained with or without prescription, or abuse of alcohol, or

(ii) committing or attempting to commit a criminal offence.

No payment of *Capital Benefits* will be made for any period of time during which the *Insured* is incarcerated in a penal institution or government detention facility.

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B Policy Funding

B 1 Premium Payment

Premiums may be paid to the *Company* at any time while this *Policy* is *In Force*.

The *Initial Scheduled Premium* and *Deposit Frequency* are shown in the Policy Schedule. The *Owner* may change the amount or frequency of scheduled *Premiums* at any time.

It is the *Owner's* responsibility to ensure that sufficient *Premiums* are paid to keep this *Policy In Force*, otherwise this *Policy* may go into *Default* as described in provision B 8 Conditions for Default.

The *Company* may limit the *Premiums* paid in any *Policy Year*, if necessary, for this *Policy* to qualify as an Exempt Policy within the meaning of the Income Tax Act (Canada).

B 2 Determination of the Accumulation Fund

An *Accumulation Fund* will be established on the *Policy Date*. The *Value* of the *Accumulation Fund* on that date will be the *Premium Accumulation Amount* on the *Policy Date* minus the *Total Monthly Charge* for the first *Policy Month*. This amount will be allocated among the various *Investment Accounts* according to the most recent investment allocation filed with the *Company*. If no investment allocation has been filed with the *Company*, this amount will be allocated to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

At any time after the *Policy Date*, the *Value* of the *Accumulation Fund* will be equal to the sum of the *Values* of all the *Investment Accounts* in the *Accumulation Fund.*

For each *Premium Deposit*, the *Value* of the *Accumulation Fund* is increased by the *Premium Accumulation Amount*. This allocation will occur on the next applicable *Valuation Date*. The *Premium Accumulation Amount* will be allocated among the various *Investment Accounts* according to the most recent investment allocation filed with the *Company*. If no investment allocation has been filed with the *Company,* the *Premium Accumulation Amount* will be allocated to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

At the end of the *Investment Term*, the *Value* of any *Fixed Rate Investment Account* will be allocated to one or more *Investment Accounts*, according to the most recent investment allocation filed with the *Company*. If no investment allocation has been filed with the *Company*, such *Value* will be allocated to a new *Fixed Rate Investment Account* with the same *Investment Term* as the *Investment Term* that has just ended, if available. If the same *Investment Term* is no longer available, an *Investment Term* of five years will be used.

The following amounts will be deducted from the *Accumulation Fund* according to the *Automatic Allocation Rules:*

(i) on the first day of each *Policy Month*, the *Total Monthly Charge* for that *Policy Month* including any applicable *Market Value Adjustment,* and

(ii) any amounts that are indicated in *Riders* as amounts to be deducted from the *Accumulation Fund* and are not specified as *Monthly Charges*.

The following amounts will be deducted from the *Accumulation Fund* according to the *Investment Accounts* selected by the *Owner,* or if no selection is made, according to the *Automatic Allocation Rules:*

(i) any *Capital Benefits* payable on that date, including any applicable *Market Value Adjustment*, under provision A 2.3 Capital Benefit, and

(ii) any withdrawals from the *Cash Option* including any applicable *Market Value Adjustment,* payable on that date under provision B 7.1 Policy Withdrawals, and

(iii) any amounts designated as *Loan Reductions.*

B 3 Transfers Between Investment Accounts

Subject to the terms of this provision, the *Owner* may request in writing to have part or all of the *Value* of an *Investment Account* transferred to other *Investment Accounts.* Such transfers will be effective on the next applicable *Valuation Date*.

If an amount is transferred from a *Fixed Rate Investment Account* or the *Smoothed Return Investment Account*, any applicable *Market Value Adjustment* will be applied to the amount transferred.

If an amount is transferred to a *Fixed Rate Investment Account*, a new *Fixed Rate Investment Account* will be created on the effective date of the transfer with the appropriate *Investment Term.*

An amount may be transferred from the *Value* of the *Smoothed Return Investment Account* only when the amount so transferred does not decrease the *Value* of the *Smoothed Return Investment Account* below the sum of:

(i) the *Deferred Withdrawal or Transfer Amount* and

(ii) the *Outstanding Loan Balance* or the amount outstanding under an associated *Credit Facility.*

If more than two requests for transfers are received in a *Policy Year*, an additional charge as determined by the *Company* will be deducted from the amount being transferred for each transfer processed after the second in a *Policy Year.*

In the event of a loan advance associated with a *Credit Facility*, except for a loan advance made by the *Company* to pay accrued interest, the *Company* will automatically transfer funds from the *Investment Accounts* within the *Policy* to the *Smoothed Return Investment Account* in an amount equal to the loan advance. The transfer will be made in accordance with the *Automatic Allocation Rules*, unless requested otherwise.

An amount equal to any reduction to the amount outstanding under an associated *Credit Facility,* except for a loan reduction made as a result of a *Policy* withdrawal, will be transferred automatically from the *Smoothed Return Investment Account* to the *Investment Accounts* within the *Policy.* The transfer will be made in accordance with the most recent investment allocation filed with the *Company,* unless requested otherwise. If no investment allocation has been filed with the *Company*, the transfer from the *Smoothed Return Investment Account* will be made to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

In the event of a *Loan Advance,* except for a *Loan Advance* made by the *Company* to pay *Interest Payable in Arrears*, the *Company* will automatically transfer funds from the *Investment Accounts* within the *Policy* to the *Smoothed Return Investment Account* in an amount equal to the *Loan Advance.* The transfer will be made in accordance with the *Automatic Allocation Rules*, unless requested otherwise.

An amount equal to any reduction in the *Outstanding Loan Balance* resulting from a *Loan Payment* will be transferred automatically from the *Smoothed Return Investment Account* to the *Investment Accounts* within the *Policy.* The transfer will be made in accordance with the most recent investment allocation filed with the *Company,* unless requested otherwise. If no investment allocation has been filed with the *Company*, the transfer from the *Smoothed Return Investment Account* will be made to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

B 4 Mortality Charge Method

The *Mortality Charge Method* available on the *Policy Date* is Yearly Renewable Term and is shown in the Policy Schedule.

The *Monthly Mortality Charges* are based on the *Annual YRT Mortality Factors*. The *Annual YRT Mortality Factors* for the *Insured* are guaranteed for the life of the contract.

B 5 Mortality Change Option

In accordance with provision C 7 Policy Options, from time to time, the *Company* may make additional mortality charge methods available to the *Owner*. When such options are made available, the *Owner* will have the right to change the *Mortality Charge Method*. The provisions of this *Policy* will be amended as required to reflect the terms and conditions of any such options elected by the *Owner*.

B 6 Change of Smoking Habit

The *Owner* may apply to change the *Insured's Smoking Habit*.

If the *Insured* changes his or her *Smoking Habit* for a period of at least 12 consecutive months and has no other rating for a smoking-related impairment, a smoker classification may be changed, or a cigar rating may be removed, within the first 3 years from the *Policy Date*, or within a period of three years from the policy date of the original term policy if this *Policy* resulted from a term conversion, if the *Insured* provides a non-smoking declaration and urine sample satisfactory to the *Company*.

If the *Insured* changes his or her *Smoking Habit* after a period of three years from the *Policy Date*, or after a period of three years from the policy date of the original term policy if the *Policy* resulted from a term conversion, the smoker classification may be changed, or a cigar rating may be removed, with additional medical evidence satisfactory to the *Company*.

B 7 Withdrawal Options

This provision allows the *Owner* to withdraw all or a portion of the *Cash Option* at any time while the *Insured* is living and this *Policy* is *In Force*.

B 7.1 Policy Withdrawals

The *Owner* may withdraw a portion of the *Cash Option* in excess of any *Deferred Withdrawal or Transfer Amount*, while the *Insured* is living and this *Policy* is *In Force*. A written request must be sent to the *Company*.

The amount withdrawn from the *Cash Option* will be deducted from the *Accumulation Fund* on the date of the withdrawal. The *Owner* may select the *Investment Accounts* from which the withdrawal is to be deducted. If no selection is made, the withdrawal will be deducted from the *Investment Accounts* according to the *Automatic Allocation Rules*.

The *Proceeds* in respect of such withdrawal from the *Cash Option* will be calculated as follows:

	-	the amount of *Cash Option* withdrawn,
minus	-	any *Market Value Adjustment* applicable to the amount of *Cash Option* withdrawn,
plus	-	the *Tax Refund*.

The *Proceeds* will be paid no later than 30 days following receipt of the request for the withdrawal.

B 7.2 Policy Surrender

The *Owner* can elect to surrender this *Policy* at any time by withdrawing the entire *Cash Option* while the *Insured* is living and this *Policy* is *In Force*. A written request, and this *Policy* if the *Company* requests it, must be sent to the *Company*.

The *Proceeds* in respect of such surrender will be calculated as follows:

	-	the *Cash Option*,
minus	-	any *Market Value Adjustment* applicable,
plus	-	the *Tax Refund*.

The *Proceeds* will be paid no later than 30 days following receipt of the request for the surrender.

At the time that the *Proceeds* from such surrender are paid out, this *Policy* will terminate and have no further value.

B 8 Conditions for Default

On the first day of any *Policy Month*, this *Policy* will go into *Default* if:

(i) the *Outstanding Loan Balance* is zero and the deduction of the *Total Monthly Charge* results in the *Value* of the *Accumulation Fund* becoming negative, or

(ii) the *Outstanding Loan Balance* is zero and the deduction of the *Total Monthly Charge* results in the *Value* of the *Accumulation Fund* becoming less than the *Value* of the *Smoothed Return Investment Account,* or

(iii) the *Outstanding Loan Balance* exceeds zero and the *Cash Option* is negative, or

(iv) the *Outstanding Loan Balance* exceeds zero and the *Interest Payable in Advance* has not been paid in full when due.

This *Policy* will stay *In Force* during the *Grace Period* and will be brought out of *Default* if an amount equal to or greater than the *Default Premium* is paid during the *Grace Period.*

If this *Policy* is still in *Default* at the end of the *Grace Period*, any *Proceeds* payable as described in provision B 7.2 Policy Surrender will be paid to the *Owner.* In this event the *Owner* is deemed to have elected to surrender the *Policy* and the *Policy* will terminate on that date and have no further value. If no *Proceeds* would be payable under provision B 7.2 Policy Surrender then this *Policy* will terminate on that date and have no further value. The *Policy* may be reinstated within two years of termination under this provision.

B 9 Reinstatement

This *Policy* may be reinstated by the *Owner* within two years of termination unless it is terminated because of an election by the *Owner* to withdraw its entire *Cash Option* as described in provision B 7.2 Policy Surrender.

To reinstate, the *Company* will require the following:

(i) a written application to reinstate,

(ii) evidence to have been submitted and approved, that satisfies the *Company* that the *Insured* is insurable, and

(iii) payment of the *Reinstatement Premium*.

The effective date of the reinstatement will be the first day of the *Policy Month* following the completion of the above requirements.

On the effective date of the reinstatement, there will be a charge added to the *Total Monthly Charge* for the following *Policy Month* equal to component (i) and (ii) of the *Reinstatement Premium* multiplied by (1 - *Premium Load*).

B 10 Substitute Life Option

The *Owner* may request in writing that a new life be substituted for the *Insured* under this *Policy*. The *Company* will agree to make this substitution provided:

(i) this *Policy* is *In Force*, and

(ii) evidence has been submitted and approved, that satisfies the *Company* that the new life is insurable, and

(iii) evidence has been submitted that satisfies the *Company* that the *Owner* has an insurable interest in the new life to be insured, and

(iv) the *Attained Age* of the new life to be insured, on the effective date of the substitution satisfies the age requirements for this *Plan Type*, for the *Mortality Charge Method*, and for all the *Benefits* provided by this *Policy*.

The effective date of the substitution will be the first day of the *Policy Month* following or coincident with the completion of the above requirements.

The *Value* of the *Accumulation Fund* immediately before and after the substitution will remain unchanged, unless this *Policy* must be adjusted so it will continue to satisfy the requirements of provision B 11 Tax Exempt Policy.

The mortality factor(s) which apply and the *Total Monthly Charges* will be changed to reflect the *Attained Age* and underwriting class of the new life (or lives).

For the first substitution under this *Policy*, the mortality factor(s) which apply and the *Total Monthly Charges*, excluding the *Monthly Charges* for Critical Illness *Benefits*, if any, will be calculated using the factors, assumptions and methodology that were in effect with the *Company* on the *Policy Date*.

For all other substitutions, the mortality factor(s) and the *Total Monthly Charges* will be calculated using the factors, assumptions and methodology that are in effect with the *Company* on the effective date of the substitution.

For the substitution, at any time, of an *Insured* for a Critical Illness *Benefit*, the *Monthly Charges* for the Critical Illness *Benefit* will be based on the factors, assumptions and methodology that are in effect with the *Company* on the effective date of the substitution.

For the purposes of provisions C 4 Incontestability and C 9 Suicide, a new two-year period will begin from the effective date of the substitution.

B 11 Tax Exempt Policy

The Income Tax Act (Canada) and its Regulations specify criteria for a life insurance policy to qualify as an Exempt Policy. The annual increase in the *Accumulation Fund* of an Exempt Policy is not included in computing the income of the *Owner* for tax purposes. An amount received as a consequence of the death of the insured under an Exempt Policy is not considered to be a disposition of an interest in the policy and therefore is not taxable to the beneficiary.

This *Policy* qualifies as an Exempt Policy under the Income Tax Act (Canada) and its Regulations for the first *Policy Year.* If, at the end of any *Policy Year*, this *Policy* would not otherwise continue to qualify as an Exempt Policy under the Income Tax Act (Canada) and its Regulations in effect on the *Policy Date*, the *Company* will adjust the provisions of this *Policy*, without requiring any evidence of insurability, so this *Policy* will continue to qualify as an Exempt Policy under the rules in effect on the *Policy Date*. The *Company* will notify the *Owner* of such adjustment.

Adjustments to satisfy the criteria for qualification as an Exempt Policy include, but are not limited to, the following:

(i) if the *Total Life Benefit* on the relevant *Policy Anniversary* does not exceed the *Total Life Benefit* on the previous *Policy Anniversary* by 8% or more, the *Required Life Benefit* for the next *Policy Year* will be set to the lower of (a) and (b) below, where:

  (a) is the minimum amount required to satisfy the Exempt Policy criteria, but in no event shall it be less than the *Required Life Benefit* on the day prior to the *Policy Anniversary* divided by 108%, and

  (b) is an amount such that the *Total Life Benefit* on the relevant *Policy Anniversary* is increased up to 108% of the *Total Life Benefit* on the previous *Policy Anniversary.*

(ii) if further adjustment is required, a withdrawal will be made from the *Cash Option* and the *Proceeds* from such withdrawal, as described in provision B 7.1 Policy Withdrawals, will be paid to the *Owner.* Part or all of such *Proceeds* may be taxable income to the *Owner.*

B 12 Annual Rate Policy Loan Option

The *Owner* may request a *Loan Advance* under the Annual Rate Policy Loan Option by providing a written request to the *Company* provided that this *Policy* is not the subject of a collateral assignment.

The maximum *Loan Advance* available under the Annual Rate Policy Loan Option is equal to the *Cash Option* less the *Monthly Charge Security* and less any applicable *Market Value Adjustment.* The *Monthly Charge Security* will be held in a *Fixed Rate Investment Account.* The amount of the *Loan Advance* must comply with the minimum advance requirement set by the *Company* from time to time. Such minimums do not apply to *Loan Advances* made to pay the *Interest Payable in Advance* or *Interest Payable in Arrears.*

The *Owner* is required to pay interest on the *Annual Rate Policy Loan* when due as specified in the definitions of *Interest Payable in Advance* and *Interest Payable in Arrears.* If the *Company* has not received the *Interest Payable in Advance* when due, the *Company* will make an additional *Loan Advance*, to the extent possible, as full or partial payment of the required *Interest Payable in Advance.* If the *Company* has not received the *Interest Payable in Arrears* when due, the *Company* will automatically make an additional *Loan Advance*, as payment of the required *Interest Payable in Arrears.*

In the event of a *Loan Advance*, except for a *Loan Advance* made by the *Company* to pay *Interest Payable in Arrears*, the *Company* will automatically transfer funds from the *Investment Accounts* within the *Policy*, to the *Smoothed Return Investment Account* in an amount equal to the *Loan Advance.* The transfer will be made in accordance with the *Automatic Allocation Rules*, unless requested otherwise.

The *Owner* has the right to make a *Loan Reduction* on the *Annual Rate Policy Loan* at any time. The *Loan Reduction* may generate an *Interest Refund* of the *Interest Payable in Advance.*

Any *Interest Refund* will be automatically applied by the *Company* as a *Loan Reduction.* If the *Interest Refund* exceeds the *Outstanding Loan Balance*, the excess will be paid to the *Owner* by the *Company.*

B 13 Single to Joint Life Change Option

Any time after the fifth *Policy Anniversary*, the *Owner* has the option to add one additional life to this *Policy* to change the *Plan Type* to a Joint Last to Die *Policy*.

The *Company* will agree to add the additional life provided:

(i) this *Policy* is *In Force*, and

(ii) evidence has been submitted that satisfies the *Company* that the *Owner* has an insurable interest in the additional life, and

(iii) the *Attained Age* of the *Insured* and of the additional life is less than or equal to 75 prior to or on the effective date of the change, and

(iv) evidence of insurability has been submitted that satisfies the *Company* that the additional life is insurable. Evidence of insurability must be submitted by one of the following methods:

(a) satisfactory evidence of insurability on the additional life is submitted to the *Company*, at the time of application for this *Policy*. No further evidence of insurability will be accepted after the *Delivery Date*, except in the event of Reinstatement where new evidence must be submitted and approved. If satisfactory evidence of insurability is submitted at the time of application, the *Monthly Administrative Charges* from the *Policy Date* will be determined using the *Attained Age* of both the *Insured* and the additional life.

Any time after the fifth *Policy Anniversary*, the *Owner* may elect, in writing to the *Company*, to drop the additional life to be insured. In this case, or in the event the additional life dies prior to the election of this option, the *Monthly Administrative Charges* in respect of the additional life will be dropped and this change option will no longer be available.

(b) satisfactory evidence of insurability on the additional life is submitted to the *Company* at the time that this option is exercised. On the effective date of the change, the *Monthly Administrative Charges* will be determined using the *Attained Age* of both the *Insured* and the additional life.

For the purposes of provisions C 4 Incontestability and C 9 Suicide, a new two year period will begin from the effective date of the change in respect of the additional life.

At the time of change, the *Annual YRT Mortality Factors* will be re-determined taking into account the *Attained Age* of both *Insureds*, using the factors, assumptions and methodology that were in effect with the *Company* on the *Policy Date*.

The *Value* of the *Accumulation Fund* immediately before and after the change to a Joint Last-to-Die *Policy* will remain unchanged, unless this *Policy* must be adjusted so it will continue to satisfy the requirements of provision B 11 Tax Exempt Policy.

C General Provisions

C 1 Assignment

This *Policy* may be assigned in whole or in part, subject to any exclusions listed under specific *Benefits* or *Riders*. The *Company* will not recognize an assignment unless it receives that assignment or a duplicate of it. The *Company* is not responsible for the validity of any assignment.

C 2 Currency

Canadian dollars.

C 3 Dividends

This *Policy* is not eligible to share in the distribution of the surplus or profits of the *Company*.

C 4 Incontestability

The *Owner* and the *Insured* must disclose in any application, including any application for reinstatement or to exercise an option under this *Policy*, every fact which is material to the contract. Subject to the limitations in this provision and except for a misstatement of the age or *Sex* of the *Insured*, failure to do so, or misrepresenting any material fact will make this *Policy* subject to rescission.

However, the *Company* will not contest statements made in any application, including any application for reinstatement or to exercise an option under this *Policy*, other than fraudulent statements, after this *Policy* has been *In Force* for two years starting from the latest of:

(i) the date this *Policy* goes *In Force*, or

(ii) the effective date of the last reinstatement, if any, or

(iii) the effective date of any option under this *Policy* that is exercised requiring evidence of insurability.

In the case of the exercise of any option under this *Policy*, the statements made in the application to exercise that option may be contested. The *Benefits* resulting from such statements may be subject to cancellation.

C 5 Misstatement of Age or Sex

If the age or *Sex* of any *Insured* has been misstated, this *Policy* will be adjusted to reflect the correct age or *Sex*. Such adjustment to this *Policy* may include, but is not limited to, an adjustment to the *Benefits* or to the *Accumulation Fund*. Any date, specified or described in this *Policy*, that is based on the misstated age will also be adjusted. Such adjustments may be made at any time and will not result in an increase in *Benefits* unless evidence of insurability satisfactory to the *Company* is provided. If, as a result of such adjustments, any of the charges that were included in *Total Monthly Charges* and deducted from the *Accumulation Fund* were for *Benefits* that would have otherwise terminated or never been issued, the *Company's* liability with respect to such *Benefits* will be limited to a credit to the *Accumulation Fund* of any such charges in respect of the period during which the *Benefits* would not have been provided.

C 6 Misstatement of Smoking Habit

The *Company* uses a more favourable basis to calculate some of the charges included in the *Total Monthly Charges* for non-smokers. If the *Insured* falsely answers questions related to his or her *Smoking Habits* in any application for this *Policy*, including any application for reinstatement or to exercise an option under this *Policy*, the *Company* may rescind this *Policy* on the grounds of misrepresentation as described in provision C 4 Incontestability.

C 7 Policy Options

From time to time, the *Company* may make additional options available to the *Owner*. The provisions of this *Policy* will be amended as required to reflect the terms and conditions of any options elected by the *Owner*. The election of such options must be in writing and may be subject to evidence of insurability.

C 8 Proof of Claim

No claim can be approved or paid until the *Company* receives all the information and documentation it reasonably needs to evaluate that claim.

C 9 Suicide

The *Company's* liability under this *Policy* will be limited if the *Insured*, whether sane or insane, commits suicide within two years from the latest of:

(i) the date this *Policy* goes *In Force*, or

(ii) the effective date of the last reinstatement, if any, or

(iii) the effective date of any option under this *Policy* that is exercised requiring evidence of insurability.

With respect to (i) or (ii) above, the *Company* will not pay the *Proceeds* of the *Life Benefit*, and will instead refund to the *Owner* all *Premiums* paid, less any *Monthly Charges*, since the relevant date from (i) or (ii) above, less any *Outstanding Loan Balance*, less *Total Withdrawals*, and less the *Default Premium* if the *Insured* dies within the *Grace Period*.

With respect to (iii) above, relating only to the portion of the *Total Life Benefit* resulting from such option, the *Company* will not pay the *Proceeds* of any associated *Life Benefit,* and will instead refund any associated *Monthly Mortality Charges* not waived since the effective date of the option.

D Definitions

The following definitions apply to this *Policy* and all *Riders* except where defined otherwise in a specific *Rider*.

Accrued Interest

For a *Fixed Rate Investment Account*, interest is credited monthly. *Accrued Interest* at any time will be calculated on a daily compounded basis using the *Total Interest Rate* for that account.

For a *Variable Investment Account*, interest is credited on the next applicable *Valuation Date*. No *Accrued Interest* is applicable.

For the *Smoothed Return Investment Account, Accrued Interest* at any time will be calculated on a daily compounded basis using the *Total Interest Rate* for the account.

Accumulation Fund

The *Accumulation Fund* is a fund established for the benefit of the *Owner* and adjusted periodically at least once a month as described in provision B 2 Determination of the Accumulation Fund. The *Accumulation Fund* is used to determine, among other things, the *Cash Option*, *Net Amount of Risk* and whether or not this *Policy* is in *Default*.

Annual Rate Policy Loan

The *Owner* may establish an *Annual Rate Policy Loan* as described in provision B 12 Annual Rate Policy Loan Option.

Annual YRT Mortality Factors

The *Annual YRT Mortality Factors* are shown in Appendix A. They are used in calculating the *Monthly Mortality Charges* when the Yearly Renewable Term *Mortality Charge Method* is shown in the Policy Schedule or in an Endorsement to this *Policy*.

The *Annual YRT Mortality Factors* for the *Insured* are guaranteed for the life of the contract.

Attained Age

The *Attained Age* of an *Insured* on any *Policy Anniversary* will be the age of that *Insured* at his or her birthday nearest to that *Policy Anniversary*. The *Attained Age* of an *Insured* at any time during a *Policy Year* will be the *Attained Age* of that *Insured* on the *Policy Anniversary* at the beginning of that *Policy Year*.

Automatic Allocation Rules

Any amount that is to be deducted from the *Investment Accounts* in the *Accumulation Fund* in accordance with the *Automatic Allocation Rules* will be allocated as follows:

(i) the amount to be allocated will be deducted from the *Fixed Rate Investment Accounts* in reverse chronological order starting with the *Fixed Rate Investment Accounts* having the most recent *Investment Date*. If this allocation requires a deduction to be made from more than one *Fixed Rate Investment Account* with

common *Investment Dates*, the deduction will be made proportionately based on the relative value of those *Fixed Rate Investment Accounts*.

(ii) if there is any balance remaining to be allocated, it will then be deducted from all of the *Variable Investment Accounts* proportionately based on the relative value of each *Variable Investment Account*.

(iii) if there is any balance remaining to be allocated it will then be deducted from the *Smoothed Return Investment Account* in reverse chronological order starting with the *Value* of the funds having the most recent *Investment Date*, as follows:

(a) At any time, in the event of a loan advance associated with a *Credit Facility* or a *Loan Advance*, it will be allocated from the *Value* of the *Smoothed Return Investment Account*.

(b) On or after January 1, 2019, if there is any balance remaining to be allocated for *Total Monthly Charges*, it will be deducted from the *Value* of the *Smoothed Return Investment Account* in excess of the *Outstanding Loan Balance* or in excess of the amount outstanding under an associated *Credit Facility*.

(c) On or after January 1, 2021, if there is any further balance remaining to be allocated for any other deduction, it will be deducted from the *Value* of the *Smoothed Return Investment Account* in excess of the sum of the *Outstanding Loan Balance* and the *Deferred Withdrawal or Transfer Amount* or in excess of the sum of the amount outstanding under an associated *Credit Facility* and the *Deferred Withdrawal or Transfer Amount.*

Base Interest Rate

Each *Investment Account* has a *Base Interest Rate*. The *Base Interest Rate* is used to determine the *Total Interest Rate* for that *Investment Account*.

For a *Fixed Rate Investment Account*, the *Base Interest Rate* is set by the *Company* on the *Investment Date* and is fixed until the end of the *Investment Term* for that *Fixed Rate Investment Account*.

For a *Variable Investment Account*, the *Base Interest Rate* is calculated on the next applicable *Valuation Date*. The *Base Interest Rate* for an *Indexed Investment Account* is based on the change in the *External Investment Index* from the last applicable *Valuation Date*. The *Base Interest Rate* for a *Managed Investment Account* or a *Managed Portfolio Investment Account* is based on the change in the *External Investment Fund* from the last applicable *Valuation Date*. The *Base Interest Rate* for a *Variable Investment Account* can be either positive or negative.

For the *Smoothed Return Investment Account*, the *Base Interest Rate* is set by the *Company* on each January 1st and is fixed until the end of that calendar year. The *Base Interest Rate* is determined using the returns of the *Smoothed Return Reference Portfolio,* net of the *Management Fee,* and the smoothing process described in the definition of *Smoothed Return Investment Account.* The *Base Interest Rate* will be set at 4.75% for each of the 5 years beginning January 1st, 2014.

The *Base Interest Rate* for an *Investment Account* is guaranteed not to be less than the *Guaranteed Interest Rate* applicable to that *Investment Account* on the date that the *Base Interest Rate* is being set.

Base Life Benefit

The *Base Life Benefit* on the *Policy Date* is shown in the Policy Schedule and is used in determining the *Total Life Benefit* as described in provision A 1.1 Determination of the Total Life Benefit. The *Base Life Benefit* may be changed by an amount elected by the *Owner* as described in provision A 1.3 Changes to the Base Life Benefit.

Notwithstanding the above, the *Base Life Benefit* can never exceed the *Total Life Benefit* as described in provision A 1.1 Determination of Total Life Benefit.

Beneficiary

The *Company* will pay the *Proceeds* of the *Life Benefit* to the *Beneficiary* when the *Insured* dies, according to the last *Beneficiary* designation filed with the *Company*.

The *Beneficiary* on the *Policy Date* is as stated in the application for this *Policy*.

The *Owner* may change the *Beneficiary* while the *Insured* is living by sending written notice of the change to the *Company*. If named irrevocably, the *Beneficiary's* written consent to the change will also be required.

If no *Beneficiary* is living when the *Insured* dies, and the *Beneficiary* designation then in effect does not state otherwise, the *Proceeds* of the *Life Benefit* will be paid to the *Owner* or the *Owner's* estate.

If more than one *Beneficiary* is named, and a *Beneficiary* predeceases the *Insured*, and if the *Beneficiary* designation then in effect does not state otherwise, the share of a deceased *Beneficiary* will be paid to the surviving *Beneficiary* or, if more than one, to the surviving *Beneficiaries* in equal shares.

Benefit or Benefits

The *Benefit* or *Benefits* provided by this *Policy* are described in the provisions of Section A Benefits and in any *Riders* or Additional Benefits shown in the Policy Schedule or in an Endorsement to this *Policy*.

Bonus Interest Rate

The *Bonus Interest Rate* is used in determining the *Total Interest Rate* for each *Investment Account*.

The *Bonus Interest Rate* for a *Fixed Rate Investment Account* and a *Variable Investment Account* for the first 5 *Policy Years* is zero.

On a *Fixed Rate Investment Account* and a *Variable Investment Account*, the *Bonus Interest Rate* starting on the fifth *Policy Anniversary* up to but not including the 10th *Policy Anniversary* is an annual effective rate of 0.50%.

On a *Fixed Rate Investment Account*, the *Bonus Interest Rate* starting on or after the 10th *Policy Anniversary* is an annual effective rate of 1.0%.

On a *Variable Investment Account*, the *Bonus Interest Rate* starting on or after the 10th *Policy Anniversary* is an annual effective rate of 1.5%.

The *Bonus Interest Rate* for the *Smoothed Return Investment Account* for all years is zero.

Capital Benefits

Capital Benefits are *Benefits* payable as a consequence of an *Insured* becoming *Occupationally Disabled* or *Diagnosed* with a *Critical Condition* in accordance with provision A 2.1 Capital Benefit Eligibility.

Cash Option

The *Cash Option* at any time is equal to:

	-	the *Value* of the *Accumulation Fund* at that time
minus	-	the *Outstanding Loan Balance* at that time.

Company

RBC Life Insurance Company.

Credit Facility

The *Credit Facility* is a credit facility that the *Company* may make available to a borrower pursuant to terms and conditions contained in a credit agreement entered into between a borrower and the *Company*. Security for the *Credit Facility* includes a collateral assignment of the *Policy*.

Critical Condition

Unless modified or excluded in Exclusions or Endorsements to this *Policy*, a *Critical Condition* means any condition that:

(i) has been *Diagnosed* as terminal and death is expected within 24 months of the *Diagnosis*, or

(ii) results in the *Loss of Independent Existence* as defined in Section D, Definitions of this *Policy*, or

(iii) is in the *Company's* List and Definitions of Critical Illnesses.

The List and Definitions of Critical Illnesses is in Section E of this *Policy*. Items may be added to the list from time to time as deemed appropriate by the *Company*.

Critical Illness

A *Critical Illness* is one that qualifies as a *Sickness* or *Surgery* for which a *Critical Illness Benefit* will be paid. A list of *Critical Illnesses* including definitions and exceptions is shown in Section E of this *Policy*.

Default

If the *Premiums* are insufficient to keep this *Policy In Force*, this *Policy* will go into *Default*. The conditions under which this *Policy* will go into *Default*, and the action required by the *Owner* to bring it out of *Default* if it goes into *Default*, are described in provision B 8 Conditions for Default.

Default Premium

If the *Outstanding Loan Balance* is zero, the *Default Premium* is equal to a *Premium* sufficient to cover the *Monthly Charge Security* calculated as at the date this *Policy* went into *Default*.

If the *Outstanding Loan Balance* exceeds zero, a *Loan Payment* is required equal to:

	-	the *Monthly Charge Security* calculated as at the date of *Default*,
plus	-	any outstanding *Interest Payable in Advance*,
minus	-	the *Cash Option* on the date of *Default*.

Deferred Withdrawal or Transfer Amount

Prior to January 1, 2021, the *Deferred Withdrawal or Transfer Amount* is the *Value* in the *Smoothed Return Investment Account* in excess of the *Outstanding Loan Balance* or in excess of the amount outstanding under an associated *Credit Facility*.

On or after January 1, 2021, the *Deferred Withdrawal or Transfer Amount* at any time is the *Value* of allocations made to the *Smoothed Return Investment Account* in the current year and preceding 4 calendar years excluding any of those allocations which were made as a result of *Loan Advances* or loan advances under an associated *Credit Facility*.

When a reduction to the amount outstanding under an associated *Credit Facility* or a *Loan Payment* results in an automatic transfer of funds from the *Smoothed Return Investment Account* to the *Investment Accounts* within the *Policy* as described in B 3 Transfers Between Investment Accounts, any allocation to the *Smoothed Return Investment Account* will be deemed to be allocated on the date of the reduction or *Loan Payment*.

The *Deferred Withdrawal or Transfer Amount* is not available for transfers to other *Investment Accounts* as described in B 3 Transfers Between Investment Accounts or withdrawals as described in B 7.1 Policy Withdrawals.

Delivery Date

The *Delivery Date* is defined as the date that the *Policy Delivery Receipt* was signed.

Deposit Frequency

The *Deposit Frequency* is the frequency with which the scheduled *Premiums* selected by the *Owner* are to be paid. The initial *Deposit Frequency* is shown in the Policy Schedule. The *Deposit Frequency* may be changed by the *Owner* at any time as described in provision B 1 Premium Payment.

Diagnosed or Diagnosis

Diagnosed or *Diagnosis* is defined as the identification of the nature of a *Critical Condition* or a *Critical Illness* that is made by a *Physician* or by a *Specialist* where specified in the definition of *Critical Condition* or in Section E of this *Policy*.

Expiry Date

Some *Benefits* and *Riders* have an *Expiry Date* which, if applicable, is shown in the Policy Schedule or in an Endorsement to this *Policy*. A *Benefit* or *Rider* with an *Expiry Date* will terminate on that date unless it is renewed or extended under the provisions of this *Policy*.

External Investment Fund

Each *Managed Investment Account* and *Managed Portfolio Investment Account* has an *External Investment Fund* which is used to determine the *Guaranteed Interest Rate* for that *Investment Account*. The *External Investment Fund* is a mutual fund or a pooled fund of investments managed by a professional investment manager or professional investment management company. The value of the *External Investment Fund* is net of any management fees charged by the professional investment manager or professional investment management company.

External Investment Index

Each *Indexed Investment Account* has an *External Investment Index* which is used to determine the *Guaranteed Interest Rate* for that *Investment Account*.

The *Indexed Investment Accounts* available on the *Policy Date*, and the corresponding *External Investment Index* upon which each is based, are as follows:

Canadian Bond	-	is based on the DEX Universe Bond Total Return Index,
S & P/TSX 60	-	is based on the Toronto Stock Exchange's S & P/TSX 60 Total Return Index,
S & P 500	-	is based on the Canadian dollar equivalent of the Standard & Poor's 500 Total Return Index,
NASDAQ 100	-	is based on the Canadian dollar equivalent of the NASDAQ 100 Price Index adjusted to include dividends,
Nikkei 225	-	is based on the Canadian dollar equivalent of the Nikkei 225 Price Index adjusted to include dividends, and
DJ Euro Stoxx 50	-	is based on the Canadian dollar equivalent of the Dow Jones Euro Stoxx 50 Total Return Index.

Fixed Rate Investment Account

A *Fixed Rate Investment Account* is identified by its *Investment Date* and *Investment Term*.

The *Base Interest Rate* for each *Fixed Rate Investment Account* is set by the *Company* on the *Investment Date* and is fixed until the end of the *Investment Term*.

The *Bonus Interest Rate* will also apply to a *Fixed Rate Investment Account*.

Full-time Employment

Full-time Employment means that the *Insured* is actively and regularly employed in a gainful occupation for at least 30 hours each week.

Grace Period

The *Grace Period* is two *Policy Months* starting on the date this *Policy* goes into *Default* as described in provision B 8 Conditions for Default. This *Policy* will stay *In Force* during the *Grace Period*.

Guaranteed Interest Rate

The *Base Interest Rate* for each *Investment Account* will be equal to or greater than the *Guaranteed Interest Rate* for that *Investment Account*. The *Guaranteed Interest Rate* for an *Investment Account* will be calculated each time its *Base Interest Rate* is being set, as described below.

Fixed Rate Investment Accounts

The *Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of less than one year will be equal to:

- 90% of the annual interest yield available (expressed as a percentage), on the *Investment Date*, on a Government of Canada treasury bill, actively traded on a Canadian exchange, with a term to maturity of less than one year,

minus - 200 basis points.

The *Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with any other *Investment Term* will be equal to:

- 90% of the annual interest yield available (expressed as a percentage), on the *Investment Date*, on a Government of Canada bond, actively traded on a Canadian exchange, with a term to maturity nearest to the *Investment Term* of the *Fixed Rate Investment Account*,

minus - 175 basis points.

Under no circumstances will the *Guaranteed Interest Rate* for a *Fixed Rate Investment Account* be less than the *Minimum Guaranteed Interest Rate* for that *Investment Term*.

Indexed Investment Accounts

The *Guaranteed Interest Rate* for the Canadian Bond, the S & P/TSX 60, the S & P 500, the NASDAQ 100, and the Nikkei 225 *Indexed Investment Account*s will be equal to:

- 100% of the *Percentage Change* in the applicable *External Investment Index*,

minus - 1.300 basis points per day.

The *Guaranteed Interest Rate* for the DJ Euro Stoxx 50 *Indexed Investment Account* will be equal to:

- 100% of the *Percentage Change* in the applicable *External Investment Index*,

minus - 1.400 basis points per day.

It is possible for the *Guaranteed Interest Rate* for an *Indexed Investment Account* to be negative.

Managed Investment Accounts

The *Guaranteed Interest Rate* for *Managed Investment Accounts* will be equal to:

	-	the *Percentage Change* in the Canadian dollar value of the corresponding *External Investment Fund*
minus	-	the *Management Fee*.

It is possible for the *Guaranteed Interest Rate* for a *Managed Investment Account* to be negative.

For a list of *Management Fees* please refer to the product material or contact your insurance advisor.

Managed Portfolio Investment Accounts

The *Guaranteed Interest Rate* for the *Managed Portfolio Investment Accounts* will be equal to:

	-	the *Percentage Change* in the Canadian dollar value of the corresponding *External Investment Fund*
minus	-	the *Management Fee*.

It is possible for the *Guaranteed Interest Rate* for a *Managed Portfolio Investment Account* to be negative.

For a list of *Management Fees* please refer to the product material or contact your insurance advisor.

Smoothed Return Investment Account

The *Guaranteed Interest Rate* for the *Smoothed Return Investment Account* will never be less than zero.

Indexed Investment Account

An *Indexed Investment Account* is identified by the *External Investment Index* which is used by the *Company* to determine its *Guaranteed Interest Rate.*

The *Base Interest Rate* for an *Indexed Investment Account* will be set by the *Company* on the next applicable *Valuation Date*, and can be either positive or negative.

The *Bonus Interest Rate* will also apply to an *Indexed Investment Account.*

In Force

This *Policy* must be *In Force* for any *Benefits* to be provided. This *Policy* is *In Force* on the latest date when all the following conditions are satisfied:

In all provinces other than the province of Quebec,

(i) this *Policy* must be tendered for delivery,

(ii) an initial *Premium*, sufficient to cover the *Total Monthly Charges* for the number of complete or partial *Policy Months* from the *Policy Date* to the date the *Company* receives the first *Premium*, must be paid,

(iii) there has been no change in the insurability the *Insured* from the date the application was signed for this *Policy* to the *Delivery Date*,

In the province of Quebec,

(i) the application for this *Policy* is accepted by the *Company* without modification, and

(ii) an initial *Premium*, sufficient to cover the *Total Monthly Charges* for the number of complete or partial *Policy Months* from the *Policy Date* to the date the *Company* receives the first *Premium*, must be paid, and

(iii) there has been no change in the insurability the *Insured* since the application was signed.

This *Policy* will stay *In Force* provided:

(i) the *Insured* is living, and

(ii) this *Policy* is not in *Default* beyond the end of the *Grace Period* as described in provision B 8 Conditions for Default, and

(iii) this *Policy* is not cancelled by the *Company* under the terms of any of the provisions of this *Policy*, and

(iv) this *Policy* is not terminated because a surrender has been elected as described in provision B 7.2 Policy Surrender.

Initial Scheduled Premium

The *Initial Scheduled Premium* shown in the Policy Schedule is the *Premium* that the *Owner* elected to pay as of the *Policy Date*. The *Owner* may change the *Premium* at any time as described in provision B 1 Premium Payment.

Initial Total Life Benefit

The *Initial Total Life Benefit* shown in the Policy Schedule is the *Total Life Benefit* on the *Policy Date* determined without taking into account the *Life Benefits* provided by *Riders*. The *Total Life Benefit* after the *Policy Date* will be determined in accordance with provision A 1.1 Determination of the Total Life Benefit and may vary from the *Initial Total Life Benefit*.

Injury

Injury means accidental bodily injury sustained while this *Policy* is *In Force*.

Insured

The *Insured* is the person, or persons, identified as such in the Policy Schedule or in an Endorsement to this *Policy*.

Interest Payable in Advance

The rate of interest used to calculate *Interest Payable in Advance* is equal to 1.65% plus the *Smoothing Adjustment Factor*. For each of the 5 years beginning January 1st, 2014 the *Smoothing Adjustment Factor* is 0%. On or after January 1st, 2019, the *Smoothing Adjustment Factor* is subject to change on each January 1st and will be effective on the *Policy Anniversary* coincident with or following the date of the change and will apply for that *Policy Year.*

Interest Payable in Advance is due at the time of each *Loan Advance* and is equal to the rate of interest used to calculate *Interest Payable in Advance* at that time multiplied by the *Loan Advance* multiplied by the ratio of the number of days remaining in that *Policy Year* to the number of days in that *Policy Year*.

Interest Payable in Advance is due on each *Policy Anniversary*, and is equal to the rate of interest used to calculate *Interest Payable in Advance* at that time multiplied by the *Outstanding Loan Balance.*

Interest Payable in Arrears

On each *Policy Anniversary*, any accrued but unpaid *Interest Payable in Arrears* is due. *Interest Payable in Arrears* accrues each day based upon the value of the *Outstanding Loan Balance* on that day.

The rate of interest used to calculate *Interest Payable in Arrears* is equal to the *Base Interest Rate* for the *Smoothed Return Investment Account,* which is subject to change on each January 1st.

Interest Refund

An *Interest Refund* may arise whenever the *Outstanding Principal* is reduced. The *Interest Refund* at any time is equal to:

	-	the rate of interest last used to calculate the *Interest Payable In Advance*
multiplied by	-	the amount by which the *Outstanding Principal* is reduced,
multiplied by	-	the number of days remaining in the applicable *Policy Year*,
divided by	-	the number of days in the applicable *Policy Year*.

Investment Account

The *Owner* may choose to allocate among several *Investment Accounts* the *Value* of the *Accumulation Fund*. The *Owner* may change this allocation at any time by completing an investment allocation form and returning it to the *Company*. The *Owner* also has the right to transfer *Value* from one *Investment Account* to another as described in provision B 3 Transfers Between Investment Accounts.

There are three general types of *Investment Account*: the *Fixed Rate Investment Account*, the *Variable Investment Account*, and the *Smoothed Return Investment Account.*

From time to time, the *Company* may make additional *Investment Accounts* available or may discontinue an *Investment Account.*

If a *Fixed Rate Investment Account* is discontinued, the *Value* of that *Investment Account* will be reallocated at the end of the *Investment Term* to an *Investment Account* selected by the *Owner*. If no election is made, the reallocation will be to a *Fixed Rate Investment Account* with an *Investment Term* of five years.

If a *Variable Investment Account* is discontinued, the *Value* of that *Investment Account* will be reallocated at the next applicable *Valuation Date* to an *Investment Account* selected by the *Owner*. If no selection is made, the reallocation will be to an *Investment Account* with a similar investment objective. If such a similar *Investment Account* is not available, the reallocation will be to a *Fixed Rate Investment Account* with the shortest *Investment Term* available.

The *Company* guarantees to always offer the *Fixed Rate Investment Account* with an *Investment Term* of five years, and the *Smoothed Return Investment Account*.

Investment Date

The *Investment Date* of any *Investment Account* is the day when the funds are allocated to that *Investment Account* as described in provision B 2 Determination of the Accumulation Fund.

Investment Term

The *Investment Term* of a *Fixed Rate Investment Account* is the period of time, starting on the *Investment Date*, for which the *Base Interest Rate* for that *Fixed Rate Investment Account* applies. A *Fixed Rate Investment Account* can have an *Investment Term* of 1, 3, 5, 7 or 10 years, or 1 month.

Issue Age

The *Issue Age* of an *Insured* is shown in the Policy Schedule, and it is the *Attained Age* of that *Insured* on the *Policy Date*.

Life Benefit

The *Life Benefit* is the *Benefit* provided for in provision A 1 Life of this *Policy*, and in the provisions of any *Riders* which provide additional *Life Benefits*.

Life Support

Life Support means the *Insured* is under the regular care of a licensed *Physician* for nutritional, respiratory and/or cardiovascular support when irreversible cessation of all functions of the brain has occurred.

Loan Advance

A *Loan Advance* is an advance of funds made by the *Company* to the *Owner* as described in provision B 12 Annual Rate Policy Loan Option.

Loan Payment

A *Loan Payment* is not a *Premium* under this *Policy* and must be designated as a *Loan Payment* in order to be applied towards the *Annual Rate Policy Loan*.

Loan Reduction

A *Loan Reduction* is either a *Loan Payment* or an amount deducted from the *Smoothed Return Investment Account* to be applied against an *Annual Rate Policy Loan,* as designated by the Owner, in accordance with the definition of the *Smoothed Return Investment Account.*

A *Loan Reduction* will be applied as follows:

(i) firstly, to any outstanding *Interest Payable in Advance*,

(ii) secondly, to any accrued but unpaid *Interest Payable in Arrears*, and

(iii) thirdly, towards the *Outstanding Principal*.

Loss of Independent Existence

Loss of Independent Existence is defined as the *Diagnosis* of either (i) or (ii) where:

(i) the *Insured* has *Cognitive Impairment* which is defined as mental deterioration and loss of intellectual ability which is evidenced by deterioration in memory, orientation and reasoning which are measurable and result from demonstrable organic cause as *Diagnosed* by a *Specialist*. The degree of *Cognitive Impairment* must be sufficiently severe as to require a minimum of 8 hours of daily supervision. The determination of a *Cognitive Impairment* will be made on the basis of clinical data and valid standardized measures of such impairments; or

(ii) the *Insured* is totally and permanently unable to perform one of the following 6 Activities of Daily Living.

Activities of Daily Living include the following activities:

(a) bathing, meaning the ability to wash oneself in a bathtub, shower or by spongebath, with or without the aid of equipment;

(b) dressing, meaning the ability to put on and remove medically necessary clothing including braces, artificial limbs, or other surgical appliances;

(c) toileting, meaning the ability to get on and off from the toilet, and maintain personal hygiene;

(d) bladder and bowel continence, meaning the ability to manage bowel and bladder function, with or without protective undergarments or surgical appliances so that a reasonable level of hygiene is maintained;

(e) transferring, meaning the ability to move in and out of a bed, chair or wheelchair, with or without the use of equipment; and

(f) feeding, meaning the ability to consume food or drink that already has been prepared and made available with or without the use of adaptive utensils.

Managed Investment Account

A *Managed Investment Account* is identified by the *External Investment Fund* which is used by the *Company* to determine its *Guaranteed Interest Rate*.

The *Base Interest Rate* for a *Managed Investment Account* will be set by the *Company* on the next applicable *Valuation Date*, and can be either positive or negative.

The *Bonus Interest Rate* will also apply to a *Managed Investment Account*.

The *Managed Investment Accounts* available on your policy may be updated from time to time. For a list of *Managed Investment Accounts*, and corresponding *Management Fees*, please refer to the product material or contact your insurance advisor.

Managed Portfolio Investment Account

A *Managed Portfolio Investment Account* is identified by the *External Investment Fund* which is used by the *Company* to determine its *Guaranteed Interest Rate*.

The *Base Interest Rate* for *Managed Portfolio Investment Account* will be set by the *Company* on the next applicable *Valuation Date*, and can be either positive or negative.

The *Bonus Interest Rate* will also apply to a *Managed Portfolio Investment Account*.

The *Managed Portfolio Investment Accounts* available on your policy may be updated from time to time. For a list of *Managed Portfolio Investment Accounts*, and corresponding *Management Fees,* please refer to the product material or contact your insurance advisor.

Management Fee

A *Management Fee* is a fee charged by the *Company* in association with a *Managed Investment Account*, a *Managed Portfolio Investment Account* and the *Smoothed Return Investment Account.*

For a *Managed Investment Account* and a *Managed Portfolio Investment Account, t*he *Management Fee* is in addition to any management fee charged by the professional fund manager for the corresponding *External Investment Fund,* whose value is net of such management fees.

For the *Smoothed Return Reference Portfolio, the Management Fee* will be between 150 and 225 basis points per year. A change to the *Management Fee* outside of the specified range may occur as a result of a legislative or regulatory change which impacts the cost to the *Company* of maintaining the *Smoothed Return Reference Portfolio*.

For information about the *Management Fee* in effect for a *Managed Investment Account*, a *Managed Portfolio Investment Account* or the *Smoothed Return Investment Account*, please refer to the product material or contact your insurance advisor.

Market Value Adjustment

Fixed Rate Investment Accounts

A *Market Value Adjustment* will apply to the amount paid out of a *Fixed Rate Investment Account* before the end of its *Investment Term* in respect of:

- payment of a *Capital Benefit* as described in provision A 2.3 Capital Benefit Payment, or
- amounts withdrawn from the *Cash Option* as described in provisions B 7 Withdrawal Options or B 11 Tax Exempt Policy, or

- *Value* transferred to other *Investment Accounts* as described in provision B 3 Transfers Between Investment Accounts.

If the *Base Interest Rate* of the *Fixed Rate Investment Account* is greater than or equal to its *Market Value Interest Rate*, the *Market Value Adjustment* will be zero.

If the *Base Interest Rate* of the *Fixed Rate Investment Account* is less than its *Market Value Interest Rate*, the *Market Value Adjustment* will be equal to:

- the number of *Policy Months* left in the *Investment Term*,

multiplied by
- the amount to which the *Market Value Adjustment* is being applied,

multiplied by
- the difference between the *Market Value Interest Rate* and the *Base Interest Rate* for that *Fixed Rate Investment Account*,

divided by
- 12.

Smoothed Return Investment Account

A *Market Value Adjustment,* which can be either positive or negative, will apply to the portion of the *Value* in the *Smoothed Return Investment Account* in excess of the amount outstanding under an associated *Credit Facility* or the *Outstanding Loan Balance* that is allocated, as described in the *Automatic Allocation Rules*, from the *Smoothed Return Investment Account* in respect of:

- payment of a *Capital Benefit* as described in provision A 2.3 Capital Benefit Payment, or
- amounts withdrawn from the *Cash Option* as described in provisions B 7 Withdrawal Options or B 11 Tax Exempt Policy, or
- *Value* transferred to other *Investment Accounts* as described in provision B 3 Transfers Between Investment Accounts, or
- the *Total Monthly Charge*, or
- a loan advance associated with a *Credit Facility*, except for a loan advance as made by the *Company* to pay accrued interest, or
- a *Loan Advance,* except for a *Loan Advance made by the Company to pay Interest Payable in Arrears.*

The *Market Value Adjustment* will be equal to:

The amount allocated from the *Smoothed Return Investment Account* on the date of the *Market Value Adjustment*,

minus

the amount allocated from the Smoothed Return Investment Account on the date of the *Market Value Adjustment,*

multiplied by
- the value of $1.00 invested in the *Smoothed Return Reference Portfolio* from the *Investment Date* the amount was allocated to

the *Smoothed Return Investment Account* to the date of the *Market Value Adjustment*,

divided by - the value of $1.00 invested in the *Smoothed Return Investment Account* from *the Investment Date* the amount was allocated to the *Smoothed Return Investment Account* to the date of the *Market Value Adjustment.*

Market Value Interest Rate

The *Market Value Interest Rate* is used to calculate a *Market Value Adjustment.* The *Market Value Interest Rate*, at any time, will be the *Company's* published *Base Interest Rate* on that date for a new *Fixed Rate Investment Account* with an *Investment Term* nearest to, but not less than, the number of months left in the original *Investment Term.* If the *Company* no longer offers a *Fixed Rate Investment Account* for an appropriate *Investment Term* as described above, the nearest *Investment Term* that is being offered at that time will be used.

Maximum Net Amount of Risk

This *Policy* contains provisions which may increase the *Net Amount of Risk* over time. The *Maximum Net Amount of Risk* is the upper limit on the *Net Amount of Risk* of this *Policy.* However, if there are other life insurance policies in force on the *Insured's* life, increases in the *Net Amount of Risk* at any time may be limited by provision A 1.1 Determination of the Total Life Benefit.

Minimum Guaranteed Interest Rate

Each *Fixed Rate Investment Account* has a *Minimum Guaranteed Interest Rate* which is the lowest rate to which the *Guaranteed Interest Rate* for that *Fixed Rate Investment Account* can be set.

The *Minimum Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of less than 1 year is 0%.

The *Minimum Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of at least 1 year, but less than 3 years, is an annual effective rate of 0.5%.

The *Minimum Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of at least 3 years, but less than 5 years, is an annual effective rate of 1.0%.

The *Minimum Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of at least 5 years, but less than 7 years is an annual effective rate of 1.5%.

The *Minimum Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of at least 7 years, but less than 10 years is an annual effective rate of 2.0%.

The *Minimum Guaranteed Interest Rate* for a *Fixed Rate Investment Account* with an *Investment Term* of 10 years or longer is an annual effective rate of 2.5%.

A *Variable Investment Account* has no *Minimum Guaranteed Interest Rate.*

Monthly Administrative Charge

The *Monthly Administrative Charge* for this *Policy* will be the sum of the *Monthly Administrative Charges* for each *Insured* subject to a maximum of $20.00 per month.

The *Monthly Administrative Charge* in respect of an *Insured* for *Policy Years* in which the *Attained Age* of that *Insured* is 15 or less will be $2.50.

The *Monthly Administrative Charge* in respect of an *Insured* for *Policy Years* in which the *Attained Age* of that *Insured* is between 15 and 30 will be $2.50 plus:

	-	$0.50,
multiplied by	-	the difference between the *Insured's Attained Age* for that *Policy Year* and 15.

The *Monthly Administrative Charge* in respect of an *Insured* for *Policy Years* in which the *Attained Age* of that *Insured* is 30 or more will be $10.00.

The *Monthly Administrative Charge* in respect of an *Insured* for *Policy Years* in which the *Attained Age* of that *Insured* is 100 or more will be $0.00.

Any charges resulting from provision B 3 Transfers Between Investment Accounts will be additional and not subject to the $20.00 per month maximum for *Monthly Administrative Charges*.

Monthly Charge Security

The *Monthly Charge Security* at any time is equal to the sum of the estimated *Total Monthly Charges* due over the longer of the following two periods:

(i) the next three *Policy Months*, and

(ii) the number of *Policy Months* remaining from that time until the next scheduled *Premium* is due to be paid.

Monthly Charges

Benefits and *Riders* may have *Monthly Charges* indicated in the Policy Schedule or in an Endorsement to this *Policy*. Any *Monthly Charges* in the Policy Schedule will remain as indicated in the Policy Schedule unless the provisions of this *Policy* relating to the applicable *Benefit* or *Rider* provide for the *Monthly Charge* to be re-calculated. Such re-calculations will be done by the *Company* in accordance with the applicable provisions of this *Policy*.

The *Monthly Charge* for a particular *Policy Month* will be increased by any additional charges resulting from provision B 9 Reinstatement.

If the *Benefit* or *Rider* to which the *Monthly Charge* applies has an *Expiry Date*, the *Monthly Charge* for that *Benefit* or *Rider* after the *Expiry Date* will be zero.

Monthly Earned Income

Monthly Earned Income is income the applicable *Insured* earned during a month in the performance of any gainful occupation after deductions for normal and customary business expenses but before deduction of any income taxes.

Monthly Earned Income includes salary, wages, bonuses, commissions, fees or similar earned income. Excluded from *Monthly Earned Income* are investment income, income from government plans, rent, royalties, pension or annuity income, deferred compensation or other forms of income which do not depend on the ability of the applicable *Insured* to engage in any occupation.

Monthly Mortality Charges

During the first 5 *Policy Years* the *Monthly Mortality Charge* for any *Policy Month* is equal to:

	-	the greater of the *Net Amount of Risk* and the *Initial Total Life Benefit* on the first day of the *Policy Month*,
multiplied by	-	the applicable *Policy Year's Annual YRT Mortality Factor* shown in Appendix A,
divided by	-	12.

For every *Policy Month* beginning on or after the fifth *Policy Anniversary* the *Monthly Mortality Charge* is equal to:

	-	the *Net Amount of Risk* on the first day of the *Policy Month*,
multiplied by	-	the applicable *Policy Year's Annual YRT Mortality Factor* shown in Appendix A,
divided by	-	12.

Mortality Charge Method

The *Mortality Charge Method* is the method used by the *Company* to determine the *Monthly Mortality Charges* and is shown in the Policy Schedule or in an Endorsement to this *Policy*. The *Mortality Charge Method* available on the *Policy Date* is Yearly Renewable Term.

Net Amount of Risk

The *Net Amount of Risk* of this *Policy* at any time is equal to:

	-	the *Total Life Benefit* at that time,
minus	-	the *Value* of the *Accumulation Fund* at that time.

Occupation

Occupation means the occupation or occupations in which the applicable *Insured* is engaged at the onset of *Occupational Disability*.

Occupational Disability or Occupationally Disabled

Occupational Disability or *Occupationally Disabled* means:

(i) the inability of the applicable *Insured* due to *Injury* or *Sickness* to perform the substantial duties of his or her *Occupation*, except as modified or excluded in provision A 2.4 Exclusions and Limitations, or in Exclusions or Endorsements to this *Policy*. *Occupational Disability* will not exist while the applicable *Insured* is engaged in his or her *Occupation* or in another gainful occupation, or

(ii) the applicable *Insured* is engaged in his or her *Occupation* or in another gainful occupation and as a result of *Injury* or *Sickness*:

(a) the applicable *Insured's* current *Monthly Earned Income* is 80% or less of the *Prior Average Monthly Earned Income*, at the start of the *Occupational Disability*, adjusted for inflation, or

(b) the applicable *Insured* is unable to perform one or more of the substantial duties of his or her *Occupation* and is not engaged in any other gainful occupation, or

(c) the applicable *Insured* is unable to perform the substantial duties of his or her *Occupation* for at least one-half the amount of time usually spent at that occupation prior to the start of the *Injury* or *Sickness* and is not engaged in any other gainful occupation.

Occupational Disability will not exist unless the applicable *Insured* is under the *Regular Care and Attendance of a Physician.*

Any *Occupational Disability* which started prior to the applicable *Insured's Attained Age* 65 and continues until the *Policy Anniversary* where the applicable *Insured* is *Attained Age* 65, will automatically be deemed to terminate on that *Policy Anniversary.*

After the applicable *Insured* is *Attained Age* 65, an *Occupational Disability* may start only as a result of (i) above and only if that *Insured* was engaged in *Full-time Employment* immediately preceding the start of the *Occupational Disability*. Such *Occupational Disability* will automatically be deemed to terminate if it continues for two years.

Outstanding Loan Balance

The *Outstanding Loan Balance* is equal to the *Outstanding Principal* under provision B 12 Annual Rate Policy Loan Option plus the accrued but unpaid *Interest Payable in Arrears* plus any outstanding *Interest Payable in Advance* owing.

Outstanding Principal

The *Outstanding Principal* is equal to the sum of all *Loan Advances* made under provision B 12 Annual Rate Policy Loan Option less the sum of all principal reductions.

Owner

The *Owner* or *Owners* of this *Policy* are identified in the Policy Schedule. The *Owner* may exercise all the rights and privileges under this *Policy* while it is *In Force*. The rights and privileges of the *Owner* may be limited by any statutory restrictions or by the rights of any assignee or *Beneficiary*.

Percentage Change

The *Percentage Change* in an *External Investment Index* or an *External Investment Fund* is used to calculate the *Guaranteed Interest Rate* for the corresponding *Variable Investment Account.*

The *Percentage Change* is equal to:

	-	the closing value minus the opening value,
divided by	-	the opening value,
multiplied by	-	100,

where:

- the opening value is equal to the value of the *External Investment Index* or the *External Investment Fund* at the last applicable *Valuation Date*, and
- the closing value is equal to the value of the *External Investment Index* or the *External Investment Fund* at the next applicable *Valuation Date*.

Physician

Physician is a qualified medical doctor who must be legally licensed to practise medicine or surgery in Canada, the United States of America or other jurisdiction as the *Company* may approve. A *Physician* cannot be the *Owner*, the *Insured* or a relative or business associate of the *Owner* or the *Insured.*

Plan Type

The *Plan Type* is shown in the Policy Schedule or in an Endorsement to this *Policy* and is the name the *Company* uses to classify this *Policy*.

Policy

This *Policy* is a life insurance policy within the meaning of all the relevant provincial legislation in Canada, and forms the entire contract between the *Company* and the *Owner*. This *Policy* includes all of the following:

(i) everything listed in its Guide to Contents, and

(ii) the application for this *Policy*, and

(iii) any *Riders*, and

(iv) any application for reinstatement or to exercise an option under this *Policy* that the *Company* approves, and

(v) any Amendments, Exclusions or Endorsements, and

(vi) any other documents the *Company* attaches to this *Policy*.

No Representative or other person, except an officer of the *Company*, may modify this *Policy*. The *Company* will be deemed not to have waived any condition of this *Policy*, either in whole or in part, unless the waiver is clearly expressed in writing and signed by an officer of the *Company*.

The *Credit Facility* and all agreements, documents and instruments relating thereto do not form part of the *Policy*.

Policy Anniversary

The same day and month as the *Policy Date* in each later calendar year.

Policy Date

The *Policy Date* is shown in the Policy Schedule and is the beginning of the first *Policy Year.*

Policy Delivery Receipt

The *Policy Delivery Receipt* is the receipt the *Owner* signs when the *Policy* has been received by the *Owner.*

Policy Month

The first *Policy Month* begins on the *Policy Date.* Subsequent *Policy Months* begin on the same day of the month as the *Policy Date*, in each later calendar month.

Policy Number

The *Policy Number* shown in the Policy Schedule has been assigned to this *Policy* for identification purposes and should be used in all correspondence with the *Company* with respect to this *Policy*.

Policy Year

A year that begins on the *Policy Date* or on a *Policy Anniversary*.

Premium

A *Premium* is any amount paid to the *Company* in consideration for the *Benefits* provided by this *Policy*. The *Owner* has the right to determine the amount and frequency of the *Premiums* as described in provision B 1 Premium Payment.

Amounts paid to the *Company* as *Loan Payments* are not *Premiums*.

Premium Accumulation Amount

The *Premium Accumulation Amount* is the portion of the *Premium Deposits* allocated to the *Accumulation Fund* as described in provision B 2 Determination of the Accumulation Fund.

For any *Premium Deposit*, the *Premium Accumulation Amount* is equal to the *Premium Deposit* multiplied by (1 – *Premium Load*).

Premium Deposits

Premium Deposits are all *Premiums* received by the *Company* on a specific day.

Premium Load

With respect to any *Premium Deposit*, the *Premium Load* is equal to the provincial or territorial premium tax rate that applies to such *Premium Deposit* at the time that such deposit is made.

Prior Average Monthly Earned Income

Prior Average Monthly Earned Income on a particular date is the greatest of:

(i) the average *Monthly Earned Income* in any 6 consecutive calendar months during the 24 months immediately preceding that date, subject to a maximum of 125% of the

average *Monthly Earned Income* for the taxation year that ended prior to that date, and

(ii) the average *Monthly Earned Income* for the taxation year that ended prior to that date, and

(iii) the highest average *Monthly Earned Income* for any two consecutive years in the three year period immediately preceding that date.

Proceeds

Proceeds are any amounts payable by the *Company* as described in the provisions of this *Policy*.

Regular Care and Attendance of a Physician

Regular Care and Attendance of a Physician means consultations and treatment by a *Physician* at such intervals and of a nature which are appropriate for the condition causing the *Disability* or *Occupational Disability* of the applicable *Insured*.

Reinstatement Premium

The *Reinstatement Premium* will be equal to (i) plus (ii) plus (iii) where:

(i) is a *Premium* sufficient to cover the *Total Monthly Charges* for the *Grace Period*, accumulated with interest at 6% per annum, to the effective date of the reinstatement, and

(ii) is a *Premium* sufficient to cover the *Total Monthly Charges*, from the date of termination to the effective date of the reinstatement, with interest at 6% per annum, and

(iii) is a *Premium* sufficient to keep this *Policy* out of *Default*, until the next scheduled *Premium* is due to be paid, or, for 6 months after the effective date of the reinstatement, if longer.

Required Life Benefit

The *Required Life Benefit* is used in determining the *Total Life Benefit* as described in provision A 1.1 Determination of the Total Life Benefit.

The *Required Life Benefit* for certain *Policy Years* may be scheduled in Appendix A based on projected values of the *Accumulation Fund* derived from assumptions of the *Benefits*, *Premiums* and *Total Interest Rates* which were reflected in the illustration submitted at the time of application for this *Policy*. Any *Required Life Benefits* scheduled in Appendix A will not be reduced unless the *Owner* elects to have them re-determined as described in provision A 1.4 Options to Modify the Life Benefits.

For any *Policy Anniversary* where the *Required Life Benefit* is not scheduled in Appendix A, the *Required Life Benefit* will be set to the minimum amount required to satisfy the Exempt Policy criteria, but in no event shall it be less than the *Required Life Benefit* on the day prior to the *Policy Anniversary* divided by 108%.

Rider

A *Rider* provides additional *Benefits* to this *Policy*. All *Riders* that form part of this *Policy* are listed in the Policy Schedule or in an Endorsement to this *Policy*.

Sex

The *Sex* of an *Insured* is shown in the Policy Schedule and it indicates whether that *Insured* is male or female.

Sickness

Sickness means a disease or sickness which first becomes apparent while this *Policy* is *In Force*.

Occupational Disability will be considered to be caused by *Sickness* and the appropriate *Monthly Income Benefit Amounts* will be payable and *Capital Benefits* may be payable as per the provisions of this *Policy* if:

(i) *Occupational Disability* results from transplant surgery where part of the *Insured's* body is transplanted to another person after this *Policy* has been *In Force* for at least 6 months, or

(ii) *Occupational Disability* results from cosmetic surgery after this *Policy* has been *In Force* for at least 6 months.

Smoking Habit

The *Smoking Habit* of an *Insured* is shown in the Policy Schedule and, if applicable, it indicates whether that *Insured* is considered a smoker or non-smoker.

Smoothed Return Investment Account

The *Smoothed Return Investment Account* is an *Investment Account* within the *Policy.*

Beginning on January 1, 2019, the *Base Interest Rate* for the *Smoothed Return Investment Account* will be set by the *Company* on each January 1st, using the returns of the *Smoothed Return Reference Portfolio* and the smoothing process. The smoothing process established by the company will be used to bring the earnings of the *Smoothed Return Reference Portfolio*, including realized and non-realized gains and losses, net of the *Management Fee*, into the *Base Interest Rate* for the *Smoothed Return Investment Account* over time.

The *Bonus Interest Rate* for the *Smoothed Return Investment Account* for all years is zero.

Prior to January 1st, 2019 no amount in the *Smoothed Return Investment Account* may be used to fund the *Total Monthly Charge*.

An amount equal to the *Deferred Withdrawal or Transfer Amount* is not available for transfers to other *Investment Accounts* as described in B 3 Transfers Between Investment Accounts or withdrawals as described in B 7.1 Policy Withdrawals.

An amount in the *Smoothed Return Investment Account* equal to the *Outstanding Loan Balance* is available to the *Owner* for use as a *Loan Reduction* without a *Market Value Adjustment*.

Smoothed Return Reference Portfolio

The *Smoothed Return Reference Portfolio* is a portfolio of assets held by the *Company* as part of its general funds.

Owners who invest in the *Smoothed Return Investment Account* do not hold any ownership interest in the assets underlying the *Smoothed Return Reference Portfolio*.

The *Smoothed Return Reference Portfolio* will be used to track the earnings of the underlying assets and will reflect the market value of those assets.

Any *Market Value Adjustment* assessed on allocations from the *Smoothed Return Investment Account* will be included in the earnings of the *Smoothed Return Reference Portfolio.*

Smoothing Adjustment Factor

The *Smoothing Adjustment Factor* is a factor that is determined by the *Company* to adjust the rate of interest used to calculate the *Interest Payable in Advance*.

The *Smoothing Adjustment Factor* will be set at 0% for each of the 5 years beginning January 1st, 2014. On or after January 1st 2019, the *Smoothing Adjustment Factor* is subject to change on each January 1st and could be positive or negative.

Any change to the *Smoothing Adjustment Factor* will be effective on the *Policy Anniversary* coincident with or following the date of the change and will apply for that *Policy Year.*

Specialist

Specialist means a licensed *Physician* who has been trained in the specific area of medicine relevant to the covered *Critical Condition* or *Critical Illness* for which the *Benefit* is being claimed and who has been certified by a specialty examining board in Canada, the United States of America or other jurisdiction as the *Company* may approve. A *Specialist* cannot be the *Owner*, the *Insured* or a relative or business associate of the *Owner* or the *Insured.* In the absence or unavailability of a *Specialist*, and as approved by the *Company*, a condition may be *Diagnosed* by a qualified *Physician*.

Surgery

Surgery means a surgical procedure performed by a licensed *Physician*.

Survival Period

The *Survival Period* for a *Critical Condition* or *Critical Illness* is the period starting on the date of *Diagnosis* where the *Critical Condition* or *Critical Illness* requires a *Diagnosis* and ending 30 consecutive days following *Diagnosis*, except where modified elsewhere in the definition of the *Critical Condition* or *Critical Illness*. Where a *Critical Illness* requires *Surgery*, the *Survival Period* is the period starting on the date immediately following *Surgery* and ending 30 consecutive days following *Surgery*.

The *Survival Period* does not include the number of days on *Life Support* and the *Insured* must be alive at the end of the *Survival Period*.

Once the *Survival Period* for *Capital Benefits* has been satisfied, eligibility to receive *Capital Benefits* in respect of separate periods of a *Critical Condition* is determined under provision A 2.2 Recurrent Capital Benefit.

Tax Refund

The *Tax Refund* is equal to the amount by which the *Company's* liability for investment income tax imposed under Section 211.1 of the Income Tax Act (Canada) is reduced as the result of:

(i) a withdrawal from the *Cash Option* as described in provision B 7.1 Policy Withdrawals, or

(ii) a surrender of this *Policy* as described in provision B 7.2 Policy Surrender, or

(iii) a *Loan Advance* as described in provision B 12 Annual Rate Policy Loan Option.

Total Capital Benefits

The *Total Capital Benefits* at any time are equal to the sum of all the deductions from the *Investment Accounts* that have been made since the *Policy Date* for *Capital Benefits* as described in provision B 2 Determination of the Accumulation Fund.

Total Interest Rate

The *Total Interest Rate* for an *Investment Account* is the sum of the *Base Interest Rate* and the *Bonus Interest Rate* applicable to that *Investment Account.*

Total Life Benefit

The amount of the *Total Life Benefit* is determined in provision A 1.1 Determination of the Total Life Benefit.

Total Monthly Charge

The *Total Monthly Charge* for a *Policy Month* is the sum of the following:

(i) the *Monthly Administrative Charge* in respect of that *Policy Month*,

(ii) the *Monthly Mortality Charge* in respect of that *Policy Month*, and

(iii) all other *Monthly Charges*.

Total Withdrawals

The *Total Withdrawals* at any time are equal to the sum of all the amounts that have been withdrawn from the *Cash Option* of this *Policy* at the *Owner's* request and deducted from the *Accumulation Fund*, as described in provision B 2 Determination of the Accumulation Fund.

The *Total Withdrawals* will not include any amounts withdrawn from the *Cash Option* of this *Policy* that are initiated by the *Company* in order to satisfy the requirements of provision B 11 Tax Exempt Policy.

Triggering Event for Capital Benefits

The *Triggering Event for Capital Benefits* occurs upon the *Diagnosis* of a *Critical Condition*, or the start of an *Occupational Disability.*

Valuation Date

The *Valuation Date* is each day the value of the appropriate *Investment Account* is established.

Value

The term *Value* will include *Accrued Interest*.

For a *Fixed Rate Investment Account*, the *Value* is the amount invested in that *Fixed Rate Investment Account* at that time plus *Accrued Interest* calculated on a daily compounded basis, up to that point in time.

For a *Variable Investment Account*, interest is allocated on the *Valuation Date*, therefore, the *Value* is the total amount invested in that account at that time.

For the *Smoothed Return Investment Account*, the *Value* is the amount invested in the *Smoothed Return Investment Account* at that time, plus *Accrued Interest* calculated on a daily compounded basis, up to that point in time.

Variable Investment Account

A *Variable Investment Account* is any *Indexed Investment Account*, *Managed Investment Account* or *Managed Portfolio Investment Account*.

Waiting Period

The *Waiting Period* for *Capital Benefits* is the number of consecutive days, as specified in the Policy Schedule, following the start and subsequent continuance of an *Occupational Disability* during which no *Capital Benefits* may be paid.

Once the *Waiting Period* for *Capital Benefits* has been satisfied, eligibility to receive *Capital Benefits* in respect of separate periods of *Occupational Disability* is determined under provision A 2.2 Recurrent Capital Benefit.

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E List and Definitions of Critical Illnesses

Alzheimer Disease

Alzheimer Disease is defined as a definite *Diagnosis* of a progressive degenerative disease of the brain. The *Insured* must exhibit the loss of intellectual capacity involving impairment of memory and judgement, which results in a significant reduction in mental and social functioning and requires a minimum of 8 hours of daily supervision. The *Diagnosis* of Alzheimer Disease must be made by a *Specialist.*

Exclusion - No *Critical Illness Benefit* will be payable under this condition for all other dementing organic brain disorders and psychiatric illnesses.

Aortic Surgery

Aortic Surgery is defined as the undergoing of *Surgery* for disease of the aorta requiring excision and surgical replacement of the diseased aorta with a graft. Aorta refers to the thoracic and abdominal aorta but not its branches. The *Surgery* must be determined to be medically necessary by a *Specialist.*

Blindness

Blindness is defined as a definite *Diagnosis* of the total and irreversible loss of vision in both eyes, evidenced by:

(i) the corrected visual acuity being 20/200 or less in both eyes; or

(ii) the field of vision being less than 20 degrees in both eyes.

The *Diagnosis* must be made by a *Specialist.*

Cancer

Cancer is defined as a definite *Diagnosis* of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. The *Diagnosis* of Cancer must be made by a *Specialist.*

Exception - No *Critical Illness Benefit* will be payable under this condition for the following non-life-threatening cancers:

(i) carcinoma in situ; or

(ii) stage 1A malignant melanoma (melanoma less than or equal to 1.00 millimeters in thickness, not ulcerated and without Clark level IV or level V invasion); or

(iii) any non-melanoma skin cancer that has not metastasized; or

(iv) stage A (T1A or T1b) prostate cancer.

Moratorium Period Exclusion
No *Critical Illness Benefit* will be payable under this condition if within the first 90 days following the later of:

(i) the date this *Policy* goes *In Force*; or

(ii) the effective date of last reinstatement of this *Policy*,

The *Insured* has any of the following:

(i) signs, symptoms or investigations, that lead to a *Diagnosis* of cancer (covered or excluded under this *Policy*), regardless of when the *Diagnosis* is made; or

(ii) a *Diagnosis* of cancer (covered or excluded under this *Policy*).

This medical information as described above must be reported to the *Company* within 6 months of the date of the *Diagnosis*. If this information is not provided, the *Company* has the right to deny any claim for cancer, or any *Critical Illness* caused by cancer or its treatment.

Coma

Coma is defined as a definite *Diagnosis* of a state of unconsciousness with no reaction to external stimuli or response to internal needs for a continuous period of at least 96 hours and for which period the Glasgow coma score must be four or less. The *Diagnosis* of Coma must be made by a *Specialist.*

Exclusion - No *Critical Illness Benefit* will be payable under this condition for:

(i) a medically induced coma; or

(ii) a coma which results directly from alcohol or drug use; or

(iii) a *Diagnosis* of brain death.

Coronary Artery Bypass Graft

Coronary Artery Bypass Graft is defined as the undergoing of heart *Surgery* to correct narrowing or blockage of one or more coronary arteries with bypass graft(s), excluding any non-surgical or trans-catheter techniques such as balloon angioplasty or laser relief of an obstruction. The *Surgery* must be determined to be medically necessary by a *Specialist.*

Deafness

Deafness is defined as a definite *Diagnosis* of the total and irreversible loss of hearing in both ears, with an auditory threshold of 90 decibels or greater within the speech threshold of 500 to 3,000 hertz. The *Diagnosis* must be made by a *Specialist.*

Heart Attack

Heart Attack is defined as the definite *Diagnosis* of the death of a portion of heart muscle due to obstruction of blood flow, that results in:

Rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:

(i) heart attack symptoms;

(ii) new electrocardiogram (ECG) changes consistent with a heart attack; or

(iii) development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

The *Diagnosis* of Heart Attack must be made by a *Specialist.*

Exclusion - No *Critical Illness Benefit* will be payable under this condition for:

(i) elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves, or

(ii) ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definition as described above.

Heart Valve Replacement

Heart Valve Replacement is defined as the undergoing of *Surgery* to replace any heart valve with either a natural or mechanical valve. The *Surgery* must be determined to be medically necessary by a *Specialist*.

Exclusion - No *Critical Illness Benefit* will be payable under this condition for heart valve repair.

Kidney Failure

Kidney Failure is defined as a definite *Diagnosis* of chronic irreversible failure of both kidneys to function, as a result of which regular haemodialysis, peritoneal dialysis or renal transplantation is initiated. The *Diagnosis* of Kidney Failure must be made by a *Specialist.*

Loss of Limbs

Loss of Limbs is defined as the definite *Diagnosis* of the complete severance of two or more limbs at or above the wrist or ankle joint as the result of an accident or medically required amputation. The *Diagnosis* of Loss of Limbs must be made by a *Specialist.*

Loss of Speech

Loss of Speech is defined as the definite *Diagnosis* of the total and irreversible loss of the ability to speak as the result of physical injury or disease for a period of at least 180 days. The *Diagnosis* of Loss of Speech must be made by a *Specialist.*

Exclusion - No *Critical Illness Benefit* will be payable under this condition for all psychiatric related causes.

Major Organ Failure On Waiting List

Major Organ Failure on Waiting List is defined as a definite *Diagnosis* of the irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under Major Organ Failure on Waiting List, the *Insured* must become enrolled as the recipient in a recognized transplant centre in Canada or the United States of America that performs the required form of transplant *Surgery*. For the purposes of the *Survival Period*, the date of *Diagnosis* is the date of the *Insured's* enrolment in the transplant centre. The *Diagnosis* of the major organ failure must be made by a *Specialist.*

Major Organ Transplant

Major Organ Transplant is defined as the definite *Diagnosis* of the irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under Major Organ Transplant the *Insured* must undergo a transplantation procedure as the recipient of a heart, lung, liver, kidney or bone marrow, and

limited to these entities. The *Diagnosis* of the major organ failure must be made by a *Specialist.*

Motor Neuron Disease

Motor Neuron Disease is defined as a definite *Diagnosis* of one of the following: amyotrophic lateral sclerosis (ALS or Lou Gehrig's Disease), primary lateral sclerosis, progressive spinal muscular atrophy, progressive bulbar palsy, or pseudo bulbar palsy and limited to these conditions. The *Diagnosis* of Motor Neuron Disease must be made by a *Specialist.*

Multiple Sclerosis

Multiple Sclerosis is defined as a definite *Diagnosis* of at least one of the following:

(i) two or more separate clinical attacks, confirmed by magnetic resonance imaging (MRI) of the nervous system, showing multiple lesions of demyelination; or

(ii) well defined neurological abnormalities lasting more than 6 months, confirmed by MRI imaging of the nervous system, showing multiple lesions of demyelination; or

(iii) a single attack confirmed by repeated MRI imaging of the nervous system, which shows multiple lesions of demyelination which have developed at intervals at least one month apart.

The *Diagnosis* of Multiple Sclerosis must be made by a *Specialist.*

Occupational HIV Infection

Occupational HIV is defined as a definite *Diagnosis* of infection with Human Immunodeficiency Virus (HIV) resulting from accidental injury during the course of the *Insured's* normal occupation, which exposed the person to HIV contaminated bodily fluids. The accidental injury leading to the infection must have occurred after the later of the date this *Policy* goes *In Force,* or the effective date of the last reinstatement of this *Policy.*

Payment under this condition requires satisfaction of all of the following:

(i) the accidental injury must be reported to the *Company* within 14 days of the accidental injury;

(ii) a serum HIV test must be taken within 14 days of the accidental injury and the result must be negative;

(iii) a serum HIV test must be taken between 90 and 180 days after the accidental injury and the result must be positive;

(iv) all HIV tests must be performed by a duly licenced laboratory in Canada or the United States of America;

(v) the accidental injury must have been reported, investigated and documented in accordance with current Canadian or United States of America workplace guidelines.

The *Diagnosis* of Occupational HIV Infection must be made by a *Specialist.*

Exclusion - No *Critical Illness Benefit* will be payable under this condition if:

(i) the *Insured* has elected not to take any available licenced vaccine offering protection against HIV; or

(ii) a licensed cure for HIV infection has become available prior to the accidental injury; or

(iii) HIV infection has occurred as a result of non-accidental injury including, but not limited to, sexual transmission and intravenous (IV) drug use.

Paralysis

Paralysis is defined as a definite *Diagnosis* of the total loss of muscle function of two or more limbs as a result of injury or disease to the nerve supply of those limbs, for a period of at least 90 days following the precipitating event. The *Diagnosis* of Paralysis must be made by a *Specialist.* The *Survival Period* is 90 days from the *Diagnosis* of Paralysis.

Parkinson Disease

Parkinson Disease is defined as a definite *Diagnosis* of primary idiopathic Parkinson Disease which is characterized by a minimum of two or more of the following clinical manifestations: muscle rigidity, tremor or bradykinesis (abnormal slowness of movement, sluggishness of physical and mental responses). The *Insured* must require substantial physical assistance from another adult to perform at least two of the following 6 Activities of Daily Living. The *Diagnosis* of Parkinson Disease must be made by a *Specialist.*

Activities of Daily Living are:

Bathing – the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of equipment.

Dressing – the ability to put on and remove necessary clothing including braces, artificial limbs or other surgical appliances.

Toileting – the ability to get on and off the toilet and maintain personal hygiene.

Bladder and Bowel Continence – the ability to manage bowel and bladder function with or without protective undergarments or surgical appliances so that a reasonable level of hygiene is maintained.

Transferring – the ability to move in and out of a bed, chair or wheelchair, with or without the use of equipment.

Feeding – the ability to consume food or drink that already has been prepared and made available, with or without the use of adaptive utensils.

Exclusion – No *Critical Illness Benefit* will be payable under this condition for all other types of Parkinsonism.

Severe Burns

Severe Burns is defined as a definite *Diagnosis* of third degree burns over at least twenty percent (20%) of the body surface. The *Diagnosis* of Severe Burns must be made by a *Specialist.*

Stroke

Stroke (Cerebrovascular Accident) is defined as a definite *Diagnosis* of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with:

(i) acute onset of new neurological symptoms, and

(ii) new objective neurological deficits on clinical examination, persisting for more than 30 days following the date of *Diagnosis*. These new symptoms and deficits must be corroborated by diagnostic imaging testing. The *Diagnosis* of Stroke must be made by a *Specialist*.

Exclusion - No *Critical Illness Benefit* will be payable under this condition for:

(i) Transient Ischemic Attacks; or

(ii) intracerebral vascular events due to trauma; or

(iii) lacunar infarcts which do not meet the definition of Stroke as described above.

APPENDIX A

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Provincial Endorsements

This is Exhibit **"N"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob Mair

A Commissioner for taking Affidavits within Ontario

RBC Insurance

RBC Insurance is pleased to make the following announcements related to the Security Fund product for 2019:

(a) the credited rate for the Smoothed Return Investment Account ("SRIA") will be 4.25%, and

(b) the loan rate for Annual Rate Policy Loans and associated Credit Facilities will be 6.05%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

On January 1st, 2014 the SRIA credited rate (called the "Base Interest Rate") was set at 4.75% for 5 years. Beginning January 1st, 2019, the company will reset the Base Interest Rate on each January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of The Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2019 the Base Interest Rate has been set at 4.25%.

Loan Rate

For 2019, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as security) will be 6.05%. This loan rate is equal to the 2019 SRIA Base Interest Rate of 4.25% + 1.65% plus the 2019 Smoothing Adjustment Factor of 0.15%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of The Portfolio to the borrower.

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For more information on the Smoothed Return Reference Portfolio, please see the next section. This bulletin, which will be posted with Security Fund and Credit Facility product information on the PPI web site, will be your published reference for SRIA and loan rates for 2019.

If you have any questions, please contact your PPI Marketing Office.

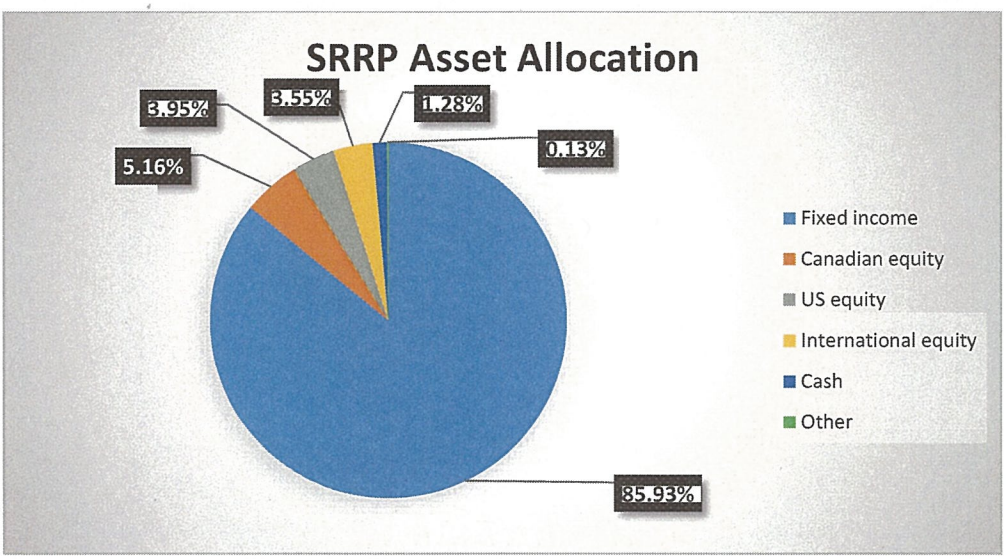
Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

SRRP Historical

	2014	2015	2016	2017	2018 (Up to Aug 31, 2018)	Average Jan 2014 - Aug 31, 2018
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	3.34%	4.41%



SRRP Fund Value as of August 31st, 2018 is roughly $1,524,000,000.

This is Exhibit **"O"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob Ottai

A Commissioner for taking Affidavits within Ontario

Insurance

November 2019

RBC Insurance is pleased to make the following announcements related to the Security Fund product for 2019:

(a) The credited rate for the Smoothed Return Investment Account ("SRIA") will be 4.10%, and

(b) The loan rate for Annual Rate Policy Loans and associated Credit Facilities will be 5.95%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

RBC resets the Base Interest Rate for the SRIA on each January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of the Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2020 the Base Interest Rate has been set at 4.10%.

Loan Rate

For 2020, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.95%. This loan rate is equal to the 2020 SRIA Base Interest Rate of 4.10% + 1.65% plus the 2020 Smoothing Adjustment Factor of 0.20%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of the Portfolio to the borrower.

For more information on the Smoothed Return Reference Portfolio, please see the next section. This bulletin, which will be posted with Security Fund and Credit Facility product information on the PPI web site, will be your published reference for SRIA and loan rates for 2020.

If you have any questions, please contact your PPI Marketing Office.

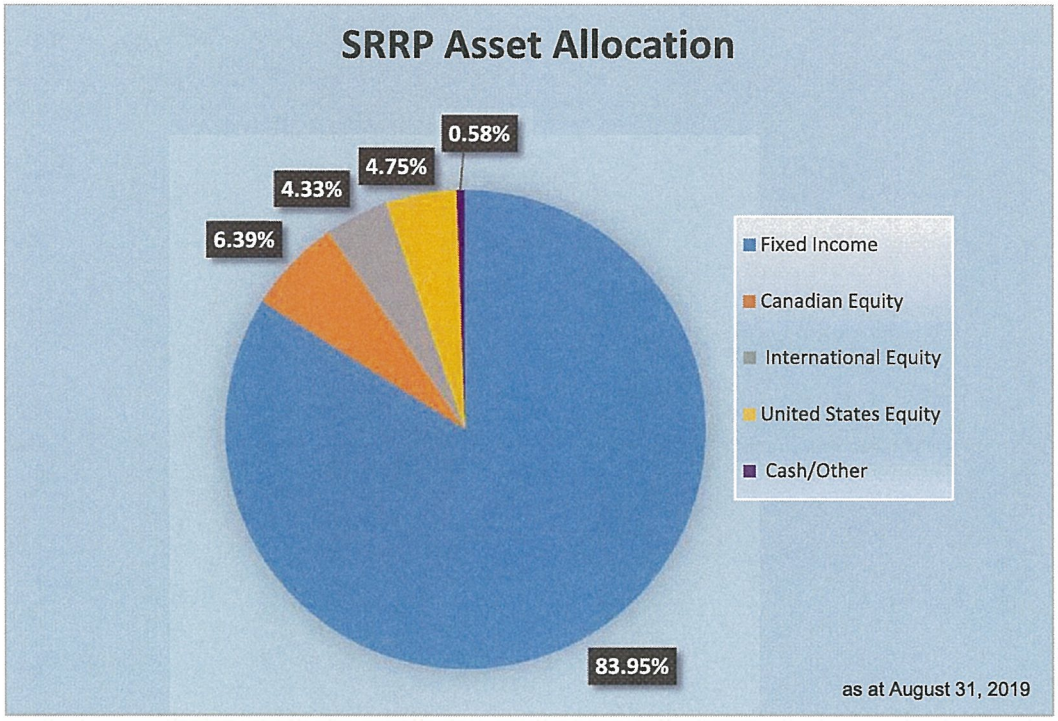
Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

SRRP Historical Annualized Rates of Return

	2014	2015	2016	2017	2018	Jan 1 2019 - Aug 31 2019	**Average** Jan 1 2014 - Aug 31 2019
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	1.64%	6.80%	4.32%
Gross Rate of Return	6.41%	6.23%	6.16%	6.17%	3.29%	8.45%	5.97%



As of August 31, 2019, the total asset value of the SRRP was $1,572 million

This is Exhibit **"P"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McWain

A Commissioner for taking Affidavits within Ontario

RBC Insurance

November 2020

RBC Insurance is pleased to make the following announcements related to the Security Fund product for 2021:

(a) The credited rate for the Smoothed Return Investment Account ("SRIA") will be 4.10%, and

(b) The loan rate for Annual Rate Policy Loans and associated Credit Facilities will be 5.95%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

RBC resets the Base Interest Rate for the SRIA on each January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of the Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2021 the Base Interest Rate has been set at 4.10%.

Loan Rate

For 2021, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.95%. This loan rate is equal to the 2021 SRIA Base Interest Rate of 4.10% + 1.65% plus the 2021 Smoothing Adjustment Factor of 0.20%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of the Portfolio to the borrower.

For more information on the Smoothed Return Reference Portfolio, please see the next section. This bulletin, which will be posted with Security Fund and Credit Facility product information on the PPI web site, will be your published reference for SRIA and loan rates for 2021.

If you have any questions, please contact your PPI Marketing Office.

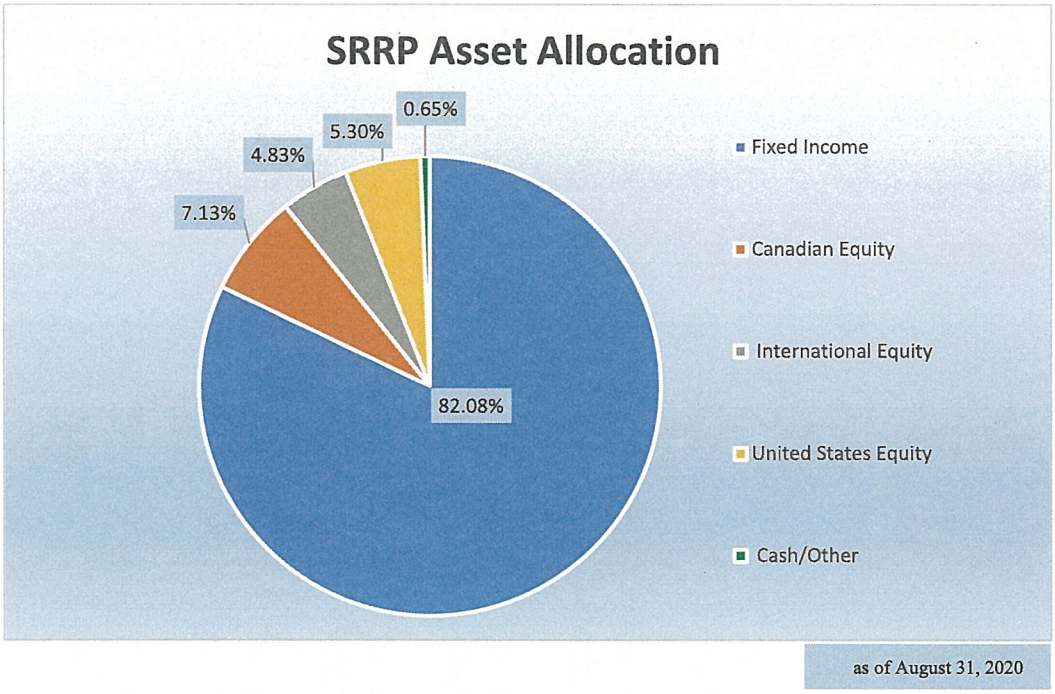
Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

SRRP Historical Annualized Rates of Return

	2014	2015	2016	2017	2018	2019	Jan 1/20-Aug 31/20	**Average** Jan 1 2014 - Aug 31 2020
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	1.64%	5.80%	4.35%	4.30%
Gross Rate of Return	6.41%	6.23%	6.16%	6.17%	3.29%	7.45%	6.00%	5.95%



As of August 31, 2020, the total asset value of the SRRP was $1,608 million

This is Exhibit **"Q"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Insurance

November 2021

RBC Insurance is pleased to make the following announcements related to the Security Fund product for 2022:

(a) The credited rate for the Smoothed Return Investment Account ("SRIA") will be 4.10%, and

(b) The loan rate for Annual Rate Policy Loans and associated Credit Facilities will be 5.70%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

RBC resets the Base Interest Rate for the SRIA on each January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of the Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2022 the Base Interest Rate has been set at 4.10%.

Loan Rate

For 2022, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.70%. This loan rate is equal to the 2022 SRIA Base Interest Rate of 4.10% + 1.65% plus the 2022 Smoothing Adjustment Factor of -0.05%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of the Portfolio to the borrower.

For more information on the Smoothed Return Reference Portfolio, please see the next section. This bulletin, which will be posted with Security Fund and Credit Facility product information on the PPI web site, will be your published reference for SRIA and loan rates for 2022.

If you have any questions, please contact your PPI Marketing Office.

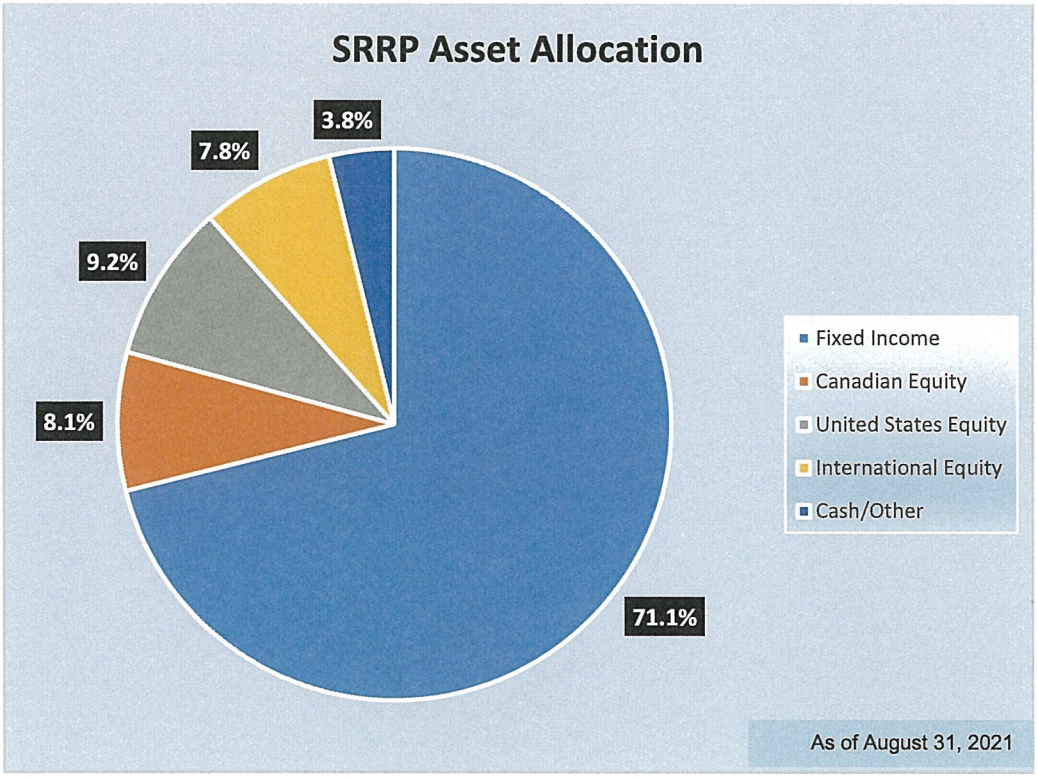
Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

SRRP Historical Annualized Rates of Return

	2014	2015	2016	2017	2018	2019	2020	Jan 1 2021 - Aug 31 2021	**Average**
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	1.64%	5.80%	5.50%	5.95%	4.61%
Gross Rate of Return	6.41%	6.23%	6.16%	6.17%	3.29%	7.45%	7.15%	7.60%	6.26%



As of August 31, 2021 the total asset value of the SRRP was $1,732 million

This is Exhibit **"R"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Insurance

November 2022

RBC Insurance would like to make the following announcements related to the Security Fund product for 2023:

(a) The credited rate for the Smoothed Return Investment Account ("SRIA") will be 3.0%, and

(b) The loan rate for Annual Rate Policy Loans and associated Credit Facilities will be 5.05%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

RBC resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2023 the Base Interest Rate has been set at 3.0%.

Loan Rate

For 2023, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.05%. This loan rate is equal to the 2023 SRIA Base Interest Rate of 3.0% + 1.65% plus the 2023 Smoothing Adjustment Factor of 0.40%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of the Portfolio to the borrower.

For more information on the Smoothed Return Reference Portfolio, please see the next section. This bulletin, which will be posted with Security Fund and Credit Facility product information on the PPI web site, will be your published reference for SRIA and loan rates for 2023.

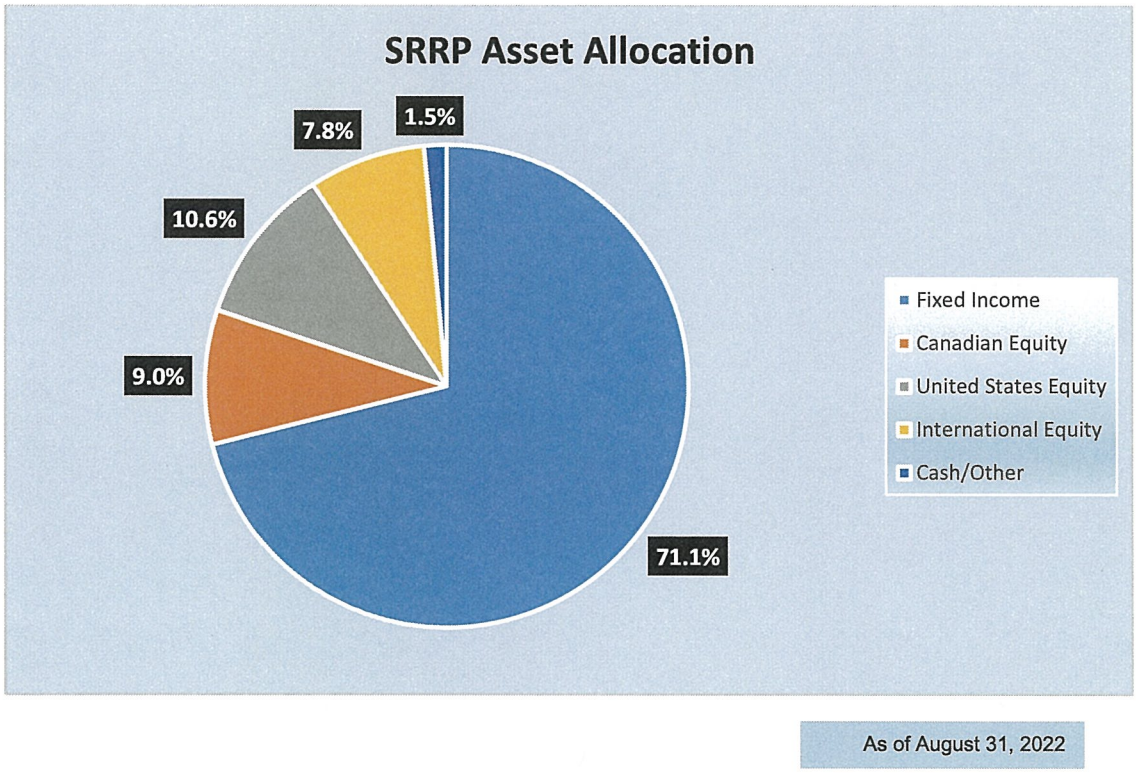
Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

SRRP Historical Annualized Rates of Return

	2014	2015	2016	2017	2018	2019	2020	2021	Jan 1 2022-Aug 31 2022	**Average**
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	1.64%	5.80%	5.50%	4.80%	-11.26%	3.23%
Gross Rate of Return	6.41%	6.23%	6.16%	6.17%	3.29%	7.45%	7.15%	6.45%	-9.61%	4.88%



As of August 31, 2022 the total asset value of the SRRP was $1.579 billion

This is Exhibit **"S"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Insurance

November 2023

RBC Insurance would like to make the following announcements related to the Security Fund product for 2024:

Effective January 1, 2024:

(a) The credited rate for the Smoothed Return Investment Account ("SRIA") will increase to 3.25%, and

(b) The loan rate for Annual Rate Policy Loans and associated Credit Facilities will increase to 5.35%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

RBC resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2024 the Base Interest Rate has been set at 3.25%.

Loan Rate

For 2024, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.35%. This loan rate is equal to the 2024 SRIA Base Interest Rate of 3.25% + 1.65% plus the 2024 Smoothing Adjustment Factor of 0.45%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of the Portfolio to the borrower.

For more information on the Smoothed Return Reference Portfolio, please see the next section. Beginning on January 1, 2024, the rates discussed in this bulletin will be published on our website in the weekly rate sheet.

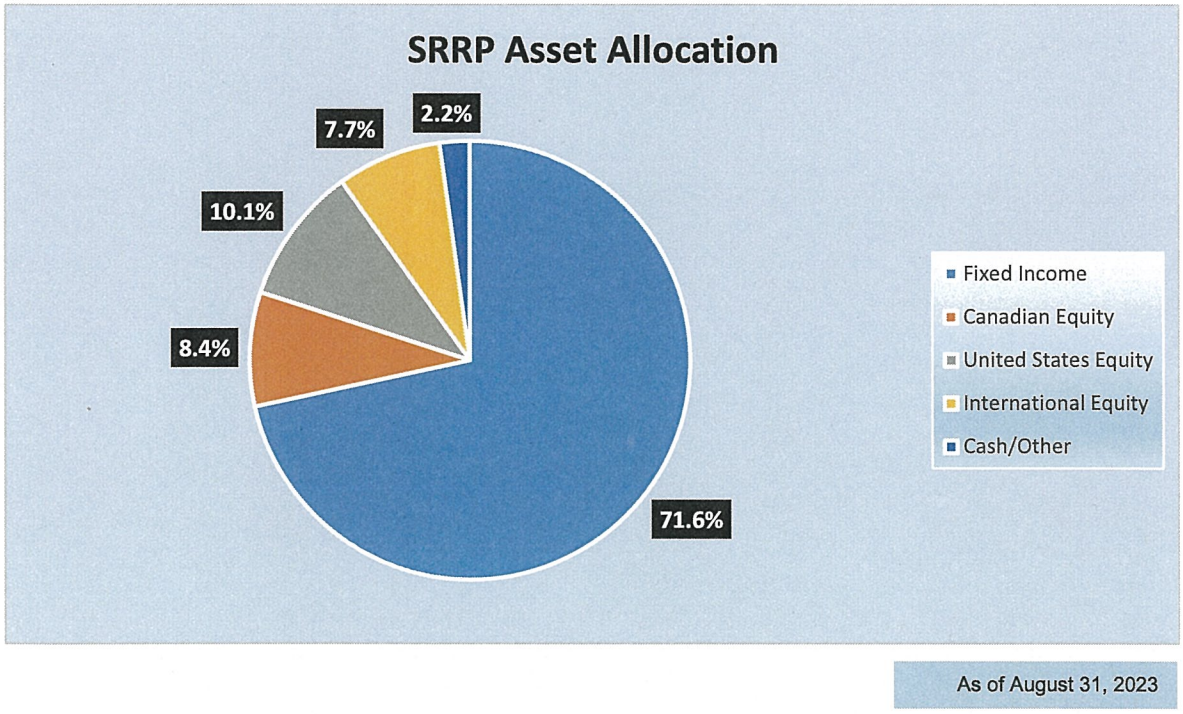
Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

SRRP Historical Annualized Rates of Return

	2014	2015	2016	2017	2018	2019	2020	2021	2022	Jan 1 2023 - Aug 31 2023	Average
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	1.64%	5.80%	5.50%	4.80%	-6.86%	2.42%	3.68%
Gross Rate of Return	6.14%	6.23%	6.16%	6.17%	3.29%	7.45%	7.15%	6.45%	-5.21%	4.07%	5.33%



As of August 31, 2023 the total asset value of the SRRP was $1.562 billion

RBC Life Insurance Company.
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‡All other trademarks are the property of their respective owner(s).

This is Exhibit **"T"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Insurance

November 2024

RBC Insurance would like to make the following announcements related to the Security Fund product for 2025:

Effective January 1, 2025:

(a) The credited rate for the Smoothed Return Investment Account ("SRIA") will increase to 3.4%, and

(b) The loan rate for Annual Rate Policy Loans and associated Credit Facilities will increase to 5.4%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

RBC resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2025 the Base Interest Rate has been set at 3.4%.

Loan Rate

For 2025, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.4%. This loan rate is equal to the 2025 SRIA Base Interest Rate of 3.4% + 1.65% plus the 2025 Smoothing Adjustment Factor of 0.35%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of the Portfolio to the borrower.

For more information on the Smoothed Return Reference Portfolio, please see the next section. Beginning on January 1, 2025, the rates discussed in this bulletin will be published on our website in the weekly rate sheet.

Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

This is Exhibit **"U"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob Nguyen

A Commissioner for taking Affidavits within Ontario

Insurance

November 2025

RBC Insurance would like to make the following announcements related to the Security Fund product for 2026.

Effective January 1, 2026:

(a) The credited rate for the Smoothed Return Investment Account ("SRIA") will hold at 3.4%, and

(b) The loan rate for Annual Rate Policy Loans and associated Credit Facilities will hold at 5.4%.

Please review this communication for additional details.

Smoothed Return Investment Account (SRIA)

RBC resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2026 the Base Interest Rate has been set at 3.4%.

Loan Rate

For 2026, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.4%. This loan rate is equal to the 2026 SRIA Base Interest Rate of 3.4% + 1.65% plus the 2026 Smoothing Adjustment Factor of 0.35%.

The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which the company uses to pass on cumulative gains/losses of the Portfolio to the borrower.

For more information on the Smoothed Return Reference Portfolio, please see the next section. Beginning on January 1, 2026, the rates discussed in this bulletin will be published on our website in the weekly rate sheet.

Smoothed Return Reference Portfolio (SRRP)

Inception Date: January 1st, 2014

The SRRP is comprised of a mix of assets that the company manages and tracks with the objective of maintaining a stable long-term credited rate for the Smoothed Return Investment Account (SRIA) under the Security Fund universal life plan. Policy owners with funds allocated to the SRIA do not own assets in the SRRP.

This is Exhibit **"V"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVair

A Commissioner for taking Affidavits within Ontario

Insurance

RBC Insurance News

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November 2018

Security Fund Interest Rate Changes

Effective January 1, 2019, the following interest rate changes will apply to the Security Fund product:

- the credited rate for the Smoothed Return Investment Account ("SRIA") will be 4.25%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will be 6.05%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

On January 1st, 2014 the SRIA credited rate (called the "Base Interest Rate") was set at 4.75% for 5 years. Beginning January 1st, 2019, we at RBC Insurance® will reset the Base Interest Rate on each subsequent January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of the Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2019 the Base Interest Rate has been set at 4.25%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. However, please note that effective January 1, 2019, the policy cost of insurance (COI) may now be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) will apply.

The MVA will not apply to SRIA funds either withdrawn to make a loan payment or used as security to make a loan interest in arrears payment.

Effective December 8, 2018, cash surrender value quotes and annual statements will include SRIA MVA figures rather than the current CSV disclosure that states that MVAs are excluded.

- Sample cash surrender value statement.

Loan Rates

For 2019, the loan rate for Annual Rate Policy Loans and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as security) will be 6.05%. This loan rate is equal to the 2019 SRIA Base Interest Rate of 4.25% + 1.65% plus the 2019 Smoothing Adjustment Factor* of 0.15%.

*The 0.15% Smoothing Adjustment Factor applies on and after the 2019 **Policy Anniversary** for Annual Rate Policy Loans and the 2019 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (Annual Rate Policy Loans) and to Security Deposits (Credit Facilities) will be 1.65% prior to the 2019 anniversary, and 1.80% for the one year period beginning on the 2019 anniversary.

Interest Payable in Arrears
The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day (4.75% from January 1 to December 31, 2018 and 4.25% from January 1 to December 31, 2019), and therefore may be a blend of these two rates when loan interest is due on the policy or loan anniversary in 2019.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Annual Interest Billings for Credit Facilities and Annual Rate Policy Loans
Annual Interest Billings have been revised to disclose any interest rate changes that occur during the billing period. See the attached Credit Facility sample bill.

Change in overdue loan interest process
As of December 8, 2018, we are implementing the system enhancement described below, which will impact clients who:

a) do not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND
b) have funds in their SRIA account, over and above their outstanding loan balance.

Current process: An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (except the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules.

New process as of December 8, 2018: An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules, and a SRIA MVA will apply to the transfer.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Illustration Software
A new version of composer software will be available in December.

Questions
If you have any further questions, please contact your local PPI Advisory Marketing Office.

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This is Exhibit **"W"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this 20 day of November, 2025.

Jacob Mitri

A Commissioner for taking Affidavits within Ontario

Insurance

RBC Insurance News

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Security Fund Interest Rate Changes

Effective January 1, 2020, the following interest rate changes will apply to the Security Fund product:

- the credited rate for the Smoothed Return Investment Account ("SRIA") will be 4.10%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will be 5.95%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

RBC Insurance® resets the Base Interest Rate for the SRIA on each January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of the Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2020 the Base Interest Rate has been set at 4.10%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. Please see the Deferred Withdrawal or Transfer Amount contract provision.

The policy cost of insurance (COI) may be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) applies. The MVA does not apply to SRIA funds either withdrawn to make a loan payment or used as collateral for an advance to make a loan interest in arrears payment.

Loan Rates

For 2020, the loan rate for Annual Rate Policy Loans (ARPL) and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.95%. This loan rate is equal to the 2020 SRIA Base Interest Rate of 4.10% + 1.65% plus the 2020 Smoothing Adjustment Factor* of 0.20%.

The 0.20% Smoothing Adjustment Factor applies on and after the 2020 **Policy Anniversary** for ARPLs and the 2020 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (ARPLs) and to Security Deposits (Credit Facilities) will be 1.80% (1.65% + 0.15%) prior to the 2020 anniversary, and 1.85% (1.65% + 0.20%) for the one year period beginning on the 2020 anniversary.

We have updated the Annual Rate Policy Loan and the Credit Facility Loan form to include the formula used to calculate Interest Payable in Advance and Security Deposits at the time of an advance. (See below for the formula.) For the purposes of calculating Interest Payable in Advance or a Security Deposit in the year 2020, B = 0.15% and C = 0.20%.

A = the dollar amount of the advance being requested

B = the smoothing adjustment factor applied in the year 2020 for advances made prior to the Credit Facility anniversary (or the Policy anniversary for ARPLs)

C = the smoothing adjustment factor applied in the year 2020 for advances made on or after the Credit Facility anniversary (or the Policy anniversary for ARPLs)

D = the number of days remaining from the date of the advance to the Credit Facility anniversary

Interest Payable in Advance or Security Deposit = A x ((1.65% + (B or C)) x D / 365

Interest Payable in Arrears
The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day (4.25% from January 1 to December 31, 2019 and 4.10% from January 1 to December 31, 2020), and therefore may be a blend of these two rates when loan interest is due on the policy or loan anniversary in 2020.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Reminder of overdue loan interest process
This process applies to a client who:
a) Does not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND
b) Has funds in their SRIA account, over and above their outstanding loan balance.

An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Illustration Software
A new version of composer software will be available in December.

Questions
If you have any further questions, please contact your local PPI Advisory Marketing Office.

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This is Exhibit **"X"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVain

A Commissioner for taking Affidavits within Ontario

Security Fund Interest Rate News

RBCI is pleased to announce that we will be holding our SRIA rates for 2021;

- the credited rate for the Smoothed Return Investment Account ("SRIA") will be 4.10%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will be 5.95%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

RBC Insurance® resets the Base Interest Rate for the SRIA on each January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of the Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2021 the Base Interest Rate has been held at 4.10%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. Please see the Deferred Withdrawal or Transfer Amount contract provision.

The policy cost of insurance (COI) may be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) applies. The MVA does not apply to SRIA funds either withdrawn to make a loan payment or used as collateral for an advance to make a loan interest in arrears payment.

Loan Rates

For 2021, the loan rate for Annual Rate Policy Loans (ARPL) and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.95%. This loan rate is equal to the 2021 SRIA Base Interest Rate of 4.10% + 1.65% plus the 2021 Smoothing Adjustment Factor* of 0.20%.

The 0.20% Smoothing Adjustment Factor applies on and after the 2021 **Policy Anniversary** for ARPLs and the 2021 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (ARPLs) and to Security Deposits (Credit Facilities) will be 1.85% (1.65% + 0.20%) for all anniversary renewals.

Interest Payable in Arrears

The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day will be 4.10% until December 31, 2021.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Loan Advance Request Forms:
For loan advance requests, please use the Annual Rate Policy Loan Request or Credit Facility Loan forms, published on November 6, 2019, in the RBC Forms section under Products and Insurers on the PPI secure website.

Reminder of overdue loan interest process
This process applies to a client who:
a) Does not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND
b) Has funds in their SRIA account, over and above their outstanding loan balance.

An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Illustration Software
A new version of composer software will be available in December.

Questions
If you have any further questions, please contact your local PPI Advisory Marketing Office.

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This is Exhibit **"Y"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVair

A Commissioner for taking Affidavits within Ontario

Security Fund Interest Rate News

RBCI is pleased to announce that we will be holding our crediting rate, and lowering the loan rate for 2022;

- the credited rate for the Smoothed Return Investment Account ("SRIA") will remain at 4.10%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will be reduced to 5.70%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

RBC Insurance® resets the Base Interest Rate for the SRIA on each January 1st using the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to bring the gains and losses of the Portfolio, net of the Management Fee, into the Base Interest Rate over time. For 2022 the Base Interest Rate has been held at 4.10%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. Please see the Deferred Withdrawal or Transfer Amount contract provision.

The policy cost of insurance (COI) may be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) applies. The MVA does not apply to SRIA funds either withdrawn to make a loan payment or used as collateral for an advance to make a loan interest in arrears payment.

Loan Rates

For 2022, the loan rate for Annual Rate Policy Loans (ARPL) and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.70%. This loan rate is equal to the 2022 SRIA Base Interest Rate of 4.10% + 1.65% plus the 2022 Smoothing Adjustment Factor* of -0.05%.

The -0.05% Smoothing Adjustment Factor applies on and after the 2022 **Policy Anniversary** for ARPLs and the 2022 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (ARPLs) and to Security Deposits (Credit Facilities) will be 1.60% (1.65% - 0.05%) for all anniversary renewals.

Interest Payable in Arrears

The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day will be 4.10% until December 31, 2022.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Loan Advance Request Forms:
For loan advance requests, please use the Annual Rate Policy Loan Request or Credit Facility Loan forms, published on November 6, 2019, in the RBC Forms section under Products and Insurers on the PPI secure website.

Reminder of overdue loan interest process
This process applies to a client who:
a) Does not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND
b) Has funds in their SRIA account, over and above their outstanding loan balance.

An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Questions
If you have any further questions, please contact your local PPI Advisory Marketing Office.

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This is Exhibit **"Z"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob Martin

A Commissioner for taking Affidavits within Ontario

Security Fund Interest Rate News

RBC Insurance will be updating the crediting rate and the loan rate for 2023;

- the credited rate for the Smoothed Return Investment Account ("SRIA") will be reduced to 3.0%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will be reduced to 5.05%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

RBC Insurance® resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2023, the Base Interest Rate has been reduced to 3.0%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. Please see the Deferred Withdrawal or Transfer Amount contract provision.

The policy cost of insurance (COI) may be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) applies. The MVA does not apply to SRIA funds either withdrawn to make a loan payment or used as collateral for an advance to make a loan interest in arrears payment.

Loan Rates

For 2023, the loan rate for Annual Rate Policy Loans (ARPL) and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.05%. This loan rate is equal to the 2023 SRIA Base Interest Rate of 3.0% + 1.65% plus the 2023 Smoothing Adjustment Factor* of 0.40%.

The 0.40% Smoothing Adjustment Factor applies on and after the 2023 **Policy Anniversary** for ARPLs and the 2023 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (ARPLs) and to Security Deposits (Credit Facilities) will be 2.05% (1.65% + 0.40%) for all anniversary renewals.

Interest Payable in Arrears

The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day will be 3.0% until December 31, 2023.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Reminder of overdue loan interest process

This process applies to a client who:

a) Does not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND

b) Has funds in their SRIA account, over and above their outstanding loan balance.

An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Questions

If you have any further questions, please contact your local PPI Advisory Marketing Office.

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This is Exhibit **"AA"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVain

A Commissioner for taking Affidavits within Ontario

Security Fund Interest Rate News

RBC Insurance is pleased to announce the crediting rate and the loan rate for 2024;

- the credited rate for the Smoothed Return Investment Account ("SRIA") will be increased to 3.25%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will be increased to 5.35%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

RBC Insurance® resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2024, the Base Interest Rate has been increased to 3.25%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. Please see the Deferred Withdrawal or Transfer Amount contract provision.

The policy cost of insurance (COI) may be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) applies. The MVA does not apply to SRIA funds either withdrawn to make a loan payment or used as collateral for an advance to make a loan interest in arrears payment.

Loan Rates

For 2024, the loan rate for Annual Rate Policy Loans (ARPL) and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.35%. This loan rate is equal to the 2024 SRIA Base Interest Rate of 3.25% + 1.65% plus the 2024 Smoothing Adjustment Factor* of 0.45%.

The 0.45% Smoothing Adjustment Factor applies on and after the 2024 **Policy Anniversary** for ARPLs and the 2024 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (ARPLs) and to Security Deposits (Credit Facilities) will be 2.10% (1.65% + 0.45%) for all anniversary renewals.

Interest Payable in Arrears

The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day will be 3.25% until December 31, 2024.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Reminder of overdue loan interest process

This process applies to a client who:

a) Does not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND

b) Has funds in their SRIA account, over and above their outstanding loan balance.

An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Questions

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This is Exhibit **"BB"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Security Fund Interest Rate News

RBC Insurance is pleased to announce the crediting rate and the loan rate for 2025;

- the credited rate for the Smoothed Return Investment Account ("SRIA") will be increased to 3.4%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will be increased to 5.4%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

RBC Insurance® resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2025, the Base Interest Rate has been increased to 3.4%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. Please see the Deferred Withdrawal or Transfer Amount contract provision.

The policy cost of insurance (COI) may be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) applies. The MVA does not apply to SRIA funds either withdrawn to make a loan payment or used as collateral for an advance to make a loan interest in arrears payment.

Loan Rates

For 2025, the loan rate for Annual Rate Policy Loans (ARPL) and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.4%. This loan rate is equal to the 2025 SRIA Base Interest Rate of 3.4% + 1.65% plus the 2025 Smoothing Adjustment Factor* of 0.35%.

The 0.35% Smoothing Adjustment Factor applies on and after the 2025 **Policy Anniversary** for ARPLs and the 2025 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (ARPLs) and to Security Deposits (Credit Facilities) will be 2.0% (1.65% + 0.35%) for all anniversary renewals.

Interest Payable in Arrears

The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day will be 3.4% until December 31, 2025.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Reminder of overdue loan interest process

This process applies to a client who:

a) Does not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND

b) Has funds in their SRIA account, over and above their outstanding loan balance.

An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Questions

If you have any further questions, please contact your local PPI Advisory Marketing Office.

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This is Exhibit **"CC"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Security Fund Interest Rate News

RBC Insurance is pleased to announce the crediting rate and the loan rate for 2026;

- the credited rate for the Smoothed Return Investment Account ("SRIA") will hold at 3.4%, and
- the loan rate for Annual Rate Policy Loans and Credit Facilities will hold at 5.4%.

Please see below for all the details.

Smoothed Return Investment Account (SRIA)

RBC Insurance® resets the Base Interest Rate for the SRIA on each January 1st referencing the returns of the Smoothed Return Reference Portfolio and our smoothing process. The smoothing process is used to reflect the gains and losses of the Portfolio, net of the Management Fee, in the Base Interest Rate over time. For 2026, the Base Interest Rate has been held flat at3.4%.

Policy restrictions on the amount that can be transferred or withdrawn from the SRIA remain. Please see the Deferred Withdrawal or Transfer Amount contract provision.

The policy cost of insurance (COI) may be deducted from the SRIA according to the automatic allocation rules in the policy and a market value adjustment (MVA) applies. The MVA does not apply to SRIA funds either withdrawn to make a loan payment or used as collateral for an advance to make a loan interest in arrears payment.

Loan Rates

For 2026, the loan rate for Annual Rate Policy Loans (ARPL) and for Credit Facilities (facilities for which the policy has been pledged to RBC Insurance as collateral) will be 5.4%. This loan rate is equal to the 2026 SRIA Base Interest Rate of 3.4% + 1.65% plus the 2026 Smoothing Adjustment Factor* of 0.35%.

The 0.35% Smoothing Adjustment Factor applies on and after the 2026 **Policy Anniversary** for ARPLs and the 2026 **loan anniversary date** for Credit Facilities.

Interest Payable in Advance and Security Deposits

The rates that apply to the Interest Payable in Advance (ARPLs) and to Security Deposits (Credit Facilities) will be 2.00% (1.65% + 0.35%) for all anniversary renewals.

Interest Payable in Arrears

The rates that apply to the interest payable in arrears for both loan types are calculated daily on the total outstanding loan balance based on the rate in effect each day will be 3.4% until December 31, 2026.

*The Smoothing Adjustment Factor is a factor that is determined by the company to adjust the rate of interest used to calculate the Interest Payable in Advance for Annual Rate Policy Loans and the Security Deposit for Credit Facilities. The Smoothing Adjustment Factor is the mechanism which RBC Insurance uses to pass on cumulative gains/losses of the Portfolio to the borrower.

Reminder of overdue loan interest process

This process applies to a client who:

a) Does not make a loan interest payment prior to the loan interest due date (the policy anniversary for ARPL, and the loan anniversary for CF), AND

b) Has funds in their SRIA account, over and above their outstanding loan balance.

An automatic advance is processed on the interest due date, transferring funds from all investment accounts of the policy (including the SRIA) to cover the unpaid loan interest, based on the policy's Automatic Allocation Rules. The SRIA will be the account of last resort under the Automatic Allocation Rules.

If your client's payment is received after the anniversary date, the funds will be applied as a loan payment and will flow back into the SF policy as per the most current investment allocation, which may or may not be the SRIA.

Questions

If you have any further questions, please contact your local PPI Advisory Marketing Office.

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®/™ Trademarks of Royal Bank of Canada. Used under licence.
‡All other trademarks are the property of their respective owner(s).

This is Exhibit **"DD"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

RBC | Insurance

Smoothed Return Reference Portfolio (SRRP) – 2018 Results

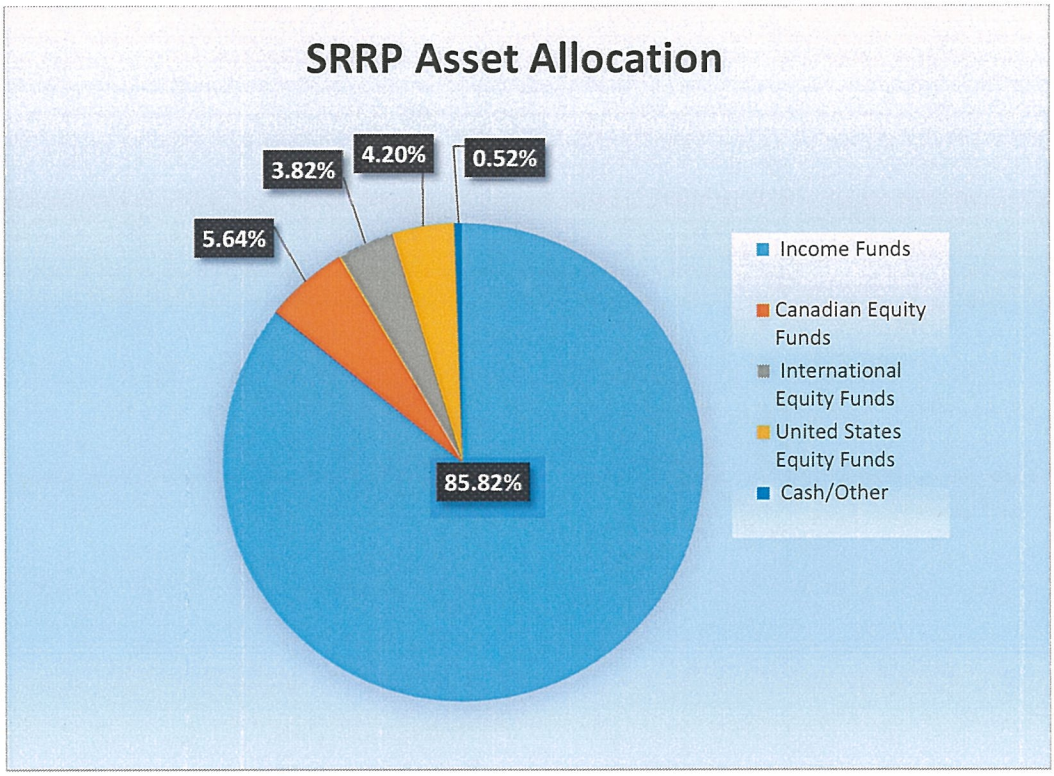
The gross rate of return earned on SRRP assets in calendar year 2018 was 3.29%. As with other industry smoothed return portfolios, the 2018 SRRP yield was hurt by the significant drop in equity values in the last few months of 2018. The good news at this point in 2019 is that equity values have recovered from the 2018 decline. The table below shows the annual gross rate of return realized on SRRP assets since the portfolio's inception in 2014:

Year	Gross Rate Of Return*
2014	6.41%
2015	6.23%
2016	6.16%
2017	6.17%
2018	3.29%

*This is the approximate Gross Rate of Return with a Management Expense Ratio of 1.65%

As of December 31, 2018, the total asset value of the SRRP was $1,486 million

The graph below shows the SRRP asset allocation as at December 31, 2018:



This is Exhibit **"EE"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

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Smoothed Return Reference Portfolio (SRRP) – 2019 Results

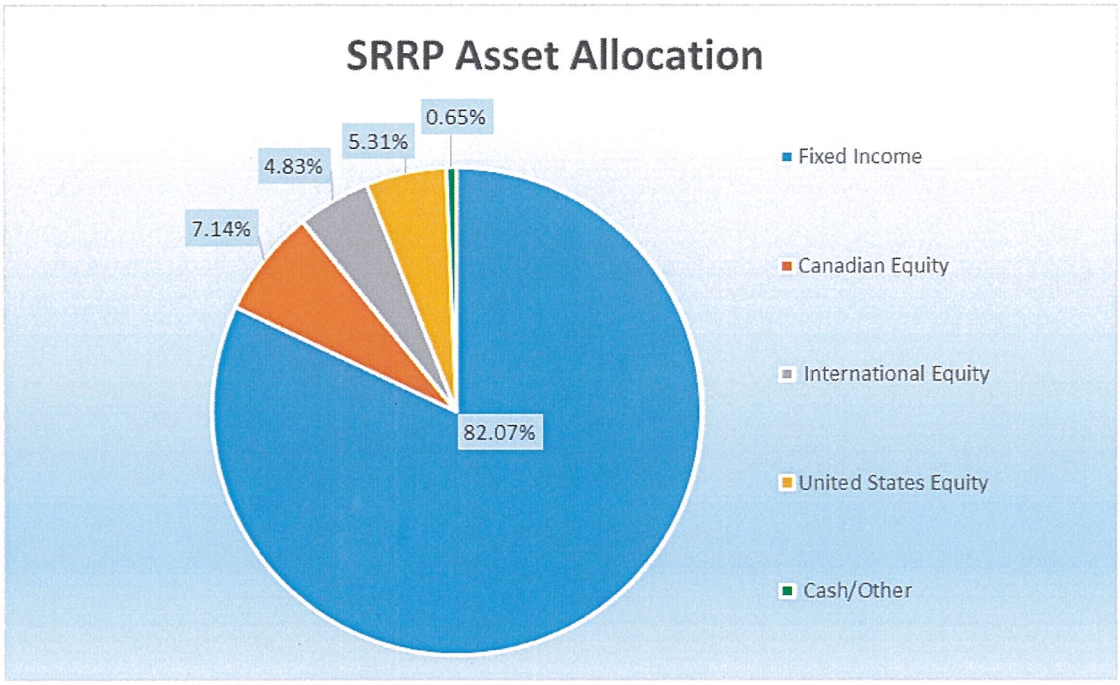
The gross rate of return earned on SRRP assets in calendar year 2019 was 7.50%. The smoothed return portfolio saw a strong rebound from the lower market returns of 2018. So far for 2020 we have seen a decline in equity values and the COVID-19 pandemic has taken a toll on the economy. The table below shows the annual gross rate of return realized on SRRP assets since the portfolio's inception in 2014:

Year	Gross Rate Of Return*
2014	6.41%
2015	6.23%
2016	6.16%
2017	6.17%
2018	3.29%
2019	7.50%
Since Inception**	5.95%

*This is the approximate Gross Rate of Return with a Management Expense Ratio of 1.65%
** Inception to end of year 2019

As of December 31, 2019, the total asset value of the SRRP was $ 1,599 million

The graph below shows the SRRP asset allocation as at December 31, 2019:



This is Exhibit **"FF"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

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Smoothed Return Reference Portfolio (SRRP) – 2020 Results

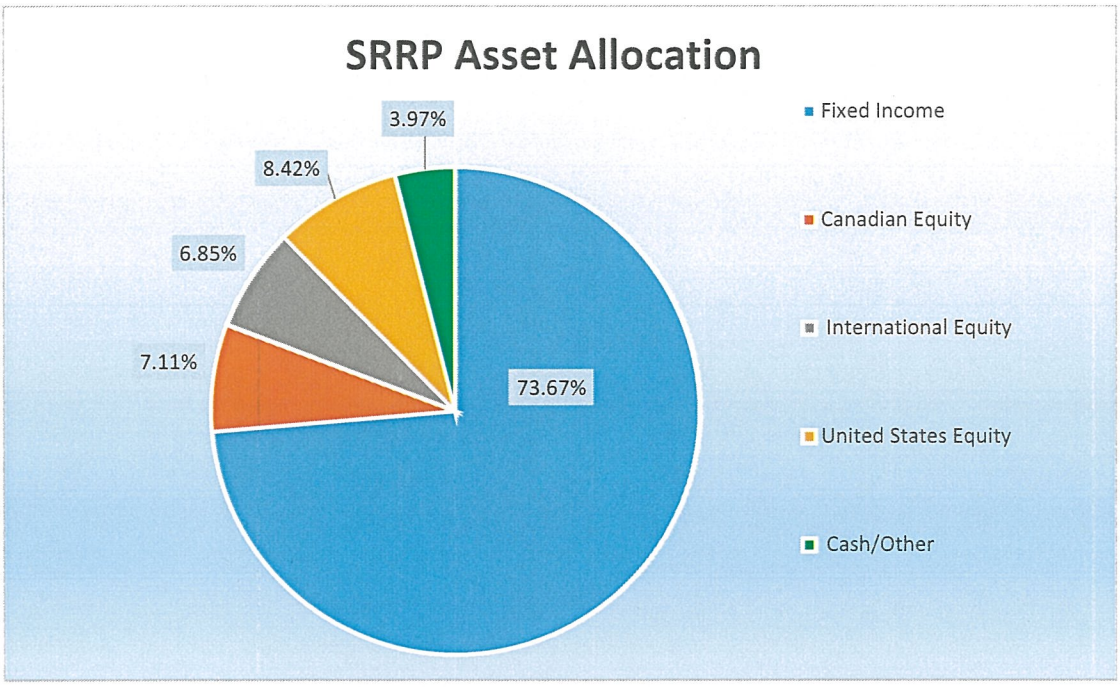
The gross rate of return earned on SRRP assets in calendar year 2020 was 7.15%. The smoothed return portfolio saw strong returns for the second year in a row. So far for 2021 we have seen a decline in equity values as the COVID-19 pandemic has taken a toll on the economy. The table below shows the annual gross rate of return realized on SRRP assets since the portfolio's inception in 2014:

Year	Gross Rate Of Return*
2014	6.41%
2015	6.23%
2016	6.16%
2017	6.17%
2018	3.29%
2019	7.50%
2020	7.15%
Since Inception**	6.15%

*This is the approximate Gross Rate of Return with a Management Expense Ratio of 1.65%
** Inception to end of year 2020

As of December 31, 2020, the total asset value of the SRRP was $ 1,677 million

The graph below shows the SRRP asset allocation as at December 31, 2020



This is Exhibit **"GG"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVair

A Commissioner for taking Affidavits within Ontario

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Smoothed Return Reference Portfolio (SRRP) – 2021 Results

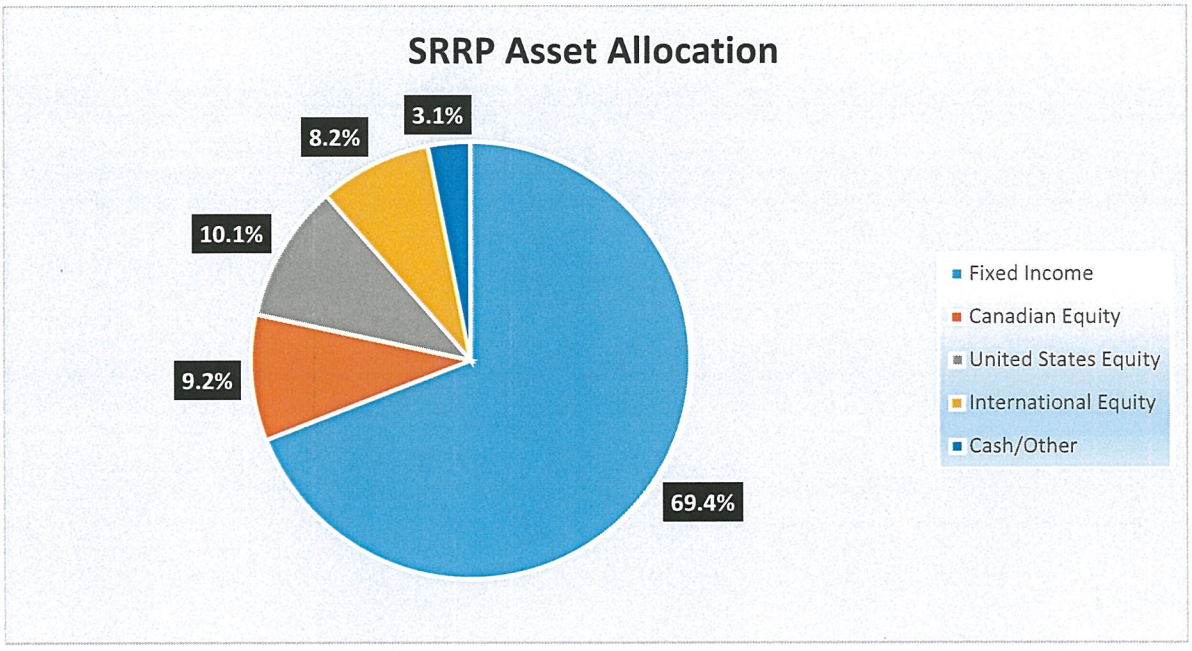
The gross rate of return earned on SRRP assets in calendar year 2021 was 6.44%. The smoothed return portfolio has dipped in 2021 primarily due to decreasing fixed income returns. So far for 2022 we have seen a decline in both fixed income and equity values due to current world events. The table below shows the annual gross rate of return realized on SRRP assets since the portfolio's inception in 2014:

Year	Gross Rate of Return*
2014	6.41%
2015	6.23%
2016	6.16%
2017	6.17%
2018	3.29%
2019	7.50%
2020	7.15%
2021	6.44%
Since Inception**	6.18%

**This is the approximate Gross Rate of Return with a Management Expense Ratio of 1.65%*
*** Inception to end of year 2021*

As of December 31, 2021, the total asset value of the SRRP was $ 1,744 million.

The graph below shows the SRRP asset allocation as at December 31, 2021.



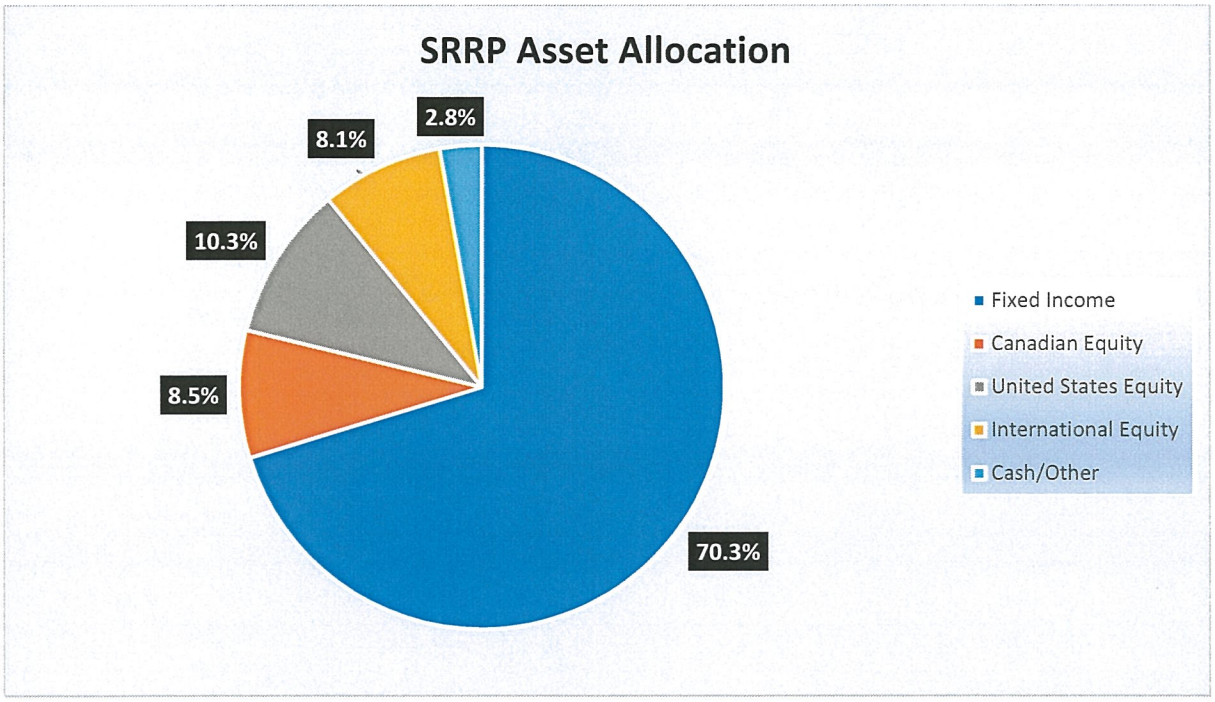
This is Exhibit **"HH"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVair

A Commissioner for taking Affidavits within Ontario

SRRP Historical Annualized Rates of Return

	2015	2016	2017	2018	2019	2020	2021	2022	Jan 1, 2023 – Feb 28, 2023	Average Annual Return Jan 1, 2014 – Feb 28, 2023
Net Rate of Return	4.58%	4.51%	4.52%	1.64%	5.80%	5.50%	4.80%	-6.86%	6.59%	3.25%
Gross Rate of Return	6.23%	6.16%	6.17%	3.29%	7.45%	7.15%	6.45%	-5.21%	8.24%	4.9%



As of February 28, 2023 the total asset value of the SRRP was $1.598 billion

This is Exhibit **"II"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

RBC Smoothed Return Reference Portfolio Performance Update

RBC Insurance

December 31, 2023

For Advisor use only

In Security Fund universal life policies, interest credited to the Smoothed Return Investment Account is determined by reference to the Smoothed Return Reference Portfolio (Reference Portfolio). Before the end of each calendar year, the credited rate for the Smoothed Return Investment Account is set for the upcoming calendar year. This credited rate is based on the notional net returns of the Reference Portfolio to which the company applies a smoothing process. This smoothing process brings the gains and losses of the Reference Portfolio into the credited rate over time, in order to reduce the impact of market volatility and provide a more stable credited rate from year to year.

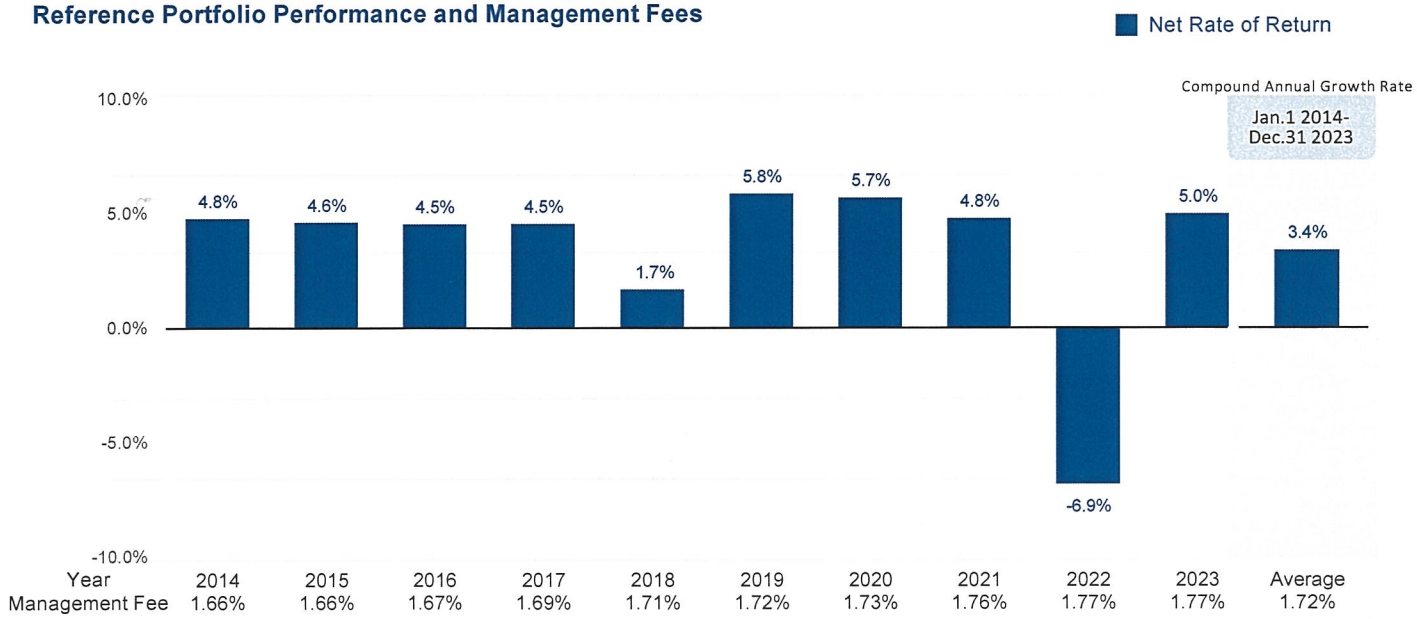
The Reference Portfolio Composition:

1. fixed income loans
2. the RBC Select Conservative Portfolio, Series A
3. the RBC Short Term Income Fund – Series A, and
4. cash

A. Reference Portfolio Facts

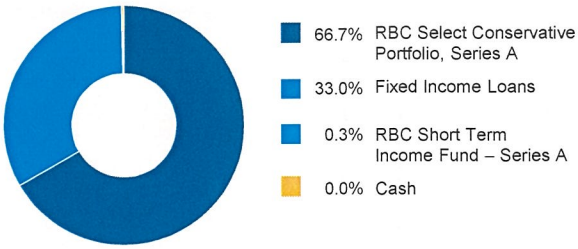
Total value of the Reference Portfolio as of December 31, 2023: **$1.6 Billion**

Reference Portfolio Performance and Management Fees



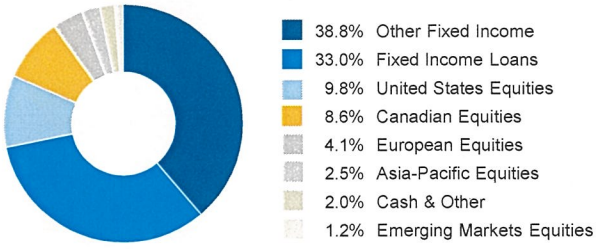
Composition of Reference Portfolio

(December 31, 2023)



Composition of Reference Portfolio by Asset Classes

(December 31, 2023)



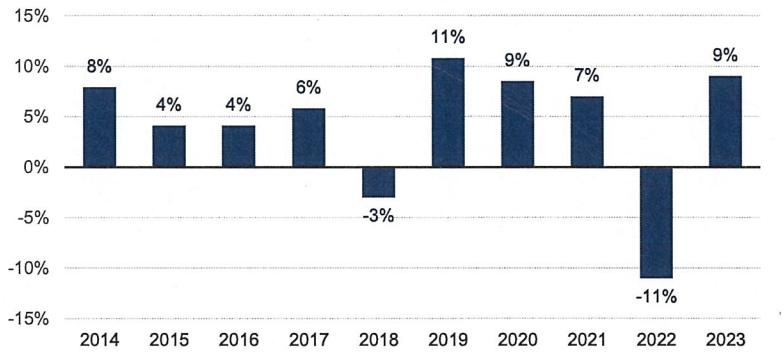
B. Refence Portfolio Facts

Reference Fund: RBC Select Conservative Portfolio, Series A, Managed by RBC Global Asset Management

Objective:

The RBC Select Conservative Portfolio is a strategic asset allocation fund. It focuses on providing income and the potential for moderate capital growth. It does this by maintaining a balance of investments across several asset classes. The portfolio invests primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in Canadian fixed income securities and have the potential to generate income. It also invests in equity mutual funds, with an emphasis on Canadian equity funds and some exposure to U.S. and international equity funds.

RBC Select Conservative Portfolio (Series A) Performance



What type of assets does the Select Conservative Portfolio invest in?

The underlying funds are managed by RBC GAM or an affiliate of RBC GAM. The portfolio manager uses strategic asset allocation as the principal investment strategy.

The following table shows you the target weighting for each asset class:

Fixed income	Canadian equities	U.S. equities	International equities
60%	13%	15%	12%

The percentages specified above are target weightings for each asset class. RBC GAM will manage the allocation so that it will be no more than 15% above or below the target weighting for the fixed income asset class, and no more than 10% above or below the target weighting for the Canadian equities, U.S. equities and international equities asset classes.

More helpful links on the RBC Select Conservative Portfolio:

Fund overview and Performance - Updated Monthly, also contains links to extensive documentation, including the following:

- Monthly Update
- Quarterly Update
- Portfolio Manager Commentary

* For full details on the fund, please refer to the prospectus at this link: **RBC GAM Prospectus**

C. Smoothed Return Investment Account Rate

The Base Interest Rate (credited rate) for the Smoothed Return Investment Account as of January 1, 2024: 3.25%

This is Exhibit **"JJ"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

RBC Smoothed Return Reference Portfolio Performance Update

RBC Insurance

August 31, 2024

For Advisor use only

In Security Fund universal life policies, interest credited to the Smoothed Return Investment Account is determined by reference to the Smoothed Return Reference Portfolio (Reference Portfolio). Before the end of each calendar year, the credited rate for the Smoothed Return Investment Account is set for the upcoming calendar year. This credited rate is based on the notional net returns of the Reference Portfolio to which the company applies a smoothing process. This smoothing process brings the gains and losses of the Reference Portfolio into the credited rate over time, in order to reduce the impact of market volatility and provide a more stable credited rate from year to year.

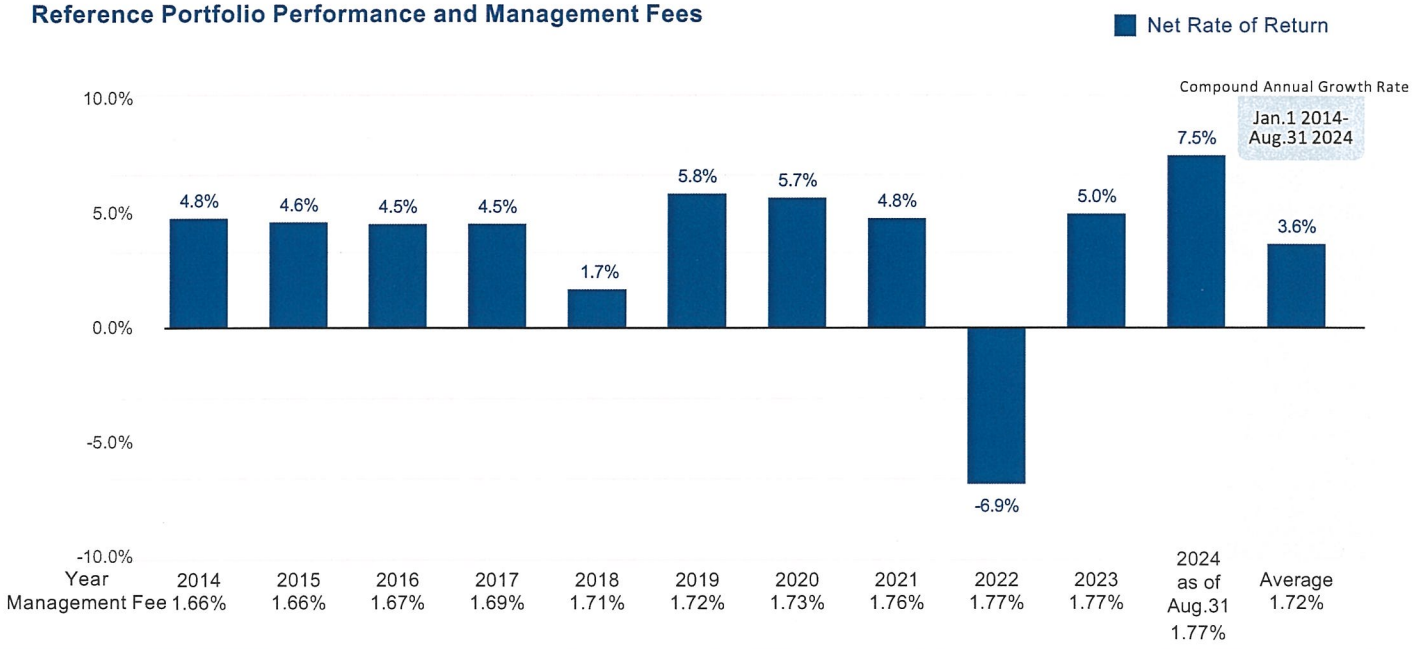
The Reference Portfolio Composition:

1. fixed income loans
2. the RBC Select Conservative Portfolio, Series A
3. the RBC Short Term Income Fund – Series A, and
4. cash

A. Reference Portfolio Facts

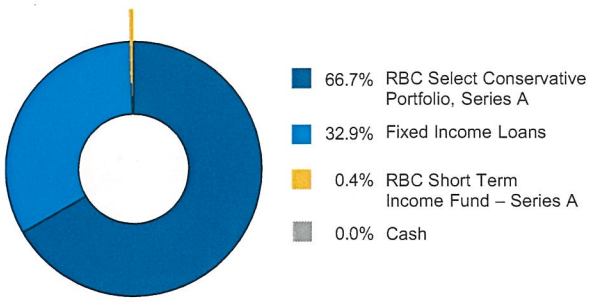
Total value of the Reference Portfolio as of August 31, 2024: **$1.6 Billion**

Reference Portfolio Performance and Management Fees



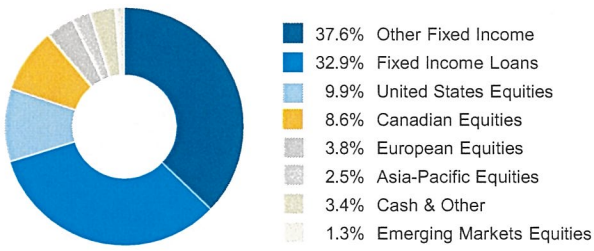
Composition of Reference Portfolio

(August 31, 2024)



Composition of Reference Portfolio by Asset Classes

(August 31, 2024)



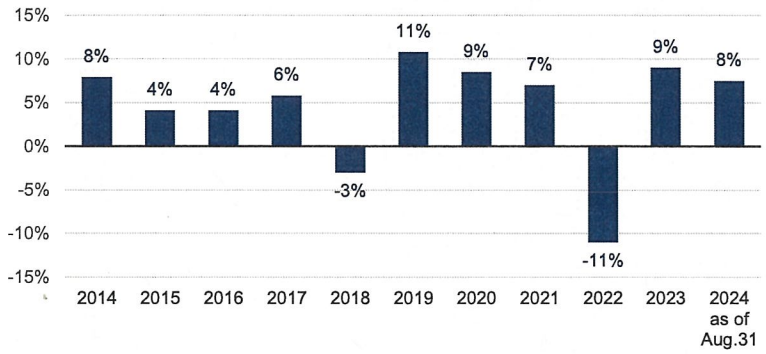
B. Refence Portfolio Facts

Reference Fund: RBC Select Conservative Portfolio, Series A, Managed by RBC Global Asset Management

Objective:

The RBC Select Conservative Portfolio is a strategic asset allocation fund. It focuses on providing income and the potential for moderate capital growth. It does this by maintaining a balance of investments across several asset classes. The portfolio invests primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in Canadian fixed income securities and have the potential to generate income. It also invests in equity mutual funds, with an emphasis on Canadian equity funds and some exposure to U.S. and international equity funds.

RBC Select Conservative Portfolio (Series A) Performance



What type of assets does the Select Conservative Portfolio invest in?

The underlying funds are managed by RBC GAM or an affiliate of RBC GAM. The portfolio manager uses strategic asset allocation as the principal investment strategy.

The following table shows you the target weighting for each asset class:

Fixed income	Canadian equities	U.S. equities	International equities
61%	13%	15%	11%

The percentages specified above are target weightings for each asset class. RBC GAM will manage the allocation so that it will be no more than 15% above or below the target weighting for the fixed income asset class, and no more than 10% above or below the target weighting for the Canadian equities, U.S. equities and international equities asset classes.

More helpful links on the RBC Select Conservative Portfolio:

Fund overview and Performance - Updated Monthly, also contains links to extensive documentation, including the following:

- Monthly Update
- Quarterly Update
- Portfolio Manager Commentary

* For full details on the fund, please refer to the prospectus at this link: **RBC GAM Prospectus**

C. Smoothed Return Investment Account Rate

The Base Interest Rate (credited rate) for the Smoothed Return Investment Account as of January 1, 2025: 3.4%

This is Exhibit **"KK"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

RBC Smoothed Return Reference Portfolio Performance Update

RBC Insurance

June 30, 2025

For Advisor use only

In Security Fund universal life policies, interest credited to the Smoothed Return Investment Account is determined by reference to the Smoothed Return Reference Portfolio (Reference Portfolio). Before the end of each calendar year, the credited rate for the Smoothed Return Investment Account is set for the upcoming calendar year. This credited rate is based on the notional net returns of the Reference Portfolio to which the company applies a smoothing process. This smoothing process brings the gains and losses of the Reference Portfolio into the credited rate over time, in order to provide a smoothed credited rate from year to year.

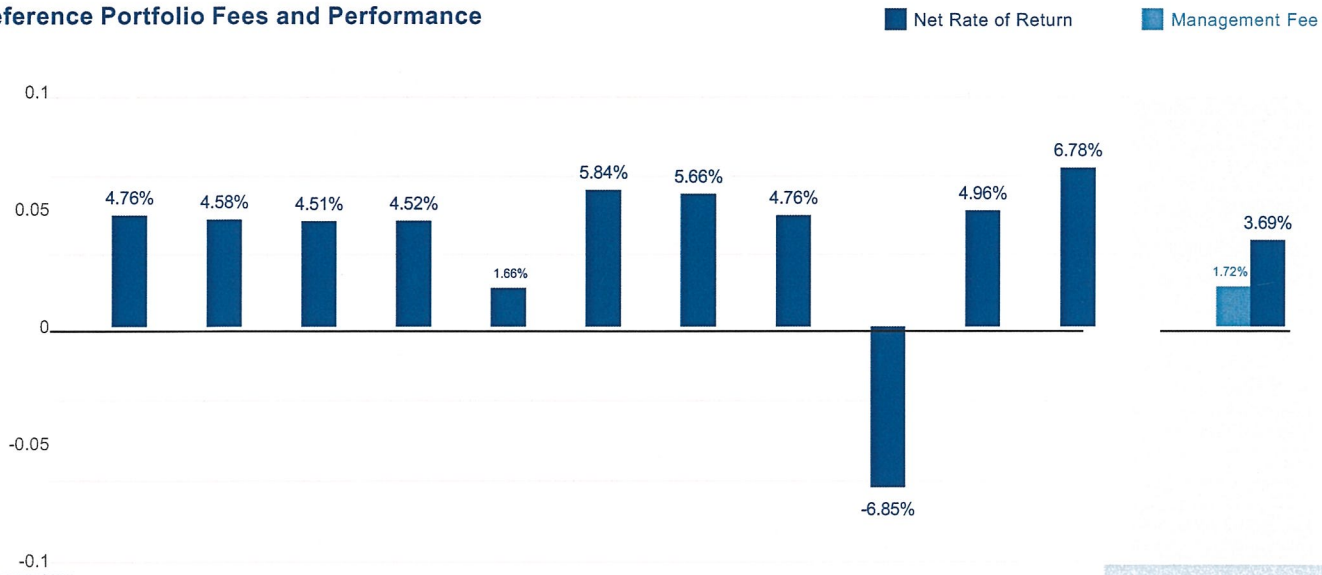
The Reference Portfolio is composed of four reference assets:

- fixed income loans
- the RBC Select Conservative Portfolio, Series A, which is a combination of cash, fixed income and equities
- the RBC Short Term Income Fund – Series A, and
- cash

A. Reference Portfolio Facts

Total value of the Reference Portfolio as of June 30, 2025: **$1.6 Billion**

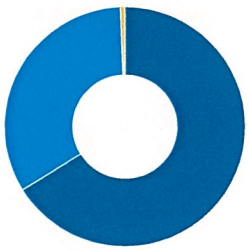
Reference Portfolio Fees and Performance



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Jan.1-2014 – June.30-2025 CAGR
Management Fee	(1.66%)	(1.66%)	(1.67%)	(1.69%)	(1.71%)	(1.72%)	(1.73%)	(1.76%)	(1.77%)	(1.77%)	(1.77%)	

Composition of Reference Portfolio by Four Reference Assets

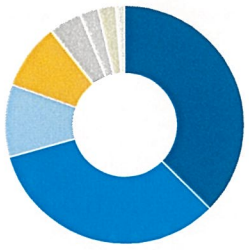
(June 30, 2025)



- 66.2% RBC Select Conservative Portfolio, Series A
- 33.2% Fixed Income Loans
- 0.6% RBC Short Term Income Fund – Series A
- 0.0% Cash

Composition of Reference Portfolio by Asset Classes

(June 30, 2025)



- 37.4% Other Fixed Income
- 33.2% Fixed Income Loans
- 9.9% United States Equities
- 8.9% Canadian Equities
- 4.4% European Equities
- 2.5% Asia-Pacific Equities
- 2.4% Cash & Other
- 1.3% Emerging Markets Equities

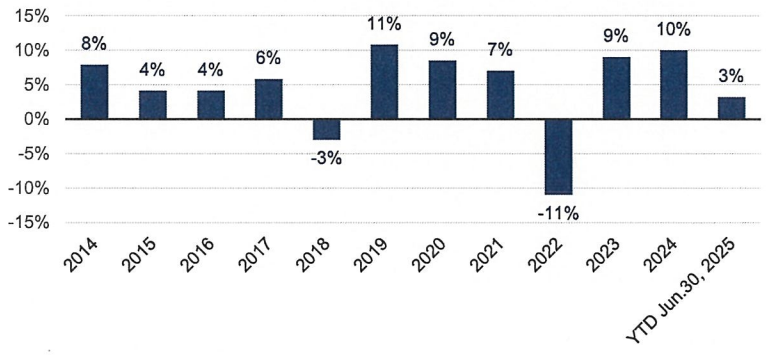
B. RBC Select Conservative Portfolio Reference Asset

Reference Fund: RBC Select Conservative Portfolio, Series A, Managed by RBC Global Asset Management

Objective of Portfolio*:

This portfolio is a strategic asset allocation fund. It focuses on providing income and the potential for moderate capital growth. It does this by maintaining a balance of investments across several asset classes. The portfolio invests primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in Canadian fixed income securities and have the potential to generate income. It also invests in equity mutual funds, with an emphasis on Canadian equity funds and some exposure to U.S. and international equity funds.

RBC Select Conservative Portfolio (Series A) Performance



What does the fund invest in?

The underlying funds are managed by RBC GAM or an affiliate of RBC GAM. The portfolio manager uses strategic asset allocation as the principal investment strategy.

The following table shows you the target weighting for each asset class:

Fixed income	Canadian equities	U.S. equities	International equities
59%	13%	15%	13%

The percentages specified above are target weightings for each asset class. RBC GAM will manage the allocation so that it will be no more than 15% above or below the target weighting for the fixed income asset class, and no more than 10% above or below the target weighting for the Canadian equities, U.S. equities and international equities asset classes.

More helpful links on the RBC Select Conservative Portfolio:

Fund overview and Performance - Updated Monthly, also contains links to extensive documentation, including the following:

- Monthly Update
- Quarterly Update
- Portfolio Manager Commentary

* For full details on the fund, please refer to the prospectus at this link: RBC GAM Prospectus

C. Smoothed Return Investment Account Rate

The Base Interest Rate (credited rate) for the Smoothed Return Investment Account as of January 1, 2025: **3.4%**

This is Exhibit **"LL"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

COVE CONTINUITY ADVISORS INC

WESTWARD ADVISORS

SORRELL FINANCIAL

March 27, 2023

Doug Guzman
Group Head, RBC Wealth Management,
RBC Insurance and
RBC Investor & Treasury Services

6880 Financial Drive
Tower One
Mississauga, ON L5N 7Y5
Canada

VIA Email: doug.guzman@rbc.com

Dear Mr. Guzman,

RE: RBC Insurance SRIA & SRRP

We are writing to request that RBC Insurance **("RBCI")** initiate full and transparent continuing disclosure of the management of the Smoothed Return Reference Portfolio **("SRRP")** underlying the Smoothed Return Investment Account **("SRIA")** within the Security Fund life insurance policies. To that end we request a virtual meeting with the appropriate managers and executives to initiate discussion of the issues being raised by our clients with respect to the ongoing management and performance of the RBCI SRRP and SRIA. Transparency is essential to our ability to provide accurate and timely advice to our clients to enable them to make appropriate decisions around the management of their policies.

The ongoing lack of communication around these issues has created confusion and anxiety for us and our clients as we all try to navigate these uncertain times.

Our clients collectively hold more than $1.2 billion of SRIA fund value in more than 350 Security Fund policies. You have our attention. Initiating continuous disclosure with us for the SRRP and SRIA will effectively reach a large share of the SRIA account holders.

RBCI provides frequent reporting relating to the management and performance of investment funds and securities, yet RBCI does not provide similar reporting for the SRRP and SRIA. Our clients are asking why reporting for the SRRP and SRIA is not held to the same standard as regulated investment funds.

RBCI has not met some of their responsibilities as it pertains to the transparency and disclosure of information relating to the SRRP and SRIA. RBCI's responsibilities are outlined below.

COVE CONTINUITY ADVISORS INC

WESTWARD ADVISORS

SORRELL FINANCIAL

CCIR / CCRRA Guidance
Conduct of Insurance Business and Fair Treatment of Consumers.

Scope
Where more than one party is involved in the design, marketing, distribution, and policy servicing of insurance products, treating Customers fairly in respect of the relevant services is a responsibility that is shared amongst involved Insurers and Intermediaries.

We share this responsibility with PPI and RBCI however RBCI is not providing us with important information that we can share with our clients. Our hands are tied by RBCI's lack of cooperation in providing this information.

Conduct of Business
Sound conduct of business includes treating Customers fairly throughout the life-cycle of the insurance product. This cycle begins with product design and runs until all obligations under the contract are fulfilled.

- *promote products and services in a clear, fair and not misleading manner;*
- *provide Customers with timely, clear and adequate pre-contractual and contractual information;*

As advisors we are unable to provide Customers with timely, clear, and adequate pre-contractual and contractual information due to RBCI's refusal to provide requested information.

Moreover, Insurers are expected to:

- *disclose relevant information depending on the type of insurance product to the policyholder;*

As advisors we are unable to disclose relevant information to our customers; due to RBCI's refusal to provide this information.

Fair Treatment of Customers

- *providing Customers with accurate, clear, non-misleading and sufficient information before, during and after the point of sale, which will allow them to make informed decisions;*
- *ensuring that any advice given is of a high quality*

As advisors we are unable to ensure that any advice given is of high quality due to RBCI's refusal to provide requested information.

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Corporate Culture
Establishing a customer-centric culture creates an environment that fosters Consumer confidence and long-term Customer relationships, rather than focusing on short-term financial goals that could cause serious harm to Customers and damage the organization's reputation to the point of having an adverse impact on profitability.

- *The Organization understands the importance of placing clients at the center of its concerns: strategic decisions, daily conduct and results clearly demonstrate that Customers and market integrity are real priorities for the organization.*

RBCI's refusal to provide the information we have requested and need demonstrates that RBCI is not placing clients at the center of its concerns.

Relationships between Insurers and Intermediaries
In managing their relationships with Intermediaries, Insurers are expected to:

- *Provide relevant information and training to Intermediaries to ensure they understand the target market, such as information related to the target market itself, as well as the characteristics of the product. Collaboration between Insurers, Distributions Firms, agents, and representatives is a key factor in achieving fair treatment of Customers.*

RBCI has refused to provide relevant information and training to advisors around the management and performance of the SRRP and SRIA.

Distribution Strategies
Insurers are accountable for distribution strategies and are ultimately responsible for all aspects of oversight of the distribution of their products, regardless of the distribution model.
However, regardless of the distribution model and medium used, Insurers must ensure that Consumers are treated fairly. Adequate protection is of paramount importance.

As advisors we are unable to ensure that consumers are being treated fairly due to RBCI's refusal to provide requested information.

Disclosure to Policyholders
CCIR and CISRO expect that policyholders are provided information which allows them to make informed decisions throughout the lifetime of their contracts.
CCIR expects that the disclosure processes established by Insurers allow policyholders to determine whether the product continues to suit their needs and expectations and as the case may be, remind them in a timely manner of options that can be exercised from time to time.

We have been unable to provide information to policyholders to enable them to make informed decisions around the management of their SRIA funds due to RBCI's refusal to provide requested information.

All of the above responsibilities are not being met by RBCI as it relates to the SRRP and SRIA.

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We are hoping that RBCI will agree to a virtual meeting with us to initiate a new era of continuing transparency and disclosure regarding the management and performance of the SRRP and SRIA.

We suggest starting with the concerns and questions that have arisen as a result of the changing interest rate environment.

It is in everyone's best interest if RBCI lives up to their responsibilities and provides complete and transparent disclosure of the management and performance of the SRRP and SRIA voluntarily.

Sincerely,

COVE CONTINUITY ADVISORS INC.

Bernie Geiss
President & CEO

WESTWARD ADVISORS INC.

Wayne Stone
VP, Planning & Finance

SORRELL FINANCIAL

Peter Sorrell
President & CEO

CC: Jim Virtue, Anne Topping

This is Exhibit **"MM"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

Bernie Geiss

From: Beattie-Sycko, Kathie <kathie.beattie-sycko@rbc.com> on behalf of Preston, Cathy <cathy.preston@rbc.com>
Sent: April 12, 2023 12:54 PM
To: Bernie Geiss
Cc:
Subject: RBC SSRP and SRIA Account Management and Disclosure Concerns
Attachments: 2022 SRRP Advisor Communication effective January 1 2023 - ENG.pdf; SRIA-Loan Rate Announcement Cover Memo - Nov 2022 - ENG.pdf

Your March 27, 2023 letter to Doug Guzman has been brought to my attention.

We regret that you feel that you haven't been provided with adequate communication regarding the Smoothed Return Investment Account within the Security Fund life insurance policies or the underlying Smoothed Return Reference Portfolio. We hope the following response will assist you as you help our mutual clients through the challenges of the current market.

SRIA Credited Rates
Credited rates for smoothed return funds, such as the Smoothed Return Investment Account ("SRIA"), are generally derived based on the annual market returns of a reference portfolio, management fees, and using a smoothing process. The smoothing process used may vary somewhat from one fund to another, or from one insurer to another, but the objectives are always the same:

(a) Produce annual credited rates which are less volatile than would be the case if credited rates were simply based on the annual market return;
(b) Ensure that the annual credited rate is never less than zero; and
(c) Ensure that over time the cumulative market returns earned on portfolio assets (less the annual management fees) are credited to policyholders.

As outlined in the Security Fund policy, the credited rate is subject to change on each January 1st. As you are aware, RBC Life announces the upcoming change to the SRIA credited rate in advance. For your easy reference we are enclosing a copy of our November 2022 announcement regarding the then upcoming January 1, 2023 change to the credited rate. These announcements also include relevant information about the reference portfolio, the SRRP. Included in the announcements are the portfolio's historical rates of return (gross and net), and its asset allocation. The current portfolio is composed of the credit facility and policy loans associated with the Security Fund policies and units in the RBC Select Conservative Portfolio managed by RBC Global Asset Management. RBC Life may adjust the composition of the portfolio to achieve the long term objectives of the SRIA. As indicated in our November 2022 communication, the asset allocation of the portfolio's combined holdings as of August 31, 2022 was 71.1% fixed income, 27.4% equities, and 1.5% cash.

The SRIA credited rate (referred to as the Base Interest Rate) is set based on the historical performance and long term expectation of the SRRP, net of management fees, and subject to a smoothing process. The smoothing process is the mechanism which RBC Life uses to bring the earnings of the portfolio, including gains/losses, net of management fees, into the crediting rate over time.

The smoothing process helps limit the impact of market volatility on the annual crediting rate. For example, in the year 2022, market volatility caused significant equity return decreases that drove a loss in the portfolio. The YTD net performance of the portfolio at August 31, 2022 was -11.26%. If passed on as is, this loss would have required

significant reduction in the crediting rate for 2023. While this loss did reduce the credited rate in 2023 – from 4.1% to 3% – the smoothing process helped limit the impact.

More Frequent Reporting – Smoothed Return Reference Portfolio

You have specifically requested more frequent reporting for the SRIA and SRRP. As noted above, our announcements for the SRIA credited rate are annual. Since this credited rate remains stable throughout the year, we believe this annual announcement is appropriate. However, we do appreciate your request for more frequent reporting for the SRRP. Going forward, we will be pleased to report on the SRRP rates of return and asset allocation on a semi-annual basis. We will strive to provide these reports beginning May 2023 (to reflect the portfolio as at the end of February 2023).

Specific Requests

At various points in your letter you make the general statement that RBC Life has refused to provide requested information to you. However, you do not indicate what specific information has been requested from and refused by RBC Life. We do strive to provide information that is needed for the fair treatment of our mutual clients. It would be helpful if you could provide a list of the specific information that you requested from RBC Life, which you allege RBC Life has refused to provide. It would also be helpful to know when you made the request to RBC Life. Once we receive that list of refused information, we will evaluate whether it is information we can provide to you. We believe this structured approach to addressing your concerns will be more constructive – at least initially – than a virtual meeting.

We look forward to hearing from you. In the meantime we will move ahead with our commitment to provide semi-annual SRRP reporting.

Sincerely,

Cathy Preston, VP Individual Markets

This email was sent by: RBC Insurance | 6880 Financial Drive, Mississauga, Ontario L5N 7Y5 | www.rbcinsurance.com 1-800-769-2568

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Pour afficher la liste des soci鴆s qui composent RBC Assurances, cliquez ici: http://www.rbcassurances.com/assurances/popup-entites-juridiques-assurances.html

Pour vous d鰄bonner, cliquez ici: https://sfmc.rbc.com/Insurance_Unsub_CASL_FR

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This is Exhibit **"NN"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

COVE CONTINUITY ADVISORS INC

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May 16, 2023

Cathy Preston
VP Individual Markets
RBC Insurance

6880 Financial Drive
Tower One
Mississauga, ON L5N 7Y5

VIA Email: cathy.preston@rbc.com

Dear Cathy,

RE: RBC Insurance (RBCI) Disclosures Regarding the Smoothed Return Investment Account (SRIA) and the Smoothed Return Reference Portfolio (SRRP)

Thank you for responding to our letter to Doug Guzman of March 27, 2023, and hope that this will be the beginning of an improved SRIA and SRRP disclosure process for the benefit of all the stakeholders: RBCI, PPI, Security Fund policyholders, Credit Facility borrowers and their insurance advisors.

We appreciate RBCI's commitment to initiate semi-annual SRRP reporting effective May 2023 as a first step towards improved SRIA and SRRP disclosures.

To date, we have been communicating requests to RBCI for more disclosure about the SRIA and SRRP via Anne Topping and Louis-Charles Leclerc of PPI. This process is not effective because:

i. we can't deliver second-hand paraphrased communications to RBCI clients as official disclosures sourced from RBCI,
ii. informal communications via the intermediary risk material error in the final disclosures delivered to RBCI clients, and
iii. the lack of structure results in questions unanswered, answers to questions not asked, and incomplete answers to questions asked.

As requested, we have prepared below a list of specific information we are seeking about the SRIA and SRRP. To consolidate the information, we have included prior requests and RBCI responses to date for your confirmation of their accuracy.

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SRIA Queries

Query	Reply
It is our understanding that the SRIA rate should trend upward with rising market interest rates that increase the actual return of the SRRP. Do you agree with this statement?	
The actual returns of the SRRP that affect the SRIA rate exclude the returns of the CF loans. Reducing the actual return of the CF loans in the SRRP from one year to the next does not affect the SRRP returns used to calculate the SRIA declared rate. Correct?	PPI Correct.
What is the SRRP asset mix that affects the SRIA crediting rate?	PPI The SRIA crediting rate is only affected by the non-CF loan portion of the SRRP. The CF loans represent 33% of the total SRRP. Of the remaining 67%, the non-CF loan asset mix is: 57% bonds (38%/67%) 43% non-bonds (29%/67%)
Our understanding is that the assets backing the SRIA CF policies are 100% CF loans. Is this correct?	
Our understanding is that the assets backing the SRIA non-CF policies are 100% RBC Select Conservative Balanced Fund. Is this correct?	
A reduction / increase in the credited rate to the non-CF policies is the method used to recover overpayments / allocate underpayments to policies relative to the SRRP performance.	
The smoothing factor for the CF policies is paid into the SRIA fund to spread the losses, experienced by the underlying fund, evenly between the CF and non-CF policies. Is this correct?	

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Query	Reply
The total of all MVA's for non-CF policies plus the present value of the Smoothing Factor equals the net gains and losses of the underlying fund to bring its overall gain/loss position to zero. Is this correct?	
Does the Smoothing Factor represent 1/10th of the difference between (i) the fair market value of the SRRP, and (ii) the fair market value of the SRIA obligations as at the measuring date?	
What is the reason that the SRIA rate dropped a full 1% to 3% at a time of rising interest rates while other smoothed rate account rates increased?	
What is RBC's outlook in terms of how long it will take for the SRIA MVA to return to zero based on the current interest rate environment?	
What is RBC's outlook in terms of how long it will take for the SRIA credited rate to rise to its previous 4.1% level based on the current interest rate environment?	
What actual SRRP performance to Aug 31, 2023, in the bond and non-bond asset classes is necessary to return to 4.1% net credited rate in 2024?	
The impact of the rising interest rate on the DSIR on RBC whole life policy was to stay the same. The SRIA rate dropped. Why is there a disparity between the PAR account and the SRIA interest rate impact.	
What is the split between CF loan and other investment.	
What is the breakdown of the SRIA Funds of policies that have the CF with RBC?	
What is the breakdown of the SRIA Funds of policies that have do not have CF loans with RBC?	
Does the following asset allocation represent the allocation of the assets in the SRRP and SRIA?	
How much of the credited rate is based on future expectations vs past performance?	

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Query	Reply
Why do the CF borrowers get charged a smoothing factor if the SRRP assets backing those obligations perfectly match the obligations?	

SRRP Queries

NOTE: Your response to our letter was the first time we have been told that the underlying SRRP for non-CF policies is the RBC Select Conservative Portfolio fund.

Bernie Geiss to Anne Topping on January 9: Could you arrange a call with the SRRP fund manager? The intent would be to provide confidence to their advisors that the managers are on top of things and can explain where we are and what we should expect to see in the short, mid, and long term. We have some questions and would like to get some clarity on how things are being managed so that we can speak confidently to our clients.	From Jean Salvadore on January 30 via Anne Topping: Thanks Anne. We will get that set up and coordinate time, etc. Note this would just be the asset manager, so they won't have commentary on the insurance bit, only the mutual fund side – performance, etc. Note: A meeting was never arranged.
Wayne Stone What is the weighted average duration of the bonds?	PPI The duration of bonds is 6.1 years.
Wayne Stone Of the 71% of SRRP invested in fixed income, what is the current split between CF loans and bonds?	PPI 53% of the 71% fixed income allocation is bond fund and 47% CF loans. As a result, the asset mix of the SRRP is: 1. 33% of the assets is CLF loans (47% X 71%) 2. 38% of the assets is bonds (53% X 71%) 3. 29% non-fixed income
Can you confirm that all the funds that are not in the CF loans are in the RBC Select Conservative Balanced Fund?	
Will the RBC Select Conservative Portfolio fund continue to be the reference fund for the non-CF loan policy funds?	

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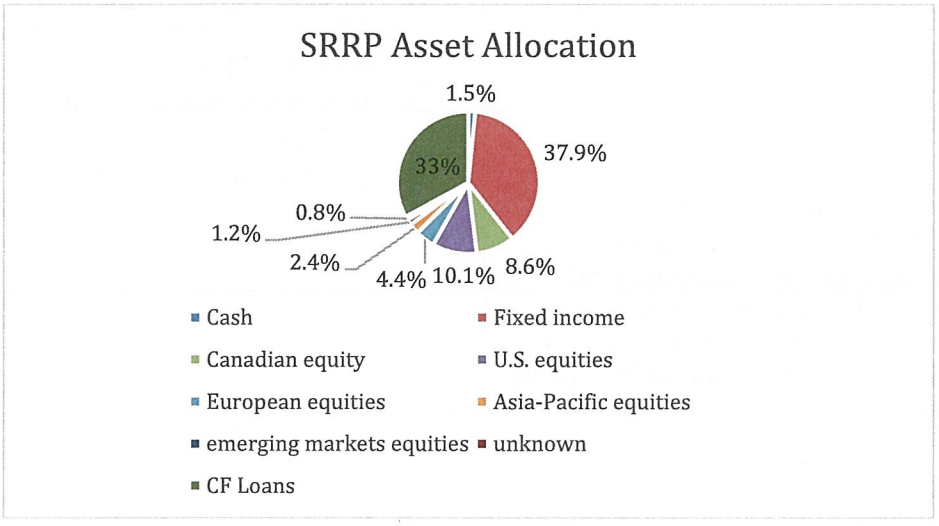
Does all the published information about this fund apply to the SRRP?	
What MER does RBC SRIA fund pay with respect to the RBC Select Conservative Portfolio fund component?	

The asset allocation of the RBC Select Conservative Balanced Fund is as follows (as at 02/28/2023:

Cash	2.3%
Fixed Income	56.5%
Canadian equities	12.9%
U.S. equities	15.1%
European equities	6.6%
Asia-Pacific equities	3.6%
Emerging markets equity	1.8%

Extended into asset classes this combination results in the following SRRP asset allocation:

Cash	1.5%
Fixed income	37.9%
Canadian equity	8.6%
U.S. equities	10.1%
European equities	4.4%
Asia-Pacific equities	2.4%
Emerging markets equities	1.2%
Unknown	0.8%
CF Loans	33.0%



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Thank you for your response to our initial letter and your attention to this matter.

Sincerely,

COVE CONTINUITY ADVISORS INC.

Bernie Geiss
President & CEO

WESTWARD ADVISORS INC.

Wayne Stone
VP, Planning & Finance

SORRELL FINANCIAL

Peter Sorrell
President & CEO

CC: Jim Virtue, Anne Topping

This is Exhibit **"OO"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob Mckin

A Commissioner for taking Affidavits within Ontario

RBC Insurance
P.O. Box 515, Station A
Mississauga, ON
L5A 4M3

June 26, 2023

Bernie Geiss
President & CEO
COVE CONTINUITY ADVISORS INC.

Wayne Stone
VP, Planning & Finance
WESTWARD ADVISORS INC.

Peter Sorrell
President & CEO
SORRELL FINANCIAL

Dear Sirs,

Thank you for your letter dated May 16, 2023, where you provided us with your detailed questions pertaining to the Smoothed Return Investment Account (SRIA) and the Smoothed Return Reference Portfolio (SRRP).

Below you will find our answers to your questions. Please let me know if there is anything further.

Cathy Preston
VP, Individual Markets

SRIA Queries

Query	Reply
1. It is our understanding that the SRIA rate should trend upward with rising market interest rates that increase the actual return of the SRRP. Do you agree with this statement?	RBCI: This is not entirely correct because the SRIA rate is a function of the returns of the reference portfolio, which is made up of fixed income, equities, and cash. A portion of the fixed income holdings is correlated to market interest rates, but the equity holdings and non-correlated fixed income holdings also impact the returns of the reference portfolio. The SRIA rate also incorporates the SMAF (Smoothing Adjustment Factor) which considers the

	historical performance since inception, and our expectation for the coming year. h
2. The actual returns of the SRRP that affect the SRIA rate exclude the returns of the CF loans. Reducing the actual return of the CF loans in the SRRP from one year to the next does not affect the SRRP returns used to calculate the SRIA declared rate. Correct?	PPI Correct. RBCI: This is incorrect. The actual returns of the SRRP include the returns of the loans (both CF Loans and policy loans) and the RBC Select Conservative Portfolio.
3. What is the SRRP asset mix that affects the SRIA crediting rate?	PPI The SRIA crediting rate is only affected by the non-CF loan portion of the SRRP. The CF loans represent 33% of the total SRRP. Of the remaining 67%, the non-CF loan asset mix is: 57% bonds (38%/67%) 43% non-bonds (29%/67%) RBCI: Correction to the above; The SRIA crediting rate is derived from the reference portfolio which includes fixed income, equities, and cash. The fixed income portion of the reference portfolio includes the loans associated with Security Fund policies (CF loans and policy loans). As of August 31, 2022, 33% of the reference portfolio was in loans.
4. Our understanding is that the assets backing the SRIA CF policies are 100% CF loans. Is this correct?	RBCI: This is incorrect. The SRIA and the "CF policies" are two separate items. The SRIA is a notional interest-bearing investment account within the policy available to all SF policy owners (version 4.1 or higher), whether a loan is ever taken. The SRIA crediting rate is determined by reference to the SRRP. However, policy owners with funds invested in the SRIA do not own the assets in the SRRP. Security for a credit facility includes a

	collateral assignment of the policy – likely referred to as "CF policy" in the question. Whether an SF policy has been assigned as collateral for a loan or not, the assets backing RBCI's obligation under all SF policies are the assets and general reserves of the company. The reference portfolio (SRRP) drives the SRIA crediting rate for all policyholders. As noted above, the reference portfolio consists of loans (both CF Loans and SF policy loans) and the RBC Select Conservative Portfolio. The SRIA in SF policies assigned as collateral for a credit facility ("CF policies" in the question) are not treated differently from the SRIA in SF policies that have not been collaterally assigned.
5. Our understanding is that the assets backing the SRIA non-CF policies are 100% RBC Select Conservative Balanced Fund. Is this correct?	RBCI: Please see above.
6. A reduction / increase in the credited rate to the non-CF policies is the method used to recover overpayments / allocate underpayments to policies relative to the SRRP performance.	RBCI: The SRIA is available to all SF policy owners (version 4.1 or higher), whether or not a loan is ever taken. All policy owners with investment in SRIA will experience the effect of increase/reduction in crediting rate.
7. The smoothing factor for the CF policies is paid into the SRIA fund to spread the losses, experienced by the underlying fund, evenly between the CF and non-CF policies. Is this correct?	RBCI: The smoothing process adjusts the SRIA crediting rate to recoup losses or to pass back gains. All policyholders who have invested in the SRIA experience the effect of the smoothing process. It helps to bring the earnings of the portfolio, including gains/losses, net of management fees, into the crediting rate over time while smoothing the impact of market volatility.
8. The total of all MVA's for non-CF policies plus the present value of the Smoothing Factor equals the net gains and losses of the underlying fund to bring its overall gain/loss position to zero. Is this correct?	RBCI: Require further clarification on this question.

9. Does the Smoothing Factor represent 1/10th of the difference between (i) the fair market value of the SRRP, and (ii) the fair market value of the SRIA obligations as at the measuring date?	RBCI: The smoothing process is the mechanism which the company uses to bring the earnings of the portfolio, including gains/losses, net of management fees, into the crediting rate over time. The smoothing process helps limit the impact of market volatility on the annual crediting rate. For example, in the year 2022, market volatility caused significant equity return decreases that drove a loss in the Portfolio. The YTD net performance of the Portfolio at August 31, 2022 was a 9.61% loss. If passed on as is, this loss would have required significant reduction in the crediting rate for 2023. While this loss did impact the credited rate in 2023, reducing it from 4.1% to 3%, the smoothing process helped limit the passing on of the losses. The SMAF is the market value of the reference portfolio less the book value, adjusted for the expected MVA and divided by the book value.
10. What is the reason that the SRIA rate dropped a full 1% to 3% at a time of rising interest rates while other smoothed rate account rates increased?	RBCI: It would be incorrect to assume that the SRIA crediting rate, which is influenced by the SRRP return, has perfectly/significantly positive correlation with the prevailing interest rate environment. The SRIA crediting rate is derived from the returns the reference portfolio (SRRP). The returns of the SRRP are impacted by the composition of SRRP, and the composition of the SRRP can be impacted by policyholder actions such as the timing and amount of withdrawals, and loan pay offs. In addition, 2022 witnessed negative returns in both the bond and equity markets, which had a negative impact on the SRRP. However, the smoothing process helped limit the passing on of the losses. Comparing the SRIA to other smoothed rate accounts is not appropriate as they are all different. Unlike other smoothed rate accounts in market, the SRIA rates are

	derived from a portfolio that includes a closed block of loans. (For example, whenever a policyholder pays off a policy loan or credit facility, it alters the composition of the reference portfolio).
11. What is RBC's outlook in terms of how long it will take for the SRIA MVA to return to zero based on the current interest rate environment?	RBCI: An MVA will apply at any point in time to various transactions involving the SRIA such as capital benefits, optional life benefits, transfers to other investment accounts, lapse or surrender of the policy, policy withdrawals, total monthly charge, new loan advances, etc. Such transactions are not within the control of RBCI. As such it is not possible to predict the timing and quantum of such transactions, and consequently, the potential MVA impact. So, we are unable to provide any comment.
12. What is RBC's outlook in terms of how long it will take for the SRIA credited rate to rise to its previous 4.1% level based on the current interest rate environment?	RBCI: The returns of the SRRP, which influences the SRIA crediting rate are impacted by the composition of SRRP, and the composition of the SRRP can be impacted by policyholder actions such as the timing and amount of withdrawals, and loan pay offs. Such factors are beyond the control of RBCI. So, it is not feasible to predict the timing, quantum and impact of such factors on the SRIA crediting rate.
13. What actual SRRP performance to Aug 31, 2023, in the bond and non-bond asset classes is necessary to return to 4.1% net credited rate in 2024?	RBCI: Same answer as above.
14. The impact of the rising interest rate on the DSIR on RBC whole life policy was to stay the same. The SRIA rate dropped. Why is there a disparity between the PAR account and the SRIA interest rate impact.	RBCI: These are 2 different products with different portfolios, different policyholder behaviours, and different experience.
15. What is the split between CF loan and other investment.	RBCI: Please refer to the information below for SRRP asset allocation as of December 31, 2022.
16. What is the breakdown of the SRIA Funds of policies that have the CF with RBC?	RBCI: Please see above answer to question 3.
17. What is the breakdown of the SRIA Funds of policies that have do not have CF loans with RBC?	RBCI: Please see above answer to question 3.

18. Does the following asset allocation represent the allocation of the assets in the SRRP and SRIA?	Please refer to the information below for SRRP asset allocation as of December 31, 2022.
19. How much of the credited rate is based on future expectations vs past performance?	RBCI: It's a combination. The biggest driver is the past performance of the reference portfolio. There are 2 instances where RBCI did not fully reflect past performance to provide stability due to concerns with volatility over the coming year. The first was due to COVID and the second was due to the rising interest rate environment. Setting the crediting rate too high or too low will result in additional volatility in the smoothing process and larger year over year fluctuations in the crediting rate.
20. Why do the CF borrowers get charged a smoothing factor if the SRRP assets backing those obligations perfectly match the obligations?	RBCI: As explained in the various answers above, the returns of the SRRP do not perfectly match the obligations of the loans or credit facilities associated with SF policies. The derived SRIA rate applies to all holders of the SRIA account, whether or not they have a loan.

SRRP Queries

21. Bernie Geiss to Anne Topping on January 9: Could you arrange a call with the SRRP fund manager? The intent would be to provide confidence to their advisors that the managers are on top of things and can explain where we are and what we should expect to see in the short, mid, and long term. We have some questions and would like to get some clarity on how things are being managed so that we can speak confidently to our clients.	From Jean Salvadore on January 30 via Anne Topping: Thanks Anne. We will get that set up and coordinate time, etc. Note this would just be the asset manager, so they won't have commentary on the insurance bit, only the mutual fund side – performance, etc. Note: A meeting was never arranged. RBCI: PPI selected a June 13 date for this presentation.
22. Wayne Stone What is the weighted average duration of the bonds?	PPI The duration of bonds is 6.1 years. RBCI: this is correct, as of December 31, 2022.
23. Wayne Stone Of the 71% of SRRP invested in fixed income, what is the current split between CF loans and bonds?	PPI 53% of the 71% fixed income allocation is bond fund and 47% CF loans. As a result, the asset mix of the SRRP is: 1. 33% of the assets is CLF loans (47% X 71%) 2. 38% of the assets is bonds (53% X 71%) 3. 29% non-fixed income

	RBCI: Please refer to the information below as of December 31, 2022.
24. Can you confirm that all the funds that are not in the CF loans are in the RBC Select Conservative Balanced Fund?	RBCI: This is correct. The SRRP is made up of loans (SF policy loans and credit facilities with RBCI) and the RBC Select Conservative Portfolio. The portion of the SRRP that is not in loans is in the RBC Select Conservative Portfolio.
25. Will the RBC Select Conservative Portfolio fund continue to be the reference fund for the non-CF loan policy funds?	RBCI: The objective of the SRRP is to maintain a stable, long-term reference to set the SRIA crediting rate. RBCI invests in a mix of assets to achieve this objective. RBCI currently invests the portion of the SRRP that is not in loans in the RBC Select Conservative Portfolio. RBCI may, in its discretion, alter the SRRP holdings within the overall objective.
26. Does all the published information about this fund apply to the SRRP?	RBCI: Please clarify 'published information'.
27. What MER does RBC SRIA fund pay with respect to the RBC Select Conservative Portfolio fund component?	RBCI: The return of RBC Select Conservative Portfolio is net of the Series A MER. The Series A MER is 1.85% as of the September 2022 Fund Fact. For the Smoothed Return Reference Portfolio, the management fee will be between 150bp and 225 bp. In 2023, the management fee is 1.65%.

As of 12/31/2022:

68.8% is the fixed income portion of the SRRP.

52.5% of the 68.8% fixed income allocation is the bond fund component of the RBC Select Conservative Portfolio and 47.5% CF and policy loans.

As a result, the asset mix of the SRRP is:

1. 32.7% loans (47.5% X 68.8%)
2. 36.1% bonds (52.5% X 68.8%)
3. 31.2% non-fixed income

The investment mix of the RBC Select Conservative Portfolio is as follows (as at 12/31/2022) (source: RBC GAM 2022 Annual Management Report of Fund Performance)

Cash/Other	4.0%
Fixed Income Funds	53.6%
Canadian Equity Funds	13.6%
U.S. Equity Funds	14.9%
International Equity Funds	13.9%

This combination results in the following SRRP mix:

Cash/Other	2.7%
Fixed Income Funds	36.1%
Canadian Equity Funds	9.2%
U.S. Equity Funds	10.0%
International Equity Funds	9.4%
CF Loans	32.7%

This is Exhibit **"PP"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

A Commissioner for taking Affidavits within Ontario

COVE CONTINUITY
ADVISORS INC

October 18, 2023
[Policyholder Name]
[Policyholder Address]

Attention: *[Client Name]*

RE: RBC Security Fund Life Insurance Smoothed Return Investment Account (SRIA)

I am writing to update you with respect to our ongoing discussions with RBC Insurance (RBCI) about the management of the cash value of your RBC Security Fund policy (RBC SF).

Our conversation with RBCI began with an intention of gaining clarity around the dramatic decrease in the credited rate to the policy for 2023. It began in November of 2022 when RBCI disclosed the credited rate that would apply to your policy for calendar year 2023. The aim of our enquiry was to gather relevant information, that accurately reflected RBC Insurance's practices around the management of policy cash values and share it with you.

We sent our first request for information directly to RBC Insurance on March 27, 2023. Prior to that time, we made our enquiries via an intermediary, PPI Financial Group, to request a meeting with the fund managers at RBCI responsible managing the policy accumulation funds. PPI was unable to set up a meeting, due to RBCI's lack of engagement, so we decided to communicate directly with RBC Insurance starting in April of 2023.

Our requests for information were made consistent with RBCI's obligation to disclose information as outlined by the Canadian Council of Insurance Regulators Guidance Conduct of Insurance Business and Fair Treatment of Consumers guidelines. We felt that RBCI was not meeting their responsibility because of their unwillingness to provide clear and satisfactory answers to our verbal and indirect enquiries regarding the management of our clients' policies. Since this initial enquiry our focus shifted from the management of the underlying funds to the undisclosed fees charged against the policy accounts that came to light during our enquiry. This letter is meant to update you on our findings.

Background

Your policy has a cash value which is allocated to a Smoothed Returned Investment Account (SRIA) within the policy. The return attributed to the SRIA is determined by the performance of the reference portfolio in which the policy funds are invested called the Smoothed Return Reference Portfolio (SRRP). The SRRP is invested in a basket of fixed income investments (including policyholder loans) equities and cash/other.

Here is an extract of an email we received, on June 26, 2023, in response to the second enquiry, from Cathy Preston, VP of Individual Markets at RBCI explaining how the return crediting process works.

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SRIA Credited Rates

Credited rates for smoothed return funds, such as the Smoothed Return Investment Account ("SRIA"), are generally derived based on the annual market returns of a reference portfolio, management fees, and using a smoothing process.

The smoothing process used may vary somewhat from one fund to another, or from one insurer to another, but the objectives are always the same:

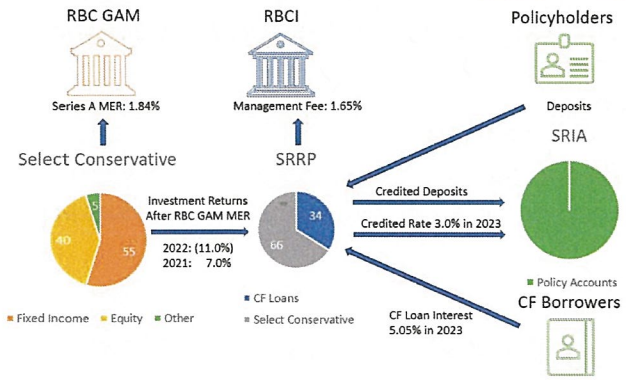
(a) Produce annual credited rates which are less volatile than would be the case if credited rates were simply based on the annual market return;
(b) Ensure that the annual credited rate is never less than zero; and
(c) Ensure that over time the cumulative market returns earned on portfolio assets (less the annual management fees) are credited to policyholders.

As outlined in the Security Fund policy, the credited rate is subject to change on each January 1st. As you are aware, RBC Life announces the upcoming change to the SRIA credited rate in advance. For your easy reference we are enclosing a copy of our November 2022 announcement regarding the then upcoming January 1, 2023, change to the credited rate. These announcements also include relevant information about the reference portfolio, the SRRP. Included in the announcements are the portfolio's historical rates of return (gross and net), and its asset allocation. The current portfolio is composed of the credit facility and policy loans associated with the Security Fund policies and units in the RBC Select Conservative Portfolio managed by RBC Global Asset Management. RBC Life may adjust the composition of the portfolio to achieve the long-term objectives of the SRIA. As indicated in our November 2022 communication, the asset allocation of the portfolio's combined holdings as of August 31, 2022, was 71.1% fixed income, 27.4% equities, and 1.5% cash.

The SRIA credited rate (referred to as the Base Interest Rate) is set based on the historical performance and long-term expectation of the SRRP, net of management fees, and subject to a smoothing process. The smoothing process is the mechanism which RBC Life uses to bring the earnings of the portfolio, including gains/losses, net of management fees, into the crediting rate over time.

The smoothing process helps limit the impact of market volatility on the annual crediting rate. For example, in the year 2022, market volatility caused significant equity return decreases that drove a loss in the portfolio. The YTD net performance of the portfolio at August 31, 2022 was -11.26%. If passed on as is, this loss would have required significant reduction in the crediting rate for 2023. While this loss did reduce the credited rate in 2023 – from 4.1% to 3% – the smoothing process helped limit the impact.

Here is a schematic, illustrating our understanding of how your funds have been managed and the associated management fees within your insurance policy.



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The SRRP has been in existence since January 1st, 2014. Prior to January 1st, 2014, the SRIA was made up solely of RBC loans to policy owners or related parties. Since 2014 we were under the impression, implied by RBCI, that the SRRP was managed by RBCI internally and the fees that they disclosed regularly, of 1.65%, was the totality to the fees being charged to the fund. All communication received from RBCI over the past 9 years indicated that the management fees being charge were 1.65%.

We requested a meeting with the fund managers to hear from them directly as to why the SRRP had performed so badly as to require the significant reduction in the credited rate to the SF policies from 2022 to 2023. The meeting was held on June 15th at which time the RBC GAM managers explained the reasons behind the poor performance of the SRRP in reference to the fact that the RBC Select Conservative Portfolio was a core holding. Their explanation was consistent with our understanding of the impact of the rapid rise in interest rates, on markets however the fact that the RBC Select Conservative Portfolio was an investment within the SRRP was new information.

I am attaching a copy of the letter from RBCI following the meeting with RBC GAM fund managers, dated June 26, 2023, **that disclosed in writing for the first time ever** that the SRRP was NOT managed internally by RBCI but was in fact managed by RBC Global Asset Management (RBC GAM) using their RBC Select Conservative Portfolio Series A Fund.

What We Know So Far

- Between March 3, 2022, and July 12, 2023, the prime rate in Canada went from 2.7% to 7.2%
- Between July 27, 2020, and August 28, 2023, the Canadian Government of Canada Bond rate went from .474% to 3.63%
- Between January 1, 2014, and January 1, 2023, the SRIA rate went from 4.75% to 3%
- The SRIA return is determined by the return of a reference portfolio called the Smoothed Return Reference Portfolio (SRRP)
- As of February 28, 2023, the SRRP total asset value was $1.598 billion.
- As of February 28, 2023, 66% or $1.054 billion of the SRIA was externally managed by RBC GAM in their RBC Select Conservative Portfolio* (RBC SCP).
- As of February 28, 2023, 34% or $543 million of the SRIA was loans to RBC policy holders under the RBC Credit Facility (RBC CF)
- RBC SCP has a 1.84%* management expense ratio.
- The average annual Gross rate of the return for the SRRP from January 1, 2014, to February 28, 2023, was 4.9%
- A 1.65% management fee is charged in the SRRP directly.
- An additional net 1.21% is charged to the SRRP indirectly by RBC GAM
- The total management fees charges to within the SRRP is 2.86%
- The credited rate for the SRIA for 2023 is %3 which would require a gross return before fees of 5.86% based on the above.

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- The total fees being charged of 2.86% make up 48.8% of a 5.86% gross return.
- The average annual Net Rate of Return for the SRRP from January 1, 2014, to February 28, 2023, was 3.25%

Upon further enquiry we were told that the fund in the SRRP is a Series A fund which is a retail version of the fund with a 1.84% Management Expense Ratio (MER). The Series F version of this fund, routinely sold by investment advisors, has an MER of .91% while the Series O version of the fund, designed for intuitional management, has an MER of .06%. We believe that the Series O fund is the appropriate version to use in the SRRP. We were under the mistaken impression that the funds within the SRRP were managed directly by RBCI and did not suspect that there was an external fund manager and that additional undisclosed management fees were being charged.

The difference in the MERs between the three series of funds has a significant impact on the net return of the fund. For example, the Series A version return for 2022 was -11%, the Series F version was -10.2 while the F Series version was -9.4%. When compounded over the 9 years the SRRP has been in existence the impact of these differences has been very significant.

We take the position that the MER related to the Series A version of the fund has had a significant negative impact on the performance of the SRRP and SRIA and that the additional MERs charged by RBC GAM were not properly disclosed to advisors and policy holders.

The unexpected revelation that occurred during our enquiry was that the outsourcing of the SRRP Management to RBC GAM resulted in undisclosed fees that were being charged to the SRRP by RBC GAM. We see this as "double dipping" relating to fees which in our opinion is an unacceptable and serious issue.

To quantify the management fees based on the February 28, 2023, SRRP market value of $1.598 billion:

	Market Value		GAM Fee		RBCI Fee		Total Fee	
	%	$ (billions)	%	$ (millions)	%	$ (millions)	%	$ millions
Series A	66.0	1.055	1.84	19.4	1.62[1]	17.1	3.46	36.5
CF Loans	34.0	.543			1.65	9.0	1.65	9.0
Total	100.0	1.598					2.85	45.5

[1] 1.65% of the Series A market value after deducting the RBC GAM fee: 1.65% x (100% - 1.84% - 1.62%)

RBCI has never disclosed SRRP management fees other than their own annual 1.65% management fee since 2014 to you or us since the inception of the SRRP. This figure does not consider the opportunity cost related to the overcharged fees. The quantum of hidden GAM management fees based on February 28, 2023, figures are approximately $19.4 million for just one year and is likely much higher considering these fees would have bene charged on a portion of the total fund since 2014. RBC needs to provide a reconciliation of the overcharged fees as they cannot be accurately estimated by us. These figures do not consider the opportunity cost related to the overcharged fees from 2014 to present.

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Since getting confirmation of the SRRP structure and fees, we have voiced our concerns regarding the non-disclosures RBC GAM fees to RBCI and have made a submission to RBCI for immediate changes to the governance of the SRRP and SRIA that include the following:

1. RBCI validates that the 0.4% smoothing factor embedded in the 2023 CF loan interest rate is collected by the SRRP and not by RBCI. (If it is collected by RBCI this would add an additional negative impact on the fund.)
2. RBCI changes the Select Conservative Portfolio investment fund from Series A (MER of 1.84%) to Series O (MER of 0.06%).
3. The SRRP is reconciled back to inception with the cumulative difference between the two Series of the fund being credited back to the SRRP in favour of policy holders.
4. RBCI produces annual audited financial statements for the SRRP commencing December 31, 2023.

By changing from the Series A version of the fund to the Series O version the savings in the annual management fees would be approximately 1.2% annually. If this change were applied to the SRRP fund the return in the SRIA would increase of 1.2%. The impact of a retroactive application of this change would positively impact the returns for every year however we are unable to calculate its impact at this time without RBCI reconciling the difference as per actual fund balances since inception.

A draft of this letter was sent to RBC on October 2, 2023, with a request to respond to our requests and to validate our assumptions by October 15, 2023. They did/did not respond. We hope RBCI will step up and do the right thing and resolve this issue proactively. If they do not, we will forward our concerns to the Office of the Superintendent of Financial Institutions to request their support in reaching a settlement with RBCI.

We encourage you as a valued policyholder to make your views known to RBCI by contacting Cathy Preston, VP Individual Markets at Cathy.Preston@rbc.com.

In the meantime, we will continue to lobby RBCI to rectify what is in our view an unethical undisclosed double dipping of SRRP management fees by GAM and to make the policyholders whole. We will be in touch as soon as we have further news to report.

Sincerely,
COVE CONTINUITY ADVISORS INC.

Bernie Geiss, CLU, FEC CHS
President, Founder, Advisor

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This is Exhibit **"QQ"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob NVair

A Commissioner for taking Affidavits within Ontario

WESTWARD ADVISORS

VIA EMAIL TO:
rino.donofrio@rbc.com

COPY VIA EMAIL TO:
cathy.preston@rbc.com
jvirtue@ppi.ca
atopping@ppi.ca

October 20, 2023

RBC Life Insurance Company ("**RBCI**")
c/o RBC Financial Group
6880 Financial Drive, Tower One
Mississauga, ON L5N 7Y5

Attention: Rino D'Onofrio, President and COO

RE: RBC Insurance ("RBCI") Security Fund Policies ("SF")

Dear Mr. D'Onofrio,

We are writing regarding:

1. the dangers of failing to restore policyholder confidence in the SF Smoothed Return Investment Account ("**SRIA**"), the SF policy contracts, RBCI and the Royal Bank of Canada;
2. the opportunity to use the pending 2024 SRIA rate announcement to restore policyholder confidence; and
3. our recommendations for specific actions that Royal Bank of Canada and RBCI can take to preserve the at-risk SF block of business.

We write based on our experience working directly with your SF policyholders. Westward Advisors Ltd. **("Westward")** manages **147 RBCI policies** with an **initial life benefit of $1.467 billion**. This block includes **$635 million** of SRIA accumulation fund value in 108 SF policies assigned as collateral to RBCI and third-party lenders plus millions more of SRIA accumulation fund value in SF policies without any collateral assignee.

THE DANGERS

The two dangers in play are:

1. Large scale SRIA withdrawals and SF surrenders; and
2. Reputational damage and potential litigation against RBCI and the Royal Bank of Canada.

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SRIA Withdrawals and SF Surrenders

The drop in the SRIA credited rate from 4.1% in 2020 through 2022 to 3.0% in 2023 is causing distress amongst our SF policyholder clients invested in the SRIA (the "**Policyholders**").

We have invested an incredible amount of time this year responding to client queries about the SRIA rate and delivering explanations of the SRIA rate history, the rate setting and smoothing process, the bond and equity market returns for the 12 months ending August 31 2022, and the prospects for a return to a 4.1% SRIA rate. As a result of those many meetings collecting the sentiment of the Policyholders it is clear to us that the SRIA rate is threatening the SF business block.

There is already evidence of this. The following policies are examples of surrenders in 2023 by our clients due to the poor SRIA rate:

Policy #	NAR/Face	Min. Annual Premium	SRIA Account Value	DWTA	MVA	Taxable Gain
JR214492	15,000,000	102,948	12,756,238	0%	1,154,753	4,417,426
JR215764	4,000,000	222,612	4,605,278	17%	518,168	1,044,431
JR224485	33,254,000	82,660	24,836,993	100%	453,956	7,411,944

All three policyholders above surrendered on account of the low SRIA interest rate versus market interest rates. In the case of JR215764 and JR224485, the policyholders were forced into a full surrender to avoid the DWTA and lost their life insurance coverage that they wanted to otherwise preserve.

It is noteworthy that there are Policyholders willing to suffer an MVA and taxable gain of these magnitudes to escape the poor performance of the SRIA rate.

These examples are the leading edge of the surrender bloodbath we expect will occur in 2024 if the 2024 SRIA rate announcement does not show significant improvement.

Reputational Damage and Potential Litigation

Since inception of the SRIA in January 2014, RBCI has always disclosed that the SRRP Management Fee is 1.65%. This is consistent with the SF policy contract that states, ***"For the SRRP, the Management Fee will be between 150 and 225 basis points per year"***.

The aggregate management fee % collected by Royal Bank of Canada entities on the SRRP is 2.64% and on the SRRP Series A fund assets is 3.15%. These are excessive management fees by any measure and inconsistent with the SF policy contract.

Questions to RBCI earlier this year led to disclosures in Cathy Preston's reply dated June 26, 2023 of embedded management fees never before disclosed to us or the Policyholders nor referenced in the SF policy contract. We learned that:

- The non-CF Loan assets represent about 66% of the total SRRP;
- Management of the non-CF Loan assets in the SRRP is delegated to RBC GAM in their RBC Select Conservative Portfolio Series A mutual fund (the "**Series A**");
- The Series A management fee is 1.53% and the MER is 1.84%;

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- The RBCI Management Fee of 1.65% is collected on the total market value of the SRRP including the Series A assets (net of the RBC GAM MER).

We quantify the total management fees based on the February 28, 2023 SRRP market value of $1.598 billion as follows:

	Market Value		GAM Fee		RBCI Fee		Total Fee	
	%	$ (billions)	%	$ (millions)	%	$ (millions)	%	$ (millions)
CF Loans	34.0	0.543			1.65	9.0	1.65	9.0
Series A	66.0	1.055	1.53	16.1	1.62[1]	17.1	3.15	33.2
Total	**100.0**	**1.598**					**2.64**	**42.2**

By investing the SRRP's non-CF Loans in the GAM Series A fund rather than the GAM Series F fund, Royal Bank of Canada appears to be double dipping management fees against the Policyholders.

The attached RBC GAM document states:

- **Series A** mutual funds include a trailing commission paid by the mutual fund company to the investment firm the advisor works for (mutual fund dealer) for ongoing advice.
- **Series F** mutual funds are used in fee-based accounts, where the trailing commission is replaced by an account fee. This fee is for advice, access and service, and is charged directly to the investor by the investment firm the advisor works for.
- ***Example:***

Fund	*Management Fee*		
	Investment Management %	*Trailing Commission %*	*Total %*
Series A	*0.6%*	*1.0%*	*1.6%*
Series F	*0.6%*	*-*	*0.6%*

It appears to us and will likely appear to the Policyholders that RBCI should be investing the non-CF Loans in the Series F fund given the RBCI Management Fee charged separately by RBCI against the Policyholders.

It appears to us that Policyholders have reasonable grounds to challenge the legality of any embedded SRRP management fees beyond the RBCI Management Fee itself.

[1] Represents 1.65% of the Series A asset value net of the GAM MER of 1.84%: (100% - 1.84%) x 1.65% = 1.62%.

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The SF policy contract endorsement of October 2013 bearing your signature defines the *Management Fee* as follows:

> **Management Fee**
>
> A *Management Fee* is a fee charged by the *Company* in association with a *Managed Investment Account,* a *Managed Portfolio Investment Account* and the *Smoothed Return Investment Account.*
>
> For a *Managed Investment Account* and a *Managed Portfolio Investment Account,* the *Management Fee* is in addition to any management fee charged by the professional fund manager for the corresponding *External Investment Fund,* whose value is net of such management fees.
>
> For the *Smoothed Return Reference Portfolio, the Management Fee* will be between 150 and 225 basis points per year. A change to the *Management Fee* outside of the specified range may occur as a result of a legislative or regulatory change which impacts the cost to the *Company* of maintaining the *Smoothed Return Reference Portfolio.*

The SF policy contract differentiates the SRIA from all the other investment accounts. The contract specifically provides for the possibility that investment accounts other than the SRIA may incur management fees charged by the professional fund manager in addition to the Management Fee. There is no provision in the contract for the same possibility in respect of the SRIA and SRRP.

Until June 2023, RBCI has never disclosed any delegation of SRRP assets to another fund manager nor the existence of any non-RBCI management fees embedded in the gross returns of the SRRP reported by RBCI.

We have an ethical obligation (and possibly a regulatory obligation) to disclose the full extent of the SRRP management fees to the Policyholders. We believe RBCI does too.

Disclosure to the Policyholders of the previously undisclosed GAM management fees embedded in the SRRP gross return will reveal RBCI's absence of transparency. This is ironic in that one of the sales advantages of the SF universal life policies was meant to be their transparency and accountability otherwise absent from par policies. We sold your SF policies in part based on this competitive advantage.

Disclosure of the full extent of management fees suffered by the SRRP may be the breaking point for many Policyholders and trigger large scale withdrawal from the SRIA in 2024.

The Policyholders are UHNW individuals and their private companies who are advised by many of the nation's leading tax and estate lawyers and accountants.

Without corrective action from RBCI, we believe Royal Bank of Canada faces significant reputational damage and risk of litigation when disclosure is made to the Policyholders of:

1. the historical absence of transparency regarding SRRP fund management and related fees;
2. the full extent of the SRRP management fees;
3. the double dipping of GAM Series A management fees when RBCI is already collecting a significant Management Fee from the Policyholders; and
4. the application of SRRP management fees beyond the RBCI Management Fee that do not appear to be authorized by the policy contract.

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THE OPPORTUNITY

The 2024 rate announcement is approaching and provides an opportunity to deliver the SRRP management fee disclosure alongside corrective actions that include a significant increase in the SRIA crediting rate.

RECOMMENDATIONS

We recommend that Royal Bank of Canada and RBCI implement the following measures in conjunction with the 2024 SRIA rate announcement:

1. Switch the SRRP investment in the RBC Select Conservative Series A to Series F effective January 1, 2024;
2. Disclose the embedded management fee savings and apply those savings directly to the SRIA credited rate for 2024, over and above what the 2024 credited rate would otherwise be;
3. Raise the SRIA credited rate for 2024 from 3.0% to 4.1% supported by eliminating the double dipping of management fees, accounting for improved SRRP performance from August 31, 2022 to August 31, 2023 and implicitly returning 10 years of GAM management fee double dipping;
4. Reduce the RBCI Management Fee from 1.65% to the contractual minimum of 1.50% until the SRIA rate returns to a normal relationship with market interest rates, demonstrating good faith with your Policyholders riding out the current economic challenges;
5. Issue a contract endorsement providing that the DWTA is waived if the SRIA account value is paid to a collateral assignee, enabling Policyholders to preserve their underlying life insurance coverage if otherwise compelled to repay their external leverage with the SRIA accumulation fund;
6. Issue a contract endorsement waiving the MVA where distressed Policyholders switch back to an RBCI CF loan subject to a Policyholder commitment to maintain the CF Loan for a period of time.
7. Raise SRRP disclosure standards to the best in the industry by at least matching RBC GAM Fund Facts disclosures and competitor disclosures like the Canada Life 2022 Financial Facts for their par account that runs 32 pages long;

CONCLUSION

We believe the above measures will help you and us preserve the SF block of business and avoid reputational damage and potential litigation.

The goal is to preserve the Policyholders' SRIA accumulation fund values and their SF policies. The goal is beneficial to all parties:

1. ***The Policyholders*** preserve their financial plans, avoiding the costs of withdrawing their SRIA account values and avoiding the tax and estate risk inherent in being forced to surrender their life insurance policies to access their SRIA account values.
2. ***The Agents*** maintain their reputations and referability with their UHNW clients and their tax and legal advisors, and their annual compensation for managing the Policyholders' life insurance plans.
3. ***RBCI*** minimizes reputational damage and preserves the SF business block.

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4. **The banks** maintain confidence in lending against RBCI life insurance policies.
5. ***PPI*** preserves its reputation as Canada's largest and most respected MGA.

We are pleased to participate collaboratively in the solution for our mutual benefit. Please contact the undersigned for further discussion.

Best regards,

WESTWARD ADVISORS LTD.

Wayne Stone, CPA, CA, CFP, TEP, CLU
VP, Planning & Finance
waynes@westwardadvisors.com
604.630.0327 direct

Enclosures:
RBC GAM "Anatomy of the MER"

This is Exhibit **"RR"** referred to in the affidavit of Maria Winslow
Affirmed before me at Mississauga in the Province of Ontario this
20 day of November, 2025.

Jacob McVin

A Commissioner for taking Affidavits within Ontario

Insurance

RBC Insurance
P.O. Box 515, Station A
Mississauga, ON
L5A 4M3

January 31, 2024

BY EMAIL: *bernie@coveadvisors.com*

COVE CONTINUITY ADVISORS INC.
270 – 2255 Dollarton Highway
North Vancouver, BC V7H 3B1

Attention: Bernie Geiss, President & CEO

BY EMAIL: *waynes@westwardadvisors.com*

WESTWARD ADVISORS LTD.
300 - 1090 Homer Street
Vancouver, BC V6B 2W9

Attention: Wayne Stone, VP, Planning & Finance

RE: Security Fund Policies and the Smooth Return Investment Account

Dear Sirs

We are writing in response to each of your respective letters dated October 18, 2023 and October 20, 2023. Your letters express concerns about the interest rates for the Smoothed Return Investment Account (SRIA) option available under the Security Fund universal life product (SF Policy), and the returns of the Smoothed Return Reference Portfolio (SRRP), which is used as a reference portfolio by RBC Life in setting interest rates for the SRIA each year. We note that your concerns arose following the decrease of the credited interest rate to 3.0% for the SRIA in 2023.

We have reviewed the matters raised in your letters very carefully and thank you for the opportunity to respond to them. Our review took into account the SF Policy design and RBC Life's methodology for calculating and setting the interest rates for the SRIA since it has been in existence. We are confident we have calculated and set the SRIA interest rates in a consistent manner, given the purpose and intended use of the SRIA, the market conditions, and the cumulative returns of the SRRP. For the reasons set out below, we do not agree with your assertion that your clients have had lower SRIA returns due to the use of the RBC Global Asset Management (RBC GAM) Select Conservative Portfolio Series A (RBC SCP - A) as one component of the SRRP. As the name implies, the SRRP is *purely a reference portfolio* used to determine the SRIA interest rate; it

is not the actual investment. The mix of asset types within the SRRP, including the RBC SCP – A, were selected as a reference portfolio, which was expected to track long term returns in the range we were targeting to fulfill the purpose of the SRIA, as an investment account that could potentially be pledged as collateral for an associated Credit Facility (CF) or policy loan.

The SRIA cannot be compared directly to other investment accounts in a universal life insurance policy, or to a pure investment product like a mutual fund (where client returns can be negative). It's important to note that with this product, RBC Life takes on investment risk.

It is important for you to recall the history and purpose of the SRIA. It was introduced to meet the planning goals of clients who still wished to participate in a leveraged insurance arrangement, after the 2013 tax law changes. Although the SRIA can be selected by clients who own an SF Policy even if they do not wish to use it as part of a leveraged insurance arrangement, the product design reflects its purpose as part of such arrangements.

Transition to SRIA and SRRP

As you know, prior to 2013, most of your clients used their SF Policies as part of a leveraged insurance arrangement colloquially known as a 10/8. In these structures, a UL policyholder with a guaranteed rate of return could borrow money from an insurer using the UL policy as collateral. We understand that a policyholder with this structure deducted the interest on the loan such that the after-tax cost of borrowing was lower than the guaranteed rate of return on the UL policy. As you are aware, in 2013 the federal government amended the Income Tax Act to thwart this planning in relation to a newly defined "10/8 Policy". In doing so, they set out to prevent what they considered the unintended tax benefits enjoyed by participants in these leveraged insurance arrangements, in part because they considered the lending and crediting rates in these arrangements to be unreasonably high.

Under the 2013 rules, the "10/8 Policies", had two key characteristics: the interest credited to the investment account was determined by reference to the loan rate, and the investment account was only available to policyholders with an associated loan. If a client borrowed using a "10/8 Policy" as collateral, the new rules would deny the previously enjoyed tax benefits.

At that time, most of your clients with SF Policies were invested in the Collateral Investment Account and had borrowed under an associated Investment Credit Facility. The Collateral Investment Account had the characteristics of a "10/8 Policy" and was subject to the new rules.

Consequently, as a result of the tax reform in 2013, your clients had to decide whether to i) retain that leveraged insurance arrangement and incur higher taxes, ii) unwind that arrangement, or iii) transition to an alternative arrangement that preserved some of their financial planning objectives.

At the time, PPI worked with RBC Life to create a transition option for your clients, to address potential adverse tax consequences, which included the creation of the SRIA.

Unlike the former Collateral Investment Account, the interest rate credited to the SRIA is not determined by reference to the associated CF loan rate. Rather, the interest credited to the SRIA is determined by reference to the SRRP. Similarly, the interest rate on borrowed funds under an associated CF, although not designed to move in perfect tandem with the SRIA rates, were designed to be directionally consistent. This allowed clients who utilized a CF to have more predictable loan rates than clients who used their policies as collateral with

other lenders. To achieve this consistency, both the SRIA rate and the CF rates are determined by reference to the notional returns of the SRRP. Consequently, the target returns of the asset types used as reference points in the SRRP were intended to establish both a crediting rate that was commercially viable for RBC Life and a loan rate that was directionally consistent with the crediting rate and reasonable for tax purposes. This is a fundamental point. The SRRP was never intended to generate the highest possible investment return. Instead, it was intended to generate a reasonable and stable return that would meet the intended purpose of the SRIA, which was to provide an alternative to the prior "10/8" leveraged insurance arrangements rather than eliminate all leveraged insurance arrangements.

Within this context, the RBC SCP - A returns were identified as an appropriate reference point for the non-loan portion (non-leveraged) of the SRRP. In 2013, the returns for the RBC SCP - A had been 6.3% since its inception, and its low to medium volatility gave it the desired characteristics for a relatively stable return. RBC Life anticipated that over the long term, the combined loan returns and RBC SCP - A returns, would support a base interest rate for the SRIA of approximately 4.75%, net of a Management Fee for RBC Life. It was intended that this base interest rate, plus 1.65% and a smoothing factor would support a loan rate that was reasonable for tax purposes. PPI, likewise anticipated that the crediting rate and loan rate would be attractive to policyholders who wished to preserve some of their financial leveraging objectives after the 2013 tax reforms.

As you are aware, for the first five years RBC Life held the SRIA's base interest rate at 4.75% and the loan rate at 6.4%. It was anticipated that a higher loan rate could have been considered unreasonable for tax purposes. Consequently, if RBC Life had used another investment portfolio with higher anticipated returns than the RBC SCP - A, RBC Life would have charged a higher Management Fee in order to keep the SRIA interest rates and the CF loan rates in a reasonable range while also being commercially viable. The MER embedded within the RBC SCP – A is thus irrelevant for two reasons. First, the RBC SCP – A is used as part of a reference portfolio only. Second, selection of a different investment fund series as part of the reference portfolio with higher returns, but also with a higher Management Fee, would not have generated higher credited rates for your clients.

You would have reviewed the features of the SRIA with your clients so that they could decide whether to use the product. You will recall that your clients were given the opportunity to review the optional amendments with you and their tax advisors in order to determine if the new SRIA and amended CF were suitable for them. After having this opportunity, with the benefit of your advice that highlighted the purpose and nature of the SRIA, many of them chose to apply for the SRIA and amended CF.

You would have recognized that the SRIA was most suitable for policyholders who intended to hold funds in this account for the long term and maintain their CF. The smoothed nature of the account meant that gains and losses in the reference portfolio would be brought into the returns of the SRIA over time. Policy features like the limitations placed on the Deferred Withdrawal and Transfer Amount and the potential for Market Value Adjustments reinforced the understanding that account holders would benefit from the smoothed returns most when they utilized the SRIA with a long time horizon.

You also would have been aware of other key aspects of the SRIA:

First, the smoothing feature of the SRIA means that, by design, the smoothed return for any year will lag behind the then current market yield for new investments. This lag period can extend over many years; and at its widest point the gap between the then current market yield and the then current smoothed return rate could be significant. One cannot look at the SRIA credited rate for a single year in isolation. The smoothing process operates over a long-term horizon.

Second, because the annual returns of the SRRP are measured on a market value basis of the reference portfolio, increasing interest rates will initially have a negative impact on both the SRRP annual market return and the SRIA rate. This is because the market value of the bonds and mortgages in the SRRP will reduce as interest rates increase. This negatively impacts returns initially, but over the longer-term increasing interest rates are good for the SRRP returns.

Finally, because the SRIA rate and CF rate movements are directionally consistent, you would have understood that leveraged policyholders who chose to close their CF and borrow funds from a different lender would be exposed to loan rate unpredictability. They would thus lose the benefit of a credited interest rate and a loan rate that are directionally consistent because they are both set by reference to the SRRP. While those policyholders may have been able to obtain lower rates from external lenders during periods of low interest rates, they would also be exposed to higher lending rates when interest rates rose, as has been the case in recent years.

The Smoothed Return Reference Portfolio (SRRP)

The SRRP is a reference portfolio composed of 4 asset types:

1) fixed income loans ("leveraged") (33.4% at Aug 31, 2023),
2) the RBC SCP – A, which is a combination of cash, fixed income and equities and is used as a reference value in connection with the portion of the SRIA funds not assigned as collateral to RBC Life ("non-leveraged") (66.3% at Aug 31, 2023),
3) the RBC Short Term Income Fund – Series A which represents the portion of the SRRP associated with the application of the Smoothing Adjustment Factor (SAF) (0.3% at Aug 31, 2023), and
4) Cash, which represents the daily cash flows (0.003% at Aug 31, 2023).

How the annual SRIA credited rate and the loan rates are set

Annually, the current and historical performance of the asset types used as reference points for the SRRP were measured up to August 31st of the calendar year. The credited rates for the SRIA each year were derived based on the compound annual growth rate (CAGR) of the asset types that make up the SRRP from January 1, 2014 to August 31st of the year. The calculation was performed in the same manner each year. The formula calculates a suggested credited SRIA rate for the following calendar year. The CAGR of the SRRP was increased or decreased by the Smoothing Adjustment Factor (SAF) which is intended to amortize over time the impact of any past over-crediting or under-crediting of returns to SRIA holders. Amounts collected through the SAF are allocated to the SRRP. They are not received by RBC Life. This process has helped limit the immediate impact of recent market volatility on the annual crediting rate. The annual calculations include the application of a Management Fee deducted by RBC Life, and a smoothing process that includes consideration of market conditions and expected long-term future returns. The objectives of the smoothing process are always the same:

- Produce annual credited rates which are less volatile than would be the case if credited rates were directly tied to the annual market returns of the asset types used as reference points in the SRRP.
- Ensure that the annual credited rate is never less than zero as required by the SF Policy.
- Ensure that over time the cumulative market returns of the asset types used as reference points in the SRRP (less the annual Management Fee charged by RBC Life) are credited to policyholders.

As you know, the SRIA crediting rate was fixed at 4.75% for the first five years (2014-2018). Given the smoothing process, any net gains or losses in the SRRP that were above or below 4.75% during the first five years would have an impact on the calculated SRIA crediting rate in 2019 and beyond. During those first five years, the actual cumulative returns of the SRRP net of Management Fee were lower than the fixed rate at 4.75%.

Use of RBC SCP-A as part of the Smoothed Return Reference Portfolio

You suggested that RBC Life should have used either the RBC SCP-O or F as the reference fund for the non-leveraged portion of the SRRP, instead of RBC SCP-A. As explained above, the RBC SCP-A was selected as part of the reference asset mix for the SRRP, not only to set a commercially viable SRIA crediting rate, but also to support a CF loan rate that would be reasonable for tax purposes. RBC Life would not have selected the RBC SCP – O or F as the reference fund in the SRRP, but notionally, if RBC SCP-O had been used as a reference point for the non-leveraged portion of the SRRP, it would have driven the CF loan rate higher putting clients at greater tax risk unless RBC Life also increased the Management Fee. For example, if RBC Life had referenced the RBC SCP-O for the non-leveraged portion of the SRRP, RBC Life would have needed to increase its overall Management Fee to 2.25%. We have determined that if RBC Life had referenced the RBC SPC - O for the non-leveraged portion of the SRRP and increased the overall Management Fee to 2.25%, that this would not have resulted in higher SRIA crediting rates.

You have also suggested that RBC Life has engaged in improper "double dipping" or has charged a Management Fee higher than 2.25%. This is incorrect. RBC Life charged only one Management Fee and the overall Management Fee charged by RBC Life each year was in the range of 1.66% to 1.77%. Because the SRRP is a reference portfolio only, the MER embedded in the RBC SCP – A is not paid by your clients or received by RBC Life.

We are confident that our use of the RBC SCP – A and our process for calculating the SRIA crediting rates has benefited your clients.

Market Challenges in 2022 and the 2023 SRIA Credited Rate

2022 represented one of the most challenging periods for financial markets on record, with both fixed income and equity markets simultaneously posting double-digit declines. Rapid and aggressive central bank tightening cycles as well as high inflation meant that many asset classes were subject to a drastic reset in valuations. The combination of interest rate hikes and equity market declines drove declines in the RBC Select Conservative Portfolio performance for 2022. These losses were not unique to the RBC SCP – A, which still delivered 2nd quartile results in its fund category.

Between 2018 and 2021 many of your clients decided to pay off their CFs and borrow from lenders other than RBC Life, using the values in their SRIA accounts as collateral. As a result, in 2022 the composition of the assets referenced in the SRRP was weighted toward non-leveraged (67% - as shown in the chart below). Given the increased size of the non-leveraged portion of the SRRP, the 2022 losses in the RBC SCP-A drove an overall loss in the SRRP that year. As at August 31, 2022, when the rate setting was done for the year beginning January 1, 2023, the year-to-date net performance of the SRRP was negative 9.61%. If immediately passed on as it was, this loss would have required a significant reduction in the crediting rate for 2023, perhaps to zero. While this loss did result in a lower SRIA credited rate than the prior year, the smoothing process helped to

preserve a rate of 3%. This is a benefit created by the smoothing feature of the SRIA, rather than being cause for concern.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	CAGR
RBC SCP - A return[1]	7.9%	4.1%	4.1%	5.8%	-3.0%	10.8%	8.5%	7.0%	-11%	4.43%	-	3.8%[2]
SRRP Net Return[3]	4.76%	4.58%	4.51%	4.52%	1.66%	5.84%	5.66%	4.76%	-6.85%	3.66%	-	3.23%[4]
Credited Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.25%	4.10%	4.10%	4.10%	3.00%	3.25%	
% in non-leveraged	4%	6%	16%	25%	34%	40%	52%	65%	67%	66%	-	
Loan rate	6.40%	6.40%	6.40%	6.40%	6.40%	6.05%	5.95%	5.95%	5.70%	5.05%	5.35%	

[1] Series A return is shown as calendar year return, except for 2023 which shows YTD as of Aug 31, 2023
[2] CAGR of RBC SCP - A returns from Jan 1, 2014 to Aug 31, 2023
[3] SRRP Net Returns shown as calendar year return, except for 2023 which shows annualized as of Aug 31, 2023
[4] CAGR of SRRP Net Returns from Jan 1, 2014 to Aug 31, 2023

The 2024 SRIA Credited Rate

For the RBC Select Conservative Portfolio, 2023 delivered stronger returns. With inflation moderating and rate hike cycles coming to an end, fixed income and equity performance significantly improved over 2022. This validated RBC GAM's beliefs that the overall market valuation reset in 2022 improved return expectations moving forward. As of November 30, 2023 the Fund was 1st Quartile.

As at August 31, 2023, when the rate setting was done for the year beginning January 1, 2024, the net CAGR of the asset types referenced in the SRRP was 3.23%. This return, together with a SAF for the prior losses, would have generated a crediting rate of 2.8% (3.23% - 0.45%). Observing the market volatility and the timing of the rate setting exercise, the SRIA crediting rate was set at 3.25% reflecting higher expected returns in 2024.

Reporting Errors

In our review, we did discover some reporting errors that were not material, but that we would like to take this opportunity to correct.

Our annual rate announcements have displayed the Historical Annualized Rates of Return of the asset types referenced in the SRRP. The tables contained in these announcements suggested that the Management Fee for the overall SRRP was 1.65%. In fact, RBC Life charged 1.65% on the leveraged portion of the SRRP and 1.84% on the non-leveraged portion of the SRRP. In the second table below, these are combined into an overall weighted Management Fee. As an example of this reporting error, the first table below shows the Historical Annualized Rates of Return of the assets referenced in the SRRP as published in our November 2023 rate announcement. In a separate row we have added the Implied Management Fee (i.e. that one may have inferred from the gross and net rates of return displayed).

The second table shows corrected figures. You will note the corrected Management Fees charged by RBC Life. The increasing Management Fee over time reflects the increased non leveraged portion of the SRRP. The August 31, 2023 year-to-date net rate of return and the average reported in our November 2023 Rate

Announcement were transcription errors. You will also note minor differences in the rates of return which are due in part to slightly inconsistent annual timeframes used.

November 2023 Rate Announcement

	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD Aug 31 2023	Avg.
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	1.64%	5.80%	5.50%	4.80%	-6.86%	2.42%	3.68%

Implied Management Fee	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%

Corrected Returns/Management Fees

	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD Aug 31 2023	CAGR/ AVE*
Net Rate of Return	4.76%	4.58%	4.51%	4.52%	1.66%	5.84%	5.66%	4.76%	-6.85%	3.66%	3.23%
Management Fee	1.66%	1.66%	1.67%	1.69%	1.71%	1.72%	1.73%	1.76%	1.77%	1.77%	1.71%

*CAGR pertains to Net Rate of Return, AVE pertains to Management Fee

As discussed above, the SRIA rate setting was not based on single year annual returns, but was based on the CAGR of the SRRP from January 1, 2014 up to August 31st of the calendar year and was smoothed over the period going back to January 1, 2014. Consequently, while we regret these reporting errors, we have determined that they would not have altered the ultimate rates set for the SRIA or the CF loans.

SRIA Rates are Comparable to other Smoothed Return Accounts in the Market

In the chart below we have shown the annual credited rates of similar smoothed return accounts in the life insurance marketplace. All such smoothed return account are designed to be long-term, stable return accounts. We point out that the average annual return of the SRIA has been higher than these other accounts. Your clients have not been disadvantaged by holding RBC Life's SRIA compared to other competitor accounts. This reflects the effectiveness of the efforts made by RBC Life to select the most advantageous asset mix as the reference portfolio while serving the design purpose of the product.

Year	RBC Life – SRIA (Smoothed Return Investment Account)	Industrial Alliance – SRIA	Industrial Alliance – SRDA
2014	4.75%	4.60%	
2015	4.75%	4.60%	
2016	4.75%	4.60%	
2017	4.75%	4.60%	
2018	4.75%	4.00%	
2019	4.25%	3.50%	
2020	4.10%	3.00%	
2021	4.10%	2.75%	3.50%
2022	4.10%	2.75%	3.50%
2023	3.00%	2.50%	3.40%
2024	3.25%	2.90%	3.80%
Average	**4.23%**	**3.62%**	**3.55%**

Conclusions

From our review of your letters and our consideration of the product design and rate setting methodology we have concluded the following:

1. In the context of and in response to the 2013 tax changes, our use of the RBC SCP-A as the reference for the non-leveraged portion of the SRRP was appropriate.
2. If we had referenced another investment portfolio with higher anticipated returns than the RBC SCP-A, we would have charged a higher Management Fee in order to keep the credited interest rate and loan rate at or within a reasonable range while remaining commercially viable.
3. Our process for calculating the SRIA crediting rates has been consistent and has benefited your clients. The alternatives you have proposed, with a higher Management Fee, would not have resulted in higher crediting rates for the SRIA.
4. RBC Life has not engaged in "double dipping". It charged only one Management Fee, and the Management Fee charged was in the range of 1.66% to 1.77% since 2014.
5. Your clients have not been disadvantaged by holding RBC Life's SRIA compared to other smoothed return accounts in the marketplace.
6. Our annual rate announcements contained some reporting errors, but these errors would not have altered the ultimate rates set for the SRIA or the CF loans, which are based on cumulative net returns of the SRRP.

Our Further Actions and Commitments

To improve and provide enhanced reporting going forward, RBC Life will:

1. Coordinate an annual portfolio review for brokers, of the RBC SCP – A with a portfolio specialist from RBC GAM so that you can share these insights with your clients. We will also coordinate ad hoc portfolio reviews when significant market or economic events happen.
2. Improve our November announcements and June semi-annual updates to include:
    a. The Proportions of SRRP reflecting the leveraged and non-leveraged accounts;
    b. The historic and current Management Fees;
    c. Updated commentary from RBC GAM on the performance of the RBC SCP – A.

We wish to thank you for this opportunity to respond to your letters and for your patience in awaiting our response.

Yours sincerely,



Rino D'Onofrio, President and COO

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