



Canada Compensation & Advancement Guidelines

Effective as of January 1, 2011 | Updated May 2016



A Transamerica Company

Our Platform. Your Dreams.

Never before and, most likely, never again will we experience a time of opportunity like we're living in today. In any industry – financial services included – one big marketing innovation can change the world. And, more importantly, it can change *your* world.

World Financial Group Canada Inc.'s (WFG) marketing innovation combines a world-class organization and resources to help people just like you reach their dreams. Earning a favorable return on your skills, knowledge, and time commitment requires the right model. If you're determined to own your future, the compensation and advancement structures offered by the WFG business platform are unlike anything you'll find in the financial industry.

WFG continues to expand each year as more associates rise through the advancement levels to become successful leaders. Are *you* ready to claim the tremendous potential that awaits you at WFG?

North American Earnings: Averages & Highest*

The following are the average and highest earnings for a rolling 12-month period through December 31, 2015 for North American associates who held life and life and securities licenses.

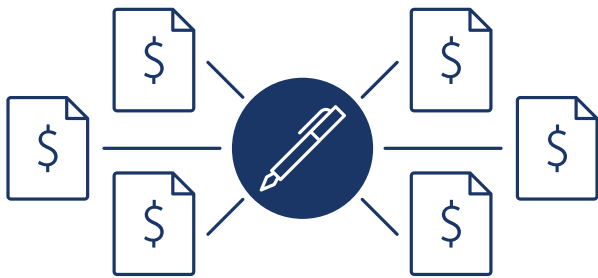
Leadership Level	Average Earnings	Highest Earnings
Senior Marketing Director (life licensed only)	\$71,906	\$819,906
Senior Marketing Director (life and securities only)	\$88,183	\$488,501
Executive Marketing Director	\$278,244	\$1,864,303
CEO Marketing Director	\$587,865	\$3,199,524
Executive Vice Chairman & Up	\$1,448,515	>\$10,000,000

* Different products are offered in the U.S., Puerto Rico, and Canada and may impact individual earning production. Earnings are in Canadian dollars and, with the exception of EVC Highest Earnings, are rounded to the nearest dollar. U.S. earnings calculated using a U.S. to Canada exchange rate from December 31, 2015. U.S. associates are affiliated with World Financial Group, Inc. Canadian associates are affiliated with World Financial Group Canada Inc.

*Now the only question is, how much do **you** want to earn?*

A Unique Blend of Ways To Earn Income*

WFG opens the door to success for anyone who has the spirit and desire to make a better life as a financial professional. Associates are rewarded with one of the industry's most robust compensation plans on a diversified product portfolio. You get the industry's most powerful business platform where, from day one, you have access to the support and systems necessary to get started and continue to grow at every level. As you advance through our ranks and build your business, you have the opportunity to earn more money while helping more people.



Personal Income

Every time you help a client and write new business, you earn a commission. As you reach certain preset levels, your commission percentage increases. Because we encourage our associates to reach out to everyone, and not just high earners, there are no limits to how many people you can help.



Agency Income

As you grow and expand your agency business, you have the opportunity to mentor and coach newly licensed associates. As these licensed associates write new business, you can earn a portion of the overall commissions.



Expansion Income

There are no territories to hold you and your business back. You're free to expand your business anywhere in North America.** From a local team to teams that you establish in other towns or even other provinces, our platform supports your efforts and helps you support your organization.



Bonus Income

Qualified leaders earn a pro-rata share of an override on our entire field force. Your portion of the bonus can grow based on your organization's production. Company-wide bonus pools can multiply and compound your earning potential, while rewarding leaders for the quantity and quality of their business.

* In order for a WFG associate to receive any compensation, they must be appropriately licensed and registered.

** Certain restrictions apply.

Get to know our language.

Generation

Each step on the advancement ladder is considered a generation in relation to the people above and below you.

Generational Override

Once you reach the Senior Marketing Director level, you're eligible to receive overrides for Senior Marketing Directors you develop up to six generations deep. Overrides are the earnings you receive from business produced by the people in your organization.

Rolling Time

The flexible period (days or months) used to calculate your production for an advancement. For example, a rolling three (3) months from April would include February, March and April.

Points

The values used for advancements, contests, bonus pools, leaders bulletin rankings and other recognition, which are calculated from the total revenue generated. Our point system, crossing multiple companies and products, is unique to our platform. Points are accumulated based on the type of product sold and the total percentage to the field.

Guidelines¹

Base Development

	Associate (Level 10) ²	Marketing Director (MD - Level 17) ²	Senior Marketing Director (SMD - Level 20) ^{3, 4, 5}
Rolling Time	30 days	3 months	3 months
Associates/Legs	3 New Associates	3 Direct Associates	3 direct legs (1 must be MD level 17)
Licensed Associates in your organization	—	5	10 (6 life licensed) ⁶
Field Training Appointments	3 (non-securities only)	—	—
Production	—	40,000 base shop net points	75,000 base shop net points ⁷
Cash Flow (Rolling Time)	—	—	\$35,000 (12 months) or \$20,000 (6 months)

Alternatively

Rolling Time	3 months	—	12 months
Production	20,000 personal net points	—	225,000 base shop net points ⁷
Cash Flow (Rolling Time)	—	—	\$35,000 (12 months) or \$20,000 (6 months)

Executive Development

	Executive Marketing Director (EMD - Level 65) ^{8, 9, 10}	CEO Marketing Director (CEO MD - Level 70) ^{8, 9, 10}	Executive Vice Chairman (EVC - Level 87) ^{8, 9, 10}
Rolling 6 Months			
Direct SMD Legs	3 ^{5, 11}	6 ^{5, 11}	9 ^{5, 11}
Base - 1 st Net Points	500,000 ¹²	1 million ¹²	1.5 million ¹³
Rolling 12 Months			
Direct SMD Legs	3 ^{5, 11}	6 ^{5, 11}	9 ^{5, 11}
Base - 1 st Net Points	750,000 ¹²	1.5 million ¹²	2.25 million ¹³

For more specific advancement criteria, including qualifications for advancement levels above EVC, please go to MyWFG.com.

Compensation Guidelines^{14, 15}

Business Development

Title	Life	Mutual Funds
Training Associate.....	26	24
Associate.....	36	34
Marketing Director.....	51	49
Senior Marketing Director.....	66	64

Business Expansion

Title	Life	Mutual Funds
1 st Generation.....	12	12
2 nd Generation.....	5.5	5.5
3 rd Generation.....	3	3
4 th Generation.....	2	2
5 th Generation.....	1	1
6 th Generation.....	0.5	0.5
Total Generation Override	24	24

Business Supervision¹²

Title	Life	Mutual Funds
Branch Office Supervisor.....	2	5

Total Bonus Pool Program

Life	Mutual Funds
8	7

Referral Compensation: Compensation for referral products and services is based on the license of the associate making the referral. Non-licensed and life licensed associates who make a referral are compensated based on the Life Products compensation schedule. Mutual fund and dually licensed associates who make referrals are paid based on the Mutual Funds compensation table.

Total	100%	100%
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Base Shop Commission Bonus Pool^{16, 17, 18}

40%¹⁹

- SMD level and higher
- 25,000 base shop net points with 3 or more recruits; **or** 30,000 base shop net points with less than 3 recruits
- Requires a minimum 60% Tracked Block of Business²⁰

Super Base Commission Bonus Pool^{16, 17, 18, 21}

30%¹⁹

- EMD level and higher
- 15,000 base shop net points and 100,000 base through 1st Generation net points
- Requires a minimum 60% Tracked Block of Business
- Pays on 1st Generation net points
- Base shop qualification exemption for EVCs and up who have 100,000 base through 1st Generation net points and 10 million rolling 12 month base through 6th Generation net points

Super Team Commission Bonus Pool^{16, 17, 18, 21}

30%¹⁹

- EMD level and higher
- 100,000 base through 1st net points and 500,000 base through 6th Generation net points
- Requires a minimum 60% Tracked Block of Business
- Pays on 1st through 6th Generation net points

Gross Points

Your positive points and any negative points generated by internal corrections, such as repays.

Net Points

The sum of your total points, both positive and negative.

Net Point Ratio

Your net points divided by your gross points. This calculation provides a general comparison of the ratio of total submitted business to that which is issued and in-force.

Leg

Anyone you personally add to your organization including his/her team.

Base Shop

The Training Associates, Associates, Marketing Directors and Senior Marketing Director.

Super Base

The Senior Marketing Director's base shop and the 1st generation SMDs and their base shops developed within your organization.

Super Team

The Senior Marketing Director's base shop and six generations of SMDs and their base shops developed within your organization.

The WFG Dream

WFG offers an excellent income opportunity. The following example shows how helping a family results in a \$3,367 commission paid to the field, with the commission based on an average Life Insurance Policy sale to an individual who is contributing \$175 per month to the policy.^{22,23,24}



\$4,849/month²⁵

\$58,193/year²⁵

Associate^{24,26}

Helps four families per month



\$8,891/month²⁵

\$106,687/year²⁵

Senior Marketing Director^{24,26}

Helps four families per month



\$20,206/month²⁵

\$242,470/year²⁵

Senior Marketing Director

Leading a Five-Person Organization^{24,26}

Only Senior Marketing Director's associates²⁷ help four families each per month



\$29,096/month²⁵

\$349,156/year²⁵

Senior Marketing Director

Leading a Five-Person Organization^{24,26}

Senior Marketing Director and each member²⁷ of the organization help four families per month

This doesn't even include income available to associates from renewals, trails, fees, bonuses, or sales from the diversified product portfolio.

*Are you ready to claim the tremendous
potential that awaits you at WFG?*

- 1 WFG's advancement guidelines are subject to change at any time. Unless otherwise specified, advancement guidelines are for all WFG associates. WFG advancement levels, e.g. Marketing Director, are internal titles, are used for internal purposes only and do not reflect a securities license or designation.
- 2 Advancement requires approval of direct upline SMD.
- 3 Advancement requires approval of direct SMD and CEO MD.
- 4 A Builder's Exchange is a one-time option that must be requested concurrently with the SMD advancement.
- 5 The associate must maintain an acceptable Tracked Block of Business (TBB) for six (6) months following their SMD advancement to retain their "qualified" SMD status. If the associate does not maintain an acceptable TBB, he/she will remain at level 20 but they will no longer be a "qualified" SMD, so his/her upline cannot count the SMD toward any Executive Level advancements until the SMD re-qualifies with all new production.
- 6 The remaining four (4) can be a combination of other licenses, including Referral Program Certification in all Canadian provinces and, in Quebec, health licenses.
- 7 No more than one-half (1/2) Net points can be personal and one-half (1/2) or less Net points can be from any other leg for SMD advancements. Flanked points can count toward an advancement to SMD if the flanking occurred while the downline reported to the upline MD (Level 17) – transfers do not apply – or if the downline earned the advancement to SMD prior to the upline MD.
- 8 The associate must have an acceptable Net Point Ratio (NPR) to qualify for an advancement.
- 9 Points/Legs earned through Base Shop Standard of Excellence will not count toward advancements. To maintain an EMD level, an associate is required to be dually licensed. If an associate is not dually licensed at the time of his/her advancement to EMD, he/she must obtain his/her securities license within six (6) months from the date of the advancement. Please see the MyWFG.com for more information on the Base Shop Standards of Excellence.
- 10 For EMD, CEO MD and EVC advancements, the associate must maintain an acceptable Tracked Block of Business (60% minimum) for six months following the advancement. If the EMD does not maintain a TBB of 60% or higher, he/she will be demoted to SMD. If the CEO MD does not maintain a TBB of 60% or higher, he/she will be demoted to EMD. If the EVC does not maintain a TBB of 60% or higher, he/she will be demoted to CEO MD.
- 11 An exception advancement to SMD (Level 20) will not count as a leg toward an upline's Executive Level advancement until that SMD (Level 20) associate fulfills all the published SMD requirements. A recent transfer cannot count as a qualified SMD leg for a period of six (6) months.
- 12 For EMD and CEO MD advancement levels, no more than one-half (1/2) Net points can be from any other leg or his/her own base shop.
- 13 No more than one-third (1/3) Net points can be from your own base shop or any other leg.
- 14 WFG is the paymaster of any compensation to associates from WFGIA and WFGS, pursuant to the terms, rates and/or schedules established by WFGIA and/or WFGS. Compensation terms, rates and/or schedules for products sold or referred through WFG are established by WFG. WFG, WFGIA and WFGS reserve the right to change their respective compensation terms, rates and/or schedules at any time.
- 15 Associates must be active and hold a valid license to receive commissions and overrides. In Quebec business, associates must hold a valid license in the province of Quebec to receive commissions & overrides. Please refer to the Field Manual on MyWFG.com for complete commission validation rules.
- 16 To participate in the bonus pools, the associate must be the appropriate level for the entire month. An EMD advancement that relied on an SMD advancement – one that is within six (6) months of the associate's run for EMD – whose qualified SMD status has been revoked will retain his/her EMD advancement, but will not be able to qualify for Super Base, Super Team or Advisory bonus pools until the EMD meets the three (3) direct SMD leg requirement.
- 17 For bonus pool payout information, please check your commission statement on MyWFG.com.
- 18 Pool compensation is subject to change at any time without prior notification.
- 19 Percentage of total pool dollars.
- 20 If an SMD (Level 20) meets the points and/or recruit requirements and does not have the minimum Tracked Block of Business (TBB), he/she will be given two exemptions to remain in the pool. However, if the SMD falls below the minimum TBB after using the two exemptions, he/she will be excluded from any Base Shop Pool for which he/she does not meet the TBB requirement. The two exemptions are only available to SMDs.
- 21 Unless otherwise specified, to participate in the Super Base and Super Team bonus pools the associate must be securities licensed the entire month. An EMD advancement that relied on an SMD advancement – one that is within six (6) months of the associate's run for EMD – whose qualified SMD status has been revoked will retain his/her EMD advancement, but will not be able to qualify for Super Base, Super Team or Advisory bonus pools until the EMD meets the three (3) direct SMD leg requirement.
- 22 In order to sell securities or insurance products, a financial professional must be duly qualified and licensed with WFG Securities Inc. and/or World Financial Group Insurance Agency of Canada Inc.
- 23 Opportunities to build other income may be achieved by qualifying for additional compensation and by qualifying for bonus pools. Commission amount may vary based on product type and size of purchase.
- 24 This is a hypothetical scenario for illustrative purposes only. There is no assurance that these results can or will be achieved. Income is earned from sales of World Financial Group-authorized products and services. No income is earned for recruiting. See the current World Financial Group Canadian Field Manual for compensation percentages all diversified product lines. All compensation plans subject to change. Advancement criteria designations are determined and offered by or through World Financial Group. Personal percentages earned on products may vary based on advancement level with WFG. WFG Associate contract level of 36%, Senior Marketing Director contract level of 66%, Senior Marketing Director override level of 32%.
- 25 Amounts are rounded to the nearest dollar.
- 26 Associates of World Financial Group are independent contractors, regardless of field title/designation.
- 27 The example assumes all Senior Marketing Director's team members are at the Associate level.



World Financial Group Canada Inc. (WFG) is a financial services marketing company whose affiliates offer a broad array of financial products and services.

World Financial Group Insurance Agency of Canada Inc. (WFGIA) offers life insurance and segregated funds.

WFG Securities Inc. (WFGS) offers mutual funds.

WFG, WFGIA and WFGS are affiliated companies.

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