

CODE OF ETHICS

Introduction

The Code of Ethics sets out the type of business conduct and personal ethics that is required of the distributors of our products. The Code is a means of providing formal guidelines to advisors of what is expected, and it sets out our minimum standards of behaviour.

Standard Life's Code of Ethics consists of eight Principles focusing on customer needs and on ensuring a sales process of the highest integrity. Its requirements are based on common sense and sound legal and business practice. The Code incorporates industry practices and initiatives undertaken to build consumer confidence, including but not limited to, the Advisor [Disclosure Reference Document](#), and, [The Approach](#).

The following eight Principles are the ethical standards to which all advisors selling our products must adhere to:

- I. [Compliance with the Code, Laws, Rules, Regulations and Company Policies & Procedures](#)
- II. [Avoiding Conflict of Interest](#)
- III. [Act Competently, Professionally and with Integrity](#)
- IV. [Needs Selling and Continuous Service](#)
- V. [Disclosure](#)
- VI. [Priority of Client's Interests](#)
- VII. [Confidentiality](#)
- VIII. [Documentation](#)

- I. **Compliance with the Code, Laws, Rules, Regulations and Company Policies & Procedures**
You must comply with all applicable federal and provincial laws and regulations, and with all company standards governing the sales process.

1. The Code

The provisions of the Code are mandatory and full compliance is required under any circumstances. Some provisions within each Principle may not apply to all the products you sell. It is important that you embrace not merely the "letter" of the Code, but the "spirit" to ensure best practices and to provide adequate disclosure to enable consumers to make an informed decision.

The Code does not attempt to deal specifically with all aspects of the conduct of your business, and certain situations may arise in which it is difficult to determine with certainty the appropriate course of action to follow. If you are in doubt about the application of the Code to a specific situation, you should refer the matter to Standard Life.

Violation of the Code will result in actions, which could include the termination of your contract.

2. Laws, Rules & Regulations

You must comply with all federal, provincial, municipal and local laws, regulations and best practices in the jurisdiction in which you operate.

3. Licenses

You must hold the appropriate provincial license before providing advice on a specific product and maintain Errors and Omissions coverage.

4. Anti-Fraud

You should follow strict standards to prevent fraud and dishonesty and, where any evidence of an infraction is revealed you should report it immediately to Standard Life's Legal & Compliance department, so that further investigation can be promptly initiated.

5. Coercive Tied Selling

You must not engage in any coercive tied selling, and your clients should be made aware that they are not obligated to transact any other business with Standard Life or you as a condition of a transaction.

6. Commission or Premium Rebating

You must not make any agreement with clients regarding the premium to be paid for a policy that is different than the one set out in the policy contract, pay or rebate all or part of the premium stipulated by a policy contract, or offer anything of value that is intended to be in the nature of a rebate of the premium or commission.

7. Policy Delivery

Policies must be delivered as soon as they are issued to allow the client to review the policy. Delivery of the policy must be in accordance with provincial regulations and company procedures. You must obtain and keep on file, a receipt signed by the client acknowledging delivery of the policy document.

8. Anti-Money Laundering / Anti-Terrorist Financing

You must be aware and fulfill your obligations under the AML/ATF regulations.

You are expected to comply with all requirements of AML/ATF. Detecting money laundering and terrorist financing activity requires you to properly identify and authenticate your clients, and to report any suspicious transactions made by your customers to the regulator. Failure to do so may expose you to legal sanctions, financial penalties and lasting damage to your reputation.

9. Company Policies and Procedures

You are expected to comply with the Company's policies and procedures governing the sales process.

II. Avoiding Conflict of Interest

You must conduct your business affair in a manner that ensures that your private or personal interests do not conflict with the interests of clients, including conflicts that result in personal, financial or other gain.

1. Status and Introduction

When consumers are considering the purchase of a life or health insurance product, it is important that they have adequate information to make an informed decision. Prior to taking an application, you must provide clients with full and accurate disclosure of your licensing status, the products and services you are authorized to sell, your qualifications, your relationship with Standard Life, the companies you represent and the services you can provide.

2. Personal Interest

You must ensure that actions taken and the advice you give to your clients are free from the influence of any interest that might reasonably be regarded as conflicting with the interest of your client. In this regard, your personal or outside interest must not conflict, either directly or

indirectly, with your duties to your clients. You should, therefore, avoid situations in which your personal interests, or are likely to conflict, with your duties to your clients.

If you have a conflicting or possibly conflicting interest, you must make timely written disclosure of the conflict that you may have with respect to any transaction, to your client. In certain jurisdictions, if you are in a conflict of interest situation you must avoid the conflict or remove yourself from the transaction, regardless of disclosure.

The need to disclose conflicts of interest applies on an ongoing basis, with respect to each recommendation or transaction (and not just on an account-opening basis).

III. Act Competently, Professionally and with Integrity

You must deal fairly with your clients and Standard Life. We must all treat each other with dignity, respecting individual differences. Provide services, advice or information only where you are licensed and competent to do so.

1. Standard of Professional Competence

You are expected to uphold the highest standards of professional competence by continuously seeking to maintain and improve your level of knowledge and your professional skills.

You must give advice only where you are competent and fully licensed to do so. If a situation calls for expertise you do not possess, ensure that the limitations of your advice are understood. You should seek assistance from an expert or refer the client to a qualified advisor.

You must comply with provincial continuing education requirements to maintain and improve your knowledge.

2. Insurance Practices

Standard Life is committed to compliance with all applicable insurance statutes and regulations, the guidelines of the Canadian Life and Health Insurance Association and best practices with respect to fair insurance practices.

You must not engage in practices, which are prohibited under provincial legislation and company's rules and procedures, including but not limited to:

- ◆ Premium and/or commission rebating.
- ◆ Improper replacement of insurance policies, twisting or churning.
- ◆ Making false or misleading statements or representations in the solicitation of insurance.
- ◆ Making incomplete comparisons of contracts of insurance.
- ◆ Misrepresentation or fraud.
- ◆ None disclosure of conflict of interest.
- ◆ Inappropriate disclosure at point-of-sale.
- ◆ Not respecting the client's right to privacy.

3. Industry Practices

You must conduct your business in compliance with industry principles and practices.

Principles introduced by regulators are intended to protect consumers and manage conflicts of interest that might arise in the sale of financial products. These principles and the industry

practices that address them combine to help ensure that clients are well served by sound and effective sales practices and ensure that the interest of the client are placed ahead of those of the advisor.

Many of these practices are joint industry initiatives and are the result of cooperative effort involving industry associations. They have been developed to address the regulators' principles for managing conflicts of interest, and include, but are not limited to the "[Advisor Disclosure Reference Document](#)" and "[The Approach](#)".

IV. **Needs Selling and Continuous Service**

Identifying the client's needs before offering advice and paying continuous attention to those needs. The recommended product or service must be appropriate for the needs of the client as determined by a needs-based assessment done by you and/or as identified by the client¹.

Conduct fact-finding to determine the client's financial situation, needs, objectives and risk tolerance. You and the client should have a common understanding about the services that the client expects you to provide in the immediate transaction and ongoing relationship. You should inform the client about any changes that may affect this relationship.

You should obtain information about the client as is reasonable in the circumstances. For information that was not supplied by the client, you may wish to inform the client about the impact that working with limited information has on the services provided (if any).

The product you recommended and the professional advice you provided should address a client's need given the circumstances at the time of sale.

When a sale has been made, conduct periodic reviews to ensure that the client's financial needs continue to be met.

V. **Disclosure**

When a consumer is considering the purchase of a life or health insurance product, it is important that they have good information about the product, how it meets their needs, the company offering the product, and the advisor and the advisor's business relationships².

1. Products and Services

You must provide clients with information about the range of products and services you offer and are authorized to sell by giving full and accurate disclosure of all facts required to make an informed decision.

2. Companies You Represent

You should provide the client with the list of companies you represent. Understanding the companies you represent and range of product you can sell helps the client in assessing if you are likely to offer objective recommendations.

3. Product Disclosure³

¹ [Reference Document - The Approach: Serving the Client Through Need-based Sales Practices](#), October 2007

² [Advisor Disclosure: Reference Document](#), March 2005

³ CLHIA Guideline G1 Product Disclosure

You must provide clients with information about the product they are about to purchase prior to taking an application. This means descriptive information regarding the Product and the insurer offering it. The product disclosure must include, but is not limited to:

- a. Insurer Information:** The name of the insurer that will issue the Product and sufficient contact information so that the consumer can communicate with the insurer if desired.
- b. Product information:** This includes:
 - i. Type of product;
 - ii. Features and benefits;
 - iii. Guaranteed and non-guaranteed features and benefits;
 - iv. Premium & fees information;
 - v. Limitations, reductions and exclusions;
 - vi. Non-cancellability and non-renewability (Accident & Sickness or Disability only); and
 - vii. Disability definitions.
- c. Consumer Rights and Responsibilities:** This includes:
 - i. Rescission rights;
 - ii. Consequences for consumer non-disclosure or misstatements; and
 - iii. Change in circumstance between application and delivery.
- d. Effective Date of Coverage:** Information about when coverage takes effect.
- e. Date of Document:** Date (e.g., month and year) on which each product disclosure document has been prepared.

To assist you in meeting this requirement, product [disclosure documents](#) have been prepared and made available on the Standard Life [website](#).

4. Compensation Disclosure

The fact that you will receive compensation (such as commissions) for the sale of life and health insurance company products should be disclosed to the client. The level of disclosure should provide consumer with basic understanding of how you are paid, and by whom. Compensation from all sources should be disclosed to the clients.

5. Disclosure of Other Compensation, Non-Monetary Benefits and Conferences

You must disclose to your clients the fact that you may receive additional compensation in the form of bonuses, conference programs, conventions or other incentives.

6. Illustration of Standard Life's Products

Illustrations of Standard Life products may only be produced using the Company's most current authorized illustration software. You must ensure that the illustration of values is clear and fair and you must avoid practices that may mislead or deceive. Where required, illustrations must be signed by you and the client, and attached to the application.

VI. Priority of Client's Interests

Always give priority to the client's interests when providing advice.

You are expected, at all times, to place the client's interests above your own direct or indirect personal interests in the sales process.

Your recommendations regarding products to be bought must always be based on the client's needs, regardless of any remuneration you might receive.

VII. Confidentiality

Holding the personal and business information of clients in the strictest confidence. Maintain the confidentiality of information entrusted to you and do not use confidential or private information for personal gain.

You must comply with all federal and provincial Privacy Laws & Regulations, Standard Life's [Privacy Policy](#) and with all internal privacy and confidentiality standards governing the sales process.

Collect personal information only when it is pertinent to the sales process. You must make every reasonable effort to ensure that personal information is kept accurate, complete, secure and used only for the purposes for which it was collected. Obtain personal information directly from the client. The client must be notified and his/her authorization obtained before personal information is collected from any other source. Personal information must not be disclosed without the knowledge and permission of the person to whom it relates.

Information in client files is considered confidential and you must employ proper safeguards to protect its confidentiality.

VIII. Documentation

Providing the client with a written copy of any advice given and retaining sufficient information in client files to demonstrate the appropriateness of all sales. You should maintain records that show the scope and nature of the needs assessed⁴.

You should maintain records that demonstrate the rationale of the recommendations that were made or the advice that was given⁵. In a separate file for each individual client, information must be retained to show that the client has been recommended a suitable product and has been given the best advice. Full details of the fact-find should be retained. You should also retain a copy of your recommendations to the client along with your written explanations.

All files pertaining to life insurance business should be kept separate from files containing information on other financial services such as the sale of mutual funds.

Your books and records must reflect all business transactions in an accurate and timely manner.

⁴ [Reference Document - The Approach: Serving the Client Through Need-based Sales Practices](#), October 2007

⁵ [Reference Document - The Approach: Serving the Client Through Need-based Sales Practices](#), October 2007