



Johnson Schock Lowden Inc. Disclosure Statement

Appendix A

Summary

Thank you for working with Johnson Schock Lowden Inc (JSL). Our organization is committed to being a full service consultant and broker in the employee benefits industry. What that means is that we take our position, as your impartial advisor, seriously. In that regard, we want you to be assured that our interests lie in your complete satisfaction. In negotiating group benefits, we represent you, the customer and plan sponsor. We complete a thorough analysis of your organization and assist you in designing and managing your employee benefits.

JSL has been a fully licensed organization, in the Province of Ontario, since 1976. Over the past 30 years, we have developed relationships with all of the major providers in the group insurance and group retirement industries. Because of these relationships, JSL can obtain quotes for you from any of the major companies. We have always been committed to spreading our block of business over as many providers as we can in order to never appear as though we were favoring one company from another. At the present time, we have our clients with: ACE INA, Benefits by Design, Co-operators, Desjardins Financial, Empire Life, Equitable Life, Great-West Life, Green Shield, Industrial Alliance, ManuLife Financial, RBC Insurance Sun Life Financial and Standard Life.

As a broker, JSL can earn their income in a number of different ways. The two most popular ways of earning compensation are "fee-for-service" and "commission". The majority of our business is commission driven. In the 1980's Crown Life developed a commission scale that adjusted up or down based on the amount of premium an account generates per year. This commission scale came to be known as the Crown Commission Scale and was intended to be used by all brokers as a standard benchmark. We have always made sure to work within these parameters when negotiating and managing our clients. In some cases, arrangements could vary depending upon the amount of additional service required.

In addition to the commission we are paid by the insurance company, we may also be eligible for additional "second-tier" compensation such as bonuses, profit-sharing or non-monetary benefits, such as conferences. This second-tier compensation is dependent upon qualification standards that vary by insurance company. By and large it centers on the success of our organization through the volume of sales as well as persistency of accounts.

In our role, it is our duty to disclose any conflict of interest with respect to this sales transaction as it pertains to your account. Please rest assured that our recommendations are made based on the analysis and assessment of your needs and not the needs of JSL. If, at any time, you wish to discuss our compensation in greater detail, please let us know and we will be happy to provide you with all relevant documents.



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