

Broker Compensation Policy for Contract Insurance and Bonding (CIB) Products

Policy Effective Date

April 1, 2006

Eligible CIB Products with CIB Commission Rate

- **Surety Bond Insurance under a Fronting Agreement:** 15% of Bond Premium
- **Performance Security Insurance:** 15% of Policy Premium
- **Contract Frustration Insurance:** 15% of Policy Premium

Notes

EDC will pay a broker commission on an Eligible CIB Product at the above indicated CIB Commission Rate provided the broker submits to EDC a completed and documented EDC application for cover, and provided the Broker is a registered insurance broker licensed to carry on business as an insurance broker in the applicable Canadian province or territory, in accordance with applicable provincial or territorial insurance laws. Where the exporter or investor has already approached EDC, or initiated discussions with EDC to obtain cover prior to receipt of the application from the broker, commissions may not be payable, or may be reduced to a level reflective of the broker's active contribution to the process.

Only the CIB products listed above are eligible for the payment of a broker commission. EDC will not pay commissions on other CIB products, including but not limited to Performance Security Guarantee or other forms of Surety Bond Insurance. Brokers are encouraged to contact EDC if they have any questions regarding eligibility.

Transactions which are supported under EDC's CANADA ACCOUNT instead of EDC's CORPORATE ACCOUNT are not eligible for commission.

EDC reserves the right to communicate directly with exporters and investors where it considers it necessary, and it will keep the broker informed of these communications.

Brokers agree to return to EDC commissions on insurance or bonds that are canceled for any reason and commissions on the part of any premium that is reduced for any reason. Commissions must be returned to EDC at the same rate as they were originally paid by EDC.

Brokers are responsible for disclosing to EDC on an on-going basis, all pertinent market or account information that may affect the risk.