NORTH AMERICAN®
A Sammons Financial Company

AGENCY AGREEMENT

BACKGROUND

For the purpose of this Agency Agreement ("Agreement"), Agency shall mean any non-natural-person that is a party to this Agreement, and includes but is not limited to, Sole Proprietorship, Partnerships, Corporation, Limited Liability Corporation ("LLC"), or Limited Partnership ("LP");

North American Company for Life and Health Insurance ("Company") desires to enhance the marketing and sale of certain fixed insurance products issued by Company ("Products");

Agency markets, wholesales, and assists with issuance of Company's insurance products, including recruiting and training agents;

North American Company for Life and Health Insurance ("Company") desires to enhance the marketing and sale of certain fixed insurance products issued by Company ("Products");

Company desires to appoint Agency to market, distribute and administer the Products and to recruit and recommend agents to Company and any insurance company affiliate of Company; and

Agency desires to represent Company and any insurance company affiliate of Company, and perform the services described in this Agreement, all upon the terms and subject to the conditions set forth more fully below.

REPRESENTATIONS

REPRESENTATIONS BY COMPANY

Company represents that it is duly licensed in accordance with all applicable laws and regulations and has the authority to issue Company Products in the states where the Agency is authorized to conduct business, except as disclosed to Agency in writing. Company agrees to notify Agency promptly of any changes in such authority. Company will seek to have Company Products approved by state insurance authorities in jurisdictions where those Products will be offered.

Company represents that it will conduct its activities pertaining to this Agreement in material conformity with all applicable federal and state laws and/or regulations. Company represents that all material that Company makes available to Agency will comply in all material respects with any and all applicable federal and state securities laws.

Company represents that the entering into and performance of this Agreement does not and will not conflict with or cause a breach of any other agreement to which it is a party and that it has full power and authority to enter into this Agreement and to carry out its duties and obligations hereunder.

REPRESENTATIONS BY AGENCY

Agency represents that it has the authority to execute this Agreement on its own behalf and on behalf of any of its affiliated agencies providing the services set forth in this Agreement.

Agency represents that it will conduct its activities pertaining to this Agreement in material conformity with all applicable federal and state laws, rules and/or regulations.

Agency represents that it and its affiliated agencies will comply with all applicable state insurance requirements and have obtained and will maintain any security and/or insurance licenses required by the state insurance authorities for the types of Company Products it will offer and service.

Agency represents that it has all necessary contractual arrangements in place to receive any payment for the sale of any Product on its behalf and on behalf of its affiliated agencies.

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Agency represents that it will ensure that duly licensed agents recommend applications only in those states in which such Company Products are approved.

Agency represents that the entering into and performance of this Agreement does not and will not conflict with or cause a breach of any other agreement to which it is a party and that it has full power and authority to enter into this Agreement and to carry out its duties and obligations hereunder.

NOW THEREFORE, in consideration of the foregoing background recitals, representations and the mutual promises and undertakings set forth herein, the parties hereto, intending to be legally bound, agree as follows:

1. AUTHORIZATION

1.1 **Appointment and Exclusivity.** Company appoints Agency on a non-exclusive basis as an insurance agency to facilitate agents in soliciting applications for those Company Products set forth on the Commission Schedule Addendum and applicable to Agency. The "Effective Date" of this Agreement is: (a) the date Company executes this Agreement if Agency is not currently appointed by Company; or (b) the earlier of the date on which you receive any compensation from Company or Company receives an application from you for a Company Product if you are a currently an appointed Agency with Company. Agency hereby accepts Company's appointment. By accepting this appointment, Agency agrees to the terms, conditions, and limitations of the appointment set forth herein. Agency is authorized to conduct business on behalf of Company under the terms of this Agreement and only in those states and territories where Company is authorized to conduct business and where Agency is duly licensed to conduct such business.

1.2 **Recruiting.**

(a) Agency may recommend to Company duly licensed subagencies, agents, or subagents to solicit Company Products subject to the requirements of Company. Company, in its sole discretion, may refuse to appoint any agency, agent or subagent recommendation pursuant to this Section.

(b) At Company's discretion, each agent or subagent recommended to and acceptable to Company shall enter into a written agreement directly with Company (an "agent contract") in form and content acceptable to Company.

(c) At Company's discretion, each subagency recommended by Agency, and acceptable to Company, shall enter into a separate written agreement directly with Company ("agency agreement") in form and content acceptable to Company. subgency shall mean any non-natural-person that is a party to an agency agreement with Company and is in the Agency's Downline.

(d) Downline, for the purpose of this Agreement, shall mean any subgency, agent or subagent appointed with Company that is a party to a written agency agreement or agent contract with Company and assigned to Agency.

(e) Compensation payable to Agency's Downline shall be limited to and paid consistent with the Commission Schedule Addendums included as part of the Downline's agent contract or agency agreement, as applicable, Agency shall be responsible for the compensation payable to any Downline who is not required by Company to enter into a contract or other written agreement, subject to the terms of this Agreement.

(f) Company may terminate the appointment, agent contract, or agency agreement with any subagency, agent, or subagent at any time, for any reason, or for no reason.

1.3 **Agents.** Each agent, including any subagency or subagent, shall be duly licensed and appointed at all times to offer, market, sell, distribute, and service Company Products as required by law, this Agreement and the agent contract or agency contract, as applicable.

1.4 **Instructions.** In performing its obligations under this Agreement, Agency shall comply with all lawful rules, practices, instructions, regulations, procedures and guidelines (collectively, the "Instructions") as may be established by Company from time to time and of which Agency has received notice. Company will provide notice to Agency of Instructions and any changes thereto using any of the methods as provided in the Notice section of this Agreement, including posting said changes to a Company website to which Agency has access.

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1.5 **Reporting Violations.** Agency shall promptly notify Company in writing if Agency obtains knowledge that any agent recruited by Agency, or it's Sub-Agencies, under this Agreement has failed to comply with (a) any applicable federal or state laws and/or regulations; or (b) any Instructions; or (c) any policies or procedures of Company. 1.6 Status as Independent Contractor. It is understood and agreed that Agency, any subgency, agent, or subagent, are independent contractors of Company and are not employees of Company. Nothing contained in this Agreement shall create, or be construed to create, the relationship of an employer and employee between Company and Agency or any of Agency's employees, subagencies, agents, or subagents. Agency shall be free to exercise its own judgment as to the persons from whom it will solicit applications and as to the time, manner and place of solicitation, subject to applicable federal and state laws and regulations. Agency may represent other insurance companies while this Agreement is in force; provided, however, that while doing so Agency may not hold itself out in any manner as acting on behalf of Company. Agency shall bear its own costs and expenses in performing its duties under this Agreement. Agency agrees that its compensation is determined by the terms of this Agreement or any Commission Schedule Addendums or other addendums to this Agreement. Agency is not eligible to participate in any employee benefit programs that Company offers to its employees.

Agency may have relationships with subagencies, agents, and subagents who also are contracted with Company. For instance, Agency may recruit other subagencies, agents or subagents who report to Agency under a formal or informal arrangement in which commissions are shared. Agency is responsible for training and supervising any such agencies, agents or subagents report to Agency. In such circumstances where appropriate, each subagency, agent or subagent shall have a separate agency agreement or agent contract, as applicable, directly with Company and shall be considered independent contractors of Company. Company shall not be a party to any form of agency agreement, agent contract, or other agreement between Agency and such agencies, agents and subagents and shall have no responsibility with regard to any such relationships. Company reserves the right to terminate the appointments of any subagencies, agents or subagents at any time pursuant to Company's direct contractual rights.

1.7 **Limitations.** Unless otherwise authorized in writing by Company, Agency shall have no authority on behalf of Company to:

(a) accept risks, determine insurability, or bind Company or any affiliate of Company in any way;

(b) misrepresent any Products or services of Company or any affiliate of Company, make or modify Products or other products on behalf of Company or any affiliate of Company, or waive any rights or requirements of Company or any affiliate of Company;

(c) extend the time of payment of any premium or accept the payment of past due premium;

(d) collect or receive deferred or renewal premiums;

(e) endorse, cash or deposit any check or draft made payable to Company or any affiliate of Company;

(f) accept or deposit any check or draft for premiums made payable to any person or entity other than Company;

(g) open any bank account or trust account on behalf of, for the benefit of, or containing the name of Company or any affiliate of Company;

(h) settle any claim or claims related to the Products;

(i) commence any suit or action before any court or authority relating to any of the Products;

(j) directly or indirectly rebate any portion of the premium to the insured or to any other party;

(k) directly or indirectly cause or attempt to cause any employee, agent or representative of Company or any affiliate of Company to terminate or alter his or her association with Company or such affiliate;

(l) induce or attempt to induce any policyholder of Company or any affiliate of Company to relinquish, surrender, replace or lapse their policies;

(m) incur any indebtedness on behalf of Company or any affiliate of Company;

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(n) use, alter, amend or remove any trade name, brand, trademark or service mark of Company or any affiliate of Company (collectively, "Trademarks") from any Product or other property of Company without prior written approval of Company;

(o) use any property of Company or any affiliate of Company, including but not limited to Trademarks, policy forms, applications, records, manuals, or supplies after termination of this Agreement, or

(p) do or perform any act or exercise any authority on behalf of Company or any affiliate of Company other than expressly authorized herein, without the prior written consent of Company.

1.8 **Company's Rights.** In addition to any other rights of Company specified in this Agreement, Company may at any time and in its sole discretion: (a) discontinue any Company Product in any state: (b) change any Company Product, including, but not limited to, the premium or renewal rate; (c) set maximum or minimum limits on any Company Product; (d) change the conditions under which any Company Product may be offered; (e) change, amend, delete, add or otherwise modify Instructions; (f) cease doing business in any state or territory; (g) unilaterally amend the payment of any commissions, bonuses, benefits or other compensation that may be payable under this Agreement as specified in Section 4.3; (h) reject any submitted applications; (i) establish and apply underwriting standards to any applicant, insured, or annuitant; (j) refuse to appoint or contract any subagency, agent, or subagent recruited by Agency; and (k) periodically conduct background checks and review publicly available resources related to you, either by us or through a third party.

2. AGENCY RESPONSIBLITIES

In addition to those duties set forth under Article I hereof, Agency represents, warrants and covenants as follows:

2.1 **Legal Compliance and Licensing.** Agency shall at all times (a) hold, maintain and keep in good standing all licenses, registrations and appointments necessary to perform its duties hereunder, and (b) fully comply with all applicable laws and regulations.

2.2 **Investigations: Customer Complaints.** Agency agrees to cooperate fully in any insurance and other regulatory or judicial investigation or proceeding arising in connection with the Products, Company, Agency or any agent recruited by Agency under this Agreement. Agency shall permit appropriate federal and state insurance and other regulatory authorities to audit Agency's records and shall furnish the foregoing authorities with any information which such authorities may request in order to ascertain whether Agency or any agent recruited by Agency under this Agreement is complying with all applicable laws and/or regulations. Agency agrees to notify Company of any consumer complaints with respect to the Products and to cooperate with Company in resolving all customer complaints with respect to the Products, Agency or any agent recruited by Agency under this Agreement.

2.3 **Advertising Materials.** All advertising material, including but not limited to internet website illustrations and sales promotional material published by Agency, that specifically names Company or references the Products shall be submitted to Company for its approval prior to its use by Agency. If required, Agency shall be responsible for filing such material with the appropriate regulatory or governmental authority.

2.4 **Quotes.** Agency shall provide accurate quotations on premiums, features and interest rates for the Products.

2.5 **Applications.** Agency shall promptly forward to Company all applications received in connection with the Products, regardless of the results of any medical examination. Company, in its sole discretion, may reject or require the amendment of any application for insurance.

2.6 **Suitability.** Agency agrees to ensure it acts in accordance with the suitability standards required pursuant to any and all laws, rules or regulation adopted by any applicable state. At Company's periodic request, Agency agrees to certify to Company that it is complying with suitability laws. Agency agrees to notify Company if any significant failures are discovered in the suitability of the sale of the Products sold under this Agreement. In the event a claim against Company is made with regard to the suitability of a sale of any of the Products sold under this Agreement; Agency will reasonably cooperate with Company and will provide written or other materials upon Company's request.

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2.7 **Collection of premiums. Agency shall:**

(a) Transmit to Company, within two business days of receipt, applications for a Product and all amounts received by Agency for or on behalf of Company. All premium payments shall be in the form of checks made payable to Company.

(b) Pay all premiums to Company without offset or deduction.

(c) Be responsible for instructing its agents to remit the entire premium to Company immediately upon receipt thereof together with all application and related information.

2.8 **Delivery of Products.** Agency shall deliver Products as required by law notwithstanding the requirements of this section. Agency shall not deliver a Product unless: (a) the person to be insured is in good health and insurable condition at the time of delivery and (b) the first premium has been fully paid.

2.9 **Maintenance of Products.** Agency shall use best efforts to maintain in force the Products solicited by it or its agents and shall render all reasonable assistance to Company in connection therewith.

2.10 **Property.** Agency shall return to Company upon termination of this Agreement or on demand, all property of Company, including but not limited to all records, manuals, supplies, policy forms and applications.

2.11 **Insurance.** Agency shall at all times carry errors and omissions insurance coverage in such minimum amounts and including such terms as established by Company in its sole discretion or in any greater amount as may be required under applicable law or regulation.

2.12 **Indemnification.**

(a) Company agrees to indemnify and hold Agency harmless from any and all losses, claims, damages, liabilities or expenses to which Agency may become subject under any statue, regulation, common law or otherwise, insofar as such losses, claims, damages, liabilities or expense relate directly to the sale of the Products and arise as a direct consequence of: (i) any material misrepresentation or omission, or alleged misrepresentation or omission, contained in the Products; (ii) any failure by Company or its agents, whether negligent or intentional to perform the duties and discharge the obligations contemplated in this Agreement; (iii) any fraudulent, unauthorized or wrongful act or omission by Company, its employees, contractors or representatives, excluding agents entering into agent contracts or otherwise recruited by Agency pursuant to this Agreement.

(b) Agency, including and on behalf of its Sub-Agency(s), agents, sub-agents and/or employees, agrees to indemnify and hold Company and its officers, directors, employees and agents harmless from any and all losses, claims, damages, liabilities or expense to which Company may become subject under any statute, regulation, common law or otherwise, insofar as such losses, claims, damages, liabilities or expenses relate directly to the sale of the Products and arise as a direct consequence of: (i) any material misrepresentation or omission, or alleged misrepresentation or omission involving the sales subject to this Agreement, provided that such misrepresentations or omissions are caused by Agency; (ii) any failure by Agency whether negligent or intentional, to perform the duties and discharge the obligations contemplated in this Agreement; (iii) any fraudulent, unauthorized or wrongful act or omission by Agency or its agents; (iv) any and all actions conducted on the part of Agency or its agents, resulting from a finding by any regulatory agency with jurisdiction over Company that a sale of a policy was unsuitable.

(c) No party shall be liable as the indemnifying party pursuant to this Section, to the extent that the losses, claims, damages, liabilities or legal expense incurred by the indemnified party arise out of the indemnified party's willful misfeasance, bad faith, or gross negligence in the performance of its duties, or through the reckless disregard of the indemnified party's duties, under this Agreement.

The parties will promptly notify each other of the commencement of any litigation or proceedings, or the assertion of any claim or any material inquires related to the duties set forth in this Agreement. The indemnifying party shall have control of the defense of any such action, including appeals, and of all negotiations relating thereto, including the right to effect the settlement or compromise thereof.

Nothing in this Section shall preclude the parties from exercising any other rights and remedies that may be available to them at law or in equity.

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2.13 **Expenses.** Agency shall be solely liable for all costs and expenses relating to or arising from performance of its obligations under this Agreement.

2.14 **Security Codes.** Agency shall be responsible for the confidentiality of any access number(s), password(s) and account number(s) (collectively referred to as "Security Codes") provided to Agency by Company. Agency shall be liable for all transactions entered through the use of Agency's Security Codes. All transactions received by Company through the use of Agency's Security Codes will be deemed to have been executed by Agency. Agency shall immediately notify Company upon becoming aware of any unauthorized use, loss or theft of Agency's Security Codes.

2.15 **Data Security.** Agency is responsible for ensuring information and data it receives from Company and collects and records on behalf of Company, including non-public personally identifiable financial and/or health information, is secure. Agency is responsible to comply with any data and information security Instructions provided by Company. Agency shall immediately notify Company in the event there is any data breach resulting in the disclosure of any information under this Agreement to any party not entitled to such information. Agency shall comply with all requirements of Section 6 of this Agreement regarding privacy, confidentiality and the use of electronic signatures. Agency is responsible for ensuring its subagencies, agents, and subagents comply with this Section 2.15 and Section 6 of this Agreement.

3. RECORDS AND REPORTING

3.1 **Records.** The parties will maintain full, complete and accurate books, files and records as required to record and document the services provided under this Agreement (collectively, the "Records"). Each party shall have the right during regular business hours, upon reasonable notice, to examine, inspect and copy the Records. The Records maintained by Agency shall either (a) be maintained by Agency for a period of at least ten (10) years following termination of this Agreement, or (b) be delivered to Company for safe-keeping.

3.2 **Cooperation.** Agency shall cooperate and use its best efforts to provide such other records and reports as Company may require in connection with this Agreement and the services contemplated hereunder.

4. FINANCIAL TERMS

4.1 **Payment of Compensation.** In consideration for the services provided by the Agency under this Agreement, Company agrees to pay Agency the compensation set forth on the Commission Schedule Addendum attached as Exhibit A ("Commission Schedule Addendum"); subject to compensation payable to any subagency agent and/or subagent as set forth on separate Commission Schedule Addendums included as part of their respective agent Agreement or agent contract in connection with the sale of the Products, as applicable. Upon receipt of prior written notice from Agency and such other information as Company may require, Company shall pay on behalf of Agency the commissions due from Agency to each Sub-Agency or agent. Notwithstanding anything to the contrary in this Agreement, no Sub-Agency or agent shall have any claim against Company, and shall not be an intended or unintended third party beneficiary of this Agreement. Notwithstanding any other provision of this Agreement, Company shall not be obligated to pay any compensation which would be in violation of the applicable laws, rules or regulations of any jurisdiction.

4.2 **Payment Procedures.** Company shall pay compensation (a) in accordance with its usual and customary procedures, which Company, in its sole discretion, may change from time to time, and (b) only on premiums paid to Company. No premium shall be considered paid until it has been actually received by Company.

4.3 **Changes in Commission Schedule Addendum; Unscheduled Commissions.** Company may, in its sole discretion and at any time, unilaterally (a) amend or modify the payment of any compensation under this Agreement, including, but not limited to, any commissions, bonuses, benefits, payments or other remuneration; (b) amend the Commission Schedule Addendum except as to Products issued prior to the date of the change, (c) determine the amount of commissions or other compensation to be paid on any products not provided for in the Commissions Addendum.

Company changes to compensation will only apply on a prospective basis and upon being provided or made available to Agency on a Company website to which it has access or by otherwise providing notice in accordance with the Notice section of this Agreement.

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4.4 **Temporary Insurance**. Company shall not pay compensation in connection with any temporary insurance or binders.

4.5 **Premium Refunds.** If Company refunds to a customer premium for any reason, Agency who received any compensation or other payment calculated in connection with the refunded premium shall immediately repay to Company all such compensation or other payments received.

4.6 **Reassignment.** Company may, in its sole discretion, remove Agency, subagency, agent, , or subagent as the servicing agent of a Product and reassign another agent to service such Product. If the reassignment is requested by the policyholder under the Product, Company may pay the compensation for such reassigned Product arising after the date of reassignment to the new agent.

4.7 **Replacements.** Compensation arising in connection with any Product that replaces an existing policy or product issued by Company or any affiliate thereof shall be subject to replacement rules of Company. In certain instances, Company will not pay compensation on replacements.

4.8 **Reinstatements.** If a Product written by Agency is terminated and subsequently reinstated solely as a result of the efforts of Agency, Agency shall continue to receive any renewal compensation from the date of reinstatement. If a Product is terminated and subsequently reinstated for any other reason, Company may determine, in its sole discretion, which agent is entitled to renewal compensation and the amount of such compensation.

4.9 **Legal Restrictions.** Notwithstanding anything else in this Agreement, Company will not make any compensation payments in violation of any law, including, but not limited to, state licensing requirements or any state or federal law, rule or other regulation. If applicable, no party may pay any compensation (including, but not limited to, any compensation or expense allowance), or may cause the payment of any compensation that would be in violation of any applicable law, rule or regulation, and no party may receive any compensation in violation of any similar law, rule or regulation.

4.10 **Indebtedness.** Agency shall repay Company for any indebtedness arising from its sales activities or transactions and shall be jointly and severally liable with any subagency, agents and subagents to Company for the payment of all such amounts, including any advances or liabilities due or owed to Company, including any affiliated entity of Company, by Agency or any of your agents and subagents. Liabilities due or owed include any chargebacks, advances, loans or liabilities under this Agreement and any subagencies, agents or subagents, contract and liabilities created by its or any subagency's, agent's and subagent's misfeasance or malfeasance concerning Company's (and our affiliates) business and any other amount due under a contract, agreement or arrangement of any kind between said subagencies, agents and subagents with Company (or any of its affiliates). Transactions which may result in Agency's indebtedness to Company include, but are not limited to: (a) the payment of a death benefit, which would have been denied, but for its prior knowledge that any material misrepresentation had been made; (b) cancellation fees, if any, charged to Agency when a Company Product is canceled or refused; (c) causing Company expense in defending against a charge that Agency violated an insurance law or regulation; (d) causing Company expense in settling a consumer complaint or regulatory action arising out of alleged negligent, fraudulent, illegal, or unauthorized acts or transactions by Agency or its agents and subagents; and (e) any other transactions or activity by Agency which results in its indebtedness to Company.

The determination of the amount of any liabilities or advances due or owed shall be at the sole discretion of Company. Any indebtedness owed by Agency to Company is a legal debt. Company is hereby given a first lien upon any amounts due to the Agency, its successors, or assigns under this Agency Agreement or any other agency agreement, agent contract, or other agreement with Company or its affiliates as security for payment of any indebtedness owed to Company by Agency. Such amounts due from Agency shall be debited on the books of Company with the amount of such obligation, when the same is due and unpaid from Agency or any subagencies, agents and subagents to Company, and on demand, Agency shall promptly pay Company the amount of such debt. Notwithstanding the foregoing, Agency's indebtedness, together with interest at a rate to be set by Company from time to time, may be offset by any sum due to Agency or thereafter becoming due from Company for the satisfaction of the debt. Company at any time may pursue additional means to satisfy Agency's then-outstanding indebtedness to Company, and may assign its right to collect this debt.

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The parties hereto agree Company retains the absolute and unilateral right to settle and resolve all claims or causes of action, in its sole discretion, raised or asserted by any person, concerning the actions by Agency or any subagencies, agents, and subagents. Agency's joint and several liability shall not be contingent on its input or participation or notice of or concerning any such claims or assertions. Agency agrees to indemnify Company for any attorney fees, court costs, expenses, and/or money damages that Company incurs in the collection of any indebtedness owed by Agency to Company pursuant to this Agreement, and/or for any legal action brought by or against Agency, its agents or subagents, and/or Company arising out of or relating to this Agreement.

4.11 **Right of Set-Off.** With respect to any compensation owed by Company to Agency, Company shall have a right to set off against and deduct from such compensation (a) any monies or indebtedness due and owed by Agency to Company, and (b) any damages, costs or expenses incurred by Company arising out of any breach of this Agreement by Agency.

5. AMENDMENT, TERMINATION AND ARBITRATION

5.1 **Term.** This Agreement shall remain in force unless terminated pursuant to Section 5.3 herein.

5.2 **Amendment.** Company may amend, modify, or supplement any portion of this Agreement at any time in its discretion by providing Agency notice as provided in the Notice section.

5.3 **Termination.**

(a) Automatic Termination. Except to the extent prohibited by applicable law, this Agreement shall be automatically terminated, without notice, in the event Agency (i) ceases to be licensed, including being placed on suspended status, as required by a state insurance department or governmental body having jurisdiction over such licensing; (ii) fail to pay, withhold or misappropriate any money or property belonging to Company; (iii) commit any felony, fraud, embezzlement, or other acts of moral turpitude; (iv) is legally or contractually dissolved; and (v) failure to comply with Section 6.2(b) herein. Should Agency be terminated under this Section 5.3(a), it will forfeit all its rights to any further payments under this Agreement.

(b) Termination by Company. Company may terminate this Agreement, at any time, by delivering notice of such termination as provided in this Agreement in the event Company determines, in its sole and exclusive discretion that Agency has: (i) exposed Company to potential liability due to Agency's misfeasance or malfeasance (ii) failed to conform to the business policies, guidelines, procedures and/or practices of Company; (iii) failed to comply with the laws, rules or regulations of any federal, state or other governmental agency or body having jurisdiction over the products offered by Company; (iv) replaced any Company Products with contracts, policies or products issued by another company; (v) induced holders of Company Products or other agents of Company to leave Company; (vi) failed to pay indebtedness owed to Company or our affiliates in accordance with Section 4 of this Agreement; or (vii) undergone a Change of Control: or (viii) been terminated by their upline Agency. Should this Agreement be terminated for any of the reasons set forth in this Section 5.3(b), Agency will forfeit all its rights to any further payments under this Agreement. For purposes of determining whether this Agreement has been breached under this Section 5.3(b), the acts of all your employees, and any subagencies, agents, and subagents, as the case may be, shall be deemed its acts. Company may also elect to exercise its right to terminate this Agreement at any time, upon giving notice (as provided in Section 8.3), in the event of an involuntary assignment by Agency for benefit of its creditors or the Agency's bankruptcy. As used herein, "Change of Control" shall mean and shall be deemed to have occurred upon (i) a sale of all or substantially all of Agency's assets used in the business; or (ii) the approval by Agency's voting equity holders of a sale, merger, reorganization, or consolidation whereby Agency's voting equity holders immediately prior to the approval do not own more than fifty percent (50%) of the combined voting power of the surviving entity immediately after consummation of such reorganization, merger or consolidation.

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(c) Termination by Either Party. This Agreement may also be terminated by either party for any reason or no reason, with or without cause, by giving thirty (30) days advanced written notice to the other party. Company retains the right, based on subsequently obtained information, to effect a termination as to any subsequently accruing commissions, for any of the reasons stated in the preceding subsections (a) and (b) above. The right of termination under this Section 5.3(c) is not restricted by the provisions in the subsections above.

(d) Effect of Termination. Except as set forth in any applicable Commission Schedule Addendum, in the event this Agreement is terminated due to any other reason set forth in this Section 5, Agency shall automatically forfeit any and all rights to any further payments due or to become due under this Agreement, and Agency shall immediately pay in cash to Company any and all sums due and payable to Company hereunder. In the event of the termination of this Agreement for any reason, Agency and its agents and/or subagents shall immediately deliver to us all of the previously furnished materials, supplies, advertising and any other printed matter which mentions Company by name, our rate books, and all other such supplies connected with our business. No Company Product information will be provided to Agency or any subagencies, agents, and/or subagents after termination of this Agreement. Except as otherwise set forth herein, the obligations of Agency, and any subagencies, agents, and subagents arising under this Agreement shall survive the termination of this Agreement, whether such obligations arose prior or subsequent to the termination of this Agreement. Until the effective date of termination, all rights of Company to accept or reject applications for Company Products and determine underwriting or suitability standards as applicable. Following the effective date of termination, all new applications will be rejected by Company, and pending applications may be closed.

5.4 **No Recourse.** Agency agrees that it shall have no recourse for any injury that it may suffer by reason of termination of this Agreement, and hereby waives all direct, indirect, incidental or consequential damages against Company.

5.5 **Arbitration Agreement and Class Action Waiver.**

(a) Subject to any party's right to seek equitable or injunctive relief in court (i) to protect NPI as described in Section 6 below, (ii) to enforce this arbitration provision as described in Section 5.5(k) below, or (iii) to allow or prevent conduct affecting the retention of existing policyholders or agents by the Company, Company and Agency agree that any dispute arising under or related in any way to this Agreement, including, but not limited to, the Commission Schedule Addendums and the payment or non-payment of commissions (a "Dispute"), shall be subject to mandatory and binding arbitration to the maximum extent allowed under the Federal Arbitration Act (the "FAA"). The types of Disputes that` are included within the scope of this arbitration agreement include, but are not limited to, (i) claims for breach of contract, including claims for fraud and duress in the formation of a contract and for negligent or intentional interference with contractual relations; (ii) tort claims, including claims for negligent or intentional infliction of emotional distress; (iii) claims arising under any federal, state or local statute, rule or regulation prohibiting discrimination, harassment or retaliation; and (iv) federal, state or local statutory or common law claims. All past, present and future parents, subsidiaries and affiliates of the Company and, for each of those entities, all stockholders, directors, officers, employees, agents, partners, joint venturers, independent contractors (including other Agents) and attorneys who are alleged to be liable or may be liable in any manner to either party based upon the allegations and claims asserted in the Dispute are intended to be third-party beneficiaries of this arbitration agreement with full rights to enforce it. Except where prohibited by law, the parties irrevocably waive any right to a jury or to sue in a court of law to resolve any Dispute.

(b) The arbitration and the arbitration proceeding for any Dispute shall be governed by

(i) the FAA; (ii) the provisions of the arbitration agreement contained in this Section 5.5; and

(iii) the American Arbitration Association's Commercial Arbitration Rules (the "AAA Commercial Rules"). It is understood and agreed that, to the extent there is any conflict between or among the provisions of the FAA, this arbitration agreement and the AAA Commercial Rules, the provisions

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of the FAA shall prevail, followed by the provisions of this arbitration agreement, followed by the provisions of the AAA Commercial Rules.

(c) A party shall provide notice of a Dispute to the other party or parties in accordance with the notice requirements described below in Section 19. The parties agree to attempt to resolve all Disputes informally within fifteen (15) business days of the date that a party has given notice of the existence of a Dispute. If the parties do not resolve the Dispute within such 15-day period, the Dispute shall be resolved by a single arbitrator. The parties shall seek to mutually agree on the arbitrator who will resolve the Dispute. If the parties are unable to mutually agree on the arbitrator, they shall request that the AAA provide them with a panel of five qualified arbitrators from which the arbitrator who will decide the Dispute shall be selected. The arbitrator shall be selected as a result of the parties exercising alternate peremptory strikes from the five-arbitrator panel, with the party who initiated the Dispute exercising the first strike.

(d) The arbitrator shall allow discovery as permitted by the Federal Rules of Civil Procedure, including the exchange of initial disclosures, the service of interrogatories and document requests and the right to take depositions, and shall work with the parties to agree on a reasonable discovery plan. In allowing discovery, however, the arbitrator shall balance the need for discovery against the policy favoring the cost-effective, expeditious resolution of the Dispute. The arbitrator shall also permit the parties to submit dispositive motions, including motions for summary judgment, and shall not schedule a hearing until all dispositive motions have been decided. Unless otherwise agreed to by the arbitrator and the parties, the arbitration hearing shall be conducted in the city and state of the Agent's principal place of business. Upon request by any party, the hearing shall be recorded by a stenographer at the Company's cost. At the request of any party, the arbitrator shall permit post-hearing briefs.

(e) The arbitrator shall have the authority to award any remedy for any claim for which any party would be entitled in a court of law. The arbitrator's award shall be in writing, shall set forth the basis for the arbitrator's decision, and shall be signed and dated by the arbitrator. The arbitrator's award shall be final and binding on the parties and shall completely resolve the Dispute, subject only to the grounds permitted under the FAA for vacating, correcting, or modifying an award.

(f) Agent's share of the AAA Commercial Rules filing and other fees and the arbitrator's fees will not exceed an amount equal to the civil filing fee in the area of the Agent's principal place of business. The Company will pay all of the remaining fees and administrative costs of the arbitrator and the AAA unless, in accordance with applicable law, an arbitrator orders a different allocation of those fees and costs. Applicable law shall also determine any party's right to recover attorneys' fees and/or the costs and expenses of arbitration for any claim asserted in the arbitration.

(g) Except as otherwise prohibited by applicable law, any party may request that the arbitration proceeding, including communications between or among the parties and the arbitrator, information and documents produced by any party, hearing or deposition transcripts, and the award and all rulings of the arbitrator, be kept strictly confidential. If any of the parties elects to keep the arbitration proceedings confidential, all parties agree to enter into an appropriate confidentiality agreement and, further, agree that all papers filed in court in connection with any action to enforce the parties' arbitration agreement or the arbitrator's award shall be filed under seal.

(h) A party may seek an order of any court of competent jurisdiction to enforce the arbitration agreement contained in this Section 5.5.

(i) If either party has more than one Dispute against the other party, each party agrees to bring all such Disputes together in a single arbitration proceeding so that they may be resolved at the same time.

(j) Neither the Company nor the Agent shall have the right to initiate, file, join, participate in, or intervene in any class or collective lawsuit, court case or arbitration that in any way relates to a Dispute that is covered by this arbitration agreement, and the Company and Agent hereby waive their right to initiate,

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file, join, participate in, or intervene in any class or collective action filed in state or federal court or with an arbitrator. ALL DISPUTES SHALL BE ADJUDICATED ON AN INDIVIDUAL, NON-CLASS AND NON-COLLECTIVE BASIS THROUGH THE ARBITRATION PROCESS DESCRIBED IN THIS ARBITRATION AGREEMENT. Moreover, neither the Company nor Agent shall have the right to join or consolidate the claims of two or more parties with separate Disputes into the same arbitration proceeding. Notwithstanding anything else in this Agreement to the contrary, the parties understand and agree that the class action waiver contained in this Section 5.5(j) shall not be severable from the remainder of this arbitration agreement. Consequently, if the class action waiver contained in this Section 5.5(j) is found to be unenforceable for any reason by a court or an arbitrator, then the entire arbitration agreement in Section 5.5 shall be void and unenforceable by either party.

(k) Any court of competent jurisdiction is authorized to issue any injunctive or other equitable relief in aid of arbitration, including, without limitation, a temporary restraining order or preliminary injunction enjoining either party from violating any provision of this Contract, thereby preserving the status quo during arbitration of the Dispute.

(l) Except as otherwise required by applicable law, the parties agree that the arbitrator shall apply the substantive law of the State of Iowa to resolve a Dispute.

6. PRIVACY, CONFIDENTIALITY AND USE OF ELECTRONIC SIGNATURES

6.1 **Privacy and Confidentiality.** Agency shall follow Company's published Privacy Policy and comply with all applicable federal and state laws, rules and regulations related to privacy, security and confidentiality of personal information. In addition, Agency and Company both acknowledge that as a result of this Agreement, each party may have access to and receive from the other party non-public personally identifiable financial and/or health information ("NPI"), as defined under federal and state law, regarding consumers, customers, former customers and/or their beneficiaries. The parties hereto agree to maintain the confidentiality of such NPI and shall not use, disclose, furnish or make accessible such NPI to anyone other than authorized employees and agents of the party as necessary to carry out the party's obligations under this Agreement. The parties agree to cooperate with each other and provide reasonable assistance in ensuring compliance with applicable laws, rules or regulations, report to the other party any unauthorized disclosures of or access to NPI, and cooperate with any security assessments the other party may determine are necessary. Each party further agrees to establish and maintain administrative, technical and physical safeguards to protect the security, confidentiality and integrity of the NPI. At the request of the party that owns the NPI, or in the absence of such request, upon termination of this Agreement, the other party shall promptly return all NPI which has been provided to it, or dispose of such NPI in a manner agreed upon by the parties, unless the party is required to maintain such NPI under federal or state laws or regulations. The obligations of confidentiality, non-use and non-disclosure set forth in this Section shall survive the return and/or destruction of such confidential information and the termination or expiration of this Agreement. Each party acknowledges that any violation of the provisions of this Section 6(a) by either party may cause the other party immediate and irreparable damage for which the non-breaching party cannot be adequately compensated by monetary damages. Therefore, in the event of any such breach, the non-breaching party shall be entitled to seek preliminary or other injunctive relief, an order for specific performance, and any other equitable relief that a court may determine to be appropriate, and the non-breaching party shall not be required to post a bond or any other form of surety upon obtaining such equitable relief. The parties agree that such equitable or injunctive relief will be in addition to any damages or other remedies provided by law and otherwise available to the non-breaching party by reason of the other party's breach.

6.2 **Use of Electronic Signatures.** An "Electronic Signature" is an electronic sound, symbol, or process attached to or logically associated with a contract, application, administrative form, or any other record and is then executed or adopted by a person with the intent to sign the record. A "Digital Audit Trail" means a document accompanying an Electronic Signature that includes the signers IP address, date and/or time stamps, and any identity authentication details. If Agency, or any of its subagencies, agents

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or subagents, submits an Electronic Signature on behalf of themselves or another individual then: (a) Agency represents and warrants that it is responsible to obtain and maintain any consumer consents and disclosures required by state or federal law or regulation in order to transact business and accept signatures electronically prior to submitting any Electronic Signature to Company; (b) Agency represents and warrants that it will obtain valid, authentic Electronic Signatures and it is responsible to validate the identity of any applicant, proposed insured, insured owner or any other party to whom an Electronic Signature is obtained in connection with Company Products under this Agreement, and to take any necessary steps to authenticate signers of documents signed electronically; (c) Agency is required to maintain in its records a Digital Audit Trail of any document containing an Electronic Signature that it has submitted to Company and Company may in its discretion institute guidelines that may include submission of the Digital Audit Trail at the time of the receipt of the Electronic Signature or at any other time as may be reasonably required; (d) it is agreed by the parties that a reasonable retention timeframe begins when an Electronic Signature and corresponding Digital Audit Trail is submitted in connection with any Company Products and ends when Company Product ends by surrender, lapse with failure to reinstate, or death; and (e) Company has complete discretion to limit the types of documents or transactions for which it will accept Electronic Signatures, unilaterally create and modify guidelines or requirements regarding Electronic Signature submission, and to require prior approval before Agency can submit Electronic Signatures and revoke any such approval at any time in its sole discretion.

7. **ANTI-MONEY LAUNDERING AND OFFICE OF FOREIGN ASSET CONTROL**

7.1 **Anti-Money Laundering Compliance.**

(a) Agency agrees to comply with all applicable anti-money laundering ("AML") laws, regulations, rules and government guidance currently and as may be amended, including, but not limited to, the reporting, record keeping and compliance requirements of the Bank Secrecy Act ("BSA"), as amended by The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2002, Title III of the USA PATRIOT Act (the "Patriot Act"), its implementing regulations, and related SEC, NASD and other self-regulatory organization ("SRO") rules. These requirements include requirements to identify and report currency transactions and suspicious activity, to implement a customer identification program to verify the identity of customers and to implement AML compliance program that includes policies, procedures and internal controls for complying with the BSA; policies, procedures and internal controls for identifying, evaluating and reporting suspicious activity; a designated compliance officer or officers, training for employees and registered representatives; and an independent audit function.

(b) Agency represents that, to the extent required by the BSA, the Patriot Act and any of their implementing regulators or other related SEC, NASD or SRO rules, it has established and maintains a comprehensive AML compliance program, including, but not limited to, a Customer Identification Program ("CIP"). Agency certifies that its CIP, at a minimum, requires: (i) the verification of identity of any customer seeking to open an account; (ii) the retention of record of the information used to verify each customer's identity; and (iii) the determination, within a reasonable time before or after the account is opened, as to whether the customer appears on any lists of known or suspected terrorist organizations as provided to it by any government agency.

(c) Agency agrees that it will verify the identity of each customer Agency introduces to Company, or its affiliates where applicable, whether through documentary or non-documentary means, and hereby acknowledge that Company, or its affiliates where applicable, shall rely upon such verification, as prescribed by the regulations promulgated under Section 326 of the Patriot Act in accordance with the safe-harbor provided in Section 103.122(b)(6) of the regulations under the Patriot Act. Agency certifies, and shall certify to Company, or its affiliates where applicable, annually hereafter, that it has: provided AML training to any subagencies, agents and subagents who report to it and that such AML training is in full compliance with the final regulations set by the U.S. Treasury, and any subsequent updates, revisions, changes made; and established and implemented a CIP, in compliance with

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applicable laws, as part of its AML compliance program.

7.3 **Office of Foreign Asset Control Compliance.** Agency agrees to comply with the economic sanctions programs administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). Agency certifies and shall certify to Company, or its affiliates where applicable, annually hereafter, that Agency has an OFAC compliance program in place which includes procedures for checking customer names and the names of persons with signature authority over accounts against the OFAC lists of sanctioned governments and specially-designated nationals, terrorists and traffickers; the screening of wire transfers and other payments against the OFAC lists; a designated compliance officer; an internal communication network; training of appropriate personnel; and an independent audit function. Agency agrees to promptly notify Company whenever questionable activity, suspicious activity or OFAC matches are detected. Agency further agrees to investigate any potentially suspicious activity and to take appropriate action, including the blocking of accounts, the filing of suspicious activity reports and the reporting of matches to OFAC.

8. **MISCELLANEOUS**

8.1 **Assignment.** This Agreement shall be binding upon the parties and their respective successors and assignees. Agency may not assign or pledge any rights under this Agreement without the prior written consent of Company.

8.2 **Entire Agreement.** This Agreement, including any amendments, exhibits, addendums, and Commission Schedule Addendums, constitutes the entire agreement between Company and Agency and supersedes all prior agreements, understandings and arrangements, oral and written, between the parties with respect to the subject matter hereof.

8.3 **Notice.** Except as otherwise provided herein, any notice that is required to be provided under this Agreement shall be in writing.

(a) Notice from Company to Agency may be provided via (i) U.S. Mail, return receipt requested; (ii) a nationally recognized package delivery service (e.g., Federal Express or UPS); (iii) e-mail to the Agency's e-mail address on record with Company; or (iv) via Company website notice for certain matters as described above.

(b) Notice from the Agent to Company may be provided via (i) U.S. Mail, return receipt requested; or (ii) a nationally recognized package delivery service (e.g., Federal Express or UPS) to the attention of Company's General Counsel at 8300 Mills Civic Parkway, West Des Moines, Iowa, 50266. Company shall provide the Agency with notice of any change(s) to its business address in accordance with the notice provisions described in subsections 8.3(a)(i) through (iii) above.

Agency acknowledges, understands and agrees that it shall have the affirmative responsibility to regularly check Company's website to which it has been provided access for any amendments, changes, revisions, updates to Instructions, or any other notices and updates under this Agreement.

If to the Agency: At the address set forth on the application or to such other address as Agency may from time to time designate by notice to Company.

8.4 **Notice of Legal Proceedings.** Agency shall promptly transmit to the Home Office of Company, by certified mail, any paper or other documents served upon or delivered to the Agency or upon or to any of its respective directors, officers, employees, agents, or representatives in connection with any proceedings against or involving in any way Company or any of its directors, officers, employees, agents or representatives.

8.5 **Waiver of Agreement.** The forbearance or neglect of Company or Agency to insist upon strict compliance by a party with any of the provisions of this Agreement, whether continuing or not, or to declare a forfeiture of termination against that party, shall not be construed as a waiver of any of the rights or privileges of the parties. No waiver of any right or privilege of Company or Agency arising from any default or failure of performance by a party shall affect the rights or privileges of the other parties in the event of a further default of performance.

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8.6 **Enforceability.** In case any provisions of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired.

8.7 **Survival Provisions.** The following provisions shall survive termination of this Agreement, 2.7, 2.10, 2.11, 2.13, 3.1, 3.2, 4.6, 4.9, 4.10, 4.11, 5.4, 6, and 8.

8.8 **Choice of Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

8.9 **Further Assurances.** The parties agree to execute and deliver, or cause to be executed and delivered, such other instruments, documents and undertakings as may reasonably be necessary to assure compliance with the terms of this Agreement.

8.10 **Power and Authority.** Agency has full power and authority to enter into and perform this Agreement, and the person(s) signing this Agreement on behalf of Agency has been properly authorized and empowered to do so. Each party acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms.

8.11 **Counterparts.** This Agreement may be executed in two or more counterparts. All counterparts, which may include Agency's application, and each of which shall be deemed an original but all of which together shall collectively constitute a single instrument. The parties may execute and exchange counterparts of the signature page electronically, and these electronic signatures shall be binding as original signature.

8.12 **Construction of Agreement.** This Agreement shall not be construed more strongly against any party regardless of who was more responsible for its preparation. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning, and not strictly for or against any party. Headings and captions of the sections of this Agreement are for convenience and reference only and are not to be considered in construing this Agreement. Where the context is appropriate, each

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered as of the effective date set forth below.

Your receipt of any compensation from Company or your submission of the agent application, and your execution thereof, is hereby incorporated herein as acceptance of this Agreement and the terms and conditions hereof, which Agreement shall be deemed in full force and effect pursuant to and in accordance with Section 1 herein.

Executed as of the Effective Date

NORTH AMERICAN COMPANY FOR LIFE AND HEALTH INSURANCE®

By (Signature on Contract Application incorporated herein) _____
Agent

By _____
Company Officer

Accepted:

By (Signature on Contract Application incorporated herein) _____

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