



MANAGING AGENCY CONTRACT

THIS MANAGING AGENCY CONTRACT (hereinafter referred to as "Contract") is made and entered into between MONUMENTAL LIFE INSURANCE COMPANY, a Maryland corporation located at 2 East Chase Street, Baltimore, MD 21202 (hereinafter referred to as "Company") and the below-named Managing Agency (hereinafter referred to as "Managing Agency" or "Up-Line Producer").

1. **Appointment:** Subject to the terms and conditions of this Contract, Company authorizes Up-Line Producer to solicit applications for, and engage in the sale of, insurance policies approved for sale in the state(s) in which Up-Line Producer is duly licensed and appointed. In addition, Company authorizes Up-Line Producer to recruit and recommend licensed agents (hereinafter referred to as "Producers") for appointment with Company. All such down-line Producer (agent) appointments shall be subject to review and approval by Company. Up-Line Producer shall properly train and supervise Producers in the performance of their appointments with Company. Up-Line Producer and any down-line Producers shall solicit and take applications for insurance policies identified in a Commission Schedule Addendum that is incorporated into this Contract by reference. Up-Line Producer has only the authority to represent Company that is necessary and appropriate for Up-Line Producer to perform under this Contract. Any express authority given to Up-Line Producer outside the terms of this Contract must be in writing and signed by an authorized officer of Company.
2. **Nature of Relationship:** The nature of Up-Line Producer's relationship to Company shall be that of an independent contractor. Nothing in this Contract shall be construed as creating any other type of relationship. Up-Line Producer shall not hold himself or herself out as an employee, partner, joint venture party or associate of Company. Up-Line Producer is free to exercise his or her own discretion as to the amount of time and effort to be expended under this Contract; the most ethical manner, means and details of the conduct of his or her business; the persons from whom he or she shall solicit applications; and, the time, place and manner of such solicitations, provided that Up-Line Producer conforms to all applicable state, federal and local laws, regulations and ordinances governing Company and Up-Line Producer and Company's policies and procedures. Company shall have no responsibility for withholding taxes from commissions paid to Up-Line Producer under this Contract and its applicable Commission Schedule and Advance Commissions addenda. Rather, any and all commissions paid to Up-Line Producer shall be reported by Company via I.R.S. Form 1099.
3. **Responsibilities of Up-Line Producer:**
 - A. Up-Line Producer shall: (a) procure and maintain all necessary licenses and appointments to solicit applications for insurance policies; (b) pay all expenses incurred by Up-line Producer in the performance of his or her duties; (c) recruit and recommend Producers for appointment with Company; (d) train, support and supervise appointed Producers to solicit applications for insurance policies; (e) use only promotional materials previously approved in writing by Company; (f) comply fully with all applicable federal, state and local insurance laws, regulations and ordinances; (g) ensure that the applications for insurance policies submitted to Company by Up-Line Producer and any down-line Producers are accurately completed and immediately forwarded to Company; (h) immediately forward to Company any negotiable instruments or monies received on behalf of Company; (i) return conditional receipt and the policy immediately to Company for any non-placed Policies; (j) coordinate the activities of any down-line Producers consistent with Company guidelines and procedures; and (k) immediately, via facsimile, notify Company of any complaints filed with a state insurance department or any regulatory agency or law enforcement agency and thereafter promptly deliver to Company all information and documents pertaining thereto.
 - B. Up-Line Producer shall familiarize himself or herself with and abide by all applicable rules, guidelines and procedures of Company and by agreement require any down-line Producers to abide by these rules, guidelines and procedures, including, but not limited to, the Principles and Code of Ethical Market Conduct of the Insurance Marketplace Standards Association and the Company's Code of Professional Conduct. Company may incorporate some or all of these rules, guidelines and procedures in one or more reference documents, such as a procedure manual. The terms of such documents, and any amendments or supplements thereto, shall be deemed incorporated by reference into this Contract, except that, in the event of any conflict between the terms of such documents and this Contract, the terms of this Contract shall control. The parties acknowledge that any Company rules, guidelines and procedures are not

intended to limit Up-Line Producer's free exercise of his or her business judgment regarding applicants from whom he or she will solicit applications and the time and place of such solicitation. Rather, any Company rules and procedures are intended to ensure that Policy applications submitted by Up-Line Producer and any down-line Producers conform to Company's methods of conducting its business and ethical marketing principles.

- C. Up-Line Producer is authorized to recommend for appointment to Company the down-line Producers it selects to carry out the purpose of this Contract. Up-Line Producer shall not recommend a Producer for appointment with Company until the Producer has secured the appropriate insurance license. The recommendation of a Producer shall conform to and abide by Company's instructions, rules, guidelines, policies and selection criteria for the recruitment, hiring, and licensing of Producers. Company may from time to time communicate its selection criteria for recruitment, hiring, and licensing to Up-Line Producer. Company shall at all times have the authority, in its sole discretion, to decline to accept business from any down-line Producer, decline to appoint any Producer or cancel the appointment of any Producer. No cause of action shall arise against Company as a result of Company's decision for any reason to refuse, delay, or postpone the issuance or modification of a policy on any application submitted by Up-Line Producer or any down-line Producers.
 - D. Up-Line Producer shall coordinate the procurement and maintenance of all necessary licenses, authorizations and appointments for himself or herself and any down-line Producers which are required for soliciting applications for insurance policies to be issued by Company. Up-Line Producer shall not permit a down-line Producer to sell Company policies until that Producer is duly licensed. Company will not pay compensation without the approval for appointment by the appropriate state insurance department. In contracting with any down-line Producers, Up-Line Producer shall use without alteration a printed form of Producer's contract that is approved by the Company.
 - E. Up-Line Producer is responsible to Company for all indebtedness owed to Company, including that of any down-line Producers. Company shall provide information to Up-Line Producer to assist Up-Line Producer in the recovery of a down-line Producer's indebtedness. Up-Line Producer agrees to promptly pay, upon receipt of itemized statements from the Company, all commission reversals and similar items in accordance with the rules of the Company. Without limiting its rights and remedies in any way, the Company may offset debt against future commissions owed to Up-Line Producer and/or any down-line Producers.
 - F. Up-Line Producer shall train all down-line Producers regarding compliance with (1) Company's policies and procedures, (2) applicable laws and regulations, (3) the Principles and Code of Ethical Market Conduct of the Insurance Marketplace Standards Association, and (4) Company's Code of Professional Conduct. Company's engagement of Up-Line Producer under this Contract does not require Up-Line Producer to devote a set amount of time or resources to performing Up-Line Producer's responsibilities under this Contract.
 - G. Up-Line Producer shall maintain sufficient and accurate records in performing the business of Company. Up-Line Producer acknowledges and agrees that Company shall have the right to periodically audit and inspect the operations and records of Up-Line Producer to ensure that Up-Line Producer is adequately performing his or her duties under the terms of this Contract and is in compliance with federal and state laws and regulations and the standards of the Insurance Marketplace Standards Association.
4. **Limits of Authority:** Up-Line Producer shall not: (a) waive, alter, or otherwise change any provision or condition of any insurance policy or application of Company; (b) waive lapses or premium payments or quote rates other than those published by Company; (c) modify or extend the amount of time for payment of any premium; (d) enter into any contract or incur any expense or obligation in the name of Company; (e) publish, or cause to be published, anything concerning Company's business without Company's prior written approval; (f) advertise Company's services, or use Company's name, trade names, trademarks or logos in connection with its business without the prior written approval of Company; or (g) negotiate or endorse any checks, drafts or money orders made payable to Company. Up-line will notify Company promptly if it has knowledge of or suspects any Up-line or Producer is engaging in any activity listed in clauses (a) through (g) of this paragraph.
5. **Payment of Commissions:** Except as otherwise provided in this Contract, or any amendment or addendum thereto, Company shall pay, and Up-Line Producer shall receive, upon Company issuance of business for which premiums shall have been paid to Company in accordance with its rules, commissions calculated in accordance with the Commission Schedule and Advance Commissions addenda in effect at the time of policy application. Company may amend or modify its Commission Schedule and/or Advance Commissions addenda as it deems appropriate, subject to the notice provisions of Paragraph 16. In the event a Policy is lapsed, Company shall have the right, through a non-MGA agent, to preserve or

replace the Policy and to place another Policy(ies) with policyholder. No further commission payments will be payable to Managing Agency or its Producers as a result of Company's exercise of this provision.

6. **Debt:** Company may at any time offset any debt(s) due from Up-Line Producer under this Contract against any commissions or other compensation due or to become due to Up-Line Producer. As debt occurs for Up-Line Producer, Company may take the following actions: (a) offset Up-Line Producer's debt against any commissions due, or to become due, to Up-Line Producer; (b) prior to any charges to Up-Line Producer for indebtedness caused by a down-line Producer, Company will first inform Up-Line Producer and the applicable down-line Producer; (c) Up-Line Producer will be informed periodically of all debt for down-line Producers; (d) Company may terminate the appointment of any down-line Producer, terminate that down-line Producer's rights to all future commissions, and transfer all future commissions of that down-line Producer to Up-Line Producer, the latter having been charged back for the uncollected, down-line Producer's debt; (e) Up-Line Producer shall have the right to inspect Company's records supporting any charge backs or offsets upon written request to Company; (f) in the event an Up-Line Producer is charged for any down-line Producer's debts, all commissions from the down-line Producer will be credited to the Up-Line Producer who was charged for the down-line Producer's debt; (g) upon termination of this Contract, any and all debt shall become immediately due and payable to Company by Up-Line Producer; (h) as used in this paragraph, the term "up-line producer" shall refer to a producer earning override commissions from another producer, and the term "down-line producer" shall refer to a producer from whom another producer is earning override commissions. Up-Line Producer agrees to pay to Company any and all indebtedness immediately upon written demand. In the event that such indebtedness is not paid within thirty (30) days of Company's written demand for payment, Company will be entitled to recover, in addition to such indebtedness, all costs of collection, including, but not limited to, court costs, reasonable attorney fees and any other expenses related to the indebtedness. Upon termination of this Contract, any and all debt shall become due and payable to Company by Up-line regardless of whether the debt is attributable to Up-line or its down-line Producer(s).
7. **Vesting:** Up-Line Producer's first year and renewal commissions shall be vested per the terms of the Commission Schedule Addendum.
8. **Assignment and Transfer:** No compensation, rights or interests arising from this Contract shall be subject to assignment without the prior written consent of an authorized officer of Company. Neither Up-Line Producer's compensation, nor any other rights or interests under this Contract, may be sold, assigned, pledged or otherwise transferred without the prior written consent of an authorized officer of Company.
9. **Termination:** Up-Line Producer and Company agree that this Contract, together with any riders, supplements, addenda and endorsements hereto, may be terminated at any time, for any reason, by either party, on thirty (30) days advance written notice prior to any such termination, said notice to be delivered in accordance with Paragraph 16 of this Contract. This Contract may be terminated by Company immediately, and without notice, in the event that Up-Line Producer should: (a) fail to comply with any licensing or other laws or regulations; (b) file for bankruptcy or otherwise suffer a financial impairment which may affect his or her performance under this Contract; (c) improperly handle Company's funds; (d) commit any fraudulent or unlawful act; (e) commit any breach of this Contract, or any other agreement with Company; or, (f) commit any act injurious to Company or its policyholders, including but not limited to, bad faith acts such as poor field underwriting, or inadequate or improper supervision, training or recruiting of down-line Producers.
10. **Confidentiality:** Up-Line Producer agrees that he or she will not disclose any confidential information to any unauthorized person or entity. Without limiting the generality of the foregoing, confidential information of Company includes information regarding computer program processes, composition of Company products and rate setting, formulas, names and addresses and any other personal financial or health information of any of Company's policyholders, sales personnel, account or premium invoices, claimant data, including payment sheets or letters, administrative manuals, and policy expiration data. This provision shall survive the termination of this Contract.
11. **No Replacement or Solicitation:** While this Contract is in effect, and for two (2) years immediately following this Contract's termination, Up-Line Producer will not, directly or indirectly, engage in any marketing activities with the intent or effect of replacing in-force business produced under this Contract or other business of Company, unless specifically authorized, in writing, to do so. Should such replacement activity take place, commissions will be adjusted according to Company rules. An isolated case of replacement resulting from marketing activities that are in no way designed to replace business will not be considered a breach of this Contract.
12. **No Recruitment or Hire:** While this Contract is in effect, and for two (2) years immediately following this Contract's termination, neither Up-Line Producer nor its successors or affiliates will directly or indirectly recruit, solicit or induce any of Company's agents to terminate his or her employment or contractual relationship with Company. This paragraph does not

