

CAPITAL PREMIUM FINANCING, INC.
AFP FLEX-PLAN™ PROFIT SHARING AGREEMENT

This online Agency Funding Participation (“AFP”) Flex-Plan Profit Sharing Agreement (hereinafter “AFP Flex-Plan™ Agreement”) is between Capital Premium Financing, Inc. (“**Capital Premium**”) and “**Agency**” as adopted by a corresponding AFP Flex-Plan™ Acknowledgement and Certification Agreement (hereinafter “AFP Flex-Plan™ Acknowledgement and Certification Agreement”) executed by the parties.

Recitals

- A. Capital Premium is an insurance premium finance company providing insurance premium finance services.
- B. Agency is licensed to engage in the insurance business and is principally engaged in the writing of insurance. In its regular business, Agency desires to arrange insurance premium financing services through Capital Premium. Agency has information about the creditworthiness, business stability, and performance of its customers that is relevant to the ability to provide, and the profitability of providing, insurance premium financing services.
- C. Capital Premium maintains an internet website on which it from time-to-time posts various policies and procedures under which it accepts applications from insurance agencies (such as Agency), as well as the terms and conditions to provide insurance premium financing for customers of the Agency that meet Capital Premium’s eligibility criteria.
- D. Agency and Capital Premium desire to collaborate in providing financing for Agency’s customers from time-to-time, relying on Agency’s knowledge of its customers and the financing policies and practices established by Capital Premium and using funding provided by Capital Premium or Agency.
- E. Agency may, from time-to-time, supplement Capital Premium’s capitalization sources and participate in the funding of insurance premiums.
- F. Capital Premium and Agency desire to set forth the terms under which profits from insurance premium financing for customers of Agency shall be shared.
- G. The profits realized by each party from the insurance premium financing provided are a result of the collaboration between Agency and Capital Premium.
- H. The parties desire to document the terms under which they will share revenues from the foregoing.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties enter into this AFP Flex-Plan™ Agreement and agree and represent as follows:

1. **Agency Customer Insurance Premium Financing.** From time-to-time Agency may, but shall not be required to, submit financing applications to Capital Premium through its proprietary internet website at www.capitalpremium.net, using the proprietary login name and password established by Agency. Capital Premium shall process such applications and collaborate with Agency in determining whether, and on what specific terms, insurance premium financing may be offered to customers for specific policies.

2. **AFP Flex-Plan™ Account.** Capital required to fund individual insurance premiums shall be provided by Capital Premium, except to the extent of capital provided by Agency pursuant to this AFP Flex-Plan™ Agreement. Capital provided by Agency shall be transferred to Capital Premium and accounted for as a profit sharing account (the “Flex-Plan Account”) in Agency’s name. Capital Premium acknowledges that the funds in such Flex-Plan Account may include funds provided by Agency’s owners, executive officers, licensed agents, and/or customer service representatives (hereinafter referred to as “Affiliates”), who may open sub-accounts in their respective names with the Agency’s written approval. Sub-accounts shall be accounted for separately and entitled to the pro-rata share of the Agency’s Flex-Plan Account balance and earnings. Agency certifies that it and its participating Affiliates (if any) meet the AFP Program criteria established by Capital Premium, as posted on its website on the date of this AFP Flex-Plan™ Agreement and as may be subsequently amended from time-to-time. The Agency Flex-Plan Account (including the total amount of all Affiliate sub-accounts, if any) shall be governed by the terms set forth herein. Agency, in its sole discretion, will allocate and determine the extent and amount that a given Affiliate may participate. The total participation balance in Agency’s Flex-Plan Account shall be limited to the average outstanding loan portfolio generated through Agency as periodically determined in good faith between the parties, minus the outstanding balance of any other AFP Program account balances (if any) maintained by Agency. In the event that the balance in such Flex-Plan Account exceeds this limitation, Capital Premium may elect to distribute funds to Agency and/or its Affiliates sufficient to reduce the Agency’s AFP Program participation balances and/or preclude Agency from increasing AFP Program participation balances until the loan portfolio balance increases sufficiently to comply with program limitations.

3. **Payment of Profit Participation to Agency.** The funds in the Flex-Plan Account will be available for use by Capital Premium in its business of funding premium loans respecting insurance policies generated through the efforts of Agency. Within fifteen (15) days after the end of each Participation Month (defined below), Capital Premium shall pay to Agency (or credit Agency’s Flex-Plan Account) the “Flex-Plan Profit Sharing Amount,” which is defined and calculated as set forth herein.

4. **Definition of Terms for Profit Sharing Calculation.** For the purposes of this AFP Flex-Plan™ Agreement and the corresponding AFP Flex-Plan™ Acknowledgement and Certification Agreement, the following definitions will apply:

“Participation Month” means the end of the first calendar month following the Effective Date as that date is defined in the AFP Flex-Plan™ Acknowledgement and Certification Agreement, and each full subsequent calendar month thereafter.

“Average Outstanding Portfolio Balance” means the average daily current principal balance of outstanding loans funded by Capital Premium and generated through the efforts of Agency during a given Participation Month.

“Portfolio Yield” means an annualized percentage calculated by dividing i) the total amount of net interest (i.e., interest less commissions paid to Agency) actually earned and received by Capital Premium with respect to loans obtained by Capital Premium through Agency during a given Participation Month, by ii) the Average Outstanding Portfolio Balance during that Participation Month, and then iii) multiplying the resulting percentage by 12.

“Flex-Plan Profit Sharing Yield” means the applicable interest rate calculated using figures and criteria provided in Paragraph 4 of the corresponding AFP Flex-Plan™ Acknowledgement and Certification Agreement.

“Agency Flex-Plan Account Balance” means the total average daily principal balance funded by Agency (including all Agency and Affiliate accounts) in the Agency Flex-Plan Account and maintained by Capital Premium pursuant to this AFP Flex-Plan Agreement during a Participation Month.

5. **Agency’s Flex-Plan Profit Sharing Calculation.** The “Flex-Plan Profit Sharing Amount” referenced in Paragraph 3 above, shall be calculated as follows:

$(\text{Flex-Plan Profit Sharing Yield} \times \text{Agency Flex-Plan Account Balance}) / 12 = \text{“Flex-Plan Profit Sharing Amount”}$

6. **Increasing or Decreasing Agency’s Account Balance.** Within the limitations set forth in Paragraph 2 above, Agency may *increase* or *decrease* the balance in Agency’s Flex-Plan Account at any time during each Profit Participation Month. The foregoing notwithstanding, in Capital Premium’s sole discretion, all, or any portion of, Agency’s Flex-Plan Account may be distributed to Agency or pro-rata to its participating Affiliates (if any) at any time. Capital Premium may, from time-to-time and in its sole discretion, establish a maximum amount that may be maintained in the Agency’s Flex-Plan Account. All payments into the Agency’s Flex-Plan Account are subject to the approval of, and acceptance by, Capital Premium in its sole discretion.

7. **Subordination.** The parties acknowledge that in order to achieve the intent of the parties, Agency’s capital participation, as described herein, cannot disrupt or interfere with any funding arrangement obtained by Capital Premium from any bank, institutional lender, or other credit source (each a “Lender” and collectively “Lenders”). Among other things, these arrangements provide that Capital Premium grants comprehensive security interests to such

Lenders. Accordingly, the parties acknowledge and agree as follows: (a) Capital Premium's obligations to Agency as set forth herein are subordinate to all obligations of Capital Premium to Lenders (including to the security interests granted by Capital Premium to its Lenders) regardless of order of creation, adequacy of perfection, order of filing, or by any event, agreement, or law that would otherwise establish or govern priority of such interest vis-a-vis Agency and any Lender; (b) the security interests and all other rights or remedies of Capital Premium's Lenders may be changed, modified, renewed, reformed, or exercised from time-to-time without notice to Agency and without affecting Lenders' priority of interest; (c) an exercise or a non-exercise of any right or remedy of any Capital Premium Lender shall not constitute an ongoing waiver of any such right or remedy; (d) a Lender may require Capital Premium to discontinue or suspend any payments made pursuant to this Agreement upon the occurrence of any default under any credit accommodation provided by such Lender to Capital Premium, and Agency will not accept any such payments made by Capital Premium in such event; (e) a Lender may prohibit Agency from seeking to assert or enforce any of Agency's rights under this Agreement, or otherwise declare a default under this Agreement, upon the occurrence of a default under any credit accommodation provided by such Lender to Capital Premium; (f) a Lender may agree to Capital Premium's use of cash and other collateral by, or to the extension of credit to, Capital Premium; (g) Lender(s) will control the disposition of Agency's claims against Capital Premium in the event of bankruptcy or reorganization proceedings of Capital Premium; and, (h) such a Lender will have relied upon the provisions of this Paragraph 7 in making credit accommodations to Capital Premium, and the provisions of this Paragraph 7 may not be abrogated or modified in any way without the express written consent of such Lender(s).

8. **Modifications to AFP Flex-Plan™ Agreement.** It is agreed that the terms and provisions of this AFP Flex-Plan™ Agreement may be unilaterally modified from time-to-time by Capital Premium. In the event of such a modification, Capital Premium will give at least 45 days advance notice to Agency (in the manner prescribed by Agency in the AFP Flex-Plan™ Acknowledgement and Certification Agreement) of the proposed changes and the proposed effective date thereof. Any such modification will become effective and this AFP Flex-Plan™ Agreement will stand amended consistent therewith as of the effective date stated in the notice.

9. **Business Relationship.** This AFP Flex-Plan™ Agreement does not establish a partnership or otherwise establish or define a business relationship between the parties except as expressly provided herein.

10. **Confidentiality.** Agency agrees to hold the terms of this AFP Flex-Plan™ Agreement in strict confidence.

11. **Jurisdiction.** This AFP Flex-Plan™ Agreement, the corresponding AFP Flex-Plan™ Acknowledgement and Certification Agreement, and any related Affiliate participation agreements are made and entered into in the State of Utah, and the laws of the State of Utah shall govern their interpretation. The parties consent to the exclusive jurisdiction of the state and federal courts of the State of Utah as to any dispute arising out of the agreements referenced herein.

12. **Effective Date.** The Effective Date of this Agreement is February 19, 2021 or such later date as determined in accordance with Paragraph 8 above or as stated in the AFP Flex-PlanTM Acknowledgement and Verification Agreement.

13. **Miscellaneous.** Except as provided in Paragraphs 2 and 7 above, this Agreement is solely for the benefit of the parties hereto and their respective successors and assigns, and no other person or entity shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The section headings are for convenience only and shall not affect the interpretation or construction of this Agreement. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders where necessary and appropriate. The word “include”, “includes” or “including” will be interpreted on an inclusive basis and be deemed to be followed by the words “without limitation”. The word “or” will not be interpreted to be exclusive. References to loans and insurance premiums will include loans for premiums funded by Capital Premium regardless of the originator of such loans as well as premium loans originated by Capital Premium regardless of the source of funding of such loans. The phrase “net interest” shall be interpreted to include interest specifically identified within servicing fees received by Capital Premium (but not any other component of such fees) as reflected in the agreements between Capital Premium and the payor of such servicing fees.

*(ACCEPTANCE OF THE FOREGOING IS EVIDENCED BY THE CORRESPONDING
AFP FLEX-PLANTM ACKNOWLEDGEMENT AND CERTIFICATION AGREEMENT)*

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