

## **CEFLI Supervision Certificate Clearinghouse Third Party Distributor Agreement**

READ THESE TERMS CAREFULLY BEFORE ACCEPTING THE AGREEMENT SET FORTH BELOW. IF YOU DO NOT AGREE TO THESE TERMS AND CONDITIONS, YOU MAY NOT ACCESS OR OTHERWISE USE THE CEFLI SUPERVISION CERTIFICATE CLEARINGHOUSE. YOUR CLICKING ON THE BUTTON MARKED “I ACCEPT” AND YOUR CONTINUED USE OF THE CLEARINGHOUSE INDICATES YOUR ACKNOWLEDGMENT THAT YOU HAVE READ AND ACCEPTED THESE TERMS AND CONDITIONS, AS THEY MAY BE AMENDED FROM TIME TO TIME, AS DESCRIBED BELOW.

### **CLEARINGHOUSE PARTICIPATION AGREEMENT**

This Clearinghouse Participation Agreement (the “Agreement”) is between your company (“Company”) and The Compliance & Ethics Forum for Life Insurers (“CEFLI”), a corporation organized and existing under the laws of Delaware with its principal place of business at 4409 Fairfield Dr., Bethesda, Maryland 20814. CEFLI has established the Supervision Certificate Clearinghouse (the “Clearinghouse”) to facilitate the efficient collection and dissemination of a supervision certification (“Certificate(s)”) issued by selling third party distributors (“TPDs”) to life insurance companies in instances where a life insurance company has contracted with a TPD to (i) establish and maintain a system of supervision that is reasonably designed to achieve compliance with the NAIC Suitability in Annuity Transactions Model Regulation as applicable in each state (“Applicable NAIC Model”), including to satisfy §6.F.(2)(b)(ii) of the 2010 NAIC Suitability in Annuity Transactions Model Regulation or §6.C.(3)(b)(ii) of the 2020 NAIC Suitability in Annuity Transactions Model Regulation, and (ii) establish and maintain a system of supervision for recommendations of sales transactions involving the insurance company’s policies pursuant to the First Amendment to New York Insurance Regulation 187, at 11 NYCRR 224.0 *et seq.* (“Regulation 187”). The terms and conditions of your Company’s participation in the Clearinghouse are set forth in this Agreement.

Acceptance of these terms and continued participation in the Clearinghouse signifies your Company’s agreement to the terms and conditions of participation set forth in this Agreement, as they may be amended from time to time.

1. **Grant of Rights.** CEFLI grants your Company a non-exclusive, non-transferable, limited right to access and use the Clearinghouse and to provide Certificates in accordance with the processes and procedures of the Clearinghouse in effect at any given time.

2. **Clearinghouse Operations.** Company may provide Certificates to the Clearinghouse for dissemination to life insurance companies. The Clearinghouse will provide Company’s Certificate to life insurance companies that request it and identify that they have a contractual relationship with Company to (i) establish and maintain a system to supervise recommendations and sales to consumers involving the purchase, exchange, or replacement of annuities issued by the life insurance company, which system is reasonably designed to achieve compliance with the Applicable NAIC Model (“NAIC Products”), and (ii) establish and maintain a system of supervision for recommendations of sales transactions, as defined by Regulation 187, involving life insurance and/or annuity products issued by the life insurance company and delivered or issued for delivery in the State of New York (“NY Products”). Company may designate on the Clearinghouse web-site whether the Clearinghouse may disseminate such Certificates without further approval of the Company or whether approval of the Company is required. The

Clearinghouse will be operated under such policies and procedures adopted by CEFLI from time to time, in its sole discretion.

3. **Charges.** There are no charges for the participation of a Company in the Clearinghouse. However, CEFLI reserves the right to impose charges or fees in the future. In the event of future change, Company will be provided at least 30 days prior electronic notice (either directly or through conspicuous posting on the Clearinghouse website). Continued participation in the Clearinghouse after the 30 day notice period will constitute acceptance of the charges by the Company.

4. **Modification of Clearinghouse Program.** CEFLI, in its sole discretion and without formal notice, will have the right to modify the operation of the Clearinghouse, including, without limitation, its policies and procedures, methods of solicitation and dissemination of Certificates, and structure of the web site.

5. **Amendment of Agreement.** CEFLI has the right to amend this Agreement at any time. Any modification is effective immediately upon either a posting on the Clearinghouse web page (<http://www.Clearinghouse.cefli.org>), or upon notice by electronic mail, or U.S. mail. Company's continued participation in and use of the Clearinghouse following notice of any modification to this Agreement shall conclusively be deemed an acceptance of all such amendments. Company's only right with respect to any dissatisfaction with any amendments made pursuant to this provision, or any policies or practices of CEFLI in providing the Clearinghouse, including, without limitation, (i) any change in the content of the Clearinghouse, or (ii) any change in the policies and procedures of the Clearinghouse, is to terminate participation in the Clearinghouse by delivering notice to CEFLI. Such notice will be effective upon receipt by CEFLI.

6. **Representations and Warranties of Company.** Company represents and warrants:

(a) That the person(s) electronically signing the Certificate(s) are senior managers of the Company who have responsibility for overseeing NAIC Products and NY Products sales practices.

(b) That the person who clicked the button "I Accept" has the authority to bind the Company to this Agreement.

(c) That the Company acknowledges and accepts the use of the electronic signature mechanism to bind the Company.

(d) That the Company's use of and participation in the Clearinghouse will at all times comply with all applicable laws, rules, and regulations.

7. **Disclaimer of Warranties.** THE CLEARINGHOUSE (INCLUDING ALL CONTENT, SOFTWARE, FUNCTIONS, MATERIALS AND INFORMATION ACCESSED BY ANY MEANS THEREOF) IS PROVIDED AS IS, WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW. CEFLI MAKES NO WARRANTIES (INCLUDING, BUT NOT LIMITED TO, THE CONTENT OF, ACCURACY OF OR ANY INFORMATION CONTAINED IN ANY CERTIFICATE) WITH RESPECT TO PARTICIPATION IN OR USE OF THE CLEARINGHOUSE (INCLUDING THE USE IN ANY WAY OF ANY CERTIFICATE).

8. **Limitation of Liability.** CEFLI SHALL NOT BE LIABLE FOR ANY CLAIM ARISING FROM PARTICIPATION IN OR USE OF THE CLEARINGHOUSE (INCLUDING THE USE IN ANY WAY OF ANY CERTIFICATE), UNDER ANY CIRCUMSTANCES, INCLUDING,

BUT NOT LIMITED TO, ANY NEGLIGENCE OF CEFLI. UNDER NO CIRCUMSTANCES SHALL CEFLI BE LIABLE FOR ANY SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARE DIRECTLY OR INDIRECTLY RELATED TO THE USE OF, OR THE INABILITY TO USE, THE CLEARINGHOUSE, EVEN IF CEFLI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL CEFLI'S TOTAL LIABILITY TO COMPANY FOR ALL DAMAGES, LOSSES, OR CAUSES OF ACTION EXCEED ONE THOUSAND DOLLARS (\$1,000).

9. **Indemnification.** Company hereby agrees to indemnify, defend and hold harmless CEFLI and its employees, licensors, independent contractors, providers, subsidiaries and affiliates (collectively, the "Affiliates"), from and against any and all liability and costs (including, without limitation, reasonable attorneys' fees and expenses) incurred by the Affiliates in connection with any claim arising out of or in any way related to (i) the content of, accuracy of or any information contained in a Certificate, and (ii) any acts of Company, including, but not limited to, breach by Company of its obligations, representations and warranties set forth in this Agreement. Company shall cooperate as fully as reasonably required in the defense of any claim. CEFLI reserves the right, at its own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by Company and Company shall not in any event settle any matter without the written consent of CEFLI.

10. **Termination.** In addition to any other rights of the parties set forth herein, either Company or CEFLI may terminate this Agreement at any time upon thirty (30) days notice. CEFLI also reserves the right to restrict, suspend or terminate the access of Company to the Clearinghouse in whole or in part, at any time and without notice (including, without limitation, refusing to provide Certificates of TPDs), with respect to any breach or threatened breach of the Agreement.

11. **Confidentiality.** CEFLI will take reasonable steps to assure that the Certificates are not distributed to those with whom Company does not have a contractual relationship; provided, however, that CEFLI may rely on representations of the life insurance companies as to the existence of such relationships and may distribute Company's Certificates to such life insurance companies unless Company has specifically requested the right of prior approval for dissemination.

12. **Survival.** The provisions of Sections 8, 9, and 14 will survive any termination of this Agreement.

13. **General.** This Agreement constitutes the entire agreement between Company and CEFLI with respect to the Clearinghouse and supersedes all prior agreements between Company and CEFLI. Failure by CEFLI to enforce any provision of this Agreement shall not be construed as a waiver of any provision or right.

14. **Choice of Law and Venue.** Interpretation and enforcement of this Agreement shall be governed by the laws of the state of Maryland (excluding its choice of law rules). Company consents to personal jurisdiction in the federal and state courts of Montgomery County, Maryland for any action arising out of or relating to your use of the Clearinghouse. The federal and state courts located in Montgomery County, Maryland shall have exclusive jurisdiction over all such actions. In any such action, the prevailing party shall be entitled to recover all legal expenses incurred in connection with the action, including, but not limited to, its costs, both taxable and non-taxable, and reasonable attorneys' fees.

15. **Severability.** In the event that any portion of this Agreement is held unenforceable, the unenforceable portion shall be construed in accordance with applicable law as nearly as possible

to reflect the original intentions of the parties, and the remainder of the provisions shall remain in full force and effect.