

Preferred General Agent Agreement

Appointment:

As part of and as a condition to being a Preferred General Agent you have completed an Application for Preferred Agent Agreement. By this Preferred General Agent Agreement, Allianz Life Insurance Company of North America (we, us, our, the Company) hereby accepts that application and appoints you as a Preferred Agent and Preferred General Agent (also referred to herein as you or your). This appointment is to represent us with respect to those insurance policies we designate as Preferred. Such Preferred policies are referred to herein as "Policy" or "Policies."

You are an independent contractor, free to determine the time, place, and means of performing this agreement, and free to contract with other insurers. Your territory is any state in which you are licensed, and appointed by us. You have chosen to associate with a marketing organization (e.g. FMO, AFMO, BD) we have designated as meeting our criteria for being a Preferred marketing organization.

1. We authorize you to carry out your responsibilities as described in this agreement, including, as a Preferred Agent:
 - a. To solicit applications for Policies, and to promptly forward the applications to us for our consideration.
 - b. To collect the full initial premium for Policies applied for and to promptly submit this premium to us.
 - c. To promptly deliver Policies according to our delivery requirements.
2. We retain exclusive authority for all other matters. For examples, your authority does not permit you to:
 - a. Make or alter a contract for us, or waive or modify our rules or Policy rates or terms, or approve insurability.
 - b. Deliver a life Policy if you have reasonable grounds to believe that the health of the proposed insured at the time of the delivery is other than as stated in the Policy application.
 - c. Collect any premium after the initial premium without our prior written approval.
 - d. Extend the time to pay a premium or reinstate a lapsed Policy.
 - e. Adjust or settle any claim unless specifically directed by us.
 - f. Use advertisements, illustrations, sales or other materials referring to us or our products without our written consent.
 - g. Incur any expenses in our name without our prior written approval.

Responsibilities as a Preferred Agent

1. **Compliance.** As our Preferred Agent you will conduct business related to this agreement ethically, honestly, fairly and professionally, and in accordance with the Compliance Guide. The Compliance Guide is available at the URL site www.allianzlife.com. We may make updates to the Compliance Guide from time to time, at our discretion. You are responsible to remain familiar with the updates.
2. **Compensation Schedules and Guidelines.** The Preferred Compensation Schedules and Preferred Compensation Guidelines (collectively, the Schedules and Guidelines) govern the terms and rates for compensation. These documents are available at the URL site www.allianzlife.com. We may make updates to these documents from time to time, at our discretion. You are responsible to remain familiar with the updates.
3. **Compensation Chargebacks.** For certain Policy changes (e.g. surrenders, lapses, distributions) we will charge you and you will pay us part or all of the compensation you were paid for that Policy, as described in the Schedules and Guidelines. In addition, if we refund the premium in any case, such as in response to a complaint, we will charge you and you will pay us all the compensation you were paid for that Policy. The decision to refund premium is solely our decision to make, based on what we determine is in the best interests of the Policy owner or us. You will pay us compensation chargebacks with interest, and any collection costs (including attorney fees) we incur. You hereby give us the right to apply compensation or other money we would otherwise owe you to pay chargeback debts you owe to us, to your marketing organization, or to a marketing organization affiliated with your marketing organization. You waive defenses and claims you may have against us for applying compensation or other money in this manner.

4. **Security.** You hereby give us a first security interest in money due you at any time related to this agreement to secure your performance under this agreement.
5. **Inforce Policies.** You will attempt to keep Policies in force. You will not encourage any insurance customer of ours to no longer be our customer. You will assist us to provide the Policy service requested by Policy owners for whom you are the agent.
6. **Prohibition on compensation.** As Preferred Agent you may attend incentive events or trips awarded completely or in part on your sale of Policies. You also may receive from your marketing organization the same quality service it provides to all its agents, regardless of production. Other than these, and the compensation in the Schedules and Guidelines, you must not accept anything of value related to selling or servicing a Policy or Policies, unless specifically approved by us in writing. You will provide us evidence of your compliance with this provision if we request it of you.

Responsibilities as a Preferred General Agent

1. **Preferred Agent recruiting.** You may recruit and recommend agents to us to consider as Preferred Agents. Those agents assigned to you, meeting our Preferred qualifications and appointed and contracted by us as Preferred Agents are referred to herein as "your agent(s)."
2. **Supporting and supervising activities.** You will, through your direct efforts or indirectly through those of your representatives:
 - a. Promote our interests to your agents by advising them of information we make available to you related to Policies.
 - b. As appropriate, distribute or make available to your agents or consumers material about insurance products or features, or material related to training, presentations, advertising or sales. If the material includes our name or includes our Policy information or features, then you must obtain our prior written approval of the material before any use.
 - c. Understand the Preferred Agent Agreement we have with your agents, and report to us if you know or suspect that your agent failed to comply with the promises they made in those contracts.
 - d. Train, support, and supervise your agents to perform according to applicable laws and ethics.
 - e. Promote suitability knowledge and practices among your agents.
3. **Compliance.** As our Preferred General Agent you will conduct business related to this agreement ethically, honestly, fairly and professionally, and in accordance with the Compliance Guide. The Compliance Guide is available at the URL site www.allianzlife.com. We may make updates to the Compliance Guide from time to time, at our discretion. You are responsible to remain familiar with the updates.
4. **Compensation Schedules and Guidelines.** The Schedules and Guidelines govern the chargeback rules and other rules and rates for compensation. These documents are available at the URL site www.allianzlife.com. We may change rules or rates for new Policies or for new sales of existing Policies, at our discretion. You are responsible to remain familiar with the changes. You hereby give us the right to apply compensation or other money we would otherwise owe you to pay chargeback debts you owe to us or to your marketing organization.
5. **Security.** You hereby give us a first security interest in money due you at any time related to this agreement to secure your performance under this agreement.
6. **Guarantee of agent debt.** You guarantee any debt your agent has to us pursuant to the Preferred contract we have with your agent. We may offset and deduct such debt from any money due you from us or our subsidiary, together with interest and any collection costs (including attorney fees) we incur.
7. **Additional compensation to your agents is prohibited.** Your agents must all be Licensed-Only agents; that is, they are paid by you, not by us. You may:
 - a. Pay compensation to your agent for a Policy that is less than or equal to the compensation we pay you for that same Policy.
 - b. Award incentive events or trips to your agents based completely or in part on sales of Policies.
 - c. Provide office space, office furniture, office supplies, and employee benefits, all as applicable, to your agents.

Other than this permissible compensation, and the quality of your services, you must not directly or indirectly (such as through an intermediary) provide anything of value to your agents related to selling or servicing a Policy or Policies, unless specifically approved by us in writing. On our request, you will provide us with evidence of your compliance with this paragraph, or permit us to audit for compliance.

8. Prohibition on receiving compensation. As Preferred General Agent you may:

- a. Receive compensation according to the Schedules and Guidelines.
- b. Attend incentive events or trips awarded completely or in part on your sales of Policies by your agents.
- c. Receive from your marketing organization the same quality service it provides to all its associated agencies, regardless of production.

Other than these permissible compensations, you must not directly or indirectly (such as through an intermediary) accept anything of value related to Policies or this agreement unless specifically approved by us in writing. On our request you will provide us with evidence of your compliance with this paragraph, or permit us to audit for compliance.

9. Company materials. We may make available to you materials to assist you, your agents, applicants, Policy owners or consumers. These materials include training, product, and educational materials in or accessible through paper, audio, video, or electronic media. These materials and their contents remain our exclusive property. You may use such materials only to fulfill your responsibilities in this agreement.

Company responsibilities:

- 1. Compensation.** We will pay you, as full compensation for your services and expenses, according to the rates and terms in the Schedules and Guidelines. We will pay compensation on premiums received by us for Policies issued from applications procured by you or your agents during this agreement. We will not pay compensation on premiums from the cash value of another insurance policy issued by us.
- 2. Fees.** We will pay for your initial agent and renewal agent appointment fees. We will pay an initial fee required to appoint you as an agency in required states, per your request. For your agents we will pay the initial fee to appoint them in the states they request and in which they are licensed. We will pay to renew these appointment fees for you, and for your agents, subject to our requirements, including requirements of minimum production.
- 3. Policy forms and sales materials.** We will pay for and provide to you Company forms needed to write and service Policies and Company printed sales materials. You are responsible for all other business expenses. We own sales or educational materials we provide you. You may use these materials only to solicit and service Policies.
- 4. Accounting.** We will promptly provide you with statements of your earnings, charges, loans and repayments.

Responsibilities of both parties. Each party will:

- 1.** Keep records relating to the business transacted hereunder, and make those records available to the other party on request.
- 2.** Conduct the activities related to this agreement according to applicable laws and regulations.
- 3.** Fully cooperate with the other in regulatory matters relating to subjects within this agreement.
- 4.** Provide prompt professional service to Policy applicants, owners and beneficiaries.

General provisions:

- 1. Your transfer.** To remain a Preferred Agent or Preferred General Agent, you must remain assigned to a marketing organization we designate as Preferred. If your Preferred marketing organization loses that status with us, then to remain a Preferred Agent or Preferred General Agent, you must promptly choose another Preferred marketing organization and the waiting requirement does not apply. The Company will permit your transfer as a Preferred Agent or Preferred General Agent to another Preferred marketing organization for both life and annuity Policies, or just one of these types, under the following guidelines:
 - a. You have not written new business for the Company or its subsidiaries during the last 6 months (written new business does not include policies cancelled under the free look provision of the policy); or
 - b. You have notified the Company of your intent to transfer to another organization, and 2 months has expired from the date of notice; or
 - c. Your contract has been terminated for 6 months or more.

2. Termination at will. Each party has unrestricted discretion to terminate this agreement at any time, without regard for any interests of the other party, for any reason or for no reason. By entering this agreement the parties deem any later at will termination to be a valid, lawful and binding termination of this agreement at will. Neither party is required to explain why it terminated this agreement at will. In some circumstances, as follows, termination at-will is automatic, without notice:

- a. When you die if you are an individual, or upon the death of any partner if you are a partnership.
- b. Upon dissolution, bankruptcy, insolvency or assignment for the benefit of creditors, if you are an entity.
- c. Upon the commencement of any litigation or arbitration that includes a claim made by one party to this agreement against the other.

3. Termination for cause. Termination for cause is effective immediately upon your being convicted of a felony or having your license revoked. Otherwise, termination for cause is effective on the date we send you notice of termination specifying a reason for the termination for cause. We may terminate this agreement for cause if you:

- a. Withhold any funds, commissions, overrides or other compensation payable to us.
- b. Withhold any premiums, receipts, documents or correspondence that should have been sent to us.
- c. Fail to promptly return any physical property belonging to us when requested to do so.
- d. Are convicted of a felony.
- e. Are unable to renew your license or have it revoked or suspended in any jurisdiction.
- f. Falsify or omit material information provided to us, including without limitation in the Application for Preferred Agent Agreement .
- g. Misrepresent any of our Policies or services.
- h. Misrepresent or omit any material information on an application for, or reinstatement of, a Policy.
- i. Commit or attempt to commit fraud against us.
- j. Cause or attempt to cause an employee or agent of ours to discontinue their association with us.
- k. Cause or attempt to cause a policy owner of ours to discontinue a policy.
- l. Fail to provide us with information or to otherwise cooperate with us for investigations we conduct based on complaints or inquiries of others related to this agreement, or based on our reason to suspect your noncompliance with this agreement.
- m. Fail to comply with a material term of this agreement, including but not limited to a failure to comply with the compensation restrictions in sections entitled "Responsibilities as a Preferred Agent", subsection 6, "Responsibilities as a Preferred General Agent", subsection 7 and 8 or failure to obtain approval of materials according to the section entitled "Responsibilities as a Preferred General Agent", subsection 2.b.

4. Other effects of termination. Upon termination of the agreement:

- a. Money you owe us is immediately payable.
- b. You will promptly return our printed materials and delete, or stop use of, our electronic materials.
- c. Any vesting or other rights you have to continue to receive compensation ends if you we terminate this agreement for cause. If vested and you earn less than \$1000 compensation per year, we may pay you the present value of future compensation in a single lump sum.

5. Agent approval and transfer. We have the right to:

- a. Decline to enter into agent agreements with the persons you propose to include as your agents under this agreement.
- b. Terminate your agents, pursuant to the applicable agent agreement.

- c. Solicit your agents to transfer to another of our Preferred marketing organizations and permit their transfer to such organizations at our sole option and without restriction if either party terminates this agreement, whether termination was for cause or at will. If this agreement has not terminated, we may permit the transfer of your agent to another organization if:
- (i) the agent has not sold a Policy for us during the last 6 months (A Policy cancelled under its free look provision during the last 6 months is considered a Policy sold during the last 6 months).
 - (ii) the agent notified us of intent to transfer to another agency, and 2 months has expired from the date of notice.
 - (iii) our agreement with the agent has been terminated for 6 months or more.

6. Confidentiality Provision.

- a. "Personal Information" means financial and health information given to you or your representatives or to us by either (1) a Policy owner, (2) an applicant for a Policy that was not issued, or (3) a beneficiary, insured or annuitant who is not the Policy owner.
- b. As to Personal Information, each party will (1) keep it strictly confidential to itself and its representatives (2) use it only to perform duties hereunder, and (3) disclose it only as allowed by law and to only those who need to know it for the sole purpose of assisting a party in performing duties hereunder. Disclosure to representatives will be done only if such persons have agreed in writing to be bound by a confidentiality provision similar to the one in this agreement.
- c. If you receive confidential abuse information as defined in the applicable state domestic abuse insurance protection law or regulation, you will comply with that law or regulation in all respects and be subject to enforcement of such law or regulation in the courts of such state.
- d. You will implement written administrative, physical, and technical safeguard practices and procedures that reasonably and appropriately protect the confidentiality, integrity and availability of Personal Information that you create, receive, maintain or transmit related to this agreement.
- e. You will immediately provide a written report to us of any "breach of security" as defined under applicable state breach of security laws and regulations involving Personal Information, of which you become aware.
- f. Each party acknowledges that remedies at law may be inadequate to protect against breach of this provision and therefore agrees to the granting of injunctive relief if a party or its representative breaches this provision.
- g. If this agreement terminates, all obligations under this provision survive such termination and continue to be enforceable.

7. Entire Agreement. This agreement is comprised of this document and all documents referred to herein. This agreement supersedes prior written or oral statements or agreements on the subject of agents and general agents we designate as Preferred. If a part of this agreement is invalid, other parts remain effective.

8. Amendment of terms. With notice to you, we may change any provision of the documents comprising this agreement as to matters after the date of change. In addition, we may discontinue or modify a Policy or its compensation rates or rules. If you do not agree to be bound by agreement changes, your sole option and sole remedy is to terminate this agreement.

9. Disputes. The parties submit to the exclusive jurisdiction of, and waive any venue objections against, any state or federal court within Hennepin or Ramsey County in Minnesota and consent to the personal jurisdiction of such courts to resolve any dispute or claim arising out of or related to the subject matter of this agreement, whether the dispute or claim is one of contract, tort, statutory or otherwise. For any litigation, this agreement is governed by the laws of the State of Minnesota, without regard to principles of conflicts of laws.

10. Electronic signatures. Electronic signatures of the parties have the same effect as manual signatures, and any reasonably accessible method of electronic sending and storing of documents is an acceptable alternative to hard copies.

11. Access codes. We own the identifying codes you use to access our electronic sites (e.g. web, internet, intranet), and we may cancel your use any time without notice. You will not reveal your identifying codes to anyone other than those within your control with a reason to know. You are responsible for the use or misuse of our electronic sites by anyone within your control, and by others unless the use or misuse was without your authorization and solely caused by our failure to keep your identifying codes confidential.

12. Communications. You permit us and our representatives to communicate with you via fax, electronic mail, and telephone until and unless you notify us that you do not want to receive communications through one or more of these methods.

- 13. Non-waiver.** The failure of a party to insist that the other party perform according to this agreement is deemed to not waive the need to perform.
- 14. Assignment.** You may not assign compensation or this agreement except by obtaining our written consent. If you assign this agreement to an entity, you unconditionally guarantee the performance and obligations of the entity.
- 15. Background reports.** For as long as this agreement is in effect, you authorize us to contact others regarding your character and background and to obtain credit, consumer or criminal background reports.
- 16. Notice.** "Notice" to you includes notice sent to your last known fax number, electronic mail or mailing address, and notice posted on our electronic site. Notice via fax, electronic mail, or regular mail is effective on the date sent unless the notice indicates otherwise. Notice via our electronic site is effective on the date posted unless indicated otherwise.

This agreement is entered in Minnesota, effective on the date signed by the Company below.

The Preferred General Agent by signing below requests to be bound to the terms and conditions of this agreement.

Signature of Preferred General Agent

Date

Print name

The Company by signing below accepts your appointment as Preferred General Agent according to this agreement.

Allianz Life Insurance Company of North America

Authorized Officer

Date