



Independent Distributor Contract

This contract, executed this the _____ day of _____, in the year _____ is between Reliable Benefits Inc., hereafter referred to as "the company," and

_____ hereinafter called "Independent Distributor." Or "ID".

- 1. Appointment and Relationship.** The ID is hereby appointed a General Agent of the Company and is authorized to solicit in person, or through sub-Agents contracted by him, applications for sales of discount packages, and to forward same to the Company for approval or rejection, and to collect the initial contributions due on such applications. The ID or sub-Agents shall be free to exercise his own judgment as to the persons from whom he will solicit applications, and the time and place of solicitation, subject to the provisions as contained herein. The Company may from time to time prescribe rules respecting the requirements for eligibility of applicants, not interfering with freedom of action of the ID or sub-Agents, which rules shall be observed and conformed to by said ID or sub-Agent. The general transactions of business will be governed by the Company rules, which may be changed, altered, or amended from time to time by the Company.
- 2. Independent Contractor.** It is expressly agreed and understood that the relationship of the ID or sub-Agent with the Company shall be that of an Independent Contractor only, and that nothing contained herein or any actions by either party shall be construed to create the relationship of employer and employee.
- 3. Gross Dollars.** The ID shall immediately remit to the Company all gross dollars collected by him or his sub-Agents, and it is understood that the Company will accept no application for consideration unless same is accompanied by the full amount due the Company for the initial dollars if any.
- 4. Compensation.** The ID shall pay all expenses incurred by him or his sub-Agents in the performance of the contract and, except as otherwise provided herein, shall be entitled to and shall receive as full compensation for expenses and for his services, compensation and renewal commissions on contributions paid on products secured by said ID or his sub-Agents, in accordance with the terms of the Compensation Schedule published by the Company. Said schedules are attached hereto and incorporated herein by reference and are part of this contract. The Company may change the terms of said schedules but any change in compensation shall not affect those monies due or to become due to the ID or sub-Agents on products sold which had an effective date prior to the date of the change. When changes in the schedules are made they are incorporated herein by reference and become part of the Contract. The ID will receive at least ten-(10) days prior written notice of any change in the schedules.
- 5. Compensation Accrues.** Compensation and renewals shall accrue to the ID as the Company receives them in cash.

6. **Compensation on Reinstated Products.** In the event of the reinstatement of a lapsed product within forty-five (45) days of date of lapse, the compensation to be paid the ID shall be the same as on a renewal of such product.
7. **Conversion.** Any sale made to a customer of RBI, which results in a change in the benefit level of the existing product will be considered a conversion. The ID who converts products with a new one may, at the Company's discretion, be paid a conversion fee as a one time commission and/or may be paid renewal commissions on the incremental change in monies which occurs as a result of a new and converted product being issued. Payment of any renewal commissions on conversions will be in accordance with the terms of Schedules of Commissions in effect at the time the conversion occurs.
8. **Assignments.** This Contract is not transferable. No assignment of compensation or renewal commissions hereunder shall be valid unless authorized in advance in writing by the Company. Any assignment so authorized shall be subject to any and all indebtedness of the ID to the Company then existing or thereafter accruing.
9. **Discontinuance of Product.** The Company may discontinue or withdraw from the ID any product or plan scheduled herein, and may fix commissions and renewal commissions on any product not scheduled herein. The Company may, upon not less than ten (10) days notice in writing mailed to the ID's last known address, change the compensation and/or renewal commissions provided herein, but such change shall not affect compensation or renewal commissions due or to become due on said ID on products issued on sales secured by said ID and his sub-Agents and received at the Office of the Company prior to the date such change becomes effective.
10. **Vested commissions after termination.** The ID or the company may terminate this contract at any time by giving ten (10) days written notice to the other of such termination and mail in same to the last address of the other party. If the ID fails to submit new business in any 12 month period to the company, this contract will automatically terminate and notice of termination to the ID will not be required. The ID's right to receive compensation that may accrue on account of product sold on applications secured by the ID or his sub Agents shall be vested and payable to the ID after termination of this contract, unless such compensation in any month amounts to less than \$75.00, in which case no further compensation shall be payable. This contract shall be terminated by the death of the ID and all compensation payable as provided herein shall be vested and payable to the surviving spouse, unless such compensation in any one month falls below \$75, in which case no further compensation shall be payable. Should there be no surviving spouse or if the spouse dies prior to receiving all compensation payable, then such compensation shall be payable to the executors or administrators of the ID's estate.
11. **Refunds.** The IDs shall make prompt refund of all compensation paid to ID or his sub-Agents on which the Company declines to issue product, and on any application on which product shall be issued by the company and not accepted by the applicant. The ID shall also make prompt refund of all year commissions if the "company has to rescind all monies" originally submitted to the Company. The company shall at all times have the right to reject applications for product without specifying cause. If the company for any reason or cause shall refund any monies before or after termination of this contract, the ID shall repay to the Company all commissions previously allowed on that case.
12. **Service of Products.** The ID or sub-Agent shall service all customers that the ID or sub-Agent initially sells and ID agrees that the commissions paid to the ID in accordance with the terms herein constitute full payment for soliciting the application that resulted in the product being issued. In the event another ID of the Company

should service and submit additional applications on this customer, the ID or sub-Agents shall continue to be paid first year and renewal commissions on products which the ID or sub-Agents originally sold; however, the ID or sub-Agents will not be paid commissions on the additional products sold to this customer.

13. **Territory.** There are no exclusive territories assigned unless granted in writing by the company. The ID may solicit business anywhere it is legal for them to do so.
14. **Recruiting, Contracting, and Payment of sub-Agents.** The ID is authorized to recruit and recommend to the Company soliciting IDs, herein called "sub-Agents." All contracts with such sub-Agents shall be made either with the Company or directly with the ID. The Company reserves the right to refuse to appoint any proposed sub-Agent, or once done, to thereafter terminate the same. The ID shall be responsible to the Company for the fidelity and honesty of his sub-Agents, for all funds collected or business done by or entrusted to him or his sub-Agents and for any indebtedness of his sub-Agents to the Company if any. The ID shall indemnify and hold the Company harmless from all expenses, costs, causes, of action and damages resulting from or growing out of acts or omissions by him, his sub-Agents or employees. The Compensation Schedule constitutes the total monies payable to ID and his sub-Agents. Commissions payable to sub-Agents may be paid directly to sub-Agents by the Company.
15. **IDs Appointment and License.** The ID shall be responsible for securing any license to sell {if required} from the state in which said ID or his sub-Agents solicit and shall renew such license from year to year. The ID shall pay all fees, and or taxes, required by any state or entity or municipal laws upon the IDs or his sub-Agents right to solicit or sell in any given territory.
16. **Indebtedness.** Since all commissions are "as earned" it should be extremely rare for indebtedness to occur. The company shall have the right to offset any indebtedness of the ID or indebtedness of his sub-Agents to the company against any compensation or renewal commissions due the ID under this contract or any previous contract with the company or any affiliates. The indebtedness of the ID or his sub-Agents shall serve as first lien against any commissions or renewals due or becoming due and become due and payable on demand of the company. If no demand has been made then demand shall be deemed to have been made immediately upon the termination of this contract. All amounts of any nature which shall become due under this Contract shall be payable at the office of the company in Spring, Texas. This contract is performable in Montgomery County, Texas, and any suit by either party on account of any matter arising from this contract shall be instituted in Montgomery County, Texas.
17. **Misconduct.** Should the ID at any time, either before or after termination of this Contract, wrongfully withhold any funds belonging to an applicant, or a customer, or the Company; or should the ID induce any customer to lapse, relinquish or surrender a product with the Company; or induce or endeavor to induce any Contracted ID of the Company to leave its services; or should the ID fail to comply with the Laws or regulations under which he is licensed; then no further compensation of any kind is due.
18. **Limitation of Authority.** The ID or sub-Agent shall have no authority other than expressly granted herein, and no forbearance or neglect on the part of either the ID or sub-Agent or the Company shall be construed as a waiver of any of the terms of this Contract or imply the existence of any authority not expressly granted herein. The ID or sub-Agent is not authorized to make any contract or incur any debt in the name of the Company; nor to make, modify or amend any application or any product of the company or its vendors; nor to extend the time for making any payment which may become due on any product; nor to waive any of the Company's rights or privileges

under its product contracts; nor to collect a receipt from monies other than the initial deposits {if any} with applications or products.

19. **Third Party Legal Proceedings.** The ID or his sub-Agents shall not institute legal proceedings in the name of the Company against any party for any cause unless the Company shall have approved such action in advance, in writing. Should a claim be brought by a third party against the ID or his sub-Agents or the Company as a result of some alleged action by the ID or his sub-Agents, the ID shall hold the Company harmless from and indemnify it for any attorneys' fees and court costs which it may incur in defending the claim and for any damages or expenses which it suffers either through settlement of the claim or by judgement being rendered against it. The Company may, at its sole discretion, determine whether to defend or settle any such claim.
20. **Choice of Law.** This Contract is governed the by laws of the State of Texas and any interpretation of the language, intent, performance or obligation of this Contract shall be done in accordance with the laws of the State of Texas.
21. **Severability.** If any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Contract and this contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.
22. **Responsibilities of ID under Federal Tax Laws.** The ID is hereby advised that as an independent contractor, the ID has certain responsibilities under the federal tax laws. First, the ID must report all first year commissions and renewal commissions to the Internal Revenue Service on the appropriate income tax form and pay federal income taxes due with respect to these amounts. Second, the ID must report all sales commissions on the appropriate self-employed ("S.E.C.A.") taxes with respect to these amounts. To assist the ID in complying with these requirements the Company, after the close of each calendar year, furnishes the ID with a copy of the Form 1099 Income Statement that the Company is also required to send to the IRS.
22. **Supplies and Advertising.** All printed matter or other supplies furnished the ID by the Company are the property of the Company and shall be promptly returned to the Company upon termination of the Contract. No circulars, advertisements or other matter whether electronic or print shall be published, printed distributed or used in any way by the ID until the same shall first have been approved in writing by the Company.
23. **Lead Program.** If the ID is participating in any "lead" program sponsored by the Company, the ID expressly agrees that such "leads" will only be used in the production of business for the Company.
24. **Sole Agreement.** This Contract shall take effect as of the date first above written and covers and includes all agreements between the parties hereto, and supersedes any and all previous contracts and agreements between the parties hereto, it being understood, however, that any compensation or renewal commissions due or to become due the ID under any previous contracts or agreements shall not be affected hereby, and that any indebtedness by said ID to the Company and any liens created in connection therewith shall continue in full force. This Contract may not be orally modified. No modification is binding upon the Company unless it is in writing and signed by an authorized company representative.
25. **Statement of Account.** The Company will each month, or at reasonable intervals, furnish the ID with a statement of his account and remittance for any amount due him. Upon receipt of such statement and remittance the ID shall immediately examine same, and if not satisfied as to the accuracy and correctness of same, shall return said

statement and remittance to the Company with full particulars of any discrepancy therein. Failure of the ID to notify the Company within ten (10) days from the date he receives such statement and remittance shall be deemed an admission by the ID of the accuracy and correctness of such statement and remittance. All amounts of any nature which shall become due under this Contract shall be payable at the office of the Company. This Contract is performable in Montgomery County, Texas, and any suit by either party on account of any matter arising from this Contract may be instituted in Montgomery County, Texas.

26. **Meaning of Pronouns.** Where the words "he," "his," "him," and "himself," are used herein, they are intended to mean the ID, whether the ID is an individual, a partnership or a corporation.

In Witness Whereof, this contract has been signed by the parties hereto.

Reliable Benefits Inc.

ID

RBI

Compensation Schedule

ID's receive a \$22.00 "as earned" commission for each sale of the RBI Discount card for which the customer pays \$59.99. Renewal commissions are the same as first year commissions. ID's receive a \$6 "as earned" override commission for the sales of the RBI Discount card for which customers paid \$59.99 by a directly sponsored ID. Override commissions are only payable for sales made by **directly sponsored ID's**.

ID's receive a \$7.00 "as earned" commission for each sale of the HSA GoldCard for which the customer pays \$39.99. Renewal commissions are the same as first year commissions. ID's receive a \$3 "as earned" override commission for the sales of the HSA GoldCard for which customers paid \$39.99 by a directly sponsored ID. Override commissions are only payable for sales made by **directly sponsored ID's**.

A commission processing fee of \$7 per month may be deducted from the ID's commission.