

The following provisions regard the incentive programs and partnership benefits provided by Gradient Insurance Brokerage, Inc. (“Gradient”) to its producers, including Gradient Shares Program, Gradient Gala, Gradient Summit, JetSet Giveaway and Gradient Getaway (the “Incentive Programs”), as well as the “Super Elite,” “Elite,” and “Premier” level partnership benefits referenced in the applicable Gradient Partnership Agreements (the “Partnership Benefits”). This disclaimer shall also govern all other Incentive Programs and Partnership Benefits not listed above.

The Gradient Shares Program provides Gradient’s top producers with an opportunity to receive Profit Units and Marketing Units. The Profit Units comprise an unqualified and voluntary profit participation program. In this respect, the Gradient Shares Program is an incentive bonus pool; it is not a pension plan of any kind or character. Participants in the Gradient Shares Program have no vested interest in the Program or in Gradient, and there will be no separate fund set up by Gradient to fund the Program. The Gradient Shares Program is neither a deferred compensation plan nor a deferred compensation program. Profit Units are calculated on the stated profits by Gradient, but Gradient is not limited in any way as to the amount that Gradient contributes to the Gradient Shares Program in any particular calendar year, if any, which amount shall be at Gradient’s sole discretion. Participating producers have no right to review or audit any of the financial records of Gradient.

A producer’s eligibility for participation in the Incentive Programs and Partnership Benefits is determined based on a product-specific calculation. To qualify for the Gradient Gala<sup>1</sup>, JetSet Giveaway, or Profit Units, a producer must produce a minimum of \$3 million of paid annual fixed annuity, and/or funeral trust premium and/or \$300,000 of target life premium or a combination thereof. Other qualification levels may apply for the Gradient Summit or other Incentive Programs. Qualification for Gradient Getaway includes submitted annual fixed annuity premium and certain life insurance products issued through Equitrust, National Western, Sagicor, and Baltimore life. Single premium life production applies only to products that are single premium and simplified underwriting. Single Premium life applications that are submitted, but subsequently withdrawn, cancelled or declined, will not be credited toward this contest. The eligibility requirements for the Partnership Benefits are set forth in a participating producer’s Gradient Partnership Agreement. In determining eligibility for the Incentive Programs and Partnership Benefits, guaranteed rate annuity and SPIA paid production will be calculated at one-half credit, unless otherwise specified in promotion, but never to exceed one-half credit. Premium finance is created as earned. Additionally, the following products do not count towards the eligibility requirements for any of the Incentive Programs or Partnership Benefits: Security Benefit Life – Lighthouse premium. The following products do not count towards the eligibility requirements for any of the Incentive Programs, except Gradient Getaway, Gradient Gala and Gradient Summit, and JetSet Giveaway: Forethought Income 150+, Forethought ForeCare, Annexus/Nationwide New Heights, Annexus BalancedChoice Annuity Series, Annexus BalancedGrowth Advantage IUL, Pacific Life Index Dimensions and Security Benefit Life – Total Value Annuity premium. A producer must be in good standing to be eligible to receive benefits under the Incentive Programs or Partnership Benefits. Any producer requesting written release or transfer of any contract from Gradient, or whose relationship with Gradient has been terminated for any reason, is not eligible to participate in the Incentive Programs and will immediately forfeit any and all Incentive Program benefits and Partnership Benefits. Gradient reserves the right, in its sole discretion, to terminate any producer from the Incentive Programs at any time. Participants are not able to defer the benefits offered under the Incentive Programs or the Partnership Benefits. (A producer may, with Gradient approval, miss qualification for one year and retain accrued Profit Units from prior year(s). If a producer misses qualification for two years, however, the producer forfeits all accrued Profit Units. This provision does not apply to the other Program benefits or to the Partnership Benefits.) Only Profit Units accumulate; there is no accumulation of compensation or benefits under the Incentive Programs. Participation in the Incentive Programs is optional. Participation does not create an entitlement on behalf of the producer or provide the producer with a vested interest in any of the benefits offered through the Incentive Programs. The benefits provided through the Incentive Programs are provided by Gradient at its sole discretion, and Gradient reserves the right to change, modify, or discontinue the Incentive Programs and Partnership Benefits for any reason and at any time.

<sup>1</sup> Upon satisfaction of the minimum production level as stated herein, any assets under management held by Gradient Investments, LLC can be used towards the satisfaction of the requirements for obtaining additional Gradient Gala event upgrades and, if applicable, an invitation to Gradient Grand Gala. Except in the case of Gradient Gala and Gradient Grand Gala, the amount of assets under management held by Gradient Investments, LLC shall not result in any additional upgrades or benefits with regards to any other incentive or benefit programs as stated herein.

