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# CAA Referral Relationship

## Compensation Details

The following is an excerpt of the compensation details of the referral relationship between G&A Partners (“Company”), Combined Agents of America (“Association”) and CAA member agencies (“Included Agencies”). **This agreement applies to deals on a go-forward basis, effective December 1, 2018.**

### Medical Benefits Commission:

Each Included Agency shall be paid a commission equal to five percent (5%) of medical benefit premiums (including employee and employer contributions) of covered employees of Agency Originated Clients that are originated by the Included Agency in question and that participate in the Company provided master medical plan. For the avoidance of doubt, no Medical Benefits Commission shall be paid for Agency Originated Clients that do not participate in the Company master medical plan.

### Gross Margin Commission:

For each Agency Originated Client, the Included Agency who originated the Agency Originated Client in question will be paid five percent (5%) of the Gross Margin generated from such Agency Originated Client, subject to the following escalator:

- if, during any calendar year, the aggregate Gross Margin from an Included Agency’s Agency Originated Clients exceeds \$100,000, then for the remainder of that calendar year only, the commission for the increment of Gross Margin from the Included Agency’s Agency Originated Clients that exceeds \$100,000 shall be seven and one-half percent (7.5%);
- if, during any calendar year, the aggregate Gross Margin from an Included Agency’s Agency Originated Clients exceeds \$200,000, then for the remainder of that calendar year only, the commission for the increment of Gross Margin from the Included Agency’s Agency Originated Clients that exceeds \$100,000 shall be ten percent (10%); and
- the foregoing escalator shall be reset on January 1 of each calendar year.

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### **Workers' Compensation:**

For any Agency Originated Client that joins the Company sponsored workers' compensation plan, the Included Agent that originated the Agency Originated Client shall receive payment of an amount equal to the amount the Included Agent would have received if the Agency Originated Client had retained a workers compensation plan through the open market, as agreed on a case by case basis between the Company and the Included Agency.

### **Aggregate Annual Bonus:**

At the end of each calendar year hereof, the Company shall calculate the aggregate Gross Margin from all of the Agency Originated Clients hereunder. If such aggregate annual Gross Margin exceeds \$750,000, then Company shall pay the Association 2.5% of such aggregate annual Gross Margin, so that the Association may disperse such amount to the originating Included Agencies in proportion to their respective originations. If such aggregate annual Gross Margin exceeds \$1,500,000, then Company shall pay the Association 5% of such aggregate annual Gross Margin, so that the Association may disperse such amount to the originating Included Agencies in proportion to their respective originations. If earned, the foregoing Aggregate Annual Bonus shall be paid to the Association within 60 days of the closing of the Company's books for the calendar year in question. No Aggregate Annual Bonus shall be earned if the stated Gross Margin goals are not met. The Association shall be solely responsible for dispersing the Aggregate Annual Bonus, if any, to the Included Agencies in the correct proportion to their respective originations.

*In the case of any discrepancy between this excerpt and the full agreement, the full agreement will prevail.*