

General Agent Supplemental Compensation Plan

General Agents with <\$50 million of inforce premium

Introduction

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With four generations in the workforce and increasing competition to attract and retain top talent, your strategic guidance is needed more than ever. Count on our wide range of proven benefit solutions, 100 years of experience, and forward-thinking insights to help you navigate the changing needs of today's workforce. We remain committed to collaborating with you to build strong relationships and grow your business.

Designed to recognize new and long-standing business relationships, MetLife is pleased to present the 2022 Supplemental Compensation Plan.¹ The plan pays qualifying General Agents a percentage of 2022 Received and Earned Premium. All appropriately licensed and appointed General Agents are offered the Supplemental Compensation Plan.²

This brochure provides details about how General Agents can qualify and how Supplemental Compensation will be paid. It is available at www.metlife.com/business-and-brokers/broker-resources/broker-compensation/.

The terms and conditions of the Supplemental Compensation Plan are described in this brochure. MetLife has the sole discretion to interpret the terms and conditions of the Supplemental Compensation Plan.

If you have any questions, please contact your Account Executive. There's also a dedicated Service Center, which you can reach at (866) 796-1800. If your clients have questions regarding compensation, they may call (800) ASK-4MET. You can always find more information about our products and the sales office near you by visiting our Web site, www.metlife.com.

1. The 2022 Supplemental Compensation Plan shall be referred to in this brochure as the "Supplemental Compensation Plan." Payments under the Supplemental Compensation Plan shall be referred to in this brochure as "Supplemental Compensation."
2. By accepting any payment under the 2022 Supplemental Compensation Plan, the General Agent attests that it is an independent contractor (as such term is defined in Treasury Regulation Section 1.409A-1(f)(2)) with respect to MetLife and acknowledges that it is solely responsible for payment of all taxes related to any payment from the 2022 Supplemental Compensation Plan. General Agent also releases (to the extent permitted by law) MetLife from any and all responsibility for payment of any and all taxes related to any payment from the 2022 Supplemental Compensation Plan, including, if applicable, any interest or penalties that may be imposed under statutes, regulations, orders, or rulings governing the taxation of deferred compensation, including but not limited to Section 409A of the Internal Revenue Code.

Overview

A General Agent may be eligible for Supplemental Compensation^{3,4} based on the specific qualification criteria detailed below.

A General Agent may qualify for Supplemental Compensation based on:

- (1) Inforce premium up to \$49,999,999 as of October 1, 2021^{5,6,7}
- (2) New Business Premium and/or New Business Coverage Groupings with effective dates between January 1, 2022 and December 31, 2022 (the "Qualification Period"), **AND**
- (3) Year End Inforce Premium Persistency as of December 31, 2022

New Business Qualification

- New Business Premium and New Business Coverage Groupings requirements are detailed in the chart below:

| Annualized New Business Premium | | New Business Coverage Groupings | Tier |
|---------------------------------|------------|---------------------------------|--------|
| ≥\$2,000,000 | AND | 100 | Tier 1 |
| ≥\$1,000,000 | AND | 20 | Tier 2 |
| Not Applicable | | 60 | Tier 2 |

AND

- Minimum Persistency of at least 84.0%⁸

If the above criteria is met, then a General Agent may qualify for the New Business Supplemental Compensation Scale detailed below:

| New Business Premium | Tier 1 | Tier 2 |
|----------------------|--------|--------|
| First \$25,000 | 6.00% | 4.00% |
| Next \$25,000 | 2.50% | 2.00% |
| Next \$50,000 | 1.50% | 1.00% |
| Over \$100,000 | 0.75% | 0.50% |

Persistency Qualification

- A General Agent must meet the New Business Qualification requirement, **AND**
- Achieve Persistency of at least 84.0%⁸

| Year End Persistency | Renewal Premium Supplemental Compensation Scale | | |
|----------------------|---|---------------|---------------|
| | First \$10,000 | Next \$10,000 | Over \$20,000 |
| 84.0% - 85.9% | 0.75% | 0.25% | 0.25% |
| 86.0% - 89.9% | 1.50% | 1.00% | 0.50% |
| 90.0% - 94.9% | 2.00% | 1.00% | 0.50% |
| ≥ 95.0% | 2.50% | 1.50% | 0.50% |

3. In certain circumstances, MetLife may set the Supplemental Compensation percentages and the qualification criteria set forth in this brochure will not apply.
4. For purposes of determining which of the 2022 Supplemental Compensation Programs a General Agent will qualify under, inforce premium is determined as of October 1, 2021, including New Business Premium with effective dates on or before October 1, 2021. MetLife may, however, in its sole discretion determine annualized inforce premium at the end of the Qualification Period for certain General Agents based on changes in inforce premium during the Qualification Period.
5. MetLife may in its discretion aggregate affiliated Tax IDs for qualification while applying payment to the individual Tax IDs, if requested to do so by the General Agent. A request to aggregate must be submitted no later than October 1, 2021. After this date, MetLife may in its discretion consider requests to aggregate Tax IDs if a merger or acquisition occurs among firms before September 30, 2022, or under other circumstances that MetLife deems appropriate due to activity that occurred during the Qualification Period. MetLife may, in its discretion, allow a Tax ID to de-aggregate based on a firm's business alignment for qualification purposes instead of at the Tax ID level. These requests are only considered for distinct business models within a single Tax ID. Any such request must be submitted no later than March 1, 2022. After that date, MetLife may, in its discretion, consider requests to de-aggregate in situations where MetLife deems appropriate due to activity that occurred during the Qualification Period.
6. If the General Agent of Record is merged with another General Agent, or otherwise legally consolidates multiple Tax IDs, and submits both written notice of the transaction and a General Agent change request to MetLife by October 1, 2022, MetLife will combine the inforce premium as of October 1, 2021 to redetermine which of the 2022 Supplemental Compensation Programs the consolidated entity will qualify under. If notice of the transaction and General Agent change request is submitted after October 1, 2022, but no later than December 1, 2022, the qualification tier for the consolidated entity will be that of the acquiring General Agent prior to the transaction.
7. If two or more firms merge prior to the qualification period and this results in an increase of 50% or more of the acquiring firm's inforce block of business with MetLife, MetLife reserves the right to remove the combined firms from the 2022 SCP program.
8. If a General Agent has no inforce premium as of the beginning of the Qualification Period with MetLife and qualifies for new business, the General Agent is eligible for a Supplemental Compensation scale at the greater than 95.0% Year End Persistency.

Eligible Group Products and Services

Qualification and Payment

There are a number of different group products and services marketed by MetLife that a General Agent can sell to qualify for Supplemental Compensation. For qualification and payment purposes, coverages must have a minimum number of two eligible lives. The products fall into the following Coverage Groupings:

Core Products

Coverage Grouping 1

- Basic Life, Core Life, Dependent Life, Accidental Death & Dismemberment (“AD&D”) both personal and dependent

Coverage Grouping 2

- Optional Group Term (Supplemental Life), Voluntary AD&D Both personal and dependent, Optional Life/AD&D, Buy-Up Life, Buy-Up AD&D, Survivor Income Benefit

Coverage Grouping 3

- Dental benefits products*

Coverage Grouping 4

- Short Term Disability (“STD”)*, Voluntary STD, Mandated State Disability Plans, Paid Family Leave (PFL), Paid Medical Leave (PML)

Coverage Grouping 5

- Long Term Disability (“LTD”)*, Voluntary LTD

Coverage Grouping 6

- Vision^{9,10}

Voluntary Products

Coverage Grouping 7

- Accident Insurance, Critical Illness Insurance, Cancer Insurance, Hospital Indemnity Insurance, Critical Illness, MetLife Legal Plans¹¹, Worksite STD, Whole Life¹²

* Administrative Services Only (“ASO”) business may be included only in Dental, Short Term Disability and Long Term Disability.

Coverages Eligible for Payment Only

The following coverages are included for Supplemental Compensation payment purposes but excluded for qualification:

- Texas Life Whole Life¹³
- MetLife TakeAlong DentalSM

Excluded Products

Any products or services not specifically included in the above section are excluded from the Supplemental Compensation Plan, and therefore will not be counted for qualification purposes, nor will a General Agent receive Supplemental Compensation on the premium or fees relating to those products. Products or services sold to customers whose situs is outside the United States and its territories are excluded.

Supplemental Compensation Payment Calculation

MetLife pays Supplemental Compensation at a single Tax ID level. Payment is calculated based on 2022 Received and Earned Premium. The Supplemental Compensation Rate will be applied to New Business Premium and Renewal Business Premium. The Received and Earned Premium is multiplied by applicable New Business or Renewal Supplemental Compensation rate. The Supplemental Compensation rates for New Business and Renewal is a declining scale, and as a customer’s Received and Earned Premium accumulates, the compensation MetLife pays moves down the scale separately for each coverage grouping. The Supplemental Compensation rates will be applied to Received and Earned Premium on bill dates for the calendar year. Payment will be made by March 15, 2023 in one lump sum. MetLife reserves the right to adjust the timing of all Supplemental Compensation payments. (See Payment Guidelines on page 7 and Payment Capping on page 8 for more details.)

9. Safeguard Vision cases and other cases issued by companies other than Metropolitan Life Insurance Company are excluded from Supplemental Compensation for qualification and payment purposes.

10. Inforce coverages that are issued by Metropolitan Life Insurance Company and are administered or were previously administered by Davis Vision, Inc. or Superior Vision, Inc. are eligible for Supplemental Compensation payment only. New business coverages that are issued by Metropolitan Life Insurance Company and not otherwise payable as policies administered by Davis Vision, Inc. or Superior Vision, Inc. are eligible for qualification and payment.

11. MetLife Legal Plans is excluded for qualification and payment for customers with less than 100 employees.

12. Products issued by either Metropolitan Life Insurance Company or Metropolitan Tower Life Insurance Company

13. Texas Life Whole Life is underwritten by Texas Life Insurance Company, 900 Washington Avenue, Waco, Texas. Texas Life is not affiliated with Metropolitan Life Insurance Company or its affiliates.

Guidelines

General Program Guidelines

Amendments

The terms and conditions set forth in this brochure govern the Supplemental Compensation Plan. MetLife reserves the right to change the terms of the Supplemental Compensation Plan or to discontinue the sale of any product. There will be no changes to the Supplemental Compensation Plan unless set forth in writing approved by an Executive Vice President. Changes to the Supplemental Compensation Plan will be posted on www.metlife.com/business-and-brokers/broker-resources/broker-compensation/.

Contacting MetLife

Your representative is available to answer any questions. You may also contact our dedicated Service Center at the number below.

When contacting MetLife by e-mail, please state the topic of your request in the subject line and include pertinent details in the body of the message. Information needed to respond to your request may include the name, address, e-mail address, phone number, General Agents code, customer name and coverages.

Phone: (866) 796-1800, select option #5

E-mail: ins_compensation_inquiries@metlife.com

Mail to: MetLife
P.O. Box 30160
Tampa, FL 33630

Disclosure

MetLife reserves the right to notify its customers of a General Agent's eligibility to receive compensation under the Supplemental Compensation Plan and the amount of any payment made or to be made, and to obtain written customer authorization prior to making any payment. Certain customer and prospect communications will include a compensation notice explaining to customers and prospects how General Agents are compensated. MetLife will send to all group insurance customers an annual statement indicating all compensation paid to the customer's General Agent of Record in the prior year.

Working with MetLife, you can be assured of its commitment to disclosure of information about its compensation plans to customers and potential customers.

Important Dates

Qualification Period

New Business with effective dates between January 1, 2022 and December 31, 2022.

Inforce Premium as of December 31, 2021 and the Inforce Premium as of December 31, 2022 will be used as part of the Persistency calculation.

Customer Authorization Form

Must be completed and received by MetLife by February 1, 2023 – for qualification and payment purposes.

If it is received by MetLife after February 1, 2023 – will apply to payment only. Payment cannot be made until receipt of signed Customer Authorization Form.

Notification of Qualification

Estimate of Qualification – intended to be mailed in December 2022 to General Agents qualifying for 2022 Supplemental Compensation.

Book of business corrections – due to MetLife by January 15, 2023. MetLife may, in its discretion, consider changes received after this date in unique situations.

Official notification of qualification – mailed in February 2023 to General Agent's qualifying for 2022 Supplemental Compensation.

Payment and Timing

Payment will be based on 2022 Received and Earned Premium received by February 1, 2023. All Supplemental Compensation payments will be made by March 15, 2023.

MetLife reserves the right to adjust the timing of all Supplemental Compensation payments.

Licensing and Appointment

In order to be eligible for qualification and payment under the Supplemental Compensation Plan, the General Agent must be appropriately licensed and appointed and to comply with all applicable laws and regulations, including, without limitation, those that apply to disclosure of compensation.

Pricing

The cost of Supplemental Compensation is not directly charged to the price of our products except as an allocation of overhead expense, which is applied to all eligible group insurance products, whether or not Supplemental Compensation is paid in relation to a particular sale or renewal.

Qualification Guidelines

ASO/PAR Customers

For ASO and Participating ("PAR") customers/coverages, MetLife will apply the full ASO fee or the PAR premium amount towards qualification.

Coverage Grouping Count

Coverage Groupings counts are determined at the customer level. For a given customer number, a General Agent will receive a single Coverage Grouping count for each Core new business product in a Coverage Grouping in the first plan year only and will receive a single Coverage Grouping count each plan year when a new Voluntary Coverage is added.

General Agent of Record

The General Agent of Record on the effective date of qualifying new business sold during the Qualification Period will receive qualification credit for annualized New Business Premium and Coverage Grouping counts; there is no prorating of the qualification credit. A customer's coverage must be inforce at the end of the Qualification Period in order to be counted towards qualification for New Business.

Where there is a General Agent of Record change on inforce business during the Qualification Period, such business is excluded from qualification for Persistency.

Qualification Guidelines continued

General Agent Splitting/Deal %

If two or more General Agents split override, only the New Business Premium will be apportioned. The apportionment will be the same as the General Agent override compensation apportionment. Each of the recognized General Agents splitting the compensation will receive full credit for the number of the customer's Coverage Grouping(s) sold during the qualification period.

Opting Out

All Premium is counted for qualification purposes. However, if a customer chooses to Opt-out of the Supplemental Compensation Plan, no Supplemental Compensation will be paid in relation to that customer's premium.

Payment Guidelines

Advances

No Supplemental Compensation payments shall be made in advance of when it is due under the Supplemental Compensation Plan.

ASO/PAR Customers

ASO fees and PAR premium are reduced to 25% of the actual ASO fees and PAR premium prior to applying the applicable Supplemental Compensation percentage.

General Agent Eligibility

MetLife reserves the right to remove a case for qualification and payment purposes, where MetLife finds the entity serves also as a broker. A General Agent is only eligible for Supplemental Compensation. A General Agent cannot be eligible for both Broker and General Agent Supplemental Compensation.

General Agent of Record

Supplemental Compensation shall be earned by the General Agent of Record only so long as the premium is deemed to be Received and Earned Premium, and provided MetLife continues to recognize the General Agent as the General Agent of Record for the Bill Dates during the Qualification Period.

Capping

MetLife will pay a General Agent a maximum of \$800,000 (the "Cap") of total Supplemental Compensation per customer. (See Guidelines — Payment and Timing.) The Cap is based on a maximum of \$200,000 for the total amount of New Business core product coverages, \$200,000 for the total amount of Renewal Business core product coverages, \$200,000 for the total amount of New Business voluntary product coverages, and \$200,000 for the total amount of Renewal Business voluntary product coverages as defined on page 4.

If more than one General Agent is eligible for Supplemental Compensation with respect to one customer and Supplemental Compensation is more than \$800,000, MetLife may apply the Cap or Caps per customer for each General Agent so long as the General Agents are not affiliated or under common ownership or control. MetLife may, in its sole discretion, determine when a General Agent has an affiliation or common ownership with another General Agent. MetLife reserves the right to determine in its sole discretion how the Caps are applied.

If a customer acquires another company that does not have eligible group products prior to the acquisition, MetLife will treat the existing customer and the acquired company as separate companies for purposes of applying the Cap or Caps under the 2021 Supplemental Compensation Plan.

MetLife reserves the right to consider the customer and the acquired company to be one customer in relation to any future Supplemental Compensation Plans.

Notwithstanding, any of the other provisions in this section, MetLife reserves the right to apply the Cap or Caps in instances where customers are deemed by MetLife in its sole discretion, to be affiliated or under common ownership.

Customer Authorization

MetLife reserves the right to obtain written customer authorization before making any Supplemental Compensation payment.

For coverages where no base commission had been payable or that had a base commission change, a signed Customer Authorization Form is required in order to be eligible for payment and qualification under the supplemental compensation plans. Both the General Agent and the customer must sign the Customer Authorization Form.

Requests for Supplemental Compensation payments should contact our dedicated Service Center at the number below. Requests will be reviewed to determine eligibility.

When contacting MetLife by e-mail, please state the topic of your request in the subject line and include pertinent details in the body of the message. Information needed to respond to your request may include the name, address, e-mail address, phone number, General Agent's number, customer name and coverages.

Phone: (866) 796-1800, select option #5

E-mail: ins_compensation_inquiries@metlife.com

Mail to: MetLife
P.O. Box 30160
Tampa, FL 33630

Overpayments

The General Agent shall immediately return any overpayment of Supplemental Compensation. Any Supplemental Compensation paid to a General Agent that is not earned by the General Agent shall be immediately returned and MetLife reserves the right to offset any funds payable by a General Agent against any funds payable to the General Agent. By cashing any check or otherwise accepting any payment, including any Supplemental Compensation payment, the General Agent thereby agrees that MetLife may offset any funds payable to the General Agent in order to recover an overpayment or any other funds payable by the General Agent.

Primary Payee

In instances where multiple payee codes exist for a single Tax ID, MetLife will require a duly authorized representative of the General Agent to designate in writing a primary payee. When a primary payee is designated, it will remain in effect until MetLife receives and approves a written change request.

Definitions

In addition to the defined terms below, some terms may be defined where they first appear in this brochure.

1. **“Annualized Billed Premium”** – the last billed premium earned and received in good order at the end of the qualification period is then used to calculate an annual premium amount.
2. **“Bill Date”** – Billing due date for the premium of the customer.
3. **“Coverage Grouping”** – one or more coverages or group products or services marketed by MetLife that are eligible for qualification and payment under the Supplemental Compensation Plan.
4. **“General Agent”** – a licensed broker contracted by MetLife through a General Agent Agreement to perform select services, and not paid compensation by MetLife pursuant to any other agreement.
5. **“General Agent of Record”** – the General Agent as recognized and determined by MetLife to support and service the coverage for the customer’s eligible group insurance coverage.
6. **“Division Number”** and **“Experience Number”** – terms used internally. A Division Number or Experience Number may be used to identify sub-groups within a customer. For example, a customer may choose to have one sub-group of its employees covered for basic life insurance benefits under one Experience Number and another sub-group of its employees covered for basic life insurance benefits under a different Experience Number. MetLife reserves the right to determine in its sole discretion whether to permit multiple Division Numbers or Experience Numbers under one customer.
7. **“Inforce Premium”** – the Annualized Billed Premium for customers whose group coverages are in force as of the calculation date, but excluding coverage(s) effective on or after January 1, 2022 unless otherwise noted. For purposes of determining inforce premium, MetLife includes all customers of the General Agent, including customers with Zero Commission Coverages and Opt-Out customers.
8. **“New Business Premium”** – New Business Premium is Annualized Billed Premium for new coverages with an effective date during the Qualification Period. For payment purposes, New Business Premium is Received and Earned Premium credited to a billing cycle that occurs during the first twelve (12) months following the coverage effective date for the 2022 Supplemental Compensation Program Year.
9. **“Opt-out”** – the act of electing to exclude a General Agent’s Tax ID, customer, Division Number, Experience Number and/or Coverage Grouping from participating in the Supplemental Compensation Plan. This can be accomplished by contacting the General Agent Service Center.
10. **“Persistence”** – Persistence is calculated by dividing the Inforce Premium as of December 31, 2022 for customer coverages for which a General Agent is General Agent of Record by Inforce Premium as of December 31, 2021 for the same coverages. The persistency calculation utilizes only the premiums associated with the inforce coverages in effect on December 31, 2021. Coverage(s) effective on or after January 1, 2022 will be excluded. Coverages that cancel on December 31, 2021 or January 1, 2022 will impact the 2022 Persistency Qualification. Coverage(s) for which there was a General Agent of Record change during the qualification period will be excluded from the calculation. For purposes of calculating a General Agent’s persistency, MetLife includes all customers of the General Agent, including customers with Zero Commission Coverage and Opt-Out customers. For qualification purposes and upon notification by the General Agent of Record, a conversion from insured to ASO will be excluded from the Persistency calculation and a conversion from ASO to insured will be included in the persistency calculation. Upon notification and MetLife’s validation of the situation, coverage cancellations due to bankruptcy or acquisition where the acquiring customer was not inforce with MetLife at the time of acquisition, may be considered for exclusion from brokers persistency calculation for qualification purposes only. A premium case cap of \$250,000 for all coverages and \$500,000 for Dental will be utilized in the persistency calculation.
11. **“Received and Earned Premium”** – the premium paid by a customer and allocated by MetLife to loss experience, expense and profit for the customer’s case, and used to calculate base compensation.
12. **“Renewal Business Premium”** – Premium received by MetLife to credit a billing cycle that occurs after the first twelve (12) months following the coverage effective date. For payment purposes, Renewal Business Premium is Received and Earned Premium credited to a billing cycle that is not considered New Business Premium for the 2022 Supplemental Compensation Program Year.
13. **“Tax ID”** – an individual’s social security number or a firm’s taxpayer identification number.
14. **“Zero Commission Coverage”** – group coverage where the General Agent of Record is not receiving base compensation, whether or not MetLife or the customer pays any amount to that General Agent. Both the General Agent and customer must sign the Customer Authorization Form to include a Zero Commission Coverage in the Supplemental Compensation Plan for purposes of determining eligibility and Supplemental Compensation payable. Once a Customer Authorization Form is completed and submitted for the 2022 Supplemental Compensation Plan, it will remain in effect for subsequent supplemental compensation plans unless a customer notifies MetLife in writing of its intention to terminate the authorization.

