

GLOBAL AEROSPACE



STANDARD TERMS AND CONDITIONS FOR PRODUCERS

The following terms and conditions shall be deemed applicable to your decision to utilize **GLOBAL AEROSPACE, INC.** (hereafter referred to as "GLOBAL"), the underwriting manager for and on behalf of the **GLOBAL AEROSPACE UNDERWRITERS** pool member insurers. These terms and conditions shall only apply in the absence of a separately negotiated and executed agreement, whether said agreement was executed before or after the publication of these terms and conditions.

SECTION 1 - AUTHORITY

A. Limited Grant of Authority.

We confers to PRODUCER the nonexclusive right to solicit applications on behalf of GLOBAL, subject to paragraph 1(B), below.

B. No Binding Authority.

PRODUCER shall have no authority to bind GLOBAL, commit to or issue binders, policies, or other written evidence of insurance on behalf of GLOBAL, or make representations on behalf of GLOBAL. PRODUCER shall not make, alter, or vary any terms of coverage or payment of any premium, or incur any liability for or on behalf of GLOBAL. All applications, inquiries, renewal requests, and endorsements must be submitted to GLOBAL for its consideration and are subject to being accepted, modified, quoted, or declined, at GLOBAL's sole underwriting discretion.

C. PRODUCER as Independent Contractor.

Notwithstanding any appointment by any policy issuing company, PRODUCER is an agent for the Insured and acts on behalf of the Insured. PRODUCER is not an agent, subagent, or broker for GLOBAL or any policy issuing company. This Agreement and the relationship between the parties, their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture, principal/agent or employment relationship between GLOBAL or the policy issuing companies and PRODUCER. PRODUCER is for all purposes an independent contractor.

D. PRODUCER's Locations.

The authorization granted to PRODUCER is granted to all office locations of PRODUCER, unless specifically restricted to those office locations identified by an addendum.

SECTION 2 - PREMIUM & COMMISSION

A. Guaranty of Premium.

PRODUCER shall guarantee the payment of all premiums for new or renewal policies, endorsements, deposits, installments, audits, or other transactions, whether or not such premiums are collected by PRODUCER.

B. Collection of Premium.

PRODUCER is authorized and agrees to collect, receive, and receipt all premiums on policies placed with GLOBAL. PRODUCER shall hold all premiums, less commissions, in trust and as a fiduciary of GLOBAL, pursuant to paragraph 2(l), below. PRODUCER is also authorized to retain commissions out of premiums as full compensation on business placed with GLOBAL. GLOBAL shall not be responsible for any costs or expenses of PRODUCER whatsoever, unless specifically authorized by GLOBAL in writing.

C. Rate of Commission.

The rate of commission of each policy shall be determined by mutual agreement between PRODUCER and GLOBAL.

D. Payment to Global.

GLOBAL shall provide PRODUCER a monthly statement of monies due to or from GLOBAL. Any balances due GLOBAL shall be paid no later than 30 (thirty) calendar days after the end of the month for which the statement is submitted.

E. Return Commission.

Whenever a policy is cancelled or amended with return premium, PRODUCER shall return to its Insured the unearned premium, including unearned commission, at the same rate at which the commission was originally calculated.

F. Change in Broker of Record.

GLOBAL shall accept and honor a written request from an Insured for a change of insurance broker of record. Such change shall not be considered effective unless and until all outstanding premium transactions are completely satisfied with respect to GLOBAL and the then current PRODUCER. Furthermore, the assuming PRODUCER shall agree to return to the Insured the unearned premium, including unearned commission, at the same rate at which the commission was originally calculated, notwithstanding whether or not PRODUCER originally placed the business with GLOBAL or received the commission for placing the business with GLOBAL (unless agreed otherwise by GLOBAL and the Insured, in writing).

G. Direct Collection.

To the extent any owed premium has not been paid on any insurance contract, GLOBAL reserves the right to collect such amounts directly from the Insured. Any attempts by GLOBAL to collect from the Insured will not relieve PRODUCER of liability to GLOBAL, except to the extent of amounts actually collected by GLOBAL from the Insured, less any expenses incurred by GLOBAL for such collection. In the event GLOBAL collects the premium, or any part thereof from the Insured, PRODUCER shall not be entitled to any commission on the premium so collected.

H. Financed Premium.

With respect to premium that is subject to a financing agreement, GLOBAL will remit payment for any return premium actually received by it directly to PRODUCER. Policy provisions prevail over premium financing agreements to the extent permitted by law. Any request to reinstate coverage following receipt of a notice to cancel from a financing entity will not be effective until written agreement to reinstate the policy is confirmed by GLOBAL.

I. Fiduciary Account.

All monies received on behalf of GLOBAL by PRODUCER will be promptly deposited in a fiduciary bank account. PRODUCER shall not commingle any premium monies with PRODUCER's personal or operating funds. PRODUCER may retain any interest or income earned from such fiduciary bank accounts.

SECTION 3 - CANCELLATION OR NONRENEWAL OF POLICIES

GLOBAL may cancel or nonrenew any policy PRODUCER has placed through GLOBAL at any time, as permitted by law, at GLOBAL's sole underwriting discretion. When GLOBAL cancels or nonrenews any

policy, compliance with applicable notification and other regulatory requirements is GLOBAL's responsibility.

SECTION 4 - AMENDMENT, CHANGE AND/OR MODIFICATION

These terms and conditions may be amended, changed and/or modified by GLOBAL at its sole discretion. Any amendments, changes or modifications shall become effective 14 calendar days after publication on GLOBAL's website (<http://www.global-aero.com>).

SECTION 5 - OWNERSHIP OF EXPIRATIONS AND RENEWALS

PRODUCER shall have complete control, possession, and ownership of all expirations and renewals. In the event PRODUCER, for any reason, has not properly accounted for and paid all premiums due GLOBAL or has not furnished adequate security acceptable to GLOBAL, the PRODUCER's records and use and control of renewals for business placed with GLOBAL shall become the property of GLOBAL. PRODUCER will remain responsible for any sums that exceed the net amount received from the sale of the expirations and renewals, less any expenses incurred by GLOBAL.

SECTION 6 - PRODUCER'S E&O COVERAGE

PRODUCER warrants that it has in place, and will maintain, insurance coverage for Errors and Omissions Liability in an amount not less than US\$1,000,000 (one million US dollars) for any one wrongful act or occurrence. PRODUCER will provide to GLOBAL, upon reasonable request, a Certificate of Insurance evidencing such coverage, or a copy of the aforementioned policy including any subsequent endorsements. GLOBAL will be immediately notified in the event of cancellation or nonrenewal of the coverage, or of any amendment to such coverage.

SECTION 7 - COMPLIANCE

PRODUCER and GLOBAL represent, warrant, and covenant that they are in compliance, and will continue to comply, with all federal, state, and local laws, rules, and regulations applicable to the transaction of insurance business.

SECTION 8 - MUTUAL INDEMNIFICATIONS

GLOBAL shall indemnify and hold PRODUCER harmless from and against any claims, liabilities, obligations, judgments, settlements, or costs of any kind whatsoever (including but not limited to attorney's fees

and expenses) that PRODUCER may become obligated to pay by reason of any act, error, omission, misstatement, misleading statement, breach of duty, or breach of these terms and conditions by GLOBAL.

PRODUCER shall indemnify and hold GLOBAL harmless from and against any claims, liabilities, obligations, judgments, settlements, or costs of any kind whatsoever (including but not limited to attorney's fees and expenses) that GLOBAL may become obligated to pay by reason of any act, error, omission, misstatement, misleading statement, breach of duty, or breach of these terms and conditions by PRODUCER.

SECTION 9 - MISCELLANEOUS

A. Other Agreements.

To the extent that there is a separately negotiated and executed agreement between PRODUCER and GLOBAL, the executed agreement (whether executed before or after the publication of these terms and conditions) shall superseded and replace these terms and conditions and govern the relationship between PRODUCER and GLOBAL.

B. Electronic Communications.

PRODUCER and GLOBAL agree that electronic communications, including without limitations, any applications, authorizations, representations, submissions, quotations, binder, or contracts transmitted via e-mail, internet, or any other digital or electronic means are as valid and binding, with the same full legal force, as communications submitted or completed by a physical document.

C. Advertising.

PRODUCER shall not use any advertisement referring to or using the name GLOBAL or referring to any of its products, or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the written consent of GLOBAL.

D. Records.

PRODUCER will keep complete and accurate records and account for all transactions as required by applicable federal, state or local laws, rules, and regulations and make these records available to GLOBAL for review upon request at any reasonable time during business hours.

E. Claims.

PRODUCER and GLOBAL agree that they will promptly notify the other of any known claims, suits, or demands against the other, arising out of or related to business placed with GLOBAL, or known circumstances that might reasonably be expected to give rise to such claim or demand.

F. Conflicts with Laws.

If any term or condition is in conflict with any federal or state law, such provision shall be construed as modified to comply with such law. If such modification would render these terms and conditions invalid, then the remaining terms and conditions shall be construed as if not containing the particular term or condition held to be in conflict.

G. Confidentiality.

GLOBAL acknowledges that any information it receives from PRODUCER is considered confidential or proprietary information of PRODUCER, and GLOBAL shall not use, disclose or divulge any such information to any third-party, except as required by law, or as necessary to perform services, or with respect to GLOBAL's rights under paragraph 2(G) and Section 5, above.

H. Force Majeure.

Neither PRODUCER nor GLOBAL shall have any liability for any failure or delay in performance of its obligations because of conditions beyond its control, including without limitation, acts of God, fires, floods, earthquakes, acts of war or terrorism, civil disturbances, sabotage, governmental actions, power failures, computer or network failures.

I. Waiver of Enforcement.

The failure or delay, at any time or times, of the either PRODUCER or GLOBAL to exercise the rights and privileges granted herein shall not be deemed to be a waiver of such rights and privileges.

J. Governing Law.

These terms and conditions shall be governed by, constructed and enforced in accordance with, the laws of the State of New Jersey, without giving effect to any choice of law principals.