

Freedom Equity Group

Policies and Procedures

Effective: 6/10/2026

The Freedom Equity Group (“FEG”) Policies and Procedures (the “Policies & Procedures”) are incorporated by reference into the FEG Independent Agent Agreement.

FEG reserves the right to amend these Policies & Procedures in its discretion. Amendments shall be effective thirty (30) days after notice of the proposed amendment is posted or communicated to FEG Agents via email, SMS, or by an alert on the FEG back office. Amendments to the Policies & Procedures shall not apply retroactively. Agents will have 30 days to electronically accept any amendments. Agents that do not acknowledge the updated policies and procedures within 30 days may have their commissions on new policies held until they do so.

These Policies and Procedures, together with the FEG Independent Agent Agreement, the Commission Schedules published in Agent’s back office, the FEG Compliance Declarations, the FEG Social Media Policy, the FEG Products and Points Multipliers Schedule and the Ultimate Builder - Pay System, all of which are incorporated by reference, constitute the entire agreement (the “Agreement”) between FEG and the Agent as of the effective date of these Policies and Procedures. The Agreement supersedes all prior contracts, agreements, Field Notices or understandings, whether verbal or written, between FEG and the Agent.

1. Levels and Promotions

All Agents start FEG at an initial level and earn promotions based on FEG’s Commission Schedules and the Ultimate Builder - Pay System.

A. New non-licensed Agents:

All new non-licensed Agents start at the Training Representative level. Once the new, non-licensed Agent is licensed, with the approval of FEG, the recruiting Agent can promote the newly licensed Agent one-time, up to the Regional Manager level.

B. New previously licensed Agents:

All new previously licensed new Agents start at the level set by their direct upline Agent, up to the Regional Manager level.

Previously licensed Agents may start at a level higher than Regional Manager if approved by FEG and all upline Agents whose pay would be affected that have Activity in the prior 12 months up to the first upline Field CEO or Field Chairman.

For the purposes of this Agreement, "Activity" refers to any of the following actions: enrolling new direct recruits, submitting new personal policies, attending the FEG annual Convention, attending the FEG Leadership Summit, obtaining new carrier contracts, an Agent transfer, or the documentation of appropriate training reimbursements, while "Inactivity" refers an Agent that not engaged in any of the aforementioned actions for a certain period of time.

The following status-match promotion guidelines should be used to determine the starting level based on documented income in either of the two prior calendar years:

Regional Vice President ("RVP") & Senior Vice President ("SVP") \$50,000,

National Vice President ("NVP"): \$70,000

Senior National Vice President ("SNVP"): \$100,000

Executive National Vice President ("ENVP"): \$150,000,

Senior Executive National Vice President ("SENV") \$250,000.

If approved by FEG, a new Agent may start at a level higher than SENVP if also approved by all upline Agents whose pay would be affected and that have Activity in the prior 12 months up to the first upline Field CEO or Field Chairman.

C. Promotions:

All promotions to RVP and levels above RVP will be system-automated, based on the Ultimate Builder - Pay System. Promotions up to Regional Manager ("RM") may be made by the Agent's first active upline RVP.

Only Agents with Activity in the prior 12 months are eligible for promotion. The definition of "Leg" shall include downline Agents for the purposes of promotion. However, only one downline Agent per direct Leg will be counted towards promotion qualification.

For the purposes of earning a promotion, Agents above RVP, who join FEG and receive their initial level at RVP or above, will not count as a qualifying Leg for an upline's promotions until they have met the Ultimate Builder - Pay System requirements for each commission level needed for the promotion after they initially joined. Agents above RVP that were inactive for one year or more or became inactive will not count as a qualifying Leg for an upline's promotions until they have met the Ultimate Builder - Pay System requirements for each commission level needed for the promotion after their most recent period of inactivity. Agents above RVP will not

count as a qualifying Leg for the new upline's promotions until they meet the Ultimate Builder - Pay System requirements for each of the commission levels needed for the promotion after a transfer, unless they were already in the upline Agent's downline prior to the transfer.

"Stacking" refers to the practice of placing an Agent and their spouse or domestic partner or corporate partner's code in the same upline hierarchy for the purpose of collecting additional overrides. Stacking is never allowed, and if it is found to have occurred, FEG reserves the right to demote the lower Agents code to RM. The only exception to this is the purchase of an unrelated Agent's business with the approval of FEG. In this scenario, the Purchased codes can be stacked.

D. Level Maintenance:

Agents are required to achieve a certain amount of minimum income to maintain their contract levels. The income used for this determination is the highest rolling-52-week income in the last year. The minimum income threshold will not apply in the same calendar year as an Agent's most recent promotion. Agents who do not meet the minimum requirement in a rolling-52-week period may be demoted to the level at which their income qualifies. The drop in level will not affect any commissions on old business. Level maintenance will be applied at FEG's sol

For levels below RVP, no minimum income is required. However, the following minimum incomes must be met for the RVP level and above:

RVP: \$25,000.

SVP & NVP: \$35,000.

SNVP, ENVP & SENVP: : \$50,000.

Co-Founder & Founder: \$75,000.

Field CEO: \$100,000

Field Chairman: \$200,000

Level maintenance will be calculated and applied annually at FEG's discretion.

E. Agent Names:

Unless approved by FEG, all Agents will appear on company Leaderboards. Each FEG code must have a person's name associated with it. The name must match the name on the Agent's insurance license(s) and the Agent's NPN number. If the licenses are issued to a corporation, the name of one of the owners of the corporation must be used. An Agent name can only be associated with one FEG code on company Leaderboards.

Agents can add a spouse or partner's name for recognition purposes. FEG will auto-generate a Recognition Name from the Agent and spouse/partner-name. This recognition name will be used for awards and other recognition. The recognition name may be modified upon request. FEG will have final say on all recognition names.

2. Agent Communications

All Agents must provide and maintain a current and active email address, which will be the primary mode of communication with Agents for FEG company notices. Agents agree to read all emails and further agree that notices are considered valid if sent to the Agent's email on file. FEG company notices cannot be opted out.

3. Agent Compensation & Commission

A. Commission Payments

Commissions are paid on a weekly basis, but payments are made only after FEG has received commission payments from a carrier for a policy. Agents will only receive commission payments if their Agent balance is \$100 or more. Otherwise, agent balances will accrue.

All commission payments are made via direct deposit. Agents must provide a valid bank account or a canceled check to set up direct deposit. Commissions will not be paid via any other method, including paper check. If an Agent has not set up direct deposit, commissions will be held until the Agent's direct deposit details are provided.

FEG will not pay commissions on policies if there is a bank draft failure after carriers have calculated and paid FEG commissions. Commissions will be held until the carrier either charges back the commissions or demonstrates a successful subsequent draft.

Agents are responsible to review their commission statements and alert FEG support if they believe the statement is in error. Agents have 90 days from the effective date of the commission statement to report any errors. After 90 days, no changes will be made to commission payments.

B. Calculating Commissions

Commission paid on new policies are based on the level and upline of all unsuspended Agents in the organization at the time policies are submitted. If FEG does not have the submit date for a policy, the levels and uplines of Agents to be paid on a policy as of the time commissions are run will be used.

C. Chargebacks and Negative Balances

FEG will recover 100% of any negative balance due to chargebacks from Agent's commissions until the negative balance due to chargebacks is fully paid. No payment plans will be implemented for policy chargebacks out of future commissions. If a negative commission balance persists, an Agent will be subject to debt recovery and suspension.

D. No Loans or Advances

FEG does not provide loans or advances on pending commissions for any reason.

E. Policy Changes

Once a policy is issued, all subsequent commissions on the policy will be paid at the same share as when the policy was initially sold, even if the writing Agent or their upline changes. This is in accordance with the Agent's level and upline hierarchy at the time of submission.

F. Commission Structure and Grid

Commissions are paid based on the Ultimate Builder - Pay System which includes the writing Agent's upline, levels, and any applicable split commissions on the policy. Commission payments are also based on the target premium and points multiplier for each product, as specified in the FEG Product Schedule. Not all products will pay one times the target premium to the grid. It is the Agent's responsibility to understand the points multipliers before soliciting for FEG approved products.

G. Renewal and Excess Commission Income

Renewal commissions on IUL and GUL life insurance policies paid to FEG will be shared equally between FEG and agents. Renewal income paid to FEG agents is capped at 2% of premium paid for IUL and 2.5% of premium paid for GUL.

Excess Commissions paid to FEG will be shared equally between FEG and agents.

H. License Requirements

Commissions will not be paid on new policies to Agents with an expired resident insurance license. It is the Agent's responsibility to monitor their licenses in the FEG back office, and to update FEG Agent support with their current license information, including any license renewals.

Commissions, including override commissions, will not be paid to any FEG Agent that does not have a valid non-resident state license if the jurisdiction of the policy is in one of the states listed below. Agents that have not presented to FEG a valid license in the states listed below that require one when commissions are run will not be paid commissions on new policies in that state.

FLORIDA, GEORGIA, KENTUCKY, LOUISIANA, MASSACHUSETTS, MONTANA, NEW MEXICO, NEW YORK, **NORTH CAROLINA**, PENNSYLVANIA, SOUTH CAROLINA, **SOUTH DAKOTA, TEXAS**, UTAH, VIRGINIA, WEST VIRGINIA, WISCONSIN

However, the rule regarding state licenses does not apply if an Agent is a corporation and the policy jurisdiction is in any of the following states:

FLORIDA, WISCONSIN

Note that ALABAMA, MISSISSIPPI and MARYLAND have been removed from the list of states FEG requires a resident or non resident license for override commissions.

I. Other Commission Policies

(i) Unclaimed Commissions. Any previously held commissions that are unclaimed will be distributed to an Agent's upline once the affected policies have been in force 13 months after issue, in accordance with these Policies and Procedures.

(ii) Advance Commission Cap. The number of commissions advanced to an Agent is subject to a cap. The cap will apply to individual policies and in aggregate across multiple policies that have the same payor. An individual Agent's cap is determined by their highest ring level as follows:

No Ring: \$3,500

100K Ring & Above: \$5,000

200K Ring & Above: \$7,500

500K Ring & Above: \$10,000

If advanced commissions are not paid to Agents due to caps, the commissions are deferred until the commissions are earned (1/12th of the total each month).

(iii) As Earned Status. If the policy stays in-force, the deferred commissions are released to the Agents "as earned", or at a rate of 1/12 per month. If an Agent is set to as-earned for all policies with FEG, they will also be placed as-earned with each carrier with which they are contracted. Agent commissions on Life policies written on themselves will be paid as earned. Agent commissions on Annuity policies written on themselves will be paid up to the Agent's current advance-cap initially. The remaining commissions will be deferred one month or until the end of the free-look period.

(iv) Policy Persistency & Commission Privileges. Agents with a personal policy persistency below 70% for three consecutive months, will have their per-policy advance cap reduced to \$1,000 and lose Advance on Submit privileges. If an Agent's personal policy persistency is not

above 70% in each of the next 3 months, the Agent will be placed on as-earned status and will not receive any policy advances. Once their persistency is above 70% all privileges will be restored for new policies. At FEG's discretion, Agents with a poor persistency record may be paid as earned until improved results. Consistent failure to improve persistency may result in carrier contracts being canceled by FEG.

For the purposes of this Agreement, "Persistency" is the percentage of the total number of eligible life policies issued in the prior 2 years that have made it to renewals. Unless otherwise stated in these Policies and Procedures, persistency shall be calculated on personal policies written. Policies are included in the calculations if they are 13-months old or older and less than 24 months old. If a policy pays any renewal premiums, even if they cancel later, they count for positive persistency. Persistency is calculated on a pro-rata basis, if a policy is split with another writing agent, the target amount used will be multiplied by the split percentage. Agents with fewer than 5 policies included in the calculations will not have an established persistency.

(v) Bonuses and Incentives. To be eligible for FEG contests, trips, and any other incentive programs, Agents must be a Dedicated Agent. A "Dedicated Agent" refers to an Agent whose personal production on all life and annuity business is 100% under FEG with all commissions paid by FEG. A dedicated agent does not have carrier contracts outside of FEG. After their first year, they must attend the annual FEG Convention of Champions. For 100k+ ring earners you must also attend the annual FEG Leadership Summit. Anyone who cannot attend must request an excused absence which must be approved in writing by FEG prior to the event. An Agent must also maintain a minimum personal policy persistency of 70%. An FEG Agent must be in full compliance with all terms of the FEG Independent Agent Agreement and FEG Agent Policies and Procedures. Participating Agents must also be in full compliance and good standing throughout the incentive period and when the reward is achieved. Criteria and eligibility requirements are subject to change by FEG at any time in its sole discretion. FEG further reserves the right, in its sole discretion, to prohibit any qualifying Agent or invitee of any qualifying Agent from incentive award trips, any FEG sponsored event or equivalent.

(vi) Annuity Commissions. Individual Agent commissions on annuities above \$15,000 will be deferred one month or until the expiration of the free-look period. The first \$15,000 will be paid out. The \$15,000 cap will apply in aggregate if there are multiple policies inside the free-look period with the same client or payor.

(vii) Assignment & Income Credit. Agents may request their income credit be assigned to a spouse, domestic partner or business partner. Except for training reimbursements, no other shared commission arrangements are permitted. If Agents combine or assign commissions or income credits, any remaining balance after commissions are processed will be transferred to the Agent receiving the income or credit.

If either Agent has their advance cap reduced or is placed on "as-earned" status, the same restrictions will apply to the other Agent. Once Agent commissions or income credits are combined, this arrangement cannot be reversed without evidence of dissolution of the partnership.

(viii) Training Reimbursement. Agents may enter into training agreements such that training costs are reimbursed. If any reimbursement is contingent upon policy submission or issuance, no payments will be made unless the Agent receiving the funds holds a valid insurance license.

(ix) Wage Garnishment. If FEG receives a valid wage or commission garnishment order from a court or state or federal agency, FEG will withhold commissions from Agents to satisfy the request. A processing fee will be added. Agents will be notified of all wage garnishment orders affecting their commissions

(x) Outstanding Requirements. FEG reserves the right to hold commissions on issued policies that have outstanding requirements that would cause a policy to be canceled by the carrier if not completed. This includes illustrations, amendments and statements of good health.

H. Questions

Questions about commission payments must be directed to FEG support for research and a response. Do not send commission questions to the FEG owners or to the carriers. Use (877) 329-6608 or agentsupport@fegcorp.com

4. Advance on Submit

FEG participates in an Advance on Submit program with one or more of its carriers. Agents must qualify to receive Advance on Submit commissions on a policy. If a writing Agent does not qualify, all submit advance commissions paid on the policy, including upline spread and override commissions, will be deferred until the policy issues and the full advance is paid to FEG.

The following rules apply to qualify a writing Agent for Advance on Submit:

Policy target premium must be less than \$20,000

Agents must have an established Personal Target Placement Ratio of 70% or higher.

Agents without an established Placement Ratio will qualify on their first 3 split adjusted F&G IUL submitted policies

For the purposes of this Agreement, "Placement Ratio" means the percentage of total submitted target premium that issues. This is currently calculated only on policies with carriers that pay Advance on Submit. Once a policy is 90 days past the submit date, it is included in the placement ratio calculations. Policies are only included in the calculations if they are less than 24 months old from the date submitted. FEG uses target placement ratio which is the percentage of total submitted target premium that issues. If an issued policy charges-back, it still counts for positive placement ratio. Placement ratio is calculated on a pro-rata basis, if a policy is split with another writing Agent, the target amount used will be multiplied by the split percentage. A placement ratio is not valid unless an Agent has three policies included in the calculations.

5. Production Credit

FEG's business relies on Agents to sell Life Insurance and Annuities to clients. FEG recognizes Agents' personal and downline sales through Production Credit, Production credit is updated after each commission run and is also used for leaderboard recognition, contests and other promotions.

Production credit is based on a point system. One production point is earned for each dollar of commissions paid to the grid on all policies. Agents are also able to earn points for advances, payments earned, excess premium and renewals paid. However, no points are earned for any off-grid business, and negative commissions due to chargebacks are counted as negative points

FEG production points are based on (AV). AV is calculated monthly.

A. Leaderboards

FEG publishes leaderboards for each Agent's downline and for the entire company. These leaderboards rank production, pending and recruiting points for the following categories:

(i) Personal: Agent is the agent of record on a policy. CV credit only, as downlines do not come into play.

(ii) Base Shop: Agent of record is either the Agent or in the Agent's base shop. This includes all downline Agents with a level below RVP without an intervening RVP or above.

(iii) Base > First: Includes the Agent, the Agent's base shop, and any first-generation base shops. Base shop plus all business for which Agent would receive the first-generation override commissions on new business.

(iv) Base > Sixth: Includes the Agent, the Agent's base shop and up to six generation base shops. Base shop plus all business for which Agent would receive any generation override commissions on new business.

(v) Infinity: All personal and downline business.

B. Recruit Credit

Similar to production credit, FEG gives Agent's credit for personal and downline recruiting. Recruit credit will be calculated monthly, like production credit.

6. Debt Recovery

Agents are responsible for unpaid negative commission balances and negative debt balances of their downline Agents. Agents who combine commissions or combine income credit will be responsible for payback of any debt incurred by either Agent.

Agents with a negative commission balance will receive notice of their unpaid negative balance and be given the opportunity to repay the amount due. If the negative balance is not cleared within 12 weeks, FEG will recover the debt from the Agent's upline.

All upline Agents of the Agent with the debt will share the responsibility of the debt repayment. This is called a debt roll. The amount each upline Agent is responsible for will be proportional to the commissions they earn on the FEG pay grid from the Agent's personal business, as determined by the upline hierarchy, including coleaders, at the time the debt is recovered.

Agents with a negative commission balance or debt roll balance will not be paid until the negative commission balance or debt roll is cleared. If an agent has rolled debt, any commissions or income of any type earned by the agent will be unrolled back to the upline using the same proportion as the original debt roll. Oldest debt will be paid back first.

Agents assigned a commission adjustment due to a debt roll or debt unroll will not have the amount of the adjustment affect their income for the purposes of any ring, trips or recognition, if applicable. Credits/debits will appear in the Agent income data on the FEG back office.

The following timeline for negative commission balances and rolled debt shall apply. The number of weeks shown is consecutive weeks that an agent has carried a negative commission balance or has an uncleared debt roll balance.

12 weeks - debt is rolled to agent upline, agent not in good standing with FEG

16 weeks - agent terminated by FEG for cause

20 weeks - agent debt reported to Vector One

24 weeks - agent referred to collections

All Agents must provide a signed Vector One form to be commissionsable.

If an Agent is terminated for cause with an outstanding negative commission balance, the balance will be rolled to their upline immediately.

At FEG's sole discretion, an Agent may be given a payment plan to repay their debt account balance over time.

7. Agent Transfers

All Agent transfers requests must be initiated by the Agent desiring to transfer. Once a transfer request has been made, FEG will obtain all necessary approvals from all necessary parties via email. The approval or disapproval by agents of the required sign-offs are confidential and will not be shared. If sign-offs are not received within a timely manner, the transfer request will be closed.

For Agent transfers, the submit date of the last policy, the date of the last new Agent signup, and the first day of the last Convention or Leadership Summit will be used.

Except where transfer is disallowed (see below), Agents who have been Inactive in the prior 6 months may request to transfer to a different upline without obtaining a release from the members of their current upline. However, only the Agent (not any other members of the Agent's downline) will be transferred in this scenario.

Before an Agent with Activity in the prior six months can transfer, the Agent must obtain a release from their current direct upline Agent and anyone else whose override or spread commissions would be negatively affected, up to the first upline Field CEO or Field Chairman.

Agents with or without Activity in the last 6 months may request a transfer that includes their entire downline team ("Team Transfer"). A Team Transfer requires a release from their current direct upline Agent and anyone else whose override or spread commissions would be negatively affected in their upline, up to the first upline Field CEO or Field Chairman, before the transfer may be completed. However, the Agent requesting the transfer is not required to obtain a release from any Agents who are one-year inactive.

Agents requesting a transfer must obtain approval from their new immediate direct upline. This consent will include acceptance of responsibility for any current or future debt from the new Agent. If the Agent has a significant negative balance, all Agents in their new upline that would share in any debt roll must approve the transfer. If the Agent is requesting a Team transfer, and there is a significant amount of negative balance in their downline, all Agents in their new upline that would share in any debt roll must approve the transfer. Approval is not required from upline Agents who are one-year inactive.

Except for cases where an Agent's upline transfers or is terminated, Agents will not be assigned to a new direct upline without their approval. Once a new upline is set, the change is permanent, and changes cannot be made without going through the Agent transfer process.

After an Agent transfer is complete, the transferring Agent may not recruit other Agents to their downline from the original transferring Agent's prior hierarchy without the signoff of the other Agent's upline. This includes other Agents transferring with no activity in the prior 6 months. The prior hierarchy is defined as any Agent downline of the original transferring Agent's previous direct upline except for direct recruits.

Agents that transfer are ineligible for promotion until 6 months after any transfer is complete. Agents that transfer will not count towards their new upline Agent's required levels for promotion until after 6 months.

No Agent may complete an inactive transfer if their spouse, domestic partner, Bonafide business partner or any Agent receiving pay from the Agent, is currently active with FEG. If an Agent's spouse, domestic partner, or Bonafide business partner is currently active with FEG, they may not sign up as a new Agent with FEG except as direct to Agent described here or their immediate upline.

After an Agent transfer, any new policies written that replace policies written before the transfer will be paid as if they were written with the prior upline. This applies whether the policy is replaced by the original writing Agent or anyone in the new organization. Agents must notify FEG of all policies replaced after they transfer.

Agents who are terminated by FEG and subsequently reinstated must follow all rules related to activity or signoff before a transfer.

FEG reserves the right to correct as necessary any Agent transfers or new Agent signups that are discovered to have not followed these rules.

All Agent transfers must be approved by FEG. There will be no exceptions to this policy. No release and no acceptance mean no transfer. Work it out, sit it out or get a release.

8. Co-Leaders Program

The Co-leadership Program is exclusively to provide training and support for an Agent's business. This program allows an Agent to request a co-leader be assigned to them.

Should any Agent be Inactive, FEG may choose to place the Inactive Agent into FEG's co-leadership program to pair the Inactive Agent with an FEG-approved manager.

Otherwise, all co-leadership requests must be initiated by the Agent wishing to have a co-leader in the FEG back office. Once a request has been made, FEG will obtain all the necessary approvals via email.

Before an Agent is assigned a co-leader, the requesting Agent must obtain approvals from his or her current direct upline Agent and anyone else whose override or spread commissions would be negatively affected in their upline, up to the first upline Field CEO or Field Chairman. Approval is not required from upline Agents who are one-year or more inactive.

If the Agent or Agents in the requesting Agent's downline have a significant negative balance, all Agents in the co-leadership upline that would share in any debt roll must approve the co-leadership. Again, approval is not required from Agents who are one-year or more inactive.

If the Agent has an existing co-leader, then the requesting Agent must obtain a release from their current co-leader and anyone else whose override or spread commissions would be negatively affected in their upline, up to their first Field CEO or Field Chairman. Once all the necessary approvals have been obtained the requesting Agent's co-leader will be changed and the existing co-leadership will be dissolved.

It is important to note that a co-leaders will not be assigned without the approval of the Agent and co-leader will not be assigned solely for the benefit of the co-leader. Only one co-leader can be assigned per Agent at a time.

There is a maximum of 50% commission and recruit credit split to the co-leader, with the original upline maintaining a minimum of 50% of the commission and recruit credit split.

9. Agent Suspension

Agents may be automatically suspended if they do not become licensed, do not contract with a carrier, and have no Activity in their first 12 months. Within the first 30 days of suspension, suspended Agents can request a trial reinstatement. FEG reserves the right to approve or deny a request for reinstatement. If granted, reinstatement will last for 90 days. During this 90-day period, the Agent must generate at least \$6,000 in a new target premium and recruit not less than 3 new direct Legs to be reinstated.

Any Agent that is suspended, and does not qualify for reinstatement, must pay a \$125 reactivation fee to rejoin FEG and will be required to start over. They will be assigned a level based on these Policies and Procedures. The Agent may choose a new upline if they have been inactive for 6 months. Agents with a prior unpaid commission account or debt account balances must repay the outstanding balance before they are eligible for reinstatement. Suspended Agents will continue to receive earned and renewal commissions on existing policies but cannot be part of new policies.

10. Agent Recruiting Rules

If an Agent brings a guest to a business opportunity meeting, that Agent's guest will be protected for thirty days. The guest cannot sign up under another Agent until thirty days after the opportunity meeting. To receive this protection, Agents must document their guests by email to their upline before or immediately after the event or opportunity meeting.

If two Agents are trying to recruit the same person and the potential recruit has not been to an FEG opportunity meeting, the new recruit shall be placed under the Agent who enrolls the new Agent.

Cross recruiting at/from an FEG event or FEG Agent office or under any circumstances is prohibited. "Cross-recruiting" means the solicitation or recruitment of an FEG Agent in another Agent's downline to transfer to another FEG Agent downline or the solicitation of active FEG Agents not direct to you for any reason, including product sales. This action is grounds for immediate termination.

Additionally, all Agents are prohibited from soliciting, recruiting or inducing any other Agent not direct to you to join or enroll in any other business opportunity. Such conduct shall be grounds for immediate termination.

11. Builders Legacy Program (The KEY to your code)

Agents may sell a percent or all ownership of their FEG code to another individual or entity upon written approval by FEG. FEG has no responsibility to set the value of the Agent code being sold. FEG has no responsibility to collect any of the agreed upon purchase funds at any time.

Once the seller and buyer of an Agent's code inform FEG of the completed sale, updates will be made to the system to affect the change. All sales of an Agent's code are final. The buyer must obtain an FEG code and have the proper licenses and credentials to be eligible to collect commission overrides. The purchased code cannot directly transfer, or have Agents transfer directly to it, have new direct co-leaders, or be a new direct co-leader. It will remain in its original hierarchy. Income generated from purchased codes after the code was sold shall be paid to the majority owner of the code and the income will count towards recognition, and rings. The majority owner is responsible for distributing the percentage of new commissions owed to any minority owner(s).

Income generated by the prior Agent before the code was sold will not be used for income credit towards rings or other awards.

Agents may name a beneficiary in the event of their death. The name and contact details of the beneficiary must be recorded in the FEG back office. Should this occur, FEG will pay commissions to the beneficiary as described in the FEG Agent Agreement and the FEG Policies and Procedures. FEG reserves the right to require evidence confirming the beneficiary's status as well as evidence that there are no conflicting claims before making any payments to the named beneficiary. FEG shall have sole discretion in determining whether to allow a transfer of a deceased Agent's business to a beneficiary.

If the named beneficiary holds a valid insurance license, they may collect overrides on new business. If the beneficiary is licensed and Active with FEG, they may retain the current compensation level with FEG approval. If the beneficiary is licensed but not Active with FEG, and the level is Regional Vice President or higher, at FEG's discretion, the level may be dropped to Regional Vice President.

If the beneficiary is licensed and active, they may sell the code as described in this section. If the named beneficiary does not hold a valid insurance license, the beneficiary only has the right to sell deferred commissions, earned commissions and renewals. All sales must be approved by FEG.

12. Non-Captive Agents

FEG is a non-captive agency. You can have contracts with other life insurance and annuity carriers. However, you may not create new direct contracts and sell products from FEG's existing carriers off-grid if FEG offers that carrier on-grid.

"Off-grid" refers to business that is not run through the FEG commissions system. Off grid business will not be counted for any recognition, awards, trips or other promotions. Off-grid business includes carriers FEG is contracted with but does not offer the option of being on-grid.

13. Rings

Rings are FEG's most important recognition of status and success in the organization. A ring level is earned by the total on-grid income in any rolling 52-week period exceeding one of our ring levels. Once one of these ring levels is attained the Agent has permanently earned the ring status

Ring earners will receive one physical ring when they attain their first ring level. For subsequent ring levels, FEG will add additional adornments to the Agent's ring to signify the new ring level. The first ring and all updated rings will be presented at the next FEG annual convention or other FEG meeting. To receive a second physical ring or adornment for a spouse or partner, Agents may pay the cost of additional rings at the time the original ring is ordered. For \$1,000,000 rings and above, an extra ring for a spouse will be paid for by FEG.

Spouses, domestic partners, or licensed business partnerships can qualify for a ring by assigning income credit to one of the Agents and combining income credit. All parties must be licensed Agents.

14. Licensing

It is the Agent's responsibility to obtain and maintain their state licenses, E&O (Errors & Omissions) insurance coverage, CE (Continuing Education) and AML (Anti-Money Laundering) training. Pre-Licensing training and Continuing Education instructions through AD Banker and ExamFX are available in the FEG back office.

Once any licensing or training documents are obtained and/or completed, please submit them directly to the FEG Licensing department at licensing@fegcorp.com.

15. Contracting

FEG Contract processing time is usually between 1 and 2 business days, except for holidays where processing times may be longer. Carrier approved appointments will be sent to the contracted Agent within 7 to 10 business days after submission. Documents submitted to FEG Licensing will be processed in the order in which they are received.

Agent contracting is available in the FEG back office. If the carrier does not accept paper contracts, instructions for how to complete the online E-Contract will be available. Contracts will not be submitted to any Agent who has not yet obtained a resident state insurance license. With the submission of a carrier contract, the Agent must submit the following: state license, E&O, AML, and any other supporting licensing documentation.

The majority of FEG's affiliated carrier contracting is by LOA (Licensed Only Agent) appointment only. Direct pay contracts that are approved and available will need to be requested from the FEG Licensing department. Direct pay appointments do not qualify for Income, Ring Totals or Trips.

16. Privacy Policy

Agents who join FEG agree to provide personal details, including the Agent's legal name, address, email, phone numbers and social security number to FEG. This information is data you put on the FEG Agent signup form and given to FEG support staff, when completing applications for carrier contracts and states' insurance licenses. This information is provided by insurance carriers to FEG.

If an Agent is a California resident, and does not have any outstanding debt, FEG may ask that their personal details be removed upon termination of their Agent agreement by emailing support@fegcorp.com.

FEG will not share Agent details, including name, address, email and phone number, and an Agent's active or inactive status with any other Agents not in his or her current upline. Additionally, FEG will not distribute lists of Agents to anyone for the purpose of recruiting them or marketing to them.

17. Compliance and Additional Policies

A. Financial Support and Obligations

Agents have no obligation to provide financial support to other Agents, including those in their upline or downline, for any reason. This includes events or rewards organized by upline or downline Agents. Financial support and participation in such events are completely optional.

B. Communication with Carriers

Agents must follow the proper channels when communicating with carriers on issues related to policies, commissions and contracting. Agents should consult the FEG back office and FEG support before contacting carriers. Agents should only interact with FEG's carrier support as each carrier directs. Issues unrelated to policies, commissions and contracting should always be directed to FEG directly. Agents are not to contact carrier management or FEG ownership regarding these issues.

C. Communication with FEG

Agents will contact FEG support for all issues related to onboarding, event registration, policies, commissions, pay, licensing, and contracting. Agents shall attempt to resolve the issue using the FEG back office. If the issue cannot be resolved, FEG support can be reached by email at agentsupport@fegcorp.com or by phone at (877) 329-6608. Agent acknowledges and agrees that all telephone calls, video conferences, and electronic communications conducted through FEG-provided systems, including calls to the FEG call center, may be monitored and recorded by FEG for quality assurance, training, security, and compliance purposes. Agent provides express consent to such recording and monitoring and waives any further notice requirements under state or federal law.

Any vulgarities, harassment or abuse with the FEG agent support team will not be tolerated. Calls will be immediately terminated. Agents will be subject to disciplinary action including suspension or termination.

D. Misrepresentation and Contractual Authority

Agents must not misrepresent themselves as an employee, officer or founder of FEG. Agents must not sign any loan document or lease agreement or any other contract on behalf of or claiming to be a part of FEG. Violating this policy is grounds for termination for cause.

E. Social Media Guidelines

Agents must not create or maintain social media sites, groups or profiles, including Facebook or LinkedIn groups, which use "FEG" or "Freedom Equity Group" as part of the profile or group name. Agents may not use any of the company logos as part of their social media profiles, groups or pages.

F. Usage of FEG's Name and Trademark

Agent's use of FEG Trademarks is governed by Section 4(J) of the FEG Independent Agent Agreement. When using FEG's name or trademark alongside their own name or title, Agents must include the phrase "An Independent Agent" or "An Independent FEG Agent." This applies to all printed materials (such as letterheads, business cards, or flyers), as well as email, social media, and other electronic communication. Agents may only use FEG approved opportunity presentations and sales materials. Agents may not use the FEG name or logo without approval from FEG compliance. For approval contact compliance@fegcorp.com.

G. Photo Requirements

Agent Photographs uploaded to the FEG back office must be a high-quality professional image. Casual or candid shots with busy backgrounds are not permitted. Photos should be simple headshots of the Agent or the Agent and their spouse/partner. Business attire is required, and no logos or messages should be included. Agents are encouraged to hire a professional photographer or use a professional studio to ensure the quality of their image.

H. Additional Policy Considerations

- (i)** Agents must abide by the insurance laws in each state that they write business in.
- (ii)** Agents must not falsify any client documents. This includes but is not limited to using false addresses to write business in states they are not licensed in, or to selling products not available in those states.
- (iii)** Agents may not pass through FEG paid commissions to other Agents unless approved by FEG.
- (iv)** "Churning" refers to the practice of replacing existing client policies for the purpose of earning additional or higher commissions, or any reason that is not solely for the benefit of the client's Insurance needs. Agents who engage in churning are subject to termination for cause, in FEG's sole discretion. Additionally, Agents who collude for the purpose of canceling multiple client or Agent policies are also subject to termination for cause, in FEG's sole discretion.
- (v)** Agents must not solicit, promote or sell any financial products or services that are frequently associated with misleading or deceptive promotional practices, including smart contracts, binary options, initial coin offerings (ICO), contracts for difference trading (CFD), non-fungible tokens (NFT) and cryptocurrencies.
- (vi)** Agents must not use auto-dialers for either phone calls or SMS or violate any provision of the Telephone Consumer Protection Act.
- (vii)** Video recordings of speeches or presentations at the Convention of Champions or Leadership Conference are not permitted for Agents. FEG will provide approved video recordings for Agents to share on social media and other public platforms, including YouTube.

Any videos recorded at other FEG events, such as trips or dinners, must be approved by FEG prior to posting. Additionally, videos featuring FEG owners or staff at Agent events require prior approval from FEG before being shared.

(viii) Agents wishing to join a different Insurance Marketing Organization and requesting a release from FEG will only be granted the release with FEG's approval and the sign-off from anyone in their upline who receives override or spread commissions, up to and including the first upline CEO or Chairman.