

Freedom Equity Group Policies and Procedures

Effective: November 15, 2024

These policies and procedures are the rules under which Freedom Equity Group operates. The Policies and Procedures are incorporated by reference into the FEG Agent Agreement. All agents must adhere to all the provisions of both documents. To create an even playing field for all current and future FEG agents, no exception shall be made. Some of the terms used are defined at the end of this document.

These policies and procedures may be updated by the board of Freedom Equity Group at any time. Agents will be alerted to changes by a notice sent via email, SMS, and an alert on the FEG back office. Agents will have 30 days to acknowledge any changes by logging into the FEG back office and approving them. Agents that do not acknowledge updated policies and procedures may have their commissions on new policies held until they do so.

These Policies and Procedures, together with the 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 Multi-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.

Levels and Promotions

All agents will start FEG at an initial level and earn promotions based on our guidelines.

New non-licensed agents:

All new non-licensed agents will start at the Training Rep level. Once the new, non-licensed agent is licensed, with the approval of FEG, the recruiting agent can promote the agent one-time, up to the Regional Manager.

New previously licensed agents:

All previously licensed new agents will start at the level set by their direct recruiter, up to Regional Manager, with the approval of FEG.

Previously licensed agents may start at a level higher than Regional Manager if approved by FEG, and by all upline agents whose pay would be affected, that have Activity in the prior 12 months, up to the first upline CEO or Chairman. The following guidelines should be used to determine the starting level based on documented income in either of the two prior calendar

years: RVP and SVP \$50,000, NVP \$70,000, SNVP \$100,000, ENVP \$150,000, SENVP \$250,000. This is called a status-match promotion.

If approved by the FEG Board, an agent may start at a level higher than SENVP or without documented income if also approved by all upline agents whose pay would be affected, that have Activity in the prior 12 months, up to the first upline CEO or Chairman. This would apply to new direct to FEG legs and for strategic agent recruiting.

Promotions:

Promotions to Regional Vice President (RVP) and above will be system automated and based on the multi-pay grid guidelines. Promotions up to Regional Manager (RM) may be made by the agent's first active upline RVP. FEG recommends following the multi-pay grid promotion guidelines for promotions up to RM.

Only agents with Activity within the prior 12 months are eligible for promotion. For promotion qualification, the definition of Activity shall also include attendance at the most recent FEG convention but does not include agent transfers. For promotions, the definition of leg shall include downline agents. Only one downline agent per direct leg will be counted towards promotion qualification.

For the purposes of earning a promotion under the FEG pay grid, agents above RVP who join FEG after November 1, 2022, and receive their initial level based on a status match, will not count as a qualifying leg for an upline's promotions until they meet the pay grid guidelines required of the commission level needed for the promotion. Agents above RVP that were one-year inactive or became one-year inactive after November 1, 2022, will not count as a qualifying leg for an upline's promotions until they meet the pay grid guidelines required of the commission level needed for the promotion after they most recently became active. Agents above RVP transferred after November 1, 2022, will not count as a qualifying leg for an upline's promotions until they meet the pay grid guidelines required of the commission level needed for the promotion after the transfer, unless they were already in the upline agent's downline prior to the transfer.

Stacking is 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. This is not allowed, and the lower agent codes will be demoted to the Regional Manager. The only exception is the purchase of another unrelated agent's business, approved by FEG. Purchased codes can be stacked.

Level Maintenance:

Agents are required to achieve a minimum income to maintain their contract levels. The income used for this determination is the highest rolling-52-week income in the prior 2 years. 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 calendar year may be lowered by FEG down one level. The drop in level will not affect any commissions on old

business.

Below Regional Vice President: No minimum income required. Regional Vice President: \$25,000. Senior Vice President and National Vice President: \$35,000. Senior National Vice President, Executive National Vice President and Senior Executive National Vice President: \$50,000. Field Co-Founder and Field Founder: \$75,000. Field CEO: \$100,000

Level maintenance will be calculated and applied once a year at FEG's discretion, at the end of each calendar year.

Agent Names:

Unless approved by FEG, all agents will appear on company Leaderboards. Each FEG code must have a real person's name associated with it. Corporation names and couple names are not permitted. The name must match the name on insurance licenses and the agent's NPN number. If the licenses are for a corporation, the name of one of the owners of the corporation must be used instead. An agent name can only be associated with one FEG code on the leaderboards.

Agents can add a spouse or partner's name. 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.

Agent Communications

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

Commissions

Commissions are paid weekly. Commission payments to agents are only made after FEG receives commissions on a policy from the carrier. Commissions are only paid to agents if their agent balance is \$100 or more. **Commissions are paid by direct deposit only. Agents must provide a valid bank account or canceled check to set up direct deposit. Commissions will not be paid by any other method including paper check. If an agent has not set up direct deposit, commissions will be held until the direct deposit is set up.**

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.

Commission paid on new policies is based on the level and upline of all unsuspending 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.

FEG will claw back 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.

No loans, or advances on pending commissions will be made by FEG for any reason.

FEG pays commissions based on the FEG Multi-Pay grid, the writing agent's upline and levels, and any split commissions on the policy. Once a policy is issued, all subsequent commissions on the policy are paid out at the same share as when the policy was new. Even if the writing agent or upline agents' level or hierarchy changes.

FEG pays commissions to the grid based on target premium and a points multiplier set by FEG. The points multiplied for all products are available on the FEG ETS in the Product Schedule. Not all life insurance products will pay one times target premium to the grid. It is the agent's responsibility to understand the points multipliers before soliciting for FEG approved products.

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

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 be skipped over and not paid commissions on new policies in that state.

ALABAMA, FLORIDA, GEORGIA, KENTUCKY, LOUISIANA, MARYLAND, MASSACHUSETTS, MISSISSIPPI, MONTANA, NEW MEXICO, NEW YORK, PENNSYLVANIA, SOUTH CAROLINA, UTAH, VIRGINIA, WEST VIRGINIA, WISCONSIN

If the FEG agent is a corporation, and a policy jurisdiction is in one of the following states, the above rule does not apply.

FLORIDA, WISCONSIN

Any previously held commissions that are unclaimed will be distributed to agent uplines once affected policies reach 13 months after issue.

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 and above: \$5,000, 200K ring and above: \$7,500, 500K ring and 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. If the policy stays in-force, the deferred commissions are released to the agents when earned. 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.

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 persistence is above 70% all privileges will be restored for new policies.

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.

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.

Agents may request their income credit be assigned to a spouse, domestic partner or business partner. Except as allowed below for training reimbursement, no other shared commission arrangements are allowed.

Agents who assign commissions or combine incomes will have any remaining balance after commissions are processed transferred to the agent receiving the income or income credit. This includes positive or negative balances. If either agent combining commissions or income credit has their advance cap reduced or is placed on as-earned status, the other agent will have the same restrictions applied. Once agent commissions or income credits are combined, this cannot be reversed without providing evidence of dissolution of the partnership.

Agents may enter into training agreements such that training costs are reimbursed. If any reimbursement requires policies to be submitted or issued, no payments may be made unless the agent receiving the funds holds a valid insurance license.

If FEG is served with a valid wage 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.

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

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

Bonus Pools

FEG currently has five bonus pools: Base Shop, Base First, Base Sixth, Builders and Super Builders pools. Pools accumulate on Life products only, not on annuities. Renewals and Excess commission do not contribute to the pools. Bonus pool payments will be made monthly, usually in the third commission run of the month.

Payouts on grid towards the pools are as follows:

Base Shop Bonus Pool: 0.5%
Based First Bonus Pool: 0.5%
Base Sixth Bonus Pool: 0.5%
Builders Bonus Pool: 0.5%
Super Builders Bonus Pool: 2%

To qualify for a bonus pool, a minimum AV production is required in each month:

Base Shop Bonus Pool: \$20,000 Base Shop AV

Base First Bonus Pool: \$75,000 Base First AV
Base Sixth Bonus Pool: \$300,000 Base Sixth AV
Builders Bonus Pool: \$500,000 Infinity AV
Super Builders Bonus Pool: \$1,000,000 Infinity AV

If there are multiple winners of a pool, the pools are shared pro-rata based on AV production.

To qualify for the Base Shop Bonus Pool, agents must maintain 70% or greater base shop policy persistence, have three base shop legs producing new policy production in the month, along with three CV base shop recruits in the given month and the month prior. To qualify for the Base First, Base Sixth, Builders or Super Builders pools, agents must maintain 70% or greater infinity policy persistence.

Production Credit

FEG's business relies on our agents selling Life Insurance and Annuities to clients. Production credit is how FEG recognizes agents for both personal and downline sales. Production credit is used for leaderboard recognition, contests and other promotions. On-going production credit is updated after each commission run.

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. No points are earned for any off-grid business. Negative commissions due to chargebacks are counted as negative points. Points will be earned for advances, payments earned, excess premium and renewals paid.

FEG production points are based on Adjusted Value (AV). AV calculations cap the points from any leg at $\frac{1}{3}$ of the total Cumulative Value (CV) points. AV is calculated monthly.

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:

Personal: Agent is the agent of record on a policy. Cumulative Value credit only, as lines do not come into play.

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 Regional Vice President without an intervening Regional Vice President or above.

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.

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.

Infinity: All personal and downline business.

Recruit Credit

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

Debt Recovery

Agents are responsible for unpaid negative commission balances and debt account balances of their downline agents. Agents with combined commissions or combined 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 persists and no payment schedule acceptable to FEG is made, after 90 days, FEG will recover the debt from the agent's upline. The agent balance will be washed out and the agent will be reported to Vector if applicable.

All agents in the upline of the agent with debt will share proportionately in the debt rollup based on how much commission they make from the agent's business. The share borne by each upline agent will be determined based on the hierarchy and levels of the upline agents on the day the debt is recovered.

The agent for whom the debt was recovered will have the opportunity to make payments or to write new business to pay off their debt to their upline. Agents who continue to make no attempt to pay back their negative balances will be subject to collections *and* will be terminated for cause.

Upline agents assigned a negative adjustment due to a debt recovery will not have the amount of the debt recovery negatively affect their income credit for the purposes of any trips, or recognition if applicable. Credit will be given for the debt recovery, and this will appear in the agent income data on the ETS.

Any agent terminated for cause, with a negative balance, will have that balance shared with their upline immediately using the process described above.

Agent Debt

FEG will track an agent debt account balance separately from an agent's commission account balance. Agents may be assigned a debt account balance due to debt recovery and other extraordinary circumstances at FEG's discretion. A debt account is not used for chargebacks.

Debt account balances will be paid back from commissions or direct payments by the agent.

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

Agent Transfers

All agent transfers must be initiated by the agent wishing to transfer on the FEG back office. Once a request has been made, FEG will obtain all the necessary approval via email.

Except where disallowed below, agents WITHOUT Activity (defined below) in the prior 6 months may request to change uplines without a release from their current upline. Only the agent is transferred.

Agents WITH Activity (defined below) in the prior six months, must obtain 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 they may transfer. A release is not required from agents who are one-year inactive (defined below). Only the agent is transferred.

Agents WITH or WITHOUT Activity in the last 6 months may request a transfer that includes their entire downline team. 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, before they may transfer. A release is not required from 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 special 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.

Co-Leaders

Co-leadership is exclusively to provide training and support for an agent's business. An agent may request a co-leader be assigned to them.

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 approval via email.

Agents must have approval 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 they may complete the co-leadership. Approval is not required from upline agents who are one-year inactive.

If the agent or agents in their 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. Approval is not required from agents who are one-year inactive.

If the agent has an existing co-leader, then a release is required from their current co-leader 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 they may complete the co-leadership change. Once completed the existing co-leadership will be dissolved.

Co-leaders will not be assigned without the approval of the agent. A 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. The original upline will maintain a minimum of 50% of the commission and recruit credit split.

Agent Suspension and Termination

Agents who join FEG, and do not become licensed, contract with a carrier and have no Activity in their first 12 months may be automatically suspended by FEG.

Agents with no Activity as defined below, in a 12-month period, may be suspended by FEG.

Within the first 30 days of suspension, suspended agents can request a trial reinstatement, which 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 start over. They will be assigned a level based on FEG's guidelines described in 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. Suspended agents will not receive Base Shop or Base First production credit, except for personal business if Regional Vice President or higher.

Agents that violate the FEG Agent Agreement or FEG Agent Policies and Procedures will be given notice to repair their violation. If the violation is not repaired to FEG's satisfaction within 30 days, FEG may terminate the Agent for Cause. Agents whose contract is canceled by a carrier for fraud will also be terminated for Cause. FEG will retain all commissions for agents terminated for Cause. Agents terminated for Cause cannot rejoin FEG and will lose future commissions.

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 recruiting agent that is successful in signing up the recruit first will be credited with the new recruit.

Cross recruiting is the solicitation of active FEG agents not direct to you for any reason, including product sales. Soliciting any agent, active or inactive, at any FEG event or agent hosted event is also cross recruiting. Using bulk email or any mass marketing to recruit active or inactive FEG agents not in your downline is not allowed. This includes recruiting for your FEG hierarchy or for non-FEG opportunities. Cross recruiting rules extend to anyone sharing income, an agent's spouse, domestic partner or Bonafide business partner. Cross recruiting is prohibited and grounds for agent termination for Cause.

Beneficiary

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 as described in the FEG Agent Agreement and in these Policies and Procedures. FEG reserves the right to require evidence that there are no conflicting claims before making any payments to the named 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 document. 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.

Selling Agent Code

You may sell your FEG code to another dedicated FEG agent in good standing with FEG 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 agent code being purchased is locked down. The code cannot have new direct recruits or new business on that code. The purchased code cannot directly transfer, 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 position and the level will not be promoted or demoted. Purchased codes will not appear on leaderboards or be eligible for trips. Income generated from purchased codes shall be paid to the agent purchasing the code and the combined income will count towards recognition, rings and ESP.

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

Only dedicated agents may buy another agent's code.

Persistency

To be eligible for certain recognition, bonus pools, and trips, FEG will have rules for a minimum persistency. At FEG's discretion, agents with poor persistency may be paid as earned until improved results. Consistent failure to improve persistency will result in carrier contracts being canceled by FEG.

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 business, which is not run through the FEG commissions system, 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.

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.

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, please submit them directly to the FEG Licensing department at licensing@fegcorp.com.

Contracting

FEG Contract processing time is between 1 and 2 business days excluding holidays. Carrier approved appointments will be sent to the contracted agent within 5 to 7 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.

Privacy Policy

Agents who join FEG agree to provide personal details, including legal name, address, email, phone numbers and social security numbers to FEG. This information is data you put on the FEG agent signup form, give to FEG support staff, when completing applications for carrier contracts and states' insurance licenses, and is provided by insurance carriers to FEG. These personal details are required by FEG as part of its normal business operations.

If an agent is a California resident, and does not have any outstanding debt, they 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, active or inactive, including name, address, email and phone number, with any agents not in the current upline of an agent. FEG will not distribute lists of agents to anyone for the purpose of recruiting them or marketing to them.

Compliance and Additional Policies

Agent shall not seek or require financial support of any kind from other Agents, and Agent shall have no obligation to provide financial support of any kind to other Agents including their upline or downline for any reason. This includes events or rewards hosted or organized by their upline or downline.

To participate in FEG incentive trips and other contests, Agents must be in good standing as an FEG Agent and 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.

Agents are to follow the proper channels when communicating with carriers on issues related to policies, commissions and contracts. 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 go through FEG directly. Agents are not to contact carrier management.

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 is grounds for termination for cause.

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.

Agents must use the phrase "An Independent Agent", or "An Independent FEG Agent" anywhere FEG's name or trademark is used alongside the agent's name or title. This includes any printed materials, such as letterheads, business cards or flyers. This also includes email, social media and any other electronic communications.

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.

Agent photographs uploaded to the back office, or used with the FEG name or trademarks, must be high-quality professional shots. No candid or casual shots or busy backgrounds. Your photo must be a simple headshot of yourself or you and your spouse/partner. Wear business clothes. No messages or logos. In most cases you should hire a professional photographer or use a professional studio.

Agents must abide by the insurance laws in each state that they write business in.

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.

Agents may not pass through FEG paid commissions to other agents unless approved by FEG.

Churning is 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 churn client policies are subject to termination for Cause. Agents who collude for the purpose of canceling multiple client or agent policies will also be terminated for Cause.

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.

Agents must not use auto-dialers for either phone calls or SMS or violate any provision of the Telephone Consumer Protection Act.

No agent video recording of speeches or presentations at Convention of Champions or Leadership Conference. FEG will make available approved video recordings for agents to post to social media and other public-facing sites - including YouTube. Videos recorded at other FEG events, including trips and dinners, must be approved by FEG before they can be posted. Any video of an FEG owner or staff at agent events must also be approved by FEG before posting.

Agents who wish to join another Insurance Marketing Organization and request a release from FEG, will not be granted a release without the approval of FEG and signoff from anyone who receives override or spread commissions in their upline, up to the first upline CEO or Chairman.

Definitions

Dedicated Agent - an agent whose personal production on all life and annuity business is 100% FEG with all commissions paid by FEG. Before buying another agent's business, agents must sign a declaration that they are not writing business off-grid with any carrier for Life Insurance and/or Annuities.

Activity - including any new direct recruits, new personal policies submitted, attendance at the FEG annual Convention, attendance at FEG's Leadership Summit, new carrier contracts, agent transfers or any appropriately documented training reimbursements. 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.

Inactive - an agent that has no Activity in the prior 6 months.

One-year Inactive - an agent that has no Activity in the prior year, and did not attend the most recent FEG Convention.

Persistency - this is the percentage of eligible life policies issued in the prior 2 years that have made it to renewals. FEG uses policy persistency which is the percentage of total number of policies that makes it renewals. 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 will not have an established persistency.

FEG requires 70% persistency on personal business to qualify for trips, bonus pools and other promotions. Agents that do not have an established persistency rating, because they do not have five policies between 13-months old and 24-months old, will be treated as if they have 100% persistency, unless otherwise stated.

Placement ratio - this is the percentage of submitted policies that issue. This is currently calculated only on policies with carriers that pay a partial 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.

Cumulative value (CV) - the total recruiting or production points from personal business and all downline legs.

Adjusted value (AV) - AV caps the points from any direct leg at $\frac{1}{3}$ of the total CV for a given period. Personal production is considered as one leg for AV calculations. AV credit is currently updated after each commission run. Production and recruiting AV credit is calculated monthly.

1-yr In Force Ratio - The percentage of target on all policies issued-paid in the last year by an agent that is still in-force and has not lapsed or canceled. This will include splits. A In Force Ratio is not valid until an agent has three policies issued-paid.

As-Earned - First year commissions advanced to FEG will be paid at a rate of 1/12 per month.

Producing leg - For qualifying for agent promotions, a producing leg is defined as a leg that has new policies submitted or issued within the prior three months. Personal production is not counted as a producing leg.