



## **Financial Education Services**

### **STATEMENT OF POLICIES AND PROCEDURES**

*Effective April 1, 2021*

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# FINANCIAL EDUCATION SERVICES STATEMENT OF POLICIES AND PROCEDURES

**Effective April 1, 2021**

## **SECTION 1 – INTRODUCTION**

### **1.1 - Code of Ethics**

Financial Education Services (hereafter “FES” or “the Company”) is a values-based company that prides itself on the quality and character of its Independent Sales Representatives (hereinafter “ISR” or “Independent Agents” or “Independent Sales Agents”). The following guidelines help ensure a uniform standard of excellence throughout our organization. Every FES ISR is expected to practice the following ethical behavior when acting in the name of the company:

- A. I will be respectful of every person I meet while doing FES related business.
- B. At all times I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.
- C. I will not engage in activities that would bring disrepute to FES, any FES corporate officer or employee, myself, or other ISRs.
- D. I will not make discouraging or disparaging claims toward another FES ISRs. I will ensure that in all FES business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements.
- E. I will provide support and encouragement to my Customers to ensure that their experience with FES is a successful one. I understand that it is important to provide follow-up service and support to my downline.
- F. I will correctly represent all the bonus/compensation plans available through FES and the income potential represented therein. I understand I may not use my own income as an indication of others’ potential success, or use compensation checks as marketing materials. I further understand that I may only disclose my FES income to recruit a potential ISR(s) after I have given a copy of the Income Disclosure Statement to the potential ISR(s).
- G. I will abide by all of FES’ Policies & Procedures now and as they may be amended in the future.

### **1.2 - Policies Incorporated Into the ISR Agreement**

These Policies and Procedures (“Policies”), in their present form and as amended at the sole

discretion of FES, are incorporated into, and form an integral part of, the FES ISR Agreement (hereafter “ISR Agreement”). Throughout these Policies, when the term “Agreement” is used, it collectively refers to the FES ISR Agreement, these Policies, and the FES Compensation Plan. These documents are incorporated by reference into the ISR Agreement (all in their current form and as amended by FES). It is the responsibility of each ISR to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring a new ISR, it is the responsibility of the sponsoring ISR to provide the most current version of these Policies and Procedures prior to his or her execution of the ISR Agreement.

### **1.3 Changes to the ISR Agreement, Policies and Procedures, or Compensation Plan**

Because federal, state, and local laws, as well as the business environment, periodically change, FES reserves the right to amend the Agreement and the prices in its FES Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official FES Materials. Amendments shall be effective upon publication in Official FES Materials, including but not limited to, posting on FES’ website, e-mail distribution, publication in FES’ newsletter, product inserts, or any other commercially reasonable method. The continuation of an ISR’s FES business or an ISR’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments. Please note that this provision **DOES NOT** apply to the dispute resolution procedures in Section 10, which can only be modified via mutual consent.

### **1.4 Delays**

FES shall not be responsible for delays and failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, flood, death, curtailment of a party’s source of supply, or government regulations.

### **1.5 – Policies and Provisions Severable**

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

### **1.6 – Waiver**

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of FES to exercise any right or power under the Agreement or to insist upon strict compliance by an ISR with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of FES’ right to demand exact compliance with the Agreement. Waiver by FES can be effectuated only in writing by an authorized officer of the Company.

## **1.7 – Effective Date**

These Policies and Procedures shall become effective as of April 1, 2021 (“Effective Date”) and, at such time, shall automatically supersede any prior Policies and Procedures. On the Effective Date, the old Policies and Procedures cease to have any force or effect.

## **SECTION 2 – BECOMING AN ISR**

### **2.1 - Requirements to Become an ISR**

To become a FES ISR, each applicant must:

- A. Be of the age of majority in his or her state of residence; Reside in the United States or other countries, which have been officially opened by FES;
- B. Submit a properly completed and signed ISR Agreement to FES via electronically or fax.
- C. Pay a one-time ISR enrollment fee of \$210 at time of sponsorship.

### **2.2 - New ISR Registration by the Internet and Facsimile**

A prospective ISR may self-enroll on the sponsor’s web site. In such event, instead of a physically signed ISR agreement, FES will accept the agreement by accepting the “electronic signature” stating the new ISR has accepted the terms and conditions of the ISR Agreement. Please note that such electronic signature constitutes a legally binding agreement between the ISR and FES. Faxed agreements must include both the front and back of the ISR Agreement.

### **2.3 - ISR Benefits**

Once an ISR Agreement has been accepted by FES, the benefits of the Compensation Plan and the ISR Agreement are available to the new ISR. These benefits include the right to:

- A. Sell FES services;
- B. Participate in the FES Compensation Plan (receive bonuses and commissions, if eligible);
- C. Sponsor other individuals as customers or ISRs into the FES business and thereby build an organization and progress through the FES Compensation Plan;
- D. Receive periodic FES literature and other FES communications;
- E. Participate in FES-sponsored support service training, motivational and recognition functions; and

F. Participate in promotional and incentive contests and programs sponsored by FES for its ISRs.

## **2.4 - Annual Renewal Fee**

The term of the Agreement is one (1) year from the date of FES' acceptance of ISR's Agreement (subject to prior termination pursuant to Sections 5 and 11). ISR's wishing to continue their ISR business following the expiration of the term of the Agreement must renew the Agreement for one (1) subsequent year terms by paying an annual renewal fee and continuing to comply with the Agreement. Pricing during any automatic renewal term will remain the same as it was during the immediately prior term, unless an ISR requests otherwise by submitting in writing to the Company at its principal business address at least thirty (30) days prior to the renewal date. The annual renewal fee will be automatically charged to the credit card provided by the ISR at time of sponsor or used for Automatic Billing (see Section 7). If FES is unable to process an ISR's credit card for the annual renewal fee, the ISR will have until the first monthly commission payment after the expiration of the current term of their Agreement to make a payment or commissions will be suspended until the renewal fee is paid.

## **2.5 – FES Corporate Employee Recruiting**

ISRs must not solicit employees of the Corporate Headquarters to join their team as agents unless that employee has been separated from the company for one (1) year or longer. This includes any employee of FES or any of its affiliates and partners. All subscriptions automatically renew (without the need to go through the Services-interface “check-out” or execute a renewal Order Form) for additional periods equal to one (1) year; and (b) the per-unit pricing during any automatic renewal term will remain the same as it was during the immediately prior term.

## **SECTION 3 – INCOME DISCLOSURE POLICY**

In an effort to conduct best business practices, FES has developed the Income Disclosure Statement (“IDS”). The FES IDS is designed to convey truthful, timely, and comprehensive information regarding the income that FES ISRs earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective ISRs.

A copy of the IDS must be presented to a prospective ISR (someone who is not a party to a current FES ISR Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one ISR earned over a million dollars last year” or “Our average ranking ISR

makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking ISRs is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective ISR with a copy of the IDS. A copy of the IDS can be found at:

[www.financialeducationservices.com/IncomeDisclosure.aspx](http://www.financialeducationservices.com/IncomeDisclosure.aspx)

Statements about income representations should always reflect the opportunity for ISRs to earn **supplemental** income. For example, statements such as the FES sales opportunity being one that can “boost your existing income” or “earn some extra cash” are the appropriate ways to discuss income.

## **SECTION 4 – ADVERTISING**

### **4.1 - Adherence to the FES Compensation Plan**

ISRs must adhere to the terms of the FES Compensation Plan as set forth in Official FES Materials. ISRs shall not offer the FES opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically stated in Official FES Materials. ISRs shall not require or encourage other current or prospective customers or ISRs to participate in FES in any manner that varies from the program as set forth in Official FES Materials. ISRs shall not require or encourage other current or prospective customers or ISRs to execute any agreement or contract other than official FES agreements and contracts in order to become a FES ISR. Similarly, ISRs shall not require or encourage other current or prospective customers or ISRs to make any purchase from, or payment to, any individual or other entity to participate in the FES Compensation Plan other than those purchases or payments identified as recommended or required in Official FES Materials.

### **4.2 - Use of Sales Aids**

To promote both the services and the opportunity FES offers, ISRs must use the sales aids and support materials produced by FES. If FES ISRs develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding ISRs’ good intentions, they may unintentionally violate any number of statutes or regulations affecting a FES business. These violations, although they may be relatively few in number, could jeopardize the FES opportunity for all ISRs. Accordingly, ISRs must use only those sales aids, promotional materials, advertisements, websites and other literature produced by the Company in connection with any FES Business. All requests for waivers or exceptions to allow the use of ISR developed sales aids or promotional materials shall be deemed denied. All ISRs shall safeguard and promote the good reputation of FES and its services. The marketing and promotion of FES, the FES opportunity, the Compensation Plan, and FES’ services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.



### **4.3 - Intellectual Property**

FES will not allow the use of its trade names, trademarks, designs, or symbols outside of corporate produced and approved sales aids by any person, including FES ISRs. Furthermore, no ISR may use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another ISR without prior written consent from the named ISR. This consent must be on file with FES' Compliance department prior to any use.

### **4.4 – Web Policy**

If an ISR desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's replicated website program only. This program permits ISRs to advertise on the Internet and to choose from among a variety of home page designs that can be personalized with the ISR's message and the ISR's contact information. These websites seamlessly link directly to the official FES website giving the ISR a professional and Company-approved presence on the Internet. No ISR may independently design a website that uses the names, logos, or product descriptions of FES or otherwise promotes (directly or indirectly) FES' services or the FES opportunity.

### **4.5 - Domain Names and Email Addresses**

ISRs may not use or attempt to register or sell any of FES' trade names, trademarks, service names, service marks, product names, or any derivative thereof, for any internet domain name or email address.

### **4.6 - Advertised Price**

You may not advertise any of FES' products at a price different than the company published price of the equivalent service. No special enticement advertising is allowed. This includes but is not limited to offers of free membership or other such offers that grant advantages beyond those available through the Company.

### **4.7 - Generic Business Advertisements**

- A. No advertisement may imply that a job, position, salary, or any type of employment is allowed.
- B. No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The FES opportunity is not a job, and may not be presented as such. Terms such as "manager trainee," "management positions available," "travel provided," "call for interview," "positions available," "now hiring," and other misleading statements are not allowed.
- C. No specific income can be promised or implied, and any references to compensation must use the word "commissions" to indicate the independent contractor status of ISRs.
- D. Advertisements may not contain references to FES or its services and may not use any

of FES' trademarks or trade-names.

E. You may not represent that one can be successful in the FES opportunity without diligently applying themselves. Examples of misrepresentations include, but are not expressly limited to, the following:

- You don't have to sell anything.
- An upline ISR will do all the work for you.
- Your upline will build your organization for you.
- The Company does all the work for you.

Any requests for variances from the above rules must be submitted to FES and approved in writing prior to publication. Please direct any inquiries to [Compliance@financialeducationservices.com](mailto:Compliance@financialeducationservices.com), or by fax to the attention of the Compliance department at (734) 943-5997.

#### **4.8 Media and Media Inquiries**

ISRs must not initiate any interaction with the media or attempt to respond to media inquiries regarding FES, its services, or their independent FES business. All inquiries by any type of media must be immediately referred to FES' Compliance department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as a proper public image.

#### **4.9 - Unsolicited Email And Fax Communication**

FES does not permit ISRs to send unsolicited emails unless such emails strictly comply with applicable laws and regulations, including, without limitation, the federal CAN SPAM Act. Any email sent by an ISR that promotes FES, the FES opportunity, or FES' services, must comply with the following:

- A. There must be a functioning return email address to the sender.
- B. There must be a notice in the email that advises the recipient that they may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- C. The email must include the ISR's physical mailing address.
- D. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- E. The use of deceptive subject lines and/or false header information is prohibited.
- F. All opt-out requests, whether received by email or regular mail, must be honored. If an ISR receives an opt-out request from a recipient of an email, the ISR must forward the opt-out request to the Company. FES may periodically send commercial emails on

behalf of ISRs. By entering into the ISR Agreement, ISR agrees that the Company may send such emails and that the ISR's physical and email addresses will be included in such emails as outlined above. ISRs shall honor opt-out requests generated as a result of such emails sent by the Company. Except as provided in this section, ISRs may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their FES businesses.

#### **4.10 - References to Credit Repair**

FES's Independent Agents shall not state directly, or indirectly, that FES or FES's Independent Sales Agents offer, sell, provide advice, or provide assistance to a person regarding improving a person's credit record, history, or rating.

FES's Independent Agents shall not engage in any acts or practices on websites that intend to create the perception that FES or FES's Independent Sales Agents will accept payment, or that payment is required, in the form of costs, fees, or donations, regarding any credit repair services.

FES's Independent Agents shall not advertise, offer, sell, or engage in Credit Repair Services when acting as FES's Independent Sales Agents.

The above pertains to any and all forms of advertisements including, but not limited to, internet advertisements, telemarketing, direct marketing, print media, broadcast media, support media, social media, sales presentations, and sales calls.

In addition to the above as stated in Section 4 – "Advertising" of the FES Statement of Policies and Procedures, FES Independent Agents shall not:

- Use the company name or logo for any advertising purposes.
- Use any other FES forms or documents, trademarks, designs, or symbols to promote the business other than those available on the FES website.
- Design a website that uses the names, logos, or product description of FES, or otherwise promotes (directly or indirectly) FES services or the FES opportunity.
- Advertise that a specific income can be promised or implied.
- Create any videos or make any social media posts that uses the FES name, logo, designs or symbols.

## **SECTION 5 – OPERATING A FES BUSINESS**

### **5.1 - Business Entities**

A corporation, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a FES ISR by submitting a FES ISR Application and Agreement along with its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the "Entity Documents") to FES. A FES business may change its status under the same Sponsor from an individual to a partnership, corporation or trust, or from one type of entity to

another. To do so, the ISR(s) must provide the Entity Documents to FES. The ISR Application must be signed by all of the shareholders, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to FES.

### **5.1.1 - Changes to a Business Entity**

Each ISR must immediately notify FES of any changes to the type of business entity they utilize in operating their FES business, and the addition or removal of business associates. A FES business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. The ISR Agreement form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to FES.

### **5.1.2- Change Of Sponsor**

To protect the integrity of all marketing organizations and safeguard the hard work of all ISRs, FES rarely allows changes in sponsorship, with the rare exception of direct line changes (meaning placement is not affected). A direct line change request must be made by submitting a completed Sponsor Change Request Form within a seven (7) day period from the date of enrollment, and must come from the current listed sponsor.

### **5.1.3 - Change Of Placement**

A request for change of placement must be submitted within thirty (30) days of the date of enrollment and must be requested by the current listed sponsor. An ISR can only be moved inside of the same sponsor's organization. ISRs who have earned commissions or achieved rank are not eligible for placement changes. Please note that decisions made for any change request (sponsor or placement) are at the sole discretion of FES.

### **5.1.4 - Change Of Organization**

If an ISR wishes to transfer organizations, he or she must remain inactive (subscribe to no services) from FES for 6 months. At the end of the 6-month period, the ISR must submit a letter to the Corporate Office requesting a sponsor change. After review of the request, the Corporate Office can approve or deny the sponsor change. If the request is denied, and the ISR is in good standing with the company, the ISR still can return to the company under the original sponsor.

## **5.2 - Unauthorized Claims and Action**

### **5.2.1 - Indemnification**

An ISR is fully responsible for all of his or her verbal and/or written statements made regarding FES services and the Compensation Plan, which are not expressly contained in Official FES Materials. ISRs agree to indemnify FES and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by FES as a result of the ISR's actions. This provision shall survive the cancellation of the ISR Agreement.

## **5.2.2 – Endorsements of FES’ Services**

No claims as to any services offered by FES may be made except those contained in Official FES Materials.

## **5.2.3 – Discounts and Deals on Product Sales**

The only promotions, contests or incentives available to agents and customers are those put out by the FES Corporate Office. ISRs may not create or incentivize any discounts that are not developed by the FES Corporate Office.

## **5.3 - Conflicts**

### **5.3.1 – Non-solicitations**

FES ISRs are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “Network Marketing”). However, during the term of this Agreement, ISRs may not directly or indirectly recruit other FES ISRs or Customers for any Network Marketing business. Following the cancellation of an ISR Agreement, and for a period of one (1) calendar year thereafter, a former ISR may not recruit any FES ISR or Customer for another Network Marketing business.

The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Customer/ISR to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Independent Agent’s actions are in response to an inquiry made by another Customer/ISR.

### **5.3.2 - Sale of Competing Goods or Services**

ISRs must not sell, or attempt to sell, any competing non-FES programs or services to FES Customers or ISRs. Any program, product, service, or direct selling opportunity in the same generic categories as the FES’ services are deemed to be competing, regardless of differences in cost, quality or other distinguishing factors. ISRs cannot personally profit by selling or promoting any products, services or programs to any existing FES customers or ISRs.

While an ISR may participate in a non-competing Network Marketing company, FES does not allow ISRs at the rank of ESD and above to actively participate in ANY Network Marketing company without explicit permission from the FES Corporate Office. This rule applies regardless if company sells competing products/services or not.

### **5.3.3 - Targeting Other Direct Sellers**

Should ISRs engage in solicitation and/or enticement of members of another direct sales company to sell or distribute FES’ services, they bear the risk of being sued by the other

direct sales company. If any lawsuit, arbitration, or mediation is brought against an ISR alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, FES will not pay any of ISR's defense costs or legal fees, nor will FES indemnify the ISR for any judgment, award, or settlement.

### **5.3.4 - Privacy and Confidentiality**

All ISRs are required to abide by the Company's Privacy Policy with regard to ISR and customer information.

FES recognizes and respects the importance its Customers and ISRs place on the privacy of their financial and personal information. Therefore, the Company will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers' and ISRs' financial and account information and nonpublic personal information.

By entering into the ISR Agreement, you authorize FES to disclose your name and contact information to upline ISRs solely for activities related to the furtherance of the FES business. An ISR hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his, her or its downline organization and conducting the FES business.

### **5.3.5 - The Data Management Rule**

The Data Management Rule is intended to protect the Line of Sponsorship (LOS) for the benefit of all ISRs, as well as FES. LOS information is information compiled by FES that discloses or relates to all or part of the specific arrangement of sponsorship within the FES business, including, without limitation, ISR lists, sponsorship trees, and all ISR information generated therefrom, in its present and future forms. The FES LOS constitutes a commercially advantageous, unique, and proprietary trade secret (Proprietary Information), which it keeps proprietary and confidential and treats as a trade secret. FES is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by FES and its ISRs. Through this Rule, ISRs are granted a personal, non-exclusive, non-transferable and revocable right by FES to use Proprietary Information only as necessary to facilitate their business as contemplated under these Policies and Procedures. The Company reserves the right to deny or revoke this right, upon reasonable notice to the ISR stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of FES, such is necessary to protect the confidentiality or value of Proprietary Information. All ISRs shall maintain Proprietary Information in strictest confidence, and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality thereof.

### **5.4 - Cross Sponsoring**

Actual or attempted cross-group sponsoring is strictly prohibited. "Cross-group sponsoring" is defined as the enrollment, indirect or otherwise, of an individual or entity

that already has a current customer number or ISR Agreement on file with FES, or who has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal Tax Identification Numbers or fictitious identification numbers to circumvent this policy is prohibited. This policy shall not prohibit the transfer of a FES business in accordance with the "Sale, Transfer or Assignment of FES Business" section of these Policies and Procedures.

### **5.5 – Governmental Approval or Endorsement**

Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, ISRs shall not represent or imply that FES or its Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

### **5.6 – Identification**

All ISRs are required to provide their Social Security Number, Federal Employer Identification Number, or their Government Issued ID Number to FES either on the ISR Agreement or at the company's request. Upon enrollment, the Company will provide a unique ISR Identification Number to the ISR by which they will be identified. This number will be used to place orders and track commissions and bonuses.

### **5.7 - Income Taxes**

Every year, FES will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each ISR is responsible for paying local, state and federal taxes on any income generated as an ISR.

### **5.8 - Independent Contractor Status**

You are an independent contractor. You are not an employee, partner, or joint venture with the Company. You may not represent yourself as anything other than an Independent ISR. You have no authority to bind FES to any obligation. You are responsible for paying your own self-employment taxes, federal income taxes and other taxes required by law. You must obey any federal, state, and local laws, as well as Company rules and regulations pertaining to your independent FES Business or the acquisition, receipt, holding, selling, distributing or advertising of FES' services or opportunity.

ISRs may not answer the telephone by saying "FES," "FES Incorporated," or by any other manner that would lead the caller to believe that they have reached FES' corporate offices. An ISR may only represent that he/she is a FES ISR. Therefore, all correspondence and business cards relating to or in connection with an ISR's FES business shall contain the ISR's name followed by the term "Independent Sales Representative."

### **5.9 – Bonus Buying**

Paying the membership fees solely for the purpose of collecting bonuses or achieving rank is prohibited.

### **5.10 – Stacking**

Stacking is the unauthorized manipulation of the FES compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline ISR in an unearned manner. One example of stacking occurs when a sponsor places participants under an inactive downline participant (who may not know or have any relationship with the clients) in order to trigger unearned qualification for commissioning. Another example of stacking is the manipulative placement of ISRs within a downline organization in order to trigger a promotion. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the ISR's positions of all individuals found to be directly involved.

### **5.11 - One FES Business Per ISR**

An ISR may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one FES business. No individual may have, operate or receive compensation from more than one FES business. Individuals of the same family unit may each enter into or have an interest in their own separate FES businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as spouses and dependent children living at or doing business at the same address.

### **5.12 - Succession**

Upon the death or incapacitation of an ISR, their business may be passed to a designated heir(s). Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper.

Whenever a FES business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased ISR's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute an ISR Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased ISR's rank/status;
- Provide FES with an "address of record" to which all bonus and commission checks will be sent. Bonus and commission checks of a FES business transferred pursuant to this



section will be paid in a single check jointly to the successor(s).

- Form a business entity and acquire a federal Taxpayer Identification Number, if the business is bequeathed to joint successors. FES will issue all bonus and commission checks and one 1099 to the business entity.

### **5.13 - Sale, Transfer, or Assignment of a FES Business**

Although a FES business is a privately owned, independently operated business, the sale, transfer or assignment of a FES business is subject to certain limitations. If an ISR wishes to sell their FES business, the following criteria must be met:

- A. Protection of the existing line of sponsorship must always be maintained so that the FES business continues to be operated in that line of sponsorship;
- B. The buyer or transferee must become a qualified FES ISR. If the buyer is an active FES ISR, they must first terminate their FES business and wait six calendar months before acquiring any interest in the new FES business;
- C. Before the sale, transfer, or assignment can be finalized and approved by FES, any debt obligations the selling ISR has with FES must be satisfied; and
- D. The selling ISR must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a FES business.

Prior to selling a FES business, the selling ISR must notify FES' Compliance department of their intent to sell the FES business. No changes in line of sponsorship can result from the sale or transfer of a FES business. An ISR may not sell, transfer, or assign portions of their business—the position must be sold in its entirety.

### **5.14 - Separation of a FES Business**

FES ISRs sometimes operate their FES businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership, or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other ISRs and the Company in a timely fashion, FES will involuntarily terminate the ISR Agreement.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- A. One of the parties may, with consent of the other(s), operate the FES business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize FES to deal directly and solely with the other spouse or

non-relinquishing shareholder, partner, or trustee.

B. The parties may continue to operate the FES business jointly on a “business-as-usual” basis, whereupon all compensation paid by FES will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. The Company will never remove a party to a position from an ISR account without that party’s written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will FES split commission and bonus checks between divorcing spouses or members of dissolving entities. FES will recognize only one downline organization and will issue only one commission check per FES business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the ISR Agreement shall be involuntarily cancelled. If a former spouse has completely relinquished all rights in the original FES business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as an ISR. In either case, however, the former spouse or business affiliate shall have no rights to any ISRs in their former organization or to any former customer. They must develop the new business in the same manner as would any other new ISR.

### **5.15 - Sponsoring**

All Active ISRs in good standing have the right to sponsor and enroll others into FES. Each prospective customer or ISR has the ultimate right to choose his or her own Sponsor. If two ISRs claim to be the Sponsor of the same new ISR or customer, the Company shall regard the first application received by the Company as controlling.

### **5.16 – Positioning as an Investment**

Success in FES requires hard work, dedication and good sales skills. Compensation is directly tied to the personal achievement of each ISR. Positioning the FES platform or opportunity as a passive investment program is inaccurate and strictly forbidden. If these claims are ever made, disciplinary sanction will be immediate.

### **5.17 – Credit Card Restrictions**

ISRs are strictly forbidden from processing credit card transactions on behalf of any member in their organizations. Unauthorized credit card transactions will be deemed fraudulent and be handled with expeditiously.

### **5.18 – Recruitment Practices by FES Agents**

FES’s Independent Agents shall not operate, or directly or indirectly participate, in the

operations of any multilevel marketing program, wherein the financial gains to the participants are primarily dependent upon the continued, successive recruitment of other participants.

Additionally, FES's Agents shall not operate or participate in the operations of any multilevel marketing program, where sales to nonparticipants are not required as a condition precedent to realization of such financial gains.

FES's Independent Agents shall not offer to pay, or authorize the payment of any finder's fee, bonus, refund, override, commission, cross-commission, dividend, or other consideration to any participant in a multilevel marketing program, solely for the solicitation or recruitment of other participants therein.

FES's Independent Agents shall not offer to pay, or authorize the payment of any finder's fee, bonus, refund, override, commission, cross-commission, dividend, or other consideration to any participant in a multilevel marketing program in connection with the sale of any product or service unless the participant performs a bona fide supervisory, distributive, selling, or soliciting function in the sale or delivery of such product or services to the ultimate consumer.

FES's Independent Agents shall clearly and conspicuously disclose to any individual recruited within their downline that Independent Sales Agents must have sufficient involvement or contact with his or her downline. This will ensure that any participant understands that he or she is obliged to perform all acts necessary to qualify as bona fide supervisory, distributive, selling, or soliciting function in the sale or delivery of services to the ultimate consumer. This is including, but not limited to notice that the FES Agent is responsible to address and resolve any acts by persons in his or her downline that would violate either company policies or any state regulatory departments.

FES's Independent Agents will not offer discounts and/or valuable consideration to participants to secure said participants enrollment in a FES Agent's downline.

FES's Independent Agents shall not enroll an individual to the FES Agent's downline without the new participants knowledge.

FES Agents shall not recruit a participant from an unrelated downline in an attempt to grow the FES Agent's downline.

#### **5.19 – Actions of Household Members or Affiliated Parties**

If any member of a FES Independent Agent's immediate household engages in any activity which, if performed by the Agent, would violate any provision of the Agreement, such activity will be deemed a violation by that specific Independent Agent and FES may take disciplinary action pursuant to these Policies and Procedures against the Independent Agent. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and the Company may take disciplinary action against the Business Entity. Likewise, if an Agent

enrolls in FES as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the terms of the Agent Agreement and these Policies and Procedures.

## **SECTION 6 – RESPONSIBILITIES OF ISRs**

### **6.1 - Change of Address, Telephone No., Email-Address**

To ensure timely communications, delivery of support materials and commission checks, it is critically important that the FES' files are current. ISRs planning to move or change their email address must submit an amended ISR Agreement complete with the new information.

### **6.2 – Sponsoring ISR Responsibilities**

#### **6.2.1 – Initial Training**

Any ISR who sponsors another ISR into FES must perform a bona fide assistance and training function to ensure that their downline is properly operating their FES business. ISRs must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to individuals whom they are sponsoring to become ISRs before the applicant signs an ISR Agreement.

#### **6.2.2 – Ongoing Training Responsibilities**

ISRs must monitor the ISRs in their downline organizations to ensure that downline ISRs do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every ISR should be able to provide documented evidence to FES of their ongoing fulfillment of the responsibilities of a Sponsor.

#### **6.2.3 – Training Programs**

FES maintains a strict stance regarding policies and procedures as they relate to training in order to protect the name and integrity of FES and its business model, our core philosophical beliefs, and to further protect the ISRs from any misleading or mistaken information that could be delivered from unreliable sources.

FES supports the practice of training events, such as Business Opportunity Meetings or Corporate Overviews, (taking place in an office, hotel or home), Saturday Trainings, "Super Saturday" Trainings or other evening trainings, as they are valuable educational tools when held properly with both professionalism and integrity and held within the parameters of the policies and procedures within FES's Independent Representative's Terms and Conditions. The true intent of such events should be to provide further education on the FES Career Opportunity and to gain product knowledge on how to be successful within this business endeavor.

Under no circumstances are these events or any other type of FES meeting/training sessions intended to produce income to those who are sponsoring or conducting the event.

An ISR, holding the Regional Vice President title or above, may only charge a nominal fee, up to a \$39.00 maximum, for any and all events to offset room rental or hotel fees. Any Independent ISR that is not currently holding the RVP or above position, that wants to hold a meeting and charge the fee, must receive approval from the Corporate Office.

Any ISR found hosting, promoting or encouraging other FES Independent Sales Representatives to attend any type of unauthorized event or training program will be considered in violation of the FES Policies and Procedures.

Anyone conducting events within the guidelines of FES's event/training policies, but who is utilizing and or selling materials (brochures, CDs, DVDs, websites or any other type of electronic or printed marketing material, or materials utilizing the name or likeness of FES or UCES) for a fee will be considered in violation of FES's policies and procedures.

#### **6.2.4 – Meetings During the COVID-19 Pandemic**

According to the Centers for Disease Control & Prevention (CDC) and The World Health Organization (WHO), the risk of COVID-19 spreading increases during in-person gatherings in which individuals from different households are in attendance. This risk increases significantly as event size grows with a higher number of attendees. The lowest risk is in virtual-only activities and events, according to the WHO:

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/question-and-answers-hub/q-a-detail/coronavirus-disease-covid-19-small-public-gatherings#>

In observance with CDC and WHO recommendations, The Corporate Office of Financial Education Services is endorsing the following:

- We strongly encourage each of you to continue with virtual meetings as opposed to in-person group meetings, no matter how small the number of participants.
- Should you choose to go against the recommendations of the WHO and FES and hold an in-person event, you must follow FES Policies & Procedures and WHO precautions. This includes returning an executed Waiver and General Liability (Form 1A, attached to this Policies and Procedures document) for all meeting attendees, including yourself for any in-person meetings taking place in 2021.

#### **6.3 – Non-disparagement**

ISRs must not disparage, demean, or make negative remarks about FES, other FES ISRs, FES' services, the Compensation plan, or FES' owners, board members, directors, officers, or employees.

#### **6.4 - Reporting Policy Violations**

ISRs observing a Policy violation by another ISR should submit a written report of the violation directly to the attention of the FES Compliance department, complete with all supporting evidence and pertinent information. It is important to understand that information that is submitted will be kept confidential.

## **6.5 – Harassment**

FES is committed to providing ISRs with an environment free from harassment, intimidation, and abuse from other ISRs, employees, vendors, and any other individual. At FES, harassment of any kind will not be tolerated and is strictly prohibited, such as: derogatory or threatening comments, inappropriate sexual behavior including but not limited to unwelcome sexual advances or requests for sexual favors, displaying visual images of a sexual nature, physical or verbal harassment, or violent behavior. ISRs are encouraged to report any type of harassment incidents immediately. FES will not tolerate acts or threats of violence and will investigate all reports. When you become aware of a threat or risk to any of our ISRs, employees, vendors, and any other individuals, we ask that you let us know.

## **SECTION 7 – AUTOMATIC BILLING**

### **7.1 - Billing**

There are products in the FES system that require a monthly financial commitment. These subscription fees are automatically renewed each month with a credit or debit card maintained on file with FES. The ISR may contact the corporate office to change the settings for their monthly subscription.

## **SECTION 8 – REFUND REQUESTS**

FES offers various return policies depending on the particular service ordered. In order to see details on the return policy, please review the terms associated with the particular service. If the purchases were made through a credit card, the refund will be credited back to the same account. FES shall deduct from the reimbursement paid to the ISR any commissions, bonuses, rebates or other incentives received by the ISR which were associated with the merchandise that is returned.

An ISR receives bonuses and commissions based on the actual sales of products and services to end consumers and to ISRs. When a refund is requested, the bonuses and commissions attributable to the refund will be deducted from the ISR who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered.

In the event that an ISR terminates his or her position, and the amounts of the bonuses or commissions attributable to the refunded services have not yet been fully recovered by FES, the remainder of the outstanding balance may be offset against any other amounts that may be owed by FES to the terminated distributor.

## **SECTION 9 – BONUSSES AND COMMISSIONS**

### **9.1 - Bonus and Commission Qualifications**

In order to qualify to receive commissions and bonuses, an ISR must be in good standing and comply with the terms of the Agreement and these Policies and Procedures. An ISR will qualify to receive commissions and bonuses so long as he/she produces one personal membership sale each month or maintains a personal membership in good standing for himself/herself. An ISR is not required to maintain a personal membership but may do so if desired for purposes of this section.

### **9.2 - Errors or Questions**

If an ISR has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the ISR must notify FES in writing within 30 days of the date of the purported error or incident in question. FES will not be responsible for any errors, omissions, or problems not reported to the Company within 30 days.

### **9.3 - Bonus Buying Prohibited**

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an ISR Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an ISR or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as ISRs or Customers (“phantoms”); (d) purchasing FES services on behalf of another ISR or Customer, or under another ISR’s or Customer’s ID number, to qualify for commissions or bonuses; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

### **9.4 - Reports**

All information provided by FES, including but not limited to personal sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments, an ISR whose ISR Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). A FES participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address, or via email to FES.

## **SECTION 10 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

### **10.1 - Disciplinary Sanctions**

Violation of the Agreement, these Policies and Procedures, violation of any common law

duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by an ISR that, in the sole discretion of the Company, may damage its reputation or goodwill (such damaging act or omission need not be related to the ISR's FES business), may result, at FES' discretion, in one or more of the following corrective measures:

- Involuntary termination of the offenders ISR Agreement
- Instituting legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of FES
- Suspension of the individual ISR Agreement for one or more pay periods
- Imposition of a fine, which may be withheld from bonus and commission checks
- Any other measure expressly allowed within any provision of the Agreement or which FES deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the ISR's policy violation or contractual breach

In addition to the above, depending on the severity of the offense, FES at their discretion, may also begin disciplinary action steps as shown below:

**1<sup>st</sup> offense** – agents FES selling website will be shut down. If the agent attempts to access their website to conduct business, they will receive a message to contact the FES corporate office compliance department. During that call, the compliance department will let the FES agent know what violation occurred per the FES Policies and Procedures Manual. In order for the FES agents' website to be reactivated they must 1) send an email to the compliance department stating they understand the violation and that the violation will not occur in the future, 2) they must correct the violation, meaning remove a post, take down a video, etc. The agent's website will be changed to an active status only when both items above are complete.

**2<sup>nd</sup> offense** - the same procedure as above. At the conclusion of the call with the FES agent and the FES compliance department, the FES agent will be informed that if this violation occurs again, that their rights pursuant to the Independent Agent Agreement will be suspended for 60 days. During the suspension, the FES agent's website will be shut down and they will no longer collect any commission for sales made in their downline.

**3<sup>rd</sup> offense** – 60-day suspension

**4<sup>th</sup> offense** – at the conclusion of the 60-day suspension the FES agent's website will be made active again. They will be able to conduct business and receive commissions. If the FES agent again violates any section of the FES Policies and Procedure Manual, the agreement with FES they will be permanently terminated. Their website will be shut down and a termination notice mailed to their residence.

## **10.2 - Mediation**

Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve



any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorneys' fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Farmington Hills, Michigan, and shall last no more than two (2) business days. This agreement to mediate shall survive any termination or expiration of the Agreement.

### **10.3 - Arbitration**

**If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by confidential arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Additionally, you agree not to initiate or participate in any class action proceeding against FES, whether in a judicial or mediation or arbitration proceeding, and you waive all rights to become a member of any certified class in any lawsuit or proceeding. Furthermore, ISRs waive all rights to trial by jury.

All arbitration proceedings shall be held in Farmington Hills, Michigan. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent FES from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect FES' interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

### **10.4 – Class Action Waiver**

**NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**

### **10.5 – Damages**

In any case which arises from or relates to the wrongful termination of the Agreement and/or an ISR's FES business, the Company and ISR agree that damages will be

extremely difficult to ascertain. Therefore, the Company and ISRs stipulate that if the involuntary termination of the Agreement and/or loss of the ISR's FES business is proven and held to be wrongful under any theory of law, the ISR's sole remedy shall be liquidated damages calculated as follows:

- I. For ISRs at the "Paid As" rank of VP or above (with the exception of the calculation found in II below), liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the FES Compensation Plan in the twelve (12) months immediately preceding the termination.
- II. For ISRs at the "Paid As" rank of RVP and above, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the FES Compensation Plan in the twenty-four (24) months immediately preceding the termination.

In any action arising from or relating to the Agreement, the FES business, or the relationship between the Company and ISR, both parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The Company and ISR further waive all claims to exemplary and punitive damages.

#### **10.6 - Governing Law, Jurisdiction, and Venue**

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Farmington Hills, Michigan. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of Michigan shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration provision in this Agreement, residents of the State of Louisiana shall be entitled to bring an action against FES in their home forum and pursuant to Louisiana law.

### **SECTION 11 – EFFECT OF CANCELLATION**

#### **11.1 - Effect of Cancellation and Termination**

So long as an ISR remains active and complies with the terms of the ISR Agreement and these Policies, FES shall pay commissions to such ISR in accordance with the Compensation Plan. An ISR's bonuses and commissions constitute the entire consideration for the ISR's efforts in generating sales and all activities related to generating sales (including, but not limited to, building a downline organization). Following an ISR's non-continuation of his or her ISR Agreement, cancellation for inactivity, or voluntary or involuntary cancellation (termination) of his or her ISR Agreement (all of these methods are collectively referred to as "Cancellation"), the former ISR shall have no right, title, claim or interest to the downline organization which he or she operated, or any commission or bonus from the sales generated by the organization. ISRs waive any and all rights, including, but not limited to, property rights, in the downline which they may have had. Following an ISR's cancellation of his or her ISR Agreement, the former ISR shall not hold him or herself out as a FES ISR and shall not have the right to sell FES products or

services. An ISR whose ISR Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

A FES participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address, or via email to FES. The written notice must include the ISR's signature, printed name, address, and ISR ID Number.

## **11.2 - Non-Renewal**

ISRs that fail to pay the renewal fee are considered "Inactive" for purposes of bonus calculations. When ISRs reengage and successfully make sales, the earnings from those sales will be applied towards the renewal fee.

## **SECTION 12 – DEFINITIONS**

**AGREEMENT:** The contract between the Company and each ISR; includes the ISR Agreement, the FES Policies and Procedures, and the FES Compensation Plan, all in their current form and as amended by FES in its sole discretion. These documents are collectively referred to as the "Agreement."

**CANCEL:** The termination of an ISR's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**COMPENSATION PLAN:** The guidelines and referenced literature for describing how ISRs can generate commissions and bonuses.

**CUSTOMER:** A Customer who purchases FES' services and does not engage in building a business or selling the service.

**ISR:** An individual who purchases product, generates sales and business building commissions.

**LINE OF SPONSORSHIP (LOS):** A report generated by FES that provides critical data relating to the identities of ISRs, sales information, and enrollment activity of each ISR's organization. This report contains confidential and trade secret information which is proprietary to FES.

**ORGANIZATION:** The Customers and ISRs placed below a particular ISR.

**OFFICIAL FES MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by FES to ISRs.

**PLACEMENT:** Your position inside your Sponsor's organization.

**RECRUIT:** For purposes of FES' Conflict of Interest Policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any

other way, either directly, indirectly, or through a third party, another FES ISR or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**SPONSOR:** An ISR who enrolls a Customer or another ISR into the Company, and is listed as the Sponsor on the ISR Agreement. The act of enrolling others and training them to become ISRs is called “sponsoring.”

**UPLINE:** This term refers to the ISR or ISRs above a particular ISR in a sponsorship line up to the Company. It is the line of sponsors that links any particular ISR to the Company.

**FORM 1A:**  
**Waiver and General Release of Liability Relating to Coronavirus/COVID-19**

The novel coronavirus, COVID-19, has been declared a worldwide pandemic by the World Health Organization. COVID19 is reported to be extremely contagious. The state of medical knowledge is evolving, but the virus is believed to spread from person-to-person contact via respiratory droplets spread through the air, as well as by contact with contaminated surfaces and objects. People can be infected and show no symptoms and therefore spread the disease unknowingly. The exact methods of spread and contraction are unknown, and there is no consistent treatment, cure, or readily-available vaccine for COVID-19. Evidence has shown that COVID-19 can cause serious and potentially life-threatening illness and even death.

**Financial Education Services, United Credit Education Services, Youth Financial Literacy Foundation, including each of their affiliates, subsidiaries, members, employees, officers, instructors, aides, and/or agents (the “Released Parties”) cannot prevent you from becoming exposed to, contracting, or spreading COVID-19 while participating in meetings or other gatherings regarding utilizing the Released Parties’ services or premises (collectively, the “Presentation”). It is not possible to prevent against the presence of the disease. Therefore, if you choose to participate in the Presentation, you may be exposing yourself to and/or increasing your risk of contracting or spreading COVID-19.**

**ASSUMPTION OF RISK: I have read and understood the above warning concerning COVID-19.** I hereby choose to accept the risk of contracting COVID-19 for myself, and for my family members or others who I may expose, in order to participate in the Presentation. These services are of such value to me that I accept the risk of being exposed to, contracting, and/or spreading COVID-19 in order to participate in the Presentation.

**WAIVER OF LAWSUIT/LIABILITY: I hereby forever release and waive my right to bring suit against the Released Parties in connection with exposure, infection, and/or spread of COVID-19 related to my participation in the Presentation.** I understand that this waiver means I give up my right to bring any claims including for personal injuries, death, disease or property losses, or any other loss, including but not limited to claims of negligence, and give up any claim I may have to seek damages, whether known or unknown, foreseen or unforeseen.

**OTHER TERMS: I certify that I am 18 years of age or older.** I fully understand and agree that (a) this Release is intended to be as broad and inclusive as permitted by the laws of the state or municipality in which the meeting is held (b) if any portion of this Agreement is for any reason held invalid or legally unenforceable, then the balance shall, notwithstanding, continue in full force and legal effect; and (c) I have had the opportunity to ask any questions about this Agreement and I fully understand its terms and meaning.

**I HAVE CAREFULLY READ AND FULLY UNDERSTAND ALL PROVISIONS OF THIS WAIVER AND GENERAL RELEASE, AND FREELY AND KNOWINGLY ASSUME THE RISK AND WAIVE MY RIGHTS CONCERNING LIABILITY AS DESCRIBED ABOVE:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name (printed): \_\_\_\_\_