

**JIFU  
GRIEVANCES & DISPUTE RESOLUTION  
AGREEMENT**

**Grievances**

If a Distributor has a grievance or complaint against another Distributor regarding any practice or conduct relating to their respective Company businesses, they are encouraged to resolve the issue directly between themselves. If a dispute arises that exists outside the scope of the Company business, then the Distributors should not involve the Company unless it becomes detrimental to the Company and prohibits the Distributor(s) from fulfilling their obligations under the Policies and Procedures.

The Company shall be the final authority on settling such grievance or complaint regarding the Distributor positions and the Company's written decision shall be final and binding on the Distributors involved.

*The Company will confine its involvement to disputes regarding Company business matters only.* The Company will not decide issues that involve personality conflicts or unprofessional conduct by or between Distributors outside the context of a Company business. These issues go beyond the scope of the Company's business and may not be used to justify a Sponsor or Placement change or a transfer to another Company organization.

The Company does not consider, enforce, or mediate third party agreements between Distributors, nor does it provide names, funding, or advice for obtaining outside legal counsel.

**1.0 Process for Grievances**

- I. The Distributor should submit a written letter of complaint (e-mail will not be accepted), signed by the Distributor, directly to the Company Compliance Department at JIFU USA, LLC ATTN: Compliance, 30 N. Gould St., Ste. R, Sheridan, WY 82801. The letter shall set forth the details of the incident as follows:
  - a. The nature of the violation;
  - b. Specific facts to support the allegations;
  - c. Date(s) and number(s) of occurrences;
  - d. Persons involved; and
  - e. Supporting documentation.
  
- II. Upon receipt of the written complaint, the Company will conduct an investigation according to the following procedures:

- a. The Compliance Department will send an acknowledgment of receipt to the complaining Distributor.
- b. The Compliance Department will provide a verbal or written notice of the allegation to the Distributor under investigation if the Company finds the facts to warrant an investigation. If a written notice is sent to the Distributor, they will have seven (7) calendar days from the date of the notification letter to present all information relating to the incident for review by the Company.
- c. The Compliance Department will thoroughly investigate the complaint and consider all the submitted information it deems relevant, including information from collateral sources. The Company will make efforts to complete its investigation within a reasonable time not to exceed thirty (30) days, though this period may be extended if circumstances require. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis.
- d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during that time. Distributor calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- f. The Company reserves the right to take reasonable preliminary disciplinary action during the investigation based on the severity and credibility of the allegations and available evidence, provided that such action is necessary to prevent immediate and substantial harm to the Company or other Distributors.

The Company will make a final decision and timely notify the Distributors involved.

## **1.1 Governing Law**

This Agreement is to be construed in accordance with and governed by the laws of the State of Utah, without regard to its choice of law principles, and the Federal Arbitration Act shall govern the Dispute Resolution Agreement of these Policies and Procedures without giving effect to any state law to the contrary.

## **1.2 Time Limitation**

If a Distributor wishes to bring an action against the Company for any act or omission relating to or arising from this Distributor Agreement, such action must be brought within one (1) year from the date of the alleged conduct first giving rise to the cause of action. *The Distributor waives all claims that any other statutes of limitations apply.*

### 1.3 Liquidated Damages

In any case, controversy, or dispute which arises from or relates to the wrongful termination of the Distributor Agreement and/or a Distributor's business, the Company and the Distributor agree that damages will be extremely difficult to ascertain. Therefore, the Company and the Distributor stipulate that if the involuntary termination of the Distributor Agreement and/or loss of the Distributor's Company business is proven and held to be wrongful under any theory of law, the Distributor's sole remedy will be liquidated damages calculated as follows:

- a. Liquidated damages will be in the amount of the Distributor's gross compensation earned pursuant to the Company's Pay Plan in the twelve (12) months immediately preceding the termination.
- b. *The Distributor waives all claims for incidental and/or consequential damages, even if the Company has been apprised of the likelihood of such damage, and the Distributor further waives all claims to exemplary and punitive damages, except where such waiver would be prohibited by applicable law.*

### 1.4 Dispute Resolution

- A. **THIS PROVISION CONTAINS AN AGREEMENT THAT AFFECTS HOW CLAIMS A DISTRIBUTOR MAY HAVE AGAINST THE COMPANY, OR CLAIMS THE COMPANY MAY HAVE AGAINST A DISTRIBUTOR, WILL BE RESOLVED. THE PARTIES UNDERSTAND AND AGREE THAT THIS DISPUTE RESOLUTION AGREEMENT OPERATES AS A SEPARATE AND DISTINCT AGREEMENT THAT IS SEVERABLE FROM THE REMAINDER OF THE DISTRIBUTOR AGREEMENT AND IS ENFORCEABLE REGARDLESS OF THE ENFORCEABILITY OF ANY OTHER PROVISION OF THE DISTRIBUTOR AGREEMENT OR THE DISTRIBUTOR AGREEMENT AS A WHOLE. CONSIDERATION FOR THIS DISPUTE RESOLUTION AGREEMENT INCLUDES, WITHOUT LIMITATION, THE PARTIES' MUTUAL AGREEMENT TO ARBITRATE CLAIMS. THE PARTIES FURTHER UNDERSTAND AND AGREE THAT THE UNENFORCEABILITY OF THE DISTRIBUTOR AGREEMENT IN WHOLE OR IN PART SHALL NOT SUPPORT A FINDING THAT THIS DISPUTE RESOLUTION AGREEMENT IS UNENFORCEABLE. THE FEDERAL ARBITRATION ACT ("FAA") SHALL GOVERN THIS DISPUTE RESOLUTION AGREEMENT WITHOUT GIVING EFFECT TO ANY STATE LAW TO THE CONTRARY.**

Any controversy, claim or dispute of whatever nature arising between the Distributor, on the one hand, and the Company and/or the Related Parties (for purposes of this Dispute Resolution Agreement, "Related Parties" shall mean Company affiliated companies, officers, directors, shareholders, members, managers, employees, and consultants) on the other, including but not limited to

those arising out of or relating to the Distributor Agreement or the breach thereof, the sale, purchase or use of the Company products/services, or the commercial, economic or other relationship of the Distributor and the Company and/or the Related Parties (for purposes of this Dispute Resolution Agreement, each a “Party” and collectively, the “Parties”), whether such claim is based on rights, privileges or interests recognized by or based upon statute, contract, tort, common law or otherwise (“Dispute”), and any Dispute as to the arbitrability of a matter under this provision, shall be settled through negotiation, mediation or arbitration, as provided herein.

- B. Negotiation and Mediation.** If a Dispute arises, the Parties shall first attempt in good faith to resolve it promptly by negotiation. Any of the Parties involved in the Dispute may initiate negotiation by providing notice (the “Dispute Notice”) to each involved Party setting forth the subject of the Dispute and the relief sought by the Party providing the Dispute Notice and designating a representative who has full authority to negotiate and settle the Dispute. Within ten (10) Business Days after the Dispute Notice is provided, each recipient shall respond to all other known recipients of the Dispute Notice with notice of the recipient’s position on and recommended solution to the Dispute, designating a representative who has full authority to negotiate and settle the Dispute. Within twenty (20) Business Days after the Dispute Notice is provided, the representatives designated by the Parties shall confer either in person at a mutually acceptable time and place or by telephone, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute.

At any time twenty (20) Business Days or more after the Dispute Notice is provided, but prior to the initiation of arbitration, regardless of whether negotiations are continuing, any Party may submit the Dispute to the Judicial Arbitration and Mediation, Inc. (“JAMS”) for mediation by providing notice of such request to all other concerned Parties and providing such notice and a copy of all relevant Dispute Notices and notices responding thereto to JAMS. In such case, the Parties shall cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in promptly scheduling the mediation proceedings, which shall occur within forty-five (45) days of the mediation request unless otherwise agreed by the Parties or extended by the mediator. The Parties shall participate in good faith in the mediation either in person at a mutually acceptable time and place or by telephone or video call, in accordance with the then-prevailing JAMS’s mediation procedures and this Dispute Resolution Agreement, the latter of which shall control.

- C. Arbitration.** Any Dispute not resolved in writing by negotiation or mediation shall be subject to and shall be settled exclusively by final, binding arbitration before a single arbitrator or, for Disputes in excess of two million dollars (\$2,000,000 USD), a panel of three arbitrators, in Salt Lake County, Utah in accordance with the then-prevailing Comprehensive Arbitration Rules of JAMS. No Party may commence arbitration with respect to any Dispute unless that Party has pursued negotiation

and, if requested, mediation, as provided herein, provided, however, that no Party shall be obligated to continue to participate in negotiation or mediation if the Parties have not resolved the Dispute in writing within sixty (60) Business Days after the Dispute Notice was provided to any Party or such longer period as may be agreed by the Parties. Unless otherwise agreed by the Parties, the mediator shall be disqualified from serving as an arbitrator in the case. *The Parties understand and agree that if the arbitrator or arbitral panel awards any relief that is inconsistent with the Limitation of Liability or Liquidated Damages provisions, such award exceeds the scope of the arbitrator's or the arbitral panel's authority, and any Party may seek a review of the award in the exclusive jurisdiction and venue of the courts in Salt Lake County, Utah.*

Notwithstanding the foregoing, venue and jurisdiction for any claims or disputes arising under or relating to the Distributor Agreement brought by residents of Louisiana shall be established pursuant to Louisiana law.

**D. Waiver of Class Action and Jury Trial. THE NEGOTIATION, MEDIATION OR ARBITRATION OF ANY DISPUTE SHALL BE LIMITED TO INDIVIDUAL RELIEF ONLY AND SHALL NOT INCLUDE CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. IN ANY ARBITRATION OF A DISPUTE, THE ARBITRATOR OR ARBITRAL PANEL SHALL ONLY HAVE THE POWER TO AWARD INDIVIDUAL RELIEF AND SHALL NOT HAVE THE POWER TO AWARD ANY CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. THE PARTIES UNDERSTAND AND AGREE THAT EACH IS WAIVING THE RIGHT TO TRIAL BY JURY OR TO PARTICIPATE IN A CLASS, COLLECTIVE OR OTHER REPRESENTATIVE ACTION. TO THE FULLEST EXTENT PERMITTED BY LAW, THE DISTRIBUTOR ALSO WAIVES THEIR RIGHT TO ANY PRIVATE ATTORNEY GENERAL ACT ACTIONS WITH ALL DISPUTES TO BE HANDLED VIA THIS DISPUTE RESOLUTION AGREEMENT.**

**E. Mass Arbitration Process Requirements.** If twenty-five (25) or more similar Disputes are asserted against Company at or around the same time by the same or coordinated counsel or are otherwise coordinated (and a Distributor's Dispute is one such Dispute), the Distributor understands and agrees that the resolution of their Dispute might be delayed. The Distributor also agrees to the following process, which unless otherwise stated in this paragraph provides additional requirements for arbitration and does not supplant the foregoing dispute resolution provisions. Twenty (20) Disputes shall be selected to proceed to individual arbitration proceedings as part of a first batching process, ten (10) of which will be selected by the claimants and ten (10) of which will be selected by the Company. The remaining Disputes shall not be filed or deemed filed in arbitration nor shall any JAMS fees be assessed in connection with those claims until they are selected to proceed to individual arbitration proceedings as part of the staged process described herein. If the Parties are unable to resolve the remaining Disputes after

the conclusion of the initial twenty (20) proceedings, the Parties shall participate in a global mediation session before a retired state or federal court judge, for which the Company will pay the mediator's fee. If the Parties are unable to resolve the remaining Disputes through mediation at this time, then forty (40) Disputes shall be selected to proceed to individual arbitration proceedings as part of a second batching process, twenty (20) of which will be selected by the claimants and twenty (20) of which will be selected by the Company. (If there are fewer than forty (40) Disputes remaining, all shall proceed.) The remaining Disputes shall not be filed or deemed filed in arbitration nor shall any JAMS fees be assessed in connection with those Disputes until they are selected to proceed to individual arbitration proceedings as part of the staged process described herein. In any batching process, a single arbitrator shall preside over each proceeding, and only one proceeding may be assigned to each arbitrator unless the Parties agree otherwise. If the Parties are unable to resolve the remaining Disputes after the conclusion of the forty (40) proceedings, the Parties shall participate in another global mediation session before a retired state or federal court judge, for which the Company will pay the mediator's fee. If the Parties are unable to resolve the remaining Disputes in mediation at this time, this staged process shall continue with no more than one hundred (100) Disputes proceeding at any time in a staged order that is selected randomly or by JAMS, until all the coordinated Disputes, including the Distributor's Dispute, are adjudicated or otherwise resolved. At any time during these proceedings, the Company and the Distributor agree to participate in a global mediation session should the Distributor's counsel request it in an effort to resolve all remaining claims. Any applicable statute of limitations on the Distributor's Disputes and filing fee deadlines shall be tolled for claims subject to this section regarding "Mass Arbitration Process Requirements" from the time Disputes are selected for the first set of batching proceedings until the time the Distributor's Dispute is selected to proceed in arbitration, withdrawn, or otherwise resolved. A court of competent jurisdiction shall have authority to enforce this section regarding "Mass Arbitration Process Requirements" and, if necessary, to enjoin the filing or prosecution of arbitration demands against the Company. Should a court of competent jurisdiction decline to enforce these "Mass Arbitration Process Requirements," the Company and the Distributor agree that the Company's and the Distributor's counsel shall engage in good faith and with the assistance of a Process Arbitrator to devise and implement procedures that ensure that arbitration remains efficient and cost-effective for all Parties. Either Party may engage with JAMS to address reductions in arbitration fees.

- F. Although the Distributor Agreement is made and entered into between the Distributor and the Company, Related Parties are intended third-party beneficiaries of the Distributor Agreement for purposes of the provisions of the Distributor Agreement referring specifically to them, including this agreement to negotiate, mediate and arbitrate. The Parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between the Distributor and the Company, and the Parties further acknowledge that nothing contained herein shall be argued by

either of them to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the other parties.

- G. To the fullest extent allowed by law: (i) the costs of negotiation, mediation and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, or other persons independent of all Parties acting with the consent of the Parties to facilitate settlement, shall be shared in equal measure by the Distributor, on the one hand, and the Company and any Related Parties involved on the other, except where applicable law requires that the Company bear any costs unique to arbitration (which the Company shall bear); and (ii) the arbitrator or arbitral panel or, in the case of provisional or equitable relief or to challenge an award that exceeds arbitral authority, the court, shall award reasonable costs and attorneys' fees to the person or entity that the arbitrator, arbitral panel, or court finds to be the prevailing party; provided, however, that if fees are sought under a statute or rule that sets a different standard for awarding fees or costs that override this provision, then that statute or rule shall apply.
- H. Nothing herein shall prevent the Company from applying for or 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 the Company's interests prior to, during, or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- I. Any Party may seek specific performance of this Dispute Resolution Agreement, and any Party may seek to compel each other Party to comply with this Dispute Resolution Agreement by petition to any court of competent jurisdiction. For purposes of any provisional or equitable relief sought under this Dispute Resolution Agreement, the Parties consent to exclusive jurisdiction and venue in the courts in Salt Lake County, Utah or the United States District Court for the District of Utah. The pendency of mediation or arbitration shall not preclude a Party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the Parties agree not to defend against any application for provisional relief on the ground that mediation or arbitration is pending.
- J. **ANY AMENDMENT BY THE COMPANY TO THIS DISPUTE RESOLUTION AGREEMENT SHALL ONLY TAKE EFFECT UPON A DISTRIBUTOR'S EXPRESS AGREEMENT TO SUCH AMENDMENT. A DISTRIBUTOR MAY INDICATE THEIR AGREEMENT TO SUCH PROPOSED AMENDMENT BY FOLLOWING THE INSTRUCTIONS THAT WILL APPEAR WHEN LOGGING IN TO THE COMPANY CORPORATE WEBSITE OR THE DISTRIBUTOR'S REPLICATED WEBSITE. THE COMPANY MAY TERMINATE THE DISTRIBUTOR AGREEMENT OF ANY DISTRIBUTOR WHO DOES NOT AGREE TO A PROPOSED AMENDMENT TO THIS DISPUTE RESOLUTION**

**AGREEMENT WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THE AMENDMENT. ANY SUCH AMENDMENT SHALL APPLY TO ALL CLAIMS BROUGHT BY THE COMPANY OR THE DISTRIBUTOR ON OR AFTER THE EFFECTIVE DATE OF THE AMENDMENT, REGARDLESS OF THE DATE OF OCCURRENCE OR ACCRUAL OF ANY FACTS UNDERLYING SUCH CLAIM.**