

Getting It Right

IBO Customer Acquisition Code



ACN IBO ethical and regulatory responsibilities when representing ACN and ACN Agency telecommunications products and services – doing the right thing by the Australian Consumer.

Overview

Your position as an ACN Independent Business Owner (IBO) carries many benefits and, as with any business, a number of important regulatory responsibilities. Your responsibilities can be best described as providing truthful and correct information regarding the products and services offered by ACN and ensuring that, as an ACN IBO, you represent and pursue the ACN Opportunity in an ethical and professional manner.

ACN has a strong commitment to protecting the integrity of the ACN Business Opportunity and the rights of the consumer. That is why honesty, integrity, and credibility underpin everything we do at ACN and why your understanding and application of ACN's core values matter. Put simply, misleading or unscrupulous business practice by an ACN IBO will not be tolerated.

To complement and support ACN's commitment to the Australian Consumer we maintain strong compliance monitoring and overview of the design, representation, and operation of ACN products and services and monitor closely the conduct of ACN IBOs in relation to the acquisition, referral, and sign-up of customers.

In business for yourself but not by yourself...

ACN, through our public websites, the IBO Back Office, Pacific Compass, your Personal IBO Website, and via leadership trainings and events, provides all ACN IBOs with access to high quality Product, Business Opportunity, and Customer Acquisition Training. Please take the time to review the resources available to you via the Product, My Business, Events, and Training sections of your IBO Back Office website.

Remember, if you are unsure about your obligations or would like further support and guidance, ACN's IBO support team is just a phone call or a mouse click away.

This "Customer Acquisition Code" provides a broad overview of the regulatory environment that you, as an ACN IBO, operate within. This information is intended to provide you with a clear understanding of what it means (and what is required) to conduct your ACN business in an ethical and credible manner.

Telecommunications, Energy Sector and Direct Selling Regulations and Codes

ACN and ACN IBOs are required to comply with:

- the Australian Consumer Law (ACL), the **Telecommunications Act, the Energy Retail Code and the National Energy Retailer Rules and the Code of Conduct for Marketing Retail Energy.**

ACN and ACN IBOs are bound by:

- requirements of the Telecommunications Consumer Protections Code (TCP Code), the Energy Retail Code, National Energy Retail Rules and the Code of Conduct for Marketing Retail Energy.

Within Australia, telecommunications, competition and consumer laws are administered by two principal regulators:

- **Australian Communications and Media Authority (ACMA)**
- **Australian Competition and Consumer Commission (ACCC)**
- ACN is a member of **Direct Selling Australia (DSA)** and is responsible for upholding the **DSA Code of Practice.**
- ACN and ACN IBOs are required to uphold and adhere to the requirements of the **Privacy Act 1988 (Privacy Act).**

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ACMA and ACCC

The **ACMA** is the technical regulator for telecommunications, media, and radio communications. This body oversees industry compliance with the Telecommunications Act, the Telecommunications Consumer Protections Code (TCP Code), the Do Not Call Register Act and the Spam Act. A copy of the TCP Code is available at acma.gov.au.

The **ACCC** is Australia's competition regulator and oversees the administration and enforcement of the Australian Consumer Law (the ACL). For more information on the ACL please see consumerlaw.gov.au.

Direct Selling Australia (DSA)

Since the 1940s, direct selling in Australia has proven to be a profitable and reputable method of retailing and ACN is respectful of the long tradition of direct selling in Australian society. Today the Australian direct selling industry is a successful and vibrant association representing over 70 members, that engage at least half a million people in the promotion and distribution of a wide range of products and services to Australians. The DSA provides guidance, advocacy and support for the direct selling sector.

ACN is proud and honoured to be a member of the DSA and is responsible for implementing and enforcing the DSA Code of Practice.

The DSA Code of Practice

The DSA Code of Practice applies to the relationship between:

- ACN and ACN IBOs.
- ACN IBOs and consumers.
- ACN and consumers who sign-up for and use ACN products and services.
- ACN and other DSA members.

The Code's objective is to ensure responsibility and fair trading practice toward consumers and the general public by all Members of the Association and their representatives. A copy of the **DSA Code of Practice** is available at directselling.org.au

The Telecommunications Consumer Protections Code (TCP Code)

The TCP Code is an enforceable, industry wide, code of conduct that is designed to ensure good service and fair outcomes for all consumers of telecommunications products and services provided to the Australian consumer. The TCP Code contains many provisions relating to the ethical and fair representation of telecommunications products and services and these provisions apply to ACN and to you, as an ACN IBO.

The Code rules include requirements relating to consumer selling practices and to the provision of timely and appropriate information in plain language regarding the telecommunications products and services ACN offers to the Australian consumer. The Code also recognises and provides for **disadvantaged or vulnerable consumers**.

What is a disadvantaged or vulnerable consumer?

Some consumers may be considered disadvantaged or vulnerable in some situations if they:

- have a low income;
- speak English as a second language;
- have an intellectual, psychiatric, physical, sensory, neurological or learning disability;
- suffer from a serious or chronic illness;

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- have poor reading, writing and/or numerical skills;
- are homeless;
- are very young;
- are old;
- come from a remote area; and/or
- come from an Indigenous background.

Obviously not all consumers with these characteristics can or should be considered unable to understand and/or enter into an agreement, or at a greater risk of making poor purchasing decisions.

This said, it is extremely important that you act ethically, in good faith, and with proper consideration of the person's situation. The onus is on you to employ sound and reasonable judgement when representing the ACN Opportunity and ACN and ACN Agency products and services to a person who may be considered disadvantaged or vulnerable.

If you are at all unsure as to a person's competence or ability to enter into an agreement then do not proceed with presenting products and services to them.

What the TCP Code means for your IBO business

As per the TCP Code's requirements relating to selling practices, and as described in the ACN IBO Agreement, and ACN's Policies & Procedures; ACN IBOs are required to have a good working knowledge of ACN and ACN Agency telecommunications products and services and must promote these products and services in a fair and accurate manner.

ACN has Personal IBO Websites designed to provide IBOs and your customers with all of the information necessary to ethically and clearly represent products, offers, and the terms and conditions associated with these products and offers.

When representing products and services to potential customers **the right steps** must be taken to ensure you have met your regulatory and compliance obligations to the consumer. Remember, a potential customer must never be (or feel) pressured and must always be treated ethically and with respect. If you feel that your potential customer may be having difficulty understanding your representations or the products and services, then do not proceed.

A copy of the **TCP Code** is available via acma.gov.au. The TCP Code is produced by the Communications Alliance (commsalliance.com.au) and is registered with ACMA.

Privacy

ACN operates in accordance with the Telecommunications Act, the Privacy Act, the Australian Privacy Principles (APP), the Energy Retail Code, National Energy Retail Rules and the ACN Privacy Policy (see www.acn.com). That is why there are restrictions to the information we are able to provide to ACN IBOs and limits to the amount of access we can provide to you in relation to our customers.

If a customer wishes to have you, as an ACN IBO, or anyone else acting on their behalf, then the customer will need to call Customer Services directly and have you (or their nominated person) added to the account as their Authorised Representative.

The customer will need to complete a standard identity check with an Customer Service Representative and will be required to provide the full name and date of birth of the person they wish to have authorised on their Customer account.

For ACN telecommunications products and services, only the customer or their Authorised Representative may:

- Make changes to the customer's contact information in any way.
- Request changes to their service including the adding of VAS (Value Added Service) features such as Message Bank.

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- Make billing enquires such as amount due or information about individual calls.
- Disconnect or transfer a service.
- Arrange for a technician to enter the customer's premises for installation or service.

Non authorised persons may:

- Pay customer accounts – note ACN will not disclose the amount due.
- Report faults – note that any fault resolution or technical servicing that needs to occur inside the customer's premises will need to be authorised by the customer.

ACN is committed to collecting and using personal information in a fair and lawful manner, ensuring its accuracy, keeping personal information only for lawful purposes, not using or disclosing such information in a manner incompatible with such purposes, and to taking appropriate security measures against unauthorised access, disclosure or destruction. ACN requires all ACN IBOs to do the same and to comply with privacy laws.

Privacy also means NO SPAM

The Spam Act incorporates a scheme for regulating commercial email and other types of commercial electronic messages, including SMS text messaging.

The **Spam Act** provides that:

One must not send unsolicited Commercial electronic messages and that Commercial electronic messages (including emails and SMS text messaging) must include information about the person (individual or organisation) who authorised the sending of the message. In addition Commercial electronic messages must also contain a functional unsubscribe facility.

ACN does not send unsolicited commercial messages to potential customers or IBOs, and ACN prohibits ACN IBOs from sending such messages to anyone. There are no exceptions to this rule. Spamming can damage the good reputation of ACN and result in bad publicity.

The Spam Act is administered by ACMA and it is important for each IBO to understand that this Act imposes heavy penalties on persons who breach its provisions. **It's simple really; No Spamming at any time.**

The right steps...

Customer representations – general requirements

You can discuss ACN and ACN Agency products and services and energy products and services with your **warm market only** and you can do so during the following times (in accordance with the DSA Code):

- **After 9am on weekdays but not after 8pm**
- **After 9am on Saturdays but not after 5pm**
- **Not on Sundays or public holidays**

Remember you must properly describe the products/services you are offering and must provide the customer with all of the information relating to the products/services including pricing and the terms and conditions of the offer.

Please note, your customer can go online, shop, and sign themselves up for services at their convenience and at a time of their choosing.

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You must...

- ✓ Clearly identify yourself as an ACN IBO and provide your ACN IBO Business ID, name and your business contact details.
- ✓ Immediately leave the consumer's premises/place of residence if requested to do so.
- ✓ At all times you must refer to and strictly adhere to the product offer and service descriptions provided to all ACN IBOs by ACN Agency partners.
- ✓ When offering any ACN Agency product/service you must ensure that the applicable service coverage, service availability, and product availability checks are completed with the customer. This is especially important when offering Mobile, Mobile Broadband, Broadband products and services and Energy offers.
- ✓ Take the time to explain the nature and amount of each type of charge applicable under the Customer Agreement and inform the customer.
- ✓ Using the product and offer information available via your Personal IBO Website, ensure that you fully explain plans, terms, and any special offers in detail. Ensure the customer is aware of any minimum total charge associated with their Customer Agreement and that they are aware of any early termination fee that may apply should they choose to cancel their Customer Agreement prior to the end of the Agreement's minimum term.
- ✓ Where applicable, explain to the customer their rights of cooling off under the DSA Code (ten days) and their consumer rights under the ACN Standard Form of Agreement. These rights are all available from our public website and are provided to the customer during the online sign-up process.
- ✓ Follow the online ordering process detailed on page 7 of this IBO Customer Acquisition Code.
- ✓ Again, all of this information is provided to you, and to the consumer, via your Personal IBO Website.

You must not...

- ✗ Sign-up a customer without their knowledge and their acceptance. This is slamming. The customer must complete their own sign up.
- ✗ Use coercion, undue harassment, physical force, or aggressive hard selling methods in connection with the supply or possible supply of ACN Agency products and services.
- ✗ Ignore requests to leave or engage in unwanted and persistent contact (in person, by correspondence or by phone or electronic communication) with the consumer.
- ✗ Misrepresent the quality, price or features of ACN Agency products and services
- ✗ Mislead the customer when discussing the products and services or when promoting the ACN Opportunity.
- ✗ Misrepresent the nature and profitability of the ACN Opportunity, especially with regard to earnings claims (express or implied) or claims of employment.
- ✗ Take advantage of any misunderstanding or disability on the part of the customer.
- ✗ Complete any customer application for or on behalf of any customer.
- ✗ Misrepresent the statutory rights of customers and their rights under the ACN Standard Form of Agreement or any energy agreement.
- ✗ Offer a person any commission or other benefit based on the recruitment of IBOs as an inducement for that person to become an IBO or to purchase products or services.
- ✗ Claim endorsements, sponsorships or associations that we don't have. Remember: ACN has agency agreements with the following suppliers: Sumo, Alinta Energy, ADT, Sphere, Vonex, Vodafone, amaysim and MATE.
- ✗ Do not make savings claims.
ACN's Agency services are competitively priced, however, not all customers will save money – it will always depend on their calling patterns and the plan they choose. Only use general savings claims. Examples are: "You could save"; "We are cheaper for many customers"; "You may save".
- ✗ Do not compare our prices with the prices of other telecommunications or energy providers.

Common sense goes a long way...

Apply common sense and properly explain in plain language the ACN Agency products/services you are representing and provide the customer with clear information in relation to the products/services including pricing and the terms and conditions of the offer. Remember this information is available to you and to the customer via your Personal IBO Website.

Naturally people have questions. If either you or the customer have a question, or are unsure on any point, then prior to the customer completing their application you and/or the customer should contact ACN or our ACN Agency partner and obtain clarification.

When the customer is ready to complete their online application you must leave the customer to complete all information and they must submit their application form.

The online ordering process for ACN Agency products and services

This is the online ordering process every ACN IBO must follow.

You must...

1. Market the products/services to your **warm market** in strict accordance with the IBO Customer Acquisition Code and with ACN's Policies and Procedures.
2. Ensure you do not 'cold market' ACN Agency products and services.
3. Ensure the potential customer is provided with the relevant product offer and materials and any other information required and necessary for them to initiate and complete their online order (e.g. provide your ACN IBO Business ID). **Refer the customer to your Personal IBO Website or visit www.acn.com**
4. Ensure that all service coverage, service availability, and product availability checks are completed with the customer. This is especially important when offering Mobile, Mobile Broadband, and nbn™ products and services to the consumer.
5. Ensure the customer is fully aware of any minimum service term and of any associated minimum cost to the customer and that the customer is aware of any hardware costs, delivery costs, and/or early termination fees (should the customer choose to end their service agreement before the minimum term of their agreement expires). If applicable, you must also advise the customer of their cooling off rights (10 day cooling off period) under the DSA Code.
6. Inform the customer that you will leave them to initiate the order process. Do not complete the order process for or on behalf of the customer, this is prohibited.
7. Allow the customer to initiate the order process by themselves, after having left their premises to allow them time and space to review the information and decide that they wish to proceed with ordering the service(s).
8. If the customer has problems or issues with the order process, they may invite you back to help them complete the process.
9. Do not initiate the order process on the customer's behalf – there must be a physical separation between your marketing activity and the customer's decision to proceed with the service order.
10. Double check and ensure you have personally confirmed with the customer their cooling off rights (10 day cooling off period, where applicable) under the DSA Code and confirm that they have received the email copy of their Customer Agreement (their agreement contains the customer's record of their agreement and their rights).

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Providing incorrect information does not reflect well on your credibility, or on the credibility of IBOs in your organisation. Presenting incorrect information is in violation of our business policies and can also damage the ACN Business Opportunity.

ACN requires every ACN IBO to adhere to the procedures set out in the Customer Acquisition Code, in the ACN IBO Agreement and in ACN's Policies and Procedures.

The Benefits of doing the right thing by your customer

You gain satisfied and loyal customers who:

- Support and believe in you, your business, and in ACN;
- Are more likely to remain your customer and to take up additional products and services; and
- Become your strongest advocates and supporters and provide you with further business and referrals.

All of this makes for reliable and dependable customer acquisition and therefore growth in your ACN business. Doing the right thing and acting with integrity also brings you closer to realising your true potential and the full potential of the ACN Business Opportunity.

ACN Policies and Procedures Section 1.2.C Customer & IBO Acquisition

Definition of Warm Marketing

ACN is a network marketing company that is focused solely on relationship, or “warm marketing” techniques. Warm marketing means marketing to those persons or businesses with whom an IBO has a pre-existing relationship at the time the marketing of ACN's services or the ACN Opportunity commences.

From the above definition, an IBO's warm market can be broadly described as all persons or businesses with whom they have had personal contact or otherwise have an existing relationship.

A one-off contact with a person, in a personal, business or social context unrelated to ACN, will be enough for ACN to consider an individual to be part of an IBO's warm market. Personally known referrals from an IBO's existing warm market are also considered part of an IBO's warm market.

In the event that an IBO owns and is involved in the day to day running of a separate business, the existing clients or customers of that business will be part of the IBO's warm market.

In saying this, the IBO must abide by ACN's other policies, for example they may not co-promote their ACN business with that of any other business.

Definition of Cold Marketing

ACN strictly prohibits IBOs from engaging in any cold marketing techniques for the purposes of customer acquisition. Cold marketing includes any promotional activity that is geared toward random individuals who have no personal, business, social or acquaintance relationship(s) with the IBO.

Examples of cold marketing include, but are not limited to:

- Mass advertising (this includes social media – Facebook, Twitter, Instagram, Youtube, etc),
- Trade show participation,
- Door-to- door selling,
- Telemarketing,
- Flyer or brochure distribution,
- Autodialer usage, etc.

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ACN also strictly prohibits the purchase or sale of customers at any time.

ACN will rigorously enforce its 'no cold marketing' policy. Any IBO found to be cold marketing may be suspended or terminated by ACN.

Independently produced Marketing Material

ACN strictly prohibits and will not authorise (without prior written approval) marketing materials created by IBOs that:

1. Do not identify that the IBO is an "ACN Independent Business Owner".
2. Do not adhere to ACN's policy on the use of ACN and ACN Agency partners' logos, names, trademarks, and proprietary information.
3. Make any specific references to ACN Agency partners' service providers with whom ACN works with to provide its products and services.
4. Make any specific references to ACN's or ACN Agency partners' plans, rates; or any component of the Compensation Plan.
5. Make any claims or guarantees related to savings, rates or pricing, either expressed or implied.
6. Make any earnings claims or provide any hypothetical earnings calculations, either expressed or implied
7. Represent ACN as an employment opportunity, either expressed or implied.

For more information on acceptable marketing & advertising practices, please refer to the ***ACN Policies & Procedures Section 1.2, the ACN Marketing and Advertising Guidelines and the ACN Social Media guide.***

IBO Customer Acquisition Accreditation

Australian IBOs are required to successfully complete the online customer acquisition training and accreditation program provided by ACN available on Pacific Compass, under **Products / Training and Accreditation** (www.acnpacific.com/ibo/training-and-accreditation).

IBOs are required to do so at each of the following times:

- Within 30 days of sign-up; and
- Within 30 days of annual renewal of their IBO position (for IBO renewal information see section 1.7A of ACN's Policies and Procedures).

Should an IBO fail to successfully complete this accreditation, sanctions will apply.