



NEW ZEALAND COMPENSATION PLAN OVERVIEW

EFFECTIVE 17 OCTOBER 2020

THE ACN OPPORTUNITY HAS BEEN DESIGNED TO HELP YOU BUILD A SUCCESSFUL BUSINESS OF YOUR OWN

ACN Independent Business Owners (IBOs) can earn money in four ways:

1. Residual commissions paid monthly based on their personal customers' usage of ACN's services.
2. Residual commissions paid monthly based on their downline's customers' usage of ACN's services.
3. Bonuses paid weekly based on their personal customer acquisition.
4. Bonuses paid weekly based on their downline's personal customer acquisition.

Compensation is earned only when customers are acquired.

Refer to the ACN Compensation Plan for complete details. Earnings as an ACN IBO are based solely upon the successful sale of products to customers and their usage of those products. Individuals will incur expenses in operating their ACN business, such as the sign-up fee and renewal fee, as well as other possible operating expenses. As with any business, earnings and success at ACN are not guaranteed but depend primarily on the individual's persistence, effort, and results of acquiring customers personally and/or through their team. Individuals will not earn income and will lose money as an IBO if customers are not acquired.

POSITIONS & QUALIFICATIONS

IBO Everyone starts ACN as an Independent Business Owner

Your goal should be to work your way through the earned positions detailed below. The positions you achieve are based on the total number of customers acquired between you and your team.

Qualification Promotion*

CQ Customer Qualified IBO

CQ MUST MAINTAIN

You

5
Customer Points
from at least

3
Services

to receive earned position compensation

Acquire a minimum of 5 Customer Points from at least 3 services.

Eligible for monthly Personal Customer Acquisition Bonuses

ETL Executive Team Leader

30
TOTAL CUSTOMER POINTS
(Personal and Downline)

ETL MUST MAINTAIN CUSTOMER QUALIFIED STATUS

RD Regional Director

600
TOTAL CUSTOMER POINTS
(Personal and Downline)

A minimum of 600 total Customer Points in your team with a maximum of 200 Customer Points per leg.

EARNED POSITIONS:

RVP Regional Vice President

3000
TOTAL CUSTOMER POINTS
(Personal and Downline)

3,000 Total Customer Points in their team (Maximum of 750 points per leg)

RVP GOLD

Minimum monthly Downline Billings: **\$200,000**
(Limit of \$60,000 per leg)

RVP PLATINUM

Minimum monthly Downline Billings: **\$300,000**
(Limit of \$100,000 per leg)

RD, RVP AND SVP MUST MAINTAIN A MINIMUM OF

You

15 Personal Customer Points

FROM AT LEAST

5 Services

to receive earned position compensation

SVP Senior Vice President

Must have 1 RD or above in 6 separate legs, including at least 2 RVP legs.

Minimum Monthly Downline Billings: \$500,000
(Limit \$250,000 per leg).

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MONTHLY RESIDUAL COMMISSIONS

Over time, the majority of your compensation will come from the residual income you earn from the services your customers use. Customer acquisition is the fuel for your business, creating long-term income. By teaching other people how to gain customers, you can build residual income for yourself.

PERSONAL COMMISSIONS

As you acquire your own personal customers, you qualify to earn between 3% and 20% of their Monthly Commissionable Revenue based on their services. This percentage is based on your total number of Personal Customer Points:

| | |
|--------------------------------|--------------|
| 1-39 Customer Points | = 3% |
| 40-59 Customer Points | = 5% |
| 60-99 Customer Points | = 10% |
| 100-149 Customer Points | = 14% |
| 150-199 Customer Points | = 17% |
| 200+ Customer Points | = 20% |

OVERRIDING RESIDUAL COMMISSIONS

Schedule of commissions earned from customer acquisition in your organisation and Personal Customer Points required:

COMMISSIONS BY SERVICE

| Levels | Telecommunications and Essential Services | | | QUALIFICATIONS FOR EACH COMMISSION LEVEL | |
|--------------------|---|-----------------|---------------------|---|--|
| | | | | Personal Customer Points | |
| Personal | 3-20 % | | | See Box Above | |
| 1 | 3 % | | | 40 | |
| 2 | 3 % | | | 40 | |
| 3 | 3 % | | | 60 | |
| 4 | 3 % | | | 75 | |
| 5 | 3 % | | | 75 | |
| | RVP | Gold RVP | Platinum RVP | | |
| Open Line RVP | 1.5 % | 2.5 % | 3 % | Open Line RVP Platinum, RVP Gold and RVP commissions are paid on customer billings below your 5th level down to the 5th level of the first RVP (or SVP) in your downline. | |
| 1st Generation RVP | 1 % | 1 % | 1 % | 1st Generation RVP Platinum, RVP Gold and RVP commissions are paid on customer billings from the 6th level of the first downline RVP (or SVP) through the 5th level of the second downline RVP (or SVP). | |
| 2nd Generation RVP | 0.5 % | 0.5 % | 0.5 % | 2nd Generation RVP Platinum, RVP Gold and RVP commissions are paid on customer billings from the 6th level of the second downline RVP (or SVP) through the 5th level of the third downline RVP (or SVP). | |
| Open Line SVP | 2 % | | | Open Line SVP commissions are paid on customer billings below your 5th level down to the 5th level of the first SVP in your downline. | |
| 1st Generation SVP | 1 % | | | 1st Generation SVP commissions are paid on customer billings from the 6th level of the first downline SVP through the 5th level of the second downline SVP. | |

All paperwork necessary for IBO commission qualifications must be received by ACN no later than 2pm on the first Friday of the month. Commission payments are generated on the third Friday of every month and lodged with your financial institution by the following Tuesday.

PERSONAL MONTHLY CUSTOMER BONUSES

You can earn Customer Bonuses each month when you personally acquire customers. New IBOs can earn these bonuses based on the number of Customer Points and services they acquire in their first 30 days. Existing IBOs (those that are more than 30 days past their start date) can earn these bonuses based on the number of Customer Points and services they acquire in a calendar month.

| At least 3 Services & 5 Points | At least 5 Services & 10 Points | At least 8 Services & 16 Points | At least 11 Services & 22 Points |
|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <i>FOR A TOTAL OF \$75</i> | <i>FOR A TOTAL OF \$150</i> | <i>FOR A TOTAL OF \$250</i> | <i>FOR A TOTAL OF \$350</i> |

You earn **\$100** for every additional 3 services & 6 points after the first 5 services & 10 points

WEEKLY OVERRIDING CUSTOMER ACQUISITION BONUSES (CABs)

Overriding Customer Acquisition Bonuses (CABs) are paid when an IBO within your organisation sponsors a new IBO that becomes Customer Qualified within 30 days of their start date. In order to count for qualifications, all new customers must show a “complete” status on the IBO’s Personal Customer List. A customer will show a “complete” status when all the necessary information has been received and processed by ACN.

OVERRIDING CUSTOMER ACQUISITION BONUSES - ALL EARNED POSITIONS

| Executive Team Leader | Regional Director | Regional Vice President |
|---|---|--|
| Open Line +\$50 | Open Line +\$150 1 st Generation +\$100 | Open Line +\$100 1 st Generation +\$50 |
| Open Line CABs are bonuses you earn when IBOs in your organisation, who are not under an IBO that has reached the same earned position (or higher) that you have reached, acquire customers to become qualified within 30 days of their start date. | | Generational CABs are bonuses you earn when IBOs in your organisation, who are under an IBO that has reached the same earned position (or higher) that you have reached, acquire customers to become qualified within 30 days of their start date. |

REMEMBER:

Compensation is earned **only** when customers are acquired. ACN reserves the right to retract the payment of any bonus or commission if it is found that a customer used to qualify for a bonus or a certain commission level was not a valid customer.

Customers must be from New Zealand and completed, installed, active or activated by the 60th day after the IBO qualification period.

NEW ZEALAND CUSTOMER POINT SYSTEM & COMMISSIONABLE REVENUE

The only way to earn income at ACN is through the acquisition of customers; therefore all IBOs must acquire customers in order to meet qualifications and advance through ACN's earned positions. ACN utilises a Customer Point system for each of its products and services. Services provide long-term residual income.

Customer Point Values & Commissionable Revenue

Security Services - ADT ¹

| Plan | Customer Points | Monthly Commissionable Revenue | Duration of Points and Commission |
|---------------------------------|-----------------|--------------------------------|---|
| Monitored Security Systems | 2 | 50% of Monthly Plan Fee | Customer tenure up to contract term (30 months) |
| CCTV | 2 | 20% of Monthly Plan Fee | Customer tenure up to contract term (48 months) |
| ADT FindU | 1 | 50% of Monthly Plan Fee | Customer tenure up to contract term (12 or 24 months) |
| NevaAlone Private Medical Alarm | 2 | 50% of Monthly Plan Fee | Customer tenure up to 12 months |
| Emergency Call Unit | 2 | 50% of Monthly Plan Fee | Customer tenure up to contract term (24 months) |
| ADT Home Assist | 2 | 50% of \$30 (inc GST) | Customer tenure up to contract term (48 months) |

NEW! - Security Services - Morepork ²

| Plan | Customer Points | Monthly Commissionable Revenue | Duration of Points and Commission |
|-----------|-----------------|--------------------------------|---|
| All Plans | 2 | 50% of \$40 (inc GST) | Customer tenure up to contract term (36 months) |

Commissionable revenue is billed revenue less taxes, surcharges and an allowance for bad debt. ACN reserves the right to reduce commissionable revenue by a percentage factor for promotional plans, products, negotiated pricing or certain services. Commissionable Billing for some products is a fixed amount. IBOs receive a percentage of these amounts each month depending on where they fall in the Compensation Plan.

Terms and conditions:

Accreditation To receive qualifications and compensation for customers successfully referred to any ACN Pacific partner via ACN, IBOs must be current with their New Zealand accreditation requirements in accordance with ACN Pacific's policies. If an IBO does not complete the required accreditation training modules, including the NZ Customer Acquisition Code (CAC) Accreditation, prior to or within 90 days of a successful customer service referral then the IBO will not receive points, qualification or commissions for the customer's service.

Monthly Billing refers to standard monthly rate as determined within the "Customer Point System & Commissionable Revenue" table.

Monthly Downline Billing is the total monthly billing of your personal and downline customers.

Monthly Commissionable Revenue is derived from monthly billing less taxes, surcharges and an allowance for bad debt. ACN reserves the right to reduce commissionable revenue by a percentage factor for promotional plans, products, negotiated pricing or certain services.

An IBO must maintain the requirements for CQ (see page 2 of this document) in order to be eligible to be paid CABs and Commission.

- Security Services (ADT)** - Customer Points will only be awarded on confirmed service activation. Customer Points are only awarded for new ADT customers. ADT Customer Points will be purged after the minimum term has elapsed or if the customer cancels their service, whichever occurs first, after which all points and commissions will be purged.
- Security Services (Morepork)** - Customer Points will only be awarded on confirmed service activation. Customer Points are only awarded for new Morepork customers. Morepork Customer Points will be purged after the minimum term has elapsed or if the customer cancels their service, whichever occurs first, after which all points and commissions will be purged.