



# AUSTRALIAN **COMPENSATION PLAN** OVERVIEW

Effective from | 1 July, 2019

**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 two ways:

1. Monthly residual commissions based on their personal and downline customers' usage of ACN's services.
2. Weekly and Monthly Bonuses based on customer acquisition.

*Compensation is earned only when customers are acquired.*

Access your IBO Back Office for details on ACN's monthly promotional bonuses – designed to get new IBOs off to a fast start.

# 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**

**6<sup>20</sup>**  
Customer Points  
from at least

**3**  
Services

to receive earned position compensation

Acquire a minimum of **6<sup>20</sup>** Customer Points from at least 3 services.

*WA IBOs only need to acquire 5 customer points and at least 3 services\*<sup>21</sup>*

Eligible for monthly Personal Customer Acquisition Bonuses

**ETL** Executive Team Leader

**15 Personal Customer Points & 10 CQs in at least 3 legs**

**- OR -**

**60 PERSONAL CUSTOMER POINTS**

**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.

**RD MUST MAINTAIN**

**15 Customer Points & 5 Services**

to receive earned position compensation

## EARNED POSITIONS:

Regional Vice President	RVP Gold	RVP Platinum
<p>1 RD in 4 separate legs at any level</p>		
3,000 Total Customer Points in their team <i>(Maximum of 1,000 points per leg)</i>	Minimum monthly Downline Billings <sup>1</sup> : <b>\$200,000</b> <i>(Limit of \$75,000 per leg)</i>	Minimum monthly Downline Billings <sup>1</sup> : <b>\$300,000</b> <i>(Limit of \$125,000 per leg)</i>
<p><b>RVP MUST MAINTAIN</b></p> <p><b>15 Customer Points &amp; 5 Services</b></p> <p>to receive earned position compensation</p>		

**SVP** Senior Vice President

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

**Minimum Monthly Downline Billings<sup>1</sup>: \$500,000**  
*(Limit \$250,000 per leg).*

**SVP MUST MAINTAIN**

**15 Customer Points & 5 Services**

to receive earned position compensation

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 commitment, persistence and effort. Individuals may not earn income and may lose money as an IBO.

ACN's Compensation Plan is subject to change without notice at ACN's discretion and for any reason.

\*New Western Australian Independent Business Owners with a start date from 1 January until the end of this month.

# MONTHLY RESIDUAL COMMISSIONS

Over time, the majority of your compensation will come from the residual income you earn from the services your customer's 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 1% and 10% of their monthly commissionable revenue<sup>2</sup> based on their services. This percentage is based on your total number of Personal Customer Points:

1-29 Customer Points =	1%
30-49 Customer Points =	3%
50-74 Customer Points =	5%
75+ Customer Points =	10%

## 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 <sup>3</sup>			QUALIFICATIONS FOR EACH COMMISSION LEVEL	
				Personal Customer Points	
Personal	1-10 %			See Box Above	
1	0.25 %			10	
2	0.25 %				
3	0.25 %			25	
4	0.5 %				
5	3 %			50	
6	5 %				
7	8%			75	
	<b>RVP</b>	<b>Gold RVP</b>	<b>Platinum RVP</b>		
Open Line RVP	1.5 %	2.5 %	3 %	<b>Open Line RVP Platinum, RVP Gold and RVP</b> commissions are paid on customer billings below your 7th level down to the 7th level of the first RVP (or SVP) in your downline.	
1st Generation RVP	1 %	1 %	1 %	<b>1st Generation RVP Platinum, RVP Gold and RVP</b> commissions are paid on customer billings from the 8th level of the first downline RVP (or SVP) through the 7th level of the second downline RVP (or SVP).	
2nd Generation RVP	0.5 %	0.5 %	0.5 %	<b>2nd Generation RVP Platinum, RVP Gold and RVP</b> commissions are paid on customer billings from the 8th level of the second downline RVP (or SVP) through the 7th level of the third downline RVP (or SVP).	
Open Line SVP	2 %			<b>Open Line SVP</b> commissions are paid on customer billings below your 7th level down to the 7th level of the first SVP in your downline.	
1st Generation SVP	1 %			<b>1st Generation SVP</b> commissions are paid on customer billings from the 8th level of the first downline SVP through the 7th 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.

# WEEKLY OVERRIDING CUSTOMER ACQUISITION BONUSES - CABS<sup>4</sup>

**Overriding Customer Acquisition Bonuses (CABs) are paid when your newly sponsored IBOs become 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	Senior Vice President
Open Line <b>+ \$80</b>	Open Line <b>+ \$200</b>	Open Line <b>+ \$70</b>	Open Line <b>+ \$20</b>
	1 <sup>st</sup> Generation <b>\$50</b>	1 <sup>st</sup> Generation <b>\$20</b>	1 <sup>st</sup> Generation <b>\$10</b>

## OVERRIDING CUSTOMER ACQUISITION BONUS SCHEDULE

Executive Team Leader	Regional Director	Regional Vice President	Senior Vice President
<b>\$80</b> ↓ <b>ETL \$0</b>	<b>\$280</b> ↓ <b>ETL \$200</b> ↓ <b>RD \$50</b> ↓ <b>RD \$0</b>	<b>\$350</b> ↓ <b>ETL \$270</b> ↓ <b>RD \$120</b> ↓ <b>RD \$70</b> ↓ <b>RVP \$20</b> ↓ <b>RVP \$0</b>	<b>\$370</b> ↓ <b>ETL \$290</b> ↓ <b>RD \$140</b> ↓ <b>RD \$90</b> ↓ <b>RVP \$40</b> ↓ <b>RVP \$20</b> ↓ <b>SVP \$10</b> ↓ <b>SVP \$0</b>

**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 billing customer.

# AUSTRALIAN 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.

**YBA counts as 2 POINTS AND 1 SERVICE for the life of your subscription!<sup>1</sup>**

## Customer Point Values & Commissionable Revenue

Energy – Click Energy <sup>5,6,9,11</sup>			
Product	Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission
Residential Electricity	2	50% of \$50 is commissionable at standard rates	Up to 48 months
Residential Gas	2	50% of \$30 is commissionable at standard rates	Up to 48 months
Business Electricity	3	50% of \$80 is commissionable at standard rates	Up to 48 months
Business Gas	2	50% of \$40 is commissionable at standard rates	Up to 48 months

nbn™ Broadband - Vodafone <sup>5,6,7,10</sup>			
Plan	Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission
All plans	1	\$10	Customer tenure up to 36 months

Mobile Voice – Vodafone Mobile <sup>5,6,7,8,11,12</sup>					
Order Type	Handset Repayment Term	Monthly Plan Fee	Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission
Connection	24 or 36 months	\$65	4 <sup>5**</sup>	85% of monthly fee of plan selected at application	Customer tenure up to handset repayment term
Connection	24 or 36 months	\$55	3 <sup>4**</sup>	85% of monthly fee of plan selected at application	Customer tenure up to handset repayment term
Connection	24 or 36 months	\$45	2 <sup>3**</sup>	60% of monthly fee of plan selected at application	Customer tenure up to handset repayment term
Connection	24 or 36 months	\$35, \$40	2	60% of monthly fee of plan selected at application	Customer tenure up to handset repayment term
Connection	12 months	\$65	3	85% of monthly fee of plan selected at application	Customer tenure up to 12 months
Connection	12 months	\$55	2	85% of monthly fee of plan selected at application	Customer tenure up to 12 months
Connection	12 months	\$40, \$45	2	60% of monthly fee of plan selected at application	Customer tenure up to 12 months
Connection	12 months	\$35	1	60% of monthly fee of plan selected at application	Customer tenure up to 12 months
Upgrade	24 or 36 months	\$55, \$65	3	50% of monthly fee of plan selected at application	Customer tenure up to handset repayment term
Upgrade	24 or 36 months	\$35, \$40, \$45	2	35% of monthly fee of plan selected at application	Customer tenure up to handset repayment term
Upgrade	12 months	\$55, \$65	1	50% of monthly fee of plan selected at application	Customer tenure up to 12 months
Upgrade	12 months	\$40, \$45	1	35% of monthly fee of plan selected at application	Customer tenure up to 12 months
Upgrade	12 months	\$35	0	35% of monthly fee of plan selected at application	Customer tenure up to 12 months
Connection	Month-to-month	\$55, \$65	1	85% of monthly fee of plan selected at application	Customer tenure up to 12 months
Connection	Month-to-month	\$35, \$40, \$45	1	60% of monthly fee of plan selected at application	Customer tenure up to 12 months
Upgrade	Month-to-month	Any	0	-	-

<sup>\*\*</sup>Includes current Promotion Bonus Point. See the Promotional Bonus document for details.

This should be read in conjunction with the Terms & Conditions stated on page 7 of the Compensation plan.

# AUSTRALIAN CUSTOMER POINT SYSTEM & COMMISSIONABLE REVENUE

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## YBA counts as 2 POINTS AND 1 SERVICE for the life of your subscription!<sup>1</sup>

Mobile Broadband - Vodafone Mobile <sup>5,6,7,8,11,12</sup>					
Order Type	Plan Contract Term	Monthly Plan Fee	Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission
Connection	24 or 36 months	\$60	3 4**	60% of monthly fee of plan selected at application	Customer tenure up to device repayment term
Connection	24 or 36 months	\$30, \$45	2 3**	60% of monthly fee of plan selected at application	Customer tenure up to device repayment term
Connection	24 or 36 months	\$15	1	60% of monthly fee of plan selected at application	Customer tenure up to device repayment term
Connection	12 months	\$30, \$45, \$60	2	60% of monthly fee of plan selected at application	Customer tenure up to plan or device contract term
Connection	12 months	\$15	1	60% of monthly fee of plan selected at application	Customer tenure up to plan or device contract term
Connection	Month-to-month	\$30, \$45, \$60	1	60% of monthly fee of plan selected at application	Customer tenure up to 12 months
Connection	Month-to-month	\$15	0	60% of monthly fee of plan selected at application	Customer tenure up to 12 months
Upgrade	24 or 36 months	\$60	3	35% of monthly fee of plan selected at application	Customer tenure up to device repayment term
Upgrade	24 or 36 months	\$30, \$45	2	35% of monthly fee of plan selected at application	Customer tenure up to device repayment term
Upgrade	24 or 36 months	\$15	1	35% of monthly fee of plan selected at application	Customer tenure up to device repayment term
Upgrade	12 months	≥15	1	35% of monthly fee of plan selected at application	Customer tenure up to plan or device contract term
Upgrade	Month-to-month	Any	0	-	-

Payment Processing – Sphere <sup>13,14</sup>			
Sphere Payment Processing	Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission
New Sphere Merchant transaction volume ≥ \$10,000	3 4**	100% (Paid on Sphere revenue)	Life of customer
New Sphere Merchant transaction volume <\$10,000 per month	+ 2**	100% (Paid on Sphere revenue)	Life of customer

Security Services - ADT <sup>5,6,15</sup>			
Plan	Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission
All plans	2	100%	Customer tenure up to contract term (36 months – 48 months -depending on plan)

\*\*Includes current Promotion Bonus Point. See the Promotional Bonus document for details.

\*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.

<sup>1</sup> Your Business Assistant revenue will count for your Downline Billing Requirements for position qualifications. If a Your Business Assistant subscription was used for CAB qualifications and is cancelled within the first 60 days, the bonus will be retracted.

## AUSTRALIAN 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 points system for each of its products and services.

Cloud Phone – MyNetFone <sup>16,17,18,19</sup>				
Plan	Lines	Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission <sup>21</sup>
Unlimited calls	2	4	80% of plan fee	Life of customer
Unlimited calls	4	8	80% of plan fee	Life of customer
Unlimited calls	8+	10	80% of plan fee	Life of customer
Capped inclusion	2	1	80% of plan fee	Life of customer
Capped inclusion	4	2	80% of plan fee	Life of customer
Capped inclusion	8	4	80% of plan fee	Life of customer
Capped inclusion	12+	5	80% of plan fee	Life of customer

  

IBO Business Tools				
Tool Name		Customer Points	Monthly Commissionable Revenue <sup>3</sup>	Duration of Points and Commission
Your Business Assistant (YBA)		2	0% (Subscription revenue is included in total billing volume)	N/A

<sup>3</sup>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:**

**Monthly Billing refers to a)** for ACN billed products invoice amount of your customers' bill less GST less non-commissionable charges and b) for all other products standard monthly rate as determined within the "Customer Point System & Commissionable Revenue" table.

1. **Monthly Downline Billing** is the total monthly billing of your personal and downline customers.
2. **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.
3. **Upline commissions are** halved when the personal commissions are 3% or higher for customers and/or services acquired prior to 1 September, 2014.
4. **An IBO must maintain** the requirements for CQ (see page 2 of this document) in order to be eligible to be paid CABs, Commissions and Promotional Bonuses.
5. **A maximum Customer Point threshold** applies to the following Australian services: Mobile + Mobile Broadband – Vodafone, nbn™ Broadband, Cloud Phone Services, Security Services and Energy. A maximum of 50 customer points for each of these services can be awarded to a single customer account. This maximum customer points threshold will only apply to new services added to a customer's account after 1 July, 2011. This maximum customer points threshold does not replace ACN's CQ qualification requirements (see the current Compensation Plan and section 1.8G of ACN's Policies & Procedures).
6. **A Service will not be considered complete** and you will not gain qualification points until a complete online service order has been received.
7. **If a Phone Service customer** including Mobile + Mobile Broadband – Vodafone, Broadband (nbn™), MyNetFone Cloud Phone cancels or disconnects their service(s) within the first 90 days, the service will immediately stop counting towards qualification and will result in automatic reversal of all bonuses and CABs.
8. **Mobile + Mobile Broadband - Vodafone -** A "connection" occurs where a customer connects a new service to the Vodafone network via ACN. An "upgrade" occurs where any customer with an existing service from any provider connected to the Vodafone network, commits to a new fixed term contract via ACN. This includes, but is not limited to, providers such as Vodafone, Lebara, Kogan, TPG and inet Mobile. Only revenue generated by the monthly plan fee is commissionable. Equipment instalments and add-ons are excluded. IBOs will not receive qualification points or commissions for a Vodafone Mobile or Mobile Broadband Service until the service has been activated. **Purge Rules:** For all contract terms, a Vodafone service will purge immediately if the service is cancelled or ported to another provider. **Month-to-Month** Service will be purged at 12 months unless the service is upgraded by the IBO prior to the end of 12 months. **12 month SIM only or 12 month handset contract** Service will be purged at 12 months unless the service is upgraded by the IBO prior to the end of the 12 month term. If the service is upgraded by Vodafone directly within the 12 month contract term, the service will purge at the end of the 12 month contract term. If the service is upgraded by an external Vodafone channel, then the service will purge immediately. **24 month handset contract:** Service will be purged at 24 months unless the service is upgraded by the IBO prior to the end of the 24 month term. If the service is upgraded by Vodafone directly within the 24 month contract term, the service will purge at the end of the 24 month contract term. If the service is upgraded by an external Vodafone channel, then the service will purge immediately. **36 month handset contract** Service will be purged at 36 months unless the service is upgraded by the IBO prior to the end of the 36 month term. If the service is upgraded by Vodafone directly within the 36 month contract term, the service will purge at the end of the 36 month contract term. If the service is upgraded by an external Vodafone channel, then the service will purge immediately. **Purged Customer Upgrade:** An IBO can upgrade a purged out of contract Vodafone Mobile customer formerly allocated to another IBO, as long as the upgrade order is processed 32 days or more after the end of the customer's existing Vodafone Mobile contract. In this case the customer will be reinstated as Active and the referring IBO will be awarded points and residual, rather than the original referring IBO. **Accreditation** To receive qualifications and compensation for customers successfully referred to Vodafone via ACN, IBOs must be current with their Australian accreditation requirements in accordance with ACN Pacific's policies. If an IBO does not complete Vodafone accreditation prior to or within 90 days of a successful Vodafone customer service referral then the IBO will not receive qualification or commissions for the customer's service. **Number spinning** will not be eligible for qualification points and will not earn commission. Number spinning may also result in the termination of an IBO position. Number spinning includes: (i) A service that is ported away from Vodafone then ported back to Vodafone within a 60 day period and/or (ii) A new service that is activated for an existing Vodafone Customer, followed by a cancellation of an existing prepaid or postpaid service in the same customer name within a 60 day period.
9. **A Click Energy Service** will be purged after 48 months or if the customer cancels or switches provider. You will cease to receive points and commission for purged services. Customer Points are only awarded for new Click Energy customers. No points will be awarded to IBOs whose customers are still under contract with EnergyAustralia (via ACN) switching to Click Energy. **Duplicate meter rules:** Where Click Energy receives an order for a duplicate electricity or gas meter (i.e. the meter is associated with a service already allocated to an IBO in PCL under a different account), the new order will be held as an incomplete service in PCL, and will be ineligible for points, commissions, qualifications and bonuses until such time as the original account and service is closed. Where Click Energy receives and approves a new order for an electricity or gas meter that was previously ordered and activated by Click Energy within a 120 day period, the new order will be awarded as a commission-only service in PCL and will be ineligible for points, qualifications and bonuses.
10. **A Broadband (nbn™),** service(s) will not be considered complete and you will not gain qualification points until the customer has passed a credit check. Equipment revenue is not commissionable.
11. **If a Mobile, Mobile Broadband, nbn™ Broadband or Energy customer cancels** their service within the first 90 days, the service will immediately stop counting towards qualification and will result in automatic reversal of all bonuses and CABs.
12. **Active Customer Upgrades** Where an active ACN Vodafone Mobile customer upgrades via ACN and the new upgraded order is completed within 90 days of the previous order date, their scheduled ACN customer purge date, customer points, and residual commission will not change and will reflect the customer's original order placed via ACN. Where an active ACN Vodafone Mobile customer upgrades via ACN and the new upgraded order is completed more than 90 days after the customer's original order, the scheduled ACN customer purge date, customer points, and residuals will be updated to reflect the new customer order.
13. **New Sphere Payment Processing** customers are those who cannot supply a previous electronic processing history or who have not previously had electronic payment services. Points for an Sphere Payment Processing will be allocated to the IBO when the service account is merchant-approved.
14. **Commissionable revenue is paid** on Sphere Payments revenue for the life of the customer, 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.
15. **Security Services (ADT)** Customer Points are only awarded for new ADT customers. ADT Customer Points will be purged after 36 months or earlier if the customer cancels their service. You will cease to receive points and commission for purged services.
16. **A "MyNetFone customer" refers to a customer** who connects a new MyNetFone Virtual PBX "Cloud Phone" telephone service on an eligible plan.
17. **A MyNetFone customer will not be considered complete** and you will not gain customer points until the customer accepts a formal offer of service from MyNetFone and the service is activated.
18. **Monthly Commissionable Revenue is calculated based on** the monthly plan fee invoiced each month and is paid for the life of the customer. Customers whose accounts are suspended due to non-payment of invoice(s) and/or that are not in good standing with MyNetFone contract terms, will not qualify for commission during this period. Equipment revenue, additional subscriptions and other MyNetFone products and services are not commissionable.
19. **Points and commissions paid on life of customer -** while that customer continues as an active billing customer of MyNetFone on a Virtual PBX Cloud Phone plan, and while ACN remains in an agency relationship with MyNetFone.
20. **CQ promotion (AU) -** During the promotional period from 1 March until the end of this month, Australia IBOs (except WA IBOs) can qualify until the end of this month, Australia IBOs (except WA IBOs) can qualify with 6 customer points from at least 3 services.
21. **CQ promotion for new Western Australian IBOs** who join between 1 January 2019 - until the end of the month - Western Australian IBOs must hold an active, valid ABN that is registered in the state of Western Australia and must have a residential address that is also within the state of Western Australia.