



Puerto Rico Policies and Procedures



ACN PUERTO RICO POLICIES AND PROCEDURES

ACN Puerto Rico Policies and Procedures governing Puerto Rico Independent Business Owners are outlined below. Take time to read the entire document to fully understand the Policies and Procedures. These Policies and Procedures are incorporated by reference in the Puerto Rico ACN IBO Agreement. In the case of any conflict between these Policies and Procedures and the Puerto Rico IBO Agreement, the Puerto Rico IBO Agreement shall prevail. ACN reserves the right to change these Puerto Rico Policies and Procedures at any time.

ACN Statement of Operating Philosophy

The Founders of ACN Opportunity, LLC (ACN) believe in leadership by example rather than management by directive. ACN's leadership has demonstrated a high degree of integrity and success at both sales and corporate levels. As such, they are committed to the following principles and standards as an expansion of their creed. For purposes of these Policies and Procedures, ACN Opportunity, LLC, its parent, subsidiaries and affiliates shall be referred to as "ACN."

Commitment to Excellence

The ACN corporate management team is committed to supporting its customers and IBOs, to giving them quality service and to calculating and mailing reports and commission payments in a timely manner. ACN has set these goals to give each IBO the best opportunity to develop a successful business. ACN will not exclude anyone from this great opportunity based on race, age, sex, national origin, religion, disability or any other similar grounds prescribed or otherwise prohibited by law.

I. IBO Rights and Obligations

A. Ethics

ACN conducts business in an ethical and credible manner and requires its IBOs to deal ethically with their customers, with each other and with the company. ACN permits no unethical or illegal activity and will intercede when such behavior may exist, and ACN reserves the right to use its best judgment in deciding whether certain IBO activities are unethical. Furthermore, ACN may use its own discretion in determining the appropriate course of action. If ACN determines that unethical activities may exist, then it reserves the right to suspend or terminate IBO status, including but not limited to all commissions and payments of any kind. Under no circumstances would an IBO who is terminated for unethical or illegal activity be entitled to a refund of their original application fee, nor are they entitled to sell or transfer their position.

EXAMPLES OF UNETHICAL OR ILLEGAL ACTIVITY INCLUDE, BUT ARE NOT LIMITED TO:

1. Forging a signature on any document. This includes electronic signatures on any ACN customer portal, as well as on online IBO agreements.
2. Making false or misleading representations of any kind including, but not limited to, misrepresentations about ACN services or the ACN Compensation Plan.
3. Depositing checks made payable to ACN into personal accounts instead of immediately forwarding them to ACN.
4. Cross-line recruiting: An ACN IBO may not solicit an individual or entity that has been previously sponsored by another IBO or that is considering joining ACN and being sponsored by another IBO. For example, potential IBOs sent to an Opportunity Presentation by another active IBO cannot be recruited. During the term of

their agreement and for a period of one (1) year after their Agreement has expired or terminated, ACN IBOs are further prohibited from directly or indirectly soliciting an existing or pending IBO into a sales organization in which he/she is not currently a member.

ACN IBOs may not solicit an ACN IBO, whether active, inactive, individual or an entity, to participate in a network marketing program offered by any other company, regardless of whether or not such network marketing company offers telecommunications services or other services competitive to those offered by ACN. During the term of their agreement and for a period of 1 year after, ACN IBOs are further prohibited from directly or indirectly soliciting an existing or pending IBO into a sales organization in which he/she is not currently a member.

5. Spreading false or misleading remarks or rumors with malicious intent that may disparage ACN, ACN employees, or another ACN IBO.
6. Any unauthorized use of ACN's name, trademarks or copyrighted material (i.e. reproducing ACN's forms, business cards, etc.).
7. Violation of any federal, state or local laws or regulations.
8. Stacking is strictly prohibited. Customer stacking is when you acquire customers and place them under a downline IBO other than yourself.
9. ACN IBOs are prohibited from calling ACN and representing themselves as a customer for any products other than their own.
10. A IBO's upline or sponsor should not complete any agreement or purchase any ACN tools on behalf of the IBO.

B. Acquiring Customers and ACN's Anti-Slamming Policy

A "slam" is defined as any practice that changes a customer's telecommunications service without the customer's knowledge or consent.

The Federal Communications Commission (FCC), Federal Trade Commission (FTC), State Attorneys General and other governing regulatory agencies have rules that strictly prohibit slamming. Slamming rules are enforced through a variety of methods, including fines and revocation of the offending company's authority to provide service.

ACN HAS ADOPTED A ZERO TOLERANCE POLICY TOWARD SLAMMING.

An ACN IBO is encouraged to act quickly and respond within the required timeframe to any request ACN may make and this situation should be their number one priority until it is resolved. If an ACN IBO receives a letter notifying them that a slam investigation is currently underway for one of their customers, ACN will give details of the customer allegation, and which service is being disputed, plus guidance where to address questions or concerns. It is essential that the IBO and the customer review where the misunderstanding was and detail all information within the "Investigation Report", included in the investigation letter. If the customer agrees to the information included in the investigation report, the customer's signature must be notarized. ACN will then respond with a decision regarding the investigation, which decision shall be final.

If any ACN IBO has been engaged in the slamming of a customer, the following penalties will be assessed:

- The IBO's position will be permanently terminated and all Customer Acquisitions Bonuses (CABs), Team CABs, commissions and payouts of any kind will be permanently forfeited.
- If the "slammed" account was used for qualifications for CABs, Team CABs or any other bonus, then such bonus will be reversed. This reversal will also apply to any corresponding payouts as well.

- Any IBO engaged in slamming will be required to reimburse ACN for any fines or charges assessed against it. In addition, an administrative fee in accordance with expenses incurred by ACN will be charged to the IBO.

ACN IBOs are prohibited from third party solicitation by telemarketing, direct mail, sweepstakes, contests and drawings. ACN only authorizes sales by means of direct, personal solicitation of customers.

IBOs can avoid slamming by utilizing the following procedures:

- Verify information against each new customer's actual bill for each Letter of Authorization (LOA). This will help you to confirm that the customer's information on the LOA matches the information on the customer's telephone bill.
- Verify that the person signing the LOA is the person with authority to act on behalf of the company or the person whose name appears on the telephone bill. It is essential that the person signing the LOA has authority to change telecommunication providers.
- NEVER sign someone else's name on any document. IBOs are strictly prohibited from signing an LOA for a customer even if the customer has provided their verbal consent.

To avoid instances of slamming, ACN may examine each LOA before it is entered into the system. Any form that contains any invalid information (i.e., phone number), is incomplete, or with an apparently invalid, omitted or forged signature will not be processed.

IBOs are prohibited from entering the name or Team ID Number of another IBO, which is considered customer stacking, or signing LOAs in the name of another IBO. In addition, IBOs are prohibited from completing an order (LOA, online, etc.) on behalf of their customers. All customer orders must be completed by the customers. IBOs are responsible for the validity of the orders of all customers that appear on their Personal Customer List. Therefore, IBOs are encouraged to routinely review their customer lists to ensure that only customers that they have personally enrolled are appearing on the customer list. If a IBO finds that a customer appears on their customer list that they have not personally enrolled, they must contact IBO Services immediately. See Section VII, "Customer Qualifications" for further information.

ACN will vigorously enforce its zero tolerance policy against slamming and other egregious violations of ACN's Policies and Procedures or any federal or state rules or regulations. If any individual is discovered to have forged a customer's or IBO's signature, the offending IBO will be terminated immediately. This policy will apply in the first instance of any forgery or egregious violation.

In addition, if in ACN's sole discretion, ACN determines that an IBO is involved in submitting improper orders (other than forgeries or other egregious violations), ACN will issue a warning to the IBO and require the IBO to report back detailing the remedial actions it took to correct the problem. ACN will review each matter and will determine what disciplinary action is warranted, up to and including termination of the IBO.

C. Offerings/Terms of Service

ACN and its partner/carrier/supplier/service provider(s) have the sole right to accept or reject orders for products and services, to establish and change without notice, the prices of such products and services as well as to establish the terms and conditions of their offering. ACN and its partner/carrier/supplier/service provider(s) may also discontinue offering or selling any product or service, without liability or obligation to ACN, its IBOs or its customers. IBOs may only offer and sell services and products in accordance with rates, terms and conditions established by ACN, any regulatory agency or its partner/carrier/supplier/service provider(s). All sales representations and activities must be in full compliance with all applicable laws and regulations. IBOs may only use those means of

marketing and selling of services and products that are solely acceptable to ACN and its partner/carrier/supplier/ service provider(s).

D. Co-Mingling of Funds

IBOs must make their application fees payable to ACN only. No IBO shall accept funds for applications and co-mingle them with personal or association accounts. ACN may terminate any IBO discovered co-mingling funds or operating a bank account in the name of ACN or any other similar name.

E. Personal Usage/Purchases

An IBO is not required to subscribe to or purchase any product or service marketed by ACN. Advancement to higher levels in the ACN Compensation Plan is based upon the acquisition of customers. However, if an IBO chooses to purchase any products or services offered by ACN, he/she will be responsible for all billing when due. If an IBO becomes past due on any bill, for services or products provided by ACN or a company with which ACN contracts, ACN may deduct amounts owed from future CAB or commission payments. ACN reserves the right to terminate an IBO that is repeatedly past due in the payment of any service or product.

F. Unauthorized Contact

Under no circumstances, is an IBO permitted to directly contact any partner/carrier/supplier/service provider(s) with whom ACN contracts, unless it is in specific relation to a personal account they may currently have with said provider.

In the event that your customer is experiencing difficulties with a specific provider, please inform your customer to contact ACN directly or the appropriate provider of service to resolve the matter.

G. Territorial Rights/Conducting Business Across Borders

Team Trainers can market services and products and sponsor new IBOs in any country where ACN conducts business, without exclusivity. Team Trainers may only promote ACN in countries where ACN currently operates.

IBOs conducting business in foreign countries must adhere to the ACN Policies and Procedures governing activities in that country. Furthermore, compensation will be based on the Compensation Plan of that specific country and be subject to conversion to U.S. funds.

IBOs are responsible for knowing and adhering to all laws and accepted business practices in the countries they choose to market. This includes but is not limited to Customs and Immigration Laws and accepted marketing practices.

H. Further Limitations

ACN reserves the right to limit or disallow any activities that cast negative aspersions on the integrity, truthfulness, and/or reputation of ACN.

I. Participation in ACN Events and Use of ACN Facilities.

IBOs assume all risk and responsibility for traveling to and from and participation in any ACN events, activities, training, or other gatherings, and for the use of any ACN equipment or facilities. IBOs must comply with any rules established by ACN for the use of ACN equipment and facilities, and agree not to interfere in any manner with the use of such equipment and facilities by ACN or by any other ACN IBOs. ACN equipment and facilities may only be used for ACN related business, and for no other purpose. ACN reserves the right in the exercise of its sole discretion to limit or prohibit the use of the ACN equipment or facilities at any time.

II. Status as an Independent Contractor

A. Claims of Employment

IBOs are independent contractors and not employees of ACN. The position of IBO shall not be construed as creating a relationship of employee-employer, agency, partnership or joint venture between any participant, sponsor and ACN. It is impermissible to assert or imply that an IBO or prospective IBO is or will be employed by ACN.

B. Dispute Resolution; Certain Waivers; Governing Law/Venue

1. DISPUTE RESOLUTION

PLEASE READ THIS SECTION OF THESE POLICIES AND PROCEDURES CAREFULLY, AS IT PROVIDES FOR THE RESOLUTION OF MOST DISPUTES THROUGH BINDING ARBITRATION.

(a) If either ACN or an IBO has a dispute with the other arising from or relating to the IBO's position or otherwise arising from or relating to this Agreement (a "Dispute"), the party initiating the dispute must first try to contact the other to resolve the dispute informally in good faith. ACN must call the IBO at the contact number ACN has on file for the IBO. The IBO must call ACN IBO Services at 704-260-3226, or such other number that ACN may subsequently identify and publish.

(b) As evidenced by the IBO Agreement, the IBO's relationship with ACN is an interstate commerce transaction and this Section II.B.1. is therefore governed by the Federal Arbitration Act. All Disputes (in any case, whether based in contract, tort, statute, fraud, misrepresentation, or any other legal or equitable theory) must be resolved by final and binding arbitration, pursuant to the Commercial Dispute Resolution Procedures (collectively, "AAA Rules") of the American Arbitration Association ("AAA"), as in effect at the time of the arbitration, and as modified herein. The IBO may contact AAA in writing at one of its locations (e.g. The Rotunda, 4201 Congress Street, Suite 125, Charlotte, NC 28209). The IBO may also obtain additional information about AAA and its procedures from AAA's website, at www.adr.org. Notwithstanding the foregoing in this subsection (b), (i) either the IBO or ACN may bring an individual action against the other party in small claims court (or comparable court of competent jurisdiction) so long as the only parties to that action are the IBO and ACN, and the total value of the claims made in the action is less than \$5,000, and (ii) nothing herein shall prevent ACN from enforcing the IBO Agreement, including without limitation taking corrective or remedial action such as deactivation for an IBO's violation of the Policies and Procedures. Following the contact required in subsection (a) above and prior to commencing an arbitration proceeding with the AAA, a party seeking to arbitrate any Dispute must send to the other party, via certified mail, a written Notice of Dispute ("Notice"). The Notice to the IBO must be sent by ACN to the IBO's address on file with ACN. The Notice to ACN must be addressed to: ACN IBO Services, 1000 Progress Place, Concord, NC 28025-2449 ("Dispute Notice Address"). The Notice must (i) describe the nature and basis of the claim or Dispute; and (ii) describe the specific relief sought. The IBO and ACN each expressly agrees to attempt to resolve any Dispute by first sending the Notice to the other party, prior to initiating or commencing an arbitration proceeding with the AAA.

(c) If a Dispute is not satisfactorily resolved within sixty (60) days after the Notice is sent, either party may then commence an arbitration proceeding with the AAA. Any Dispute must be brought within two (2) years after the date on which the basis for the Dispute first arises.

(d) In conducting the arbitration, and in making any award, the arbitrator will be bound by and must strictly enforce the terms of the IBO Agreement, and will not expand, limit, or otherwise modify the terms of the IBO Agreement. The arbitrator will not have the authority to award punitive or exemplary damages or attorneys' fees or any other damages waived under the IBO Agreement. The IBO and ACN each expressly waives any claims for an award of damages that are excluded under the IBO Agreement.

(e) The arbitration will be based only on written submissions of the parties, and the documents submitted to the AAA relating to the Dispute, unless either party requests that the arbitration be conducted pursuant to the AAA's in-person, telephonic, or on-line procedures. If the amount involved in the Dispute is less than \$5,000, the arbitration will be conducted in the county of the last address of the IBO on file with ACN. If the amount in dispute is \$5,000 or more, the arbitration will be conducted in Charlotte, North Carolina. Each of the IBO and ACN has the right to be represented by an attorney in any arbitration.

(f) The party initiating arbitration must pay the applicable AAA filing fee when submitting its written request for arbitration to the AAA. Unless otherwise provided for in the AAA Rules, or in the arbitration award, all other administrative fees and expenses of arbitration, including the fees and expenses of the arbitrator, will be divided equally between the IBO and ACN. The prevailing party may seek to recover from the other party the AAA's fees and the expenses of the arbitrator. If a party selects an in-person, telephonic, or on-line arbitration process, such party must pay its share of any higher administrative fees and costs for the process it selects.

(g) Unless applicable substantive law provides otherwise, each party will pay its own expenses to participate in the arbitration, including attorneys' fees and expenses for witnesses, document production, and evidence presentation.

(h) All post-award proceedings will be governed by the Federal Arbitration Act. Any award may be confirmed and enforced in any court of competent jurisdiction. The arbitration will be confidential. Neither the IBO nor ACN may disclose the existence, content, or results of the arbitration, except to confirm and enforce the award, to its own legal or financial advisors, or as may be required by law.

(i) CLASS ARBITRATION WAIVER. Each Dispute will be resolved on an individual basis. EACH OF THE IBO AND ACN SPECIFICALLY AGREES THAT IT MAY BRING CLAIMS AGAINST THE OTHER ONLY IN ITS INDIVIDUAL CAPACITY, AND NOT AS A CLAIMANT OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. The IBO Agreement does not allow class or collective arbitrations even if applicable AAA rules would. EACH PARTY AGREES THAT THE ARBITRATOR MAY NOT CONSOLIDATE PROCEEDINGS OF MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING ("Class Arbitration Waiver"). Notwithstanding anything else in this Section II.B.1., the validity and effect of the Class Arbitration Waiver may be determined only by a court and not by an arbitrator. Each of the IBO and ACN acknowledges that the Class Arbitration Waiver is material and essential to the resolution of any Dispute and is nonseverable from this Section II.B.1. THEREFORE, IF THE CLASS ARBITRATION WAIVER IS LIMITED, VOIDED, OR OTHERWISE FOUND UNENFORCEABLE, THEN THE ENTIRETY OF THIS SECTION II.B.1. (but only this Section II.B.1.) SHALL BE NULL AND VOID AND IF A PARTY CHOOSES TO PROCEED WITH ITS CLAIM IT MUST DO SO IN COURT PURSUANT TO SECTION II.B.4.

(j) NOTWITHSTANDING ANY OTHER PROVISION OF THE IBO AGREEMENT, THE ARBITRATOR MAY AWARD MONEY OR INJUNCTIVE RELIEF ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF WARRANTED BY THAT PARTY'S INDIVIDUAL CLAIM. NO CLASS OR REPRESENTATIVE OR PRIVATE ATTORNEY GENERAL THEORIES OF LIABILITY OR PRAYERS FOR RELIEF MAY BE MAINTAINED IN ANY ARBITRATION HELD UNDER THIS AGREEMENT.

(k) NOTHING IN THIS SECTION II.B. PREVENTS ACN OR THE IBO FROM SEEKING PRELIMINARY OR PERMANENT INJUNCTIVE OR OTHER SIMILAR RELIEF, FROM A COURT OF COMPETENT JURISDICTION.

2. CLASS ACTION WAIVER

In the event any claim proceeds in court rather than through arbitration, for any reason, each of the IBO and ACN agrees that such Dispute will only be resolved on an individual basis ("Class Action Waiver"). EACH OF THE IBO AND ACN SPECIFICALLY AGREES THAT IT MAY BRING CLAIMS AGAINST THE OTHER ONLY IN ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.

3. JURY TRIAL WAIVER

To the extent any claim proceeds in court rather than through arbitration, for any reason, if not prohibited by applicable law, EACH OF THE IBO AND ACN WAIVES ANY RIGHT TO A JURY TRIAL.

4. GOVERNING LAW/VENUE

The IBO Agreement, including its formation, construction, interpretation, and enforceability, is governed by and shall be construed in accordance with the law of the State of North Carolina, without regard to its choice of law rules, except that the arbitration provisions of Section II.B.1. of this Agreement are governed by the Federal Arbitration Act. Unless otherwise agreed, court proceedings must be in North Carolina, provided that if you bring a small claims action as permitted in Section II.B.1. you may do so in the jurisdiction of your address on file with ACN. Subject to arbitration requirements in Section II.B., for any court action in connection with this Agreement brought in a jurisdiction consistent with the foregoing sentence, each of the IBO and ACN agrees to submit to the personal and exclusive jurisdiction of such court and waives any objection as to venue or inconvenient forum. The IBO and ACN each agrees that regardless of any statute or law to the contrary, but not to the exclusion or in lieu of any such statute or law providing for a shorter limitations period, any claim or cause of action arising out of or related to the IBO's relationship with ACN or the IBO Agreement must be filed within two (2) years after such claim or cause of action arose or be forever barred.

5. AMENDMENTS

Notwithstanding any other provision of the IBO Agreement to the contrary, this Section II.B. of these Policies and Procedures may only be amended by the mutual agreement between the IBO and ACN. No amendment shall apply retroactively to any dispute known to ACN or the IBO at the time of amendment.

C. Contractual Obligations

All IBOs are responsible for any expenses which result from their business operation. Miscellaneous expenses include, but are not limited to, license or permits required to operate a business, legal fees connected with the use of a business name, telephone expenses, product advertising, etc. IBOs shall not involve ACN in any contractual relationships relative to their businesses. IBOs cannot and shall not sign contracts, rent or lease office space or equipment, open bank accounts, secure credit, cash negotiable instruments, make purchases or enter into agreements of any kind in the name of ACN. Such action is prohibited and cause for termination of IBO status. Each IBO shall hold ACN, its shareholders, partners, members, directors, officers and employees harmless from any claims, damages or liabilities arising out of such action.

D. Reporting Taxes

IBOs are not considered employees for purposes of the Social Security Act, the Federal Unemployment Tax Act, Federal Income Tax laws or any other laws governing employees. It is the IBO's responsibility to make self-employment and income tax payments as required by law. As such, ACN does not deduct any taxes from any commission and/or CAB payments. ACN will send a Form 1099 to all applicable IBOs who earn \$600 or more in a tax year.

It is the IBO's responsibility to provide ACN with the proper Social Security Number or Taxpayer Identification Number. If the information

that is provided is incorrect or if the Internal Revenue Service notifies ACN that the information does not match their records then ACN will hold all future payments until the matter is resolved.

III. Business and Legal Entities as an IBO

A. Companies

A sole proprietorship, partnership, Limited Liability Company (LLC) or corporation may become an IBO subject to review and approval by ACN. However, no individual may participate in more than one IBO position without the prior written approval of ACN.

For the company to become a new IBO, or to change their current IBO status to a company, ACN must be notified in writing. Written notice is also required when changing an existing individual's IBO status to a company.

The following items are needed to apply for an ACN IBO status as a company:

1. The name of the company
2. The company's Taxpayer Identification Number
3. A list of all partners/shareholders/members with more than 5% ownership – the document MUST include the Social Security Number for each person listed
4. A completed IBO Agreement, signed by an individual authorized to enter into binding agreements on behalf of the business entity

Individuals who submit the IBO agreement must be authorized to enter into binding contracts on behalf of the company.

B. Trusts

An IBO can operate their IBO status in the name of a trust. The person(s) that is (are) responsible for operating the business of the trust must be of legal age and cannot be another IBO or have an ownership interest in another IBO status.

To become a new IBO as a trust or to change an existing IBO status to a trust, ACN requires written notification and a new IBO agreement.

The following items are needed to apply for an ACN IBO status as a trust:

1. A legal document displaying the name of the trust and a legal opinion from an attorney stating that the trust is in compliance with all state and federal laws
2. A document that provides proof of the trust's Taxpayer Identification Number
3. A document that lists all trustees including the Social Security Number for each person listed. For a Grantor Trust, a document that provides the Social Security Number of the Grantor.
4. A completed IBO Agreement, signed by an individual authorized to enter into binding agreements on behalf of the trust

The person who submits the written notification must be authorized to enter into binding contracts on behalf of the trust.

It is the IBO's responsibility to insure that ACN has received all the required documentation to list the IBO status as a company or trust. If ACN has not received the appropriate documentation within 30 days, then ACN will suspend the IBO position until all of the documentation is received and processed by ACN. In addition, any commissions or CABs earned during the suspension period will be held until the matter is resolved.

C. Marriage

A husband and wife may operate under the same IBO position or independently. If the husband and wife choose to operate independently, then one spouse must be sponsored by the other. ACN reserves the right to ensure that husband and wife distributorships

independently operated are correctly sponsored and make any necessary corrections. Spouses that choose to operate the same position will be treated as partners.

D. Specifications for IBO Names

ACN reserves the right to approve or disapprove any IBO's choice of business names, formation of partnerships, corporations and trusts, for tax, estate planning and liability purposes. If ACN approves such a change by the IBO, the organization's name and the names of the principals of the organization must appear on the IBO Agreement along with a Social Security Number or Federal Tax Identification Number.

Any request for a change in the name or a change in the Social Security Number or Tax Identification Number of the IBO status is subject to a written agreement, signed by all parties involved, submitted to and approved by ACN. ACN reserves the right to verify all authorizations prior to making changes. In the absence of any agreement or notification, ACN will only recognize the individual whose Social Security Number was originally listed on the IBO Agreement. Please note that ACN will only continue to service the IBO who remains listed in our computer system. ACN reserves the right to intercede in disputes, and if it is determined that unethical activity exists, the status may be suspended and/or terminated.

IV. Identification Numbers

All IBOs will be assigned a unique number that identifies them as a IBO of ACN. This number is referred to as their Team ID Number. It is the IBO's responsibility to provide this number on all LOAs and on the IBO Agreement when sponsoring a new IBO.

V. Sponsoring New IBOs

A. IBO Agreements

New IBOs must complete and sign an IBO Agreement or complete the new IBO sign up process on the ACN website at acninc.com. Only the new IBO can complete the online IBO Agreement. It cannot be completed by the sponsor or upline on behalf of the new IBO. Application fees can be paid by Visa, MasterCard, American Express, Discover, check or money order. (Please note that ACN may assess a fee for any credit card payments that result in a charge back.) ACN does not accept postdated or third-party checks. The new IBO or the sponsor can mail or fax the white copy of the IBO Agreement to ACN for processing. If the application fee is being paid by check, the white copy of the IBO Agreement must be mailed to ACN. The start date of an IBO is the date that their completed IBO Agreement is entered and payment is received or the date their first customer is entered. ACN assesses a fee for all returned checks. ACN reserves the right to refuse entry of an IBO Agreement without payment and to adjust the start date accordingly.

B. Representation

IBOs shall make no claim or inference to prospective IBOs as to the anticipated or actual income an IBO might earn. ACN makes no guarantees of income, nor assurances of any profits or success. Furthermore, any profits or success resulting from activities as an IBO will be based upon customer acquisition and the amount of services or products purchased by those customers. Any success achieved will be based solely upon the IBO's effort, commitment and skills.

Each IBO understands that no Attorney General of any state, territory or other regulatory authorities ever reviews, endorses or otherwise approves any product membership or compensation program of any marketing company. As such, each IBO shall make no such claim to a prospective ACN IBO. In the event that a question arises concerning ACN's compliance with the law, such question shall be submitted to ACN in writing. ACN IBOs shall make no false claims or misleading statements concerning these relationships and understand that if they do, their relationship with ACN may be terminated and all

commissions and bonuses forfeited.

IBOs agree to indemnify and hold ACN and its shareholders, partners, members, directors, officers and employees harmless from all claims, damages and expenses, including attorneys' fees arising out of actions or conduct in violation of the Agreement.

C. IBO Disputes

ACN may or may not mediate any disputes between two or more IBOs if requested to do so by all of the parties involved in the dispute. ACN, however, reserves the right to review sponsoring practices. If ACN agrees to mediate any dispute, its findings shall be binding on all parties involved in the dispute.

D. Changing Sponsorship

ACN believes in and maintains the maximum protection of the IBO's relationship with his or her sponsor. Therefore, changing sponsors is strictly prohibited. It is the responsibility of the IBO to ensure the sponsor information submitted on the IBO Agreement is accurate and complete.

An IBO may join ACN under a new sponsor only after a period of no less than one full calendar year from the date of resignation or no less than one full calendar year after an IBO fails to renew or cancels their distributorship. All resignations must be in writing and delivered to ACN.

ACN reserves the right to change sponsorship if it is found that unethical or misleading practices were used.

VI. Maintaining/Changing the Status of Your Business

A. Selling Your IBO Position

To protect the integrity of the business opportunity, ACN restricts the sale of IBO positions. All requests for the sale of an IBO position must be reviewed and approved by ACN. For permission to sell your IBO position, forward a letter of intention to ACN, indicating your wish to sell. ACN will send all needed documentation to the seller for completion, before the process can begin. For more information, please contact IBO Services. ACN reserves the right to withhold or condition its consent to the sale of an IBO position in its reasonable discretion.

The IBO position WILL NOT be considered SOLD until the sale is approved by ACN. Therefore, DO NOT accept any funds from the potential buyer until the sale has been approved and finalized. ACN charges a \$1,000 fee to process any approved sale. Do not send the \$1,000 fee until ACN has approved the sale. Companies or partnerships that have a change of ownership greater than twenty percent (20%) must notify ACN of such change in ownership. The new owners/stockholders must comply with the terms of the IBO agreement and these Policies and Procedures. If there is a change in ownership of 50% or greater then the rules regarding the sale of an IBO position apply, including the \$1,000 transfer fee.

B. Transfer/Disposition of IBO Business

Upon the death or incapacity of an IBO, or of its principals, the rights to the commission and marketing position shall pass to the designated successor, provided said successor complies with all the terms of the ACN agreement, ACN's Policies and Procedures and fulfills the duties and obligations required of an IBO. In the case of a transfer to an existing IBO, or to an individual listed as a partner/shareholder/trustee in an existing IBO status, the individual will need to contact ACN to discuss his/her options in either maintaining the status or transferring it. If the transfer is of a temporary nature (i.e. the IBO is temporarily incapacitated), the subsequent activation and deactivation will likewise be temporary.

C. Change of IBO Information

IBOs must report any change of address, telephone number or email address online in MyACN for IBOs, by sending written notification to ACN World Headquarters, or by calling IBO Services.

VII. Commissions

A. Reports

Hierarchy Reports and other reports are available for a fee from the ACN website (acninc.com). Personal Customer Lists are available free of charge in the Communication Center on MyACN. The IBO acknowledges and agrees such information is proprietary and confidential to ACN and is transmitted to the IBO in strict confidence. The information provided may not be distributed to any other individual or company. But for this agreement of confidentiality, ACN would not provide the above information.

B. Eligibility for Compensation

In order to receive compensation, IBOs must maintain a minimum number of phone points per ACN's Compensation Plan.

C. Customer Acquisition Bonuses (CABs)

Customer Acquisition Bonuses are weekly bonuses paid to IBOs who have qualified for the level of Team Coordinator or higher and who have assisted their newly sponsored Team Trainer to become qualified by acquiring the minimum number of personal customer points within the required time.

CABs are processed each weekend and released on Mondays. All documentation necessary for CAB qualifications must be received and processed by ACN by 2 pm Eastern Time on Wednesday for a CAB payment to be issued that week. Please refer to the ACN website for the specific deadlines for submitting LOAs, IBO Agreements, etc.

Customer Acquisition Bonuses are paid to IBOs at the level of Team Coordinator or higher who meet the minimum qualifications of the level, as shown on the Compensation Plan at the time the new IBO Agreement is received and processed by ACN. Once the new IBO meets the TT qualifications by acquiring the minimum number of personal phone points within the required time, then the CAB will be distributed to appropriate eligible upline IBOs. CABs, T-CABs and bonuses will be paid after 14 days following a new Team Trainer's start date once they qualify.

A IBO's start date is determined by the date of payment of their TT application fee or the date their first customer is entered.

D. Commissions

Commissions are paid monthly to all levels in the ACN Compensation Plan. Commissions are calculated based on the commissionable revenue on services and products used by your customers and the customers in your organization, according to the Compensation Plan for the country in which the services are provided. Commissionable revenue is billed revenue less taxes, non revenue surcharges and an allowance for bad debt (Refer to section VII E. "Commissions – Reversal of CABs or Commissions). ACN reserves the right to reduce commissionable revenue by a percentage factor for promotional plans, products, negotiated pricing or certain services.

Commissions are released on the first business day following the third Friday of each month. Commissions are paid the third month after the close of the month the customer is billed. Thus, if an ACN customer is billed for services in April, commissions will be paid on that customer's usage in July. The commission qualifications listed on the Compensation Plan are minimum qualifications. ACN recommends that IBOs exceed the minimum qualifications in order to ensure that they remain fully qualified in the event that one or more customer cancels service.

All customers submitted for your commission qualifications must be received and processed by ACN by 2 pm Eastern Time on the first Friday of the month. IBOs must allow up to three business days for dial-up Internet customers to be received by ACN and count toward position or commission qualifications.

A Payment Processing Fee will be deducted from each CAB and commission payment to cover processing costs relating to the issuance of the payment and the statement. A payment will not be issued until the total amount (less the Payment Processing Fee) is greater than \$10. The IBO will also be responsible for a \$10 Re-issue Fee anytime a payment is returned to ACN and requested to be re-issued. If a stop payment must be placed and a new payment re-issued, the IBO will be responsible for a \$25 Stop Payment Fee. The IBO will also be responsible for a \$30 Administrative Fee (for each payment) if their payment(s) remains un-cashed for more than 120 days.

E. Reversal of CABs or Commissions

ACN reserves the right to retract the payment of any CAB or commission if it is found that a customer used to qualify for a CAB or a certain commission level was not a valid billing customer. There will be an automatic reversal of all bonuses, CABs and T-CABs paid if a qualifying Digital Phone Service customer cancels within 90 days.

F. Adjustments for Bad Debt

ACN reserves the right to adjust commission payments for bad debt. The bad debt deducted may be based on the overall bad debt average and/or specific deductions on an account by account basis or a combination thereof.

If a IBO is found to be targeting customers whose service was previously cancelled by another carrier for nonpayment, or targeting those customers who knowingly have credit problems, that IBO's status may be suspended and/or terminated. In addition, the IBO may be held liable for any unpaid debts.

G. Customer Qualifications

CABs, commissions and the advancement to earned levels in the Compensation Plan are based on the acquisition of active, billing customers. Each LOA and internet service order must contain the name and/or Team ID Number of the IBO that acquired the customer. IBOs are prohibited from entering the name or Team ID Number of another IBO or signing LOAs in the name of another IBO. IBOs are responsible for the validity of the orders of all customers that appear on their Personal Customer List. Therefore, IBOs are encouraged to routinely review their customer lists to ensure that only customers that they have personally enrolled are appearing on the customer list. If a IBO finds that a customer appears on their customer list that they have not personally enrolled, they must contact IBO Services immediately.

Establishing customer accounts for the purposes of qualifications when the customer does not intend to use the service or when the customer is not aware that such an account has been established is unethical and is subject to disciplinary action up to and including deactivation. ACN reserves the right to remove these customers from the IBO's position if unethical activities occurred and during any review.

Customers who cancel service with ACN and those who do not use the service for a period of months will no longer count as active customers for qualification purposes. This process is known as "purging." The Personal Customer List will display all customers that are scheduled to purge and the date that the customer will be purged so that the IBO can either contact that customer or acquire new customers in order to avoid losing qualifications. If a customer who is scheduled to be purged, or has been purged, begins to use the service again, the IBO who acquired the customer will automatically receive credit for that customer.

A customer for purposes of Local, Long Distance, Wireless Service, Satellite TV, Home Security, Energy and WiMAX is defined as an account. Multiple phone numbers on one account (invoice) are for qualification purposes considered one customer. Each Internet account or Digital Phone Service account is considered to be a customer for qualification purposes. For the purposes of qualification, a preferred customer is one of the following accounts; bundled Local and Long

Distance, Digital Phone service with Video Phone, new Wireless accounts, Satellite TV and Home Security. Preferred customers must be either different services or the same service from different households.

There is a limit of 2 Digital Phone Service Accounts with an ATA from the same credit card, name, or household that may count towards qualifications. Any additional accounts will not count towards qualifications but commissions will be paid on these accounts. IBOs are prohibited from purchasing internet service for a customer, or signing up for any service for one of their downline IBOs.

This document is to be used in conjunction with the latest Compensation Plan documentation available on MyACN for IBOs in order to receive the latest adjustments pertaining to qualification.

A customer account cannot count toward qualifications for more than one position and cannot be moved from one IBO to another unless that customer account has been purged. Existing ACN customers who also become an ACN IBO can claim their own services from an existing ACN IBO's position 45 calendar days from the new IBO's start date.

VIII. Compliance

These Policies and Procedures were created as a guideline for ACN and all IBOs and serve to protect the rights of both parties. These Policies and Procedures are intended to ensure proper functioning of daily business operations. ACN reserves the right to amend the Policies and Procedures from time to time as ACN deems necessary. Any IBO who violates any provision of the IBO Agreement, which includes all Policies and Procedures itemized herein, may be terminated by ACN. Termination cancels any and all rights, and will be effective upon verification of said violation(s) and notification of the offending IBO by ACN. In the event a dispute arises between ACN and an IBO as to their respective rights, duties and obligations under this agreement, or in the event of a claim of breach of this agreement by either party, such dispute shall be exclusively resolved through binding arbitration as described in the IBO Agreement. Under no circumstance would an IBO who is terminated for unethical activity be entitled to the refund of their original application fee or be allowed to transfer their customers or their IBO position to another party.

IX. Confidentiality and Noninterference, Nondisclosure of Proprietary Information

During the term of the relationship with ACN, the IBO may receive information or data constituting a trade secret or confidential information of ACN and/or its partner/carrier/supplier/service provider(s) in which event, the IBO shall treat such trade secret or confidential information as strictly confidential and wholly owned by ACN, as applicable. No IBO may, for any reason, nor in any manner, directly or indirectly use, sell, lend, lease, distribute, license, give, transfer, disclose, disseminate, reproduce or otherwise communicate any such item of information or data to any person or entity for any purpose other than as authorized by ACN in writing. The definition of "confidential information" shall mean proprietary and confidential data or information of ACN or its partner/carrier/supplier/service provider(s) which is not publicly known or available to the competitors of ACN or its partner/carrier/supplier/service provider(s). "Confidential information" also includes without limitation, information regarding ACN or its partner/carrier/supplier/service provider(s), IBOs, customers or prospective customers, marketing methods, business and technical plans, product information and pricing. The definition of "confidential information" includes "trade secrets" which shall mean that portion of confidential information which constitutes trade secrets as defined by applicable law and including, without limitation, confidential computer programs, software, designs, processes, procedures, formulas and improvements, whether copyrightable or not.

IBOs must use their best efforts to preserve all confidential information until it becomes generally available to the public or ACN agrees in writing that such information may be disclosed or is otherwise no longer deemed to be confidential.

During the term of the IBO Agreement, IBOs may not, directly or indirectly, sell or solicit telecommunications services, or Internet services offered by ACN through any person or entity other than that specifically designated or approved in writing by ACN. IBOs shall not, during their relationship with ACN and for a period of one year thereafter, directly or indirectly, divert, entice, knowingly call upon, sell or solicit, take away or move any customer of ACN or its partner/carrier/supplier/service provider(s), whether or not the IBO originally procured or brought such customer to ACN's partner/carrier/supplier/service provider(s) (such activities are collectively referred to herein as "solicitation"). All customers solicited by IBOs on behalf of ACN or its partner/carrier/supplier/service provider(s) are deemed to be customers of ACN or its partner/carrier/supplier/service provider(s) and not of its IBOs. IBOs understand that such prohibition of nonsolicitation shall be strictly enforced and that ACN or its partner/carrier/supplier/service provider(s) shall be a third party beneficiary of this prohibition as well as any proprietary and confidential information provided to ACN which in turn is received by the IBO. Further, during the term of the IBO Agreement and for a period of one year thereafter, IBO may not enter into a direct marketing relationship with any partner/carrier/supplier/service provider(s) of ACN. Violation of this covenant and condition will result in forfeiture of all IBO rights, including all current and future commissions, bonuses and payments of any kind.

On a periodic basis, ACN will supply data processing information and reports to the IBO, which will provide information to the IBO concerning the IBO's organization, product purchases and product mix. IBOs agree that such information is proprietary and confidential to ACN and is transmitted to the IBO in confidence. The IBO agrees that he or she will not disclose such information, directly or indirectly, to any third party nor use the information to compete with ACN in any manner. The IBO and ACN agree that, but for this agreement of confidentiality and nondisclosure, ACN would not provide the above confidential information to the IBO.

X. Privacy Policy

A. Personal Information

ACN is committed to protecting the privacy of our IBOs' and customers' personal information. "Personal Information" means any information about an identifiable individual, other than business contact information. We protect personal information by maintaining strict physical, electronic, and procedural safeguards that meet or exceed applicable Federal laws and regulations. The IBO acknowledges that ACN may share his/her contact information, including primarily email address, phone number, and physical address, with other IBOs in his/her upline. One of the key purposes of any such sharing is to improve the effectiveness of the contact management tool available through YBA. Unauthorized access to or disclosure of personal information, including account information, or personal identification number, is a violation of ACN's Privacy Policy, and is strictly prohibited.

(a) The IBO acknowledges that, in the course of the performance of this Agreement, (s)he will be provided with and have access to Personal Information and that such Personal Information is confidential. The IBO agrees that such Personal Information will be collected, used and disclosed only for the purposes for which it was collected and only in relation to the provision of ACN's services or products or this Agreement, that (s)he will safeguard such Personal Information by appropriate organizational, physical and technological means ("Safeguard Obligations") and not, other than as required in relation to the provision of ACN's services or products, disclose, transfer, sell, assign, publish or otherwise

make available any Personal Information for his/her own use or the use of any other person or entity except where disclosure may be required to comply with a subpoena, warrant, or court order, or if requested by a government institution which has the lawful authority to obtain the Personal Information, or if otherwise required by law;

commitment to you.

(b) Upon reasonable request, the IBO shall provide ACN access to, and the right to inspect, any or all Personal Information collected, used or disclosed by the IBO during the course of the Agreement;

(c) The IBO shall, at the prior written request of ACN, promptly return any Personal Information and all copies thereof in any form whatsoever under the power or control of the IBO to ACN, and delete the Personal Information from all retrieval systems and databases or destroy same as directed by ACN and furnish to ACN a certificate by an officer of the IBO of such deletion or destruction;

(d) The IBO agrees to co-operate with ACN in any regulatory investigation or in any internal investigation regarding any alleged privacy breach or complaint.

(e) In order to ensure the special integrity of IBOs' personal information, and to protect IBOs positions from unauthorized access, ACN asks that all IBOs adhere to the following procedures:

- Only new IBOs shall complete and sign an IBO Agreement, or complete the IBO sign-up process on the ACN website at acninc.com.
- Only new IBOs shall complete the online IBO Agreement.
- A IBO's upline or sponsor should not complete any agreement on behalf of the IBO, or obtain account information, including position numbers and passwords.
- IBO account information and passwords should not be accessed by, or provided to anyone but the IBO whose name appears on the IBO Agreement.

B. Indemnification

The IBO agrees to defend, indemnify and hold ACN harmless from any claims and actions against ACN relating to the IBO's violation of any state or federal privacy acts relating to the collection, use or disclosure of Personal Information. The IBO also agrees to defend, indemnify and hold ACN harmless from any claims and actions against ACN relating to any marketing or promotions developed for ACN by the IBO, when the IBO was indemnified by a third party which did not also indemnify ACN.

C. Termination

In the event of a material breach by either party of any applicable privacy laws or provisions in this Agreement relating to such laws, the non-breaching party may terminate the Agreement, by written notice to the breaching party, 30 days after first delivering notice of such breach and the failure to cure such breach within the 30 days.

Amendments

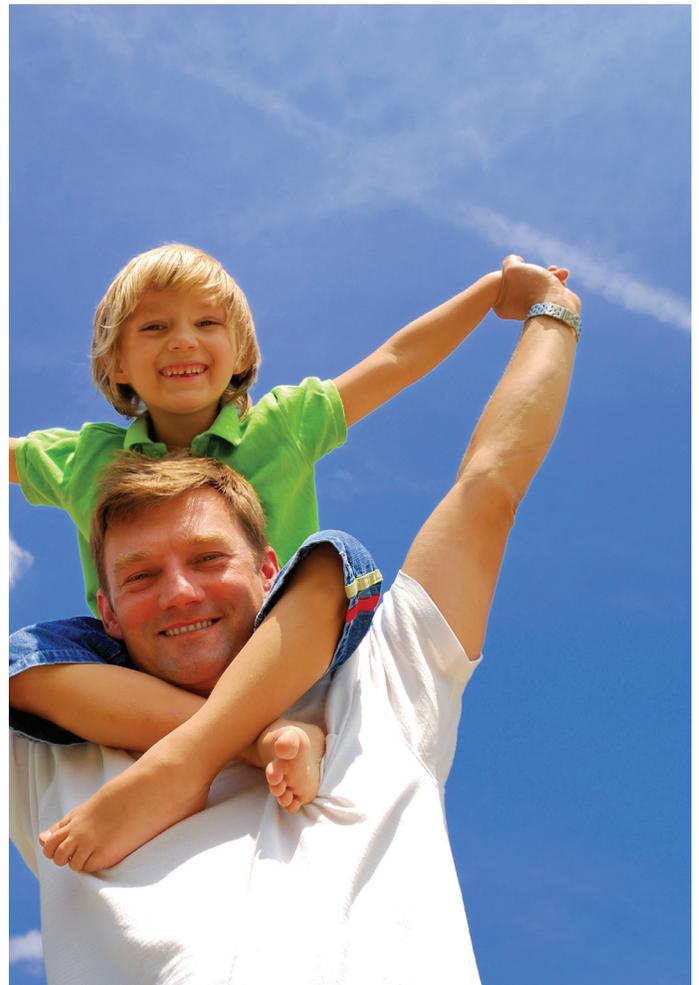
In order to sustain a viable marketing company, ACN specifically reserves the right to make any amendments or adjustments it deems necessary with respect to products and services offered, its Policies and Procedures, the marketing and Compensation Plan and/or pricing. Upon notification through ACN's website, any such changes are incorporated as part of this agreement between ACN and its IBOs.

Summary

We are offering a program that will prove to be financially beneficial for those with the motivation to achieve. It offers the freedom to design personal goals, an opportunity to develop long-term stability, and a relationship of respect with our company. The relationship between ACN and its IBOs is that of a team, based on mutual trust, respect and integrity. By assisting our IBOs in achieving their goals and dreams, ACN strives to demonstrate the true meaning of a team. This is our



Appendix 1 - Marketing & Advertising Policy



I. General Marketing and Advertising Policy

ACN has developed a success system based on solid experience and knowledge. As such, we have created marketing materials, business tools and activities to fully support this model. No other marketing materials or activities are necessary to become successful as an ACN IBO. Therefore, ACN strongly discourages our IBOs from creating and/or distributing any marketing materials. Marketing materials for the purpose of this policy is not limited to printed material, but also includes website and online content, appearances and media representation.

IBOs must obtain prior written approval from ACN for any materials created for their ACN business. IBOs must complete the Request Form available on MyACN for IBOs and send it attention to ACN Supplemental Advertising via one of the methods available on the request form. Any written approval given by ACN will only be for the material submitted and reviewed. Any additional material will need to be re-submitted for approval. All changes to personal marketing material requested by ACN must be made. If not, the IBO will be found to be non-compliant with ACN's Policies and Procedures, and further action will be taken up to and including deactivation.

All approval for IBO marketing and advertising remains at the sole discretion of ACN.

II. Use of ACN's Identity

In addition to our IBOs and employees, ACN's identity is one of its most valuable assets and, therefore, must be protected at all times in order to maintain its integrity for all. As such, ACN IBOs are strictly prohibited from representing themselves as having any other affiliation with ACN other than as an "ACN IBO" at any time or in any manner.

Also, IBOs are strictly prohibited from using ACN logos, names, trademarks, or other proprietary information belonging to ACN or its wholly owned subsidiaries, unless approved in writing by ACN. This includes, but is not limited to, website URLs, online content, marketing materials, photography, signage, etc. Only ACN and its wholly owned subsidiaries are authorized to use such logos, names, trademarks and other proprietary information. The production of any material containing logos, names, trademarks and other proprietary information of ACN is strictly prohibited without prior written authorization.

III. Cold Marketing in Customer Acquisition and Recruiting

ACN is a network marketing company that is focused solely on relationship, or "warm marketing" techniques. ACN strictly prohibits IBOs from engaging in any "cold marketing" techniques for purposes of customer acquisition at any time. Cold marketing is defined as any promotional activity that is geared toward random individuals who have no personal, business, social or acquaintance relationship(s) with the promoter. Examples of cold marketing include, but are not limited to, mass advertising, purchased leads, trade show participation, door-to-door selling, telemarketing, pamphlet distribution, etc. ACN also strictly prohibits the purchase or sale of customers at any time.

Furthermore, ACN allows, yet highly discourages cold marketing techniques for purposes of recruiting other IBOs, as these can be costly, ineffective, and highly distracting to an IBO's network marketing efforts. The use of telemarketing and "speed dial" (random or auto dialing) for recruiting purposes is strictly prohibited.

If an ACN IBO disregards ACN's recommendation and uses cold marketing techniques in recruiting efforts only, then that IBO is responsible for adhering to any applicable laws, limitations or regulations that govern such techniques, including the accuracy of all information presented. In addition, any materials, scripts, advertisements, literature, videos, audios, etc., used in conjunction with a cold marketing effort must strictly adhere to ACN's complete policy "Development

and Use of Independent Marketing Materials".

ACN strictly prohibits the use of creating materials to be distributed to their cold market for the purpose of customer acquisition. IBOs are not permitted to utilize cold marketing for the purpose of customer acquisition. If a IBO wishes to create material to be distributed via one of the cold marketing techniques listed above, they are required to lead with the Business Opportunity, and once contacted for information, may discuss more specifically the products and services; however the marketing or advertising material may not lead with customer acquisition.

IV. Unauthorized Contact

Under no circumstances, is an IBO permitted to directly contact any partner/carrier/supplier/service provider(s) with whom ACN contracts, unless it is in specific relation to a personal account they may currently have with said provider.

Therefore it is strictly prohibited to recruit employees from a Wireless, Satellite TV, Home Security, Energy or WiMAX partner.

V. Unauthorized Conduct and Behavior

IBOs are not permitted to contact ACN partner/carrier/supplier/service provider(s) directly for information, questions or advertising material. Everything a IBO needs can be found on MyACN for IBOs.

IBOs cannot approach Wireless, Satellite TV, Home Security, Energy or WiMAX partner/carrier/supplier/service provider(s) regarding the ACN Opportunity in an effort to recruit them as IBOs.

IBOs cannot use any partner/carrier/supplier/service provider(s) name or logo on personal websites, including references to a provider's phone number.

Slamming is defined as any practice that changes a customer's telecommunications service without the customer's knowledge or consent.

The Federal Communications Commission (FCC), Federal Trade Commission (FTC), State Attorneys General and other governing regulatory agencies have rules that strictly prohibit slamming. Slamming rules are enforced through a variety of methods, including fines and revocation of the offending company's authority to provide service.

ACN HAS ADOPTED A ZERO TOLERANCE POLICY TOWARD SLAMMING.

Please refer to Section B of ACN's full Policies and Procedures document for complete details on Slamming.

In addition, IBOs are prohibited from completing an order— either through completing a paper LOA, or online through the ACN customer portal, on behalf of their customers. All customer orders must be completed by the customers. The IBO may be present to guide the customer through the order process, but must not complete any order information for the customer.

VI. Development and Use of Independent Marketing Materials

Marketing materials are defined as any printed, broadcast or online communications including, but not limited to, advertisements, brochures, videotapes, audiotapes, flyers, banners, flags, websites, telephone recordings, emails, presentation materials, apparel, building signage, etc.

ACN strictly prohibits IBO-created marketing materials that 1) do not adhere to ACN's policy on use of logos, names, trademarks, and proprietary information, 2) make any specific references to ACN's products, plans, rates or any component of the Compensation Plan, 3) make any claims or guarantees related to savings, rates or pricing, either expressed or implied, 4) make any earnings claims or provide any hypothetical earnings calculations, either expressed or implied, or 5) represent ACN as an employment opportunity, either expressed or

implied unless approved in writing by ACN.

ACN will allow the distribution of IBO-created marketing materials, that promote a presentation meeting, event or piquing interest conversation for purposes of recruiting only, provided that said materials: 1) are not sold, 2) only promote a presentation meeting, event or piquing interest conversation, 3) adhere to ACN's policy on use of logos, names, trademarks and proprietary information, 4) do not make any specific references to ACN's products, plans, rates or any component of the Compensation Plan, 5) do not make any claims or guarantees related to savings, rates or pricing, either expressed or implied, 6) do not make any earnings claims or provide any hypothetical earnings calculations, either expressed or implied and 7) do not represent ACN as an employment opportunity, either expressed or implied.

A. Personal Websites, Blogs, Web Pages and Social Networking Sites

ACN understands the increased use of online material, and that many IBOs may wish to utilize these methods in running their ACN business.

There are extremely strict rules and regulations that these online websites and web pages must adhere to.

Please refer to section IX of this document for complete details.

B. Business Cards

ACN IBOs are able to order business cards through the Tools section of MyACN for IBOs. Only business cards ordered through ACN are authorized to include the logo, and other proprietary information belonging to ACN as they are produced by an approved third party vendor.

If an IBO wishes to create their own business cards they are not permitted to use any logos, names, trademarks and other proprietary information pertaining to ACN. They may however, refer to themselves as an "ACN IBO".

C. Earnings/Income Claims and Savings, or Rate Guarantees

ACN, including its wholly owned subsidiaries, strictly prohibits ACN IBOs from making any claims or guarantees related to earnings/income, whether expressed or implied. This limitation extends to both written and verbal communications. Only company prepared and approved hypothetical earnings calculations are permitted to be used, and they may only be used for purposes of describing the Compensation Plan.

ACN IBOs may not make any references to specific or numerical saving guarantees, whether expressed or implied, with respect to ACN's services, including long distance. For example, it is a policy violation to use verbiage such as "ACN can save you up to 30% on your long distance bills." An example of acceptable verbiage is "Most customers of the major long distance carriers will save on their monthly bills with ACN Long Distance service." This limitation extends to both written and verbal communications.

D. Use of Partner Information

ACN's success relies heavily on its relationship with its partners/carriers and providers to provide our customers with great savings and value. As such, ACN only has permission to use carrier and provider proprietary information such as logos, names and trademarks on ACN created print and web material. IBOs are not permitted to use carrier and provider names and/or logos on any marketing or advertising material that they create. However, IBOs are able to use wording to the effect of "top Wireless carriers" or "leading providers nationwide."

E. Representation of Donald J. Trump in Marketing and Advertising

ACN had a respected business relationship with Donald Trump. His business acumen was admired by our tens of thousands of IBOs worldwide, as was evidenced every time he took the stage to speak at one of

our International Training Events. After Mr. Trump made the decision to pursue presidential candidacy, it became clear this would require 100% of his commitment, and he would no longer be able to speak on behalf of ACN. Therefore, ACN came to a mutual agreement with Mr. Trump that our business relationship would need to come to an end.

Based on this change in our relationship, IBOs should not reference Mr. Trump's name when speaking about ACN. Additionally, IBOs should immediately discontinue use of any photos taken with Mr. Trump at an ACN event, including but not limited to those posted on social media and websites.

Again, Mr. Trump had a business relationship with ACN, and as is the case with any vendor, company or individual we may have a business relationship with, their views are not necessarily reflective of ACN's views or those of its Co-Founders.

F. Cash or Monetary Incentives

ACN, including its wholly owned subsidiaries, strictly prohibits ACN IBOs from offering cash or monetary incentives, promotions, prizes or bonuses to members of their downline or upline organizational members, or customers as a method of influencing customer acquisition.

To eliminate cross-line recruiting practices, ACN strictly prohibits the use of cash or monetary incentives/promotions/prizes/bonuses for purposes of recruiting new IBOs.

ACN encourages its IBOs to promote customer acquisition and recruiting by adhering to ACN's specific sales model.

G. Fundraising

ACN strongly discourages marketing the ACN opportunity to non-profit organizations as a method of fundraising as these programs seldom work well within ACN's proven sales model. However, if introducing the ACN opportunity to a non-profit organization, IBOs are responsible for advising the organization to discuss the tax implications of this type of business with a professional tax advisor. The non-profit organization must be made aware that laws vary and that some state attorneys general have guidelines that must be complied with. In addition, all state and federal non-profit fund raising laws must be complied with.

H. Recorded Messages

ACN IBOs may not have a voicemail message or answer his or her telephone in a manner that would lead the caller to believe that they have reached any official or corporate office of ACN. When using the ACN name, IBOs must say "ACN IBO"

I. Promotion of other Businesses or Programs

ACN strictly prohibits the co-marketing of any other business, product, service, seminar or program in conjunction with the ACN opportunity. This limitation applies to all promotional activities including, but not limited to, marketing materials, events, presentations, verbal solicitations, etc. In addition, ACN strongly discourages the practice of using non-ACN speakers at any ACN-related event.

VII. Media Enquiries and Personal Appearances

On occasion, ACN IBOs may be contacted by members of the media as a source or subject for a story. If this occurs IBOs must immediately refer such inquiries directly to ACN's Marketing Department.

IBOs are strictly prohibited from representing ACN in any public media arena, and from using uncompensated media forms including, but not limited to, news releases, articles, editorials, unpaid advertising, infomercials/advertorials, and television, cable or radio program appearances to promote or publicize ACN or its products, except as approved in writing by ACN.

Such requests must be submitted in writing to ACN's Marketing Department at least 30 days in advance of the media activity. This policy is necessary to ensure an accurate, legal and consistent public image for ACN and its IBOs.

IBOs can go online to acnpreskit.com for the latest media information released by ACN, or for more information.

All media representations and/or appearances remain at the sole discretion of ACN at all times.

VIII. Events

ACN supports the practice of Regional Training Events, "Super Saturdays," Business Opportunity Meetings and Private Business Receptions, as they are valuable educational tools when held properly with both professionalism and integrity. The true intent of such events is to provide further education on the ACN Opportunity and how to be successful within this business.

Under no circumstances are Regional events or any other type of meeting/training session intended to provide any additional income stream to those who are sponsoring the events, and must be offered as non-profit activities at all times. Under no circumstances are guests to be charged any form of admission to an event being hosted by an IBO.

All Regionals and "Super Saturdays" should be submitted to ACN for approval in conjunction with the current terms of hosting Regionals/"Super Saturdays". Regionals/Super Saturdays that do not receive prior approval will be considered operating outside of ACN's training philosophy and will not be promoted or endorsed by the company in any manner.

Attendance at ACN events is not a requirement for being an , nor a prerequisite for success in this business.

IX. Internet Marketing and Advertising

ACN maintains a variety of official company websites and also offers all IBOs the option to sign up for their own personal Distributor Website to help promote their business. ACN strongly believes that it provides its IBOs with all the online tools in order for them to run a successful business, and therefore discourages the creation of any online marketing or advertising outside of what ACN already provides.

A. Personal ACN Distributor Websites

ACN offers its IBOs with a monthly subscription to their personal Distributor website that is created, managed and updated by ACN and is the most effective, easiest way to establish an online business presence. These websites contain ACN videos, presentations and other authorized content. IBOs can choose from eight designs that can be personalized with your contact information, biography and up to two photographs.

With this program, IBOs can sell ACN products and services, as well promote and sponsor new IBOs to the ACN Opportunity. Each Distributor web site is linked directly to the representatives Team ID number. IBOs are encouraged to use this website in conjunction with their ACN business activities.

B. Other Personal Websites, Blogs, web pages and Social Networking Sites

If an IBO chooses to create any personal websites, web pages, blogs and/or social networking sites (MySpace, Youtube, Facebook , Twitter etc.) the following conditions are mandatory.

- Content must not include any of ACN's proprietary information, such as logos, name, trademarks, etc.
- Under no circumstances is ACN video material or online presentations to be made available on any websites other than

those created or authorized by ACN. IBOs however may link to ACN's company websites or their ACN Distributor Website to view these videos and presentations.

- The words "ACN IBO" must be on the home page, along with the IBO's name.
- No online material should give the impression of representing ACN the company, rather than an ACN IBO. This includes using ACN or ACN Inc. as the title for any page within the Web site, especially the Home Page.
- IBO online material must not contain any product information, and may only include information and wording regarding the business opportunity.
- Except for the link to ACN's company websites or to your personal ACN Distributor Website, Independent Consultant Web sites may not have external links.
- Selling ACN products online outside of myacn.com or myacncanada.ca is strictly prohibited.
- Copy downloaded from ACN company websites or taken from printed ACN literature must be used exactly as printed or written. Changing a word or two may change the real meaning or definition.
- Once your site is completed, send a test link or screen shots along with your Request Form for review and approval.
- There are no guarantees regarding income, and the success or failure of each IBO depends upon each IBO's own skills and personal effort. Web sites should not present false or misleading information about ACN or the ACN Opportunity.
- Independent Consultants may not violate or infringe on the rights of others, including privacy, publicity and proprietary rights.
- It is the sole responsibility of each ACN IBO to ensure that its online material fully complies with the guidelines in the Policies and Procedures, as well as with all applicable federal and state rules and regulations. IBOs are also responsible for ensuring that their downline comply with these policies.
- All content (including graphics) must be submitted to ACN and receive written approval prior to launching the content on the Internet.

C. Website Domain Names and URLs

Website URLs obtained by an ACN IBO cannot contain references to ACN, its affiliates or trademarked products, other than a IBO's personal ACN Distributor Website. If a website contains such references, the ACN IBO will be required to release the URL to ACN.

The ACN name is a registered trademark, and only ACN is authorized to produce and market online material under this trademark.

D. Spamming

ACN does not permit IBOs to send unsolicited e-mails. Any e-mail sent by a IBO that promotes ACN, the ACN Opportunity, or ACN products and services must comply with the following:

- There must be a functioning return e-mail address to the sender that includes a request that future e-mail solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by e-mail or regular mail, must be honored.

- All emails sent that promote ACN, its Opportunity or products, must adhere to all the other marketing and advertising guidelines in this policy.

X. Wellness and Personal Care Product Marketing Requirements

Your Product marketing practices must comply with ACN's IBO Policies and Procedures, and must be consistent with the requirements regarding marketing of services under the IBO Policies and Procedures. Not in limitation of these requirements, you should be aware that Product marketing is subject to more specific marketing restrictions intended to comply with applicable law and regulations.

A. Making of Claims

The word "claim" is intentionally broad and means any message or representation, including verbal, pictorial, graphic, or symbolic representations that state or suggest that a food has particular characteristics. For example, "Nutrition claims" relates to the beneficial energy properties or nutrients contained in a product. For example, a statement that a product is "low in calories" is a nutritional claim. "Health Claims" refer to the relationship between a food or food category and human health. For example, the statement that a product "contains calcium and vitamin D to support normal bone" is a health claim.

When referencing, discussing, or presenting ACN's wellness or personal care products, whether orally or in writing, you must use only ACN Company-produced marketing materials and the claims contained in ACN Company-produced materials. Specifically, you must not:

- make any oral or written claims about Products except those contained in materials produced by any ACN Company, including ACN Company Websites, product labels, Product Information Pages, or any other official ACN Company materials;
- make any oral or written medical, therapeutic, or curative claims about Products. Specifically, you must never state or imply that Products treat or cure diseases or other medical conditions or are intended for such purposes. If a customer is under a physician's care, you are advised to recommend the customer to consult with a physician before undertaking any changes in diet. Any person with heart, liver or kidney disorders, or who is under current medical treatment should always be urged to seek the advice of a physician before changing their diet;
- promise any particular results from the use of Products;
- misrepresent or exaggerate the price, quality, performance, or availability of Products;
- state or imply that any Product is registered or approved by national health, food or other agencies or authorities when presenting Products;
- use the name of any government agency or authority when presenting Products.

B. Prohibited Statements

The following statements may never be used in reference to Products:

- statements that assert or imply that any Product has been reviewed or approved by the FDA or another governmental authority. You may state that ACN's wellness Products are formulated in accordance with FDA rules.
- statements that suggest that health could be affected by not consuming Products;
- statements that state or imply that a specific rate or amount of weight loss is achievable by using Products. For example, the use of statements like "Lose 5 pounds using the Shake-It! system" is

prohibited;

- statements that make reference to recommendations of individual doctors or health professionals.

C. Required Statements for ACN Wellness and Personal Care Products

ACN Company-produced marketing materials for ACN's wellness Products contain all required legal and regulatory language. In addition, all ACN marketing materials must be accompanied by the following statements.

Required Statement for All Wellness Products:

- "This product is not intended to diagnose, treat, cure or prevent any disease."

Required Statements for Food Supplements (including Go!, Sync!, Shake-It!, Momentum and Vita+)

- "Food supplements are not substitutes for a varied diet and should be combined with a balanced diet and a healthy lifestyle."

Required Statements for Go!, Sync!, Momentum and Shake-It!

- For All: "[Go!/Sync!/Momentum/Shake-It!] are intended to be used together as part of the Anume Nutritional Program."
- For All: "The Anume Nutritional Program is not intended to replace your entire diet. Other foods are a necessary part of your daily diet. You should always maintain an adequate daily fluid intake. It is important to follow a varied and balanced diet and a healthy lifestyle. Individual results will vary."
- For Go! only: "Contains caffeine (40 mg per serving). Not recommended for children or pregnant women or for people sensitive to caffeine."
- For Shake-It! only: Materials referring to Shake-It, must refer to the product as a "meal replacement" or "meal replacement shake."
- For Momentum only: Contains caffeine (30 mg per serving). Not recommended for children or pregnant women or for people sensitive to caffeine.

Required Statements for Aluminé Personal Care Products

- For All: "Results may vary from person to person, are not guaranteed and they depend on the physical characteristics of each individual, and the frequency and proper use of the products."



Appendix 2 - Wellness & Personal Care Product Policy



APPENDIX 2 – Wellness & Personal Care Product Policy

This Wellness and Personal Care Product Policy applies to Puerto Rico Independent Business Owners (“IBO”) purchasing wellness and personal care products (the “Products”) for the purpose of resale to consumer customers or if IBOs otherwise engage in the resale of Product. The terms and conditions which govern the purchase of Product are contained in the “ACN Puerto Rico Customer Product Terms and Conditions of Purchase.”

I. Product Purchases.

An IBO may purchase Product from ACN through their IBO Personal Storefront, through the corporate ACN shopping website, or in person at ACN’s store.

II. Product Inventory.

You are not required to carry Product inventory as an IBO. If you do carry Product inventory, please be aware that ACN strictly prohibits inventory loading, i.e., the practice of loading up on inventory that you are unable or unlikely to be able to sell or use within a reasonable time period. For this reason, you must ensure that the Product you purchase and carry as inventory is no more in quantity than what is needed to meet reasonably expected demand from your personal customers prior to Product expiration. By placing a Product order with ACN, you certify to ACN that you have resold or consumed at least 70% of the Product you have previously purchased either as an IBO or a consumer customer.

III. IBO Product Return Policy.

Upon cancellation of your IBO Agreement, you may return to ACN any Products in your possession purchased by you directly from ACN within the past 12 months for a refund of one hundred percent (100%) of the purchase price (less any charges you may incur if you choose to ship the Products back to ACN instead of returning the Products in person at the ACN store), provided that the products returned are in resalable condition. “Resalable” condition is defined as the same unopened, unused condition the product was in when purchased by you. The Products must also not have passed their expiration date.

To return Product in connection with cancellation of your IBO Agreement, you may visit the ACN store where you picked up or purchased your products during operating hours.

IV. Product Sales.

IBOs may not offer, sell, or distribute the Products outside of Puerto Rico. As an IBO, you may sell Products to your personal customers directly, or you may elect to have your personal customers purchase Products directly from ACN. Orders for Product purchases from ACN made through an IBO Personal Storefront will be attributed to the IBO Number associated with such website. Orders placed through the corporate ACN-related shopping website, or in person at an ACN store will be attributed to the IBO Number provided by the customer at the time of order placement. As an IBO, it is your responsibility to confirm that orders placed by your customers with ACN have been processed, paid for, and correctly attributed to your IBO Number. Any order for which full payment has not been received when due may be canceled by ACN. Sales will not be considered complete for purposes of the ACN Compensation Plan until payment in full is received by ACN, and ACN reserves the right to deduct as negative sales any sales that later result in charge backs, returns, refunds, penalties, or fees. As an IBO, you may not purchase from or sell ACN Products to other ACN IBOs for purposes of resale.

As an IBO, you must keep accurate records of the disposition of all of your Product purchases, including copies of invoices and the details of all sales of Products made by you directly to your personal customers (including customer name, customer address, Product purchased, price, and date of sale). You must retain such records for a period of two years

and provide the records to ACN promptly upon request. As an IBO, you are prohibited from selling Products to non-IBO wholesalers or others who intend to resell the Products. ACN reserves the right to require an IBO to provide satisfactory proof of sales to demonstrate that the IBO has not purchased products in unreasonable amounts or solely for the purpose of qualifying for commissions, bonuses, or advancement in the ACN Compensation Plan.

IBOs must comply with all applicable laws and ACN policies related to IBOs’ sale of Products. As an IBO, you must provide the following documents and information to the customer at the time of the customer’s purchase from you of any Product: the Product Order Summary, which includes a written copy of the applicable terms and conditions of sale, descriptions and prices of Products sold during the transaction and the Notice of Cancellation Form.

You, the IBO, may not repackage, re-label, or otherwise alter or tamper with any Products intended for distribution, and you shall not distribute any Products that have been opened, tampered with, altered, or damaged in any way. IBOs shall properly store any Products intended for distribution, and shall not distribute any Product after the product’s printed expiration date. IBOs must provide complete and accurate information to the customer about Products purchased by customer. ACN will provide a recommended retail price for all Products in the IBO Back Office; however, as an IBO, you are permitted to set your own retail prices and may keep any profit earned by you from your direct sale of Products to the customer. You may recover the sales tax you paid during your initial purchase of the Products from ACN when a customer purchases such Products directly from you.

V. Customer Cancellation Period.

A customer may cancel a transaction, without any penalty or obligation, within three (3) business days from the date of purchase. If the customer cancels a transaction, you as the IBO shall return any payments made by the customer as part of the sale within ten (10) business days following your receipt of the Notice of Cancellation. If a customer cancels a transaction, she must make available to you at the customer’s residence, any Products delivered to the customer as part of the sale, in substantially as good condition as when received. If the customer makes the Products available to you and you do not pick them up within 20 days of the date of the Notice of Cancellation included in the Product Order Summary, the customer may retain or dispose of the Products without any further obligation. If the customer fails to make the Products available to you, or if the customer agrees to return the Products to you and fails to do so, then the customer remains liable for the Product. To cancel a transaction, a customer must mail or deliver a signed and dated copy of the Notice of Cancellation, or any other written notice, to you as the IBO at the address on the front of the Product Order Summary NOT LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY.

As an IBO, you must specifically advise the customer of her right to revoke her Product purchase and to return the Product for a full refund in accordance with applicable law and the product return requirements below under “Product Returns By Your Customers.”

VI. Product Returns By Your Customers.

As an IBO, you must accept returns of resalable Product from personal customers to whom you directly sold the Product for a period of no less than thirty (30) days from the date of sale. “Resalable” condition is defined as the same unopened, unused condition as the product was in when purchased by the customer. The customer may return the resalable product to you within thirty days (30) from the date of purchase for a full refund, exchange, or replacement (at the customer’s option). You must also accept returns of Product sold by you that a personal

customer claims are defective for a period of no less than thirty (30) days from the date of sale and offer a complete refund. You must accept returns of defective Product regardless of condition. You may return Products to ACN that a customer returns to you for replacement with like Product by returning the Product in person to ACN's store within five days of receipt of the returned Product from the customer.

If ACN receives a request for a Product return from a consumer customer that purchased the Product directly from you, ACN will direct the consumer to return the Product to you; provided, however, that if ACN elects in the exercise of its sole discretion to accept such a return, ACN shall be entitled to reimbursement from you of all of the costs associated with any such return and may deduct such costs from any amounts otherwise owing to you by any ACN Company.



ACN is a proud member, active participant, and Board Member in the Direct Selling Association with a company-wide Commitment to Integrity. Review the Direct Selling Association's Code of Ethics [here](#).